

COMMITTEE ON ENERGY AND COMMERCE

HOUSE PERMANENT SELECT
COMMITTEE ON INTELLIGENCE

CHIEF DEPUTY WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-1309

July 23, 2014

5533 N. BROADWAY, SUITE 2
CHICAGO, IL 60640
Telephone: 773-506-7100
Fax: 773-506-9202

1852 JOHNS DRIVE
GLENVIEW, IL 60025
Telephone: 847-328-3409
Fax: 847-328-3425

Mr. Gregory D. Wasson
President and Chief Executive Officer
108 Wilmot Road
Deerfield, IL 60015

Dear Mr. Wasson:

Recent reports indicate that Walgreens will shortly decide whether to buy the remaining stake in Swiss-based Alliance Boots in order to move its corporate headquarters to Switzerland, allowing it to avoid U.S. taxes while maintaining the majority of its operations in the United States. I strongly urge Walgreens to reconsider that plan.

Walgreens got its start in Illinois, and it has been in the state since Charles Walgreen opened his first store on the South Side in 1901. Today, with its suburban Chicago headquarters, it remains one of the most important employers in the state. As the largest pharmacy retailer in the country, Walgreens collects the majority of its \$72 billion in annual sales right here in the United States. Illinois – and American – families rely on Walgreens as a name they can trust – one that provides high-quality goods and services just around the corner.

According to reports, Walgreens could dodge almost \$4 billion in taxes over the next 5 years if it moves its corporate headquarters. I understand that taking that step might appeal to many of your shareholders, but it would undermine your reputation as being a community-minded corporation and a good local neighbor.

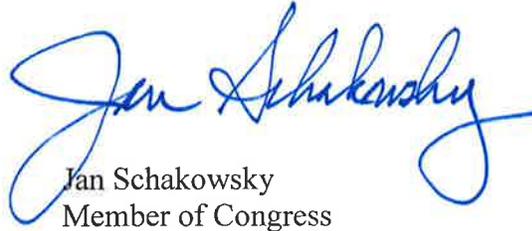
Walgreens has been the beneficiary of many federal programs, and nearly all of your \$2.5 billion in profits earned last year were from sales to U.S. taxpaying customers. Federal dollars – especially those that support Medicare, Medicaid, and the Affordable Care Act – have accounted for at least a quarter of your profits. U.S.-taxpayer provided roads and other infrastructure enable your company to stock its stores and deliver its products. Six of your seven most-senior executives went to college or graduate school in this country, with most attending public universities for at least part of their education. Everywhere you look, the success of Walgreens is tied to the opportunities it has been afforded by this country. To benefit from those resources and then refuse to pay your fair share of the taxes needed to fund them is inexcusable.

But beyond its obligation to the United States, Walgreen's should not invert because doing so would hurt its business. Even if you take the drastic step of moving your corporate headquarters overseas to avoid U.S. taxation, Walgreens would still be dependent upon its American business operations for much of its revenue. I doubt that customers will feel the same loyalty to a company that seeks to use a currently-available tax loophole to evade its corporate responsibilities to them and to our nation. I know I certainly will not.

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I strongly urge you and the Board of Directors to end any consideration of domiciling overseas to avoid U.S. taxes. At the end of the day, I believe that staying in the United States – and in Illinois – is in the best long-term interests of this country, your customers, and your company.

Sincerely,



Jan Schakowsky
Member of Congress

Cc: Board of Directors
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