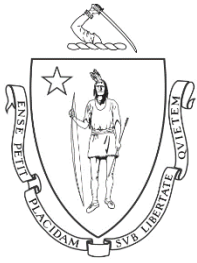


THE OFFICE OF ATTORNEY
GENERAL MAURA HEALEY

ANNUAL REPORT

FISCAL YEAR

2021



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

MAURA HEALEY
ATTORNEY GENERAL

(617) 727-2200
www.mass.gov/ago

Dear Residents of Massachusetts,

In accordance with the provisions of Section 11 of Chapter 12 of the Massachusetts General Laws, I hereby submit the Annual Report for the Office of the Attorney General. This Annual Report covers the period from July 1, 2020, through June 30, 2021.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "M. Healey", with a long, sweeping underline.

Maura Healey
Attorney General

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EXECUTIVE BUREAU

The Executive Bureau provides administration, public information, and policy development support for the Attorney General's Office (AGO), as well as operational support, information technology, human resources, and fiscal management services. Executive Bureau leadership includes the First Assistant Attorney General, the Chief Legal Counsel, the Chief Deputy Attorney General, and the Chief of Organizational Development and Inclusion. Divisions within the Executive Bureau include Budget; Communications; Community Engagement; General Counsel's Office; Grants Management; Human Resources; Information Services Center; Information Technology; the Law Library; Office of the State Solicitor; Operations and Support Services; Policy and Government Relations; Victim Compensation and Assistance; and three regional AGO offices.

Community Engagement Division

The Community Engagement Division (CED) aims to fulfill the AGO's mission to serve all people in Massachusetts in each of its diverse communities. CED works to establish a bridge between community members and the AGO so that every resident has access to multilingual resources, services, and educational materials. CED works with all bureaus in the AGO to develop trainings, informational sessions, office hours, and presentations on a wide variety of topics.

Significant Achievements and Priorities for FY2021

COVID-19 Resource Sharing

During the COVID-19 pandemic, CED took to the streets to assist community members at food pantries in Chelsea, Everett, Brockton, and Worcester. CED distributed over 10,000 multilingual flyers with information on eviction and rental assistance, price gauging, the debt collection moratorium, and worker's rights to community members waiting in line for food. CED also distributed an additional 10,000 multilingual flyers to major community-based organizations in Greater Boston, Worcester, Springfield, New Bedford, Lawrence, Everett, Chelsea, Brockton, Stoughton, Hyannis, and Randolph.

People's Law Firm Outreach Day

CED organized the first remote People's Law Firm Outreach Day, a half-day summit which was designed to provide service providers with tools to assist their communities. Members of CED, the Consumer Protection Division (CPD), and Fair Labor Division (FLD) presented to over 200 attendees on consumer protection, workers' rights, voter protection, and landlord and tenant rights during COVID-19.

Savvy Senior Consumer Day

CED organized "Savvy Senior Consumer Day", a special virtual convening presented by CED and CPD. The event brought together representatives from Councils on Aging and senior centers across the state, including their clients, for presentations on avoiding scams and identity theft during COVID-19. Over 300 individuals participated.

Important Statistics and Numbers

CED organized nearly 85 in-person events and trainings and hosted 130 public and private webinars, engaging directly with nearly 10,000 residents across the state in-person and online on a wide range of topics.

General Counsel's Office

The primary responsibility of the General Counsel's Office (GCO) is to provide legal assistance and operational support to the Attorney General, Senior Management, Executive Bureau, and the AGO as a whole. Specifically, the GCO provides legal assistance with employment, ethics, and conflict-of-interest issues; assists in the development and implementation of office policies and procedures; works with the Human Resources Division to ensure best employment practices; ensures that all staff members comply with G.L. c. 268A; coordinates the AGO's appointments to state boards and commissions; manages responses to public records requests; and runs the in-house legal training program.

Significant Achievements and Priorities for FY2021

The General Counsel's Office implemented a new Seasoned Employees Reorientation to ensure that the AGO is meeting best practices. All employees who had not attended a New Employee Orientation within that past year were required to attend one of the sessions. The theme of this year's meeting was recordkeeping and featured presentations on records retention and public records, eDiscovery, and information technology.

Important Statistics and Numbers

- AG Institute: The AG Institute conducted 36 informal programs for AGO staff, reaching approximately 1,400 people. The AG Institute also conducted three new employee orientations, training a total of 75 new employees.
- Boards and Commissions: There was a total of 30 new boards and commissions appointments and five boards and commissions reappointments.
- Public Records Requests: The AGO received 689 public records requests, a 12 percent increase from the number received in FY2020. Members of the press/media submitted 114 of those requests.
- SAAsG: There was a total of 56 new Special Assistant Attorney General (SAAG) appointments, 12 amended SAAG appointments, and three vacated SAAG appointments.

Grants Management

Grants Management is responsible for developing and implementing AGO grant programs from *cy pres* trust accounts while ensuring contractual compliance. Utilizing settlement funds, Grants Management collaborates with several AGO divisions to develop and implement competitive grant programs that benefit Massachusetts residents. Grants Management creates grant solicitations, manages application review processes, contracts with successful award recipients, and ensures grantee compliance with both program and financial requirements throughout grant award terms.

Grants Management also applies for and manages federal grants from the U.S. Department of Justice to create additional opportunities for the AGO to fulfill its mission. Grants Management is responsible for developing federal grant applications, ensuring compliance with federal grant regulations, managing subgrantees, collaborating with AGO program staff to complete grant deliverables, and working closely with the Budget Division to monitor grant expenditures.

Significant Achievements & Priorities for FY2021

Cultural Humility in Opioid Use Disorder Treatment Grant

The Culturally Humility in Opioid Use Disorder Treatment Grant provided \$1,499,500.00 in grant funds to 14 non-profits, a Native American tribe, and a municipality to strengthen cultural humility and culturally and linguistically appropriate services in opioid use disorder treatment. Grant recipients implement programming that serves Black, Indigenous, and People of Color individuals in Massachusetts. Programming centers patients' unique needs and experiences while demonstrating an understanding of providers' biases and the barriers to care for diverse patients. The awards process culminated in a successful virtual roundtable with the Attorney General and the grant recipients.

Enabling Employment Opportunities Grant

The Enabling Employment Opportunities Grant awarded \$130,000.00 to five nonprofits that are improving employment outcomes for individuals with disabilities. The AGO funded the grant from a 2018 settlement from Triangle, Inc., which resolved allegations that the organization violated state wage and hour laws. Grantee programs span either one or two years and incorporate a variety of approaches such as job training, skill development, and career placement.

Natural Gas Fuel Assistance Grant

A new round of Natural Gas Fuel Assistance Grant (NGFA) funding was awarded to 15 non-profits and municipalities. Combined, grant recipients received over \$560,000.00 to provide services and direct assistance to Massachusetts residents who experience difficulty paying their natural gas heating bills. NGFA raised the 60 percent of Massachusetts median income eligibility cap used by the Commonwealth's Low-Income Home Energy Assistance Program to 80 percent thereby increasing the number of Massachusetts residents eligible for natural gas heating assistance.

Important Statistics and Numbers

- Grants awarded (including federal subawards): 149
- Total amount awarded: \$4,335,395.69

Information Services Center

The Information Services Center (ISC) is on the frontlines of the AGO, handling inbound calls from the public. Created in January 2020, ISC has since taken on most inbound hotlines, tip lines, and helplines across the office with the goals of maximizing efficiency, minimizing hold times and erroneous transfers, and improving the quality of information provided to the public.

Significant Achievements and Priorities for FY2021

Cloud-based call center

In July 2020, ISC converted to a cloud-based call center technology solution. This transition allowed for more efficient and controlled call flow management, better data collection, and an easier, more friendly experience for callers. In May 2021, ISC absorbed the False Claims Division tip line. ISC provides assistance to callers in multiple languages.

CAT Task Force Tip line

In March 2021, in partnership with the Human Trafficking Division, ISC launched the Commonwealth Anti-Trafficking Task Force (CAT Taskforce) tip line, a dedicated phone line which allows stakeholders to report incidents of human trafficking to CATTF.

Important Statistics and Numbers

- Callers assisted: Approximately 56,900

Office of the State Solicitor

The Office of the State Solicitor's (OSS) mission is to ensure the highest quality of appellate advocacy throughout the AGO. OSS serves as a resource in determining whether and when to appeal; in helping to craft a brief or argument; in consulting on appellate procedure or strategy; and in framing and ensuring adequate preservation of key issues at the trial-court level. OSS also helps ensure the consistency of legal positions taken in briefs filed by the AGO; serves as a liaison to the appellate courts on recurring or difficult procedural problems; advises the Attorney General on whether to write or join amicus curiae briefs; and offers other support for the Attorney General's appellate work.

Significant Achievements and Priorities for FY2021

The Office of the State Solicitor continued to contribute to the Attorney General's defense of challenges to the Commonwealth's COVID-19 response. This included successfully defending against the State of New Hampshire's attempt to sue the Commonwealth in an original action in the U.S. Supreme Court over a temporary measure to preserve the status quo for telecommuters during the COVID-19 state of emergency. OSS also continued to support affirmative litigation on behalf of the Commonwealth and its residents, including assisting with the legal strategy, appellate filings, and significant trial-level filings for the Attorney General's nationwide cases to address the opioid crisis, climate change, and employee misclassification. OSS also led numerous amicus briefs at the U.S. Supreme Court, Supreme Judicial Court, and other courts on an array of issues of interest to the Commonwealth and its residents.

Important Statistics and Numbers

- Amicus briefs authored and filed: 11
- Amicus briefs joined: 46

Policy and Government Relations Division

The Policy and Government Relations Division (P&G) assists in the development and advancement of the AGO's policy and legislative priorities. Additionally, P&G articulates the office's positions on legislation under consideration in the Massachusetts Legislature and U.S. Congress. P&G responds to inquiries from members of the congressional delegation, state legislators, executive agencies, and local officials made on behalf of constituents and helps those constituents access resources within the AGO.

Significant Achievements and Priorities for FY2021

State and Federal Advocacy

In February 2021, P&G led the rollout of the AGO's state legislative agenda for the 2021 – 2022 session. In partnership with members of the House and Senate, the AGO co-sponsored bills to reform state hate crime laws; update tools to protect persons in nursing homes and other care settings from abuse and neglect; modernize laws to protect consumers who purchase or a lease a vehicle; and strengthen the state law prohibiting the purchase, possession and use of firearm silencers. The AGO also refiled bills to create a regulatory structure for alternative healing practices to prevent criminals from using these businesses as fronts for human trafficking, ban new competitive electric supply contracts, allow the Fair Labor Division to file civil cases in Superior Court, and protect the confidentiality of information contained in a crime victim's compensation application.

At the federal level, P&G coordinated the AGO's advocacy on pending legislation and testimony by Attorney General Healey at Congressional Hearings including a June 2021 hearing of the U.S. House Committee on Oversight and Reform on H.R.2096 *Stop shielding Assets from Corporate Known Liability by Eliminating non-debtor Releases Act* (SACKLER Act), filed by Congresswoman Carolyn Maloney (D-NY), and an April 2021 hearing of the U.S. Senate's Economic Policy Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs in support of the cancellation of \$50,000 in student loan debt per borrower, chaired by Senator Elizabeth Warren (D-MA).

AG Healey led a coalition of attorneys general representing all 50 states, the District of Columbia, and five U.S. territories urging Congress to adopt changes to the Crime Victims Fund, a federal fund that supports state victims' services programs. On July 21, 2021, President Joe Biden signed the bill into law. These updates stabilize the Fund's finances and provide more flexibility to grantees who are providing services to victims and their families.

Combatting the Opioid Epidemic

Combatting the opioid epidemic remained a top priority for the Attorney General. P&G is a point of contact for persons in recovery and families and organizations committed to prevention, education, treatment, and recovery, and convenes the AG’s Family Advisory Council, a group of families and partners impacted by the opioid epidemic who share their lived experience with the office.

P&G drafted and helped advance legislation to create an Opioid Remediation and Recovery Fund. Signed into law on January 11, 2021, the Fund receives opioid settlement dollars and distributes that money for opioid use disorder prevention, harm reduction, treatment, and recovery services.

School-based Initiatives

P&G oversees the development, management, and implementation of Project Here, an initiative funded by the AGO and the GE Foundation to make substance use prevention education available to public middle schools in Massachusetts. Throughout COVID-19, Project Here has adapted its resources and services to support teachers in a remote learning environment. In April 2021, the AGO and GE Foundation announced an additional \$600,000 commitment to Project Here, as well as updates to the program’s educational app, Project Here Games. There is now a Spanish-language version of the app, a “read aloud” feature in English and Spanish, and new content developed with an equity lens. Over 360 schools participate in Project Here, providing training and technical assistance to hundreds of educators.

The AGO and Sandy Hook Promise provided “Start with Hello” and “Signs of Suicide” program trainings to school districts through the STOP School Violence Prevention and Mental Health Training Program. Start With Hello trains students to notice social isolation in their school and communities and reach out to help. Signs of Suicide teaches students to recognize the symptoms of depression and suicide, and to tell a trusted adult if they observe signs or symptoms in a peer or themselves.

Regional Offices

Central Massachusetts Regional Office

The Central Massachusetts Regional Office (CMAS) serves as the local representative of the AGO. CMAS includes lawyers, labor inspectors, consumer specialists, and administrative staff who are knowledgeable about the statewide activities of the AGO and have also developed special relationships with local, regional, and community resources. The CMAS office works closely with local community organizations to provide outreach and education programs on important consumer, environmental, and public safety issues.

Significant Achievements and Priorities for FY2021

COVID-19 response

Members of the CMAS staff have assisted with the AGO's response to a myriad of COVID-19 issues including responding to municipal government questions from the Governor's Legal Department in the context of municipal relief legislation due to the pandemic; responding to numerous calls and correspondence from city and town officials with pandemic-related questions; and representing the Governor in COVID-19 related cases.

Southern Massachusetts Regional Office

The Southeastern Massachusetts Regional Office (SEMA) serves Barnstable, Bristol, Dukes, and Plymouth Counties primarily handling matters for the Fair Labor, Constitutional and Administrative Law, Trial, Neighborhood Renewal, Community Engagement, Consumer Advocacy and Response, Consumer Protection, and Insurance and Financial Services Divisions. In keeping with SEMA's mission to bring the resources of the AGO into Southeastern Massachusetts communities, SEMA regularly participates in area outreach events coordinated through the Community Engagement Division.

Significant Achievements and Priorities for FY2021

Working with the Consumer Protection Division, SEMA negotiated a settlement with United Auto Credit Corporation (UACC) whereby the automobile lender agreed to provide nearly \$800,000 in debt relief and refunds to Massachusetts consumers to settle allegations that it facilitated the sale of defective and unsafe vehicles by two used car dealerships in Westport and Fall River.

Western Massachusetts Regional Office

The Western Massachusetts Regional Office (WMAS) of the AGO was the first regional office and remains the largest regional office in Massachusetts. WMAS continued its mission of providing accessible AGO assistance and services to Western Massachusetts citizens in the four western counties—Berkshire, Hampden, Hampshire, and Franklin—while engaging with the AGO as a whole on statewide initiatives.

WMAS members participate in AGO initiatives such as the Opioid Task Force, Ethics Committee, the Diversity, Equity, and Inclusion Committee, Racial Justice and Equity Working Groups, and Workplace Health and Safety Committees. WMAS staff also represent the AGO as appointees or liaisons to various governmental bodies including the Illegal Tobacco Task Force and the Board of Appeals on Motor Vehicle Liability Policies and Bonds.

Significant Achievements and Priorities for FY2021

Defensive litigation

Alongside the Trial Division and Constitutional and Administrative Law Division, WMAS opened 27 new cases and resolved 54, with an estimated savings of approximately \$1,485,000.00 for the Commonwealth. Major cases included torts arising from motor vehicle collisions, injuries on state property, injuries to children in foster care, and other injuries allegedly arising from state action; employment claims brought against various state agencies; civil rights claims alleging excessive force and other constitutional violations; contract and eminent domain claims arising from state construction projects; administrative appeals of decisions by the Department of Children and Families, the Board of Appeals on Motor Vehicle Liability Policies and Bonds, and other state agencies; challenges to the legality of state laws and policies, such as the Massachusetts Lead Law and state police uniform requirements; and appeals of cases handled by WMAS in the Superior Court and Federal District Court, as well as some appeals handled by agencies at the trial level.

Cross-office collaboration

WMAS was active in AGO civil investigations supporting regional attorneys, as well as Boston-based investigations, such as investigations into allegedly dangerous conditions on state property, motor vehicle accidents, and alleged environmental violations. WMAS played a key role in the AGO's goals of protecting and advocating for consumers. Such actions included drafting proposed legislation updating consumer protections for people purchasing cars in the Commonwealth as well as a consumer advisory on auto pricing during the COVID-19 pandemic and related market disruptions. Throughout the pandemic, WMAS assisted consumers with mortgage servicing and loan modification, disputed car sales and financing, canceled travel plans, and other critical needs.

Community engagement

WMAS held regular presentations for the public, including presentations on educating consumers on their rights and common scams; wage theft clinics; minimum, prevailing wage, and public construction bid, and workforce participation presentations for employers; and receivership training for receivers to facilitate further neighborhood renewal projects. Staff members of WMAS presented at nine consumer education events, organized fair housing month events and communications, and spearheaded state-wide disability rights advocacy for the AGO.

Victim Compensation and Assistance Division

The Victim Compensation and Assistance Division (VCAD) is the state financial assistance program serving victims of violent crime that occur within the Commonwealth. As an administrative program, survivors of violent crimes can apply for assistance for reimbursement of their crime-related expenses including medical, dental, counseling, loss of financial support, and funeral/burial expenses that are not covered by any other source of assistance or benefit. The program generally receives over 1,800 applications a year and pays out over three million dollars annually to aid survivors in their recovery from the impact of violent crime in their lives.

Significant Achievements and Priorities for FY2021

Despite the impact of the COVID-19 pandemic, court closures, and fewer forensic exams being conducted in hospitals, VCAD's work during FY2021 demonstrates its commitment and effectiveness as well as the continued needs of victims of violent crime within the Commonwealth.

During FY2021, VCAD received 1,538 new applications from victims of violent crimes with 711 direct billing requests for Forensic Sexual Assault Exam Kit payments. These new claims represent the number of crime survivors and the families of homicide victims who were impacted by violent crimes, including homicides, assaults, domestic violence, sexual assault, child abuse, stalking, arson, human trafficking, robbery, and terrorism.

Community Engagement

Victim Compensation maintains a duty line for incoming calls for both Compensation Program and non-program related inquiries. Staff responded to 2,000 calls during this reporting period and all calls were returned within twenty-four hours of their receipt. These calls involved inquiries regarding general victim services, consumer related issues, and calls requiring general information about other government agencies.

VCAD continued to provide training and outreach throughout the Commonwealth. Given the pandemic, all trainings were conducted remotely. Staff in the Victim Compensation and Assistance Division conducted 25 trainings involving stakeholder groups throughout the Commonwealth, including all ten district attorney's offices, various community groups, and affiliated trainings with the Community Engagement Division of the AGO.

Important Statistics and Numbers

- New applications from victims of violent crime: 1,538
- Direct billing requests for Forensic Sexual Assault Exam Kit payments: 711
- New claims deemed eligible for compensation of their crime-related expenses: 754
- Reimbursements for claimant's out of pocket expenses and payments for outstanding expenses to providers: \$2,732,202.24
- Of the 1016 claims that were paid out during FY 2021, the top three expense categories paid out to all eligible claimants were:
 - Funeral/burial costs: \$987,161
 - Assault claims: \$ 789,102.53
 - Forensic sexual assault exam expenses: \$687,119.55

CRIMINAL BUREAU

The Criminal Bureau works to protect the public by investigating and prosecuting a wide range of criminal cases. These include public corruption, financial fraud, and other violations of the public trust, organized crime, major narcotic offenses, appellate issues, insurance and unemployment fraud, environmental crimes, and internet and online crimes. The Criminal Bureau's investigations are supported by a team of State Police detectives as well as investigators, assistant attorneys general, and federal, state, and local law enforcement partners.

Appeals Division

The Appeals Division (APPL) defends Massachusetts convictions, criminal justice officials, and criminal laws and practices in federal and state courts. Specifically, the Appeals Division strives to uphold rightful convictions secured by the AGO when they are challenged in the Massachusetts Trial, Appeals, and Supreme Judicial Court. APPL additionally represents Massachusetts agencies and officials when they are sued or subpoenaed in relation to criminal justice matters in federal or state civil actions, and when they are subpoenaed in criminal cases. In its various cases, APPL is often required to defend the constitutionality of statutes, rules, procedures, and practices related to criminal adjudication and punishment.

Community Engagement

APPL actively engaged with members of the public and with other governmental entities through training, education, assistance with legal matters, and other pursuits. Division members facilitated clinical seminars and lectured on appellate advocacy. They additionally served as AGO designees on the Commonwealth's Criminal Records Review Board, Firearms Licensing Review Board, Illegal Tobacco Task Force, and Supreme Judicial Court Standing Advisory Committee on Eyewitness Identification.

Important Statistics and Numbers

- Opened approximately 140 new matters. A plurality of these were brought by prisoners seeking federal habeas corpus relief from their state convictions. The remainder involved:
 - Direct appeals of Massachusetts convictions in the United States Supreme Court and state appellate courts
 - Other post-conviction challenges in state courts and appeals from decisions thereon
 - Proceedings in the Supreme Judicial Court for Suffolk County
 - Civil actions and appeals in federal and state courts
 - Subpoena matters in relation to federal and state civil and criminal actions.
- Appeals Division members submitted 24 briefs or other dispositive filings, and presented 13 oral arguments in appeals to judicial panels.

Digital Evidence Lab

The AGO has a specialized unit dedicated to the cyber components of criminal investigations. The Digital Evidence Laboratory (DEL) is staffed by full-time forensic and cyber experts performing computer and mobile device forensic examinations, data analytics, open-source intelligence, and other technical tasks for all types of criminal offenses. DEL is a state-wide unit offering services both to AGO personnel as well as other police departments and prosecutors' offices across the Commonwealth of Massachusetts.

Significant Achievements and Priorities for FY2021

Expansion of the Digital Evidence Lab

DEL is considered a leader in the cyber investigation community across the Country. In 2021, to increase technical capacity, DEL hired four new examiners and added a position for a digital evidence coordinator to manage the significant amount of data and physical evidence. By measure of personnel, DEL is one of the largest digital forensic labs in the Commonwealth as well as compared with attorney general's offices across the country. Consequently, DEL continues to grow in terms of capacity and in its ability to handle the ever-expanding number and types of cases and devices investigated.

State-wide Collaboration

DEL initiated the process of a state-wide lab collaboration with other state agencies and universities to expand its capacity to handle the massive amount of digital evidence examined each year. DEL signed a formal memorandum of understanding (MOU) with the University of Massachusetts Amherst and is in the process of doing the same with the University of Massachusetts Boston. This MOU ensures that DEL and its collaborators pool resources, including taking on interns who can assist in quality management and the program's development. DEL anticipates that this collaborative will be fully implemented in 2022.

DEL leads a consortium of state, local, and federal law enforcement partners focused on cyber investigations and prosecutions. In FY2021, the Massachusetts Digital Evidence Consortium held several meetings including a free training on legal updates and cyber investigations for 80 police officers in collaboration with the Massachusetts Internet Crimes Against Children Task Force.

Community Engagement

In April 2021, DEL hosted a remarkably successful 10th Annual National Cyber Crime Conference, despite the shift to a virtual event. More than 3,000 attendees, staff, exhibitors, and speakers took part in more than 350 free virtual training sessions that have had a positive impact on the ability of police and prosecutors to deal with digital evidence in all manners of cases. The 3,000 attendees came from across the country and overseas to hear experts on legal, digital forensic, and investigative matters.

Important Statistics and Numbers

- New case intakes from the Criminal Bureau, civil bureaus, and law enforcement partners across the Commonwealth: 70
- Pending cases as of the start of FY2021: Approx. 120

Enterprise, Major, and Cyber Crimes Division

The Enterprise, Major, and Cyber Crimes Division (EMCCD) targets criminal enterprises and organizations using sophisticated investigative techniques and strategies to develop high-impact prosecutions. The Division includes prosecutors, intelligence analysts, and State Police assigned to the AGO who work closely with various federal, state, and local law enforcement agencies to investigate, prosecute, and disrupt criminal organizations to promote and ensure public safety in communities throughout the Commonwealth. EMCCD investigates and prosecutes a wide variety of offenses, including narcotics trafficking focusing on heroin and fentanyl cases, possession and trafficking of firearms, and other serious felonies.

Significant Achievements and Priorities for FY2021

Drug Trafficking Investigation

In fall 2020, members of the Massachusetts State Police (MSP), the Drug Enforcement Administration (DEA), and the Federal Bureau of Investigation's Western Massachusetts Gang Task Force conducted a long-term investigation into a major drug trafficking organization in Western Massachusetts. After a three-month long wiretap, investigators seized more than four kilograms of heroin, fentanyl, and cocaine; six illegal firearms – including three untraceable “ghost guns”; more than \$200,000 in cash; and three cars, six motorcycles, and four all-terrain vehicles. Eight individuals were indicted and are facing a range of drug trafficking and firearms-related charges in Hampden Superior Court and Franklin Superior Court.

Gun Trafficking Investigation

EMCCD conducted a joint investigation with members of MSP assigned to the AGO, the Southeastern MA Gang Unit, the Troop D Community Action Team, the Bristol County State Police Detectives Unit, and the Bureau of Alcohol, Tobacco, Firearms and Explosives into a major interstate gun trafficking operation. After a routine car stop in July 2020, investigators seized seven firearms, ammunition, and large capacity magazines and identified two individuals who were transporting firearms across state lines from Florida and Michigan at the behest of, and to sell to, their coconspirators in Massachusetts. Subsequent investigation resulted in the discovery of three additional firearms, large capacity magazines, and ammunition, as well as the seizure of approximately 174 grams of cocaine and 118 grams of heroin and fentanyl. Six individuals were indicted and are facing a range of firearms trafficking and possession charges, as well as drug trafficking charges, in Bristol Superior Court and Plymouth Superior Court.

Fentanyl Trafficking Investigation

In February 2020, members of MSP, DEA, and the New Hampshire Attorney General’s Drug Task Force began jointly investigating a Lawrence-based fentanyl trafficking organization led by a man known as “Flaco.” Over the course of almost a year, investigators conducted 22 controlled purchases of trafficking weights of fentanyl from the target organization and identified “Flaco,” his drug runners, and the organization’s stash house. In March 2021, investigators executed a search warrant at “Flaco’s” stash house and located a mechanical hide containing over a kilogram of fentanyl, thousands of grams of cutting agent, two firearms, and several rounds of live ammunition. “Flaco” faces fifteen counts of fentanyl trafficking, his primary runner faces thirteen counts of fentanyl trafficking and four gun-related charges, and another runner faces three counts of trafficking fentanyl in Essex Superior Court.

Important Statistics and Numbers

- Money Seized/Forfeited: \$ 1,216,457
- Number of cases handled:
 - 53 cases charged/indicted
 - 19 cases resolved
- Drug Seizures:
 - Heroin/Fentanyl: 120.5 kilograms
 - Fentanyl pills: 12,743 pills
 - Other opioid pills: 2,630 pills
 - Cocaine: 4.9 kilograms
 - Crack Cocaine: 684.8 grams
- Gun Seizures: 25

Financial Investigations Division

The Financial Investigations Division (FID) is a team of trained civilian criminal investigators who partner with Criminal Bureau prosecutors, State Police, victim witness advocates, and support staff from the White Collar and Public Integrity Division, the Human Trafficking Division, and the Enterprise, Major and Cyber Crimes Division. The financial investigators provide extensive analysis and forensically examine documents and evidence for allegations of criminal misconduct involving a broad array of complex financial crimes including larceny, embezzlement, identity theft, public corruption, money laundering, and human trafficking. The financial investigators conduct document review; interview victims, witnesses, and targets; and provide testimony in the Grand Jury and at trial as a summary witness. FID also maintains accounting, and disbursement of the funds used in the undercover operations of the State Police assigned to the office.

Significant Achievements and Priorities for FY2021

Commonwealth v. Geralda DeMatos Garland

Geralda DeMatos Garland was arrested and charged with Trafficking of Persons for Sexual Servitude, Keeping a House of Ill Fame, and Money Laundering. Financial investigators partnered with the prosecutors and MSP to develop evidence that Garland ran a profitable and organized criminal enterprise at Crystal's Day Spa. Financial investigators traced \$162,492.00 in cash deposits into three business bank accounts associated with Garland and Crystal's Day Spa. The financial investigators also tracked online advertisements offering commercial sex, rental leases, and phone records linking Garland to this activity. Garland's case is pending in Suffolk Superior Court.

Commonwealth v. Bruce Lavigne

Bruce Lavigne, an accountant and now-disbarred attorney, was indicted in connection with a scheme to embezzle client funds. Lavigne was indicted on the charges of Larceny Over \$250, Fiduciary Embezzlement, and Obtaining a Signature by False Pretense. Financial investigators traced more than \$300,000 alleged to have been stolen from the family of one of his clients by forensically analyzing the bank records of Lavigne and interviewing numerous witnesses. Lavigne's case is pending in Middlesex Superior Court.

Gaming Enforcement Division

The Gaming Enforcement Division (GED) investigates and prosecutes criminal conduct related to expanded gaming in the Commonwealth; monitors the fairness and integrity of the gaming industry; aids the Gaming Commission in consideration and promulgation of rules and regulations; and participates in generating a list of persons to be excluded from licensed gaming facilities. The work of GED is not strictly limited to gambling offenses or crimes committed within casinos but includes activity that relates to the gaming facilities such as financial crime, organized crime, corruption, and money laundering. GED works closely with the State Police Gaming Enforcement Unit located at each gaming facility as well as other federal, state, and local law enforcement entities.

Significant Achievements and Priorities for FY2021

Attempted Theft at Plainridge Park Casino

In March 2021, two Merrimac men were indicted by a Statewide Grand Jury in connection with running a scheme to steal money from Plainridge Park Casino, illegally possessing firearms, and

possession with intent to distribute both Class C and Class D substances. Joseph Clement, 51, was indicted by a Suffolk County Statewide Grand Jury on the charges of Possession of a Firearm without a License (ten counts), Larceny over \$1,200 by False Pretense (one count), Conspiracy to Commit to Larceny over \$1,200 by False Pretenses (one count), and Possession with Intent to Distribute a Class C substance (one count). Jacob Clement, 28, was indicted by a Suffolk County Grand Jury on the charges of Possession with Intent to Distribute a Class C substance (one count) and Possession with Intent to Distribute a Class D substance (one count).

Cheating at Encore Casino

In March 2021, an Encore casino dealer, a former casino dealer from Maryland, and a third individual from Philadelphia were indicted by a Middlesex County Grand Jury in connection with a cheating scheme that netted the group a total of \$23,500 over two nights. Jianming Li, 53, of Delaware, and Jun Zhang, 41, of New York, were indicted in March 2021 by a Middlesex County Grand Jury on the charges of Cheating Under the Gaming Act (two counts each), Conspiracy (two counts each), and Larceny by a Single Scheme (one count each). Li was also charged with Making False Statements to the Gaming Commission (one count). De Lin, 46, of Philadelphia, was indicted on the charge of Cheating Under the Gaming Act (one count), and Conspiracy (one count).

Cheating at MGM Springfield

In March 2021, a Holyoke man was indicted by a Hampden County Grand Jury in connection with an elaborate cheating scheme that netted more than \$30,000 in illegal poker winnings from MGM Springfield. Daniel Ruiz, 38, was indicted on the charges of Larceny by Single Scheme (one count) and Cheating and Swindling (one count).

Important Statistics and Numbers

- \$2,507,623.22 worth of assets were seized
- Cases resolved in guilty findings or continuance without a finding (CWOs): Over 138
- Cases opened: Over 232
 - 60 investigations arising from conduct at Plainridge Park Casino. The investigations and prosecutions at the Plainridge Park Casino included assault and battery, carjacking, narcotics offenses, large capacity firearm and ammunition offenses, and operating under the influence.
 - More than 237 investigations and prosecutions arising out of MGM Casino in Springfield. The investigations and prosecutions at MGM have ranged from money laundering, disorderly conduct, possession of firearms, narcotic offenses, money

- laundering, robbery, sexual conduct for a fee, cheating offenses, and violent domestic assaults.
- More than 324 investigations and prosecutions arising out of Encore Boston Harbor in Everett. The investigations and prosecutions at Encore have ranged from disorderly conduct, assault and battery offenses, narcotic offenses, operating under the influence, destruction of property, violent domestic assaults, and money laundering.

Human Trafficking Division

The Human Trafficking Division (HTD) uses a multidisciplinary team approach to prosecuting and preventing human trafficking through law enforcement efforts, policy development, and community partnerships. HTD is comprised of a dedicated team of prosecutors, victim-witness advocates, Massachusetts State Police troopers, and paralegals. HTD multidisciplinary teams often work alongside analysts from the Criminal Bureau's Financial Investigations Division and local law enforcement to investigate and prosecute multijurisdictional, high impact cases of human trafficking throughout the Commonwealth. HTD is frequently involved in outreach and training for law enforcement and civilian community members statewide and works extensively with stakeholders on collaborative efforts toward prevention, service provision, and data collection.

Significant Achievements and Priorities for FY2021

Commonwealth v. Ronald Hall

In July 2020, Ronald Hall was indicted for sex trafficking several individuals in and around the Greater Boston area. The grand jury investigation resulted in charges of Trafficking for Sexual Servitude, Kidnapping, Assault and Battery with a Dangerous Weapon and Deriving Support from Prostitution. This case is currently pending in Middlesex Superior Court.

Commonwealth v. Samuel Herrera and Alexandra Arguello-Uribe

In January 2021, the defendants were indicted for sex trafficking of individuals out of residential brothels in Framingham. Defendant Herrera was indicted on charges of Trafficking Persons for Sexual Servitude, Maintaining a House of Prostitution, Deriving Support from Prostitution, Keeping a House of Ill Fame, and Conspiracy. Defendant Arguello-Uribe was indicted on charges of Trafficking Persons for Sexual Servitude, Maintaining a House of Prostitution, Deriving Support from Prostitution, Keeping a House of Ill Fame, and Conspiracy. These cases are currently pending out of Middlesex Superior Court.

Commonwealth v. Gabriel Jean Marie, Tremaine Wilder, Michael Webster, and Patterson Skeete

These defendants were indicted in March 2021 in connection with sex trafficking in Greater Boston and the surrounding area. Defendants Jean Marie and Wilder were indicted on charges of Trafficking Persons for Sexual Servitude and Conspiracy. Defendants Webster and Skeete were indicted on charges of Sex for a Fee. Jean Marie and Wilder's cases were consolidated in Suffolk Superior Court.

Financial Data

In fiscal year 2021, HTD seized \$51,684.51 in funds pursuant to search warrants investigating trafficking crimes.

Important Statistics and Numbers

- Cases pending in criminal courts throughout the Commonwealth: 31
- Cases resolved during this timeframe by way of conviction or plea: Three
- Newly indicted cases during fiscal year 2021: Seven
- Training and educational events: HTD presented at more than 12 training and educational events. These included presentations to both local and national audiences, through conference opportunities, as well training for municipal workers and law enforcement organizations across the state.

Insurance and Unemployment Fraud Division

The Insurance and Unemployment Fraud Division (IUFD)¹ investigates and prosecutes people and businesses who commit fraud against private insurance carriers, the Commonwealth's unemployment trust fund, and the Commonwealth's workers' compensation system. IUFD works in partnership with the Massachusetts Insurance Fraud Bureau (IFB) and the Massachusetts Department of Unemployment Assistance (DUA). Both agencies refer cases to IUFD and assist with investigations. IUFD also works with the Massachusetts Rehabilitation Commission and the U.S. Social Security Administration through the Cooperative Disability Investigations program, investigating Federal benefits fraud.

¹ In August 2021, the Insurance and Unemployment Fraud Unit became a stand-alone division within the Criminal Bureau, now known as the Insurance and Unemployment Fraud Division.

Significant Achievements and Priorities for FY2021

Commonwealth v. Darnell Harris, et al.

On March 26, 2021, Darnell Harris and three other individuals were indicted by the Statewide Grand Jury in Boston for stealing more than \$77,000 from the state's Pandemic Unemployment Assistance program. The defendants used the stolen funds to help post a \$100,000 bail to secure Harris's release from pre-trial detention in the Worcester County Jail. Assistant Attorneys General, Criminal Investigators, Victim Witness Advocates, and Digital Evidence Analysts from the AGO and representatives from the MSP collaborated with the Worcester and Hamden County Sheriff's Offices to prosecute this case.

Commonwealth v. James Bucchianeri and Global FF&E

On April 5, 2021, a Suffolk Superior Court Judge ordered a New Hampshire company and its owner to pay \$180,000 in restitution to DUA after they pleaded guilty for failing to pay employer contributions into the Massachusetts unemployment insurance fund for its workers employed in the Commonwealth. IUFD worked closely with the Revenue Enforcement and Audit Department at DUA to investigate and prosecute this case.

Commonwealth v. Dion Augustin

After a multiyear investigation by the AGO and IFB, Dion Augustin was indicted on July 10, 2020, in connection with a fraud scheme to damage luxury cars purchased using false information to collect insurance proceeds. In total, Augustin obtained over \$135,000 in loan financing through his false statements and misrepresentations and over \$200,000 in fraudulent insurance payouts.

Financial Data

- Court ordered restitution and settlement agreements:
 - Unemployment Fraud: \$687,649
 - Insurance Fraud: \$176,911

Important Statistics and Numbers

- Unemployment fraud referrals from DUA: 13
- Unemployment fraud referrals from hotline tips or Law Enforcement: 12
- Insurance fraud referrals from IFB: Three

Victim Services Division

Victim Services Division (VSD) is comprised of victim witness advocates responsible for providing information, support, and advocacy services to victims, witnesses, and their families that are associated with cases falling under the jurisdiction of the AGO as outlined in the Victim Bill of Rights (M.G.L. c.258B).

Significant Achievements and Priorities for FY2021

VSD is the lead victim service agency on the Massachusetts Commonwealth's Anti-Trafficking (CAT) Taskforce. This entails being a member of the Task Force Leadership team, overseeing victim services on CAT Task Force investigations and prosecutions as well as being responsible for providing access to appropriate services to all CAT Task Force identified survivors of human trafficking.

The CAT Task Force is a multidisciplinary task force that assembles partners across sectors to comprehensively address all forms of human trafficking in the Commonwealth. The CAT Task Force is a joint project between the AGO, the US Attorney's Office, service providers, and law enforcement to formalize a trauma-informed approach to address trafficking in MA. The project is funded through the U.S. Department of Justice's Bureau of Justice of Assistance and the Office for Victims of Crime.

The CAT Task Force works to uphold best practices in the identification, investigation, and prosecution of all types of human trafficking cases. Partners strive to combat human trafficking through effective collaboration between law enforcement and service providers. This coordinated response holds perpetrators accountable and protect the rights of survivors in a trauma-informed way.

The Victim Services Division staff rotate handling duty calls from internal AGO staff. The duty calls are for a myriad of services including but not limited to domestic violence resources, victims of crime questions, referral requests, and generalized help for victims of crime.

Important Statistics and Numbers

- Number of cases handled: 169
- Victims/witnesses served: 385
- Victim /witnesses contacted: 981
- VSD Duty Line calls: 155

White Collar and Public Integrity Division

The White Collar and Public Integrity Division (WCPID) investigates and prosecutes cases involving violations of public trust by public employees and complex fraud and financial crimes. Public Integrity matters involve serious criminal misconduct by public employees and officials who engage in or conspire to commit larceny, fraud, bribery, and other crimes in which there is a hidden or unwarranted personal financial interest; crimes committed against or upon public agencies; and crimes that have a corrosive or harmful effect on public confidence in government and other trusted institutions, such as perjury or obstruction of justice.

Financial Crimes include fiduciary embezzlement by attorneys, stockbrokers, accountants, and other financial professionals who steal client funds; theft and fraudulent recordkeeping by employees; complex financial fraud such as pyramid schemes, telemarketing fraud, commercial bribery, and mortgage fraud; large-scale consumer fraud schemes; identity theft; and tax fraud by both individuals and businesses. The most significant cases have a dramatic and often long-lasting financial impact on unsuspecting and vulnerable victims.

WCPID's staff of experienced prosecutors regularly partner with civilian financial investigators, state police, computer forensics investigators, victim witness advocates, and other support personnel from within the AGO, as well as local, state, and federal investigative and enforcement agencies.

The White Collar and Public Integrity Division receives several hundred referrals directly from law enforcement and other state agencies. WCPID also works with the Criminal Bureau intake team to assess and resolve complaints that involve violations of public trust and complex financial fraud.

Significant Achievements and Priorities for FY2021

Commonwealth v. Justin L. Cole

Justin Cole, a former Uxbridge town accountant was indicted on eighteen charges by a Statewide Grand Jury for the alleged theft of \$729,531.78 from Uxbridge and two other Worcester and Berkshire County towns. An investigation by the AGO uncovered that from 2012 to 2017, Justin Cole allegedly stole the money when he submitted and approved dozens of false invoices and related submissions that caused Uxbridge to pay for services not provided. Cole also allegedly used his own accounting company, Bay State Accounting Group, Inc. (BMAG) to illegally bill software and equipment purchases made by his company to the town and to require the town to pay BMAG's rent to its landlord. When he was no longer the accountant for the town of Uxbridge, Cole allegedly then stole funds from Monterey and Millville, for whom he provided accounting and other financial advice, by fraudulent billing and deceiving the towns' officials about municipal loan applications. In all, the AGO alleged that Uxbridge, Monterey, and Millville lost \$657,334.78, \$24,597, and \$47,600, respectively, to Cole's fraudulent schemes.

Commonwealth v. Donna M. Scott

In a case resulting from a joint investigation by the AGO and the Massachusetts Inspector General, Donna Scott, a former program and stabilization manager of Heading Home, a non-profit housing agency in Charlestown, pled guilty to one count of Larceny Over \$250 in Suffolk Superior Court to embezzling more than \$45,000 from them. She was sentenced to three years of probation with home confinement and GPS monitoring for the first year. In addition, she was ordered to pay \$45,132.59 in restitution to Heading Home. From March 2015 through November 2016, Scott diverted public money meant to assist low-income, homeless, and formerly homeless individuals and their families with transitional and permanent housing and support services and used it for herself. With the money, primarily funded by state grants, Scott bought gift cards and paid her own personal bills.

Samuel Habib/Sam's International

Samuel Habib, of New Hampshire, was arrested and charged with operating a major illegal marijuana and tobacco (electronic nicotine delivery systems) trafficking operation in Massachusetts, New York, and New Hampshire. Flavored tobacco and vaping products are illegal in the Commonwealth. Habib was charged with tax evasion and with trafficking over 100 pounds of class D marijuana. After a year-long investigation, search warrants were executed by multiple law enforcement agencies at commercial facilities across the state and in New York and New Hampshire. Authorities seized approximately 750 pounds of marijuana, 250 cases of illegal vapes, 200 cases of THC-infused products, approximately \$540,000, four cargo vans and a luxury SUV. This matter is ongoing.

Community Engagement

During FY2021, members of the White Collar and Public Integrity Division represented the AGO on criminal justice and law enforcement entities, boards, and committees, including the Municipal Police Training Committee, the Massachusetts Major City Chiefs, the Trial Court's Committee to Eliminate Racism and Discrimination in Jury Trials, Insurance Fraud Advisory Group, the Civil Rights and Restorative Justice Project, and DCF Appeals for Termination of Parental Rights.

Financial Data

Restitution from resolved WCPID cases totaled more than \$45,000. COVID-19 restrictions prevented several fiscal resolutions.

Important Statistics and Numbers

- Open investigations: 26
- Cases disposed by plea agreement: Four
- Cases indicted/charged: Seven

ENERGY AND ENVIRONMENT BUREAU

The Energy and Environment Bureau works to protect the environment and utility ratepayers while reducing the impact of climate change for the people of the Commonwealth. The Bureau's integration of energy and environmental advocacy ensures that the AGO speaks with one voice in addressing the intertwined ratepayer and environmental protection matters that impact the Commonwealth and its residents.

Energy and Telecommunications Division

Through the Energy and Telecommunications Division (ETD) the Attorney General serves as the statutory Ratepayer Advocate in administrative and judicial proceedings on behalf of consumers in matters involving the rates, charges, and tariffs of electric, gas, telephone, and water companies in the Commonwealth.

ETD works to ensure that businesses and residents have access to reliable, safe, and affordable energy. ETD litigates cases before state and federal courts as well as administrative bodies such as the Massachusetts Department of Public Utilities (DPU), the Massachusetts Department of Telecommunications and Cable, the Federal Energy Regulatory Commission, and the Federal Communications Commission. In many of these matters, the Attorney General is the only active participant advocating on behalf of Massachusetts consumers.

Significant Achievements and Priorities for FY2021

COVID-19 Response

ETD vigorously advocated to ensure that customers received affordable and reliable essential services during the COVID-19 pandemic. ETD continued to actively participate in a Customer Assistance Working Group (CAWG) which advanced recommendations for increased ratepayer protections to the Department of Public Utilities (DPU). DPU ultimately adopted many of CAWG's recommendations including extending the Shut-Off Moratorium for residential customers through the winter and spring 2021; extending payment plans beyond the end of the Shut-Off Moratorium; waiving late fees to any customers on a payment plan; and a data strategy to inform ratemaking and help tailor customer assistance. ETD also advocated for similar shut-off protections for customers of regulated water companies and other water service providers as well as increased broadband and technology access for education and telehealth. Finally, ETD opposed proposals by DPU to recover certain costs associated with COVID-19 from ratepayers. As a result, DPU opened a broader investigation to determine appropriate ratemaking treatment.

Future of Gas Investigation

ETD petitioned DPU to initiate an investigation assessing the future of operations and planning of local gas distribution companies in preparation for the Commonwealth's limit of net-zero greenhouse gas emissions by 2050. In October 2020, DPU opened an inquiry, (docket D.P.U. 20-80) to explore strategies to enable the Commonwealth to move into a net-zero energy future while simultaneously protecting ratepayer interests; ensuring safe, reliable, and cost-effective natural gas service; and potentially recasting the role of local gas distribution companies in the Commonwealth. ETD participates in the D.P.U. 20-80 stakeholder working group meetings, where it has retained consultants to assist in its participation in the proceeding and to facilitate its advancement of recommendations in support of the Commonwealth's net-zero goals. ETD has also convened two "think-tanks" for experts to discuss the future of gas as well as a labor advisory group to inform the ETD's work in this area.

Competitive Electric Supply

ETD worked diligently to protect consumers in the residential electric competitive supply market. ETD reached a landmark \$10 million settlement with Starion Energy over unfair and deceptive sales tactics and for falsely promising customers lower electricity bills while ultimately charging customers, collectively, millions more on their bills. ETD also released a report that found that in the last five years, Massachusetts individuals who received their electricity from competitive suppliers paid \$426 million more on their bills than they would have paid if they had stayed with their utility companies. The report's findings highlight the urgent need to pass SD674 / HD1614, An Act relative to electric ratepayer protections, that AG Healey, Sen. Brendan Crighton, and Rep. Frank Moran filed in February 2021. ETD has advocated at the Statehouse in support of this legislation.

Eversource Gas Rate Case

As a result of ETD's advocacy against Eversource's proposed increase to its natural gas-based rates, the DPU reduced Eversource's requested increase by \$12.25 million which will save ratepayers approximately \$61.24 million over the next five years. In addition, Eversource and ETD reached an agreement to stipulated terms narrowing the scope of evidentiary hearings and briefing in this proceeding, increasing administrative efficiency, and allowing ETD and intervenors to focus on issues that remained contested during the evidentiary hearings.

Important Statistics and Numbers

- ETD represented ratepayers and energy customers in more than 465 dockets.
- Cases that were finalized in FY2021 yielded approximately \$135 million in savings to ratepayers and customers.

Environmental Crime Strike Force

The Environmental Crimes Strike Force Division (ECSF) investigates and prosecutes environmental crimes that have serious public health consequences including cases involving illegal hazardous and solid waste disposal, water pollution, air quality violations, illegal pesticide application, and violations of wetland protection statutes. ECSF is comprised of prosecutors from the AGO, detectives from the Massachusetts Environmental Police, and investigators, engineers, and attorneys from the Massachusetts Department of Environmental Protection (MassDEP).

Significant Achievements and Priorities for FY2021

Asbestos Removal and Handling

ECSF has investigated multiple instances of improper removal and handling of asbestos containing materials, potential violations of G.L. c. 111, § 142A, and the regulations promulgated thereunder. These investigations have involved large scale demolition and construction projects in Bristol, Middlesex, Worcester, and Hampden Counties.

Important Statistics and Numbers

- Number of cases handled:
 - Open cases/ investigations: 12
 - Closed cases/ investigations: 25

Environmental Protection Division

The Environmental Protection Division (EPD) enforces environmental laws that protect our air and water; preserve our wetlands, tidelands, and public open space; require the clean-up of contaminated sites; and govern the use of pesticides and the handling and disposal of solid and hazardous waste. Working in close coordination with state and federal environmental agencies, particularly MassDEP, EPD pursues three main types of work: prosecuting civil enforcement and cost recovery cases; representing the Commonwealth's agencies in environmental-related defensive cases; and undertaking affirmative, non-enforcement work to pursue innovative ways to

further environmental protection. This third type of advocacy includes bringing litigation especially in federal courts and in coalitions with other state attorneys general, in challenging illegal or harmful changes to federal environmental regulations and policies; participating as an amicus to help develop the law in a way that furthers the Commonwealth's interests; developing or supporting legislative or other policy proposals; pursuing opportunities for work that directly impact environmental justice communities; and entering into Brownfields Covenant Not to Sue agreements to further the clean-up and redevelopment of contaminated sites.

Significant Achievements and Priorities for FY2021

Commonwealth v. Dynamic Energy Solution, LLC

Working with MassDEP, EPD sued solar array developer Dynamic Energy Solutions, LLC for damaging protected wetland resources in the town of Williamsburg and polluting the West Branch Mill River, a cold-water fishery. Dynamic disregarded fundamental pollution control requirements for construction sites under federal and state law when it constructed an 18.5-acre solar array on a steep hillside above the West Branch Mill River. As a result, Dynamic caused sediment-laden stormwater to discharge in extreme amounts from the array site, eroding the hillside, scouring out perennial and intermittent streams, uprooting trees, destroying streambeds, filling in wetlands with sediment, and causing the river to become brown in violation of federal and state laws that protect water and wetland resources. EPD filed a complaint against Dynamic in the United States District Court for the District of Massachusetts in April 2020. In February 2021, EPD reached a settlement with the developer in which they agreed to comply with the state and federal laws that protect the water quality and natural resources at the solar array, restore impacted resources at an estimated cost of \$530,000, and place a parcel of 24 acres near the West Branch Mill River into conservation at an estimated cost of \$210,000. Dynamic also agreed to pay \$215,000 to fund the acquisition of land by a trust to benefit water quality in the Mill River, pay a penalty of \$100,000 to the Commonwealth's General Fund, and pay \$80,000 to the AGO for costs including attorney fees. The parties' settlement was entered by the court on March 24, 2021.

Commonwealth v. Shire Human Genetic Therapies, Inc.

Working with MassDEP, EPD negotiated a consent judgment with global biopharmaceutical company Shire Human Genetic Therapies, Inc. (Shire) regarding years of violations of the state Clean Air Act and Regulations at its Lexington facility. The lawsuit alleged that from 2014 to 2021, Shire willfully and repeatedly exceeded applicable emissions limits for volatile organic compounds (VOCs)—often at levels more than double the allowed limit—in addition to numerous other violations. The lawsuit alleged that Shire expanded its manufacturing operations and increased its use of surface disinfectants at the facility without first obtaining a permit to do so, as

is required under applicable law. Surface disinfectants contain VOCs, which evaporate and escape into the surrounding environment. VOCs are dangerous air pollutants that pose severe risks to public health and welfare, including through their contribution to the formation of harmful ground level ozone (smog) which can increase susceptibility to and exacerbate respiratory ailments and illnesses, cause toxic effects in plants, and degrade materials such as rubber and fabric. Shire agreed to pay \$600,000 and limit its future emissions. Of the total, \$400,000 were civil penalties and \$200,000 funded an air quality project being conducted by GreenRoots, Inc., a community-based organization, in collaboration with health institutions and private and public partners. The project involves the purchase of air filters for more than 500 homes in Chelsea, an environmental justice community, and baseline and long-term air monitoring to evaluate improvements.

Exxon Climate Deception Litigation

Leading a cross-office team, EPD continued to pursue the Office's consumer and investor deception case against Exxon Mobil Corporation regarding the company's misleading statements about climate change. In June 2020, EPD filed an amended complaint, adding significant new facts regarding the company's continued deceptive conduct. In June 2021, the Superior Court denied Exxon's motions to dismiss, ruling that the Office's amended complaint stated valid claims and did not, as Exxon asserted, constitute a Strategic Lawsuit Against Public Participation (SLAPP) suit that targeted Exxon's protected "petitioning" activities.

Financial Data

- Amounts Recovered: \$4,182,970.90
 - Penalties: \$3,291,159.77
 - Other Recoveries: \$891,811.13

Important Statistics and Numbers

- Number of cases handled:
 - Opened Federal & State Affirmative: 22
 - Opened Federal & State Defensive: Five
 - Closed Federal & State Affirmative: 27
 - Closed Federal & State Defensive: Three
- Appeals briefed/argued: Seven
- EPD also handles a large docket of federal advocacy. EPD was involved in 43 matters including federal petitions, comment letters, and amicus briefs.

Community Engagement

- EPD received 159 complaints and inquiries via: phone (21), email (87), mail (2), and e-form (49), covering various environmental issues, including Article 97 protections, drinking water, hazardous material and waste, animal health, pesticides, emissions (mobile and stationary sources), waterways and beach access, and wetlands.
- Trainings/educational events:
 - o 10 BBA events, webinars, panels, and presentations to other Commonwealth agencies
 - o Estimate of community members/municipalities engaged: 690

GOVERNMENT BUREAU

The Government Bureau represents the Commonwealth, its agencies, and officials in many types of civil litigation and further defends Commonwealth employees from civil claims made against them resulting from the performance of their duties. The Bureau develops and maintains close working relationships with the agencies it represents, often providing them guidance and advice where advanced legal consultation may prevent unnecessary and costly lawsuits. The Government Bureau initiates affirmative litigation in the public interest on behalf of the Commonwealth and its residents. The Bureau also enforces the state's Open Meeting Law through its Division of Open Government, reviews and approves town bylaws through its Municipal Law Unit and reduces blight and creates safer homes and neighborhoods through the Neighborhood Renewal Division.

Constitutional and Administrative Law Division

The Constitutional and Administrative Law Division² represents state agencies and state officials in a broad range of civil litigation. The Division also defends legal challenges to state statutes and regulations, suits that challenge state policies and programs, and suits that challenge the decisions of state administrative agencies. In addition, the Division initiates litigation on behalf of state agencies to support their programs or assist their regulatory activities.

² The Constitutional & Administrative Law Division was previously known as the Administrative Law Division. The Division's name was changed in June 2021.

Significant Achievements and Priorities for FY2021

Rosie D. v. Baker, et al.

In this case involving the state's provision of behavioral-health services to Medicaid-eligible children with serious emotional disturbances, the U.S. District Court for the District of Massachusetts concluded that the state had "substantially satisfied" the language and the purpose of a judgment entered against it in 2007. The court therefore granted the defendants' motion to terminate that judgment, thus bringing 21 years of active litigation to a close. The court found that the defendants "offered persuasive evidence" that they had carried out all obligations imposed on them by the judgment, and therefore returned the stewardship of the Commonwealth's system for treating Medicaid-eligible children with behavioral-health conditions to the state's political branches. The Court also denied three separate motions by the plaintiffs to add new terms to the 2007 judgment.

Desrosiers, et al. v. The Governor

The Supreme Judicial Court held that Governor Baker's declaration of an emergency arising from the COVID-19 pandemic, and his issuance of orders pursuant to that declaration, are authorized under the Commonwealth's Civil Defense Act; that the emergency orders do not violate the principle of separation of powers in Article 30 of the Massachusetts Declaration of Rights; and that the emergency orders do not violate the plaintiffs' federal or state constitutional rights to procedural and substantive due process or free assembly.

Baptiste, et al. v. Commonwealth of Massachusetts and Executive Office of Housing and Economic Development.

The United States District Court for the District of Massachusetts upheld the Legislature's COVID-19 related eviction moratorium against a constitutional challenge brought by landlords. In a 102-page decision, the federal court rejected plaintiffs' First Amendment Free Speech and Right-to-Petition claims, their Contracts Clause claim, and their Takings Clause claim. In doing so, the court concluded that the moratorium was an appropriate response to the pandemic at the time.

Important Statistics and Numbers

- Open cases and other litigation matters: 1,473 (1,438 litigation & 35 pre-litigation) at the end of FY2021
- New cases and other litigation matters: 360 (356 litigation & four pre-litigation) during FY2021
- Cases and litigation matters closed: 228 (223 litigation & five pre-litigation).

Division of Open Government

The Division of Open Government is responsible for statewide enforcement of the Open Meeting Law and the Public Records Law. The purpose of the Open Meeting Law is to ensure transparency in the deliberations on which public policy is based. The Division of Open Government advocates for sound policy regarding government transparency; provides training and guidance to members of public bodies and of the public on the requirements of the Open Meeting Law; investigates complaints of violations; and, when necessary, makes findings and orders remedial action to address violations of the law. The Division of Open Government also plays an enforcement role as to the Public Records Law. The Supervisor of Records may refer an order to comply with the Public Records Law to the Attorney General for enforcement. The Division of Open Government reviews these referrals, works with records custodians to ensure compliance with the Public Records Law, and, when necessary, brings enforcement actions in court.

Significant Achievements and Priorities for FY2021

Throughout the year, the Division acted proactively and responsively to provide guidance on implementation of the Governor's Executive Order "Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20". The Division's guidance enabled public bodies to hold public meetings fully remotely for the first time and presented novel concerns and challenges regarding access, transparency, equity, and limitations of technology. The Division of Open Government regularly updated its guidance as new issues arose, increased the frequency of its live webinar trainings in response to record attendance levels, and devoted additional resources to responding to inquiries from members of the public and public body members.

Throughout the year, the Division of Open Government issued several key Open Meeting Law determinations that provided detailed guidance on such novel issues as the types of technology and online platforms that satisfy the requirement that a public body provide “adequate, alternative” real-time access to a meeting; permissible standards for “hybrid” meetings to limit gathering sizes; and practices for ensuring security of online meetings, without compromising transparency and access.

Important Statistics and Numbers

- Determination letters/declination letters: 179 determinations, 29 declinations
- Open Meeting Law complaints resolved: 258
- Telephone/email/letter inquires received: 1,872
- Percent of complaints on which a violation was found, and most common remedies ordered:
 - 42.6% found in violation
 - Most common remedies:
 - Immediate and future compliance
 - Amend/release meeting minutes
 - Attendance at training

Community Engagement

- External events and trainings: 26 trainings
 - 17 live Open Meeting Law webinar trainings which were advertised and open to the public
 - Nine additional trainings to boards, commissions, or organizations
- Estimate of community members/municipalities engaged: 1,207

Municipal Law Unit

The Municipal Law Unit (MLU) carries out the Attorney General’s statutory obligation, pursuant to G.L. c. 40, § 32, to review all town by-laws for any conflict with the Constitution or laws of the Commonwealth. MLU also performs the Attorney General’s statutory obligation, pursuant to G.L. c. 43B, § 10 (c), to review all city and town charter amendments for any conflict with the Constitution or laws of the Commonwealth. Finally, MLU responds to constituent questions regarding municipal law issues and conducts frequent trainings for municipal officials and attorneys on municipal law issues.

Significant Achievements and Priorities for FY2021

MLU spent a considerable amount of time assisting towns in navigating two separate categories of legislation affecting town meetings. The first being COVID-related municipal relief legislation and secondarily the “housing choice” provisions of the economic development legislation of 2020. In regard to municipal relief legislation, MLU continued to have frequent communications with the Governor’s Legal department, residents, and town officials about how the legislation was being implemented by towns. Such legislation included authorizing towns to delay town meetings on an emergency basis; authorizing towns to adopt a reduced quorum at town meetings; authorizing towns to conduct town meetings outdoors or at locations outside the town; and authorizing towns with a representative town meeting form of government to conduct town meetings remotely.

MLU also reviewed and responded to 198 notifications from town officials regarding votes to postpone town meeting (G.L. c.39, § 10A); reduce town meeting quorum (as required by section 7(a) of Chapter 45 of the Acts of 2020); and conduct town meeting by remote participation (as required by Section 8 (e) of Chapter 92 of the Acts of 2020).

With respect to the housing choice legislation, the amendments were passed as part of the economic development legislation of 2020 and made several amendments to Chapter 40A of the General Laws, commonly known as the Zoning Act. Among these amendments are changes to section 5 of the Zoning Act, which reduce the number of votes required to enact certain kinds of zoning ordinances and bylaws from a $\frac{2}{3}$ supermajority to a simple majority; and changes to section 9 of the Zoning Act, making similar changes to the voting thresholds for the issuance of certain kinds of special permits. These were significant changes and MLU received numerous inquiries about the required voting thresholds. MLU has worked with the Department of Housing and Community Development and the Executive Office of Housing and Economic Development (EOHED) on three trainings for community officials. MLU has also reviewed and provided input to EOHED on their published guidance on the legislative amendments. In addition, MLU has—where appropriate—explained the new quantum of vote thresholds in MLU by-law decisions and started a new “housing choice” section on the public-facing database of MLU decisions.

Important Statistics and Numbers

- MLU received and reviewed:
 - By-laws: 1,490
 - Preliminary charter: One
 - Charter amendments: 17
- MLU issued 338 decisions reflecting work on:
 - By-laws: 820
 - Preliminary charter: One
 - Charter amendments: 14

Neighborhood Renewal Division

The Neighborhood Renewal Division (NRD)³ ensures safer neighborhoods through blight reduction and the creation of safe, habitable homes. Through partnerships with 150 municipalities across Massachusetts, NRD reduces the safety hazards, economic drag, and criminal activity created by blighted residential properties. NRD achieves high rates of voluntary compliance from delinquent owners through written demands to correct serious code violations. Utilizing the enforcement authority under the State Sanitary Code, non-compliance is remedied through NRD receivership actions in Housing Court. NRD bolsters its mission by administering grant programs that address receivers' access to capital, property demolition and redevelopment, and code enforcement technology upgrades.

Significant Achievements and Priorities for FY2021

38 Old State Road, Erving, MA

Condemned in 2017, the property was a cause of concern to the Town of Erving due to its deteriorating state. Lacking electricity, plumbing, heat, and containing a significant amount of trash, the property was uninhabitable. The property had been vacant for at least six years prior to the AGO petitioning for the appointment of a receiver. Located in an area that is prone to flooding, the receiver faced numerous challenges over the course of the receivership including having to replace the driveway because it washed out in a storm. The receivership was also complicated by the existence of a USDA loan on the property which required working with the federal agency to obtain a waiver of certain look-back rights related to the mortgage. Ultimately, the receiver foreclosed on its lien by purchasing the property at auction and found tenants to occupy the property. The Town is very pleased with the outcome and has received numerous inquiries regarding the renovated property.

³ Previously known as the Abandoned Housing Initiative, the Neighborhood Renewal Division became a stand-alone division within the Government Bureau in August 2020.

The Eviction Technology Access Grant

In the face of expiring eviction moratoriums and concern that tenants facing eviction would not have access to the technology required to participate in Zoom hearings while courthouses were closed to the public, NRD created the Eviction Technology Access Grant. This grant provided a total of \$10,000 (\$2,500 each) to four organizations: Centro de Apoyo Familiar in Lawrence, Eliot Community Human Services in Everett, the Lynn YMCA, and the United Way of Greater Plymouth County's Family Center at Community Connections in Brockton. The grant was for the purchase of internet and video-enabled devices to help tenants remotely access their eviction-related hearing and mediation services. In addition to funding, grantees received materials in multiple languages to assist tenants in obtaining rental assistance and legal assistance where needed.

Tobin Beach Campground Demolition

In 2017, an archaeological survey of land that had been used as a campground in the Town of Brookfield showed significant evidence of Native American burial sites, artifacts of daily life, and evidence of cooking fires and village life. It was determined that the area was an ancient Native American village with evidence of linkage to an Adena tribe. The Town of Brookfield sought and was awarded a grant from the Strategic Demolition Fund to remove a dilapidated building leftover from the campsite as part of a plan to dedicate the land as a sacred and historic site. Working closely with the Chaubunagungamaug Nipmuck Council and the Town, NRD sought to create a process that respected the sacred land and the Chaubunagungamaug ancestors who lived and were buried on the land. The dilapidated structure was demolished and removed from the land in early March 2021 while the ground was frozen, avoiding any disturbance to the earth surrounding the structure and preventing any additional desecration to the site.

Community Engagement

During the FY2021, NRD attended or participated in a total of 34 events and presentations. NRD engaged with two new municipalities and hosted several presentations focused on the functions of the abandoned housing initiative, the state sanitary code, and the receivership process. Additionally, members of the NRD participated in various virtual events concerning individuals' housing rights, environmental housing communities, affordable housing, and various other topics surrounding structural, racial, and gender-based barriers in communities. Some of the notable events were receivership presentations/trainings with various municipalities and potential applicants, as well as Housing Court Bar Association events regarding Neighborhood rehabilitation and the state sanitary code enforcement.

Important Statistics and Numbers

During FY2021, NRD expanded its relationship with municipalities within the Commonwealth and now partners with 150 municipalities across the state. NRD initiated approximately 79 new property referrals and averaged an active caseload of approximately 310 properties with an average of 75 cases in litigation at any one time. Four of these referrals entered full receivership while 20 receiverships successfully concluded throughout the year. In total for the year, NRD obtained 97 successful outcomes.

Despite restrictions due to COVID-19 and limited access to properties, NRD assisted municipalities in recovering \$231,446 in unpaid property taxes and municipal expenses such as past due utility, water, and sewer bills. Several municipalities recovered various amounts with Barnstable, Hanson, Medford, Pittsfield, Quincy, and Webster receiving the highest amounts in recovery.

Other key metrics:

- NRD obtained 97 successful results in 20 municipalities. In total, 42 owners responded and repaired their properties.
- 25 properties were repaired and listed by homeowner(s) or sold as-is to new buyers who have permits and plans to repair property with their local Board of Health.
- 20 receiverships were completed across the Commonwealth.
- NRD recovered \$231, 446 in total tax recoveries for municipalities.
- Additional Grants:
 - The Abandoned Housing Initiative Receivership Fund (AHIR) provided nearly \$410,000 in loans to receivers for the rehabilitation of eight housing units.
 - Three demolition projects initially awarded funds through the Strategic Demolition Fund in FY2020 were completed. Funds totaling \$47,487.50 were paid to municipalities upon completion of the demolition projects. Through the Technology to Enrich Community Housing Grant, AHI provided four communities with funds to purchase or continue use of software solutions aimed at improving code enforcement and improving cooperation between the communities and the NRD receivership program. The total amount paid in FY2021 was \$58,987.50.

Trial Division

The Trial Division defends suits brought against state agencies, officials, and employees who are sued in the context of their agency duties. The types of cases generally include employment, torts, civil rights, contracts, erroneous conviction, eminent domain, and land use cases. These suits generally seek damages or other relief for alleged wrongful acts of government agencies, officials, or employees. The Trial Division handles cases in both federal and state court, and the cases range from those with simple fact patterns to multi-million-dollar cases with complex fact patterns and legal issues.

Significant Achievements and Priorities for FY2021

John Doe 1-10 v. Mici, et al.

The Trial Division continued to litigate John Doe 1-10, individually and on behalf of all other similarly situated v. Mici, et al., a putative class action challenging the conditions of confinement for men civilly committed under Section 35 to correctional institutions. The Plaintiffs claim gender discrimination, disability discrimination, and violation of their substantive due process rights. The Superior Court recently dismissed Plaintiffs' claims that Section 35 is unconstitutional on its face. The case remains pending.

EOHHS Annuity Cases

The Trial Division is representing the Executive Office of Health and Human Service in a variety of matters involving the distribution of annuity proceeds. A group of plaintiffs argues that MassHealth's recoveries from annuities, which net the Commonwealth several million dollars each year, are not authorized under federal law.

Erroneous convictions cases

The Trial Division litigated and resolved several erroneous convictions cases. Two significant cases Weichel v. Commonwealth and Cameron v. Commonwealth remain ongoing, and Sprinkle v. Commonwealth, Watson v. Commonwealth, and Foxworth v. Commonwealth were all resolved in settlement for between \$925,000 and \$1,000,000 respectively.

Financial Data

- Approximate Amount of Money Saved the Commonwealth by the Trial Division: \$37,729,154
- Approximate Amount of Money Recovered for the Commonwealth by the Trial Division: \$401,799

Important Statistics and Numbers

- Number of new litigation cases opened: 331
- The Trial Division maintained litigation docket of approximately 600 active cases on behalf of Commonwealth agencies and employees.
- Number of appeals: 38
- Approximate number of Presentments processed: 320
- Approximate number of Affirmative matters handled: 20
- Number of Agency Settlements reviewed/processed: 71

HEALTH CARE AND FAIR COMPETITION BUREAU

The Health Care and Fair Competition Bureau (HCFC) aligns divisions within the AGO that routinely touch upon the Massachusetts health care sector in fundamental ways. The work of HCFC includes overseeing public charities; preventing anticompetitive or fraudulent practices by providers of health care products and services within the Commonwealth; safeguarding rights of health care consumers; and combatting fraud and abuse in the MassHealth system. The divisions within the Health Care Fair Competition Bureau bring affirmative litigation on behalf of Massachusetts consumers and taxpayers, maintain a health care help line and mediation service, and engage in advocacy and policy initiatives to ensure access to quality, affordable health care in Massachusetts.

Antitrust Division

The Attorney General's Antitrust Division (ATD) protects the people, state agencies, and businesses of Massachusetts from anticompetitive practices, and helps to maintain and encourage a competitive and vibrant economy through fair and effective enforcement of antitrust laws. ATD investigates and challenges local and national anticompetitive mergers, price-fixing agreements, and other illegal practices by companies that harm Massachusetts consumers and important state interests. ATD also promotes and protects competition in various industries directly affecting consumers such as health care, pharmaceuticals, social media/technology, and communications. Furthermore, ATD obtains relief for consumers in the form of refunds for overcharges, civil penalties, and injunctions against offending businesses. Finally, the Antitrust Division advocates for effective competition policy at the state and national levels by filing legal briefs in important antitrust cases, engaging in policy initiatives, and promoting procompetitive legislation.

Significant Achievements and Priorities for FY2021

Generic Drug Price Fixing

The Antitrust Division continued to hold generic pharmaceutical companies and their executives responsible for alleged price fixing and market allocation agreements that drove up generic drug costs for consumers and Massachusetts governmental purchasers. ATD is actively litigating three wide-ranging complaints alleging that drug makers and pharmaceutical executives engaged in agreements to fix the prices of hundreds of generic medications. These lawsuits seek damages for consumers and Massachusetts governmental purchasers, civil penalties, and actions by the court to restore competition to the generic drug market.

State of Colorado et al v. Google LLC, Case: 1:20-cv-03010-APM

Attorney General Healey joined a bipartisan multistate coalition in suing Google LLC on December 17, 2020, for alleged anticompetitive conduct that illegally maintained power over general search engines and related advertising markets in violation of the Sherman Antitrust Act. The complaint alleged that Google improperly maintains its monopoly power in general search and search advertising through the use of exclusionary agreements and that Google has exploited its market position to accumulate and leverage data to the detriment of consumers. ATD is actively litigating the case on behalf of consumers as part of the multistate group. The litigation seeks, among other provisions, improved privacy protections and more targeted results for consumers.

State of New York, et al., v. Facebook, INC., Civil Action No. 20-3589 (JEB)

Attorney General Maura Healey joined a bipartisan multistate coalition in suing Facebook⁴ on December 9, 2020, alleging that the social networking service has spent the last decade illegally stifling competition to maintain its monopoly in the market and boost its profits resulting in reduced privacy protections and services for consumers. The complaint alleged that Facebook maintains its dominance in the marketplace by employing a variety of methods to deny users other choices for social networking, including by acquiring smaller rivals—such as Instagram and WhatsApp—before they become a threat. The Antitrust Division is litigating the case on behalf of consumers as part of the multistate group.

Important Statistics and Numbers

- Number of cases handled: 17 matters
 - Cases closed: Eight
 - Cases open as of the end of FY2021: Nine

False Claims Division

The False Claims Division (FCD) works to safeguard public funds by enforcing high standards of integrity against companies and individuals that make false statements to obtain government contracts or government funds in violation of the Massachusetts False Claims Act, G.L. c. 12, §§ 5A-5O (MFCA). FCD investigates suspected acts of fraud in public procurement and contracting in a range of industries. FCD also investigates allegations of fraud by whistleblowers and *qui tam* relators and supervises any recovery actions initiated by the Inspector General's Civil Recovery Unit (CRU).

⁴ In October 2021, Facebook CEO Mark Zuckerberg announced that the company known as Facebook would be changing its name to Meta Platforms Inc.

Significant Achievements and Priorities for FY2021

Colonial Automotive Group, Inc.

FCD expanded its scope by initiating and resolving an investigation of fraud involving unemployment benefits. FCD alleged that Colonial Automotive Group, Inc. (Colonial), a car dealership with 16 locations throughout the state, took advantage of state unemployment benefits during the COVID-19 pandemic and violated the MFCA. Despite furloughing most of its sales employees and encouraging them to apply for unemployment benefits from the Department of Unemployment Assistance, it was alleged that Colonial asked these employees to continue working while receiving benefits. Colonial agreed to pay \$1 million to resolve the investigation.

Diesel Direct, LLC

FCD resolved allegations that Diesel Direct, LLC, a Stoughton fuel delivery company, knowingly delivered nonconforming petroleum diesel fuel to state agencies while charging for a higher-priced and more environmentally friendly biodiesel fuel. Diesel Direct's improper conduct caused state agencies to consume fuel that emitted greater amounts of greenhouse gases and particulate matter into the atmosphere. FCD also alleged that Diesel Direct failed to comply with the state's Supplier Diversity Program which contractually obligates diversity spending requirements aimed at fostering growth and development for minority, women, and veteran-owned businesses. In addition to paying \$850,000 to resolve this matter, Diesel Direct agreed not to bid, submit a response to a request for proposal, or otherwise participate in any contract with the state or any state agencies for five years.

Federal Resources Supply Company

FCD reached a \$550,000 settlement with Federal Resources Supply Company, a Maryland-based company that falsely marketed and sold to the Massachusetts Bay Transportation Authority a product claiming to be an effective hand sanitizer alternative that could prevent the spread of the COVID-19 virus. The assurance of discontinuance resolves allegations that Federal Resources violated the MFCA and the state's Consumer Protection Act by promoting, without adequate evidence, that the product was effective as a hand sanitizer to combat COVID-19 when the product contains no alcohol, a key ingredient in hand sanitizer.

Financial Data

FCD successfully expanded its enforcement scope and its recoveries to the General Fund, more than doubling its recoveries from FY2020:

- Amounts Recovered in Damages and Penalties: \$3,787,388.48
- Recoveries to the General Fund: \$3,637,388.48
- Recoveries to the False Claims Line Item: \$3,482,388.48
- Restitution to Political Subdivisions: \$150,000 to MBTA per Federal Resources settlement

Important Statistics and Numbers

- Number of cases handled: 63 (33 have been closed)
- Number of matters settled: Eight

Community Engagement

- Number of Hotline Calls Received: 28 calls related to fraud involving unemployment benefits and PPP loans as well as consumer information for recently announced settlements.
- Number of external trainings on MFCA/work of FCD: 10

Health Care Division

The Health Care Division (HCD) uses its unique blend of enforcement and policy tools to promote the interests of Massachusetts health care consumers. HCD leads a range of cases in the public interest to protect Massachusetts consumers from unfair and deceptive conduct by health insurers, providers, pharmaceutical companies, and medical device manufacturers. HCD also leads state efforts to examine the health care market and advocates for improving affordability, access, and equity in health care. HCD also provides guidance to hospitals and health maintenance organizations (HMOs) about how they should determine the health needs of their communities, plan programs with their community partners, and report those activities to the AGO. Throughout the COVID-19 pandemic, HCD has played an important role advocating on behalf of low-income communities and communities of color for equitable access to public health resources. In addition, HCD mediates thousands of health care complaints annually and educates consumers regarding their health care coverage and billing rights.

Significant Achievements and Priorities for FY2021

Health Equity Report

In November 2020, HCD published a report entitled “Building Toward Racial Justice and Equity in Health: A Call to Action.” This report was informed by interviews with frontline health care providers and patients, as well as HCD’s decade of cost trends examinations. The report set forth ambitious recommendations in five areas: data for identifying and addressing health disparities, equitable distribution of health care resources, telehealth as a tool for expanding equitable access to care, health care workforce diversity, and social determinants of health and root causes of health inequities.

McKinsey & Publicis

HCD has led the work to hold accountable the marketing consultants that helped Purdue Pharma and other opioid companies sell more opioids to patients who did not need them. In February 2020, the AGO co-lead the resolution by consent judgment of an investigation of McKinsey & Company by attorneys general nationwide. The result was over \$10 million to the Commonwealth in FY2021 alone, along with robust injunctive relief, including that McKinsey must provide relevant documents to a university-hosted document repository in perpetuity. In May 2021, the AGO sued marketing consultant Publicis Health, LLC for its marketing, consulting, content creation, and tactics in service of Purdue Pharma which helped the company to sell more of its dangerous opioids, in higher doses, that exacerbated the opioid crisis in the Commonwealth.

HealthMarkets, Inc.

In December 2020, HCD filed a complaint for contempt and other relief under G.L. c. 93A against HealthMarkets, Inc. and its subsidiaries for violating multiple provisions in a 2009 Final Judgment by Consent against HealthMarkets, Inc. The complaint alleges that the Defendants cheated more than 15,000 Massachusetts consumers out of over \$45 million through a series of deceptive schemes about the Defendants’ sales agents and the insurance products they were selling.

Financial Data

- Total Amounts Recovered: \$14,646,598.50
 - Penalties: \$185,000
 - Restitution: \$75,000
 - Other Recoveries: \$14,386,598.50

Important Statistics and Numbers

- Cases Handled: 16
 - Cases Open: 10
 - Cases Closed: Six
- Number of mediation helpline calls: 2,273
- Number of on-line complaint forms received: 2,087
- Number of mediation cases closed: 2,171
- Total money recovered by mediation unit: \$228,284.10

Medicaid Fraud Division

The Medicaid Fraud Division (MFD) investigates and prosecutes health care providers who defraud the Massachusetts Medicaid program, known as MassHealth. In addition, MFD is responsible for reviewing complaints of abuse, neglect, mistreatment, and financial exploitation of patients in long-term care facilities.

Significant Achievements and Priorities for FY2021

MFD's Expanded Jurisdiction and Community Outreach

In December 2020, Congress expanded the jurisdiction of Medicaid Fraud Control Units like MFD to investigate abuse, neglect, and financial misappropriation of Medicaid members in non-institutional health care settings, such as during home health care visits. Pursuant to this authority, MFD has conducted extensive community outreach to inform law enforcement and other prospective partners about its expanded jurisdiction and existing work to protect long-term care facility residents. MFD presented to numerous district attorney's offices, elder and disability protection organizations, industry groups, and advocacy organizations during FY2021. MFD also continued to build upon its existing relationships with MassHealth, the Department of Public Health, and the Executive Office of Elder Affairs. Through this outreach, MFD established several new referral streams and partnerships that enable MFD to prioritize enforcement and deterrence of abuse/neglect/financial misappropriation of elders.

Behavioral Health

MFD has prioritized investigating and prosecuting cases involving behavioral health providers that fail to provide quality services to MassHealth members. In May 2021, MFD prevailed on virtually every issue at summary judgment in the South Bay Mental Health Center litigation, culminating in a record-breaking \$25 million settlement reached after the 2021 fiscal year. That ruling not only upheld MFD's interpretation of critical MassHealth behavioral health regulations, particularly

regulations requiring clinical supervision of unlicensed clinicians, but was the first time that a healthcare fraud case has been litigated against a private equity company through to summary judgment. This case has ensured that the majority of MassHealth members are now receiving behavioral health services from providers under strict compliance requirements. The case also included a prior settlement with South Bay which required an independent compliance monitoring program, as well as the UHS/Escobar litigation which was a \$10 million resolution that required a multiyear independent compliance monitoring program. MFD has since launched additional investigations into several other behavioral health providers alleged to have violated similar supervision requirements.

Home-Based Services

MFD has continued its focus on combating fraud among providers who deliver home-based services, which remain a major source of MassHealth spending. In October 2020, MFD conducted a coordinated sweep for fraud and abuse in the personal care attendant (PCA) program, indicting seven individuals for fraudulent schemes. In December 2020, MFD reached a settlement to resolve billing allegations with Maestro-Connections Health Systems, LLC, one of the largest home health agencies in Massachusetts. Pursuant to that agreement, Maestro agreed to repay \$10 million to MassHealth and to enter an independent compliance monitoring program to ensure that its services are compliant moving forward. MFD reached similar settlements involving compliance monitoring programs with Altranais Home Care of Lowell and Lifod Home Health Care, which agreed to pay back \$3.1 million, and \$1.25 million respectively.

Financial Data

- Amounts Recovered: \$36,324,829.01
 - Penalties: \$205,000.00
 - Restitution: \$32,663,133.99
 - Other Recoveries: \$3,456,695.02

Important Statistics and Numbers

- Number of cases handled: 44 (16 open)
 - Complaints: Two
 - Settlements: 24
 - Indictments: 17 (14 open)
 - Convictions: Three

Community Engagement

- Number of Hotline Calls received: 113
 - Fraud: 66
 - Abuse/Neglect: 26
 - Other: 21
- Number of on-line complaint forms received: 57
 - Fraud: 38
 - Abuse/Neglect: 10
 - Other: Nine
- External events and trainings: MFD presented at 25 external events and trainings
- Estimate of community members/municipalities engaged: 2,3000

Non-Profit Organizations/Public Charities Division

The Non-Profit Organizations/Public Charities Division (NPCD) is responsible for overseeing more than 23,000 public charities in Massachusetts including ensuring appropriate application of charitable assets, investigating allegations of wrongdoing or fraud in the application or solicitation of charitable funds, and initiating enforcement actions in cases of breach of fiduciary duty. This work includes reviewing sales of significant charitable assets and dissolutions of public charities; reviewing documentation of and ensuring fulfillment of charitable bequests; and supporting nonprofit charitable boards of directors in their efforts to discharge their fiduciary duties appropriately. NPCD's compliance unit is comprised of administrative staff who support transparency in the sector by processing and managing registration and annual filings by public charities, professional solicitors, fundraising counsel, and commercial co-venturers. NPCD also maintains the AGO's Annual Filings Document Search, which makes much of this information available to the public.

Significant Achievements and Priorities for FY2021

During FY2021, NPCD prioritized engagement with consumers and the charitable sector through answering almost 10,000 calls to its hotline, presenting on charities law standards at 25 trainings and other external events, and reviewing more than 200 online complaints. NPCD also sought to protect charitable assets through obtaining court approval to appoint a Receiver for the Jewish Education Center – Congregation Lubavitch and related entities in Brookline (Suffolk Superior Court Civ. Action No. 2184CV00687). NPCD prioritized helping charitable entities succeed despite pandemic-related challenges, including by making assets more available (e.g., through equitable deviation petitions) where they were needed and consistent with charities law principles.

Financial Data

- Amounts Recovered for designated charitable organizations: \$191,678
- Revenue Generated: \$7,745,160

Important Statistics and Numbers

- Number of cases handled: 42
 - Affirmative cases: Five open; two closed (includes involuntary dissolutions, affirmative fiduciary duty litigation, receiverships)
 - Defensive cases: Eight open; 27 closed (includes equity petitions, significant probate matters, fiduciary duty litigation of which the AGO is a necessary party under G.L. c. 12, s. 8G)
- Dissolutions filed with the SJC: 52
- Administrative dissolutions approved: 89
- Number of initial charities registrations: 1,697
- Number of payments processed for public charity and professional fundraiser annual reports and registrations: 29,898
- Fees generated: \$7,745,160
- Summary of probate review:
 - Received and reviewed 886 new wills
 - Received 495 interim accounts
 - Reviewed 422 final accounts/documents closing estate files for personal representatives and trustees.
 - Received and reviewed 32 petitions for license to sell real estate, 76 trust terminations and 953 miscellaneous complaints and filings.
 - Resolved 46 matters involving potential misapplication of charitable bequests or excessive fees, resulting in \$191,678 in reduced fees or money recovered and distributed to charities.

Community Engagement

- Number of Hotline Calls received: 9,772
- Number of on-line complaint forms received: 218
- Number of inquiries to Division inboxes: 4,459
- Trainings/educational events:
 - 25 external events and trainings at which NPCD staff presented engaging with an estimated 1,400 community members

PUBLIC PROTECTION AND ADVOCACY BUREAU

The Public Protection and Advocacy Bureau (PPAB) uses investigation, litigation, and other advocacy to enforce laws protecting the Commonwealth. PPAB protects consumers from unfair and deceptive activity, enforces state and federal civil rights laws, ensures access and equal opportunity for all residents, pursues complex insurance and finance cases on behalf of residents or government entities, and enforces state wage and hour laws.

Children’s Justice Unit

The Children’s Justice Unit (CJU)⁵ works to enhance protections and promote positive and equitable outcomes for vulnerable children and youth in Massachusetts. CJU uses legislation, policy, and other tools available to the Attorney General’s Office and often works with other AGO divisions and bureaus to offer a child-focused perspective on their matters.

Investigation into Meta Platforms, Inc. (Facebook)

Along with the Data Privacy and Security Division, CJU is co-leading a nationwide investigation into Meta Platforms, Inc. for providing and promoting its social media platform – Instagram – to children and young adults even though its use is associated with physical and mental health harms. The investigation is examining whether the company violated state consumer protection laws and put the public at risk.

Commonwealth of Mass. v. JUUL Labs Inc.

Working with the Consumer Protection Division, CJU has continued its litigation against JUUL Labs, Inc. The lawsuit asserts that JUUL created the youth vaping epidemic by intentionally and illegally marketing and selling its e-cigarettes to young people. CJU contributed its expertise by analyzing and describing JUUL’s youth-targeted marketing strategies as well as the health, educational, and other harms caused by JUUL to young people, families, schools, and communities around the Commonwealth.

⁵ The Children’s Justice Unit (CJU) changed its name from the “Child and Youth Protection Unit (CYPUP)” in March 2021.

Investigations and Complaint Resolutions

CJU has facilitated, on its own and with the Civil Rights Division, numerous investigations into schools reporting incidents of harassment, bullying, discrimination, and hate crimes. CJU also receives dozens of intakes per month. These intakes seek assistance with a range of topics, including Department of Children and Families cases, probate and family court matters, child support, bullying and harassment in schools, and childcare program and K-12 school closures during the COVID-19 pandemic.

Civil Investigations Division

The Civil Investigations Division (CID) employs trained staff who provide investigative support in civil matters for the divisions both in PPAB and throughout the AGO. CID's investigators locate, and interview victims, witnesses, and subjects connected with actions taken by the AGO. They obtain and review documentary evidence from numerous sources including individuals, corporations, federal, state, county, and municipal agencies; conduct background investigations; analyze financial records and perform other forensic accounting functions; and testify in court.

Significant Achievements and Priorities for FY2021

Assault Rifle Ban

During FY2021, CID continued to play a significant role in the AGO's enforcement of the Assault Rifle ban and the gun violence initiative. This has included compiling of statistics, providing information regarding gun specifications, and continuing to monitor gun sales across the state.

Deceptive and fraudulent practices

CID supports multiple divisions within the AGO in dealing with unscrupulous business practices against consumers by energy providers, healthcare providers, service providers, and others. Over the past year these cases have resulted in monetary penalties against many of these companies.

Important Statistics and Numbers

- Case statistics
 - Cases opened: 210
 - Cases closed: 197
- CID served over 200 summons and subpoenas

Civil Rights Division

The Civil Rights Division (CRD) protects and advances the constitutional and statutory civil rights and liberties of residents and visitors to the Commonwealth. CRD works to remedy and end discrimination on the basis of race, national origin, immigration status, religion, gender, gender identity, sexual orientation, age, and disability as well as other protected categories. CRD also ensures equal opportunity in areas such as education, housing, employment, healthcare, immigration, public accommodations, and voting.

Significant Achievements and Priorities for FY2021

Addressing Hate

The Civil Rights Division focused on preventing and addressing hate in our communities. CRD brought lawsuits against a Boston man who harassed, threatened, and intimidated his Black neighbors using racial epithets; a Fitchburg apartment complex manager for failing to address race-based harassment of Latinx tenants by two white neighbors; and a Lynn landlord who forced his immigrant tenants to live in unsanitary conditions by using threats to call immigration authorities and other acts of discriminatory harassment. CRD also engaged with dozens of school communities facing incidents of hate and published comprehensive guidance for schools on their legal obligations to prevent and address hate and bias, as well as resources to help them fulfill these obligations.

Discrimination in Housing

In the context of increased housing insecurity caused by the COVID-19 crisis, CRD ramped up its efforts to address housing discrimination. In particular, CRD focused on discrimination based on receipt of Section 8, RAFT, and other forms of public assistance. For example, in August 2020 CRD concluded a widescale investigation of Section 8 discrimination on the South Shore and announced settlements including payments of up to \$110,000 by real estate brokers and agents to resolve allegations of discrimination against prospective tenants who received public assistance.

Along with the settlement, CRD published guidance on source of income discrimination. In February 2021 in celebration of Fair Housing Month, CRD hosted a roundtable and trainings on income discrimination for landlords, housing providers, community organizations, and advocates. CRD also released information to help tenants and their housing counselors understand housing rights during the pandemic, including to prevent discrimination based on receipt of RAFT payments. CRD also resolved 16 housing discrimination cases referred to the AGO by the Massachusetts Commission Against Discrimination. This included a settlement where the Boston Housing Authority agreed to pay up to \$55,000 to settle a claim that it failed to provide reasonable accommodations needed to prevent exacerbation of the chronic health issues of a parent and a child.

Protecting Immigrants

CRD continued to protect the rights of immigrant residents by leading litigation challenging the Trump Administration's anti-immigrant agenda. For example, CRD continued to fight against the rollbacks of the DACA program, and successfully obtained an injunction in November 2020 that required the Administration to reinstate processing for new DACA applications. During the COVID-19 crisis, CRD led litigation that successfully challenged a federal rule that threatened to bar hundreds of thousands of international students from studying in the U.S., and successfully stopped the Administration from limiting COVID-19 relief funds to students based on immigration status. CRD was also successful in working with the Biden Administration to close the immigration detention facility operated by the Bristol County Sheriff's Office after CRD's extensive investigation revealed that the civil rights of immigrant detainees were violated during a disruption at the facility in May of 2021.

Important Statistics and Numbers

- Amounts Recovered: \$282,179
- Number of cases handled:
 - 11 cases in state court.
 - 16 cases in federal court.
- Appeals briefed/argued: CRD briefed and argued one appeal in state court. CRD participated in appeals of numerous cases in federal court.
- Amicus briefs filed/joined: CRD was involved in dozens of amicus brief filings and led several.

Community Engagement

- Total hotline calls received⁶: 2,803
 - 117 of the 2,803 calls came in through the Hate Crimes Hotline.
- Total online complaints received: 1,833
 - Approximately 34% of the complaints filed were employment related. Most of the other complaints were related to housing (11%), public accommodations (11%), other government entities (10%), police (7%), and education (4%).
- CRD participated in dozens of trainings and community events on topics such as housing discrimination, hate and bias incidents, and immigrants' rights. Audiences included community groups and advocates, police and prosecutors, bar association sections, and undergraduate and law students.

Consumer Advocacy and Response Division

The Consumer Advocacy and Response Division (CARD) provides individual assistance to consumers filing complaints with the AGO. The goal of consumer assistance is to help consumers resolve disputes with businesses in a manner that is fair and reasonable to all parties under the circumstances. CARD conducts specific and targeted outreach across the Commonwealth to address high volume and high priority consumer issues. CARD also manages the Local Consumer Program grant supporting a network of 18 consumer-focused agencies across the Commonwealth and frequently partners with other AGO divisions to investigate unlawful business practices identified through its consumer advocacy work.

⁶ This number does not include hotline calls received in July 2020 since CRD began tracking this information in August 2020.

Significant Achievements and Priorities for FY2021

Consumer Complaints

Throughout FY2021, CARD received more than 24,300 consumer complaints and continued to respond to complaints resulting from the COVID-19 public health emergency and its economic impact on Massachusetts families. This number represents a 12 percent increase from FY2020 and more than a 54 percent increase when compared to FY2019, the most recent pre-pandemic fiscal year. Major sources of consumer complaints included consumers seeking refunds for cancelled travel plans, cancelled events such as weddings and concerts, and problems cancelling gym memberships. CARD adapted its complaint handling process to assist consumers with these new sources of complaints while continuing to assist consumers with existing types of complaints that are key to the economic security of Massachusetts families such as foreclosure prevention, new and used auto sales, auto lending, and utilities complaints. Through individual consumer assistance, CARD staff helped consumers save or recover \$10.8 million in response to complaints filed with the AGO.

Grants

The AGO awarded \$1.3 million in grants to 18 municipal and non-profit Local Consumer Programs (LCPs). These programs provided consumer education and consumer assistance in response to complaints referred by the AGO. The LCPs responded to more than 8,092 consumer complaints and helped save or recover more than \$3.7 million for Massachusetts consumers. The Chelsea-based La Colaborativa joined the LCP programs for the first time in FY2021, providing much needed help to a community hit hard by the pandemic.

In November 2020, in response to the end of the state eviction moratorium and the continuing adverse economic impact of the COVID-19 public health emergency, CARD mobilized the network of Local Consumer Program grantees to help tenants facing eviction apply for available rental assistance programs. The LCPs helped more than 225 tenants complete applications for rental assistance through their Regional Administering Agency.

Financial Data

The Consumer Advocacy and Response Division including the LCP program helped 3,450 consumers save or recover \$14.5 million in response to consumer complaints filed with the AGO. This amount includes refunds issued to consumers, debts forgiven by merchants, and the value of goods received as replacements or exchanges for defective or undelivered merchandise. Of this amount \$10.8 million reflects amounts recovered through complaints handled by AGO staff, and

\$3.7 million reflects amounts recovered through complaints handled by a Local Consumer Program. Notable recoveries include:

- \$9.3 million in recoveries secured for consumers filing complaints related to cancelled travel plans resulting from the COVID-19 public health emergency.
- \$1.6 million in recoveries in response to auto-related complaints, most of which are related to used vehicle sales. Other sources of auto-related recoveries included complaints against auto repair shops, new vehicle sales, and auto repossessions.
- \$811,000 in recoveries in response to complaints related to mortgage loan servicing.
- \$333,000 in recoveries were achieved in response to complaints about cancelled events.

Important Statistics and Numbers

- Consumer complaints: 24,516 with the most complained about products and services representing approximately:
 - 1,700 complaints against gyms and health clubs
 - 1,400 complaints against companies selling bundled vacation packages
 - 1,300 complaints about imposter scams
 - 800 complaints against landlords, including evictions
 - 780 complaints against used car dealers
 - 690 complaints against home improvement contractors
 - 670 complaints against ticket sellers and event venues
 - 530 complaints against auto repair shops
- CARD's Elder Hotline: 3,975 constituent calls
- CARD staff also organized eight webinars reaching a total of 60 consumers and organized a training on rental assistance programs that was attended by 23 Local Consumer Program staff.

Consumer Protection Division

The Consumer Protection Division (CPD) is responsible for combatting unfair or deceptive acts or practices in the conduct of any trade or commerce, as prohibited by the Consumer Protection Act, G. L. c. 93A. CPD enforces consumer protection through investigations and lawsuits, prioritizing cases that involve goods and services that are fundamental to the economic security of Massachusetts residents. Such as housing, education, and transportation. CPD seeks to return funds to consumers that were unlawfully obtained by businesses, to end unlawful practices, to deter future misconduct through penalties, and to impose oversight on problematic businesses through injunctive relief.

Significant Achievements & Priorities for FY2021

COVID Related Travel and Event Cancellations

Since the start of the COVID-19 pandemic, the AGO has secured nearly \$12 million in total travel refunds from various companies, resulting in payments to more than 6,000 consumers in Massachusetts. In December 2020, CPD entered into a consent judgment to resolve litigation against BookIt, an online travel agency. The consent judgment required BookIt to pay \$551,835 in cash refunds to 539 Massachusetts consumers for allegedly withholding payment to hotels for reservations already paid for by the consumers, collecting payments for travel reservations despite knowing they had been or would be cancelled due to the COVID-19 pandemic. CPD was also able to obtain \$101,325 in cash refunds for 471 families of students whose educational tours were cancelled due to the COVID-19 pandemic, in a settlement with Carousel Student Tours. CPD also obtained \$13,450 in cash refunds for wedding cancellations from the Canoe Club Ballroom in informal mediations.

Pennsylvania Higher Education Assistance Agency (PHEAA)

CPD resolved its litigation against *Pennsylvania Higher Education Assistance Agency (PHEAA)*, one of the largest national student loan servicers, for failing to properly administer the Public Service Loan Forgiveness Program (PSLF) for teachers and other public servants. The resolution requires PHEAA to administer a claims process, which is ongoing. Claimants are entitled to an individualized audit of their loan accounts and to receive loan account corrections and monetary compensation to restore them to their rightful statuses in the PSLF. Refunds totaling \$16,781.49 were provided to student borrowers to remedy account errors that could not be corrected. 644 student borrowers have received account corrections identified in the individual audits.

Boston Sports Club

CPD obtained refunds for former members of now defunct Boston Sports Club totaling \$127,000 from the bankruptcy estate after BSC shut down but continued to charge consumers during the COVID-19 pandemic. CPD sued Boston Sports Club and its CEO on November 24, 2020, for their unfair and deceptive billing conduct and for failing to cancel memberships.

Financial Data

- Total amounts Recovered: \$8,512,875.18
- Payments to the Commonwealth arising out of CPD matters: \$1,746,164.59
- Restitution and refunds paid to Massachusetts consumers arising out of CPD matters: \$3,455,591.73
- Mortgage principal cancellation obtained for Massachusetts homeowners: \$2,781,629.17
- Other (non-mortgage) debt cancellation or forgiveness obtained for Massachusetts consumers: \$529,489.69

Community Engagement

In conjunction with the Community Engagement Division, local consumer programs and other agencies, CPD provided 10 consumer education presentations to residents across the Commonwealth. Through these presentations, CPD was able to provide consumer protection and financial literacy programming to more than 200 consumers and/or advocates. These presentations often educated consumers concerning a range of topics including new or emerging COVID-19 related scams; consumer rights in retail and auto transactions; preventing and addressing identity theft; improving financial literacy; and protecting elders from fraud and abuse. All presentations also discussed ways consumers could reach our office to report scams or fraud and seek assistance in resolving disputes with a business.

Data Privacy and Security Division

The Data Privacy and Security Division (DPSD)⁷ works to protect consumers from online threats and the unfair or deceptive collection, use, and disclosure of consumers' personal data; ensure that entities protect the security and integrity of Massachusetts residents' personal information; and promote equal and open access to the digital economy. DPSD pursues these goals by investigating and enforcing violations of the Consumer Protection Act, Data Breach Notification Law (G.L. c. 93H), the Data Security Regulations (201 CMR 17.00), and related federal data protection laws. DPSD protects consumers by responding to and ending unlawful practices, deterring future misconduct through civil penalties, and improving data security practices through injunctive relief. DPSD also provides consultation on data security, privacy, and digital technology matters within the AGO and other state agencies; regularly engages with the business community; and presents at numerous legal events and conferences about how to better protect consumers' personal information.

⁷ The Data Privacy and Security Division (DPSD) was launched in August 2020. Previously, it operated as a unit within the Consumer Protection Division.

Significant Achievements and Priorities for FY2021

In re Anthem, Inc.

In September 2020, DPSD helped lead a multistate investigation of the national insurance company Anthem, stemming from a massive 2014 data breach at the company that impacted nearly 79 million Americans and nearly one million Massachusetts residents. The investigation focused on Anthem's compliance with Massachusetts Data Protection Law. Under an assurance of discontinuance under G.L. c. 93A, Anthem made a payment of approximately \$1.4 million to the Commonwealth and agreed to make significant business practice changes and to implement several improvements to its security processes.

In re The Home Depot

DPSD obtained an assurance of discontinuance under G.L. c. 93A from national retailer The Home Depot for its failure to comply with Massachusetts Data Protection Law in connection with a 2014 data breach that exposed the payment card information of approximately 40 million consumers nationwide, including consumers who shopped in 45 Home Depot stores in Massachusetts. Under the Assurance, The Home Depot made a payment of approximately \$525,000 to the Commonwealth and agreed to implement numerous improvements to its data security practices.

Attorney General v. Facebook, Inc.

DPSD successfully defended on appeal a court order compelling Facebook to comply with its investigation, under G.L. c. 93A, into the company's conduct in connection with the Cambridge Analytica data incident.

Financial Data

- Monetary recoveries: \$1,925,000
- Restitution: \$145,000

Important Statistics and Numbers

DPSD received and processed approximately 2,533 data breach notices under G.L. c. 93H. These notices reported over 3,200 data breaches impacting the personal information of over 1,064,000 Massachusetts residents.

Fair Labor Division

The Fair Labor Division (FLD) is the primary enforcer of wage and hour laws in Massachusetts. FLD vigorously enforces minimum wage, overtime, earned sick time, and other related laws so that workers are paid the wages they are due, and employers compete on a level playing field. The Fair Labor Division is also responsible for ensuring that public construction projects are fairly bid on and awarded, and that employers engaged in public construction pay the prevailing wage to their workers.

Significant Achievements and Priorities for FY2021

Misclassification of Employees

The misclassification of employees as independent contractors cuts across all industries and threatens basic protections for all workers. FLD continued to fight against misclassification in FY2021. Most notably, the office filed a complaint in Suffolk Superior Court in July 2020 for declaratory judgment against Uber Technologies, Inc. and Lyft, Inc., seeking a determination that Uber and Lyft drivers are employees, not independent contractors, and are therefore entitled to basic protections like minimum wage, overtime, and earned sick time. In March 2021, the court denied Uber's and Lyft's motions to dismiss the office's claims. FLD continues to advocate on behalf of workers to ensure they are never forced to choose between flexibility in their jobs and important job protections.

Racial and Economic Justice and Equality

During FY2021, FLD commenced an initiative as part the AGO's officewide efforts to advance racial and economic justice and equity. FLD collaborated with The Policy Group on Tradeswomen's Issues on a robust outreach and training initiative about state laws requiring diverse workforce participation on public construction projects. These laws require state and state-assisted construction contracts to set forth participation goals that workers of color and women to be employed on each contract, as well as the processes and procedures to ensure compliance with those workforce participation goals, including reporting and enforcement provisions. The initiative is part of the Attorney General's commitment that taxpayer-funded projects provide opportunities for women and workers of color, rooted in the reality that public construction jobs provide workers with living wages. In October 2020, FLD presented the first-ever training on the workforce participation laws at an Advanced Topics Update class, as part of the Office of the Inspector General's (OIG) MA Certified Public Purchasing Officials program. More than 500 public purchasing and construction industry representatives were trained on statutory workforce participation obligations by Fair Labor Division staff.

Wage Theft in Hospitality

The hospitality industry continued to be a focus of FLD. During FY2021, enforcement actions impacted nearly 1,300 workers and resulted in more than \$760,000 in restitution to workers and \$515,000 in penalties. Most of these enforcement actions involved restaurants. In one case, The Clambake dba Lobster Pot, a restaurant located in Provincetown, was cited more than \$156,500 in restitution and penalties for violations related to non-payment of wages and compliance with earned sick time and minimum wage laws. Clambake's unlawful practices included taking involuntarily deductions from some of its employees for lodging, which caused their earnings to fall below the minimum wage. In another case, FLD issued three citations against Hopster's LLC, a brewing company located in Wayland. FLD cited the company and its owners more than \$167,650, including restitution impacting 30 employees, for violations related to timely payment, non-payment, and recordkeeping.

Financial Data

- Amounts Recovered from previously assessed penalties and restitution:
 - Penalties: \$2,653,374.52
 - Restitution: \$4,983,392.58
- Number of cases handled:
 - Opened: 791
 - Closed: 745
- Total Citations and Assessments: 1,046
- Total Restitution: \$4,992,736.73
- Total Penalties: \$3,138,812.15
- Number of Employees Impacted: 14,903
- Tax Liens Recorded for Unpaid Citations: 114
- Site Inspections (enforcement capacity): Seven
- Compliance visits (non-enforcement capacity): Four
- Public Construction Bid Unit calls and e-mails: more than 7,500
- Public Construction Bid Unit protest hearings: 25
- Public Construction Bid Unit formal protests without hearing: 35
- Community Engagement:
 - Number of Hotline Calls Received: 15,709
 - Number of on-line complaint forms received: 4,867
 - Community outreach events: 126

Insurance and Financial Services Division

The Insurance and Financial Services Division (IFSD) protects the interests of consumers, cities, towns, and the state in civil matters involving the insurance, securities, lending, and for-profit school industries. IFSD investigates unfair practices and the submission of false claims; advocates for the public interest in administrative insurance rate proceedings; litigates cases in state and federal court; and provides advocacy and guidance regarding policy matters relating to consumer financial issues. IFSD also provides mediation services to consumers relating to property, casualty, and life insurance, as well as annuities, investments, and student loans. Within IFSD, the Student Loan Assistance Unit specializes in student debt related issues. All actions are directed at the goals of assisting Massachusetts residents and ensuring fair practices and consumer economic security in the financial services arena.

Significant Achievements and Priorities for FY2021

Securities and Workers' Compensation Enforcement

In FY2021, IFSD investigated numerous matters under G.L. c. 93A relating to investments and workers' compensation insurance and secured over \$80 million in savings and recoveries for the public. This included the successful results of this year's workers' compensation insurance administrative rate case, as well as recoveries relating to prescription drug overcharges under the Massachusetts workers' compensation insurance system. IFSD also continued its inquiries into cryptocurrency issues, recovering funds mishandled in payment processing related to the cryptocurrency PlexCoin. In addition, IFSD filed suit against Credit Acceptance Corporation, a major auto loan securitizer, alleging the company misled investors and engaged in a variety of illegal origination and collection practices.

For-Profit Schools and Student Debt

IFSD also brought more cases against for-profit schools that misled students, recovering over \$2.2 million in debt relief and restitution. This figure represents amounts recovered in cases against the Flatiron School, Ashford University, Catherine Hinds Institute of Esthetics, and Online Trading Academy. In addition, IFSD continued its efforts to obtain private loan and institutional debt waivers for students who attended such for-profit schools. For instance, after previously securing a \$70 million judgment against the New England Institute of Art (NEIA), IFSD obtained a waiver of NEIA student debts held by a third-party U.S. Bank. Similarly, IFSD obtained debt waivers for students of The College Network who obtained financing through Troy Capital LLC, and reversed pandemic offsets and wage garnishments against student borrowers put in place by the American Student Assistance and Vermont Student Assistance Corporation. In addition, IFSD co-authored a multistate letter to the U.S. Department of Education recommending policy changes to help student loan borrowers.

Small Business Assistance Unit

IFSD continued to provide mediation and informational services to small businesses following its creation of the Small Business Assistance Unit (SBAU) during the pandemic. The SBAU has assisted over 130 small businesses with issues ranging from federal loan eligibility and forgiveness to eviction moratoriums. The unit also helped small businesses obtain federal and state loans, contact private lenders, and negotiate with suppliers and distributors. Additionally, the SBAU provided guidance relating to the Paycheck Protection Program, workers' compensation insurance pricing options, and eviction moratoriums. Furthermore, IFSD continued its advocacy work, including the submission of a multistate comment letter to the Small Business Administration (SBA) proposing new rules for loan forgiveness and federal guarantee decisions, as well as several other letters to the SBA regarding the Paycheck Protection Program. IFSD also repeatedly wrote to the Commissioner of Insurance urging premium reductions and other changes relating to private passenger auto, commercial auto, commercial property, and workers' compensation insurance.

Community Engagement

IFSD often provides testimony and participates in public hearings. IFSD testified before the Boston City Council regarding the disparate impact of insurance rating practices on communities of color and low-income communities. In addition, IFSD also engages with Massachusetts consumers by assisting them in navigating a variety of complicated financial issues and mediating with financial institutions. These mediations relate to property, casualty, and life insurance, as well as annuities, investments, and student loans. Within IFSD, the Student Loan Assistance Unit specializes in student debt related issues. Together, the Insurance and Financial Services Mediation Program and Student Loan Assistance Unit recovered \$882,948.19 and generated \$815,895.87 in savings for complainants.

In FY2021, IFSD participated in 14 external events including speaking at conferences and on panels on consumer financial enforcement issues; Financial Literacy Trainings; Public Meetings as part of Premium Finance and Merit Rating Board meetings; and City of Boston Small Business Conferences/Meetings. Through these efforts, IFSD engaged with students, consumers, professionals, and lawyers in Massachusetts.

Financial Data

- Amounts Recovered/Saved: \$118.46 million
- Penalties/Payment to the State: \$10.32 million
- Restitution: \$2.02 million
- Other Recoveries/Savings: \$106.11 million
- Case Statistics:
 - Number of cases handled: 24
 - Appeals briefed/argued: Two
 - Amicus briefs filed/joined: Five
- Number of Hotline Calls Received:
 - Insurance and investment inquiries: 2,332
 - Student lending inquiries: 738
 - Settlement inquiries: 451
- Number of on-line complaint forms received: 1,509 covering issues including student loans; auto, home, life, and travel insurance; annuities and investment accounts; and force-placed insurance and mortgage escrow.

