

**Office of the Attorney General
Mission Statement**

The Attorney General's Office prosecutes crimes and enforces civil rights, consumer and environmental laws. The Office represents the State's interests in legal proceedings in all courts and before administrative tribunals. The Office advises state officials and seeks to protect the health and safety of all Vermonters.

Fiscal 2014 Appropriation

The Fiscal 2014 Budget Request funding levels will sustain the core mission and activities of the Attorney General's Office.

The budget continues the Fiscal 2013 special fund (fees and recoveries) replacement of general funds of \$725,000.

The Fiscal 2013 Budget Adjustment Request and Fiscal 2014 Budget Request include an increase in general fund of \$90,000 to replace the loss of grant funding previously awarded to the Attorney General's Office through the Department of Public Safety. This grant funded 50% of 2 FTE Vermont Drug Task Force Prosecutors. The elimination of these positions due to loss of funding would cause a significant reduction in the investigation and prosecution of serious drug crimes.

The Fiscal 2014 Budget Request includes an increase in general fund of \$89,600 to replace the loss of grant funding through the Vermont Center for Crime Victims Services. This grant funded 1 FTE Domestic Violence Prosecutor. The elimination of this position due to loss of funding would cause a significant reduction in the prosecution of violent crimes. Additionally, the Fiscal 2014 Budget Request includes an increase in general fund of \$52,000 to replace interdepartmental funds previously received for VOSHA work. The attorney services previously committed to this work are now committed to FEMA work.

Because of budget pressures, vacancy and turnover savings previously budgeted at \$184,278 has been increased to \$228,847.

Civil Division

The Civil Division represents the State of Vermont and its agencies, officers and employees who are named in civil lawsuits brought in state and federal courts, including personal injury, wrongful death, employment, and civil rights actions. It also defends legislative acts and administrative rules that are challenged on constitutional or other grounds. In addition, the Division may bring affirmative claims on behalf of the state, for example, to recover money claims for the State. It enforces Vermont's campaign finance laws; at times bringing actions in state court, and performs investigations of complaints made regarding violations of such laws. The Division also litigates civil appeals before appellate tribunals such as the Vermont Supreme Court, the United States Courts of Appeals, and the United States Supreme Court.

Criminal Division

The Criminal Division is a statewide prosecutorial agency. The Division focuses on crimes of violence including homicide, child abuse and sexual assault, computer crimes, public corruption and drug trafficking. The Criminal Division reviews all incidents involving the use of deadly force by Vermont police officers. The Division works closely with county, state and federal law enforcement and provides support to county prosecutors. The Division works with the Legislature on a wide range of criminal justice issues and is an active participant on a number of committees and working groups that shape criminal justice policy. The Division also works closely with the Internet Crimes Against Children (ICAC) Task Force. As a result of an appropriation in the 2011-2012 Legislative session, an investigator position was created in the AGO that is dedicated to cases involving the downloading, possession and sharing of child pornography and related crimes.

A specialized *Drug Unit* within the Criminal Division provides prosecutorial support to the Vermont Drug Task Force. The Drug Unit has been in place for over twenty years and was federally funded through the federal JAG and BYRNE grants. Because of federal funding cuts, FY 2013 will mark the first year that this Unit must rely solely on state funds. In view of the surge in drug related crimes that Vermont is experiencing, the AGO remains committed to the Drug Task Force, however, the lack of federal funding creates an ongoing challenge.

Another specialized unit, the *Medicaid Fraud and Residential Abuse Unit*, investigates and prosecutes Medicaid provider fraud and violations of Vermont's Medicaid fraud laws. This Unit participates in civil actions, both locally and nationally, to recoup fraud losses for the Medicaid Program. In FY 2012 the Unit recouped \$3.5M in overpayments to the State Medicaid Program. In addition, the Unit investigates and prosecutes complaints of patient abuse, exploitation or neglect in health care facilities that receive Medicaid funds. The Unit is currently prosecuting a homicide case involving an allegation of a nurse injecting a resident with a lethal dose of insulin.

Environmental Protection Division

The Environmental Protection Division litigates environmental cases of statewide importance. The Division files civil and criminal actions (the latter in conjunction with the Criminal Division) to enforce Vermont's environmental laws based on referrals from the Agency of Natural Resources and the Natural Resources Board. The Division also brings civil cases to recover monies expended by the state environmental clean-up funds on contaminated properties. The Division defends the State of Vermont and its agencies when they are sued in state or federal court over environmental matters and handles appeals of decisions from the Superior Courts involving environmental issues. On a national level, the Division participates in a variety of environmental cases and joint initiatives with other states. In addition, the Division provides legal advice and counsel to the Vermont Agency of Natural Resources, the Natural Resources Board and other state agencies on environmental matters.

During the past year, the Division defended the State in federal court against a lawsuit by Entergy to prevent the State from enforcing its laws and regulations regarding operation of the Vermont Yankee nuclear power plant in Vernon after expiration of its current license on March 21, 2012. The district court enjoined all or part of two state statutes. The case is on appeal to the United States Court of Appeals for the Second Circuit with argument expected in early 2013.

In FY 2012, the Division concluded various civil enforcement cases for violations of state environmental laws and regulations, including actions against a salvage yard operator, farm operator, state laboratory and owner of an excavation business. In connection with contaminated properties, the Division pursued various cases recovering monies for the State's environmental clean-up funds. In FY 2012, the Division recovered \$846,858 for the State of Vermont.

In national litigation, the Division, along with other states, successfully challenged the Nuclear Regulatory Commission over its temporary storage rule for spent nuclear fuel, forcing the NRC to fully evaluate the environmental impacts of long-term storage at nuclear power sites. In addition, the Division filed in support of various initiatives related to climate change, including the successful defense of the EPA's standards for greenhouse gas emissions in federal court and the ongoing challenge to California's low carbon fuel standard. The Division also joined in successfully requiring the EPA to adopt national air quality standards for fine particulate matter (soot) by the end of 2012.

General Counsel Division

The General Counsel Division advises and represents Vermont's constitutional officers, the retirement boards, the pension investment committee, the Agency of Agriculture, the Buildings and General Services Department, the Department of Financial Regulation, the Department of Information and Innovation, Liquor Control, and other state agencies. It handles public records and open meetings issues and lawsuits, reviews and negotiates state contracts and handles elections cases. It investigates and prosecutes disciplinary complaints against physicians. It represents the State before the Vermont Labor Relations Board and the Human Rights Commission.

The Division's appellate unit briefs and argues civil appeals in the Vermont Supreme Court and in the federal Appellate Courts including the United States Supreme Court. It assists other staff and other state agencies in complex trials and appeals.

The Division also administers the statewide juvenile and adult court diversion programs.

Public Protection Division

The *Civil Rights Unit* within the Public Protection Division enforces laws that protect victims of hate crimes and protect Vermonters from discrimination and harassment in the workplace. It produces informational materials and sponsors education programs for businesses, workers, and youth entering the work force. In addition, the Unit instructs police officers regarding hate crime investigations. In the past year, the Unit provided this instruction to approximately 50 new officers.

In Federal Fiscal Year 2012, the Unit issued 121 new charges of employment discrimination (a 38% increase over the previous FFY) and investigated a total of 207 charges (a 10% increase over the previous FFY). During that period, the Unit resolved 97 employment discrimination claims and investigated 7 complaints of hate crimes. The unit also responded to 1,246 inquiries about Vermont's civil rights laws, up 13% from the previous FFY. In the past year the Unit continued to work on regional cooperation among New England civil rights agencies and assisted the Equal Employment Opportunities Commission (EEOC) in its nationwide investigation of large employers with a business presence in Vermont. The Unit also hosted an Equal Pay Conference at the University of Vermont on June 27, 2012.

The *Consumer Protection* and *Antitrust Units* investigate and prosecute frauds against consumers and unfair, deceptive and anticompetitive business practices. The units handle a wide variety of matters both in Vermont and nationally, including litigation concerning mortgage foreclosures, deceptive advertising; telecommunications practices; pharmaceuticals; privacy and security breaches; telemarketing and internet fraud; fraud-induced wire transfers; home improvement fraud; toxins in housing or consumer products; tobacco; and antitrust violations. The consumer unit is also responsible for implementation and reporting on disclosures of payments by manufacturers of prescribed products to health care providers, and by paid fundraisers soliciting for charities.

In FY 2012 the Consumer Protection and Antitrust Units obtained judgments of over \$6.4 million in civil penalties and damages for the State of Vermont (more than double the judgments in FY 2011) and recovered over \$3.4 million for consumers (more than three times the recoveries in FY 2011). The Units also completed the last of a series of cases that commenced in 2009 against 11 illegal debt adjusters when a judgment was issued against the 11th entity that was prosecuted. These 11 cases resulted in total recoveries over the last 3 years totaling \$450 thousand for the State and nearly \$1 million for Vermonters.

In response to systemic problems or initiatives undertaken by the Attorney General, the units also recommend or support legislation or promulgate regulations to protect consumers. In FY 2012, staff testified on a number of important issues in the legislature, including collusion, cyber security, unlicensed loan transactions, unsolicited goods or services, gift certificates, and structured settlements, and also promulgated regulations implementing the 2011 propane amendments.

In association with UVM, the Attorney General has operated the *Consumer Assistance Program* (CAP) for 30 years. CAP provides a free mediation service to help resolve consumer complaints and maintains a comprehensive database of the complaints. CAP reviews complaint trends, monitors complaints for possible enforcement action, and provides outreach on consumer fraud prevention. In FY 2013, the Attorney General expanded CAP services, adding a half-time enforcement attorney position and UVM graduate student research staff. The new resources are enabling CAP to provide additional support in complaint and policy analysis as well as to focus on fraud prevention and consumer issues facing Vermont businesses.

Consumer Assistance Program FY 2012

Contacts/Requests for Information	Consumer Complaints Processed	Consumer Complaints Resolved	Consumer Complaint Recovery
8,800	2,677	870	\$390,000

Top Areas of Complaint Reported

1	Banking, Credit and Finance (including debt collection)
2	Fuel (propane and gasoline pricing)
3	Auto (financing and advertising)
4	Scams

The *Tobacco Group* implements and enforces the 1998 Tobacco Master Settlement Agreement (MSA) and Vermont's tobacco statutes, including laws that prohibit the sale of tobacco to minors or over the Internet, smoking in workplaces and public places, and laws that require all cigarettes sold in the state to meet reduced ignition standards. In November 2011, the tobacco companies decided not to contest Vermont's diligent enforcement during 2003, thereby eliminating the risk that Vermont would lose between \$4.7 and \$25 million for that year alone. During FY 2012, we continued preparing for diligent enforcement challenges for 2004 and forward, including promoting legislation enhancing Vermont's ability to diligently enforce its tobacco laws.

Also in March 2010, the court ruled in Vermont's favor on the liability of R. J. Reynolds for false advertising and marketing of "reduced-harm" cigarettes. We are preparing for trial on the State's claims for injunctive relief, civil penalties, and attorney's fees and costs. Trial will likely take place in early 2013.