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OFFICE OF THE ATTORNEY GENERAL
109 STATE STREET
MONTPELIER, VT
05609-1001

April 20, 2017

VIA U.S. Mail and E-Mail

Dan Schwartz and Anne Galloway
VT Digger
97 State Street
Montpelier, VT 05602

Dear Dan and Anne:

I have reviewed the Attorney General's Office's files regarding the Diaz matter and, in light of our recent discussion, provide you with the following information regarding those files. The review below is provided at no cost to you, consistent with our recent discussion. Please be aware, this review has taken me approximately five (5) hours.

If you are interested in items listed below, please let me know and the Attorney General's Office will generate a cost estimate. Further review of records in the categories below will require senior-level staff time charged at \$.57 a minute. Unless otherwise noted below, we expect that review and redaction of information that is, by law, exempt from public disclosure may take approximately two to five minutes per page.

The files at issue contain the following:

1. The Mooney audit, which we have previously produced.
2. As previously communicated, redactions to the Northrup deposition to comply with 1 V.S.A. § 317(c)(7) and other exemptions will take approximately two (2) hours.
3. We have identified reports from the following investigators: VSP Det. R. Gosselin, VSP Det. Kelly Clark, DMV Inv. Pete Bottino, AGO Inv. Tom Howell, VSP Det. Jason Letourneau, Tax Examiner Patti Palmer, and Tax Inv. Frank Chapman that may be responsive to your requests. Despite this being a closed case, the State is obligated to redact these reports consistent with the requirements of 1 V.S.A. §§ 317(c)(5)-(7) (records related to the investigation and detection of crime that contain the identities of

victims and witnesses not previously disclosed, tax information and financial facts regarding a person). The reports contain narratives along with supporting financial analysis. The AGO anticipates that it may take up to six hours to make these redactions.

4. There are approximately 25 pages reflecting wire transfers and wiring instructions pertaining to Ms. Diaz's personal financial accounts regarding the foreign banks you identified. These documents contain names, addresses, dates, banks, account numbers, and amounts. There is an additional summary sheet presumably prepared by an investigator enumerating these transactions with similar data. These documents were not introduced into evidence or filed with the Court. These documents reflect personal financial information, which is exempt from disclosure under 1 V.S.A. § 317(c)(7). In addition, investigator summaries, which were not filed with the court, contain private financial information exempt from disclosure under 1 V.S.A. § 317(c)(7).
5. The file contains several e-mail strings between Ms. Diaz and her ex-husband pertaining to issues involving finances and their children. These e-mails contain significant amounts of personal information exempt under 1 V.S.A. §§ 317(c)(5)(A) and (D) and (c)(7). The file also contains a copy of the couple's divorce order.
6. There are approximately eight sets of tax returns presumably prepared by Randall Northrop, CPA, related to Ms. Diaz. These returns contain cover letters from Mr. Northrop, which could be redacted and produced. Please let me know if you would like these cover letters. However, the underlying tax returns are expressly exempt from production under 1 V.S.A. §§ 317(c)(6) and (7).
7. I was not able to locate records reflecting communications with Bill Davies or the Internal Revenue Service (other than the tax returns previously identified). Nevertheless, we may be able to further the search of electronic records from employees of the criminal division during the 2007-2011 time period. Because many such files belong to former employees, it will be necessary to hire a contractor to perform an electronic records search of their closed accounts. If you would like the AGO to proceed, we can provide an estimate of such costs.
8. The file contains DMV and snowmobile registration records for a number of individuals. Personal information, e.g., home addresses, would need to be redacted from these records pursuant to 1 V.S.A. § 317(c)(7).
9. Town of Coventry check warrant reports. Personal information contained in such records, e.g., home addresses, would need to be redacted from these records pursuant to 1 V.S.A. § 317(c)(7).
10. Bank records from the Vermont Girl Scouts. These would be exempt as financial records pursuant to 1 V.S.A. § 317(c)(7).
11. Town of Coventry and Coventry School District bank records. These include copies of checks issues by the municipal entities along with checks received by the town from

taxpayers or other individuals. Checks received by the town from taxpayers or other individuals would be potentially exempt as personal financial information, and otherwise would need to be redacted pursuant to 1 V.S.A. § 317(c)(7).

12. Diaz bank records from the Chittenden and Community National Banks, and Edwards Jones held individually or jointly, including deposits, statements, and cancelled checks. We estimate there are approximately 3,000 pages of such documents. Such documents represent personal financial information that would be exempt under 1 V.S.A. § 317(c)(7).
13. Inquest filings by the AGO to Orleans Superior Court. These records are exempt as otherwise confidential by law pursuant to 1 V.S.A. § 317(c)(1) and 13 V.S.A. § 5134.
14. There are copies of draft plea agreements and e-mails with defense counsel regarding plea negotiations, which is considered work product or documents generated in furtherance of settlement negotiations and exempt under 1 V.S.A. § 317(c)(1) and (4).
15. A file contains correspondence with employees from the State Auditor's office. The file also contains financial records including tax and bank records that would likely be considered personal financial information exempt under 1 V.S.A. §§ 317(c)(6) & (7).
16. Other correspondence including correspondence from Sullivan and Powers to the State Auditor and correspondence from the Vermont NEA. Further analysis is needed to determine whether these communications may be exempt under 1 V.S.A. § 317(c)(42), and they may also contain financial information that is exempt under 1 V.S.A. § 317(c)(7).
17. There are several "search warrant" files. These files contain applications for search warrants, supporting affidavits and drafts. Some of these files contain property receipts. The drafts would likely be considered work product exempt under 1 V.S.A. § 317(c)(3).
18. Discovery correspondence and materials between the AGO and opposing counsel. Some of the discovery materials contain personal financial information that would require redaction pursuant to 1 V.S.A. § 317(c)(7).
19. There is a file entitled "Diaz v. State-Taxes", which contains tax information including correspondence, e-mails, copies of court filings previously produced. It also contains income, banking, and tax schedule/records that contain personal financial information considered exempt pursuant to 1 V.S.A. §§ 317(c)(6) & (7). Some of the e-mails are between AGO counsel and counsel for other state agencies and would be considered work product exempt from production pursuant to 1 V.S.A. § 317(c)(3).

Please review this description, and let me know which documents VTDigger is requesting. Upon receipt of the updated request, the Vermont Attorney General's Office will provide an updated estimate of costs to redact as required by law and produce, to the extent such

documents are redactable and not exempt from disclosure under the Access to Public Records Act.

Sincerely,



Joshua R. Diamond
Deputy Attorney General