

THE OFFICE OF ATTORNEY
GENERAL MAURA HEALEY

ANNUAL REPORT

FISCAL YEAR
2022

Report of the Attorney General for Fiscal Year 2022

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, 2021, through June 30, 2022.

Respectfully submitted,

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

Significant Achievements & Priorities for FY2022

With the post-COVID return to in-person events, CED hit the ground running to assist communities directly at community-based organizations and faith-based groups. The major highlight was assistance to Tenants/Landlords facing eviction, in addition to assistance with RAFT applications. CED organized over 40 in-person and remote trainings/presentations on Landlord/Tenants Rights and provided up-to-date multilingual information on how to apply for RAFT and HAF during the current housing crisis in communities like Chelsea, Springfield, Lynn, Lawrence, and Boston.

The Division partnered with other divisions to host two remote summits, the People's Law Firm Outreach Day, bringing together nearly 500 service providers to share information on housing and fuel assistance to better equip them to assist their clients and members.

CED also worked in partnership to launch the office's first ever AGO Language Access Plan (LAP), an internal guide for AGO staff on how to assist consumers and workers with Limited English Proficiency. The LAP also guides staff on how to assist individuals with disability. CED's Director of Outreach serves as the Language Access Coordinator for the Office.

Important Statistics and Numbers:

CED organized 115 in-person events and trainings, and hosted 40 public and private webinars, engaging directly with nearly 15,000 residents across the state on a wide range of topics and services, including Consumer Rights, AGO Assistance to Immigrants and Refugees, Energy and Fuel Assistance: A Consumer Warning, and Worker's Rights.

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 office as a whole.

Specifically, the GCO provides legal assistance with employment, ethics, and conflicts 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 the AGO's responses to public records requests; and runs the AGO in-house legal training program.

The GCO is also instrumental in identifying cost savings by encouraging sound business practices. For example, the GCO reviews outside legal and other vendor services and ensures all AGO contracts and grants comply with legally and fiscally-sound procurement, contracting, and grant-making processes. The GCO also manages the library and eDiscovery teams.

Significant Achievements & Priorities for FY2022

In FY2022 the GCO conducted a total of 30 Harassment Prevention and Anti-Discrimination Training sessions training a total of 435 employees and 102 managers. Attorneys from Morgan, Brown, & Joy, with direction and input from Jean Mejia, Alyssa Russo, and Juliana Rice, defined the law, explained the AGO's Harassment Prevention and Anti-Discrimination Policy, and in an interactive way, showed how the law and policy applied in hypothetical, relevant scenarios involving harassment, discrimination, and retaliation in the workplace. The program featured a combination of presentation, group discussion, and application/takeaways. In the supervisors' training sessions, which were slightly longer, the presenters delved more deeply, addressing the hypotheticals from the supervisors' points of view.

In FY2022, the General Counsel's Office concluded the Seasoned Employees Reorientation Training series which was designed to ensure that the office continues to meet best practices. All employees who have not attended a New Employee Orientation within the past year were required to attend one of the sessions. The theme of the meeting was recordkeeping and featured presentations on Records Retention and Public Records, eDiscovery and Information Technology.

Important Statistics and Numbers

AG Institute:

In FY2022, the AG Institute conducted 20 training programs for AAGs, filling approximately 1,000 seats. The AG Institute also conducted 2 New Employee Orientations, training a total of 70 new employees.

Boards and Commissions:

In FY2022, there were a total of 23 new Boards & Commissions Appointments and 10 Boards & Commissions Reappointments.

Public Records Requests:

In FY2022, the AGO received 683 public records requests, a 2% decrease from the number received in FY2021. Members of the press/media submitted 85 of those requests.

Special Assistant Attorneys General (SAAGs):

In FY2022, there were a total of 37 new SAAG Appointments, 23 amended SAAG Appointments, and 2 vacated SAAG Appointments.

Grants Management

Grants Management oversees both internally-funded grant programs and federal grant awards.

Using 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 fulfill its mission. The Director 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 FY2022

Grants Management collaborated with the Enterprise, Major, and Cyber Crimes Division to secure \$3,889,492.00 in grant funding from the Department of Justice's Office for Community Oriented Policing Services. The grant will run from 10/1/2021 to 9/30/2024 and will fund staff, supplies, and sworn officer overtime for the New England Fentanyl Strike Force. The AGO will collaborate with Massachusetts State Police, local police departments, and regional partners to disrupt drug trafficking organizations and combat the opioid epidemic throughout Massachusetts and New England.

Using \$593,754.11 in settlement funds, the AGO established the Residential Energy Assistance Grant to provide 24 organizations with flexible funding to assist Massachusetts households struggling to pay their heating bills. Grant recipients will be able to provide up to \$1,000.00 in

energy subsidies per heating season to eligible Massachusetts households. The grant will run from 1/1/2021 to 6/15/2024.

The AGO began accepting grant proposals for the Merrimack Valley Renewal Fund's Municipal Clean or Efficient Energy initiative using funds from the 2020 Columbia Gas settlement. Andover, Lawrence, and North Andover are eligible for grants that fund energy efficiency and clean energy projects for municipal government operations. North Andover received the first award in the amount of \$20,000.00.

Important Statistics and Numbers

Division/Unit Specific Statistics:

EXEC/Grants Management

- Grants received (number and value)
 - o 2: \$5,447,492.00
- Grants given (number and value)
 - o 137: \$2,858,532.71

Information Services Center

The Information Services Center (ISC) is the AGO's robust call center for inbound calls from the public and provides multilingual assistance to constituents. Created in January 2020, ISC is working through the process of absorbing all inbound hotlines, tip lines and helplines with the goals of maximizing efficiency, minimizing hold times and erroneous transfers while improving the quality of information provided to the public. ISC is currently responsible for the following lines: Commonwealth Anti-Trafficking Task Force (CATTF) Tip Line; Non-Profit and Public Charities (Charities) Assistance Line, Consumer Hotline, Main Switchboard, Criminal Bureau Duty Line, False Claims Tip Line.

Significant Achievements & Priorities for FY2022

In December 2021, ISC absorbed the Criminal Bureau Duty Office line.

In March 2022, ISC absorbed the Non-Profit and Public Charities assistance line.

Important Statistics and Numbers

Division/Unit Specific Statistics:

In Fiscal Year 2022, ISC answered 79,718 phone calls, as follows:

- CATTF – 6
- Charities – 2,812
- Consumer Hotline – 32,222
- Crim Duty Line – 547
- False Claims – 70
- Switchboard – 44,061

ISC staff assisted 517 constituents in Spanish, and 22 constituents in Portuguese.

Office of the State Solicitor

The Office of the State Solicitor's (the Office) mission is to ensure the highest quality of appellate advocacy throughout the Office of the Attorney General. The Office serves as a resource in determining whether and when to appeal, helping craft a brief or argument, consulting on appellate procedure or strategy, and framing and ensuring adequate preservation of key issues at the trial-court level. The Office also helps ensure the consistency of legal positions taken in briefs filed by the Office of the Attorney General; 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 & Priorities for FY2022

In FY2022, the Office of the State Solicitor continued its work leading the Commonwealth's appellate advocacy. Among other priorities advanced by the Office in filing or joining scores of briefs in Massachusetts' courts and courts across the country, the Office supported the Attorney General's extensive efforts to preserve and expand access to reproductive healthcare, including leading amicus briefs at the trial-court level and in the U.S. Supreme Court in support of the United States' challenge to Texas's unprecedented S.B. 8 law that enforced an abortion ban via a \$10,000 bounty for private lawsuits; joining together with other state Attorneys General in filing numerous other amicus briefs challenging other states' abortion bans; and advising the Attorney General on legislation further strengthening Massachusetts' protections for reproductive healthcare following the Supreme Court's reversal of *Roe v. Wade*.

The Office also contributed to the Attorney General's efforts to protect workers, including through filing amicus briefs in the Supreme Judicial Court fighting back against employee misclassification in the context of franchise agreements, supporting employees' protections against retaliation under the Personnel Records Act, and advocating against overly broad application of the Federal Arbitration Act.

Additionally, the Office continued its work supporting the Attorney General's defense of the Commonwealth's COVID-19 response, including in defending on appeal numerous trial-court-level victories against challenges to the Commonwealth and its agencies' measures to address the

pandemic, as well as participating as amicus curiae in the Supreme Judicial Court in support of municipalities' enforcement of COVID-19 public health measures.

Policy and Government Relations Division

The Policy & Government Relations Division assists in the development and advancement of the AGO's policy and legislative priorities. The Division articulates the office's positions on legislation under consideration in the Massachusetts Legislature and U.S. Congress. The Division 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 office.

Significant Achievements & Priorities for FY2022

State Advocacy

The Division worked to advance bills filed by the Attorney General in the 2021 – 2022 legislative session.

In July 2021, AG Healey testified alongside co-sponsors Sen. Brendan Crighton and Rep. Frank Moran on her bill to protect electric ratepayers from competitive electric suppliers. The Secretary of Energy and Environmental Affairs and the Chair of the Department of Public Utilities joined in calling for legislative action consistent with the AG's bill. In November 2021, the AG joined Sen. Adam Hinds and Rep. Tram Nguyen to testify in support of their bill to hold perpetrators of hate crimes accountable, better capture the breadth of victims targeted by hate, improve data collection for hate crimes, and promote restorative justice and community-based programming to help communities heal.

In September 2021, the Medicaid Fraud Division testified in support of a bill that increases the civil penalties that the office can seek for mistreatment, abuse or neglect leading to injury or death of patients in long-term care facilities, and the Victim Compensation Division testified in support of a bill to ensure that a victim's application for financial assistance to the office remains confidential. Later in the year, the Criminal Bureau testified in support of a bill to address the sale of parts that can be converted to firearm silencers. In December, the Consumer Protection Division testified in support of a bill updating laws that protect consumers who buy or lease a car. Also in December, the Human Trafficking Division testified in support of a bill to provide law enforcement with tools to shut down sex traffickers who masquerade as alternative healing practices.

The Division also led advocacy on other office priorities, including voting rights, reproductive health care, and economic justice.

In July 2021, the AGO supported for a package of reforms to Massachusetts election laws, including early mail-in voting and same-day voter registration. Also in July, the Division submitted a letter in support of legislation requiring state agencies to develop a common application for public benefits, with the goal of making it easier for low-income residents to access nutritional assistance, MassHealth, housing and other supports. In addition, the AG called on the Legislature

to make all those who have graduated from a Massachusetts high school, and attended high school in the state for at least three years, eligible for in-state tuition and state financial aid at public colleges and universities, regardless of immigration status.

In September 2021, the Attorney General testified in support of funding to grow the behavioral health care workforce, enhance the capacity of the public health system and improve access to health care over the Internet. In October, the Consumer Protection Division testified in support of the Debt Collection Fairness Act, a suite of common-sense updates to the Massachusetts debt collection laws. The AGO also registered support for ensuring that state wage and hour laws, and other protections for employees, continue to apply to drivers who work for transportation network companies.

In June 2022, the Supreme Court overturned *Roe v. Wade*, which for nearly 50 years had recognized that the Constitution does not permit states to prohibit a woman from deciding whether to carry a pregnancy to term. The Division partnered with legislators and reproductive health advocates to draft legislation protecting providers and patients of reproductive and gender-affirming health care services in Massachusetts.

Federal Advocacy

In Congress, AG Healey expressed her support for legislation filed by Sen. Elizabeth Warren (D-MA), Congresswoman Carolyn Maloney (D-NY) and Congressman Jerrold Nadler (D-NY) to prohibit the use of non-consensual, non-debtor releases in bankruptcy proceedings. The bill closes a loophole in bankruptcy law that the Sackler family, owners of opioid maker Purdue Pharma, used to shield themselves from liability for actions that helped fuel the national opioid epidemic. In November 2021, the U.S. House Judiciary Committee advanced the bill.

AG Healey also joined a letter to Congress in support of the Legal Services Corporation, whose funding helps provide civil legal aid to low-income Americans, seniors, veterans, and persons with disabilities. In addition, the AG endorsed the Public Safety Officer Support Act of 2022, extending disability and death benefits to families of officers who suffer from post-traumatic stress disorder or die by suicide in the line of duty. In May 2022, the House of Representatives approved the bill.

Additional Projects

Combatting the opioid epidemic remained a top priority for the Attorney General's Office. The Division continued to convene the AG's Family Advisory Council, whose mission is to ensure that families and partners directly impacted by the opioid epidemic can share their lived experience with the office. The Division remained a point of contact for people in recovery and families and organizations committed to prevention, education, and treatment, ensuring that their voices and experiences inform the office's advocacy and work surrounding this public health crisis.

The AGO awarded \$1.5 million in grant funding to 16 organizations across Massachusetts as part of its work to promote equity in treatment programs and recovery services for opioid use disorder. The Division was integral to the design and implementation of the grant program – *Promoting Cultural Humility in Opioid Use Disorder Treatment* – to support treatment and recovery programs committed to standards that serve Black, Indigenous, and People of Color.

Through the STOP School Violence Prevention and Mental Health Training Program, the office and Sandy Hook Promise continued to provide *Start With Hello*, *Say Something*, and *Signs of Suicide* program trainings to participating school districts. *Start With Hello* trains students to notice social isolation in their school and communities and to help build a more inclusive school environment. *Say Something* trains students to pay attention to warning signs, signals, and threats, and communicate concerns to a trusted adult. *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. The trainings are funded by a \$1 million grant from the Department of Justice and will reach approximately 130,000 students in grades 6 – 12 across more than 50 school districts.

Regional Offices

Central Massachusetts Regional Office

The Central Massachusetts Regional Office serves as the local representative of the Office of the Attorney General. The CMAS Division includes lawyers, labor inspectors, consumer mediators, and administrative staff who are knowledgeable about the statewide activities of the Attorney General's Office and have also developed special relationships with local, regional, and community resources. The CMAS office works closely with local community organizations (including the City Manager's Coalition Against Bias and Hate, the YWCA's Coordinated Community Response Network, the Mayor's Brownfields Task Force, the Regional Response to Addiction Partnership, and the Better Business Bureau) to provide outreach and education programs on important consumer, environmental, and public safety issues.

Significant Achievements & Priorities for FY2022

Members of the CMAS staff have assisted with the Office's response to myriad COVID-19 issues including responding to municipal government questions from Governor's Legal in the context of municipal relief legislation considering 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.

CMAS staff continued to serve as a link between the municipalities in the region and the Boston-based AGO staff by, for example, assisting with questions about municipal finance accounting of funds from the statewide opiate settlements.

Southern Massachusetts Regional Office

After 22 years at its original location, the Southeastern Massachusetts Regional Office ("SEMA") relocated to 300 Pleasant Street, Suite 310, in New Bedford. This new office will allow SEMA to continue in its mission to bring the resources of the Attorney General's Office to the residents of Bristol, Plymouth, Barnstable and Dukes Counties. SEMA staff primarily handles matters for the Fair Labor, Constitutional and Administrative Law, Trial, Neighborhood Renewal, Consumer Advocacy and Response, Consumer Protection, and Insurance and Financial Services Divisions.

Significant Achievements FY2022

In *Nuovo v. Executive Office of the Trial Court*, the Plaintiff sought \$100,000 in damages after she slipped and fell in the parking lot of the Plymouth Trial Court. After a one-and-a-half-day trial, the jury came back with a defense verdict.

Financial Data (please note the revenue numbers in this section are not separate from the numbers reported by the indicated division):

The Neighborhood Renewal Division uses the enforcement authority of the State Sanitary Code to address those properties that area communities have identified as being abandoned and having serious health and safety code violations. In Fiscal Year 2022 alone, the SEMA team recovered over \$11,000 in unpaid taxes and concluded seven receiverships across Southeastern Massachusetts.

Important Statistics and Numbers

The Attorney General has appointed two members of the SEMA staff to serve as her designee on the Board of Appeal on Motor Vehicle Liability Policies and Bonds. In Fiscal Year 2022, they participated in over 600 hearings.

Western Massachusetts Regional Office

The Western Massachusetts Regional Office (“WMAS”) of the AGO was the first regional office and remains the largest regional office. WMAS has approximately 35 employees representing nearly every bureau, division, and initiative of the AGO. During Fiscal Year 2022, WMAS continued to succeed in its mission of providing accessible AGO assistance and services to Western Massachusetts residents in the four western counties—Berkshire, Hampden, Hampshire, and Franklin—while engaging with the AGO as a whole on statewide initiatives.

WMAS represents the Commonwealth in state and federal court, primarily in the four western counties, and provides direct constituent services in many areas, including civil rights, consumer protection, fair labor, Medicaid fraud, neighborhood renewal, environmental crimes, and criminal matters. In addition, the WMAS staff participate in numerous outreach programs—online and in person—with the public, partner agencies, and law enforcement. WMAS staff also represent the AGO as appointees or liaisons to various governmental bodies, including the Board of Appeals on Motor Vehicle Liability Policies and Bonds.

During fiscal year 2022, the work of the WMAS team included (please note the revenue numbers in this section are not separate from the numbers reported by the indicated division):

Fair Labor, collecting in total \$1,166,398.83 revenue (\$638,157.18 in restitution and \$528,234.65 in penalties); and presenting at multiple educational trainings;

Government Bureau, alongside the Trial Division and Constitutional and Administrative Law Division, opening 27 new cases and resolving 34, with an estimated savings to the Commonwealth of approximately \$1,446,000.00. Cases include:

- employment claims brought against various state agencies;
- contract and eminent domain claims arising from state construction projects;
- administrative appeals of decisions by the Department of Children and Families, the Civil Service Commission, 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 employment requirements related to COVID-19 vaccination; 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;

Neighborhood Renewal, recovering over \$64,000.00, in unpaid taxes and other municipal fees for the towns of Ashfield, Becket Erving, Orange, Windsor and the city of Holyoke; concluding 4 receiverships; and monitoring another 4 properties' journey to rehabilitation and code compliance by sale or by discussions with new owners and lenders, in the communities of Becket, Greenfield, and Huntington;

Civil Rights, investigating allegations and resolving multiple cases alleging discrimination in housing and public accommodations resulting in tens of thousands of dollars in payments; assisting with drafting amicus briefs regarding race-conscious admissions in higher education as well as race-neutral admissions policies in k-12 schools that attempt to increase diversity; organizing two disability rights awareness events for the AGO; presenting at three trainings for municipalities regarding accessibility, the provision of accommodations, and best practices; sitting on the Developmental Disability Council and the Commission on the Status of Persons with Disabilities; and spearheading state-wide disability rights advocacy for the office;

Consumer Protection, investigating allegations of consumer protection law violations; assisting consumers with loan modifications, housing conditions issues, and illegal lockouts;

Criminal Bureau, multiple arrests, indictments, and guilty pleas. Representative cases include:

- guilty plea of Holyoke man in connection with cheating scheme netting more than \$30,000 in illegal winning at MGM Springfield casino;
- arrest and arraignment of eight individuals in connection with a state and federal wiretap investigation into major heroin trafficking operation in Western Massachusetts, resulting in seizure of more than 4 kilograms of heroin, fentanyl, and cocaine, 6 illegal firearms (including 3 “ghost guns”), more than \$200,000 in case, jewelry, and vehicles; and
- arrest and arraignment of former Massachusetts State Police Captain on child pornography charges;

Medicaid Fraud, indictment of clinical laboratory and owner on a range of criminal charges in connection with an illegal kickback and Medicaid fraud scheme involving urine drug screens at sober homes;

Community Engagement, holding regular presentations for the public, including: educating consumers on their rights and common scams; worker’s rights, worker’s teen rights, landlord/tenant rights, job fairs, immigration law, wage theft clinics for victims of wage theft; minimum, prevailing wage, and public construction bid and workforce participation presentations for employers; and receivership training for receivers to facilitate further neighborhood renewal projects. WMAS employees regularly attended other regional events.

Victim Compensation and Assistance Division

The Victim Compensation & Assistance Division is the state’s financial assistance program that has served victims of violent crime that occur within the Commonwealth since the late 1960’s. As an administrative program, survivors of violent crimes can apply for assistance with their crime related expenses that include 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 1600 unduplicated applications a year and pays out over \$3 million dollars annually to aid survivors in their recovery from the impact of violent crime in their lives. Criminal fines, forfeitures, special assessments, and gifts or donations deposited into the national Crime Victims Fund and an allocation from the state legislature are the program’s funding streams for compensating survivors’ out of pocket and outstanding crime related expenses.

Victim Compensation's Important Statistics and Financial Information:

The Victim Compensation and Assistance Division's (the Division) work during this reporting period continues to demonstrate our commitment and the impact of responding to the needs of victims of violent crime within the Commonwealth during this state fiscal year. During Fiscal Year 2022, the Division received 1661 new, unduplicated applications from victims of violent crime with 485 direct billing requests for Forensic Sexual Assault Exam Kit payments and 360 applications for assistance with crime related expenses post kit administration, totaling 845 requests for assistance regarding both child and adult survivors of sexual assault. The new claims represent the number of crime survivors and the families of homicide victims who were impacted by violent crime, including homicides, assaults, domestic violence, sexual assault, child abuse, stalking, arson, human trafficking, robbery, and terrorism. FY 2022 saw 1481 new claims deemed eligible for compensation of their crime related expenses. By the end of FY2022, the Division paid out a total of \$3,276,206.23 in reimbursements for claimant's out of pocket expenses and payments for outstanding expenses to providers. Of the 1108 claims that were paid out during FY 2022, the top three expense categories paid out by the division to all eligible claimants were economic support, funeral/burial costs, and forensic sexual assault exam expenses. The division paid out a total of \$463,088.86 in economic support, \$888,995.03 in funeral/burial costs, and \$1,077,407.58 in forensic exam expenses.

Community Engagement

Victim Compensation maintains a duty line for incoming calls for both Compensation Program and non-program related inquiries. Staff responded to over 2000 calls to the Division during this reporting period. All calls are returned within twenty-fours of their receipt. These calls involved inquiries regarding the Victim Compensation Program, emergency resources, general victim services, consumer related issues, and calls requiring general information about other government agencies.

During FY 2022, the Division worked to translate the program's brochure and application into Haitian Creole, Portuguese, Mandarin, and Vietnamese. Once completed, these applications (including our existing English and Spanish applications) will be available in hard copy and online fillable format.

The division continued to provide training and outreach throughout the Commonwealth in FY2022. During the FY2022 period, the staff in the Victim Compensation and Assistance Division conducted 39 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.

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 defends Massachusetts convictions, criminal justice officials, and criminal laws and practices, in federal and state courts. Specifically, the Division strives to uphold convictions secured by the Attorney General's Office. Such convictions often arise from large-scale drug trafficking, environmental violations, child pornography, and white-collar offenses. The Division also is the only unit of state government to defend Massachusetts convictions, obtained by the AGO and the Commonwealth's District Attorneys, in federal courts. Challenges come in the form of direct appeals to the United States Supreme Court, and through habeas corpus actions in the U.S. District Court, Court of Appeals for the First Circuit, and Supreme Court. The Division 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. The Division's clients include the AGO itself, District Attorneys' Offices, the Parole Board, courts, the Probation Service, other criminal justice agencies, and members of such bodies. In its various cases, the Division is often required to defend the constitutionality of statutes, rules, procedures, and practices related to criminal adjudication and punishment.

Significant Achievements & Priorities for FY2022

In Fiscal Year 2022, the Appeals Division contributed in significant ways to the AGO's advancement of its priorities in at least three core areas.

First, Division members successfully defended numerous convictions that were challenged in the federal and state courts. The United States Court of Appeals for the First Circuit refused to set aside a number of convictions for first-degree murder and one conviction for second-degree murder. Division members also persuaded the United States District Court not to set aside scores of state convictions for first-degree murder and other offenses such as aggravated rape of a child, unlawful possession of a firearm, second-degree felony murder, and human trafficking. In several other cases handled by the Division, the appellate courts of Massachusetts likewise issued decisions favorable to the Commonwealth.

Second, Division members prevailed on behalf of its clients in civil matters. For example, the team obtained a favorable ruling from the Supreme Judicial Court in an appeal brought by a plaintiff to challenge the Parole Board's actions in the medical-parole process. It also secured the dismissal of a federal civil action against an assistant clerk-magistrate, arising out of his duties in the course of a prosecution in Suffolk County. And it persuaded the Superior Court to dismiss a civil action against the Governor, arising out of his alleged role in the plaintiff's extradition to another state.

Third, the Appeals Division actively engaged with members of the general public, and with other governmental entities, through training, education, committee service, assistance with legal matters, and other pursuits. For instance, 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. Division members also collaborated with the AGO's Digital Evidence Laboratory in thoroughly revising and updating its Digital Evidence Manual, a resource for governmental practitioners throughout the state.

Important Statistics and Numbers

- In Fiscal Year 2022, the Appeals Division opened about 145 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; and subpoena matters in relation to federal and state civil and criminal actions.
- Appeals Division members presented fifteen oral arguments and submitted over fifty briefs and dispositive motions to appellate and trial courts within Fiscal Year 2022.
- In Fiscal Year 2022, the Appeals Division filed two amicus briefs in the Supreme Judicial Court. The Division also made recommendations as to whether the AGO should join amicus briefs filed by others in several cases.

Digital Evidence Lab

The Digital Evidence Laboratory (DEL) is a specialized unit dedicated to the cyber components of criminal investigations. It is staffed by full-time forensic and cyber experts performing computer and mobile device forensic examinations, data analytics, open-source intelligence, multimedia forensics, and other technical tasks in the course of all types of criminal offenses. The 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. During the reporting period, the DEL had 83 cases referred for service including human trafficking, narcotics, public integrity, unlawful tobacco sales, insurance fraud, assault and battery, larceny/embezzlement, child sexual exploitation, hacking, unlawful gaming, sexual assault, robbery, and murder.

Significant Achievements & Priorities for FY2022

The DEL is well-recognized across the country for its case work as well as its contributions to the cyber forensic community. During the reporting period, DEL personnel worked on serious child exploitation and human trafficking investigations. One of these included a former high-ranking public official accused of trafficking online in child sexual abuse material. DEL personnel also provided essential investigative support to the Middlesex District Attorney's Office on a high-profile untimely death case. DEL personnel frequently engage, lead, and host working groups and training initiatives for law enforcement personnel across the globe. The 2022 National Cyber Crime Conference (NCCC) featured more than 250 training classes for 2,000 law enforcement attendees, the majority of which were broadcast live to a partially virtual audience.

Other Notes

The DEL organized several training events during the reporting period. These include the NCCC as well as other training events for local, state, and federal law enforcement, judges, and litigators on myriad topics. The NCCC is by far the most significant of these. In the first hybrid event (onsite/virtual), more than 2,000 attendees, staff, exhibitors, and speakers took part in hundreds of live and recorded training sessions over the course of 3 days in April. This training event has a massive positive impact on the ability of police and prosecutors to deal with digital evidence in all manners of cases. Due to the virtual nature of the event, more than 60 technicians were needed to organize the event. Every member of the DEL team was involved in the tech production. Further, the DEL holds regular internal training events performed by its own personnel to guarantee the continued success of our forensic operations.

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 in order to develop high-impact prosecutions. The Division includes prosecutors, intelligence analysts, and State Police assigned to the Attorney General's Office 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 criminal offenses, including narcotics trafficking with a focus on opioid cases, possession and trafficking of firearms, and other serious felonies.

Significant Achievements & Priorities for FY2022

During the winter of 2022, the Massachusetts State Police began investigating a drug trafficking organization operating in and around Lawrence. Between March and April 2022, an undercover trooper completed multiple controlled purchases of fentanyl with one of the organization's members. Following the controlled purchases, in late April, police executed a search warrant at a Lawrence apartment that was identified as the organization's "stash house." During execution of the warrant, they recovered over 4 ½ kilograms of fentanyl, five firearms, one rifle, seven high-capacity magazines, multiple rounds of ammunition, more than \$13,000 in cash, and other indicia of large-scale fentanyl distribution. Twelve defendants were indicted and are facing drug trafficking and firearm charges in Essex Superior Court.

"Operation Déjà Vu" was a two-year investigation by the Massachusetts State Police and the FBI into a drug trafficking organization that was distributing fentanyl throughout the South Shore. Through 27 controlled buys of narcotics, extensive physical and electronic surveillance, and a court-authorized wiretap of multiple phones used to facilitate drug trafficking, investigators were able to identify several members of the organization. After many months of investigation, in January 2022, police executed search warrants at five residences connected to the organization. They seized hundreds of grams of fentanyl, a quantity of cocaine, 2 firearms, and nearly \$300,000 in cash. Eight defendants were charged in various courts as a result of the investigation.

In or around the spring of 2021, the Attorney General's Office, Massachusetts State Police, Homeland Security Investigations, and Cambridge Police Department began investigating illegal

firearm activity by a Cambridge man. As a result of the investigation, in October 2021, police executed a search warrant at his Cambridge residence, where they seized five Glock-style “ghost guns,” the necessary parts to assemble a sixth “ghost gun,” ammunition, a stun gun, and counterfeit cash. The defendant is facing multiple firearms-related charges in Cambridge District Court.

Financial Data

Money Seized/Forfeited: \$ 899,826

Important Statistics and Numbers

Number of cases handled in FY22:

69 cases charged/indicted (open)

40 cases resolved

Drug Seizures:

Heroin/Fentanyl	33.61 kilograms
Non-fentanyl opioid pills	224 pills
Cocaine	21 kilograms
Crack Cocaine	210.8 grams

Gun Seizures: 21 firearms

Financial Investigations Division

The Financial Investigations Division 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/Public Integrity Division, the Human Trafficking Division and the Enterprise and Major Crimes Division. The financial investigators provide extensive analysis and forensically examine documentary 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 also interview victims, witnesses, and targets and draft interview reports. The financial investigators provide testimony to the documentary evidence they gathered and examined in the Grand Jury and at trial as a summary witness. The Financial Investigations Division also oversees an accounting and disbursement of the funds used in the undercover operations of the State Police assigned to the office.

Significant Achievements & Priorities for FY22

Participating in trainings related to the field of financial investigations provides us with the most up to date and innovative methods of tracing stolen funds. It also provides us with the knowledge and tools necessary to conduct these investigations accurately and successfully.

In FY22 the Financial Investigations Division was part of the prosecution team for the following significant cases:

Commonwealth v. Sherry Verdick

Verdick, a former business manager at a Lawrence retirement home and nursing center, plead guilty and was sentenced to serve a year and a half in state prison in connection with stealing more than \$530,000 from the facility and the estate of a deceased resident at the home. Verdick, pleaded guilty in Essex Superior Court to the charges of Larceny Over \$1,200 by Single Scheme (5 counts), Larceny Over \$1,200 (1 count), Larceny Over \$250 by a Single Scheme (1 count), Making False Entries in Corporate Books with Intent to Defraud (2 counts), Forgery (3 counts), Uttering (3 counts), and Obtaining a Signature Under False Pretenses (1 count). A financial investigator partnered with the prosecutor and State Police to interview Verdick and witnesses. A financial investigator forensically examined the bank account records of the retirement home and Verdick to corroborate the theft and testified in the Grand Jury to the findings.

Commonwealth v. Daniel Spaulding

Spaulding, a former West Springfield Police captain was found guilty of taking more than \$17,000 from the evidence room at the city's police department and using it for personal purposes, including to pay his mortgage. After a five-day bench trial in Hampden Superior Court, the judge found Spaulding guilty on the charge of Use of Official Position to Obtain an Unwarranted Privilege. Financial investigators partnered with the prosecutor, State Police and federal investigators and it was determined that some of the bills were paid out by the Federal Reserve after the date the money had been originally seized, indicating that the money from the evidence bags had been replaced. Financial investigators reviewed the evidence room login records and determined a correlation and pattern between Spaulding entering the evidence room and making cash deposits into his personal bank account.

Commonwealth v. Kevin Lennon

Lennon, the owner of a food and beverage vending machine company, KBL Inc., was indicted and arraigned in connection with a scheme that defrauded third party buyers of vending machine routes out of approximately \$187,500. Lennon was indicted on charges of Larceny Over \$1,200 (3 counts) and Publishing of False or Exaggerated Statements Prohibited (2 counts). Financial investigators partnered with the prosecutor and State Police and reviewed Lennon's personal and business bank accounts as well as other records and determined that documentation had been fabricated, including spreadsheets, of past profits at the vending locations the third-party buyers purchased from Lennon. The case is currently pending in Bristol Superior Court.

Gaming Enforcement Division

The mandate of the Gaming Enforcement Division is to investigate and prosecute criminal conduct related to expanded gaming in the Commonwealth, monitor the fairness and integrity of the gaming industry, aid the Gaming Commission in consideration and promulgation of rules and regulations, and participate in generating a list of persons to be excluded from licensed gaming facilities. The work of the division 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. The Division 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. Members of the Division adhere to an enhanced code of ethics, as mandated by G.L. c. 12, § 11M(c).

Significant Achievements and Priorities in FY2022

During Fiscal Year 2022, the Division responded to dozens of members of the public and law enforcement via its tipline, some resulting in active criminal investigations and providing additional information on pending criminal cases.

The Division conducted over 28 investigations arising from conduct at Plainridge Park Casino. The investigations and prosecutions at the Plainridge Park Casino included assault and battery, disorderly conduct, narcotics offenses, firearm and ammunition offenses, and operating under the influence.

The Division conducted over 188 investigations and prosecutions arising out of MGM Casino in Springfield. The investigations and prosecutions at MGM have ranged from operating under the influence, disorderly conduct, possession of firearms and ammunition, narcotic offenses, money laundering, robbery, larceny, cheating offenses, and violent domestic assaults.

The Division conducted over 325 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.

Highlighted below are two matters that were investigated and prosecuted in FY 2022:

In April 2022, a Quincy resident was indicted in connection with running a criminal usury operation out of the Encore Boston Harbor Casino and in Suffolk and Norfolk Counties. Kimanh Le, 50, of Quincy, was indicted by a Statewide Grand Jury and a Norfolk County Grand Jury on nine counts of Criminal Usury in violation of M.G.L. ch. 271, § 49. The allegation is that Le provided usurious loans to gamblers, in the form of cash and/or casino chips. She charged gamblers interest rates of five percent per day or ten percent per week, in violation of the Massachusetts usury laws capping annual interest on loans at 20%.

Also, in October 2021, twelve individuals and three stores in Boston, North Reading and Chelsea were indicted in connection with an ongoing scheme to rob the state of tax revenue by laundering lottery winnings and lying under oath on numerous lottery claim forms. It was a calculated scheme carried out by the defendants to defraud the state of taxes on lottery winnings and other debts owed to the Commonwealth. Twelve defendants and three stores were indicted by a Statewide Grand Jury on the following charges: False Statement Under Penalty of Perjury (M.G.L. Ch. 268, § 1A) Conspiracy to Evade Taxes (M.G.L. Ch. 274, § 7) Attempting to Impede/Obstruct Administration of Massachusetts Tax Laws (M.G.L. Ch. 62C, § 73) Money Laundering (M.G.L. Ch. 267A, § 2) Failure to File a Tax Return (M.G.L. Ch. 62C, § 73A).

Important Statistics

- \$437,267.08 in assets were seized.
- Over 112 cases resolved in guilty findings or CWOs.
- Over 378 cases opened.

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 a paralegal. HTD multidisciplinary teams often work alongside analysts from the Criminal Bureau's Financial Investigations Division, Digital Evidence Laboratory, and local, state, and federal 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 FY2022

Commonwealth v. Hou, Hou Zywie, Smalls, and Wang

In September 2021, four individuals were indicted for operating a network of illicit massage businesses in cities and towns in Middlesex, Worcester, and Hampden Counties. The grand jury investigation resulted in charges of Trafficking Persons for Sexual Servitude, Deriving Support from Prostitution, Keeping a House of Ill Fame, Money Laundering, and Conspiracy. These cases were pending in Middlesex and Hampden Superior Courts at the end of FY2022.

Commonwealth v. Garland, Neto, and Sobreira

In September 2021, Defendant Garland was indicted for operating two illicit massage businesses in Suffolk County. Defendants Neto and Sobreira were indicted for sexually assaulting customers of Garland's massage business. These cases were pending in Suffolk Superior Court at the end of FY2022.

Commonwealth v. Ng

In December 2021, the defendant stood trial in Suffolk Superior Court for indictments alleging Trafficking Persons for Sexual Servitude, Deriving Support from Prostitution, Maintaining a House of Prostitution, Keeping a House of Ill Fame, and Money Laundering. The defendant operated a brothel out of a private residence in Allston from October 2017 – June 2018. On the second day of trial after one of the victims had testified and identified him as the owner of the brothel, the defendant pled guilty to all charges and was sentenced to five years in state prison.

In FY2022, the Commonwealth's Anti-Trafficking Task Force (CATTF) continued its mission of combating human trafficking through a statewide, multidisciplinary, and collaborative approach. Grant funding allowed the AGO to hire an AAG dedicated to the CATTF. Funding also allowed subgrantee victim service providers to provide essential services to survivors of human trafficking. HTD staff, along with the AGO's Director of Grants Management prepared and submitted the AGO's application for a second iteration of grant funding from OVC to continue and expand upon the work of CATTF. The grant award was awarded in October 2022.

Important statistics and numbers

- 10 individuals were indicted for human trafficking and related offenses
- 82 indictments were returned for human trafficking and related offenses
- 6 cases resolved by way of plea
- 13 investigations for sex and/or labor trafficking were initiated
- HTD staff participated in 22 training and educational events
- HTD staff presented at 15 trainings

Insurance and Unemployment Fraud Division

The Insurance and Unemployment Fraud Division (IUFD) 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 (CDI) program, investigating Federal benefits fraud. Examples of insurance fraud include counterfeiting insurance documents, manipulating corporate payroll reporting to illegally reduce premiums, and the fraudulent submission of disability claims. Examples of unemployment fraud include stealing Covid-19 pandemic assistance benefits, businesses avoiding unemployment taxes, and individuals earning wages and collecting unemployment benefits at the same time. Our efforts help to protect the people of Massachusetts from higher premiums and higher taxes as well as to ensure those in need are able to receive appropriate assistance.

Significant Cases for FY2022

Commonwealth v. Henry Ezeonvido, et al.

Between 2015 and 2019, seven co-defendants conspired to submit eighteen false claims to their private, health insurance carriers for illnesses they allege took place while travelling overseas. In total, the defendants fraudulently collected over \$326,000 in medical reimbursements for treatment they never received. Indicted October 25, 2021.

Commonwealth v. Lashaunda Studaway

In the aftermath of the 2018 Columbia Gas Explosion in Essex County, the defendant, while working as an independent insurance adjuster, used the identities of four Massachusetts residents and created two fictitious claimants in order to steal over \$28,000 in insurance payments. Indicted December 29, 2021

Commonwealth v. Kachina Abrams

In 2020, during the height of the pandemic, the defendant used the identities of six (6) Massachusetts residents to steal over \$50,000 in benefits while working as a customer service subcontractor for the Massachusetts Department of Unemployment Assistance. Defendant then moved the funds through various bank accounts to disguise the source of her fraud. Indicted March 24, 2022.

Financial Data

Court ordered restitution and repayments:

- Unemployment Fraud: \$205,429
- Insurance Fraud: \$210,000

Important Statistics

- Open Unemployment Fraud Investigations & Litigation: 84
- Open Insurance Fraud Investigations & Litigation: 63
- DUA Referrals: 9
- IFB Referrals: 8

Victim Services Division

The Victim Services Division 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 Attorney General's Office as outlined in the Victim Bill of Rights (M.G.L. c.258B).

Significant Achievements & Priorities for FY 2021-2022

Soldiers' Home Holyoke: Beginning in March of 2020, COVID-19 took dozens of veterans' lives within the home which prompted an investigation resulting in charges against both the former Superintendent and former Medical Director. After initially spending months interviewing family members and loved ones with the prosecution team, the VWA maintained contact with around 100 people through telephone calls, email and virtual meetings. After each hearing or a development has occurred throughout the Superior Court and now Appeals process, outreach is made to ensure all are aware of the progress and status of the matters.

Communication within the prosecution team is crucial to ensure information is correctly and promptly relayed to family members, and conversely to provide family members a voice by sharing their thoughts, concerns, and questions with the AGO staff who is handling these matters.

Important Statistics and Numbers

- Number of cases handled: 240 +
- Victims/Witnesses served: 190 +
- Victim / witness contact: 1,621 +
- VSD Duty Line Calls: 194 +

White Collar and Public Integrity Division

The White Collar & Public Integrity Division (WCPID) investigates and prosecutes cases that involve violations of public trust by public employees, and complex fraud and financial crimes.

Public Integrity cases involve serious criminal misconduct by public employees and officials who engage in or conspire to commit larceny, fraud, bribery, gratuities, and other crimes in which there is a hidden or unwarranted personal financial interest. This portion of the Division also includes crimes committed against or upon public agencies, perjury, and obstruction of justice, which are corrosive or harmful to public confidence in government and other trusted institutions.

Financial Crimes include fiduciary embezzlement by attorneys, stockbrokers, accountants, and other financial professionals who steal client funds; theft and fraudulent recordkeeping by employees; complex 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 staff from within the AGO, as well as local, state and federal investigative and enforcement agencies. Collectively, the combined law enforcement resources partner to aid in the handling of challenging and complex investigations and prosecutions.

Significant Cases

Commonwealth v. Manuel Duran, Casa Nueva Vida

On September 21, 2021, Manuel Duran, the former Executive Director of Casa Nueva Vida (CNV) was indicted on 9 charges by a Suffolk County Grand Jury for allegedly stealing nearly \$1.5 million from the non-profit organization and lying under oath to conceal his self-dealing in annual disclosure forms submitted to AGO Non-Profit & Public Charities Division. CNV operated a publicly funded scattered-site homeless shelter in Boston and Lawrence, which housed over 150 families. Duran, who was also the President of the board of CNV, had essentially unfettered control over the organization and its financial resources. Duran's embezzlement schemes were multifaceted. Duran leased four of his own privately owned properties to CNV as shelter locations, cloaking his interests through use of LLC's. He skimmed \$1.1 million through inflated rent payments; recruited vendors to submit false invoices and pass the unearned payments, totaling over \$220,612, back to him; and intercepted \$140,831 worth of paychecks he had issued in the name of a CNV janitor. Duran's misdeeds led to the effective demise of the organization in June 2022 and the transfer of its services to another entity.

Commonwealth v. Allen Seymour

On April 29, 2022, Allen Seymour pled guilty to 26 counts and was sentenced to serve six to eight years in state prison, followed by three years of probation, in connection with a scheme to defraud homeowners and mortgage lenders by providing fraudulent documents in legal and real estate transactions in Greater Boston. In 2010, Seymour pled guilty and was sentenced to 2-2.5 years in state prison for a similar mortgage scam indicted by the AGO. When released from his 2010 prison sentence, Seymour reinitiated his old scam. Throughout 2017 and 2018, Seymour repeatedly targeted vulnerable homeowners, including elderly residents, in Cambridge and Brookline to fraudulently gain control of their residential properties and then resell them at a profit to buyers without the knowledge of the homeowners. Seymour forged purchase and sale agreements, power of attorney documents and other records in the name of the homeowners to orchestrate fraudulent residential sale transactions and gain control over the seller's proceeds. Seymour then laundered those funds through third party accounts and purchases of gold. He also collected deposits totaling \$550,000 from the homebuyers relying on his forged purchase and sale agreements for properties in Brighton, Somerville and Cambridge and stole those funds. In total, Seymour stole over \$1.5 million through these various transactions. As part of the plea, Seymour surrendered \$190,000 and 238 gold coins, all of which will be directed to the victims, pending court approval. While on probation, Seymour is barred from handling real estate transactions.

Commonwealth v. Justin Cole

On May 25, 2022, the former Uxbridge town accountant pled guilty and was sentenced to serve three years in jail, and three years of probation thereafter, in connection with his theft of approximately \$931,000 from Uxbridge and two other Worcester and Berkshire County towns. From 2012 to 2017, Justin Cole 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 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 have the town pay BMAG's rent to its landlord. When he was no longer the accountant for the town of Uxbridge, Cole 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, through these fraudulent schemes, Cole stole \$855,474 from Uxbridge, \$24,600 from Monterey, and over \$47,000 from Millville. Cole has been ordered to pay restitution, and a restitution hearing will be convened upon his release from jail to establish the particulars of his restitution obligation. During the three-year probationary period, Cole is barred from performing any financial services to any person or entity.

Financial Data

A central component of most WCPID dispositions is restitution, but sums recovered for WCPID victims through the criminal process are frequently not calculable until post-conviction restitution proceedings have concluded. In the current year, WCPID defendants have been ordered to pay restitution of \$222,178.56 in cash and the proceeds from the sale of 238 forfeited gold coins. Additionally, WCPID defendants have been ordered to pay restitution in amounts that will be formally determined when the defendants are released from state prison. These future restitution orders—arising from convictions obtained this year—are expected to compel the payment of an additional \$1,466,759 in restitution.

In criminal tax matters, WCPID's work this year has anchored tax liabilities well in excess of \$400,000, which WCPID has referred for civil collection to the Massachusetts Department of Revenue, at DOR's request. Because the criminal dispositions secured by WCPID streamline DOR's post-conviction collection of the evaded tax, the sums WCPID referred to DOR for collection effectively equate to additional criminal restitution.

WCPID defendants were also ordered to pay approximately \$75,000 in criminal fines during the period in question.

Statistics

During the fiscal year, the White Collar & Public Integrity Division indicted 13 defendants and initiated 3 district court matters by criminal complaint. When combined with the litigation matters WCPID members carried over from the prior year, WCPID carried 37 open cases in the various superior and district courts, not including post-conviction probation matters. During the same period, 11 of those 37 litigation matters resolved by plea or trial.

WCPID carried 42 open investigations during the evaluation period, 16 of those were opened in that timeframe and 11 were closed without the issuance of charges. Of the 16 new matters, 10 were authorized for grand jury investigation.

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 (the Division), 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 doing business in the Commonwealth.

The Division works to ensure that businesses and residents have access to reliable, safe, and affordable energy. The Division litigates cases before state and federal courts, as well as administrative bodies such as the Massachusetts Department of Public Utilities, 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 & Priorities for FY2022

Future of Gas Investigation

As part of D.P.U. 20-80, in May 2022 the Division developed and submitted for the record “Regulating Uncertainty: The Office of the Attorney General’s Regulatory Recommendations to Guide the Commonwealth’s Transition to a Net-Zero Future.” As background, in October 2020, following a petition by the Division, the Department of Public Utilities (“DPU”) opened an inquiry, docketed as 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.

Consumer Outreach/Education and Community Engagement

The Division expanded its consumer outreach and community engagement in FY22. The Division continued to actively participate in the public participation proceedings at the Department of Public Utilities (“DPU”) and Energy Facilities Siting Board (“EFSB”) and, as part of its work, convened a Stakeholder Working Group made up of community organizations and consumer and environmental advocacy groups to address barriers to participation at the DPU and EFSB. The group intends to provide recommendations for changes at both agencies as part of the ongoing proceedings. The Division also spearheaded an AGO-wide public education campaign to advise customers of rising electric and gas prices in Winter 2021/2022 and to provide awareness of new and expanded assistance programs available to help customers pay bills or manage their increase. Additionally, the Division convened a Solar Consumer Protection Workshop for solar industry stakeholders to discuss various industry best practices, challenges, and solutions to address in a future “Solar Consumer Best Practices Guide.” The Division’s efforts came to fruition when the Solar Energy Business Association of New England (“SEBANE”) published a Massachusetts Solar Consumer Protection Best Practices Guide in early summer 2022. Finally, in February 2022, the Division awarded nearly \$600,000 to organizations across the state to help Massachusetts residents pay their monthly heating bills through the AGO’s Residential Energy Assistance Grant program.

Federal and Regional Energy Issues

The Division continues to lead on federal and regional energy issues, especially with regards to clean energy. In the Fall of 2021, the Division submitted comments on behalf of Massachusetts and as part of a multi-state coalition on the future of transmission, generator interconnection and cost allocation. The Division also actively participated in the development of policy regarding distributed energy resources integration, a regional forward clean energy market, and future grid reliability. In addition, the Division successfully appealed ISO-NE’s Inventoried Energy Program (IEP) to the D.C. Circuit, where the court upheld one of the Division’s cited errors and severed certain resources from the program, thereby saving ratepayers approximately \$40 million per year for two years, for a total ratepayer savings of \$80 million.

Significant Cases

National Grid Gas Rate Case

The Division advocated against National Grid’s proposed increase to its natural gas base rates. As a result of the Division’s advocacy, the DPU reduced the Company’s requested increase by \$76.99 million, which will save ratepayers approximately \$385 million over the next five years.

SJC Appeal of DPU Waiver for National Grid Sale of Rhode Island Subsidiary

The Division appealed the waiver provided by the DPU to National Grid, which allowed National Grid to move forward with the transaction. The Division argued that granting a waiver was an error of law under the relevant statute because potential adverse impacts to MA ratepayers may result from the transaction. The Division subsequently entered into a settlement with National Grid after the SJC granted the Division’s Motion to Stay the sale of the Rhode Island subsidiary during the pendency of the appeal. The settlement will save ratepayers approximately \$581 million over a 20-year period.

Financial Information

Cases that were finalized in FY2022 yielded approximately **\$1,072,412,850** in savings to ratepayers and customers. In addition to those cases mentioned above (National Grid Gas Rate Case; SJC Appeal of DPU Waiver for National Grid Sale of Rhode Island Subsidiary; D.C. Circuit Appeal of ISO-NE’s IEP) the Division also secured \$26.4 million in ratepayer savings in D.P.U. 21-112, Eversource Gas of Massachusetts’ annual performance-based rate adjustment filing.

Important Statistics and Numbers

In FY2022, the Division represented ratepayers and energy customers in over 100 dockets pending before state and federal courts and regulatory bodies. The Division also participates in ISO-New England stakeholder technical and governance issues, chairs the ISO-New England Consumer Liaison Group, and has a seat on the Massachusetts Energy Efficiency Advisory Council.

Environmental Crime Strike Force

The Environmental Crimes Strike Force Division 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 Attorney General’s Office, detectives from the Massachusetts Environmental Police, and investigators, engineers, and attorneys from the Massachusetts Department of Environmental Protection.

Significant Achievements & Priorities for FY2022

ECSF has continued to partner with its state agency partners, including the Executive Office of Energy and Environmental Affairs, MassDEP, and the Massachusetts Environmental Police to investigate instances of environmental crime, including illegal asbestos removal, illegal disposal of hazardous waste, and illegal disposal of solid waste.

In October 2021, ECSF, in conjunction with the Environmental Protection Division, entered into civil consent judgments in the matter of Commonwealth v. Roger Sadoski, Jr., and South Deerfield Water Supply District (“SDWSD”). The consent judgments settled allegations that Roger Sadoski, Jr., and SDWSD violated the Massachusetts Clean Air Act and the Massachusetts Safe Drinking

Water Act and their implementing regulations. The AG's complaint alleged that, from 2014 through 2018, Sadoski and SDWSD failed to report to MassDEP the level of chlorine and the turbid quality in the district's public water system by repeatedly altering the district's water quality records and monthly reports before submitting them to MassDEP. Additionally, in 2018, during an emergency pipe break at Long Plain Road in South Deerfield, the defendants, under Sadowski's direction, allegedly illegally handled and removed asbestos containing transite pipe, polluting the air and putting the health of SDWSD staff and the public at risk.

As part of the settlements, Sadoski paid a civil penalty of \$200,000, surrendered his professional water license, and was prohibited from any professional involvement with the public water supply. SDWSD implemented a series of preventive measures to ensure high water quality for the customers that SDWSD serves. Among other measures, SDWSD is undertaking regular water quality and asbestos audits, performed by third party auditors, and providing additional training for SDWSD employees.

In April 2022, ECSF obtained indictments from the Statewide Grand Jury, charging two Merrimack Valley landlords, and their four businesses, with 106 counts of violating the Massachusetts Clean Air Act by illegally demolishing, storing, and transporting asbestos waste at apartment homes in Lowell and Fitchburg. The allegations stem from renovation work at four Lowell apartment buildings and one Fitchburg multi-family residence. The defendants are longtime business partners, landlords, and real estate developers throughout the Merrimack Valley. The cases are Commonwealth v. Christopher DeRosa; Commonwealth v. Steven DeRosa; Commonwealth v. DeRosa Properties, LLC; Commonwealth v. DeRosa Properties, Inc.; Commonwealth v. Greenscape Property & Building Construction Services, LLC; and Commonwealth v. Greenscape Property and Building, LLC.

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. The improper handling of asbestos containing materials poses a significant risk to the health and safety of workers and the general public. These investigations have involved large scale demolition and construction projects in Barnstable, Bristol, Hampden, Middlesex, Plymouth, and Worcester Counties.

Important Statistics and Numbers

Number of cases handled in FY22

- 13 open cases/investigations
- 2 closed cases/investigations

Environmental Protection Division

The Environmental Protection Division of the Attorney General's Office 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 the Massachusetts Department of Environmental Protection, the Environmental Protection Division pursues three main types of work: 1) prosecuting civil

enforcement and cost recovery cases; 2) representing the Commonwealth's agencies in environmental-related defensive cases; and 3) undertaking affirmative, non-enforcement work to pursue innovative ways to further environmental protection and environmental justice. 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 will further the Commonwealth's interests; developing or supporting legislative or other policy proposals; and entering into Brownfields Covenant Not to Sue agreements to further the clean-up and redevelopment of contaminated sites.

Significant Achievements & Priorities for FY2022

Clean Air Initiative

EPD continued its work on the Clean Air Initiative in an effort to fight the negative impacts of air pollution on the residents of the Commonwealth, particularly in environmental justice communities already disproportionately impacted by environmental harms. The AGO partnered with community members and launched its air quality monitoring website providing real time air quality data to the residents of the Pioneer Valley. In fall 2022, data from the project's short term air monitors will provide insights into hot spots of pollutants of concern in Springfield and the surrounding areas. Additionally, as part of the Clean Air Initiative, EPD settled a case against Tremblay's Bus Co., LLC, a school bus company located in New Bedford, for illegally idling in front of three schools in an environmental justice community. Under the terms of the Consent Judgment, the court required Tremblay to pay a civil penalty of up to \$120,000, including \$100,000 that was split equally between the Friends of Buttonwood Park and the Greater New Bedford Health Center. The Friends of Buttonwood Park will use the funds for tree planting in the Park and trail building by local community youth groups. The Greater New Bedford Health Center will put the funds toward pediatric asthma prevention. In conjunction with the settlement of the Tremblay Bus case, EPD announced the launch of its Idling Tip Form, which provides an online tool for residents across the state to report instances of unnecessary and potentially illegal idling to EPD for investigation.

Commonwealth v. Barnhardt Manufacturing Co.

EPD collaborated with the Massachusetts Department of Environmental Protection, the Division of Fisheries and Wildlife in the Massachusetts Department of Fish and Game, and the U.S. Environmental Protection Agency to secure nearly \$1.5 million to resolve allegations that a cotton bleaching company spilled dozens of gallons of sulfuric acid into the North River in Colrain, Massachusetts. According to the Commonwealth's complaint, the acid spill at Barnhardt Manufacturing Co.'s facility decimated the North River's popular cold water fishery, killing more than 270,000 fish, including thousands of rare species. Under the terms of AG's settlement, Barnhardt will pay up to \$360,000 to the state to fund environmental restoration projects in the Colrain area and to compensate for the harm to natural resources and fisheries, up to \$500,000 in penalties, and \$300,000 to the Town of Colrain to fund culvert replacement and enhancement projects. EPA's parallel settlement required Barnhardt to pay an additional \$305,000. The AG's settlement also requires Barnhardt to comply with state regulations to protect water quality and natural resources at its facility and to undertake additional training, planning, and operations to prevent future releases.

Norton v. PESA

EPD filed an amicus brief and argued before the Supreme Judicial Court, succeeding in overturning a Superior Court decision that had significantly restricted the Commonwealth's authority to require the restoration of illegally filled or altered wetlands under the Wetlands Protection Act, G.L. c. 131, § 40. After a 2016 suit by a conservation commission to enforce a wetland restoration order, a Superior Court judge decided that the restoration order was unenforceable against the current property owner based on the court's interpretation of a provision limiting suits under the Act against subsequent property owners. Broad application of this interpretation would have created an easily applied loophole that would have prevented the Commonwealth or a conservation commission from requiring restoration of illegal wetland work after as few as three years after it occurred, significantly undermining the success of the Wetlands Protection Act in preserving and restoring the Commonwealth's valuable wetland resources over the last fifty years. In August 2022, the SJC issued an opinion adopting the interpretation of the Act in our brief, preserving the ability to require subsequent landowners to restore illegally filled and altered wetlands.

Financial Data

- State Enforcement Recoveries:
 - Penalties: \$1,195,800.68
 - Other (Supplemental Env'tl. Projects, Damages, Attorney's Fees): \$731,458
- Federal Enforcement Recoveries:
 - Penalties: \$562,500
 - Other (Supplemental Env'tl. Projects, Attorney's Fees): \$195,000

Important Statistics and Numbers

Total number of state cases handled in FY22: 42

- Open (Affirmative): 20
- Open (Defensive): 4
- Resolved (Affirmative): 10
- Resolved (Defensive): 5
- Argued (Defensive): 3

Total number of federal cases handled in FY22: 18

- Federal suits initiated/joined: 3
- Federal multistate suits with resolution/dispositive order: 15

Appeals briefed/argued: 7

- State: 5
- Federal: 2

Amicus briefs filed/joined: 20

- State: 3
- Federal: 17

Comment Letters/Administrative Petitions: 49

Community Engagement statistics

EPD received 109 complaints and inquiries via: phone (20), email (61), mail (6), and e-form (22), 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.

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 & Administrative Law Division represents state agencies and state officials in a broad range of civil litigation. The Division 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 their adjudicatory capacity. The Division also initiates litigation on behalf of state agencies to support their programs or assist their regulatory activities.

Significant Cases in FY2022

Strahan v. Secretary of the Executive Office of Energy and Environmental Affairs, et al., U.S. District Court. After a 2-week trial, the Court (Talwani, J.) issued a decision dismissing the case on the ground that, based on the trial evidence presented, the plaintiff lacked Article III standing to challenge the Commonwealth’s regulation allowing for the use of Vertical Buoy Ropes (VBRs) to fish for lobster in Massachusetts waters. Plaintiff’s suit had claimed that the state’s VBR regulation caused entanglements of the endangered North Atlantic Right Whale and the leatherback sea turtle, in violation of the Endangered Species Act (ESA). The Court concluded that the plaintiffs’ trial evidence failed to demonstrate that he had suffered a concrete “injury in fact” that would support Article III standing. Plaintiff lacked a scientific interest in the species at issue, since he not authored any article or undertaken any scientific studies of the species; he lacked an aesthetic interest in the species, since he had no concrete plans to view whales or engage in whale-watching; and he lacked a religious or spiritual interest in the species, since his assertions of a spiritual connection to the species were too generic and not specific to the species at issue.

Coakley-Rivera, et al. v. Paula Carey in her official capacity as Chief Justice of Administration Management, et al., SJC for Suffolk County. This case was a proposed class action seeking the immediate closure of the Roderick L. Ireland Courthouse in Springfield alleging it is an unsafe, life-threatening facility which is causing or has the potential to cause severe adverse health effects, primarily due to mold infestation. After actively litigating the case for several months at the end of 2021 and the beginning of 2022, the parties reached a settlement, whereby the Trial Court and DCAMM agreed to substantial repairs, cleaning, and other remediation efforts at the Courthouse, and to conduct a “feasibility study,” expected to be completed by June 1, 2023, to explore the possibility of construction of a new courthouse. The Trial Court and DCAMM will proceed with planning for substantial renovations of the Ireland Courthouse while they await the results of the feasibility study.

Boston Bit Labs, Inc., d/b/a Bit Bar Salem v. Baker, First Circuit; and **City of Lynn v. Murrell**, SJC. In these cases, the First Circuit and the SJC affirmed the dismissal of challenges to the state’s COVID-related executive orders on the ground that they had become moot after the specific orders in question had been rescinded and the COVID state of emergency had been lifted. In the **Bit Bar** case, the First Circuit (Thompson, J.) affirmed the district court’s dismissal as moot of a First Amendment and Equal Protection challenge to the Governor’s since-rescinded order moving video arcade parlors to a later stage of the COVID-related reopening process than casino gaming floors. The Court deemed the case moot because “there is simply no ongoing conduct to enjoin,” and rejected the plaintiff’s argument that the “voluntary cessation” exception to mootness applied, stating that the Governor’s power to declare a state of emergency and issue hypothetical new

executive orders in the future “cannot itself be enough to skirt mootness, because then no suit against the government would ever be moot.” In the Murrell case, we filed an amicus brief on behalf of the Commonwealth, in a case where a small business owner argued that the federal Occupational Health and Safety Act preempted certain COVID-related orders and the state-wide face covering requirement. The SJC (Cypher, J.) held that the appeal is moot because the small business owner is no longer subject to the Governor’s orders (which had been rescinded), and that the preemption question raised by the appeal was not subject to the exception to mootness for cases that are “capable of repetition, yet evading review,” because it was speculative whether a similar challenge to a similar order would arise in the future, and even if it did, it would not evade judicial review.

Important Statistics and Numbers

As of June 30, 2022, the Division had **1,203** open and pending cases and other litigation matters (of which **1,172** were court-filed litigation matters, with the remainder being pre-litigation advisory matters). During FY 2022, the Division opened **460** new cases and other litigation matters (**458** litigation & **2** pre-litigation), and closed **806** cases and litigation matters (**791** litigation & the remainder pre-litigation).

Division of Open Government

The Division of Open Government is responsible for state-wide enforcement of the Open Meeting Law. The purpose of the Open Meeting Law is to ensure transparency in the deliberations on which public policy is based. Because the democratic process depends on the public having knowledge about the considerations underlying governmental action, the Open Meeting Law requires, with some exceptions, that meetings of public bodies be open to the public. The Division of Open Government advocates for sound policy with regard to 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 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 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 & Priorities for FY2022

The Division increased the frequency of its Open Meeting Law trainings to expand its outreach to more members of the public, public body members, and public officials, and directly trained a record number of individuals on the requirements of the Open Meeting Law this year. As awareness of the Open Meeting Law and its requirements continues to grow through outreach and other initiatives, the Division continues to respond to an increased number of complaints regarding Open Meeting Law compliance. This fiscal year, the Division resolved a record 436 Open Meeting Law complaints, a sharp increase over the 258, 317, 244, and 253 complaints resolved in the prior four prior years, respectively.

The Division filed suit against the Boston Police Department to compel compliance with the Public Records Law. Specifically, the suit seeks a declaratory judgment confirming BPD's obligations to turn over internal affairs investigation records. The suit asserts that BPD may not rely on a law intended to protect crime victims to withhold internal affairs records in their entirety; instead, BPD must redact records as allowed by law and provide the records.

As the pandemic entered its second year and beyond, the Division continued to issue new and updated guidance on compliance with the revised requirements of the Open Meeting Law to accommodate remote and hybrid public meetings. In addition, the Division advocated for sound legislative changes that would make permanent some of the flexibility permitted during the pandemic, in keeping with the OML's objectives of transparency, convenience, and access by the public.

Financial Data

Amounts Recovered:

\$100 to the Commonwealth's General Fund for an intentional violation of the Open Meeting Law (Melrose School Committee)

Important Statistics and Numbers

- Number of cases handled in FY2022: Two litigation matters, one affirmative (public records enforcement) and one defensive (action for judicial review of an OML determination). Both remain open.
- Determination letters/declination letters: 247 determinations, 45 declinations
- Number of Open Meeting Law complaints resolved: 436
- Number of telephone/email/letter inquiries received and responded to: Approximately 2,000
- Percent of complaints on which we found a violation :
 - 56% of complaints resulted in a finding of at least one violation of the Open Meeting Law
 - Overall, 38.5% of separate alleged violations resulted in a finding of a violation
- Most common remedies ordered:
 - Immediate and future compliance with the OML,
 - Creation or approval of open session minutes,
 - Release or revision of executive session minutes, and
 - Attendance at a training on the OML.

Community Engagement

- Number and type of external events and trainings: 19 Open Meeting Law webinar trainings open to the public; 2 MCLE conferences aimed at legal professionals; 3 trainings to state commissions including the Commission on the Status of Persons with Disabilities, Federal Funds Equity & Accountability Review Panel, and Commission Against Discrimination; and presentations to the Massachusetts Public Charter Schools Association; Town Clerks Association; and Hampden/Hampshire County Assessors Association
- Estimate of community members/municipalities engaged: 1,600+ individuals directly attended these trainings

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. The 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, the MLU responds to constituent questions regarding municipal law issues and conducts frequent trainings for municipal officials and attorneys on municipal law issues related to the work of the MLU.

Significant Achievements & Priorities for FY2022

During FY 2022 MLU’s work has been largely focused on energy/environment related by-law decisions. Local communities are seeking to accomplish climate mitigation efforts at the local level, and these efforts often translate to adoption of local by-laws. MLU worked closely with attorneys from the Energy and Environmental Bureau to provide input on the Office’s amicus brief in the case of Tracer Lane v. City of Waltham that related to zoning protections for solar uses. Since the Supreme Judicial Court issued its decision in the Tracer Lane case MLU has been highlighting the Court’s ruling in by-law decisions where applicable so that municipal officials and counsel have the information.

MLU has also worked closely with the Energy and Environmental Bureau in reviewing by-laws related to energy-related topics such as zoning regulation of battery energy storage systems and electric vehicle charging stations.

Finally in this sphere MLU has worked closely with the Policy and Government Division and EEB to respond to inquiries from local and state officials regarding the impact on municipalities from the recent climate legislation, “An Act Driving Climate Policy Forward.”

In a decision disapproving a Dighton flag by-law MLU illustrated the extent of municipal authority to adopt restrictions on flag display on municipal property in light of the U.S. Supreme Court decision in *Shurtleff v. City of Boston* 596 U.S. ____ (2022) (because Boston’s flag-raising program did not qualify as government speech the City’s refusal to allow petitioners’ flag was content-based discrimination in violation of the Free Speech Clause). The Town of Dighton had

voted, before the Court's decision in *Shurtleff*, to restrict the types of commemorative or organizational flags that could be displayed on a town flagpole at Town Hall and other town property. MLU disapproved certain text in the by-law on the basis that it constituted an unlawful content-based restriction on private speech.

During FY 2022 MLU continued to work with representatives from the Executive branch to assist municipalities in the "housing choice" and "MBTA Communities" provisions of the economic development legislation of 2020. Through the MLU by-law decisions MLU continues to educate municipalities on the correct quantum of vote for zoning by-laws affected by the "housing choice" legislation (authorizing a simple majority vote for certain by-laws that support housing production). Now that the DHCD has issued guidelines for compliance with the multi-family zoning requirements for "MBTA Communities" MLU is actively engaged with DHCD and municipal attorneys across the state to assist with municipal compliance with these requirements.

Statistics:

- Total bylaws and charters reviewed: 1,544 bylaws and 47 charter amendments.
- Number of decisions issued: 518
- During FY 2022 MLU responded to 872 inquiries from residents, local and state officials, and municipal attorneys.

MLU spoke at four seminars sponsored by the Massachusetts Municipal Association and Massachusetts Municipal Lawyers Association and Massachusetts Bar Association regarding municipal home rule authority, drafting local legislative enactments, and the impact of various state legislative developments on local by-laws.

MLU spoke at three seminars for town clerks on the by-law filing process for the AGO review and approval of by-laws.

Neighborhood Renewal Division

The Neighborhood Renewal Division (NRD) partners with communities to revitalize neighborhoods through the equitable preservation of existing housing and by supporting the creation of affordable housing. Through partnerships with 154 municipalities across Massachusetts, NRD reduces the safety hazards, economic drag, and criminal activity created by vacant and distressed 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 & Priorities for FY2022

162 Third Street, Lowell

This home in the Centralville neighborhood of Lowell was rehabilitated as part of the AGO's Focused Neighborhood Partnership with Lowell. Potentially a multi-family property, this large home with beautiful views of Lowell had deteriorated since becoming vacant in approximately 2015. The property was filled with trash and debris. It also needed significant work on the siding, chimney, and electrical systems and a new porch to make it safe to access the property. The AGO sought the appointment of a receiver in 2019. The receiver worked through the pandemic, as possible, and completed the project in late 2021. The property was sold to a new owner in early 2022. In all, as a result of the Focused Neighborhood Partnership, 10 properties were repaired within a half mile radius of each other, and the owner of an eleventh property opted to demolish a long-boarded up and dangerous building.

33 Union Street, Southbridge

This multi-family dwelling, vacant since 2018, was a concern for the Town of Southbridge due to multiple emergency calls for trespassing, including a call concerning a suspected drug overdose. The property also posed a danger to neighbors, first responders and the public. The property was found unsecured on many occasions and had an excessive amount of trash, rubbish, and debris. Additionally, the roof was in disrepair and the rear exit had been rebuilt in an unsafe manner, making it structurally unsound. Without objection from the owner, the AGO sought the appointment of a receiver. The Central Division Housing Court appointed a receiver in late 2019 tasking it with bringing the property back into compliance with the State Sanitary Code. The receiver faced hurdles working through the pandemic but was able to complete the project in late 2021. The receiver foreclosed on its lien and the property was purchased by a third party. At the conclusion of the receivership, the Town received over \$37,000 in previously unpaid taxes and fees making this a major accomplishment and huge "win" for the Town of Southbridge.

Expansion of AHIR Grant to increase opportunities for creation of affordable housing through receivership

The Abandoned Housing Initiative Receivership Fund (AHIR) provides grants to receivers appointed by housing courts across the Commonwealth. Funds are intended to assist receivers in efforts to create safe, habitable homes by returning distressed, vacant properties to compliance with the State Sanitary Code. In FY22, the grant was expanded to provide additional assistance to receivers who intend to create affordable housing through the rehabilitation of abandoned properties. Receivers intending to create affordable housing are now entitled to borrow additional money from the fund and have part of the loan forgiven if they are successful in creating affordable housing units.

Financial Data

During Fiscal Year 2022, NRD expanded its relationship with municipalities within the Commonwealth and now partners with 154 municipalities across the state. NRD received approximately 113 new property referrals and averaged an active caseload of approximately 276 properties, with an average of 66 cases in litigation at any one time. NRD filed 18 petitions in regional housing courts across the state and 9 receiverships successfully concluded over the course of the year. In total for the year, NRD obtained 77 successful outcomes.

NRD assisted municipalities in recovering \$619,761.50 in unpaid property taxes and municipal expenses such as past due utilities, water, and sewer bills. Several municipalities throughout the Commonwealth recovered significant amounts in unpaid taxes and fees reflected below by region:

- Eastern MA \$504,634.6
 - Central MA \$70,025.77
 - Metro South \$20,544.82
 - Northeast \$8,471
 - Southeast \$11,085.34
 - Western \$5,000
- 77 Successful results in 43 municipalities during fiscal year 2022:
 - In total, 39 owners responded and repaired their properties. Of these owners, 32 were individuals that cooperated and responded to NRD's inquiries, meetings, inspections and repaired their properties to meet the State Sanitary Code.
 - 29 properties were repaired and listed for sale by homeowner(s) or mortgagees or sold as-is to new buyers who have permits and plans to repair property with their local Board of Health.
 - 9 Receiverships were completed during the 2022 fiscal year across the Commonwealth.
 - \$619,761.50 in Total Recoveries of outstanding taxes and other fees for Municipalities in FY 2022.

NRD GRANTS:

As discussed above, in FY22, the Abandoned Housing Initiative Receivership (AHIR) grant was expanded to provide additional assistance to receivers who intend to create affordable housing through the rehabilitation of abandoned properties. Receivers intending to create affordable housing are now entitled to borrow additional money from the fund and have part of the loan forgiven if they are successful in creating affordable housing units.

In FY22, \$506,000 in AHIR funding was used to fund 6 receivership projects.

In FY22, the final project awarded funds through the Strategic Demolition Fund was completed. In Holyoke, the non-profit OneHolyoke demolished a severely dilapidated single-family house. The property had been abandoned since 2014 and the lot was completely overgrown. Both the

interior and exterior of the property, located in Holyoke's urban core, were strewn with trash. Every structural and mechanical element of the house was too far damaged to return the property to habitability and the conditions were impacting the neighborhood around the property. The grant funds were awarded in June of 2020 and the project faced several covid-related delays. In August 2021, the building was demolished and the community is working with OneHolyoke to develop community space in its place.

In FY22, NRD wrapped up the Technology to Enrich Community Housing (TECH) Grant. The TECH Grant enabled eight municipalities to purchase a software platform to assist in improving code enforcement capabilities across a variety of departments, including, but not limited to, health, building, police, and fire. In addition to fostering cross-department communication, TECH grantees were also able to maximize their efforts in identifying referral properties for the NRD receivership program. Over the past fiscal year, four municipal grantees (Brockton, Lawrence, New Bedford, and Worcester) concluded their participation in NRD's TECH Grant.

Community Engagement Statistics

During the fiscal year 2022, NRD attended or participated in a total of 47 events and presentations. NRD engaged with 4 new municipalities and hosted several presentations focused on the functions of the abandoned housing initiative, the state sanitary code, and the receivership process. Additionally, NRD participated in various virtual and in-person events concerning individuals' housing rights, environmental housing communities, affordable housing, and various other topics surrounding structural, racial, and gender-based barriers in our communities. Some of the notable events were receivership presentations/trainings with various municipalities and potential receivers, meeting with Mass Housing Court judges at the Housing Court Judicial Forum 2021 to address different strategies of improving the receivership process particularly as it relates to affordable housing, attendance and presentation at the Neighborhood Hub/Mass Housing Revitalization Program and co-teaching an MCLE.

Furthermore, NRD attended 53 abandoned housing inspections with municipalities across the Commonwealth and identified owners of such properties in attempts to help revitalize them. NRD also continued to participate in monthly discussions through the Government Bureau's Gender Bias and Racial Justice Working Groups, bringing attention to racial and gender discriminatory practices in the workplace.

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 Cases in FY 2022

In Fournier v. Trial Court, the Trial Division successfully litigated a federal retaliation case to a successful jury verdict in favor of the defense. The plaintiff, a former Administrator at the Trial Court who had been terminated for performance reasons, had sought several million dollars in damages.

The Trial Division is representing the Executive Office of Health and Human Service in a variety of matters involving the distribution of proceeds from Medicaid-planning annuities. 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. The Trial Division argued three lead cases before the SJC in February 2022, and the SJC has not yet ruled.

Continuing to work through a substantial backlog of trials delayed by the pandemic, the Trial Division tried four tort cases - Williams v. Commonwealth, Nuovo v. Trial Court, Johnson v. Commonwealth, and Riel v. Northern Essex Community College – to successful defense verdicts.

In Thaddeus v. EOHHS, the Trial Division successfully defended the Department of Children and Family's pandemic policy of temporarily utilizing virtual parent-child visitation for safety reasons. The Appeals Court determined that the policy was lawful and appropriate, and reversed a Superior Court decision to the contrary.

After four years of extensive litigation, the Trial Division successfully negotiated a proposed settlement agreement in Foster v. Commonwealth, a class action brought on behalf of 31,000 individuals whose drug convictions were vacated as a result of the misconduct of drug lab chemists. The settlement agreement provides a global administrative scheme for the refund of millions of dollars in case-related payments that class members made as a consequence of their subsequently vacated convictions and provides for the class members' release of additional claims. The Superior Court has scheduled a fairness hearing on the proposed settlement.

Financial Data

Approximate Amount of Money Saved the Commonwealth: \$32,133,900

Approximate Amount of Money Recovered for the Commonwealth: \$271,493

Case Statistics/Significant Achievements

- Approximate number of new litigation cases opened: 324
- The Trial Division maintained litigation docket of approximately 800 active cases on behalf of Commonwealth agencies and employees.
- Tried 11 cases in a wide variety of legal areas (eminent domain, employment discrimination, tort) in courts across the Commonwealth.
- The Trial Division handled approximately 20 appeals.
- Approximate number of Presentments processed in FY2022: 340
- Approximate number of Affirmative matters handled in FY2022: 21
- Approximate number of Agency Settlements reviewed/processed in FY2022: 65

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 protects the people, state agencies, and businesses of Massachusetts from anticompetitive practices and helps maintain and encourage a competitive and vibrant economy through fair and effective enforcement of antitrust laws. The Antitrust Division investigates and challenges anticompetitive mergers, price-fixing agreements, and other illegal practices by companies, both local and national, that harm Massachusetts consumers and important state interests. For example, the Division promotes and protects competition in various industries directly affecting consumers, such as health care, pharmaceuticals, social media/technology, and transportation. The Division also obtains relief for consumers in the form of refunds for overcharges, civil penalties, and injunctions against offending businesses. Finally, the 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 & Priorities for FY2022

The Antitrust Division continued to seek to hold generic pharmaceutical companies and certain of their executives responsible for alleged price fixing and market allocation agreements that drove up generic drug costs for consumers and Massachusetts governmental purchasers. The Division is actively litigating three broad-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.

The Antitrust Division joined the U.S. Department of Justice and six other state attorney general offices in suing to block an unprecedented series of agreements between American Airlines Group Inc. and JetBlue Airways Corporation to consolidate their operations in Boston and New York City. The complaint, filed on September 21, 2021 in the United States District Court in Massachusetts, alleges that this extensive consolidation, which the parties call the “Northeast Alliance,” will not only eliminate important competition in these cities, but will also harm air travelers across the country by significantly diminishing JetBlue’s incentive to aggressively compete with American elsewhere, further consolidating an already highly concentrated industry. According to the complaint, this unprecedented combination will cause hundreds of millions of dollars in harm to air passengers in Boston and across the country through higher fares and reduced choice.

The Antitrust Division joined a bipartisan multistate coalition in suing Google LLC on July 7, 2021, for allegedly using its market dominance to unfairly restrict competition within the Google Play Store for Android mobile devices, harming consumers by limiting choice and driving up app prices. The complaint alleges that Google used exclusionary conduct which substantially shuts out competing app distribution channels and requires that developers offering apps through the Google Play Store use Google Billing, which forces them to pay Google’s exorbitant commissions—up to 30 percent—on in-app purchases made by consumers. This is significantly higher than fees charged by other competitive payment processors for digital and non-digital goods. The Antitrust Division also continued to press forward in litigating a prior case against Google LLC for alleged anticompetitive conduct that illegally maintained power over general search engines and related advertising markets in violation of the Sherman Antitrust Act. The Antitrust Division is actively litigating both cases on behalf of consumers as part of the multistate groups.

Important Statistics and Numbers

Number of cases handled in FY2022: 16 matters, of these, 3 were closed and 13 remain open.

False Claims Division

Created in 2015 by Attorney General Maura Healey, the False Claims Division (FCD) works to safeguard public funds and enforce high standards of integrity by holding accountable companies and individuals that make false statements or representations in violation of the Massachusetts False Claims Act (MFCA). FCD's mission is to expand enforcement of the MFCA and maximize recoveries to the state's General Fund. FCD achieved both of these goals in FY22, expanding its scope and, once again, more than doubling recoveries to the General Fund.

FCD investigates fraud in public procurement and contracting in a range of industries, including fraud related to the COVID-19 pandemic. In addition, FCD leverages the MFCA to promote economic justice by investigating fraud that undermines the Commonwealth's supplier diversity policies. 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.

FCD frequently partners with other Divisions within the AGO and, when appropriate, collaborates with local, state and federal law enforcement agencies.

Significant Achievements & Priorities for FY2022

FCD continued its work, in collaboration with the Non-Profit Organizations/Public Charities Division, investigating non-profit entities and/or leaders that have misused state funds. For example, FCD investigated and sued Manual Duran, who held various leadership positions at Casa Nueva Vida, Inc., a Massachusetts non-profit that runs approximately 14 homeless shelter and transitional housing locations under contract to the Department of Housing and Community Development. We alleged that Mr. Duran inappropriately profited at the Commonwealth's expense by, among other things, failing to disclose related party transactions, charging CNV inflated rent for properties he owned and using Commonwealth funds to improve those properties. Mr. Duran agreed to settle these allegations for \$6M in addition to a series of permanent injunctions which bar him from accepting a position as a fiduciary at any Massachusetts public charity, including CNV.

FCD also continued its longstanding collaboration with the Fair Labor Division and acted as a force multiplier by filing a lawsuit against BPI Construction Management, Inc. This case, which is pending in Suffolk Superior Court, alleges that BPI violated the MFCA in connection with two public subcontracts for framing work on police stations in Westport and Middleborough between September 2017 and February 2018. The Complaint alleges that BPI knowingly caused the creation and submittal of 32 false Certified Payroll Records in order to fraudulently conceal the fact that BPI's labor subcontractor, Superior Carpentry, Inc., underpaid workers on the two jobs by over \$250K.

FCD expanded its scope by resolving its first matter in the retail electricity space. In collaboration with the Office of the Inspector General's Civil Recovery Unit, FCD filed a complaint and consent judgment to resolve allegations against Utility Expense Reduction, LLC, a retail electricity supplier, for failing to pay money owed to the Commonwealth pursuant to its statutory renewable energy program obligations in 2018 and 2019. Pursuant to the consent judgment, UER paid \$1,650,672.48 and agreed to a five-year ban on conducting business in the Commonwealth.

Financial Data

FCD again increased its recoveries to the General Fund, more than doubling its recoveries from FY21:

- Amounts Recovered in Damages and Penalties: \$9,017,959.41
- Recoveries to the False Claims Line Item & General Fund: \$8,167,623.17
- Restitution to Political Subdivisions: \$850,336.24

Important Statistics and Numbers

- Number of cases handled in FY22: 67, of which 26 have been closed.
- Number of matters settled: 7
- Number of complaints filed in court by FCD: 4
- Number of *qui tam* complaints filed in court: 4
- Number of other whistleblower complaints received: 12

Community Engagement Statistics

Number of Hotline Calls Received: 108 calls related to previous FCD settlements and constituent complaints.

Health Care Division

The Health Care Division (HCD) blends its enforcement and policy tools to promote the interests of Massachusetts health care consumers. HCD leads a range of cases to protect consumers from unfair and deceptive practices by insurers, providers, pharmaceutical companies, pharmaceutical distributors, pharmacies, and others. HCD also has a key role in statewide efforts to examine the health care market, advocating for improving affordability, access, and equity in the marketplace. HCD provides guidance to hospitals and HMOs on how to determine the health care needs of their communities, plan programs with their community partners, and report those activities to the AGO. HCD also plays a vital role in advocating and litigating on behalf of consumers to ensure the continued strength of the Massachusetts health insurance marketplace. HCD maintains a consumer helpline and provides a robust mediation service that resolves thousands of health care complaints annually, saving consumers over \$100,000.

Significant Achievements & Priorities for FY2022

HealthMarkets, Inc.: HCD investigated HealthMarkets, Inc. and its subsidiaries for cheating more than 15,000 Massachusetts consumers out of about \$60 million. In December 2020, HCD sued the companies under G.L. c.93A and for contempt for violating multiple provisions in a 2009 Final Judgment by Consent. In April 2022, the Superior Court ruled in favor of the Commonwealth on its motion for partial summary judgment, finding the Defendants liable for deceptive sales of supplemental health insurance and other non-insurance products under G.L. c. 93A and for contempt.

Publicis Health, LLC: HCD has worked to hold accountable the marketing consultants that helped Purdue Pharma and other opioid companies unlawfully increase sales of opioids to patients who did not need them. In October 2021, HCD successfully opposed Publicis's attempt to have the Commonwealth's case dismissed, culminating in the Superior Court issuing an order denying Publicis's motion from the bench. The Single Justice of the Appeals Court later denied Publicis's petition to have the order in the Superior Court overturned on statute of limitations grounds.

Statewide Opioid Settlements: Starting in Fall 2021, HCD engaged in extensive outreach to and engagement with municipalities across the state about the statewide settlements with opioid distributors McKesson, Cardinal, and Amerisource Berger and manufacturer, Johnson & Johnson. As a result, the AGO secured participation from nearly all Massachusetts municipalities and expect nearly \$44 million to be paid to municipalities in FY 2023, in addition to over \$12 million to be paid to the Commonwealth's Opioid Recovery and Remediation Fund in the same period. HCD obtained entry of final judgments in the Superior Court against the distributors and Johnson & Johnson in the Spring 2022.

Preventive vs diagnostic billing: In October 2021, a consumer had a colonoscopy after being advised by both their doctor and insurer that the screening was a preventive procedure, so it would be fully covered by insurance. Despite these assurances, the consumer received medical bills from the medical practice and the endoscopy center for \$1,562. She was unable to resolve the bills on her own. After receiving the complaint, the mediator reached out to the health care provider to discuss this consumer complaint. The provider's representative acknowledged that there was an error in the consumer's account which incorrectly billed the matter as "diagnostic" rather than "preventive." After resolving the issue, the consumer's balance was adjusted to zero, saving the consumer \$1,562.

Financial Data

Total Amounts Recovered: \$14,822,734.37

- Penalties: \$285,000
- Restitution: \$535,000
- Other Recoveries: \$14,002,734.37

Important Statistics and Numbers

- 1,700 consumers assisted through calls to the mediation helpline
- 2162 consumers assisted through mediation cases

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 and Medicaid members in health care settings. Through criminal and civil enforcement actions, MFD seeks to deter fraudulent activities and recover funds for Medicaid within every area of the Commonwealth's healthcare provider community. MFD serves as the Medicaid Fraud Control Unit for the Commonwealth of Massachusetts and is annually certified by the Secretary of the U.S. Department of Health and Human Services, Office of Inspector General. MFD employs investigators, auditors, and attorneys who work together to develop investigations and bring prosecutions. MFD partners with other local, state, and federal law enforcement agencies in its efforts to combat fraud, save taxpayer dollars, and protect the most vulnerable in our society from exploitation and abuse by their caregivers.

Significant Achievements & Priorities for FY2022

Nursing Home Abuse, Neglect, and Financial Misappropriation Enforcement

MFD continued to prioritize its enforcement efforts against individuals and facilities that commit abuse, neglect, or financial exploitation of residents in nursing homes. With respect to its criminal enforcement, in April 2022, MFD announced indictments against Alexander Irizarry, a certified nursing assistant at a nursing facility in Worcester who is charged with unauthorized use of four nursing home residents' debit cards and theft of over \$30,000 from their accounts. In September 2021, MFD indicted Charles Wachira, a certified nursing assistant, for allegedly sexually assaulting two elderly nursing home residents in two different nursing homes within the Commonwealth. In August 2021, MFD also obtained a guilty plea from Bridget Briand, a former business office manager at Penacook Place Nursing Home, who pleaded guilty and was sentenced to serve one year in the House of Correction after stealing tens of thousands of dollars from elderly residents via an elaborate bookkeeping scheme. MFD also pursued considerable civil enforcement against nursing facilities that violated regulatory requirements during this time period. In June 2022, MFD filed a lawsuit against Sea View, a Rowley nursing home, and its owner for systemic infection control failures at the start of the COVID-19 pandemic. MFD also announced, in May 2022, that it had secured settlements with five Massachusetts nursing homes to resolve allegations of patient neglect, insufficient staff training, and inadequate care for vulnerable nursing home residents. These cases involved preventable harm and, in some situations, the deaths of nursing home residents. The settlements returned more than \$250,000 to the state, including half to the Department of Public Health Long Term Care Facility Quality Improvement Fund.

Behavioral Health

Ensuring high-quality behavioral healthcare was a top priority of MFD during FY2022. MFD reached its largest-ever Massachusetts-only settlement, as well as the largest settlement involving private equity liability nationally, in the South Bay Mental Health Center case in October 2021, where the former owners and private equity investors of the company paid \$25 million for failing to ensure that unlicensed and unqualified clinicians received appropriate supervision from licensed professionals. This case, which MFD litigated through summary judgment, also established important national precedent for holding private equity investors accountable for the actions of their portfolio companies.

Additionally in November 2021, MFD indicted Nicole Kasimatis, the owner and operator of Fortitude Counseling and Recovery Center, following an investigation that revealed that Kasimatis billed MassHealth while she was incarcerated or out of the country, as well as billed for services under the names of providers who no longer worked for Fortitude. In FY2023, Kasimatis pleaded guilty and was sentenced to 3-4 years in state prison.

Home-Based Services

MFD has continued its focus on combating fraud among providers who deliver home-based services like personal care attendant (“PCA”) services and home health services, which remain a major source of MassHealth spending. In June 2022, MFD tried and convicted Abdikadir Maow, a patient who, allegedly in coordination with his PCA, participated in a scheme to submit claims to MassHealth for more than \$100,000 in services he did not receive while he and/or his PCA were traveling out of the country. Maow received a sentence of one year in the House of Correction. In February 2022, MFD indicted four individuals associated with a scheme to defraud MassHealth by submitting false PCA timesheets for dates and times the PCAs were working at other jobs.

In March 2022, MFD announced a settlement with Compassionate Homecare, Inc. (“Compassionate”), which agreed to pay \$6.53 million to MassHealth to resolve allegations that it billed MassHealth for services that were not authorized by a physician. In addition, MFD coordinated with the Fair Labor Division to ensure that Compassionate agreed to pay up to \$375,000 to former Compassionate employees for unpaid wages as part of this settlement. Similarly, in November 2021, Independent At Home, a Brockton-based home health company agreed to pay \$1.2 million to resolve allegations that it falsely billed MassHealth; in May 2022, Integrity Home Care Solutions, a Tewksbury-based home health care company and its owners agreed to pay \$550,000 to resolve allegations that they billed MassHealth for services that had not been appropriately authorized by a physician; and in January 2022, a Chicopee-based home health agency, Home Care VNA, agreed to pay \$630,000 to resolve allegations of fraudulent billing. All of these providers also agreed to operate under independent compliance monitoring programs to ensure future compliance with MassHealth regulations.

Financial Data

Total amounts recovered: \$58,951,379.15

- Penalties: \$467,400.00
- Restitution: \$47,521,331.85
- Other Recoveries: \$10,962,647.30

Important Statistics and Numbers

- Number of cases handled: 55 (26 open)
 - Complaints: 2 (2 open)
 - Settlements: 25 (0 open)
 - Indictments: 24 (24 open)
 - Convictions: 4 (2 open)
 - Appeals briefed/argued: 1
- Number of Hotline Calls Received: 142
 - Fraud: 62
 - Abuse/Neglect: 39
 - Other: 41
- Number of on-line complaint forms received: 90
 - Fraud: 53
 - Abuse/Neglect: 23
 - Other: 14

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. The Division also includes 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, and by maintaining the AGO's Annual Filings Document Search, which makes much of this information available to the public.

Significant Achievements & Priorities for FY2022

In April 2022, the AGO assented to – and the Single Justice of the Supreme Judicial Court granted – Atrius Health Inc.'s (a public charity) complaint seeking authorization to sell substantially all of its assets to Optum Care (a for-profit company) and transfer sale proceeds to the Atrius Health Equity Foundation. As a result of the AGO's review of this transaction to ensure compliance with charities law including whether the purchase price was an adequate representation of fair market

value, Atrius and Optum Care agreed to increase the purchase price for Atrius' charitable assets from \$73 million to \$236 million, which resulted in a nearly \$163 million increase (less transaction expenses) in proceeds transferred to the Atrius Health Equity Foundation to use to pursue its charitable purposes. In addition, through the AGO's review and memorialized in the Court's order, Atrius (now a non-charitable nonprofit) committed to (1) serve the MassHealth and Medicare populations and (2) report annually on certain demographic, revenue and expenditure metrics, and the Foundation agreed to (3) update its corporate documents to reflect its commitment to use sale proceeds to address "the medical and behavioral health needs of at-risk, underserved patient populations" and (4) incorporate into its governance structure a commitment to diversity in its board of directors, among other commitments by the parties.

In FY2022, NPCD reviewed edX Inc.'s (a public charity) proposed sale of substantially all of its assets to 2U, Inc. (a for-profit, publicly traded company) for \$800 million. Through the AGO's review, edX agreed to additional commitments and restrictions to ensure its activities and application of sale proceeds would advance its charitable purposes, including to (1) update its corporate documents to reflect its commitment to serve "under-resourced and historically disadvantaged communities" and commitment to diversity in its leadership and Board of Trustees, (2) monitor 2U's compliance with certain mission and privacy covenants, and (3) report semi-annually for a period of three years to the AGO on these and other commitments. In October 2021, the AGO assented to - and in November 2021 the Single Justice of the Supreme Judicial Court granted - edX's complaint seeking authorization to sell its assets to 2U and memorializing the aforementioned commitments.

Throughout FY2022, NPCD worked with the AGO's Information Technology Division and certain vendors to develop an online system for charities to meet their registration and annual reporting requirements and the public to view those materials. In March 2022, NPCD launched the new online search tool for the public to use to search for charity registration and annual filing material. Launch of the portal to charities and their filers is anticipated in FY2023.

Financial Data

Amounts Recovered: \$163 million (less transaction expenses) in additional sale proceeds to the charitable sector from the sale of Atrius Health to Optum Care as a result of NPCD's review, and \$431,813 in reduced fees or money recovered and distributed to charities from review of estate administration issues.

Fees generated from filing fees for General Fund: \$7,569,395

Important Statistics and Numbers

- Number of cases handled in FY2022 (please indicate whether the cases are open or closed):
41
 - Affirmative cases brought/indicted, tried/argued, resolved: 6 open; 2 closed (includes involuntary dissolutions, affirmative fiduciary duty litigation, receiverships, significant probate matters)
 - Defensive cases opened, tried/argued, resolved: 8 open; 25 closed (includes equity petitions, significant probate matters, fiduciary duty litigation of which we are a necessary party under G.L. c. 12, s. 8G)
- Dissolutions filed with the SJC: 42
- Administrative dissolutions approved: 71
- Number of initial charities registrations 2,139
- Number of payments processed for public charity and professional fundraiser annual reports and registrations: 29,125
- Probate review: NPCD received and reviewed 1,076 new wills, received 525 interim accounts, and reviewed 455 final accounts/documents closing estate files for personal representatives and trustees. NPCD received and reviewed 35 petitions for license to sell real estate, 42 trust terminations and 1,468 miscellaneous (see below) complaints and filings. NPCD also resolved 69 matters involving potential misapplication of charitable bequests or excessive fees, resulting in \$431,813 in reduced fees or money recovered and distributed to charities.
- Number of on-line complaint forms received: 251

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 works towards meaningful economic recovery for Massachusetts by tackling the economic and mortgage foreclosure crisis with a multifaceted and aggressive strategy. 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.

Civil Investigations Division

The Civil Investigations Division (CID) employs a trained staff who provide investigative support in civil matters for the divisions both within PPAB and throughout the Attorney General's office. The divisions investigators locate and interview victims, witnesses and subjects connected with actions taken by the office. 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. Investigators often work closely with other states Attorney General offices, local and state law enforcement agencies, the US Attorney's Office, and other federal law enforcement agencies.

Significant Achievements & Priorities for FY2022

Civil Investigations continues to play a significant role in the Attorney General's actions regarding the COVID pandemic. CID has provided significant assistance in investigating housing and eviction issues related to the pandemic and continues to do so.

Deceptive and fraudulent practices: the Civil Investigation Division supports multiple divisions within the office in dealing with unscrupulous business practices against consumers by, among others, energy providers, healthcare providers, and service providers. Over the past year these cases have resulted in monetary penalties against many of these companies.

Civil rights violations: the Civil Investigations Division routinely assists in investigations into the violations of people's civil rights including cases of housing discrimination, job and pay equity, and business practices.

Important Statistics and Numbers

The investigative support provided to ten other divisions across four bureaus within the Attorney General's Office has been instrumental in resolving hundreds of cases and bringing thousands of dollars back to the Commonwealth and to consumers. In addition to the above represented cases, the Civil Investigations Division fielded hundreds of queries in 2020 from other divisions that did not require opening an official case file.

- Cases opened: 172
- Cases closed: 201

Children's Justice Unit

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

Significant Achievements & Priorities for FY2022

Investigation into Meta Platforms, Inc. (Facebook and Instagram) and Tik Tok

With the Data Privacy and Security Division (DPSD), CJU continues to co-lead a nationwide investigation into Meta Platforms, Inc. regarding physical and mental health harms associated with its social media platform – Instagram – on children and young adults. In March, 2022, a parallel investigation was launched into Tik Tok. The investigations are examining whether Meta Platforms, Inc. and Tik Tok violated state consumer protection laws and put the public at risk.

Equal Access to Public Education for Immigrant Students

CJU developed an advisory regarding the obligations of school districts under state and federal law to provide all elementary and secondary students with equal access to public education, regardless of citizenship or immigration status and has prioritized complaints of immigrant students who have not been able to enroll. The advisory, issued in April 2022, reminds Massachusetts school districts and officials that enrollment practices that single out students based on their actual or perceived citizenship or immigration status violate state and federal law. Since the advisory was issued, CJU has helped several families who were having trouble enrolling their children in school.

Addressing Hate and Bias Incidents in Schools

CJU has assisted numerous constituents who have experienced bullying and harassment in schools. CJU, along with CRD and the Executive Bureau, also hosted a Virtual Call to Action to launch a statewide initiative aimed at curbing hate-based incidents in K-12 school sports. The initiative, a collaboration between school and state leaders, was launched in response to an increase in hate-based incidents in school sports. An in-person conference will be held this fall followed by regional trainings conducted by Northeastern University's Center for the Study of Sport in Society.

Community Engagement

CJU assists CRD with certain complaints related to children and youth, such as allegations of discrimination or harassment in school settings. CJU also receives dozens of intakes per month through the constituent services email account; most require follow-up. 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 matters related to the conduct of School Resource Officers.

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. The Division 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, and to ensure equal opportunity and constitutional rights in areas such as education, housing, employment, healthcare, immigration, public accommodations, and voting.

Significant Achievements & Priorities for FY2022

Addressing Hate

In FY 2022 the Civil Rights Division continued its focus on preventing and addressing hate in our communities. CRD resolved an employment discrimination lawsuit in which a Brockton bakery was required to pay up to \$95,000, provide training, and revise its anti-discrimination policies after an employee was subjected to racial epithets and slurs by a supervisor, a public accommodations case in which a store owner was required to pay up to \$220,000 and permanently banned from operating a retail business after he was alleged to have discriminated against his customers on the basis of their race, national origin, and immigration status, and an investigation in which the

Danvers Public Schools agreed to changes to policies and procedures after racist and homophobic bullying and harassment on the Danvers High School hockey team. CRD also hosted a convening with civil rights leaders on addressing hate in local communities and a call-to-action for school and athletic leaders to address hate and bias in school athletics, in which CRD announced plans for a conference and series of regional trainings and released guidance specific to the school sports context, which complements comprehensive guidance for schools on their legal obligations to prevent and address hate and bias.

Discrimination in Housing

CRD continued to prioritize combatting housing discrimination to ensure access to housing for all Massachusetts residents. CRD filed an assurance of discontinuance requiring a \$100,000 payment and changes in business practices for tenant screening companies that screened out prospective tenants who received government housing vouchers as well as those with certain felony convictions. CRD also investigated and resolved 24 housing discrimination cases referred by the Massachusetts Commission Against Discrimination and the Boston Fair Housing Commission, including, for example, a case against housing providers that failed to remedy second-hand smoke and a rodent infestation that exacerbated a child's chronic asthma. In addition to paying restitution, the entire housing complex went smoke free, and other changes to policies and procedures were put in place.

Federal advocacy regarding reproductive rights and LGBTQ rights

On the federal level, CRD prioritized advocacy for reproductive rights and LGBTQ+ rights, given the continued assault on these rights in some parts of the country. For example, CRD led multistate amicus briefs in the and the Supreme Court and in District Court in support of the Department of Justice's constitutional challenge to Texas's six-week abortion ban, SB-8. CRD also led multistate amicus briefs to support public accommodations laws in New York and Virginia, after business owners challenged the laws on First Amendment grounds because they wanted to deny services to LGBTQ+ couples.

Financial Data

Amounts Recovered: \$804,800

Important Statistics and Numbers

- Number of cases handled in FY2022: CRD resolved 24 cases with written agreements requiring monetary and/or injunctive relief. We litigated 6 cases in state court. Of these, 3 are still open. CRD also litigated 9 cases in federal court.
- Appeals briefed/argued: We briefed and argued 1 appeal in state court. We participated in appeals of numerous cases in federal court. .

Community Engagement

- Number of Hotline Calls Received:
 - Total hotline calls received: 3144
 - 126 of the 3144 calls came in through the Hate Crimes Hotline.
- Number of on-line complaint forms received:
 - Total online complaints received: 2164
 - Approximately 35% of the complaints filed were employment related. Most of the other complaints were related to housing (11%), public accommodations (11%), police (7%), other government entities (6%), and education (6%).

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. The division also frequently partners with other AGO divisions to investigate unlawful business practices identified through its consumer advocacy work.

CARD also conducts specific and targeted outreach across the Commonwealth to address high volume and high priority consumer issues and manages the Local Consumer Program grant supporting a network of eighteen consumer-focused agencies across the Commonwealth.

Significant Achievements & Priorities for FY2022

During FY22 the Consumer Advocacy and Response Division received 19,825 consumer complaints and provided individual consumer assistance in response to 9,179 complaints. Through this assistance consumers saved or recovered \$6,491,199.

Major sources of consumer complaints included telephone scams, used vehicle sales, auto financing, rooftop solar installations, community solar programs, telephone and cable services, and cancellations of travel plans and events due to COVID-19.

Following efforts that began in FY2021, CARD continued to respond to urgent requests for eviction help through the Attorney General's Office Eviction Help Request Form. In FY2022 CARD received and responded to more than 158 requests for eviction help. Local Consumer Programs also assisted more than 280 consumers apply for rental assistance through programs such as RAFT and ERMA.

In March of 2022, the office published a Consumer Advocacy Annual Report spotlighting consumer complaint trends for calendar year 2021 such as a rise in deceptive automobile ads, illegal "self-help" evictions, and problematic "Buy Now, Pay Later" loans.

Constituent Success Stories

A consumer reported to the Attorney General's Office that a home improvement contractor took a deposit for a project, didn't do the work, and refused to return the deposit. A consumer specialist reached out to the contractor and helped the consumer cancel their contract and get the full \$9,000 deposit back.

A consumer with a serious illness reached out to the AGO's consumer hotline because their electricity was about to be shut off for non-payment. Consumers with serious illnesses are often protected from shut-off, but this consumer was having trouble collecting documentation to qualify for shut-off protection. A consumer specialist worked with the consumer, the town's board of health, the Department of Public Utilities, and the consumer's utility company to collect all the necessary paperwork and prevent the shut-off.

A CARD consumer specialist helped a homeowner settle a "zombie" second mortgage. Zombie mortgages are typically second mortgages which a bank has stopped trying to collect for many years, but which have not been foreclosed upon. Consumers often mistakenly believe the loan was paid-off during as part of a prior loan modification because the bank stops sending bills or making collection attempts. When the bank resumes collection efforts many years later, consumers are often shocked by how much the interest has grown. In this case, the consumer specialist helped the consumer argue that the delay in collection was unfair under the circumstances and the bank agreed to settle the debt, saving the consumer \$113,000.

A consumer contacted the Attorney General's Office when they were denied for a home equity loan due to old liens on their property that didn't belong there. The liens were supposed to have been discharged as part of the consumer's bankruptcy many years earlier, but due to a bank error the discharge paperwork was never filed. A consumer specialist worked with the consumer and the bank and helped the consumer remove more than \$63,000 of liens from their property.

A consumer filed a complaint with the Attorney General's Office after a car dealership refused to honor the sticker price on the car they purchased. During the closing of the transaction the dealership marked-up the cost of the vehicle by nearly \$10,000 and added a service contract without the consumer's knowledge. A consumer specialist worked with dealership and the auto lender to ensure that the dealership honored the advertised price and cancelled the unwanted extended warranty—saving the consumer more than \$12,800.

A disabled elder consumer contacted the Attorney General's Office when their car was repossessed. The consumer owned the car outright, but the car was taken to satisfy a 15-year-old judgment from a credit card debt that the consumer could not be legally required to pay. With help from a consumer specialist the debt collector agreed to return the car and waived the outstanding balance on the debt—saving the consumer \$8,300.

Financial Data

\$6,491,199.14 in savings and recoveries for consumers through individual advocacy in response to consumer complaints filed with the AGO.

Important Statistics and Numbers

- 19,835 Consumer Complaints received.
- 4,984 Consumers Complaints successfully resolved.
- \$6,491,199.14 in savings and recoveries for consumers through individual advocacy.
- 158 Eviction Help Request Forms received.
- 280 consumers helped with rental assistance applications.

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 the Consumer Protection Act 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 and Priorities for FY2022

CPD resolved an investigation of a motor vehicle title lender, which issued small dollar loans using consumers’ automobile titles as collateral. NH Title Group, d/b/a/ Capital Title Loan provided over \$900,000 in debt relief, restitution, and penalties. It has removed all liens on motor vehicles that served as its loans’ collateral. The resolution also permanently bars the company from engaging in any consumer lending, servicing, or debt collection business in Massachusetts.

After a 12-day bench trial, CPD obtained an order against George Maroun, an attorney that was running an asylum scam in the Brazilian community, requiring him to pay more than \$240,000 in penalties and restitution and barring him from engaging in any future immigration-related legal services. Maroun’s business model targeted and exploited immigrants looking for legal help and made a profit at their expense, while also putting them at risk of deportation.

As part of the ongoing litigation against Boston Sports Club (BSC), CPD obtained a consent judgment against Work out World (WOW), which purchased former BSC members’ contracts and began charging them membership dues without their consent. The consent judgment required WOW to pay \$62,500 in penalties, in addition to providing full refunds for thousands of consumers totaling \$80,000.

CPD obtained a judgment against a home improvement contractor, Richard Capachione, which banned him from owning or managing any construction company and required him to pay \$150,000 in restitution following allegations that he scammed dozens of homeowners in Massachusetts. Capachione, collected hundreds of thousands of dollars in consumer deposits for

home improvement projects that were either never started or abandoned mid-way through, leaving several properties damaged and in dangerous and unsanitary conditions.

CPD resolved an investigation of Transworld Systems, Inc., a national debt collection company, requiring it to pay \$2.25 million and change its business practices to resolve allegations that it used unfair and deceptive debt collection practices against consumers, including student loan borrowers.

CPD obtained a consent judgment against a debt settlement company, DMB Financial, LLC and its chief operating officer, resolving allegations that DMB charged inflated and premature fees, enrolled consumers who were unable to benefit from its program, and failed to disclose the harms consumers may experience after enrolling in its program—including being sued by creditors and damaging their credit. The consent judgment required the company to pay \$1 million dollars and make extensive business practice changes.

Financial Data

Total amounts Recovered:

- Payments to the Commonwealth: \$4,962,500.
- Restitution and refunds paid to Massachusetts consumers: \$1,730,000.
- Mortgage principal cancellation obtained for Massachusetts homeowners: \$616,561.17.
- Other (non-mortgage) debt cancellation or forgiveness obtained for Massachusetts consumers: \$400,000.
- Total recovery: \$9,439,061.17.
- Judgments (uncollected): \$50,000,000.

Data Privacy and Security Division

FY2022 marked the Data Privacy and Security Division's (DPSD) second year in the Attorney General's Office after being created in August 2020. DPSD's goals are 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 through investigating and enforcing violations of the Consumer Protection Act (c. 93A), the Data Breach Notification Law (c. 93H), the Data Security Regulations (201 CMR 17.00), and related federal data protection laws. The Division protects consumers by improving organizations' privacy and security practices through injunctive relief and the imposition of civil penalties to deter future unlawful conduct. DPSD also provides consultation on security, privacy, and technology matters within the office and other state agencies, and regularly engages with the business community and the public through presentations at legal events and conferences.

Significant Achievements & Priorities for FY2022

Social Media Platforms & Youth Investigations

In November 2021, the Attorney General's Office announced that it was co-leading a bipartisan multistate investigation into Instagram and the physical and mental health harms to young people connected with using the platform. Such harms could include depression, eating disorders, and even suicide. The investigation focuses on techniques used by Meta to increase engagement among young users and to keep young users on the platform, and whether Meta may have violated consumer protection law as a result. In March 2022, the Attorney General's Office announced it was co-leading a similar bipartisan multistate investigation into TikTok. DPSD, with the collaboration of the Children's Justice Unit in the Civil Rights Division, is primarily responsible for the furtherance of these ongoing investigations.

Business and Organization Alert for Cyberattacks

In December 2021, DPSD released an alert to businesses and organizations in Massachusetts to be on the lookout for ransomware attacks during the holiday season. The alert reiterated guidance put forth by the federal Cybersecurity and Infrastructure Agency, encouraging entities to remain vigilant, employ rapid response, stay informed, and implement best practices. The alert also reminded organizations of their obligation to comply with the Massachusetts Data Security Regulations.

T-Mobile Breach Investigation

In September 2021, DPSD announced an investigation into T-Mobile following a data breach affecting the personal information of close to 50 million current or prospective customers nationwide, including over one million Massachusetts residents. The Attorney General's investigation is focused on T-Mobile's compliance with the Data Breach Notification Law and the Data Security Regulations.

Financial Data

- \$97,562.78 in recoveries to the General Fund.
- \$40,814.69 in restitution issued to consumers.

Important Statistics and Numbers

In FY2021, DPSD received and processed approximately 2,216 initial data breach notices under G.L. c. 93H. These notices reported over 3,200 data breaches which collectively affected over 2.5 million Massachusetts residents.

Fair Labor Division

The Attorney General's Fair Labor Division (Fair Labor) is the primary enforcer of wage and hour laws in Massachusetts. Fair Labor 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. Fair Labor is also responsible for ensuring that public construction projects are fairly bid and awarded, and that employers engaged in public construction pay the prevailing wage to their workers.

Significant Achievements & Priorities for FY2022

Rochester Bituminous Products, Inc. was issued 25 citations totaling \$1.2 million in restitutions and penalties for prevailing wage violations that impacted 22 employees, and for failure to submit certified payroll records. Fair Labor began investigating whether employees were paid proper prevailing wage for paving work for the City of Boston, and thereafter received additional complaints from past and present workers alleging other prevailing wage violations. Rochester Bituminous repeatedly failed to furnish requested documents or submitted incomplete records. Although the payroll records were incomplete, they were sufficient to determine that workers were underpaid by approximately \$30 per hour for their work on public works projects.

In July 2021, new protections for immigrant victims went into effect. Under the new law, Chapter 258F of the General Laws, state and local certifying entities must establish a policy regarding U and T visa certification and respond to a request for U and T visa certification within 90 days. Certifying entities include state and local law enforcement agencies, prosecutors, and other entities with the authority to detect, investigate, or prosecute severe forms of trafficking in persons or criminal activity.

With the goal of raising awareness about this critical protection and new law, Fair Labor, in partnership with the AG's Human Trafficking Division (HTD), created a two-page guidance document which outlines the responsibilities that certifying agencies have under the law. Fair Labor and HTD also led outreach and awareness efforts on U and T visa certification and the role of law enforcement. The Office distributed guidance to members of the Massachusetts Major City Chiefs of Police and Massachusetts District Attorneys' Offices. In April 2022, Fair Labor and HTD co-hosted a convening with Boston University Law School's Immigrants' Rights and Human Trafficking Program and worked with the Massachusetts Municipal Police Training Committee beginning to incorporate this information into their training curriculum.

Dollar Tree Stores, Inc. d/b/a Family Dollar was cited \$1.5 million in penalties for more than 3,900 violations. The AG's Fair Labor Division began investigating Family Dollar after receiving multiple complaints that employees were not given proper meal breaks because of persistent staffing shortages. Investigators determined that from 2018 to 2019 the company routinely cut the necessary payroll hours, leaving stores under-staffed. This resulted in hundreds of employees being unable to leave their stores or take meal breaks.

Financial Data

Amounts Recovered:

- Penalties: \$4,927,149.87 (assessed)

- Restitution: \$7,584,155.90 (assessed)
- Other Recoveries: \$21,825.00 (fees)
- Total collected: \$7,921,599.89 (incl. restitution, penalties and fees)

Important Statistics and Numbers

- Number of cases handled in FY2022:
 - Number of cases opened: 1,734
 - Number of cases closed: 1,751
- Total Citations and Assessments \$12,511,305.77
- Total Restitution \$7,584,155.90
- Total Penalties \$4,927,149.87
- Number of Employees Impacted 19,261
- Tax Liens Recorded for Unpaid Citations 108
- Site Inspections (enforcement capacity) 28
- Compliance visits (non-enforcement capacity) 56
- Total number of Public Construction Bid Unit protest decisions: 210
- Approximate number of Public Construction Bid Unit calls and emails: 9,360
- Community Engagement statistics:
 - Number of Hotline Calls Received: 13,064
 - Number of on-line complaint forms received: 5,746

Insurance and Financial Services Division

The Insurance & 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. The Division 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. The Division also offers mediation services to consumers relating to property, casualty, and life insurance, as well as annuities, investments, and student loans. Within the Division, the Student Loan Assistance Unit specializes in student debt related issues.

Significant Achievements & Priorities for FY2022

IFSD engaged in a variety of projects and initiatives in 2021-2022, ranging from auto insurance rate reviews to actions against unfair lending practices and failures to provide proper required disclosures to Massachusetts investors and consumers. All these matters were directed at the goals of assisting Massachusetts residents, ensuring fair practices, and supporting consumer economic security in the financial services arena. Some examples include:

Securities, Investments & Lending

In Fiscal Year 2022, IFSD investigated numerous matters under G.L. c. 93A relating to securities, investments, and lending. After filing suit against nationwide auto lender Credit Acceptance Corporation (CAC), IFSD settled with CAC in the largest settlement of its kind, securing over \$27 Million in cash as well as making debt relief available to thousands of consumers. IFSD's review

of other unfair subprime auto lending practices secured over \$5.5 Million in cash recoveries and debt relief for over one thousand Massachusetts drivers from Santander, as well as approximately \$2 Million in cash recoveries from GM Financial. Finally, IFSD continued its efforts to stop the illegal practice of dog leasing in Massachusetts, obtaining over \$930,000 in combined restitution, debt relief for consumers, and payments to the state.

Workers' Compensation Enforcement

Through IFSD's successful litigation in this year's workers' compensation insurance administrative rate case, IFSD secured over \$75 Million in savings for thousands of small businesses and other workers' compensation policyholders. In addition, IFSD continued its inquiry into prescription drug overcharges under the Massachusetts workers' compensation insurance system and obtained over \$6.7 Million in cash recoveries.

For-Profit Schools and Student Debt

IFSD also brought more cases against for-profit schools, including The Mildred Elley School, which engaged in high-pressure recruiting tactics and failed to provide required disclosures to prospective students, recovering \$600,000 in restitution and more than \$420,000 in debt relief. In addition, IFSD continued its efforts to obtain private student loan cancellation for Massachusetts borrowers and its advocacy against predatory student loans. For instance, IFSD co-led the multistate effort against loan servicer Navient, which resulted in a \$1.85 Billion judgment including \$6 Million in cash for Massachusetts and the waiver of more than \$41 Million in private loan debt for Massachusetts borrowers. IFSD also wrote several letters to the U.S. Secretary of Education and the U.S. Department of Education, advocating for improvements to the Public Service Loan Forgiveness Limited Waiver and for the discharge of federal student loans for students of for-profit schools Lincoln Technical Institute, Kaplan Career Institute, and New England Institute of Art. In addition, IFSD coordinated with other states to send letters to NC-SARA, the Consumer Financial Protection Bureau, and the FTC regarding consumer financial issues.

Financial Data

- Cash Recoveries: \$48.17 Million
- Amounts Saved for Consumers: \$147.85 Million

Case Statistics

Number of cases handled in FY22: 24

Community Engagement

IFSD helps Massachusetts consumers navigate a variety of complicated financial issues and disputes with financial institutions. The Division's mediations relate to property, casualty, and life insurance, as well as annuities, investments, and student loans. Together, IFSD's Financial Services Mediation Program and Student Loan Assistance Unit recovered \$878,618.99 and generated \$2,482,433.81 in savings for complainants.

Number of Hotline Calls Received:

- Insurance & investment inquiries: 5752
- Student lending inquiries: 2596
- Inquiries seeking assistance with ongoing settlements: 2193

Number of on-line complaint forms received:

- 2,280, covering issues including auto, home, life, and travel insurance; annuities and investment accounts; forced-placed insurance and mortgage escrow; and student loans