Office of Attorney General
Andrea Joy Campbell

ANNUAL REPORT

Fiscal Year 2024

Report of the Attorney General for Fiscal Year 2024

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, which covers the period from July 1, 2023, through June 30, 2024.

It is an honor to serve as your Attorney General.

Respectfully submitted,

Andrea Joy Campbell
Attorney General

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, three Deputy Attorneys General, the Chief of Staff, the Chief Operating Officer, and Chief of Organizational Diversity Equity 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 Affairs; Victim Compensation and Assistance; and three regional AGO offices.

Community Engagement Division

The Community Engagement Division (CED) establishes a bridge between community members and the AGO to ensure that every resident has access to AGO resources, services, and educational materials. CED identifies community and government stakeholders with which to partner to advance and amplify AGO priorities, initiatives, and projects. CED leverages community relationships and partnerships to help ensure that the AGO's work is as community-informed as possible. CED provides trainings, hosts convenings, and plans other events across the Commonwealth.

Significant Achievements & Priorities for FY2024

Over the course of the year CED added Community Engagement Coordinators in the Western MA Regional Office covering the Berkshire, Franklin, Hampden and Hampshire counties and in the Central MA Regional Office covering Worcester & parts of Middlesex counties.

As part of the Attorney General's continued commitment to expand the reach of the AGO and engage communities outside of Metro Boston, CED and the Western and Central MA Offices co-hosted additional Regional Open Houses in Springfield and Worcester. About 300 community advocates, legal aid partners and municipal leaders attended. The events showcased a wide breadth of the agency's work and provided updates from the Campbell administration. Staff had the opportunity to reconnect with existing partners and make new connections.

In collaboration with the Executive Bureau and the Public Protection and Advocacy Bureau leadership, CED reconvened the Immigrant Advisory Council (IAC) (formerly the New Americans Advisory Council) in order to meet one of the top priorities of the office to broaden access to AGO tools and resources and ensure that our ongoing legal and advocacy work is

community-informed and reflects the needs of the diverse communities it serves. The IAC is composed of 27 immigrant-serving organizations from across the Commonwealth. The IAC meets quarterly to advise the Attorney General on issues affecting immigrant communities such as addressing anti-hate and bias, workers' rights, civil and consumer rights, housing, health care, and environmental justice issues.

To reach young people in the Commonwealth, CED in collaboration with the Children's Justice Unit led a multi-pronged statewide youth initiative seeking the perspective of young people to inform the office on issues related to bias and discrimination, mental health, school safety, environmental justice and youth workers' rights. The AG held 3 regional listening sessions in Boston, Lynn and New Bedford as well as a roundtable event in Springfield. CED attended numerous youth-focused events and sought out partnerships with youth serving organizations. The year ended with the development of an inaugural 18-member AGO Youth Council to be launched in fiscal year 2025.

Lastly, over the course of the year CED worked across the agency and supported a variety of Divisions with engagement and language access needs. Some engagement activities included: the formation of the Youth Sports Betting Safety Coalition, coordinating Addressing Hate in Sports Trainings, hosting Non-Profit Organizations/Public Charities Division's monthly webinars, providing event planning support for the Reproductive Justice Unit kick-off event, providing outreach support for the Merrimack Valley Renewal Fund, co-planning National Consumer Protection Week events, giving Healthy Summer Youth Grant trainings, supporting Regional Wage Theft Clinics, and staffing the Attorney General at events and speaking engagements.

Important Statistics and Numbers:

CED organized 180 in-person events, trainings and webinars engaging directly with more than 6,000 residents across the state on a wide range of topics including: Consumer Rights, Scams and Identity Theft, Unauthorized Practice of Immigration Law (UPIL), Worker's Rights, Landlord & Tenant's Rights, and Social Media and Teen Mental Health.

Resources and trainings were provided in English, Haitian Creole, Khmer, Mandarin/Cantonese, Portuguese, Spanish and Vietnamese. Starting in early 2024, CED launched a quarterly newsletter for external partners that highlights key developments and resources across the AGO. The newsletter currently reaches more than 1,200 recipients.

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 and Attorney General's Office.

Specifically, the GCO provides legal assistance with personnel matters, ethics, procurement, contracting, and conflict-of-interest issues; assists in the development and implementation of office policies and procedures; works with the Human Resources Division to ensure best employment practices; ensures that all staff members comply with G.L. c. 268A; coordinates the AGO's appointments to state boards and commissions; oversees the appointment and management of special assistant attorneys general, manages the AGO's responses to public records requests and subpoenas; reviews common interest agreements with third parties; and supports the AGO in-house legal training program.

The GCO is 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 General Counsel's Office reports to the Chief Operating Officer.

Significant Achievements & Priorities for FY2024

1. Victim Compensation and Assistance Division (VCAD): In May 2024, the Victim Compensation and Assistance Division began reporting to the GCO while the division underwent leadership and organizational restructuring. Under the direction of the GCO, the VCAD division updated several of its practices and was able to reduce the backlog of pending claim applications. The Division also reclassified its investigator positions to advocate positions to be more aligned with the victim-centered delivery of services. The GCO has been working in collaboration with the Massachusetts Office of Victim's Assistance, the AGO Grant Team, and the Executive Bureau Leadership on updating its practices and improving services to victims.

2. Employee training: The General Counsel's Office held/participated in several trainings this year including New Employee Orientation, Legal Intern, Public Records and Retention, and Anti-Discrimination-Harassment.

3. Contingent Liability Reporting: Every year, and throughout the course of the year, the AGO is required to report to the Comptroller's Office any pending or threatened litigation to the Commonwealth that exceeds $10 million dollars and $5 million dollars for MassDOT. The GCO prepared and submitted the 2023 Contingent Liability Update which requires the GCO to survey all Assistant Attorneys General and Special Assistant Attorneys General to ascertain any developments for existing cases that require reporting as well as report on any new cases and report those to the Comptroller's Office in a Contingent Liability Report. The GCO also provides information on threatened or

pending litigation for the Commonwealth's issuance of bonds through the Legal Liability Section of the Information Statement, which is updated and reviewed regularly for bond issuance.

Financial Data

1. The GCO is instrumental in identifying ways in which the AGO can save money by encouraging sound business practices. For example, the GCO achieved cost savings relating to outside legal and other vendor services, document storage, transportation, training, travel, and miscellaneous expenses. In addition, the GCO reviews all AGO contracts and grants to ensure that the AGO complies with legally and fiscally-sound procurement, contracting, and grant-making processes.

2. The GCO reviews personnel matters in order to both ensure compliance with AGO policies and laws and reduce liability for the AGO.

3. The GCO also reviews and reports the Commonwealth's Contingent Liabilities to the Comptroller's Office and for the Commonwealth's Information Statement.

Important Statistics and Numbers

FY2024 Victim Compensation and Assistance Division:
- Economic support paid: $1,111,239.38
- Funeral/burial costs paid: $882,734.11
- Forensic exam expenses paid: $698,234.50

Victim payout for economic support increased in FY2024 by 73%. Funeral/burial costs decreased by 13%. Forensic exam expenses increased by 7%.

AG Institute: In FY2024, the AGI Institute conducted 25 trainings for AAGs and staff, filling approximately 1,300 seats. AG Institute also conducted two New Employee Orientations, training a total of 150 new employees.

Boards and Commissions: In FY2024, there were a total of 12 new Boards & Commissions Appointments and 6 Boards & Commissions Reappointments.

Public Records Requests: In FY2024, the AGO received 829 public records requests, an 18 % increase from the number received in FY2023. Members of the press/media submitted 110 of those requests. The remainder of the requests were handled by Divisional Public Records

Officers with the support of the GCO. In total, 54 AGO responses to public records requests were appealed to the Supervisor of Records.

Review of outside Legal Services Contracts: In FY2024, the GCO reviewed 5 Legal Services Contracts and provided substantial assistance to agencies' retention of outside legal counsel.

Special Assistant Attorneys General: In FY2024, there were a total of 60 new SAAG Appointments, 26 amended SAAG Appointments, and 5 vacated SAAG Appointments.

Grants Management

The Grants Team develops and administers settlement-funded grant programs often through cross-bureau collaboration with other AGO divisions. These programs return millions of dollars to local communities each year to support a wide range of initiatives including a maternal health equity program, substance use prevention and treatment programs, summer youth employment opportunities, local consumer assistance programs, and a residential energy assistance program.

The Grants Team also applies for funding to develop, support, and expand AGO activities. For example, the AGO has historically received federal funding from the Department of Justice to support violence prevention programs, services to prevent human trafficking, and victim services and compensation programs.

Significant Achievements for FY2024

- During the FY2024, the Grants Team received 338 unique applications across nine settlement-funded grant programs and awarded $8,364,930 in grants to 149 nonprofits and municipalities.
- In cooperation with the Health Care Division, the Grants Team launched the office's first ever Maternal Health Equity Grant Program. $1,500,000 in settlement funds was awarded to 11 grantees. Programming funded by the grant will provide culturally competent maternal health support services aimed at reducing maternal health disparities and unnecessary health care spending.
- The AGO was awarded $997,672 from the Department of Justice's STOP School Violence Program Grant. As part of the grant program, partner Sandy Hook Promise will implement violence prevention programming to 75 schools across Massachusetts. The AGO also received a $1,452,000 grant from the Department of Justice for victim compensation.
- The AGO received its first ever grant from the Massachusetts Gaming Commission's Community Mitigation Fund. The $250,000 award will fund casino-linked domestic violence and sexual assault investigations across the Commonwealth.

Information Services Center

The Information Services Center (ISC) is the AGO's robust call center for inbound calls from the public. 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. During FY2024 ISC answered seven inbound lines: Civil Rights Hotline, Consumer Hotline, Criminal Bureau Duty Line, False Claims Tipline, Hate Crimes Hotline, Public Charities Hotline, and the Switchboard. ISC also served as a data collection pass through for the Commonwealth Anti-Trafficking Task Force Tipline, Casino Employee Trafficking Tipline and the Opioid Settlement Help Line. ISC manages the Constituent Services email MassAGO@mass.gov. ISC currently provides its services in English, Portuguese and Spanish.

Significant Achievements & Priorities for FY2024

In FY2024, ISC transitioned five lines into its portfolio: three by merging smaller division lines into one of our seven main hotlines (GED Tipline, Policy & Government line, Victim Services line) and two by taking over a main hotline (Civil Rights Hotline, Hate Crimes Hotline).
In April 2024, ISC partnered with the Consumer Protection Division to handle phone traffic for the Small Debt Collection Advisory Project. ISC designed and built an IVR that would track data and flow calls directly to a CPD paralegal.

Throughout FY 2024, by increasing language coverage (adding additional Spanish and Portuguese speakers to the team), improving resources, creating more efficient processes and training, and attaining appropriate staffing levels for our inbound call volume, ISC has consistently, for the first time since its creation, been able to manage inbound call volume without a backlog.

Important Statistics and Numbers

In FY 2024, ISC live answered 59,263 calls across the seven AGO phone numbers in its portfolio, averaging just under 1,140 phone calls per week. This is a 10% increase from our live answered call volume in FY 2023:

- Civil Rights/Hate Crimes: 1,081
- Consumer Hotline: 24,330
- Criminal Bureau Duty Line: 504
- False Claims Tipline: 73
- Public Charities Hotline: 12,674

- Switchboard: 20,574

Of these calls, 936 were handled in Spanish and 127 were handled in Portuguese.
The Constituent Services team within ISC responded to 205 emails.

Office of the State Solicitor

The mission of the Office of the State Solicitor (OSS) is to ensure the highest quality of appellate advocacy throughout the Office of the Attorney General. OSS 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. OSS 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 FY2024

In FY 2024, OSS continued its work leading the Commonwealth's appellate advocacy. Among other priorities advanced, OSS supported the Attorney General's goal of preventing gun violence and defending common-sense gun laws, including by leading amicus briefs in courts of the Commonwealth and around the country in defense of bans on assault weapons and large-capacity magazines (in collaboration with the Constitutional and Administrative Law Division).

OSS also continued its contributions to the Attorney General's goal of advancing economic opportunity and consumer justice, including by authoring an amicus brief in the Land Court on the effect of the Supreme Court's decision in *Tyler v. Hennepin County* on Massachusetts's system of tax foreclosures, working with the Public Protection and Advocacy Bureau on public guidance regarding the *Tyler* decision, and filing an amicus letter in the Appeals Court in support of residents of manufactured housing communities. OSS also continued advancing the goal of treating workers justly, including by filing an amicus brief and presenting oral argument in the Supreme Judicial Court in defense of franchisees objecting to misclassification as independent contractors.

Finally, OSS continued its national leadership supporting the Attorney General's work to combat discrimination, including by leading a multistate amicus brief in the U.S. Supreme Court defending the right of persons with disabilities to invoke the Americans with Disabilities Act against non-compliant places of public accommodation, filing a multistate amicus brief in the Colorado Supreme Court supporting a transgender woman who was denied service by a bakery, and co-leading multistate amicus briefs supporting an expansive interpretation of a provision of the Affordable Care Act that bans discrimination in the provision of health care.

Policy and Government Affairs Division

The Policy and Government Affairs Division develops, supports, and advances the office's policy and legislative priorities, including articulating the office's position on legislation under consideration in both the Massachusetts Legislature and the United States Congress. The AGO's role in policy and advocacy can take many forms, including helping to develop legislation, informally advising policymakers, testifying in support of legislation, participating in public advocacy events, promulgating regulations where authorized to do so, authoring comment letters to administrative agencies, and maintaining open lines of communication with our local, state, and federal partners. The Division also responds to inquiries from elected officials on behalf of their constituents and helps those constituents access resources within the office.

Significant Achievements & Priorities for FY2024

1. Environmental Justice Trust Fund: In September 2023, Attorney General Campbell introduced legislation together with Senator Adam Gomez and Representative Brandy Fluker-Oakley to establish a trust to fund environmental projects and initiatives in communities disproportionately impacted by environmental harms. The Policy and Government Affairs Division worked closely with our Energy and Environment Bureau to draft, introduce, and advocate for the legislation both before the Joint Committee on the Judiciary and throughout the development of the FY25 state budget. The legislation was incorporated into the Governor's FY25 proposed budget and ultimately adopted in the final budget; the fund will be administered by the Attorney General's Office.

2. Reducing GIC coverage waiting periods for new state and municipal employees: The Attorney General's testified in support of legislation to close the waiting period for health insurance coverage for new state and municipal employees through the GIC in June 2023. A statutory change to require GIC health insurance coverage for eligible new state and municipal employees for the first full month of their employment was enacted as part of the FY24 budget and became effective July 1, 2024.

3. Massachusetts Parentage Act: Massachusetts updated its parentage laws in 2024 to require equal access to all parentage protections for all families, including LGBTQ+ families and those who used assisted reproductive technology to form their families. The Policy and Government Affairs Division regularly engaged with stakeholders and legislative partners to encourage progress on this legislative effort. We testified in support of this legislation at a hearing of the Joint Committee on the Judiciary, and the bill became law in August 2024.

Constituent Success Stories

1. Facilitating responses in the face of multiple failing health and rehabilitation facilities: During the summer of 2024, the Policy and Government Affairs Division began receiving multiple calls from elected officials on behalf of constituents who were experiencing employment and payroll issues from a large employer of medical rehabilitation services. Working with the Fair Labor Division and our Health Care and Fair Competition Bureau, the Policy and Government Affairs Division provided updates to legislators and their constituents relative to the situation on the ground and the office's response.

2. Keeping people in their homes: The Division was contacted by an elected official in November to inquire whether we could assist with an imminent foreclosure on a property. The Division worked with our Consumer Advocacy and Response Division to contact the property owner and explain what resources and options were available. Ultimately, the property owner was able to postpone the foreclosure.

3. Assisting elders: In March, the Division was contacted by an elected official on behalf of a constituent who had been struggling to have his wheelchair repaired by a vendor over a period of five months. The constituent had recently undergone surgery and was in a rehabilitation center, however, he was to be discharged promptly and still had not received a functioning wheelchair. After referring the matter to our Consumer Advocacy & Response Division, an elder volunteer reached out to the constituent and the company and arranged for a replacement wheelchair to be sent to the constituent within a week of our Office's involvement.

4. Protecting consumers: In October, the Division was contacted by a legislator on behalf of a constituent whose vehicle was towed at her housing complex during a medical emergency with her father, despite no signage indicating that she was located in a tow away zone. After filing a complaint with our office, a consumer specialist was able to contact both the towing company and the apartment complex to mediate the issue. After mediation, the constituent received a full refund of the $400 tow fee.

Central Massachusetts Regional Office

The Central Massachusetts Regional Office (CMASS) serves as the local representative of the Office of the Attorney General. The CMASS 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 CMASS 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.

Southeastern Massachusetts Regional Office

The Southeastern Massachusetts Regional Office (SEMA) serves as an accessible representative of the Attorney General's Office, providing services and assistance to residents of Bristol, Plymouth, Barnstable, and Dukes Counties. SEMA consists of lawyers, administrative staff, mediators, investigators, and consumer specialists who primarily handle matters for the Fair Labor, Constitutional and Administrative Law, Trial, Neighborhood Renewal, Consumer Advocacy and Response, Consumer Protection, Civil Investigations, and Insurance and Financial Services Divisions, as well as two troopers from the Massachusetts State Police.

Western Massachusetts Regional Office

The Western Massachusetts Regional Office (WMASS) of the AGO was the first regional office and remains the largest regional office. WMASS has approximately 40 employees representing nearly every bureau, division, and initiative of the AGO. During Fiscal Year 2024, WMASS 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.
WMASS represents the Commonwealth in state and federal court, primarily in the four western counties, and provides direct constituent services and education in many areas, including civil rights, consumer protection, fair labor, Medicaid fraud, neighborhood renewal, criminal matters, gun violence prevention, opioid response, elder abuse, charities, false claims, environmental matters, reproductive justice, and youth. In addition, the WMASS staff participate in numerous outreach programs—online and in person—with the public, partner agencies, schools, and law enforcement. During this fiscal year, WMASS held its first AGO Open House in our Springfield office, sharing our office resources with hundreds of attendees. WMASS staff also represent the AGO as appointees or liaisons to various governmental bodies, including the Attorney General's Bid Unit and the Board of Appeals on Motor Vehicle Liability Policies and Bonds.

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.

The Criminal Bureau has many significant cases and achievements from this past year.

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, human trafficking, 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 United States 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.

<u>Significant Achievements & Priorities for FY2024</u>

In Fiscal Year 2024, the Appeals Division contributed in significant ways to the AGO's advancement of its priorities, the important work of colleagues, the positive development of the law, and the cause of securing justice for victims and the vulnerable. Such contributions are reflected by the Division's initiatives in at least three core areas.

First, Division members successfully defended numerous convictions that were challenged in the federal and state courts. In one case, the United States Supreme Court denied a petition for a writ of certiorari, after requesting a formal brief in opposition from the Division—a step the Court takes in only a fraction of its cases. There, the Court declined to review Carlos Guardado's conviction for unlawful possession of a firearm. The United States Court of Appeals for the First Circuit, meanwhile, refused to set aside a number of convictions, including those of Philip Ayala, Mario

Cruzado, and Mac Hudson for murder, and those of Jorge Quintanilla for rape and other offenses. Division members also persuaded the United States District Court not to disturb scores of state convictions, including those of Darkens Bonnett, Brian Lee, Jermaine Celester, Edwin Alemany, and Ralph Nesbitt for murder, Eduardo Rodriguez for aggravated rape and other offenses, and Jeremy Libby for rape of a child. In other cases handled by the Division, the appellate courts of Massachusetts likewise issued decisions favorable to the Commonwealth. For instance, the Appeals Court affirmed Christopher Merced's conviction for trafficking in 200 grams or more of cocaine.

Second, Division members prevailed on behalf of its clients in civil matters. For example, the team obtained favorable rulings from the Supreme Judicial Court and the Appeals Court in appeals brought by Quasim Hastings and James Riva to challenge the Parole Board's actions. The Division also secured favorable outcomes for district attorneys in civil actions, arising out of their duties in the course of prosecutions.

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. They additionally served as AGO designees on the Commonwealth's Criminal Records Review Board, Firearms Licensing Review Board, Illegal Tobacco Task Force, and the Supreme Judicial Court Standing Advisory Committee on Eyewitness Identification. Further, they regularly counselled the AGO's Victim Compensation Division on matters within its charge. Division members also reviewed, and offered recommendations on whether to join, multistate amicus briefs to the Supreme Court or other courts in multiple cases. And division members served as a liaison to attorneys from other parts of state government who were designated as Special Assistant Attorneys General, reviewing numerous of their court filings. Appeals members helped colleagues outside the Division to prepare for upcoming oral arguments by serving as panelists for numerous moot courts. They also reviewed applications for grant assistance through the AGO's Healthy Summer Youth Jobs Program. Division members additionally aided colleagues from outside the Division by evaluating whether to bring affirmative appeals, reviewing selected draft court filings, and consulting on a wide range of criminal- and civil-law topics.

Grand Jury and Asset Forfeiture Division

The Grand Jury and Asset forfeiture unit has two core functions. First, the unit runs the day-to-day operations of the statewide/special grand jury sitting in Suffolk County including selecting a fair and impartial grand jury and instructing the grand jurors on the law. The unit provides guidance and support to all Assistant Attorney's General presenting in both the statewide grand jury as well as in every county grand jury throughout the Commonwealth. Second, the unit manages and oversees every asset seized in connection with criminal investigations within the bureau. The unit

also trains, educates, and provides support to Assistant Attorney's General in the criminal bureau on asset forfeiture law. The unit manages a case load of civil asset forfeiture cases proceeding in various superior courts throughout the Commonwealth.

Significant Achievements & Priorities for FY2024

1. The Commonwealth, through AAG Frank MacDonald, moved for default judgment on a civil asset forfeiture case, Commonwealth v. $601,559 docket 2084CV02248. Judge Gordon allowed the Commonwealth's motion on June 18,2024 in Suffolk Superior Court for a final default judgment, vesting legal title of the money to the Commonwealth. This money was seized on December 19, 2019, when a search warrant was executed at a residence. This money was proceeds of illegal gambling.

2. The Unit drafted and received approval for an asset forfeiture policy and procedure to provide guidance to the criminal bureau regarding asset forfeiture matters.

3. The unit spent all of FY24 working to identify and compile data on all assets seized within the criminal bureau. This process involved determining where the asset was stored, what criminal case or investigation this asset was connected to, and identifying, any potential claimants to the asset.

Financial Data

Money Forfeited = $717,423

Important Statistics and Numbers

1. Statistics:

- Number of cases handled in FY24 (please indicate whether the cases are open or closed)
    - 3 civil forfeiture cases, 2 remain open and 1 is closed

2. Division/Unit Specific Statistics:

- Empaneled 2 statewide/special grand juries sitting in Suffolk County
    - Grand Jury #81, October of 2023 heard testimony and received exhibits on twelve investigations.
    - Grand Jury #82, April of 2024 heard testimony and received exhibits on nine investigations in its first three months of a six-month sitting.

3. Community Engagement statistics

- Number of on-line complaint forms received: Total: 583

Topic Breakdown	Complaint	Intake: General	Grand Total
CRIM	174	259	433
FINV	1		1
GED	30	14	44
HTD	6	1	7
IUFU	14	9	23
STP		1	1
VW		1	1
WCPI	2	71	73
Grand Total	**227**	**356**	**583**

Financial Investigations Division ("FID")

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. Division investigators also conduct interviews, draft interview reports and serve as summary witnesses in the Grand Jury and at trial, where they provide testimony to the documentary evidence. 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 FY24:

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

Significant Cases:

In FY24 the Financial Investigations Division was part of the prosecution team for the following significant cases.

Commonwealth v. Wilmer Tejeda Cruz and Jose Bello: Charges were sought in Dedham District Court against Wilmer Tejeda Cruz, 31 of Pawtucket, and Jose Bello, 39 of Dedham, for fentanyl trafficking. Tejeda Cruz oversaw a drug distribution organization and sold large quantities of fentanyl and cocaine. Financial investigators, as part of the prosecution team, reviewed and analyzed P2P transactions via CashApp, Zelle, PayPal and Venmo and Tejeda's bank accounts. The financial investigators determined those payments were connected to the purchase of fentanyl. Financial investigators learned from the state troopers about suspicious individuals or individuals that may have been associated with the purchases of fentanyl and connected those individuals to the P2P transactions they reviewed during their analysis.

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 FY2024

1. Commonwealth v. Liu Yang:

This involved a case that originally started in 2018 and finally resolved by way of a jury trial in FY24. The defendant was charged with Trafficking Persons for Sexual Servitude, Deriving Support from Prostitution, Keeping a House of Ill Fame, Money Laundering, Conspiracy to Traffick. This case was extremely challenging for the Victim Witness Advocate as most of the victims had left the country. The Victim Witness Advocate was able to track down one victim who still resided in the US with the assistance of the FBI. Despite multiple attempts to speak with that victim, she did not want to participate in prosecution. The defendant was found guilty of Keeping a House of Ill Fame and received 2 years' probation with conditions of stay away/no contact with victims and civilian witnesses while maintaining/seeking employment if she is medically able to.

2. Commonwealth v. Igor Poradovsky:

This was a domestic violence case the Gaming Division took on in FY23 and finally resolved FY24. The defendant relentlessly stalked the victim over an extended period of time. The Victim Witness Advocate along with the State Police detective worked tirelessly to support this victim and provide resources to her. The case went to trial in February of 2024 and the defendant was found guilty on four of the five charges and sentenced to twenty-six months in the House of

Correction with two years' probation. The assigned advocate worked very closely with the victim as she endured repeated incidents of stalking, harassing, and violations of a restraining order which resulted in additional charges out of Somerville District Court where the defendant also plead guilty and received one year of probation.

One of the Victim Services Division's priorities in FY23 was to build stronger relationships with service providers who are essential to assisting some of our most vulnerable victims and witnesses. We have done that by getting out into the community and visiting service providers in person. This has elevated our work tremendously. As advocates it is important that we get to know the people and places that we refer survivors to on a regular basis. It also helps VWAs establish rapport and trust with survivors when we can say we have been to these facilities, know what they have to offer, and know who the workers are. We have also developed some new contacts in Western MA with Ascentria and ROCA. We are continuing to reach out to other providers in Western MA. We have also started to reach out to service providers beyond the state as housing and shelters continue to be in crisis. For example, we developed relationships with human trafficking service providers beyond New England as we assisted a young single man who was a victim of labor trafficking. Services for male victims of human trafficking are scarce to none in MA. We were able to secure housing for this vulnerable victim in a program for male human trafficking victims in New Jersey. He is thriving there and is finally in a safe stable environment. We have also connected with Victim Witness Advocates from Attorney General Offices throughout the country as two members of our team attended the Victim Services Professionals Training hosted by NAAG in August of 2024. We made valuable connections at that conference which have already assisted us in finding other resources beyond the state.

Another major accomplishment for the Victim Services Division is the reconstruction of our team. We were severely understaffed in FY23 and going into FY24. We have been able to fill three open vacancies. In achieving this we have also created more diversity amongst our team including a member who speaks Spanish. Creating a more inclusive team has already provided us with the necessary skills to better service the citizens of the Commonwealth of MA.

Overall, we continue to collaborate and maintain excellent communication within the prosecution team so we can provide survivors, witnesses, and family members with the most up to date information on their cases. Our main priority for all cases is to uphold the rights that victims and witnesses are entitled to under the MA Victim Bill of Rights (M.G.L. c.258B).

<u>Important Statistics and Numbers</u>

- Number of Cases handled: 189+
- Victims/Witnesses served: 148+
- Victim/Witness contact: 909+
- VSD Duty Line Calls: 115+

Gaming Enforcement Division

The Gaming Enforcement Division investigates and prosecutes criminal conduct related to expanded gaming in the Commonwealth, monitors the fairness and integrity of the gaming industry, aids the Gaming Commission in consideration and promulgation of rules and regulations, and participates in generating a list of persons to be excluded from licensed gaming facilities. The work of 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 & Priorities for FY2024

As always, the Division prioritizes ensuring the public's trust in making the three licensed casinos -- Encore Boston Harbor Casino, Plainridge Park Casino, and MGM Springfield Casino – and the surrounding communities safe. To this end, the Division has indicted its most serious incidents stemming from the casinos, securing indictments of individuals engaging in violent acts of domestic violence, possession of child pornography, drug trafficking, firearm possession, and extortion. The Division also has engaged in long-term investigations against those who use the illegal gaming market to financially exploit the most vulnerable members of the Commonwealth, especially those who suffer from problem gambling. Finally, the Division regularly partners with members of law enforcement to interdict and thwart those individuals and organizations who use the casinos and legal sports betting operators as a means to funnel illegal money into the financial market.

Important Statistics and Numbers

The Division conducted over 200 investigations and prosecutions arising out of MGM Springfield Casino located in downtown Springfield. In Springfield District Court, 156 new cases were arraigned by our office, and 176 cases from this year, and several past years, were resolved. The investigations and prosecutions at MGM have ranged from sexual assaults, abuse prevention order violations, possession of firearms and ammunition, narcotic offenses, money laundering, robbery, larceny, cheating offenses, violent domestic assaults, and disorderly conduct or trespassing cases.

The Division conducted nearly 250 investigations and prosecutions arising out of Encore Boston Harbor in Everett. In Malden District Court, about 225 cases from this year, and several past years, were resolved. The investigations and prosecutions at Encore Boston Harbor have ranged from

sexual assaults, narcotic offenses, money laundering, robbery, larceny, cheating offenses, violent domestic assaults, and disorderly conduct or trespassing cases

Significant Cases

Curbing Firearm Violence

As mentioned above, the Division is committed to ensure the safety of the casinos and surrounding communities. To that end, over this past summer, members of the Division, partnering with members of the Massachusetts State Police assigned to the MGM Springfield Casino and to the Attorney General's Office, quickly identified the perpetrators in three cases involving firearm violence that occurred at the MGM Springfield parking garage. One involved an individual who, after observing victims win money at the MGM Springfield Casino, lalocated them in the casino garage, pistol whipped them and robbed them of approximately $5,000 and three cell phones. The other involved an individual, who during the midst of a verbal altercation in the MGM Springfield parking garage, brandished a firearm towards the driver of another vehicle before getting into the car of an accomplice and fleeing the scene. Finally, another involved an individual who, while in the MGM Springfield parking garage, fired 11 rounds from his firearm out of the passenger's side of a vehicle towards the occupants of another vehicle. All suspects are currently in custody awaiting indictments in Hampden Superior Court.

First Cheating Case Convictions

In a likely case of first impression in the Commonwealth, a Middlesex County jury sitting in Woburn Superior Court before the Honorable David Deakin convicted an Encore Boston Harbor Casino baccarat dealer, Jianming Li and co-defendant baccarat player, Jun Na Zhang on two counts each of cheating and swindling more than $1,000 and one count each of larceny over $1,200 by single scheme. The cheating scheme occurred in late October and early November of 2019 in the high limit section of Encore Boston Harbor Casino. The scheme involved baccarat dealer Li fanning and exposing cards to himself, memorizing that sequence of cards, and then communicating that sequence to player Zhang on the two different dates of offense. Zhang illegal winnings for the two nights were approximately $15,000. At sentencing, the Court imposed a 364-day committed house of correction sentence, suspended for two years for dealer Li and a 364-day house of correction split sentence, 6 months to serve in the house of correction, balance suspended for two years for player Zhang.

Addressing Domestic Violence

Finally, the Division also has indicted several serious domestic cases this year. In February 2024, members of the Division became aware of a seemingly isolated incident of a restraining order

violation inside MGM Springfield Casino and, upon further investigation, uncovered evidence of a potential sexual assault, a vicious beating, and at least ten other violations of that same restraining order. The perpetrator has now been indicted for some of these offenses and is awaiting trial in Hampden Superior Court. Similarly, members of the Division indicted an individual for hitting his girlfriend to the point of knocking her unconscious and dragging her across the Encore Boston Harbor Casino parking garage towards his vehicle. The perpetrator is currently in custody on this case and awaiting trial in Middlesex Superior Court.

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 FY2024

Training and Outreach

HTD continued its efforts in providing training for law enforcement and community organizations across the state. Some of the groups trained on sex and labor trafficking include the Department of Occupational Licensure, the Sex Offender Registry Board, shelter providers for new arrivals, and law enforcement and school personnel in Berkshire County.

Commonwealth's Anti-Trafficking Task Force

In FY2024, 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 Assistant Attorney General and Task Force Coordinator to further the work of the Task Force. The Task Force looks forward to reconvening and adding new partners with its new Coordinator in place.

Important statistics and numbers

- 3 cases were resolved via trial

- 7 cases resolved by way of plea
- 13 investigations for sex and/or labor trafficking were initiated
- HTD staff presented at 8 trainings
- HTD staff attended 10 trainings

Digital Evidence Laboratory

The Massachusetts Attorney General's Office has a specialized unit dedicated to the cyber components of criminal investigations. The Digital Evidence Laboratory ("DEL") is staffed by full-time forensic and cyber experts performing computer and mobile device forensic examinations, data analytics, open-source intelligence, multimedia forensics, and other technical tasks in the course of criminal investigations. 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 over 100 cases referred for service including human trafficking, narcotics, public integrity, unlawful tobacco sales, insurance fraud, environmental, larceny/embezzlement, child sexual exploitation, hacking, unlawful gaming, sexual assault, robbery, and murder. Lab personnel engaged in priority initiatives including the National Cyber Crime Conference, which featured more than 225 training courses for 1,250 law enforcement personnel.

Significant Achievements & Priorities for FY2024

The DEL is 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 many impact investigations. One of these investigations resulted in the indictment of 11 individuals involved in trafficking an extraordinary amount of Fentanyl. DEL personnel were instrumental in a homicide investigation that resulted in significant litigation of complex legal challenges to expert witness testimony. DEL personnel frequently engage, lead, and host working groups and training initiatives for law enforcement personnel across the globe. The 2024 NCCC featured more than 450 training hours offered to 1,250 law enforcement attendees, the majority of which were broadcast live to a partially virtual audience.

Important Statistics and Numbers

Division/Unit Specific Statistics:

- More than 100 case referrals and investigations
- Approximately 400 evidence items submitted
- 92 expert reports
- Legal assistance and support for 1,263 reported case of online child exploitation

Community Engagement statistics:

- More than 1,500 personnel trained at various training events
- The NCCC is the largest cyber crime and digital evidence annual training event for law enforcement in the country
- In 2024 we had 1,250 total personnel (online and in-person) who received more than 450 hours of live and virtual training

Enterprise and Major Crimes Division

The Enterprise and Major Crimes Division (EMCD) targets criminal enterprises and organizations using sophisticated investigative techniques and strategies to develop high impact prosecutions. The Division includes prosecutors, intelligence analysts, and State Police assigned to the 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. EMCD 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

During the fall of 2023 and winter of 2024, the Massachusetts State Police investigated a large-scale drug trafficking organization operating south of Boston and into Rhode Island. During the investigation, an undercover trooper completed multiple controlled purchases of fentanyl with members of the organization; the purchases ranged in quantity from 11 grams to 2,029 grams. Following the controlled purchases, in the middle of March, police executed search warrants for five identified "stash" locations in Massachusetts, four vehicles, and four individuals. Additional search warrants were applied for in Rhode Island by Rhode Island State Police and Nashua, NH by Nashua Police Department. During execution of the warrants in Massachusetts, investigators recovered approximately 1,074 grams of a fentanyl/heroin mixture, approximately 1,724 grams of fentanyl, approximately 13 grams of crack cocaine, kilo presses, cutting agents, and drug packaging equipment, as well as two large capacity magazines and two boxes of ammunition. Four defendants were indicted and are facing charges out of Superior Courts in Norfolk, Bristol, and Suffolk Counties.

In September of 2023, members of the Massachusetts State Police, the Attorney General's Office, and other investigating agencies concluded a months-long investigation into a sophisticated scheme to fraudulently acquire luxury cars from auto auctions. The investigation revealed that members of the conspiracy would steal luxury vehicles, and then sell or attempt to sell the stolen vehicles through Facebook Marketplace using multiple aliases. Sixteen stolen vehicles were identified across six counties – Suffolk, Norfolk, Essex, Bristol, Plymouth, and Worcester – with the total estimated value of approximately $1,067,613. Two defendants were charged because of

this investigation; one was indicted for 31 crimes out of six counties, and the other was indicted for 9 crimes in 2 counties. These two defendants were also indicted for their alleged participation in a shooting in Dorchester that occurred on March 10, 2023, during which they used one of the stolen vehicles as means to drive to and flee from the scene. The victim was not hit by the gunfire, but several bullets struck a passing MBTA bus carrying fifteen passengers. None of the passengers were hurt.

In August of 2023, law enforcement discovered that the defendant, who was residing in Fall River, Massachusetts, had fraudulently obtained a Rhode Island Driver's License, allowing him to circumvent the Massachusetts Assault Weapons Ban and unlawfully possess multiple firearms, specifically Assault Weapons, in violation of Massachusetts G.L c. 140, § 131M. Authorities served the defendant with a License to Carry ("LTC") revocation and firearm surrender order, at which time they seized 16 assault weapons, 46 large capacity magazines, and thousands of rounds of ammunition from his home. Based on information obtained during the search of the defendant's home, law enforcement conducted a subsequent search of two storage lockers, which revealed that the defendant was also illegally in possession of an AK-47 assault weapon, a .357 Magnum revolver, ammunition, over one hundred large capacity feeding devices, and various other gun parts, including three lower receivers, which are major components of firearms and are considered firearms under federal law. Investigators also located a heat-sealed plastic bag containing one gray and orange Glock-style ghost gun and $10,000 cash.

<u>Important Statistics</u>

Money Seized/Forfeited: $134,844

Number of cases handled in FY24 (July 2023 through June 2024):

- Cases charged/indicted: 40
- Cases resolved: 32

Drug Seizures:

- Quantity of Heroin/Fentanyl: 12,752 grams
- Quantity of Cocaine: 4719 grams
- Quantity of Crack Cocaine: 1244 grams

Gun Seizures: (number of firearms): 40

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 FY2024

1. Commonwealth v. Richard Martell

Between April 14, 2018 and November 22, 2019, the defendant perpetrated an insurance fraud scheme while working as a Massachusetts-licensed insurance agent for American Family Life Assurance Company of Columbus (Aflac), which sells supplemental insurance to employers, by creating numerous fake insurance policies to induce Aflac to pay him advanced sales commission on each policy sold. In order to issue these fake insurance policies to individuals, the defendant falsely established Aflac payroll accounts in the name of real small businesses across Massachusetts without the true company owner's knowledge. To accomplish this, the defendant impersonated more than 30 company representatives during recorded account authorization phone calls by disguising his voice. The defendant was able to establish more than 270 insurance policies using the personally identifiable information of 64 individuals who did not consent to the use of their information, did not authorize the defendant to issue insurance in their name, and in many instances were not aware that the defendant had access to their personally identifiable information. As a result of this scheme, the defendant received in excess of $45,000.00 in unearned advanced commissions from Aflac, to which he was not entitled. Indicted March 24, 2024.

2. Commonwealth v. Aaron M. Fernandes, Katherine Quigley, and Rebecca Holmes

Between June 2020 and August 2021, the defendants stole and/or conspired to steal over $96,000 in Pandemic Unemployment Assistance (PUA) from the Massachusetts Department of Unemployment Assistance (DUA). The three defendants conspired to steal PUA by re-opening Defendant Fernandes' PUA claim in January 2021 while Fernandes was incarcerated at the Plymouth County House of Corrections. Fernandes also committed two counts of unemployment fraud, one related to his own PUA claim that was reopened in January 2021 while

he was incarcerated and the other related to a PUA claim of another person, from whom he stole that individual's identifying information in order to receive the money. Fernandes also committed larceny over $1,200 related to the PUA claim of a second individual. In addition to conspiracy, Defendant Quigley committed three counts of unemployment fraud and three counts of identity fraud for the PUA claims of three people, from whom she stole their identifying information to receive the money. Indicted September 21, 2023. Defendants Fernandes and Quigley entered guilty pleas. Fernandes sentenced April 17, 2024. Quigley sentenced June 26, 2024.

3. Commonwealth v. Rafael Sanchez and Oscar Quintana De La Cruz

Between May and September 2021, the defendants stole and/or conspired to steal over $63,000 in Paid Family and Medical Leave (PFML) benefits, by submitting fabricated applications for PFML to the Department of Family and Medical Leave (DFML). The defendants submitted two applications using Quintana De La Cruz's identity, claiming that Quintana De La Cruz suffered from a gunshot wound in 2021. Defendant Sanchez submitted the remaining PFML applications, using his identity and the identities of six other people. Sanchez carried out the scheme through his employment with a third-party contact center, contracted by the DFML to administer the Commonwealth's PFML program. Twelve of the applications listed two doctors as Boston Medical Center (BMC) physicians, although neither worked there, and listed a phone number belonging to Quintana De La Cruz, as the purported contact number for both purported BMC physicians. The payments, for all but one application, were direct deposited into bank accounts belonging to Sanchez. One of those accounts was a joint account of Sanchez and Quintana De La Cruz. From August 10, 2021 through September 28, 2021, Sanchez and Quintana De La Cruz received eight payments of over $13,000 in PFML into their joint account. Indicted September 25, 2023. Sanchez entered into a guilty plea and was sentenced on June 17, 2024. Quintana De La Cruz's case is currently scheduled for trial on December 16, 2024.

Financial Data

Court-ordered restitution and repayments:

- Unemployment Fraud: $236,544
- Insurance Fraud: $180,803

Important Statistics and Numbers

- Open Unemployment Fraud Investigations & Litigation: 31
- Open Insurance Fraud Investigations & Litigation: 29
- DUA Referrals: 6
- IFB Referrals: 5

- Number of Other Referrals Received: 3
- Number of Hotline Calls Received: 90
    - Complaints Regarding DUA or Unemployment Fraud Claims: 37
        - Complaints reporting that personal identifying information is being used without the individual's consent for unemployment benefits: 26
        - Complaints seeking assistance with DUA: 10
    - Complaints Regarding Insurance Fraud: 6
        - Complaints reporting motor vehicle insurance fraud: 4
    - Miscellaneous Complaints: 15
- Number of On-line Complaint forms/Written Complaints received: 6
    - Complaint reporting motor vehicle insurance fraud claim: 1
    - Complaints regarding unemployment benefits and/or unemployment fraud: 2

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 work 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, 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 partners with civilian financial investigators, state police, computer forensics investigators, victim witness advocates and other support staff from within the AGO, as well as with local, state, and federal investigative and enforcement agencies.

<u>Significant Indictments</u>

<u>Former Methuen Police Department Chief Joseph Solomon & Police Officer Sean Fountain</u>

On September 28, 2024, former Methuen Police Chief Joseph Solomon and former Methuen Police Officer Sean Fountain were indicted for offenses arising from Solomon's deployment of part-time

intermittent officers into full-time positions in circumvention of the civil service laws and his subsequent efforts to deceive others into believing that part-time intermittent officer Sean Fountain had graduated from a police academy when he had not. Fountain was a sitting City Councilor and the President of the Methuen City Council when he secured his employment contract with the Methuen Police Department in July 2016. Because Fountain could not receive compensation from the police department while serving in both roles simultaneously, Solomon allegedly surreptitiously paid Fountain by awarding him retroactive compensable time Fountain did not earn. Solomon is also alleged to have perjured himself on two occasions stating that Fountain was a civil service officer in annual civil service reports mandated by state law. The indictments against Fountain stem from his misrepresentations about his training credentials, including in his employment application and in a search warrant affidavit, and for the false and forged training certificate he allegedly created to deceive others into believing that he was fit to serve as a police officer at any level. With these indictments, Solomon now faces charges of Perjury by Written Affidavit (2 counts), Obtaining Unwarranted Privileges in Violation of the Civil Service Laws (7 counts), Civil Service Law Violations (6 counts), Uttering a Forged Document (1 count) and Procurement Fraud (1 count). For his part, Fountain now faces charges of Forgery (1 count), Uttering a Forged Document (1count), Perjury (1 count), Procurement Fraud (1 count), and a Conflict of Interest Law Violation (1 count). The criminal cases against Solomon and Fountain are now pending in Essex County Superior Court.

Former State Senator Dean Tran

Former State Senator Dean Tran was indicted on September 28, 2024 on two state conflict of interest law violations, namely, Using an Official Position to Secure an Unwarranted Privilege. According to the state's conflict of interest law, state, county, and municipal public employees are prohibited from using public resources in connection with political campaigns or other private political activity. This includes engaging in political activity on public work time. The indictments allege that, during both his 2018 and 2020 re-election campaigns, Tran used members of his Senate staff to campaign for him while those staff members were on state time, state payroll, and purportedly working for the Legislature. Their campaign activities included, but were not limited to, organizing fundraisers, knocking doors, and crafting campaign mailers. These activities allegedly took place during official work hours at the MassGOP campaign regional field office in Fitchburg. The resulting criminal case against Tran is now pending in Suffolk County Superior Court.

Significant Cases

1. Disbarred Attorney and Account Bruce Lavigne

On December 8, 2023, Bruce Lavigne pled guilty to two counts of Larceny over $250, two counts of obtaining a signature by false pretenses, and one count of fiduciary embezzlement, relating to his theft of a total of $374,161 from clients who had entrusted him with their funds. Lavigne first

stole $314,161 in proceeds from the sale of an elderly client's house and later stole an additional $60,000 from that client's son. In order to hide his thefts and trick his clients into believing their stolen money was safe, he convinced his clients to sign contracts to "invest" the stolen funds in non-existent "annuities." Lavigne was ordered disbarred in 2019 based on the misuse of funds of other unrelated clients. Lavigne was sentenced to two years in the House of Correction, suspended for three years of probation on one count of larceny, and three years' probation on the remaining counts in the case. The court adopted the terms of probation recommended by the Commonwealth, which included restitution and a restriction from work in positions where money is entrusted to him.

2. Non-Profit Bookkeeper Lyn Mitchell

On January 24, 2024, Lyn Mitchell, the former business manager of a publicly subsidized non-profit childcare facility in Brockton, pleaded guilty to two counts of Larceny Over $1200 by Single Scheme and one count of False Entry in Corporate Books, which crimes relate to her embezzlement of approximately $115,000 from her employer. In the three years preceding her termination in 2019, Mitchell issued herself 134 unauthorized checks—totaling $102,256—from the non-profit's bank account. Mitchell omitted the checks from the weekly balance sheets to hide the payments from the organization. Mitchell also stole $12,478 in cash tuition payments that she took for herself. Prior to her employment by this non-profit in 2014, Mitchell embezzled approximately $86,000 from a school that employed her as its part-time bookkeeper. For her guilty plea on the more recent set of indictments, she was sentenced to serve 18 months in the House of Correction followed by a 3-year period of probation, during which she will be required to pay restitution and refrain from acting as a fiduciary or managing the accounts, books, assets, or funds of any person, corporation, or business. The Commonwealth had recommended a 3-4 year state prison sentence with a period of probation.

3. Business Owner Paul Backholm

On July 31, 2023, Paul K. Backholm pled guilty to five counts of conspiracy and five counts of aiding and assisting with the presentation of a false meals tax return. Backholm is the owner of Forbes Snyder Tri-State Cash Register, which provided point-of-sale systems and software to restaurants, mainly in the Western Massachusetts. From 2010 to 2015, Backholm sold sales suppression software to at least five restaurants for cash. His software enabled the restaurants to delete cash sales, keep the meals tax that had been paid by the customer, and renumber the remaining transactions to cover-up the deletions. By enabling his restaurant customers to delete records of certain sales, he helped them retain, rather than pay over, applicable meals taxes. Each of the five restaurant owners did, in fact, delete cash sales, and filed false meals tax returns, resulting in DOR tax audits and the application of substantial assessments. Backholm was sentenced to three years of probation on all counts and required to perform 100 hours of community service.

4. Referrals

The White Collar & Public Integrity Division worked with the Criminal Bureau intake team to assess and resolve several hundred complaints received from the public involving violations of public trust and complex financial fraud. In addition, the Division received over several hundred referrals in the fiscal year directly from law enforcement and other state agencies.

WCPID is also regularly called upon to handle, or assist with, post-conviction matters, especially restitution enforcement proceedings, at the request of the Probation Department and the courts. WCPID handled at least 8 meaningful post-conviction matters during the evaluation year, requiring court appearances, the filing of numerous motions and oppositions, the presentation of testimony, and extensive document review.

Financial Data

A central component of most WCPID disposition recommendations is restitution. In the fiscal year under review, WCPID sought $831,534 in restitution from Defendants during sentencing and related proceedings. The restitution defendants are ordered to pay is usually not calculable until post-conviction restitution proceedings establish the amount each defendant is able to pay and a payment schedule. The actual sums recovered for WCPID victims through the criminal process are not definitively calculable until the applicable probationary period has ended, usually years after sentencing.

Statistics

During the fiscal year, the White Collar & Public Integrity Division indicted 6 defendants and litigated 3 new district court matters by criminal complaint. When combined with the litigation matters WCPID members carried over from the prior year, WCPID carried 29 open cases in the various superior and district courts, not including post-conviction probation matters. During the same period, 6 of those 29 litigation matters were resolved by plea.

WCPID carried approximately 27 grand jury investigations during the evaluation period, 13 of those were opened in that timeframe. The initial investigations WCPID conducted to evaluate the matters referred for potential criminal prosecution during the evaluation period are not included in these calculations.

During the evaluation period, WCPID also partnered with the United States Attorney's Office on two public corruption matters. Special Assistant United States Attorney designations have been obtained in furtherance of those investigations.

Significant Achievements and Priorities

WCPID Assistant Attorneys General also contributed to the office in other ways. Two WCPID AAsG are handling a pending matter previously indicted by the Human Trafficking Division. Another WCPID AAG is jointly pursuing a grand jury investigation with an HTD AAG. A

WCPID AAG is also a significant contributor to a cross-divisional child sexual abuse investigation.

A notable aspect of WCPID's work is its ongoing partnerships and collaborations with local, state, and federal investigative and enforcement agencies. During the evaluation period, WCPID worked closely with the following agencies: the Office of the Inspector General; the State Ethics Commission; the Office of Campaign and Political Finance; the Department of Revenue; the Essex County District Attorney's Office; the Office of Bar Counsel; the Executive Office of the Trial Courts; the Executive Office of Housing and Livable Communities; the Department of Transitional Assistance; the Department of Public Utilities; the Department of Corrections; the Anti-Corruption Division of the Boston Police Department; the Bristol County Sheriff's Office; and the Bristol County District Attorney's Office, among others.

Staffing

WCPID began the fiscal year with seven members. Notable staffing adjustments during the year included the elevation of a line AAG to Deputy Chief in late 2023; the hiring of a new AAG in the second half of the year; the three-month military leave of a line AAG during the final quarter of Fiscal Year 2024; and the intra-AGO transfer of its administrative assistant.

WCPID closed the year with seven members. The WCPID team on June 30, 2024, included a Chief, a Deputy Chief, and five-line AAsG, one of whom was then away on extended military leave.

At the close of the fiscal year, WCPID also had four unfilled positions. WCPID awaited the arrival of its newest attorney and paralegal, to whom job offers had been made and accepted. WCPID was also in the midst of hiring the then-unfilled positions of administrative assistant and senior investigator.

ENERGY AND ENVIRONMENT BUREAU

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

Energy and Ratepayer Advocacy Division

As the statutory ratepayer advocate, the Energy and Ratepayer Advocacy Division (ERA) advocates for Massachusetts energy consumers in administrative and judicial proceedings in matters involving the rates, charges, tariffs, and general service quality of rate regulated electric,

gas, and water companies doing business in the Commonwealth. In pursuing an equitable clean energy transition, ERA's work focuses on energy affordability and expanding access to—and meaningful engagement in—energy proceedings for underserved communities.
The Division litigates cases before state and federal courts, as well as administrative bodies such as the Massachusetts Department of Public Utilities (Department) and the Federal Energy Regulatory Commission (FERC).

Energy consumers face increasing challenges, as they are asked to pay for unprecedented rate increases as the Commonwealth transitions to clean energy future. High utility rates disproportionately impact low-income customers, who spend a higher percentage of their income on their electricity and gas bills. To address these systemic inequities, while also supporting the growth of Massachusetts's clean energy economy, ERA advocates for smart, cost-effective investments in clean energy infrastructure (e.g., hydroelectricity and offshore wind) and programs that will benefit our underserved communities (e.g., energy efficiency and community shared solar). ERA will continue to hold for-profit utility and energy supplier businesses accountable if they fail to deliver on their promises to ratepayers.

Significant Achievements & Priorities for FY2024

1. Future of Gas Investigation: In October 2020, in response to a petition by ERA, the Department opened an investigation to develop a regulatory and policy roadmap to guide the Commonwealth's transition away from fossil fuels. On December 6, 2023, the Department issued an Order enunciating a set of regulatory principles that will guide its decision-making in this and future dockets. Notably, the Department's Order adopted many of the recommendations to minimize or reduce costs that ERA put forth in its final comments.

2. Consumer Engagement and Stakeholder Working Groups: ERA continued to expand its consumer outreach and community engagement in FY2024. The Division actively participated in public participation proceedings at the Department. In addition, the Division was actively involved in number stakeholder working groups and councils, including:

    - Stakeholder Working Group ("SWG") made up of community organizations and consumer and environmental advocacy groups to address barriers to the public's participation and intervention at the Department and Energy Facilities Siting Board ("EFSB"). The SWG issued a report with detailed recommendations in FY2023. In response to the SWG report's recommendations, in FY2024, ERA developed legislation to create an intervenor compensation program. The legislation was adopted by EEA as part of its proposed energy siting and permitting reform bill.

- Energy Efficiency Advisory Council ("EEAC") created by the Green Communities Act of 2008 and made up of state agencies, community organizations and consumer and environmental advocacy groups to guide the development of state- and nation-leading energy efficiency plans by the Commonwealth's gas and electric utilities and energy providers. The 2025-2027 three-year Energy Efficiency Plans will be filed with the Department on October 31, 2024.

3. Merrimack Valley Renewal Fund ("MVRF") is administered by the AGO and DOER in consultation with the MVRF Advisory Council. Funds are allocated to clean energy and energy efficiency programs in homes, businesses, and municipal buildings, in the communities of Andover, North Andover, and Lawrence. In FY2024, the MVRF allocated $1.3 million to assist in two workforce development programs; $0.4 million to develop a geothermal micro-district project; and funding for various municipal grant programs in Lawrence, North Andover, and Andover.

4. Residential Energy Assistance Grant Program ("REAG") utilizes money collected through various Division settlements to provide funding to state agencies, municipalities, and nonprofits to assist households in paying their monthly heating bills. In FY2024, the REAG program disbursed over $1 million.

5. Federal and Regional Energy Issues: The Division continues to lead on federal and regional energy issues, including participating as an active member of New England Power Pool, or "NEPOOL," the stakeholder advisory group to ISO-New England, and working closely with our fellow New England consumer advocates to reduce transmission and generation costs for New England ratepayers and advance state energy policies.

Significant Cases

1. Fitchburg Gas & Electric Light Company Rate Cases: The Division advocated against the Company's proposed increase to its electric and gas distribution base rates. As a result of the Division's advocacy, the Department reduced the Company's requested increase, which will save the Company's electric and gas ratepayers approximately $14.5 million and $8.6 million, respectively, over the next five years.

2. Offshore Wind ("OSW") Power Purchase Agreements ("PPAs"): Developers associated with the three Department-approved OSW PPAs (representing 2,400 MW of OSW generation) terminated those contracts citing unforeseen global economic conditions, including inflation, high interest rates, the war in Ukraine, and supply shortages. ERA participated in the drafting of the initial PPAs, which included a Termination Payment clause to hold the developers financially liable for terminating the PPAs. Consequently, $108.4

million in termination payments were returned to ratepayers. Further, ERA advocated for more stringent safeguards and penalties in future OSW solicitations to deter developers from failing to perform on valid contracts.

Financial Data

Cases that were finalized in FY2024 yielded approximately $165 million in savings to ratepayers and customers. In addition to those cases mentioned above, the Division secured ratepayer savings in two water company rate cases ($1.4M); Boston Gas Company's Gas Business Enablement Program ($29.0M);[1] and National Grid Storm Recovery Costs ($2.8M).

Important Statistics and Numbers

In FY2024, the Division represented ratepayers and energy customers in over 100 dockets pending before state and federal regulatory agencies and courts.

Environmental Protection Division

The Environmental Protection Division enforces environmental laws that protect our air and water, preserve our wetlands, tidelands, rare species, 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 state and federal 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 FY2024

[1] Boston Gas Company appealed the Department's order to the Supreme Judicial Court.

1. Commonwealth v. Worcester County Sheriff's Office

As part of our ongoing Asbestos Initiation, EPD secured a settlement with the Worcester County Sheriff's Office to pay a civil penalty of up to $125,000 and comply with extensive remedial and preventative measures to resolve allegations that it directed its staff to improperly remove and handle asbestos-containing floor tile at the Worcester County Jail and House of Corrections (Jail). According to the Commonwealth's complaint, for two days in February 2021, Sheriff's Office staff, without following any of the protective measures required by the Commonwealth's asbestos regulations, removed asbestos-containing floor tiles and adhesive in the public lobby and adjoining hallways of the Jail using a manual floor scraper and a pneumatic grinder. The complaint alleges that work released asbestos fibers into the air, potentially exposing those workers, other Sheriff's Office employees, inmates, and Jail visitors to that dangerous pollutant, which is known to cause cancer and other diseases when inhaled. Under the terms of the settlement, the Sheriff's Office will provide free, voluntary medical examinations to employees potentially exposed to asbestos; complete and make public an audit identifying all actual and suspect asbestos-containing material within the facility; notify employees, as well as certain contractors, based on the findings of that audit, of past work at the Jail that may have disturbed asbestos-containing material; establish written asbestos management protocols and training requirements for staff likely to encounter asbestos-containing material; and develop asbestos-safety educational materials to be reviewed annually by all Jail staff.

2. Environmental Justice Initiatives

EPD continues to prioritize Environmental Justice (EJ) in all of our work in a number of different ways. Externally, we engaged with community members across the Commonwealth on a monthly basis to discuss issues impacting them the most. In addition, we have welcomed community members into our office and invited them to share their experiences dealing with environmental injustices, including community-leaders and EJ advocates from Boston and Lawrence. Additionally, we coordinated community initiatives/activities for AGO staff which had direct and immediate impact on environmental justice neighborhoods, including two Earth Day clean-up events at the Urban Farming Institute in Boston and the Worcester Regional Environmental Council in Worcester. Internally, EEB/EPD hosted our first ever virtual EJ 101 office-wide training in an effort to expand the knowledge of this important issue office wide. EPD welcomed its first ever EJ Director to assist the division, bureau, and office in raising awareness about and implementing EJ considerations in our everyday work. Complementing our internal and external organizational work, we have been a leader in helping to create the legal framework to support more EJ initiatives.

3. Healthier Homes Website

In August 2023, EPD launched its Health at Home website. This website is the culmination of our effort to respond to the gap in accurate and reliable environmental health information evident from our community interactions. Residents have frequently complained to us that they cannot determine with certainty where to find information on Commonwealth websites or which agencies they should report to when they have problems. Health at Home solves this problem by acting as a one-stop shop for reliable information on various environmental health hazards in people's homes, such as lead, mold, asbestos, trash, sewer, and odor problems. It is designed to provide accessible assistance to residents on their terms, regardless of whether they have the time or ability to speak with us directly. The website also includes resources to contact the AGO to report concerns and to identify other legal assistance for issues that the AGO would not handle. We will continue to build on the Health at Home website in our environmental health work going forward, incorporating it into outreach and education efforts on issues like mold complaints and lead exposure that are frequent topics raised by residents in Environmental Justice communities.

4. Commonwealth of Massachusetts v. 3M Company, et al., 2:22-cv-01649-RMG

The Commonwealth filed suit in the multidistrict litigation in the U.S. District Court for the District of South Carolina against 3M Company and other manufacturers for the pollution of the Commonwealth's public water supplies and natural resources caused by contamination from per- and polyfluoroalkyl substances (PFAS) in aqueous film forming foam (AFFF) manufactured by the defendants. Kidde-Fenwal, Inc, a defendant in the lawsuit, filed for bankruptcy protection in May 2023, and EPD has been extremely active in the discussions with other sovereigns, including 27 states and territories, to resolve the bankruptcy in the most favorable terms for the sovereigns. Additionally, we are active members of sub-committees strategizing over issue addressing bellwether sites, CERCLA liability, and discovery and remedy issues.

5. North Dakota, et al. v. EPA, et al., D.C. Cir., No. 24-1119 (and consolidated cases)

The Commonwealth intervened in June on behalf of a multistate coalition to support EPA in litigation in the U.S. Court of Appeals for the District of Columbia challenging strengthened federal limits on coal-fired-power-plant emissions of hazardous air pollutants including mercury, a potent neurotoxin that travels through the air across state lines and contributes to contamination of Massachusetts fisheries. For more than a decade the Commonwealth has led a coalition of downwind states and local governments in federal litigation to ensure stringent federal regulation of out-of-state, toxic power-plant emissions. In the current challenges to EPA's revised emissions limits, coal companies, power plants, and various states filed six motions to stay implementation of the limits which we worked to oppose through state and local government declarations describing the harms to public health and natural resources that such a delay would cause.

6. Environmental Justice Trust Fund Advocacy

In December 2023, EPD/EEA testified in support of the Environmental Justice Trust Fund before the State Legislative Joint Judiciary Committee and attended meetings with the legislature and numerous environmental advocacy group to discuss the proposed legislation. The testimony described how the Environmental Justice Trust Fund legislation, would be funded through civil penalties obtained through judgments and settlements from state cases in the Environmental Protection Division at the AGO. EPD/EEA testified that this legislation would support on-the-ground projects to address environmental harms in disadvantaged communities across the Commonwealth and would be used to benefit community health by addressing the burdens people face every day—whether economic, environmental, or health-related.

Financial Data

Amounts Recovered:

- Total State Enforcement Recoveries: $4,147,224.93
    - Penalties: $3,960,409.28
    - Other: $186,815.65

- Total Federal Enforcement Recoveries: $274,000
    - Costs/fees: $70,000
    - Total to community organizations (in lieu of penalties): $204,000

Important Statistics and Numbers

Total number of cases handled in FY24: 83

- Open (Affirmative): 36
- Open (Defensive): 4
- Resolved (Affirmative): 8
- Resolved (Defensive): 4
- Argued (Defensive):
- Entered, but in active compliance stage: 19
- Federal suits initiated/joined: 10
- Federal multistate suits with resolution/dispositive order: 2
- Federal Appeals briefed/argued: 1
- Federal Amicus briefs filed/joined: 10
- Comment Letters/Administrative Petitions: 36

Community Engagement statistics

EPD received 62 complaints and inquiries via: phone (11), email (28), mail (6), and e-form (17), covering various environmental issues, including PFAS, Article 97 protections, drinking water, hazardous material and waste, animal health, pesticides, emissions (mobile and stationary sources), waterways and beach access, and wetlands.

Number and type of external events and trainings: 16 (EJ advocate meetings, panels, career nights, BBA presentations, etc.)

Estimate of community members/municipalities engaged: Approx. 350
Number and type of internal trainings: 3 (EJ training and community engagement events)

Environmental Crimes Strike Force Division

The Environmental Crimes Strike Force Division (ECSF) is an interagency team that includes 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. ECSF partners meet regularly to evaluate whether enforcement against environmental violators should be handled administratively, civilly, or criminally. The most egregious violations are referred for criminal prosecution. In the past several years, the focus of ECSF's criminal prosecutions has been on improper disposal of hazardous waste, failure to properly report spills of oil or hazardous materials, failure to properly abate and dispose of asbestos, failure to abate lead paint hazards, and exposing workers and children to unsafe conditions. ECSF has state-wide jurisdiction and as such, prosecutes cases in the Superior and District courts across the Commonwealth.

Significant Achievements & Priorities for FY2024

1. Commonwealth v. Steven DeRosa, Christie DeRosa & DeRosa Properties, LLC

This case involved 66 indictments alleging violations of the Clean Air Act related to the illegal removal and handling of asbestos during the renovation of several apartment buildings in Lowell. On May 20, 2024, the defendants plead guilty in Middlesex Superior Court to all indictments. Justice Patrick Haggan continued the matters without a finding, placing the defendants on probation with various terms and conditions related to oversight for any future asbestos work. Additionally, DeRosa Properties, LLC, was ordered to pay a criminal fine of $150,000.

2. Commonwealth v. Robert Kfoury

On May 29, 2024, a Bristol County grand jury returned 59 indictments against Robert Kfoury, alleging violations of the Clean Air Act for the illegal handling of asbestos, related to the demolition of the former King Philip Mill in Fall River. The allegations encompass conduct beginning with Kfoury's demolition of the former mill complex in May 2018, and continuing through the discovery of buried asbestos-containing waste material at the site during the execution of a search warrant in February 2020.

3. Commonwealth v. Eric Resendes, Richard Miranda, Sr., Richard Miranda, Jr., Spindle City Homes, Inc., & Diversified Roofing Systems, Inc.

On August 24, 2023, a Bristol County grand jury returned 104 indictments against Eric Resendes, Richard Miranda, Sr., Richard Miranda, Jr., Spindle City Homes, Inc., and Diversified Roofing Systems, Inc., alleging violations of the Clean Air Act for the illegal handling of asbestos, related to the demolition of the former Healy School in Fall River. It is alleged that the demolition, which happened in 2018, polluted the air in the neighborhood with asbestos, exposed workers and residents to asbestos, lead and dust over a period of seven months, and required a removal action from the U.S. Environmental Protection Agency removal costing nearly $2 million.

Financial Data: Amounts Recovered and sent to the General Fund: $150,000

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 Abandoned Housing Initiative.

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 against constitutional and other 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.

As of June 30, 2024, the Division had 1124 open and pending cases and other litigation matters (of which 1079 were court-filed litigation matters, with the remainder being pre-litigation advisory matters). During FY 2024, the Division opened 591 new cases and other litigation matters (588 litigation & the remainder pre-litigation), and closed 561 cases and litigation matters (553 litigation & the remainder pre-litigation).

Significant Cases

1. Robinhood Financial LLC v. Galvin, Supreme Judicial Court.

The Court upheld a regulation promulgated by the Secretary of State imposing a fiduciary duty on broker-dealers when they give advice to clients regarding investment decisions. Historically, only investment advisers, but not broker-dealers, have owed a fiduciary duty to their customers. Increasingly, however, broker-dealers make investment recommendations to their customers, yet many customers are unaware that broker-dealers may give self-interested investment advice. After the federal SEC failed to promulgate a rule clearly requiring broker-dealers to act with a fiduciary duty when providing investment advice (instead promulgating the weaker, and more vague, "Regulation Best Interest"), Secretary Galvin promulgated his own fiduciary duty rule under his authority under the Massachusetts Uniform Securities Act (MUSA) to define what is "unethical or dishonest conduct" under MUSA. The Massachusetts Securities Division initiated enforcement action against Robinhood Financial for, among other things, encouraging customers with little investment experience to engage in frequent and risky trading, in violation of the fiduciary duty rule. Robinhood challenged the rule as exceeding the Secretary's authority under MUSA. The Court held that the fiduciary duty rule fell within the Secretary's "expansive" authority to protect investors under MUSA based on his experience and specialized knowledge. The Court affirmed that the Secretary properly could promulgate regulations protecting investors that extend beyond common law protections for consumers; doing so does not "override" the common law but rather co-exists with it. The Court also concluded that MUSA did not improperly delegate legislative authority to the Secretary, and that MUSA was not preempted by "Regulation Best Interest," the weaker regulation promulgated by the SEC that prompted the fiduciary duty rule, because the fiduciary duty rule did not conflict with Congress' investor protection purpose and the SEC did not intend to prevent states from being more protective of investors.

2. Judge Rotenberg Educational Center, Inc., et al., v. Commissioners of the Department of Developmental Services and the Department of Early Education and Care, Supreme Judicial Court.

The Court affirmed the Probate Court's denial of the state agencies' motion to terminate a 1987 consent decree that governs the regulatory relationship between DDS and JRC, a private residential facility for the care of developmentally disabled persons, which uses painful electric skin shock to stop self-injurious or assaultive behavior by residents. The state had moved to terminate the decree in 2013, asserting that skin shock was no longer consistent with the standard of care for developmentally disabled persons, that the state has fulfilled the purposes of the consent decree, and that the public interest and separation of powers required termination of the decree and restoration of the regular regulatory relationship between DDS and JRC. A 44-day trial took place in 2015-16, after which the Probate Court declined to terminate the decree, finding that the evidence on the standard of care was equivocal, that DDS had continued to regulate JRC in bad faith (as it had in the 1980s and 1990s which led to the decree and a receivership, respectively), and that the public interest did not require termination of the decree. On appeal, the SJC concluded that the Probate Court's factual findings were not clearly erroneous, and thus DDS failed to make a clear showing that the Probate Court abused its discretion in declining to terminate the Decree. In particular, the SJC ruled that the Probate Court's finding of bad faith was not clearly erroneous, as evidenced by DDS's 2011 regulation banning skin shock on a prospective basis, which the SJC said violated the consent decree by making treatment decisions for patients, which only the Probate Court can do under the "substituted judgment" standard required by the decree. The Court also concluded that the Probate Court's findings about the standard of care were not clearly erroneous, though the Court noted that the evidence on standard of care during the trial was from 10 years ago, and thus acknowledged that more recent evidence might yield a different result. Finally, the Court declined to find that the separation of powers required termination of the decree, in particular because DDS's 2011 regulation exceeded its regulatory authority and violated the decree. The Court noted that DDS remained free to participate in individual substituted-judgment proceedings in the Probate Court to oppose the use of skin shock for particular patients. It also noted that the FDA has announced its intention to issue a rule banning JRC's skin-shock device, which "may well" constitute a change in circumstance warranting termination of the decree. But otherwise, "If the department seeks to get out from under the decree, it must either wait for a legislative solution, provide more robust evidence that electric skin shock is outside the standard of care than the record it relied upon in 2016, or establish an ongoing record of good faith regulatory conduct toward JRC."

3. Capen and National Association for Gun Rights v. Campbell, et al., U.S. District Court for the District of Massachusetts.

The District Court (Saylor, J.) denied plaintiffs' motion for preliminary injunction in this challenge to the Massachusetts law (passed in 1998 and made permanent in 2004) prohibiting the sale and possession, in most cases, of assault weapons and large-capacity magazines (LCMs).

The Court held that, as to assault weapons, the Commonwealth had shown that the ban on assault weapons was consistent with a historical tradition of limiting access to "dangerous and unusual weapons" given the lethality and destructiveness of assault weapons, and their relative lack of utility in self-defense. As to LCMs, the Court expressed skepticism that those devices are "arms" within the meaning of the Second Amendment, but held that, in any case, the ban on those devices is again consistent with a historical tradition of limiting access to "dangerous and unusual weapons" that are not well-suited to self-defense and other laws related to gunpowder and ammunition. The Court therefore denied the preliminary injunction based on lack of likelihood of success on the merits, and did not reach the remaining preliminary injunction factors. The case is currently on appeal in the First Circuit, where the case is under advisement after oral argument in November 2024.

4. Marsters, et al. v. Healey, et al., U.S. District Court for the District of Massachusetts.

The Court (Gorton, J.) approved, after a fairness hearing, a comprehensive settlement involving EOHHS and several other state agencies in this significant case regarding the placement of elderly disabled persons in nursing facilities. Plaintiffs had alleged that the Commonwealth violated the Americans with Disabilities Act, and several provisions of the Medicaid Act, by administering a variety of public benefits in such a way as to prevent thousands of nursing home residents receiving long-term care in Massachusetts from moving back into community-based settings. The settlement includes a commitment by the Commonwealth to transition 2,400 Medicaid recipients from nursing facilities to community placements over a period of 8 years. It also includes a commitment to expand the availability of home and community-based services in such a way as to accommodate all of the promised transitions and more.

Division of Open Government

Through enforcement of the state's key government transparency laws, the Division ensures that government at all levels in Massachusetts is open and accountable to the people it represents. The Division 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 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, reviewing enforcement referrals from the Supervisor of Records,

working with records custodians to ensure compliance with the Public Records Law, and, when necessary, pursuing enforcement action in court.

Significant Achievements & Priorities for FY2024

1. The Division, on behalf of Attorney General Campbell, filed suit against Mystic Valley Regional Charter School to enforce the Public Records Law. The suit asked the court to find that Mystic Valley, as a Commonwealth charter school that is granted its charter by the Board of Elementary and Secondary Education, is regulated by state law, and receives tuition payments from the state, is a public entity that must comply with the Public Records Law.

2. In recognition of the enhanced access to public meetings that the temporary pandemic-era remote and hybrid meeting flexibility has afforded the public, the Division continued to advocate for permanent legislative changes to the Open Meeting Law that would promote the OML's objectives of transparency, efficiency, and access by the public.

3. The Division continued to prioritize its outreach and responsiveness to the public and to government bodies. To that end, the Division updated many of its training materials, including the commonly referenced Open Meeting Law Guide, and also reduced its average Open Meeting Law complaint determination time by 30 days.

Important Statistics and Numbers

Determination letters/declination letters: 265 determination letters, 39 declination letters

Total number of Open Meeting Law complaints resolved: 387

Number of inquiries received and responded to: Approximately 1,600

51% of complaints resulted in a finding of at least one violation of the Open Meeting Law

Overall, 41% of separate alleged violations resulted in a finding of a violation

Most common remedies:

- Immediate and future compliance with the OML,
- Creation, approval, and/or revision of open session minutes,
- Revision and/or release of executive session minutes, and
- Attendance at a training on the OML

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 FY2024

1. MBTA Zoning Bylaws

In a decision issued to the Town of Lexington on August 2, 2023 MLU approved its first G.L. c. 40A, Section 3A, "MBTA zoning," by-law voted by Town Meeting. Since that time and until June 2024, MLU approved ten additional Section 3A by-laws. MLU also conducted pre-town meeting reviews of Section 3A by-laws and reached out to all communities with a December 31, 2024 deadline to offer this service. In addition, MLU had regular meetings with the EOHLC's Section 3A team to coordinate our parallel reviews of the by-laws. MLU also participated in many Section 3A-related seminars for local officials.

2. Brookline Reproductive and Gender Health Equity and Access By-law

On January 3, 2024, MLU approved a Brookline general by-law entitled "Reproductive and Gender Health Equity & Access," that establishes Brookline as a safe haven for anyone seeking reproductive or gender affirming healthcare. To provide a "safe haven" the forbids Town agents (as defined in the by-law) from providing information, assistance or aid to any person or jurisdiction when the information sought is "knowingly intended for use in abusive litigation" (as defined in the by-law) and forbids the use of Town funds for such purpose, "except as so ordered by a court in the Commonwealth." This was the first by-law MLU has seen on this topic.

3. Great Barrington & Sheffield – Wireless Communication Prohibition Bylaws

On November 8 & 13, 2023, MLU issued decisions disapproving two similar by-laws in Great Barrington and Sheffield that sought to declare all wireless telecommunications facilities (WTF) applications to be incomplete until the FCC completed an environmental review of existing WTF and updated its regulations based on the result of its review. These two by-laws, brought to Town Meeting by citizen petitions, were the first of this type reviewed by MLU. MLU disapproved the

by-laws because they amounted to a prohibition on wireless communications facilities in violation of the federal Telecommunications Act of 1996, 47 U.S.C. § 332 (c) (7) (TCA). By deeming an otherwise complete application as incomplete until the FCC engages in a review of WTF and amends its regulations based on the information obtained during its review, the Town by-laws effectively established a condition that no WTF applicant could satisfy and therefore the by-law resulted in a prohibition on WTF in violation of the TCA.

Constituent Success Stories

If your division does public facing work, please provide examples of constituent success stories that we can highlight in the annual report. These should be short, paragraph long stories and do not need to include identifying information. These stories will be interspersed in the report. Include as many as you'd like, but please not that not all stories will be included.

Important Statistics and Numbers

MLU issued 582 decisions reflecting work on:
1462 bylaws, 21 charter amendments

MLU Trainings

During FY2024 MLU sponsored 9 trainings (6 on the by-law process and zoning amendments; 2 mentoring sessions for new town clerks and one session regarding MBTA bylaws). These trainings were collectively attended by over 500 people, including town counsels, town clerks and other municipal officials.

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 our partnerships with 164 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 and advocating for policy initiatives aimed at abating the housing crisis across the Commonwealth.
Significant Achievements in FY24

NRD works in every region of the Commonwealth. Among its significant achievements this year was the rehabilitation of a 67-unit subsidized apartment complex in New Bedford, occupied primarily by elderly tenants and individuals with disabilities, known as King Village. More information is available about this particular project in the SEMA Regional Office annual report. In addition, NRD saw the following significant achievements in FY24:

Special Attorney Receiver Pilot Project Follow-Up

Building on its work from FY23 on the City of Homes Pilot Program, in FY24 NRD continued to prioritize the creation of affordable housing through the appointment of Special Attorney Receivers (SARs). In FY24, NRD's Special Attorney Receivers sold two homes in western Massachusetts to non-profits that will rehabilitate and convert them into housing for low- and moderate-income individuals and families. In the City of Greenfield, the NRD-appointed SAR sold the property at 42 Cleveland Street in its distressed state for fair market value to Rural Development, Inc. (RDI), an organization aimed at creating affordable housing in Franklin County. NRD joined RDI, the Greenfield Mayor's Office, and Housing and Livable Communities Secretary Edward Augustus for a groundbreaking at the site. RDI is currently in the process of converting the property into an energy-efficient, habitable home, and we expect an income-qualified individual or family to live there by the end of the year. Also, in FY24, NRD continued its work with the City of Springfield to rehabilitate a once condemned single-family house at 24-26 Los Angeles Street. The SAR conveyed the property to Springfield City of Homes Development, LLC (an LLC associated with the non-profit housing organization Way Finders), and they are now in the process of rehabilitating the property for sale to a first time, income-restricted homebuyer. Following the receivership sale, the owner was able to retain approximately $133,000 in equity.

Massachusetts Avenue, Arlington

The Town of Arlington referred a property to NRD located in a very prominent position on Massachusetts Avenue. There had been a long history of hoarding at the property attributable to the owner's adult son. Being mindful of the mental health aspect of this particular referral, our office, along with the Arlington Board of Health, attempted to work with the owners and their adult son over a period of three years to avoid the appointment of a receiver. However, it became apparent to even the owners that absent a receiver being appointed, the property would continue to pose a risk to the health and safety of the occupants and abutters. Upon the AG's petition, the Eastern Housing Court appointed a receiver who was able to thoughtfully and economically remediate the cited violations, thereby retaining as much equity for the owners. Once the property was brought into compliance, the owners sold the property.

Leslie Avenue, Weymouth

The subject of repeated complaints and concerns by neighbors, the Town of Weymouth referred this property to NRD after nearly ten years in which cited violations of the State Sanitary Code remained uncorrected. Our office issued a demand letter, and although it did generate a response from the owner, the status of the property remained unchanged. We subsequently filed a petition to request to have a receiver appointed but were able to reach a resolution with the owner short

of having a receiver appointed. The owner was able to sell the property without the additional costs of a receivership, and the Town was able to recoup $106,689 in outstanding taxes and other municipal liens.

NRD Statistics

During Fiscal Year 2024, NRD expanded its relationship with municipalities, establishing or reestablishing partnerships with 13 municipalities. NRD now partners with 164 municipalities across the Commonwealth. NRD received approximately 87 new property referrals from municipalities spread throughout the Commonwealth, averaging an active caseload of approximately 238 properties at any given time during the fiscal year. An average of 60 properties were in litigation at any one time. NRD filed 14 petitions in regional housing courts across the state seeking the appointment of a receiver and 14 receiverships successfully concluded over the course of the year. In total for the year, NRD obtained 62 successful outcomes.

NRD Recoveries and Outcomes:

NRD assisted municipalities in recovering $602,840.65 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 $0*
- *Central MA $68,580.03*
- *Metro South $383,782.16*
- *Northeast $58,692.22*
- *Southeast $0*
- *Western $91,786.24*

- 62 Successful results in 39 municipalities during fiscal year 2024:
    - In total, 17 owners or mortgagees responded and repaired the properties. Of these owners, 16 were individuals (as opposed to mortgagees) that cooperated and responded to NRD's inquiries, meetings, or inspections, and repaired their properties to comply with the State Sanitary Code.
    - 46 properties were repaired and listed for sale by homeowners or mortgagees or sold as-is to new buyers who have pulled permits and shared their plans to repair the property with the local Board of Health.
    - 14 receiverships were completed during the 2024 fiscal year across the Commonwealth.
    - 14 receivership actions were filed in the 2024 fiscal year.
    - $602,840.65 in total recoveries of outstanding taxes and other fees for municipalities in FY24.

- 20 of the 62 successful cases were resolved through initial communication from our office (e.g., conversations and demand letter) with homeowners, finding successful resolutions without the need to file petitions in housing court.

NRD Grants and Awards Made:

- FY24 saw the conclusion of the Abandoned Housing Initiative Receivership (AHIR) Fund, a revolving loan fund available to receivers to assist them in funding their court-appointed receivership work. This round of AHIR funding ran from 2019-2024 and was the second time this type of funding was offered. The AHIR fund put to work $1.1 million initially received from the National Mortgage Settlement. Altogether, the AHIR fund made loans totaling nearly $1.7 million on 21 different properties. Ultimately, more than 33 housing units were brought back into habitable status and code compliance using the AHIR fund. In FY24 alone, $415,000 in AHIR funding was used to fund 6 receivership projects in Dorchester, Mattapan, Millis, Becket, and Holyoke.

NRD Community Engagement and Trainings

During the fiscal year 2024, NRD attended or participated in a total of 21 events and presentations. We engaged with 6 new municipalities and reengaged with 7 past municipal partners who had been inactive in our program for some time. NRD also conducted several presentations focused on the work and purposes of the Neighborhood Renewal Division, the state sanitary code, and the receivership process. Moreover, we participated in a number of events virtually and in-person concerning code enforcement, preserving homeownership, affordable housing issues, land banks, and racial equity. Most notably, NRD gave a number of introductory presentations to partner municipalities, presented about our work to a Massachusetts Public Health Inspectors Training, collaborated with housing agencies across the Commonwealth as part of the Neighborhood HUB, met with Mass Housing and the City of Holyoke regarding properties in the city, gave a presentation and training at the Southeastern Massachusetts Building Officials Association (SEMBOA) Conference, attended the Heirs' Property and Racial Wealth Gap Conference at Boston College Law, and attended the groundbreaking of one of our properties at 42 Cleveland Street in Greenfield, a home that will be sold to an income-eligible homebuyer by the end of the year. We also hosted and attended a press conference and site tour with AG Campbell at a property in Leominster, where we highlighted NRD's ongoing work in central Massachusetts.

NRD also conducted inspections of abandoned properties with municipalities on 36 occasions, visiting 24 municipal partners in total across the Commonwealth. The team members then worked to locate homeowners and conduct outreach to them with the aim of rehabilitating the homes. NRD's team members also participated in a number of monthly discussions through the Government Bureau's Gender Bias and Racial Justice Working groups, the Eviction Working Group, the Environmental Justice Working Group, and the Diverse Voices Book Club. NRD also participated in a number of volunteering opportunities through the office focused on youth engagement and environmental and racial justice, including mentoring and coaching through the

Discovering Justice mock trial and moot court programs, at the Urban Farming Institute for Earth Day event, and at the AGO Greater Boston Youth Listening Session.
Internally, NRD held trainings on title research, and presented on the responsibilities of paralegals and the work of NRD at the AG Institute Paralegal Roundtable. NRD also continued to consider and have regular conversations regarding issues of racial and gender equity, particularly as they connect to issues of home ownership, housing affordability, and the racial wealth gap.

Trial Division

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

Significant Achievements & Priorities for FY24

Trials

The Trial Division conducted twelve jury trials in Fiscal Year 2024. Notable trials included *DeCosmo v. Dep't of Developmental Services*, an eight-day proceeding in which Kerry Strayer and Nicholas Ogden defended the Department of Developmental Services against allegations that the plaintiff, a registered nurse, had been fired her for raising concerns about the treatment of an individual in DDS's care and not, as DDS maintained, for leaving a severely disabled individual unsupervised and for falsifying DDS records. On the second day of deliberations, the jury returned a verdict for DDS.

AAsG Kate Isley and John Potapchuk received a defense verdict in *Kice v. Hodgson*, a case about a pretrial detainee at the Bristol County House of Correction who committed suicide between periodic cell checks. Late in the trial, the judge directed a verdict for the correctional officer who patrolled the unit at the time of the suicide and sent the rest of the case to the jury, which quickly returned a verdict for the defense on the remaining claim.

Finally, in *GEMAC, Inc. v. Commonwealth of Massachusetts*, Kendra Kinscherf and Michael Shiposh received a very favorable verdict in an eminent domain case about the taking of a Hyannis appliance store located on "the busiest intersection on the Cape." The jury found the fair market value of the property to be $3.34 million — $1.9 million less than the plaintiff's valuation and $1.1 million less than plaintiff's final demand.

Settlements

The Trial Division also settled a host of matters on favorable terms. In particular, Senior Tobacco Enforcement Counsel Nicholas Ogden negotiated a settlement under which major tobacco manufacturers will pay over $600 million to the Commonwealth in Fiscal Year 2025 and will continue to pay tens of millions of dollars each year thereafter.

Other settlements allowed injured parties to receive fair compensation for demonstrated harm without the need for prolonged litigation.

In *Doe v. Blouin,* the Trial Division negotiated a $7 million settlement to resolve claims related to the abuse suffered by four minor children at a DCF-approved foster care home over the course of a decade.

In *Frances Y. Choy v. Commonwealth* and *Frances Y. Choy v. City of Brockton et al.*, the Trial Division negotiated a $3 million settlement to resolve civil rights and erroneous conviction claims arising from Choy's seventeen-year incarceration for murder and arson after her convictions were vacated in 2020.

Appeals

Finally, members of the Trial Division defended important principles of law on appeal. In *Doe v. Trial Court*, the Supreme Judicial Court affirmed a judgment in favor of the Commonwealth based on the "discretionary function" immunity in a challenging case involving allegations of sexual assault by a court officer.

In *Otey v. Commonwealth* and *Knight v. Commonwealth*, the Massachusetts Appeals Court held, consistent with the AGO's position, that the broad relief fashioned by the Supreme Judicial Court to address the Amherst drug lab scandal did not provide automatic eligibility to suit under the state erroneous conviction law.

And lastly, in *Sawyer v. Comm'r of Division of Capital Asset Management and Maintenance et al.*, the Massachusetts Appeals Court held that the Commonwealth's partial immunity to claims under the Wage Act extended not only to the Commonwealth's agencies and office but to its individual employees as well.

Financial Data

Approximate Amount of Money Saved the Commonwealth by the Trial Division in FY2024 (7/1/23 to 6/30/24): $131,519,405.

Approximate Amount of Money Recovered for the Commonwealth by the Trial Division in FY2024 (7/1/23 to 6/30/24): $783,638 from Tobacco

Approximate Amount of Money Saved the Commonwealth by the Trial Division in CY2024 (1/1/24 to 09/15/24): $61,287,300

Approximate Amount of Money Recovered for the Commonwealth by the Trial Division in CY2024 (1/1/24 to 09/15/24): $600,000,000 from Tobacco

Important Statistics and Numbers

Statistics

Approximate number of new litigation cases opened in FY2024: 450

The Trial Division maintained a litigation docket of approximately 800 active cases on behalf of Commonwealth agencies and employees in FY2024.
Tried 12 cases in FY2024 in a wide variety of legal areas (eminent domain, employment discrimination, tort) in courts across the Commonwealth.

The Trial Division handled approximately 75 appeals in FY2024.

Division Specific Statistics

Approximate number of Presentments processed in FY2024: 432
Approximate number of Agency Settlements reviewed/processed in FY2024: 75
Approximate number of Affirmative matters reviewed by the division in FY2024: 30

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 and works to ensure a fair and competitive marketplace in the Commonwealth. 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; combatting fraud and abuse in the MassHealth system; and ensuring integrity by government contractors. The divisions within the Health Care and 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 FY2024

1. Blocking the Anticompetitive JetBlue/Spirit Airlines Merger

In January 2024, the Antitrust Division, together with six state partners and the U.S. Department of Justice, won a major victory for consumers in successfully blocking JetBlue's proposed acquisition of Spirit Airlines. Spirit Airlines is an "ultra-low cost" airline that enables more Americans – particularly price sensitive consumers who pay their own fares – to travel. Following a trial in federal court in Boston, the court ruled for the Division and the other enforcers and enjoined the transaction. The court's order prevents what the Division alleged would be more than $80 million in harm to air passengers travelling to and from Boston Logan airport through higher fares. The victory fosters fair competition for travelers and is essential to lowering costs and improving service for consumers.

2. Settling Google In-App-Purchase Antitrust Litigation

In December 2023, the Antitrust Division, together with 36 state partners, filed with the court a proposed settlement with Google that addresses Google's alleged anticompetitive practices and provides $700 million to the states, including $1,427,145 to Massachusetts, and $545 million in restitution for consumers nationwide. The case, filed in July 2021, alleged that Google's conduct related to in-app purchases violates state and federal antitrust laws and increases costs to consumers and developers. The settlement still has to be approved by the federal court in San Francisco.

3. Price-fixing by Generic Drug Manufacturers

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.

Ongoing Litigation During FY 2024

1. Live Nation/Ticketmaster

In May 2024, the Division, together with 29 state partners and the U.S. Department of Justice, sued Ticketmaster, owner of Live Nation Entertainment, Inc., alleging that Live Nation's anticompetitive conduct has resulted in higher fees to consumers, fewer choices, and less innovation in the live entertainment industry. The Division and the other plaintiffs seek a court order stopping Live Nation's alleged anticompetitive practices and ordering Live Nation to completely divest Ticketmaster. The complaint alleges that these changes would bring new competition to the ticketing and live event market which would improve service and lower costs. The Division is continuing to litigate the case with its enforcement partners.

2. Amazon Antitrust Litigation

In September 2023, the Division and other state and federal antitrust enforcers filed an antitrust complaint against Amazon.com, Inc. alleging that Amazon uses an ongoing pattern of illegal conduct that blocks competition, allowing it to wield monopoly power to inflate prices, degrade quality, and stifle innovation for consumers and businesses. The Division and its partner antitrust enforcers won a significant victory in defeating Amazon's motion to dismiss the claims against it. As a result, the case is moving forward and the Division is continuing to seek evidence relevant to our claims that Amazon has and is engaging in illegal anticompetitive conduct that raises prices to consumers.

3. Apple Antitrust Litigation

In June 2024 the Division joined other state and federal antitrust enforcers in suing Apple, Inc. for alleged illegal monopoly practices that the complaint claims make it harder for consumers to switch smartphones, degrades quality and innovation, and increases costs for consumers and developers. Since then, the Division has been fighting Apple's attempts to dismiss the case and is seeking additional evidence bearing on the claims in the complaint.

Financial Data

Amounts Recovered (General fund):

- Settlements/judgments: Please see description above of the $1,427,145 MA AGO payment as part of the settlement pending in the Google In App Purchase case.

Amounts Recovered (for consumers):

- Settlements: Please see description above of the $545 million in nationwide consumer restitution from the settlement pending in the Google In App Purchase case.

Important Statistics and Numbers

Statistics:

- The Antitrust Division handled a total of 18 matters in FY2024. Of these, 5 were closed and 13 remain open.
- The Antitrust Division provided comments on draft federal merger guidelines that sought to strengthen antitrust policy to better hold accountable businesses that engage in tactics designed to prevent or reduce competition in the marketplace, which harms consumers and businesses alike.

False Claims Division

Created in 2015 to expand upon the Office's existing false claims initiative, the False Claims Division holds accountable individuals and companies that make false statements to obtain government contracts or funds. The False Claims Division aggressively protects taxpayer interests through prosecution and outreach with the ultimate goal of ensuring that Massachusetts contractors are a model for quality and integrity.

Using the Massachusetts False Claims Act ("MFCA"), the False Claims Division investigates allegations of civil fraud, focusing on conduct where companies and/or individuals have misled or defrauded state or municipal entities through, for example, the use of false or fraudulent claims, records or statements. The Division's work is wide-ranging, including public construction, health care, data security, non-profit management, housing and pandemic fraud.

The False Claims Division has recovered millions of dollars in government funds and is working with partners in government and with whistleblowers to expand upon those successes, recover funds for the Commonwealth and its citizens, and deter misconduct.

Significant Achievements & Priorities for FY2024

1. FCD continued pursuing entities that took advantage of the COVID-19 pandemic by, among other things, failing to provide personal protective equipment ("PPE") to the

Commonwealth despite receiving payment. For example, the AGO entered a consent judgment against USiDG LLC, requiring payment of $1.1 million to the Commonwealth to resolve allegations that USiDG did not deliver on a multi-million dollar PPE order. Through related enforcement proceedings, the AGO established new case law under the MFCA by successfully enforcing an August 23, 2021 CID issued to USiDG, an out-of-state company where the Court found that Section 5N(10) of the MFCA is a waivable venue provision and not a jurisdictional provision, that USiDG had waived any objections related to jurisdiction and venue, and that USiDG transacted business in the Commonwealth for venue to be proper.

In addition, the AGO obtained a ruling from Suffolk Superior Court that Salem-based Bedrock Group, LLC violated the terms of a settlement, in the form of an assurance of discontinuance, with the AGO by failing to make required restitution and penalty payments. That assurance of discontinuance had resolved the AGO's allegations that Bedrock violated the MFCA by not providing PPE purchased by the Commonwealth and not returning millions of dollars paid by the Commonwealth for that PPE. After Bedrock stopped making the agreed-upon payments to the Commonwealth, the AGO initiated a 2022 lawsuit seeking, among other things, to enforce the assurance of discontinuance. The Court's ruling provides judgment to the Commonwealth on Count 1 of its five-count complaint and orders payment in the amount of $3,355,422, representing the balance owed under the assurance of discontinuance.

2. As part of its continued efforts to hold contractors liable for their subcontractors' failure to pay workers the prevailing wage, FCD secured a $926,898 judgment in Suffolk Superior Court against BPI Construction Corp. The Court had previously held, in December 2022, that BPI violated the MFCA when it knowingly caused the creation and submittal of 32 false Certified Payroll Records to fraudulently conceal that BPI's labor subcontractor, Superior Carpentry, Inc., underpaid workers on two public construction jobs by over $250K. The Judgment includes treble damages of $513,079.84 (attenuated by prior restitution payments made by Superior), $226,752 total in statutory penalties for each of the 32 false payroll records that BPI used, and $72,000 for the AGO's costs of investigation. This judgment represents the first instance where a contractor was found liable under the MFCA for knowingly facilitating misconduct by its subcontractor. BPI has filed an appeal that is currently pending.

3. FCD continued its efforts to shape and promote development of the motion to dismiss standard for *qui tam* matters filed under the Massachusetts False Claims Act. Following a string of earlier victories in state and federal courts, a May 2024 decision from Suffolk Superior Court reaffirmed the Attorney General's broad authority to dismiss *qui tam* suits brought in the Commonwealth's name. The trial court order follows the Supreme Court's

2023 decision in *United States ex rel. Polansky v. Executive Health Resources, Inc.*, which announced a highly deferential standard for government motions to dismiss under the federal False Claims Act. Moving forward, FCD will continue to exercise its broad dismissal authority to manage *qui tam* litigation and the continued development of state law.

Financial Data

Damages and Penalties: $2,374,487.96
Recoveries to the General Fund/False Claims Line Item: $2,374,487.96

Important Statistics and Numbers

Number of matters handled in FY24: 62
Number of matters closed in FY24: 21
Number of matters resolved: 3
Number of complaints filed in court by FCD: 1
Number of *qui tam* complaints filed in court: 7
Number of active litigations: 6

Community Engagement Statistics

Number of Hotline Calls Received: 73
Number of external trainings on MFCA/work of FCD (including bar association events and training of state agencies): 2

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 $350,000 in FY24.

Significant Achievements & Priorities for FY2023

1. HealthMarkets, Inc. – In December 2023, HCD and state trial counsel tried a sixteen-day bench trial on remedies in its litigation against HealthMarkets, Inc. and its subsidiaries for cheating more than 20,000 Massachusetts consumers out of more than $60 million. HCD brought this litigation against the companies in December 2020 under the Massachusetts Consumer Protection Act 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 the Consumer Protection Act and for contempt.

2. Publicis – In February 2024, HCD settled our litigation with marketing and communications firm Publicis Health ("Publicis") over its role in the opioid crisis, including its work for opioid manufacturer Purdue Pharma. Publicis partnered with Purdue on dozens of contracts, collecting more than $50 million in exchange for marketing schemes to get doctors to prescribe Purdue's opioids to more patients, in higher doses, for longer periods of time. Publicis devised marketing strategies to combat prescribers' hesitancy to prescribe OxyContin, including materials used to train and assist Purdue sales reps in detailing doctors, and told Purdue how to target the most dangerous high prescribers. Massachusetts served on the executive committee that led the multistate investigation of Publicis, and the Commonwealth received nearly $8M from the $350M national settlement. The settlement also requires the company to disclose on a public website thousands of internal documents detailing its work for opioid companies and to stop accepting client work related to opioid or other opioid-based controlled substances.

3. Cost Trends Examination on Ambulance Billing – In November 2023, HCD published a health care cost trends report examining ground ambulance services in Massachusetts and the financial burdens many consumers face after an ambulance ride. The report examined the landscape of ground ambulance services across the state and factors that have contributed to costly and unaffordable bills for many residents. The report recommended policy changes aimed at balancing provider costs and system sustainability while ensuring that consumers who need ambulance services do not face unexpected bills.

4. Opioid Response
   - Project Manager for Opioid Response drafted and submitted letter to the Substance Use Disorder Treatment and Coverage Conference Committee regarding the deliberation of substance use bills put forward by the House and Senate. Highlights included the advocacy of low dose naloxone, removal of substances from the definition of mandated reporting, and reformation of Section 35.

- Restructured the Attorney General's Office Family Advisory Council to the Substance Misuse Advisory Council. Previously, the council was comprised of family members of those who are diagnosed with an opioid use disorder and now will include a variety of individuals and sectors working in substance misuse spaces across the Commonwealth, including people with lived and living experiences.

- Completed successful listening sessions in the Berkshires and Cape Cod. Project Manager for Opioid Response met with various organizations and individuals working in fields of prevention, treatment, recovery, and harm reduction to learn more about the area, the work being done, and possibilities for collaboration.

- Project Manager for Opioid Response spoke on behalf of the Attorney General's Office to over 1,500 individuals at MOARs Recovery Event and met with over 100 students at Wheaton College to highlight the importance of naloxone and promote anti-stigma of substance use disorders.

- Project Manager for Opioid Response participated in the creation of guidance documents with multiple collaborating organizations. Examples include engaging with unsheltered people in encampments with Mass Wildlife and spending allowances for municipalities in relation to opioid settlement funds with the Bureau of Substance Addiction Services.

- Based on experience and demonstrated work, Project Manager for Opioid Response was nominated to the RIZE Mosaic Grants selection committee.

Constituent Success Stories

A consumer signed a contract to receive Invisalign for $6,500, to be paid in monthly installments for 18 months. However, she received service from only March to December 2021 because the Invisalign trays she received were not the right size and the company refused to fix them. The consumer received no follow-up communication from the practice, so she made no payments after December 2021. Years later, after no further communication from the dental office, the consumer received a bill of $4,026.78 for the rest of the services she did not receive, threatening to send her to collections if it was not paid promptly. At that time, the consumer filed a complaint with the AGO. Through mediation, the practice agreed to forgive the patient's outstanding balance ($4,026.78) and close out the collections account.

A consumer reported a billing issue after seeking annual allergy shots. For the previous four years, she had received the same co-insurance bill of approximately $50. However, in 2023, the consumer was billed $1,403.21. After the HCD mediator reviewed the supporting documentation, it appeared

that the hospital had adjusted previous bills prior to submission to the consumer's insurance plan pursuant to the hospital's contract with the plan. The consumer was unaware of this adjustment or of any contractual changes since the last shot. The mediator confirmed during exchanges with the entity that there were uncommunicated changes to the plan's contract that occurred around the time of service. These changes had allowed for the submission of an additional billing code, resulting in a substantial increase in the consumer's financial responsibility. Ultimately, due to the timing of the services provided to her and the timing of the hospital's communication of the change in billing practices, the hospital decided to remove the balance of $1,403.21 from the consumer's account as a courtesy adjustment.

A consumer's young son suffered a broken ankle and was prescribed a pediatric wheelchair. The delivery ticket indicated the durable medical equipment ("DME") was set up as a rental. When the consumer called to have the wheelchair picked up – after recovery from the injury - he was told that it was not a rental, that the insurance company purchased it, and they could not take it back. The consumer then received an invoice from the company billing him for $1146 (after insurance). The consumer reported the same wheelchair was available on the internet from other medical suppliers for $200-400 and that his insurance company had paid nearly $700 for the wheelchair. After mediation, the DME provider agreed to adjust the patient balance to from $1,146 to zero, citing this as an act of "good faith." The consumer said he would donate the wheelchair.

Financial Data

Amounts Recovered:

Penalties: $250,000

Restitution: $0

Cy pres recoveries: $250,000

Mediation Unit Recoveries: $62,950.18

Recoveries to the Opioid Recovery and Remediation Fund: $92,604,460.64

Opioid settlement funds to municipalities: $50,495,599.19

Additional restitution to AGO: $5,459,575.38

Other recoveries to the General Fund: $841,304.59

Important Statistics and Numbers

2,087 consumers assisted through mediation helpline

2,469 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 FY2024

1. Nursing Home Abuse, Neglect, and Financial Misappropriation

MFD continued to prioritize its enforcement authority with respect to nursing home abuse, neglect, and financial misappropriation. In June 2024, MFD announced its largest-ever nursing home settlement, a $4 million settlement with Next Step Healthcare, a long-term care management company that operates sixteen nursing homes throughout Massachusetts. The settlement resolves allegations that Next Step deliberately failed to properly staff the nursing homes it owned and operated, resulting in resident harm and neglect. As part of the settlement, most of Next Step's facilities will be required to be overseen by an independent compliance monitor for three years, which should have a meaningful impact on the quality of care delivered to residents. Next Step also agreed to spend a substantial portion of the settlement funds on staffing improvements and to begin setting its budgets to comply with state minimum staffing requirements. In August 2023, MFD reached a $115,000 settlement with Brentwood Rehabilitation and Health Care Center, which resolved allegations that it failed to provide care to three patients, as demonstrated by video evidence. Under the terms of that agreement, Brentwood also agreed to contract with an independent compliance monitor for a three-year period.

MFD also pursued criminal enforcement in this area, where appropriate. In March 2024, MFD concluded its prosecution associated with the Soldiers' Home COVID-19 outbreak, as the former superintendent and medical director at that facility changed their pleas and admitted sufficient facts to be found guilty after considerable pretrial proceedings. In June 2024, MFD charged a rest home administrator, Luiza Wade, in connection with a scheme to steal more than $220,000 from the rest home and its elderly residents. MFD also charged a Medicaid consultant, Kaylie Giberson, in November 2023 and again in February 2024, for stealing thousands of dollars from elderly victims at nursing homes.

2. 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 April 2024, MFD announced indictments against Felix Mercedes and several co-conspirators; those indictments charge that Mercedes targeted vulnerable community members, including homeless and disabled individuals, for his scheme, often inviting them to stay in his home. Mercedes then allegedly used the personal information of the victims to sign them up for MassHealth home health services and then billed those services to MassHealth, despite never providing them. Similarly, in March 2024, MFD obtained indictments against a PCA consumer, Brenda Bialecki, and two PCAs, John Baracewicz and Isaiah Salaam. Burnham, Baracewicz, and Salaam allegedly caused nearly $100,000 in false claims to be submitted to MassHealth for PCA services that were not provided and/or were the result of kickbacks. In November 2023, MFD arrested and arraigned the managers of Union Home Health Care Services, LLC, a group adult foster care company, in connection with a scheme to defraud MassHealth of more than $1.6 million for services that were not provided and/or not properly authorized.

MFD also recovered more than $1.4 million in three civil settlements with home health agencies, Alternative Homecare, Pinnacle Home Health, and Alliance Home Care VNA, which billed MassHealth for services without appropriate physician authorization.

3. Dental Care

MFD had considerable success in its efforts to prosecute fraud committed by dental providers and ensure high-quality dental services for MassHealth members. In May 2024, MFD announced indictments against Forest Hills Dental and Fritz Gabriel in connection with a scheme to defraud MassHealth of more than $245,000 for services that never occurred and engage in the unlicensed practice of dentistry. As part of these charges, Gabriel was also charged with assault and battery because, despite not being a licensed dentist, he performed an extraction on a MassHealth member that left an exposed root in her mouth, which ultimately required the MassHealth member to need considerable follow-up care. In March 2024, MFD obtained similar indictments against Dr. Marcus Swann and his dental practice, Direct Pay Dental, for submitting nearly $200,000 in false claims to MassHealth for services that were not provided and/or for services that were required to be performed by a dentist but were not. And in June 2024, MFD indicted Dr. Meenakshy Yegneswaran and the company she owns, Pleasant Street Dental, for billing MassHealth for more than $2 million in dental services that were never provided, including during times when Yegneswaran, the only dentist working at the practice, was out of the country.

4. Soldiers' Home in Holyoke

This is a veterans' home at which a massive COVID-19 outbreak occurred in March 2020, leading MFD to charge the former superintendent and medical director with patient neglect. MFD conducted extensive preparation for trial from January through March 2024. In March 2024, both Defendants, David Clinton and Bennett Walsh, changed their pleas and admitted sufficient facts to be found liable. Judge McDonough continued both Defendants' sentences without a finding.

5. Elder Abuse/Neglect Legislation

MFD, in close collaboration with P&G, continued to advocate for passage of legislation increasing the civil penalties and extending the statute of limitations for abuse and neglect of an elder. This advocacy included testimony in front of House and Senate committees by both the AG and MFD division chief. After the reporting period concluded, this legislation passed and was signed into law by Governor Healey.

6. Nursing Home Staffing Levels Letter

MFD worked with the California and New York MFCUs to prepare a comment letter, signed by 15 state AGs, encouraging CMS to adopt stronger minimum staffing standards in nursing homes. CMS adopted some of the recommendations included in the letter when publishing its final rule on the topic, including adopting a minimum required staffing level for licensed practical nurses and developing more stringent exception criteria.

7. Private Equity Legislation

MFD, also in close collaboration with the HCFC Bureau and P&G, prepared draft legislation to increase accountability for private equity companies that acquire healthcare providers that defraud the MassHealth program. MFD presented this draft legislation in multiple meetings with key stakeholders, including Senators and committee staff. This legislation has passed both the House and Senate but, as of this submission date, is still pending in conference committee.

Financial Data

Amounts Recovered (General fund): $13,300.00

Penalties: $13,300.00

Restitution: N/A

Settlements/judgments: 1

Amounts Recovered (for consumers): $24,175.77

Settlements: 1

Criminal Restitution Orders: 1

Restitution: $24,175.77

MFD Other Amounts Recovered: $23,895,061.97

Settlements: 21

Criminal Restitution Orders: 8

Restitution to MassHealth: $19,523,524.65

Penalties to State Funds: $669,092.43

Nursing Home Staffing Investments: $3,625,000.00

Restitution to Nursing Homes: $77,444.89

Important Statistics and Numbers

- Number of cases handled in FY23 (please indicate whether the cases are open or closed):
  - Complaints: 1 (1 open)
  - Settlements: 22 (5 open)
  - Indictments: 20 (20 open)
  - Convictions: 17 (1 open)
- Appeals briefed/argued: 0
- Amicus briefs filed/joined: 0
  - Identify those amicus briefs filed or joined on topics that relate to strategic priorities: N/A
- Comment letters joined/filed: 1
  - Identify those comment letters filed or joined on topics that relate to strategic priorities: As noted above, MFD co-led, with the California and New York MFCUs, a comment letter urging CMS to implement stronger minimum staffing standards in nursing homes.

2. Community Engagement statistics

- Number of Hotline Calls Received (break down by topic at a high level): 210
  - Fraud: 55
  - Abuse/Neglect: 21
  - Other: 134
- Number of on-line complaint forms received (break down by topic at high level): 194
  - Fraud: 86
  - Abuse/Neglect: 45
  - Other: 63

- Number and type of external events and trainings: MFD presented at 24 external events and trainings last year. These external events and trainings included presentations at the annual conference for National Association of Medicaid Fraud Control Units ("NAMFCU") and National Health Care Anti-Fraud Association, as well as specific conferences organized by entities such as the Boston Bar Association and American Bar Association. These trainings covered a wide range of topics, including MFD's enforcement work in the nursing home space and tips for collaborating amongst investigative agencies. MFD AAsG and investigators also served as facilitators at numerous trainings conducted by NAMFCU.
- Estimate of community members/municipalities engaged: 2,271

- Number and type of internal trainings: MFD conducts internal trainings at its bi-weekly division meetings. Those trainings involve case recaps and are designed to address issues that case teams have recently encountered, such as conducting physical examinations of members to identify fraud and/or utilizing bank records software to analyze ill-gotten gains. MFD had approximately 20 such division meetings during this state fiscal year.

Non-Profit Organizations/Public Charities Division

The Non-Profit Organizations/Public Charities Division is responsible for overseeing more than 25,000 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 FY2024

In early 2024, Cambridge College, a Massachusetts public charity largely serving a population of adult learners, including many persons of color, informed the relevant state officials that it intended to close. Soon thereafter, Cambridge College announced that it would affiliate with Bay Path University, also a Massachusetts public charity, through a transaction in which Bay Path will acquire most of Cambridge College's assets and continue to run the programs of Cambridge College for 18 to 24 months before combining the two schools into one entity. Under Massachusetts law, such a transfer of assets requires review by the Attorney General's Office, followed by a filing seeking court authorization for the transfer. Following authorization by the court, this transfer is now proceeding.

Following the death of the rabbi of the Congregation Lubavitch Orthodox Synagogue of South Brookline, the Attorney General's Office determined that this religious organization had no other fiduciaries, but did control significant charitable assets, including real property. The AGO asked the Court to appoint a receiver to stand in the shoes of the religious organization, and to help determine next steps for a synagogue whose membership had dwindled. Following several years of work, including defending against and ultimately settling claims from family members of the late rabbi, the receiver proposed a distribution of the assets of the synagogue, under principles of

cy pres, to other Jewish religious organizations in close proximity to South Brookline. The court authorized those transfers, and the receivership is now in the process of concluding.

For many decades, Massachusetts public charity Our Lady's Guild House operated a single-room occupancy (SRO) building for women in Boston's Fenway neighborhood. After receiving complaints from residents of the building, the Civil Rights Division reached a resolution, through an Assurance of Discontinuance, on the complaints of the residents. Concurrently, the charity's Board worked with the Non-Profit Organizations/Public Charities Division on a proposal to sell the building to an affordable housing operator (controlled by two Massachusetts public charities) in order to preserve the affordable nature of the building. Following review by the AGO and authorization from the court, the building was sold in late 2023..

Following the introduction of legislation that would increase the monetary thresholds established in G.L. ch. 12, sec. 8F for review reports and audits required of public charities, the Non-Profit Organizations/Public Charities Division provided significant feedback on the proposed new thresholds, and has advocated in favor of an increase in the thresholds. Such a change, if enacted, would place less financial burden on public charities, particularly small charities.

Financial Data

Settlements/judgments: $90,000 in consent judgment to be distributed to an animal rescue charity (judgment payments begin in FY2025, and will continue for up to 90 months; not General Fund).

Fees: $7,732,990

Other Recoveries: $1,222,867 in reduced fees or money recovered and distributed to charities from review of estate administration issues (not General Fund).

Important Statistics and Numbers

Number of cases handled in FY23 (please indicate whether the cases are open or closed) 37

Affirmative cases brought/indicted, tried/argued, resolved: 5 open; 1 closed (includes involuntary dissolutions, affirmative fiduciary duty litigation, receiverships, significant probate matters)

Defensive cases opened, tried/argued, resolved: 16 open; 15 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: 19

Administrative Dissolutions Approved: 25

Number of initial charities registrations: 1,500 (estimated, based on conversion of paper-based registration process to Portal-based registration process)

Number of payments processed for public charity and professional fundraiser annual reports and registrations: 29,033

Fees generated: $7,732,990

Summary of probate review: The Division received and reviewed 962 new wills, received 699 interim accounts, and reviewed 537 final accounts/documents closing estate files for personal representatives and trustees. The Division received and reviewed 38 petitions for license to sell real estate, 26 trust terminations and 1,141 miscellaneous complaints and filings. The AGO also resolved 83 matters involving potential misapplication of charitable bequests or excessive fees, resulting in $1,222,867 in reduced fees or money recovered and distributed to charities.

3. Community Engagement statistics

Number of on-line complaint forms received: 462

Number and type of external events and trainings 13 webinars hosted by NPCD, 14 speaking engagements at which NPCD staff presented

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.

Children's Justice Unit

The Children's Justice Unit works to advance justice and equity for children and youth across the Commonwealth through legal and policy advocacy and programming.

Significant Achievements & Priorities for FY2024

1. Addressing Hate in Massachusetts Schools: Working with the Governor's Office (EOE and DESE) and multiple community stakeholders, CJU led the process for the AGO to develop updated *statewide guidance* on addressing hate, along with a new Q&A flyer and

a quick-guide flyer for families and students on combatting hate. Moreover, CJU with support from CED, continued to plan, manage, and implement the statewide initiative on addressing hate in school sports. In FY24, CJU provided 7 Regional Trainings (3 at the MIAA office in Franklin, 1 at UMASS Lowell, 1 at UMASS Amherst in, 1 at Greenfield Community College, and 1 at Upper Cape Cod Regional Technical School). In FY23 and FY24 combined, we delivered 19 Regional Trainings to 184 school districts, which is approximately two-thirds of the school districts in the state. In addition, in FY24, between 10 and 20 individual schools received follow-up trainings (the AGO provided financial assistance- covering the full cost of follow-up trainings- for five school districts). Finally, CJU immediately outreached to the Southwick district following a mock slave trade auction held by several Southwick students. CJU worked jointly with the district, the NAACP, the family of one of the victims, and organizational partners to develop a comprehensive Action Plan to respond effectively to this incident, and to prevent and address hate in the district more broadly. (At the beginning of FY25, on 7/24/24, the Globe published a story on the AGO's work with Southwick district.)

2. Social Media Policy: In FY2024, CJU provided *education and training* to hundreds of youth across Massachusetts through a number of presentations on the addictive design tactics of social media companies, and resulting harms on youth mental health. CJU also developed an innovative public-private partnership with the Shah Foundation to address the impact of cell phones and social media on Massachusetts students and school communities. In May 2024, CJU worked with the Shah Foundation to hold an in-person convening of researchers, clinicians, advocacy organizations, school leaders, and parents to collectively address the impacts of cell phone and social media use in schools, and lay the groundwork for a social media in schools "toolkit" to support schools in addressing the profound impact of cell phone and social media use on school environments and youth mental health.

Statistics

Online CJU complaint forms received: Approximately 117 complaints received

Trainings/educational events: Number and type of external events and trainings: approximately 30 external trainings. Estimate of community members/municipalities engaged: Over 1,000

Social media presentations:

- 2 trainings for approximately 150 youth on the impacts of social media on youth mental health (1 presentation for Sociedad Latina youth in March, 2024 and a second

presentation – given three times to 3 separate audiences of approximately 30 high school youth -- at the KyleCares youth mental health conference in April, 2024).
- 1 training for parents on social media at the Croft School in Jamaica Plain.

Hate in School Sports Trainings:
- 7 Regional Trainings conducted by Northeastern as part of the Addressing Hate in School Sports Initiative during SY2023-24
- 10-20 trainings for individual districts (5 were approved for funding through our office) during SY2023-24

SRO Trainings
- 3 separate trainings for SROs on addressing hate/ defining the roles of schools and SROs (1 training in November 2023, 2 in March 2024)

Keep Kids in Classrooms: Stop the Use of Exclusionary Time Out Rooms in Schools
- Panel presentation on current state of the law relative to time out room usage (May 17, 2024)
    - Environmental Justice Advocate Meeting: Co-presentation with HCD on Opioid recovery work of the office (March 2024)

- Number and type of internal trainings- 1 PPAB Bureau presentation (CJU/DPSD on topic of social media- 12/2023)

Civil Rights Division

The mission of the Civil Rights Division (CRD) is to prevent and remedy discrimination on the basis of protected characteristics in order to ensure equal opportunity and safeguard constitutional rights for all. CRD is particularly committed to serving vulnerable and historically marginalized communities and individuals through community-informed, culturally and linguistically appropriate, and data-driven legal advocacy and affirmative legal action. We strive for equity, underscoring the importance of intersectionality and racial justice. Embedded in CRD are units dedicated to protecting individuals and communities impacted by issues of children's justice, disability rights and police accountability. The Division receives hundreds of intakes on a weekly basis and reviews each one to assess appropriate action including targeted referrals, research, in-depth review or investigation, or other systemic responses. Currently, CRD has active matters in the areas of housing, employment, health care, public accommodations, immigration, reproductive justice, policing, criminal justice, and education, which involve discrimination including on the basis of disability, income, LGBTQ status, national origin, gender and race.

Significant Achievements & Priorities for FY2024

CRD played a major role in a joint effort with CPD, FLD and CED to address the urgent needs of hundreds of migrants who had recently arrived in the Commonwealth and were living in shelters across the state. We collaborated with legal services providers and other community partners to organize Know Your Rights trainings conducted in multiple languages and covering key areas of discrimination in housing, employment, education and public accommodations, as well as the unauthorized practice of immigration law and workers' rights. Materials were provided and distributed in multiple languages covering these areas. The team also conducted trainings for providers in these areas. Below is a description of the activities conducted:

On November 27, we attended and presented at a MIRA-led virtual training of over 100 EOHLC emergency shelter managers. This training focused on bringing attention to the need to address the unauthorized practice of immigration law.

On December 8, in collaboration with the Justice Center of Southeastern Massachusetts, the office trained 25 newly arrived migrants living at an emergency shelter in Taunton. Using both Spanish and Haitian Creole translation, the team spoke to these families on the topics of UPIL, civil rights (including housing and educational equity), and labor rights. The families were quite engaged and asked a number of questions. The team further provided the AGO's translated written materials to the families and the shelter staff.

On December 13, in collaboration with the MIRA Coalition, we provided a virtual training for approximately 70 service providers across a wide variety of professions—including educators, shelter case workers, and health care workers—who assist migrant families throughout the Commonwealth. This training covered UPIL, civil rights, and labor rights matters.

On December 15, the team presented in-person at the Immigrants' Assistance Center in New Bedford in collaboration with the Center, USCIS, and MIRA, specifically regarding notario fraud. Several dozen service providers from similar professions as the December 13 training attended in person, and others were present virtually.

On February 5, the team hosted an in-person training with MetroWest Legal Services and DOVE (Domestic Violence Ended) at an emergency shelter in Franklin, which was attended at full capacity by approximately 85-90 individuals living at the shelter.
In addition, CRD is involved in several investigations regarding the unauthorized practice of immigration law and has recommended certification of multiple U visas associated with these and prior UPIL investigations.

Housing discrimination

Combating housing discrimination continued to be a CRD priority in FY24. We filed eight actions in Superior Court related to mandatory housing cases sent to our office from the MCAD and the Boston Fair Housing Commission. We also settled eight such cases with housing providers and, in several instances, real estate agents, securing monetary awards as well as systemic changes to policies and practices.

CRD worked alongside other parts of the AGO to implement the MBTA Communities zoning law – a bipartisan law that is intended to address the Commonwealth's housing affordability crisis. Following on our work on this in the prior fiscal year, when we issued an advisory to assist municipalities in complying with the law, in FY2024 CRD participated in an enforcement action against the Town of Milton for failure to comply with the law.

CRD also continued its investigation into background check screening companies' use of algorithms that disproportionately screen out candidates for housing or employment with criminal histories, eviction records, and/or poor credit, and as a result disproportionately harms Black and Latinx/Hispanic renters.

PAU/Correctional / CORI/re-entry

CRD made noteworthy strides this fiscal year in advancing AGO strategic priorities related to the POST Commission, policing, corrections and reentry. For example, the Police Accountability Unit, which sits within CRD, was officially launched. PAU has developed a strong relationship with the POST Commission, setting up regular meetings with Commission leadership and was invited to testify on law enforcement certification standards, which were submitted in August and referred to positively by the Commission. CRD, including members of PAU, is also working closely with members of the Executive Bureau to remove barriers to reentry for people returning to their communities from periods of incarceration. CRD helped to organize a Reentry Roundtable in the Spring as well as a CORI Know Your Rights training for community partners and updated and reissued a CORI guidance. The group is currently focused on addressing barriers to reentry with external stakeholders in the areas of housing and employment and recently convened subgroups to focus on these areas.

Comm. v. NSC-131

In December 2023, we filed a complaint in Suffolk Superior Court against NSC-131, a self-described neo-Nazi organization, and two of its leaders, in response to an escalating series of unlawful and discriminatory incidents. These incidents include situations where NSC-131 members repeatedly attempted to disrupt and shut down events organized by LGBTQ+ community groups, and targeted hotels providing emergency shelter to recently arrived immigrants. Our complaint alleges that NSC-131 members engaged in violent, threatening, and intimidating conduct that violated state civil rights laws and unlawfully interfered with public safety. The complaint asserts claims for public nuisance, trespass, civil conspiracy and violations

of the Civil Rights Act and Public Accommodations Law, and it seeks injunctive relief against the defendants, monetary awards related to civil penalties, damages, and other costs.

Comm. v. Davidson
We filed a Superior Court fair housing action in 2022 against a housing provider for discriminating against a family on the basis of familial status. The defendant landlord had decided not to renew the tenants' lease after finding out that they were expecting a child.

After we filed the action, the landlord attempted to get the case transferred to Housing Court, arguing that the court could hear housing discrimination cases commenced by the AGO. This issue was eventually decided by the Supreme Judicial Court in December 2023, when the Court accepted our position that these cases can be brought exclusively in the Superior Court and further clarified the process by which a trial court can transfer cases outside its subject matter jurisdiction.

In March 2024, we obtained summary judgment against the landlord, who was ordered to pay damages of $75,000, abate lead paint located within the subject property, undergo fair housing training, and develop a non-discrimination statement.

Comm. v. Taymil Partners
In 2020, we filed a complaint in Middlesex Superior Court against a housing provider who we alleged had violated the Consumer Protection Act and Antidiscrimination Law by creating a racially hostile housing environment after it failed to respond to complaints from a family that it had been subjected to repeated racist harassment by another tenant, including slurs and xenophobic statements. In October 2023, after prolonged litigation, we entered into an Assurance of Discontinuance which, among other terms, prohibited the landlord from creating, or contributing to the creation of, a hostile housing environment at any of its properties; required the landlord to implement anti-harassment policy and procedures; and make a payment of $67,500.

<u>Financial Data</u>
Amounts Recovered: $176,000, not including a judgment for $75,000 (plus interest) which we expect to enforce in the ongoing fiscal year.

<u>Important Statistics and Numbers</u>
CRD resolved 14 cases, most of which we settled through agreements requiring monetary and/or injunctive relief. We also litigated 14 cases in state court, of which 8 were filed in FY24 and 9 were open as of the end of FY24. CRD also litigated 1 case in federal court.

Appeals briefed/argued: For information about our appeals work, please see OSS's submission

Community Engagement statistics

Number of Hotline Calls Received (break down by topic at a high level)
CRD no longer manages the civil rights hotline, which is now staffed by ISC.

Total online complaints received: 2858.

Approximately 43% of the complaints filed were employment related. Most of the other complaints were related to housing (12%), public accommodations (13%), police (6%), and other government entities (13%).

In June 2024, CRD released an updated guidance titled "Protections Against Discrimination in Places of Public Accommodation," intended ensure compliance with existing law and educate the public about their rights in public spaces, including gender-specific spaces like men's and women's restrooms. The guide has been updated to include information about how the law protects those who identify as nonbinary and/or transgender.

Number and type of external events and trainings.

- Trainings: CRD staff conducted six trainings. The topics included disability rights, fair housing, anti-discrimination policies & procedures, unauthorized practice of law, criminal records, and addressing hate incidents in schools.
- Panel discussions: CRD staff participated in two multi-organization panel discussions, one on youth-focused LGBTQIA+ issues and the other on government enforcement agencies.
- Other: CRD staff also met with delegations from Japan, Morocco and Vietnam on a range of civil rights topics, as part of the US State Department's International Visitor Leadership Program.
    - Estimate of community members/municipalities engaged
        - Trainings: Approximately 500 people attended the six trainings.
        - Panel discussions: Approximately 40 people attended the two panel discussions.
        - Other: Approximately 25 people as part of foreign delegations.
    - Number and type of internal trainings
        - CRD's Disability Rights team, along with our DEI office, organized a number of disability-related programs throughout the year, including an ADA Anniversary event.

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 protect people from exploitation, and unfair or deceptive business practices. CARD works to resolve disputes between consumers and businesses in a manner that is fair and reasonable to all parties under the circumstances. The division 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 FY2024

In FY24 the Consumer Advocacy and Response Division received 21,428 consumer complaints. Major sources of complaints included landlord-tenant, auto repair, used car sales, home improvement contracting and telephone scams. In response CARD provided 10,530 consumers with individual consumer advocacy. 1,554 consumers received assistance directly from CARD staff and an additional 8,976 consumers received assistance through one of the AGO's grant funded Local Consumer Programs. Consumers filing complaints saved or recovered $6,028,605 through consumer assistance services.

In FY24 CARD worked to combat unfair, deceptive and discriminatory business practices that disproportionately impact marginalized communities. Assistance was provided in response to 740 landlord-tenant complaints, helping tenants address poor building conditions, stopping unnecessary evictions, recovering security deposits, and pushing-back against unfair or deceptive fees. Tenants saved or recovered a total of $128,823 through consumer advocacy. Similarly, CARD assisted 371 consumers being pursued by debt collectors. CARD helped theses consumers identify debts that they did not owe and advocated for consumers whose financial hardship made them exempt from debt collection. Through advocacy CARD helped consumers save more $321,110 in response to unfair debt collection complaints.

In March of 2024 the AGO released its Consumer Advocacy Annual Report, highlighting work done to protect consumers, reminding consumers of resources available to them, and raising awareness of challenges faced during the 2023 calendar year. The report highlighted challenges consumers were facing in obtaining healthcare services, auto repair complaints, and student loan servicing.

To ensure the AGO's legal and advocacy work remains informed by the communities we serve, the AGO awarded $1.6M in grants to 19 applicants that provide consumer assistance in response

to complaint referrals from the AGO. This increase in funding helped expand the AGO's referral network to include Martha's Vineyard Mediation Program (MVMP). The addition of MVMP in FY24 improved consumer support for the people of Martha's Vineyard and Nantucket and provided additional state-wide capacity to mediate consumer complaints during periods of high intake volume.

Constituent Success Stories

Housing

CARD's housing team helped a consumer obtain a $11,000 refund and removal of their property taxes and insurance from escrow. The consumer complained that after a loan servicing transfer the loan servicer continued to deduct amounts from his monthly mortgage payment for taxes and insurance but failed to make the payments to the town and insurance company. Through CARD's assistance the consumer was able to get the escrow removed and the consumer a refund. CARD's housing team worked with a consumer who was sold a mortgage in violation of a restrictive covenant on the consumer's home. The lender's title search failed to identify an affordable housing restriction, placing both the consumer and the unit of affordable housing in jeopardy. A CARD consumer specialist worked with the borrower, the town, the loan servicer and title insurance company to reach a resolution that worked for the consumer and the town. The town was able to keep the affordable housing unit while the consumer received a placement in a different affordable housing project that better suited their needs.

An elder veteran reached out to our office with concerns that his mortgage was being "dual tracked" – meaning his loan servicer was moving forward with the foreclosure process even though he was in the process of applying for a loan modification. A CARD consumer specialist reached out to the loan servicer, secured a postponement of the foreclosure, and helped the consumer apply for assistance through the HAF program. The consumer was approved and the program helped pay the entire arrearage of their mortgage.

Utilities

A consumer reported that they received a delivery of 400 gallons of oil, but they were charged for 500 gallons. When the consumer tried to fight the charge on their own, the business wouldn't correct the error. CARD's utility team advocated for the consumer and helped them dispute the charges, recovering $348 for the consumer.

A consumer called the AGO's consumer hotline to report that their gas was shut off by their utility due to a carbon monoxide issue, but even after the issue was repaired and the local Fire Department determined there was no danger, the utility was refusing to turn it back on. A

CARD consumer specialist contacted the utility company and helped the consumer get their heat turned back on. The specialist also went the extra mile to help the consumer by getting them signed up and approved for the Low-Income Housing Energy Assistance Program (LIHEAP).

Autos

CARD assisted a consumer resolve a dispute with an auto warranty company. The consumer had been double-billed for a service charge and improperly denied services that should have been covered under the warranty. Through mediation the consumer recovered $2,352 for costs the consumer paid out-of-pocket and stopped the double-billing moving forward.
A consumer contacted CARD after their 2008 vehicle failed a recall inspection, therefore qualifying them for a manufacturer buy-back offer. However, the manufacturer was not responding to the consumer. CARD's auto team helped the consumer contact the manufacturer and obtain a buy-back of the vehicle for $5,950.

Solar

A consumer with a disability was signed up for a home solar contract while she was in the hospital. A review of the contract raised serious questions about whether the consumer's signature was forged. Furthermore, the agreement bound the consumer to a shockingly high rate for the electricity produced by the panels. After consultation with the consumer and the company, the consumer agreed to keep the solar panels and the company agreed to a steeply discounted new rate for the electricity and removal of a price "escalator". Under the new contract the consumer may save as much as $103,000 over the 25 year life of the panels.

A consumer complained to the AGO that the solar panels on their roof weren't functioning and they had been getting the run-around from the company for over a year, with nothing to show for it. A CARD consumer specialist mediated the complaint and the company agreed to replace broken solar panels, install critter guards to protect the roof from future damage, and provided a refund of $6,500.00 for the period the panels weren't functioning.

Competitive Electric Supply

A CARD consumer specialist assisted an elderly couple who enrolled with a competitive electric supplier when they received a mailing that promoted benefits to the environment. At the time of the enrollment the consumer was unaware the rate would become a variable rate because the information was in fine, light gray colored print, whereas the environmental benefits were prominently displayed. Through advocacy CARD was able to get the consumer a $1,819 refund on the basis of company's variable rate being hidden in the fine print on the consumers mailer.

Elder Hotline

A consumer contacted the AGO's Elder Hotline and reported that she had reserved and paid in advance for an electric scooter wheelchair rental to attend a college graduation. She notified the company well in advance that she needed to cancel the reservation but the company would not return her calls or provide a refund. A volunteer with the AGO's Elder Hotline helped the consumer get a full refund for the cancelled reservation.

Financial Data

Amounts Recovered (General fund): $0
- Penalties: $0
- Restitution: $0
- Settlements/judgments: $0
- Fees: $0
- Other Recoveries: $0

Amounts Recovered (for consumers): $3,012,531
- Settlements: $0
- Restitution: $0
- Other Recoveries: $3,012,531 through individual mediation.

Amounts saved for consumers (which can include savings through utility assistance, student loan assistance, foreclosure prevention, etc.): $3,016,073 through mediation. (*this is in addition to the $3.012M listed above*)

Money Seized/Forfeited: $0

Important Statistics and Numbers

21,428 consumer complaints received by CARD in FY24.

10,530 consumers received consumer assistance.

1,554 consumers received assistance from AGO/CARD staff.

- AGO assistance helped consumers recover $402,727.
- AGO assistance helped consumers save $1,840,126.
- 876 complaints successfully resolved (56.3%)

8,976 consumers received assistance through an LCP.

- LCP programs helped consumers recover $2,609,804.
- LCP programs helped consumers save $1,175,947.
- 5001 complaints successfully resolved (55.7%)
-

3. Community Engagement statistics

Consumer Complaints Received: 21,428

Top 10 Complaints By Product or Service

Landlord-tenant	917
Auto repair shop	913
Sales - used vehicle	895
Home improvement contractor	857
Other retail products and services (e.g. Amazon)	823
Social networking service	557
Home appliances	498
Credit card or prepaid card	480
Solar (inc. rooftop & community solar)	422
Food (inc. restaurants & grocery)	422

Top Complaint Categories for Complaints Without a Product or Service

Scams & Robocalls (other than imposter scams & identity theft)	1184
No identifiable product, service, or scam (e.g. government, non-profit)	1003
Imposter Scams: business impersonation	903
Identity Theft	358
Imposter Scams: government impersonation	71
Imposter Scams: family, friend impersonation	33

Publications

Consumer Advocacy Annual Report, published on mass.gov.

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 unfair and deceptive practices, to deter future misconduct through penalties, and to impose oversight on problematic businesses through injunctive relief.

Significant Achievements & Priorities for FY2024

Major Settlements and Achievements

1. CPD entered an assurance of discontinuance (AOD) with Rent-A-Center (RAC), one of the nation's largest rent-to-own consumer goods companies, which operates over 40 retail locations in Massachusetts, many of which are in predominantly low-income communities and communities of color. The AOD resolved allegations that RAC repeatedly engaged in coercive and abusive conduct towards consumers who missed or otherwise failed to make rental payments under their RAC contracts, including through egregious misuse of the Commonwealth's criminal complaint processes. Under the AOD, RAC made a payment of $8.75 million to the Commonwealth. RAC also agreed to make significant changes to its business practices to comply with state consumer protection laws, including fair debt collection and repossession practices.

2. CPD entered an assurance of discontinuance with EasyPay to resolve allegations that EasyPay was making usurious loans as part of a "rent-a-bank" scheme wherein it partnered with an out-of-state bank in an effort to circumvent the Commonwealth's interest rate limits. Pursuant to the AOD, EasyPay stopped making loans in the Commonwealth and is providing considerable consumer relief, including $625,000 in restitution to Massachusetts consumers who paid exorbitant interest rates which averaged above 100% annual percentage rate (APR). As part of the AOD, EasyPay has also ceased collection on all active and defaulted loans in the Commonwealth.

3. CPD attorneys and paralegals engaged in a robust campaign to advance the Office's manufactured housing work. In May 2024, CPD published an update to The Attorney General's Guide to Manufactured Housing Community Law, a resource that provides a comprehensive discussion of the legal rights and responsibilities of residents and owner/operators of manufactured housing communities. Over 400 copies of the new Guide

have already been distributed to communities and stakeholders across the Commonwealth. The Office publicized the new Guide's rollout with a visit by the Attorney General to the Oak Hill manufactured housing community in Taunton, Massachusetts, where she and CPD staff—among others—met with constituents to discuss the Guide and other pressing issues. To further facilitate awareness of changes in the new Guide, CPD developed a comprehensive training PowerPoint. With support from CED, the team offered two virtual trainings in June, with one session aimed to educate manufactured housing residents and the other targeting community owners, each of which was attended by approximately 80 people. Lastly, the CPD team authored two amicus briefs this fiscal year—in Blackman's Point Homeowners' Assoc., Inc. v. Nancy Blackman Call, Appeals Court No. 2023-P-0382, and Crown Communities, LLC v. Philip Austin, Appeals Court No. 2023-P-0580—advocating for the rights of manufactured housing community residents under the Manufactured Housing Act and the Attorney General's implementing regulations.

4. CPD has expanded its efforts to provide individuals who have upcoming debt collection hearings in Small Claims Court with notice and information about legal resources. The letters sent out as part of this campaign encourage debtors to appear for their hearings and make them aware of the availability of free legal aid at the courthouse. CPD sends these letters to debtors facing debt collection actions in East Boston, Central, Dorchester, Roxbury, and recently expanded to Springfield. CPD paralegals regularly communicate with consumers who receive our letters and contact us looking for information about their case. Consumers frequently report that they would not have known about their court case if not for the letter. Lawyer-for-the-day programs also report positive outcomes associated with these letters. For instance, one legal aid attorney shared that an observed decrease in defaults has been particularly noticeable in Dorchester for sessions where the AGO's letter gets sent. When CPD staff have traveled to the courthouses to observe the sessions, we have noticed many consumers coming into the courtroom with an AGO letter in hand. During FY2024, CPD sent out 2,471 letters. From July through early December 2023, we estimate that consumers avoided at least 174 judgments entering against them by attending court, thereby saving $195,381 by winning their trial or obtaining a dismissal.

Selected Ongoing Litigation Updates

1. Commonwealth v. Champion Funding, Inc., et al.: During FY2024, CPD initiated an enforcement action against Champion Funding, Inc., Champion Funding LLC, Judgment Acquisitions Unlimited, Inc., Andrew Metcalf, d/b/a Judgment Acquisitions Unlimited, Inc., a group of debt buyers and debt collection agencies, and Andrew Metcalf, individually. The lawsuit alleges that under the direction of Metcalf, Champion Funding, Inc. and Judgment Acquisitions Unlimited, Inc. purchased old judgments and defaulted consumer debt, and then used aggressive methods to collect those debts, including by filing litigation, garnishing

wages, recording liens on real property, and improperly seizing vehicles. CPD successfully moved for a preliminary injunction in this matter, barring the Defendants from selling any car seized from a Massachusetts consumer, seizing any exempt cars from Massachusetts consumers, and requiring the defendants to return every previously seized car to its owner.

2. Commonwealth v. MV Realty, et al.: During FY2024, CPD completed discovery in its state court litigation against MV Realty, a company that marketed a usuriously expensive fringe finance product masquerading as a realtor's "loyalty program." During this time, CPD sought meaningful discovery sanctions, which were ultimately granted. Also during FY2024, CPD successfully defended an adversary proceeding brought by MV Realty in federal bankruptcy court in Florida, which essentially sought to shut down the state lawsuit. The bankruptcy court ultimately granted the Commonwealth's motion to dismiss MV Realty's bankruptcy proceeding.

3. Commonwealth v. Town Sports International, LLC, et al.: This is an enforcement action against Boston Sports Club, its former CEO, and assignee health clubs for on-going failure to cancel consumers' health club memberships during the Covid 19 pandemic, as required by G. L. 93, § 82. During FY2024, CPD successfully opposed Defendant Patrick Walsh's summary judgment motion, and initiated the process of preparing for trial in this matter, which is scheduled to take place over two weeks beginning on December 2, 2024.

4. Commonwealth v. VICA Trading, Inc. d/b/a VapeSourcing: CPD brought this enforcement action against an online company that sells flavored nicotine products in violation of Massachusetts' flavored tobacco ban. In March 2024, CPD obtained a preliminary injunction which, *inter alia*, prohibited VapeSourcing from selling such flavored tobacco products to consumers in the Commonwealth.

Significant Policy Achievements or Policy Advocacy

1. In FY2024, CPD drafted proposed regulations to address the problem of junk fees. The regulations, which were formally proposed in November 2023, would require businesses to clearly disclose the total price of a product at the time it is presented to consumers, provide clear and accessible information on whether fees are optional or required, and simplify the process for cancelling trial offers and recurring charges, amongst other rules. Following a public hearing and comment period, CPD reviewed and considered over 90 public comments. CPD anticipates finalizing the regulations in FY2025.

2. In FY2024, CPD provided testimony and advocacy in support of the proposed Debt Collection Fairness Act. These efforts are ongoing.

3. CPD testified in opposition to H4456, An Act Relative to Financial Technology Services, which sought to exempt the earned wage advance industry from existing lending and consumer protection laws in the Commonwealth. This proposed bill did not become law during the last legislative session.

Financial Data

Amounts Recovered:
Payments to the General Fund: $4,055,000
Restitution and refunds obtained for Massachusetts consumers: $5,675,500[2]
Mortgage principal cancellation obtained for Massachusetts homeowners: $836,918
Other debt cancellation or forgiveness obtained for Massachusetts consumers: $3,100,000

Important Statistics and Numbers

Amount of principal reduction or debt cancellation for consumers: $3,936,918
Number of homeowners contacted affirmatively to offer assistance in seeking principal reduction or other loan modification arising out of CPD enforcement actions: 63
Number of loan modification reviews resulting from affirmative contacts: 47
Number of loan modifications secured: 26
Number of notices of debt collection actions sent: 1,220

Amount of savings from hearings attended by debtors who received notices: $195,381 (through Dec. 2023)

Privacy and Responsible Technology Division

PRTD's goals are to promote fairness in the digital economy; encourage the responsible development of new technologies; protect consumers from online threats and the unfair or deceptive collection, use, and disclosure of consumers' personal data; and ensure that entities protect the security and integrity of Massachusetts residents' personal information.
PRTD 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 laws. PRTD also plays a role in driving the Office's efforts in safeguarding consumers from the harms of online gambling. The Division protects consumers by improving organizations' practices through injunctive relief and the imposition of civil penalties to deter future unlawful conduct, and by advocating for legislative

[2] This figure does not include a portion of the $1.6 million obtained for restitution through the Roomster multistate. The precise distribution of these funds is presently being determined.

or regulatory changes. PRTD also provides consultation on security, privacy, and technology matters within the Office, and regularly engages with the business community and the public through presentations at legal events and conferences.

Previously PRTD was known as the Data Privacy and Security Division. It was renamed in October 2024 to better reflect the broad scope and types of the work for which the Division is responsible.

Significant Achievements & Priorities for FY2024

1. Instagram Addiction Suit—In October 2023, the AGO filed a suit in Massachusetts Superior Court against Instagram alleging that certain features of the social media platform keep children addicted to it. This suit and others like are being pursued in cooperation with a multistate, bipartisan coalition of attorneys general from across the country as one effort to help fight the youth mental health crisis.

2. ArbiterSports Data Breach Resolution—In December 2023, PRTD reached a $1,000,000 resolution for a data breach involving the names and social security numbers of nearly 12,000 Massachusetts residents. ArbiterSports is a platform used by many schools for scheduling sporting events and referees for such events. This resolution is the first-ever seven-figure resolution for a data breach investigation pursued by Massachusetts, apart from multistate investigations.

3. Technologist/Data Scientist—PRTD has led the way among attorney general offices by hiring its first-ever technologist and data scientist in early 2024. This role will help the office expand on its expertise of understanding complex technologies and how they affect consumers. The role will also help the office analyze and draw conclusions from information in an increasingly data-driven world.

Financial Data
Amounts Recovered (General fund): $1,904,481.00

Important Statistics and Numbers

In FY2024, PRTD received and processed approximately 2,080 initial data breach notices under G.L. c. 93H.[3] These notices collectively affected over 4.2 million Massachusetts residents.[4]

[3] Reporting entities may send follow-up notifications concerning the same event—these are not included in this total.
[4] Note that one person may be affected by more than one breach. Each such breach is counted in this number.

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 FY2024

In FY2024, Fair Labor resolved matters totaling more than $2.7 million related to thousands of child labor violations at various Dunkin' franchisees. These cases were part of AG Campbell's ongoing effort to protect the rights of workers, particularly young ones.

One matter involving franchisees who owned and operated 25 Dunkin' locations across central and southeastern Massachusetts revealed violations that included requiring minors to work more than six hours a day without a meal break, employing a minor after 8:00 pm without an adult supervisor, employing a minor past the latest permissible hour, employing a minor for more than the maximum number of hours allowed in a day, and allowing minors to work without a work permit. The owners reached a settlement with Fair Labor totaling $1 million. As part of the agreement, a $500,000 fund was established to support the enforcement and education on the wage and hour laws, including the education and training of young workers.

A referral from the North Atlantic States Regional Council of Carpenters led to Fair Labor issuing four citations to Ecostructive LLC and its two owners for failure to pay prevailing wages on a public construction project, failure to submit true and accurate certified payroll records on a public project, failure to provide payroll records to the Attorney General, and failure to provide pay stubs to employees with each payroll. The citations total $190,000 in restitution and penalties. Employers who provide construction labor on public projects are required to pay special hourly rates to their employees called "prevailing wages." Different construction trades (carpenters, painters, electricians, laborers, etc.) each receive a specific rate of pay. While employers can pay genuine registered apprentices at a lower "apprentice rate," Ecostructive abused that system by paying approximately 20 employees who were not registered apprentices at this significantly lower rate, depriving them of more than $95,000 in wages they earned.

In FY2024, Fair Labor announced a settlement with Uber and Lyft to resolve the Office's multi-year misclassification litigation against these companies. This settlement put a stop to the companies' efforts to rewrite state employment law via a 2024 ballot initiative, which would

have resulted in drivers receiving inadequate protections and an earnings standard that would not guarantee minimum wage.

As part of the agreement, Uber and Lyft will pay a combined total of $175 million to the state to resolve the allegations that the companies violated Massachusetts wage and hour laws by misclassifying their drivers. At least $140 million will be distributed to current and former drivers. In addition, the companies will be required to pay drivers a minimum of $32.50 per hour, an amount that will increase each year. Drivers will also be entitled to a wide range of benefits including paid sick leave, pooled health insurance benefits, occupational accident insurance, information about the rides they are offered and complete, and protections against discrimination and retaliation. The companies are also required to offer drivers in-app chat support with a live person in English, Spanish, Portuguese, and French and create an appeal process for drivers who are deactivated.

Constituent Success Stories

In FY2024, Fair Labor expanded the geographical reach of our free Wage Theft Clinics. In these clinics, workers who have filed complaints with Fair Labor and have received a "private right of action" allowing them to personally pursue their claims are invited to meet with private bar attorneys and legal service providers who will review their claims and advise them of potential legal remedies. For the first time, Fair Labor hosted clinics in community spaces in Worcester, thanks to a contingent of area attorneys who specialize in wage and hour law cases. Regular clinics in Boston, New Bedford, and Springfield continued throughout the year, crystalizing Fair Labor's commitment to encourage and facilitate enforcement of wage theft throughout the state.

To date, more than $2.3 million in stolen wages have been recovered through the efforts of the private attorneys who partner with us in this effort.

Financial Data

Amounts Recovered (General fund):
Penalties: $22,390,438.91 (assessed)
Restitution: $9,350,375.25 (assessed)
Settlements/judgments:
Fees: $18,162.50
Other Recoveries: N/A

Amounts Recovered (for consumers): $17,320,457.44 (includes restitution & penalties)

Important Statistics and Numbers

Number of cases opened: 1,357
Number of cases closed: 1,390

Comment letters joined/filed:

- In January 2023, the U.S. Department of Homeland Security (DHS) announced the expansion of a program that allows state labor enforcement agencies like Fair Labor to issue "statements of interest" supporting requests by eligible immigrants for "deferred action" protecting them from deportation proceedings for two years when they are witnesses or victims in wage and hour investigations. Fair Labor has been a leader in this space. In the past fiscal year, Fair Labor has provided over 30 "statements of interest" in support of such requests. The active participation in our investigations of immigrant workers who have been victims of wage theft and other violations is vital to the success of such cases and the enforcement of our state's wage and hour laws, but without temporary protection against deportation during such an investigation, workers are understandably fearful of exposing themselves, of being reported to immigration authorities by employers seeking to retaliate against them, and of being deported.

- At the beginning of July 2024, Fair Labor, along with the Illinois Attorney General's Office and the Seattle Office of Labor Standards, spearheaded a coalition of 27 labor enforcement agencies, including state attorneys general and other state and local entities, in calling on DHS to extend the protection period of the Deferred Action Program for noncitizen victims and witnesses of labor violations from the current two years to a minimum of four years. Many of Fair Labor's investigation and enforcement proceedings take longer than two years to reach a resolution, and worker witnesses and victims losing their protection against deportation during that time can seriously jeopardize investigations and result in employers who break the law and steal from their employees going unpunished.

- Public Comments on U.S. Department of Labor's regulation to make more workers eligible for Overtime Pay. In 2019, the U.S. Department of Labor (DOL) decreased the "salary threshold" for the overtime exemption from $913 per week to $684 per week. That meant that salaried employees who earned as little as $35,568 a year were ineligible for overtime. In September 2023, the DOL published proposed changes to the federal overtime regulations. Most importantly, DOL proposed to increase the salary at which the overtime exemption starts, from $684 per week to $1,059 per week, which is equivalent to $55,068 per year. It also proposed to automatically increase this amount every three years to help keep pace with inflation. This change would make millions of previously exempt workers eligible for overtime pay. This is important to Massachusetts because

while our state has its own overtime law, that law also uses the federal exemption threshold to determine who is not eligible for overtime. Fair Labor co-led an effort with other state Attorneys General Offices to submit public comments to the DOL in support of the change. In the end, 14 states, including the District of Columbia, signed on to our comments. In April, the DOL finalized these new regulations, the first stage of which went into effect on July 1, 2024.

- In August 2022, the Inflation Reduction Act (IRA) was signed into law. Pursuant to this Act, developers of clean energy projects like solar energy and offshore wind facilities are eligible for additional tax credits if they satisfy certain prevailing wage and apprentice requirements. On December 1, 2022, this office, along with 12 states, the California Air Resource Board, and one district attorney's office, filed a letter with the Internal Revenue Service (IRS) and Department of the Treasury in response to its request for comments which included several suggestions to bolster accountability and enforcement of the prevailing wage provisions. Unfortunately, the proposed rule pertaining to the prevailing wage provisions did not incorporate our suggestions and largely rejected contemporaneous reporting. In response, this office, along with 13 other states, filed another comment letter stressing the need for a more robust enforcement regime and the importance of employers providing notice to workers that they are eligible for prevailing wages under the IRA.

- In February, AG Campbell joined the Attorneys General of Arizona, Colorado, Connecticut, the District of Columbia, Illinois, Maine, Maryland, New Jersey, New York, and Pennsylvania in petitioning the Occupational Safety and Health Administration (OSHA) to issue an emergency temporary standard for occupational heat exposure to protect workers from serious risk of injury and death. Viewing occupational heat exposure as an issue of environmental and racial justice, as people of color and low-wage workers are disproportionately burdened by heat stress in the workplace, extreme heat is the weather hazard that causes the most deaths each year in the U.S. OSHA concurred with the concerns expressed by these Attorneys General about the need to protect workers from hazardous heat exposure and advised that they were developing a permanent standard as expediently as possible while, in the meantime, increasing enforcement activity. On July 2nd, OSHA released a Notice of Proposed Rulemaking for Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings. The proposed rule, if finalized, will protect millions of workers from the significant health risks of extreme heat. AG Campbell was pleased to have both her Fair Labor and Environmental Protection Divisions work together on this national advocacy.

Division/Unit Specific Statistics:

Total Citations and Assessments 1,252
Total Restitution $9,350,375.25
Total Penalties $22,390,438.91
# of Employees Impacted 40,066
Tax Liens Recorded for Unpaid Citations 150
Site Inspections (enforcement capacity) 27
Compliance visits (non-enforcement capacity) 206

Community Engagement statistics
Number of Hotline Calls Received (break down by topic at a high level) 11,693
Number of on-line complaint forms received (break down by topic at high level): 7,114
Number and type of external events and trainings: 133

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, through IFSD's Student Loan Assistance Unit, student loans.

Significant Achievements & Priorities for FY2024

IFSD engaged in a variety of projects and initiatives in FY23-24, ranging from insurance rate reviews to actions against unfair debt collection practices and failures to abide by certain pricing protocols and fee caps. 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:

1. *Workers' Compensation/Auto Insurance Rate Reviews & Auto Lending*
IFSD litigates in the public interest to oppose excessive workers' compensation insurance rates. These efforts led to a rate reduction at the start of FY23-24 saving Massachusetts customers over $130 Million. During the course of the fiscal year, IFSD litigated to reduce rates even further. After a full administrative rate trial, the Commissioner determined rates should be rolled back by an additional $90 Million in savings for thousands of small businesses and other workers' compensation policyholders, which, if upheld on appeal, will apply during the next fiscal year. In addition, through IFSD's intervention in several auto insurance rate filings, IFSD obtained

millions in additional savings for Massachusetts drivers. Furthermore, IFSD's investigation into auto lenders' misleading practices regarding consumer rights to collateral secured over $11 Million in combined cash recoveries and debt relief.

2. *Enforcement of Rules Regarding Pricing Protocols*

In Fiscal Year 2024, IFSD continued its review of entities' failure to follow workers' compensation prescription procedures designed to keep prices down in the Massachusetts workers' compensation system. As part of this review, IFSD settled with Injured Workers Pharmacy, LLC and Maxi Drug, Inc., resulting in $4.3 Million in cash recoveries. Additionally, IFSD entered into Assurance of Discontinuances with Grubhub Inc. and Delivery Express Corporation, regarding the delivery service platforms' exceedance of the statutory fee cap put in place during the COVID-19 public health emergency, bringing in over $3.5 Million for affected restaurants and the state.

3. *For-Profit Schools and Student Debt*

IFSD also completed more cases relating to for-profit schools and student debt, including our resolution with Nelnet, Inc. for its failures to properly inform borrowers about their access to affordable payment plans. Under the terms of the settlement, the major student loan servicer paid $1.8 Million to the state, agreed to comply with communication requirements, and implemented changes to their business practices to better assist borrowers with making payments. In addition, IFSD obtained over $500,000 in combined restitution and savings via its settlement with ISA Plus, LLC, the purchaser of certain student financing agreements originated by Prehired, LLC, an operator of for-profit educational programs. Furthermore, IFSD engaged in advocacy with the U.S. Department of Education (Department) on behalf of student debtors. For instance, we wrote to the Department and requested the discharge of federal loans issued to Massachusetts borrowers who enrolled in for-profit schools operated by Premier Education Group, L.P. IFSD also sent a letter asking the Department to extend the deadline by which Massachusetts borrowers who attended the now-closed Bay State College could seek a closed school discharge of their loan debts. Additionally, IFSD successfully secured nearly $81 Million in loan discharges for Massachusetts students who attended New England Institute of Art and Kaplan University. Finally, in an extensive outreach effort, IFSD hosted 39 live webinars regarding Public Service Loan Forgiveness and Income-Driven Repayment to assist federal student loan borrowers.

<u>Significant Litigations</u>

1. *Workers' Compensation Insurance*

Seeking to roll back workers' compensation insurance rates, IFSD sought rate reductions in an administrative rate trial. After a full trial, the Commissioner of Insurance reduced rates by an average of 14.6%. An appeal by the industry is ongoing before the Supreme Judicial Court. If

the reduction is upheld, the savings will be provided to customers during the following fiscal year.

2. *Grubhub*

After filing suit against food delivery platform Grubhub, IFSD won summary judgment against the company for its failures to follow Massachusetts' delivery fee cap in effect during the COVID-19 pandemic. During Fiscal Year 2024, we settled the litigation and Grubhub agreed to pay over $3 Million to impacted restaurants and the Commonwealth.

3. *Cryptocurrency Fraud Enforcement*

IFSD took action against various cryptocurrency scams during Fiscal Year 2024, filing suit against fraudulent cryptocurrency platforms, including StakeSecured, BitFreds, CoinAssetCorp, and CreditCoin. These faux platforms lured consumers into investing funds, showed the consumers pretend profits, and then extracted more monies as part of the scams. IFSD obtained a judgment against CreditCoin during Fiscal Year 2024, recovering $58,143 in combined restitution, penalties, and attorneys' fees. We also sent cease and desist letters to several internet hosts of fraudulent cryptocurrency websites, including OKX Glove and Aidae Coin, terminating the operation of these misleading sites.

Significant Policy Achievements/Policy Advocacy

1. *Auto Insurance Disparities*

Alongside P&G, IFSD continued its efforts regarding the disparate impact of insurance rates on poor communities and communities of color, including reviewing potential legislation and meeting with legislative staff.

2. *Home Insurance and Long-Term Care Insurance*

IFSD, with P&G, engaged in discussions with Senator Brownsberger and his staff regarding the home insurance and long-term care insurance markets and the mechanisms and tools available to prevent excessive consumer rates.

Constituent Success Stories

Help with the Payment Count Adjustment for Public Service Loan Forgiveness (PSLF) and Income-Driven Repayment (IDR)

- IFSD's Student Loan Assistance Unit (SLAU) helped a public service worker consolidate her federal loans into the Direct Loan Program to benefit from the Payment Count Adjustment for Public Service Loan Forgiveness (PSLF). The servicer made multiple mistakes during the consolidation process (including doubling the consolidation loan balance at one point) and as a result only one of her two loans

was forgiven; however, through the SLAU's advocacy, the borrower's other loan was ultimately forgiven resulting in a total of $52,385 in forgiveness.

- IFSD's SLAU assisted a senior couple, who had received a letter from the SLAU about the opportunity to consolidate for the Payment Count Adjustment for IDR. IFSD's SLAU helped the borrower fill out the consolidation application, then identified an error made by the servicer during the consolidation process and got it corrected, ensuring that all the borrower's remaining loans were included in the consolidation. The couple received notice that their remaining $35,231 federal loan balance was forgiven.

- IFSD's SLAU helped a public school teacher consolidate her federal loans into the Direct Loan Program and guided her through the employment certification process, which resulted in forgiveness of her $58,163 federal loan balance through the Payment Count Adjustment for PSLF.

- IFSD's SLAU helped a government worker of 20+ years to consolidate strategically to benefit from the Payment Count Adjustment for PSLF, resulting in forgiveness of the borrower's entire $124,668 balance.

Help with Student Loan Disability Discharges

- IFSD's SLAU persuaded a private lender to discharge a $23,900 loan owed by a terminally ill borrower despite her lack of a Social Security Disability award, which the lender normally requires to grant a disability discharge.

- IFSD's SLAU helped another disabled borrower who had been struggling for years to afford federal loan payments to apply for and receive a Total and Permanent Disability Discharge of her remaining $34,162 federal student loan balance.

- IFSD's SLAU helped a student loan borrower obtain a discharge for her $57,000 private student loan due to disability.

Help with Insurance

- After receiving a hotline call from a 90-year-old claimant regarding an auto insurer's low-ball offer for a total loss vehicle, IFSD's Insurance & Investment Mediation Program discovered several important inaccuracies in the total loss valuation report. As a result, the insurer agreed to pay an additional $5,218 to the claimant.

- After an elder allowed her adult son to drive her car to pick up a take-out dinner, an accident occurred. The elder's insurer denied the claim on the basis that the elder's son was not listed on her insurance policy. IFSD's Insurance & Investment Mediation Program persuaded the insurer to reverse its denial since the son did not reside in the elder's household, resulting in an $8,900 claim payment.

- After an auto insurer failed to add physical damage coverage that had been requested by the policyholder, IFSD's Insurance & Investment Mediation Program persuaded the insurer to provide coverage for a subsequent total loss accident, resulting in a $24,217 claim payment.

- IFSD's Insurance & Investment Mediation Program helped a homeowners insurance policyholder obtain a $7,278 refund from an insurer. The mortgage servicer had disbursed the premium payment after a new, less expensive policy had been secured by the policyholder with a different insurer.

- After a storm toppled a chimney and caused substantial damage to a family's home, the family's force-placed insurer offered only a fraction of necessary repair costs and closed the claim file. The family, including a grandmother, her daughter, and her young granddaughter, was left homeless. IFSD's Insurance & Investment Mediation Program persuaded the insurer to reopen the claim, and helped coordinate between the contractor, homeowner, and insurer to get the home fully repaired. Ultimately, the insurer paid $97,000 for the repairs (it had originally tried to close out the claim for $10,000).

- IFSD's Insurance & Investment Mediation Program helped a homeowner rectify problems with lapsed insurance coverage and a force-placed policy that had resulted from a mortgage servicer's failure to disburse escrowed insurance premiums, resulting in cancellation of $5,705 in force-placed insurance charges and a $1,375 refund.

- After a life insurance claimant sought help following two years of unsuccessful attempts to pursue a claim, IFSD's Insurance & Investment Mediation Program helped the claimant secure payment of a $12,153 death benefit.

- IFSD's Insurance & Investment Mediation Program helped a veteran's family secure a $3,500 claim payment from a Veterans Affairs life insurance policy after nearly a year of waiting and receiving conflicting information.

- A term life insurance policyholder sought help after falling behind on mortgage payments because of unexpected bank account drafts for life insurance premiums. Through IFSD's Insurance & Investment Mediation Program advocacy, the policyholder, whose policy had renewed at a rate almost 10 times the original premium, received a $2,165 refund for the four months of drafted premium payments.

Help with Investment Products

- After an investor's account was hacked, her stocks liquidated, and her funds transferred to the hacker's account, IFSD's Insurance & Investment Mediation Program persuaded the brokerage firm to refund the $2,900 in fraudulent transfers.

- After a senior complained that money she needed for retirement had been locked up in an unsuitable annuity by an investment advisor, IFSD's Insurance & Investment Mediation Program persuaded the company to unwind the sale and waive the surrender fee, resulting in the release of $40,320.

- IFSD's Insurance & Investment Mediation Program helped get $89,800 rolled over between retirement accounts after the assets had been in limbo for a year and a half.

- IFSD's Insurance & Investment Mediation Program intervened to facilitate the transfer of $200,000 in Bitcoin that had been frozen in an investor's account, and which the investor had been unable to move or access for months.

Financial Data

Amounts Recovered Relating to Consumers: $341.98 Million

Amounts Deposited in the State Treasury:

- Payment to the State's General Fund: $1.26 Million
- False Claims: $2.49 Million
- Fines/Penalties: $200,000

Case Statistics

- Number of cases handled: 30

- Amicus briefs filed/joined: 6
- Comment letters joined/filed: 7

Community Engagement

IFSD, via multiple hotlines and mediation programs, helps Massachusetts consumers navigate a variety of complicated financial issues and disputes with lenders, brokers, and other financial institutions. Together, IFSD's mediation programs recovered $2,436,880 and generated $3,406,926 in savings for complainants.

Number of Hotline Calls Received:

- Insurance & investment & settlement inquiries: 1,954
- Student lending inquiries: 3,908

Number of on-line complaint forms received:

- 2,800 covering issues including auto, home, life, and travel insurance; annuities and investment accounts; forced-placed insurance and mortgage escrow; and student loans.

Disseminated Guides and Written Materials:

- Student Loan Repayment Guide at mass.gov/ago/studentloans.
- Time-Limited Student Loan Forgiveness guides for government and nonprofit workers, teachers, and borrowers with privately owned federal loans on mass.gov website.
- MBTA ads to promote AGO webinars for limited-time student debt relief initiative; mass mailing to nearly $38,000 borrowers with privately owned federal loans to alert them to the need to consolidate to receive a historic debt relief opportunity called the payment count adjustment for Income-Driven Repayment and Public Service Loan Forgiveness.
- Brochures for federal loan borrowers pursuing Public Service Loan Forgiveness distributed to local nonprofits and municipalities.
- Cryptocurrency Scam Advisory webpage on mass.gov.
- Brochures about how to spot and avoid cryptocurrency scams, and information for victims of these scams. Translated into Spanish, Chinese, and Russian.

Trainings/educational events where your division has presented or hosted.

- External Events
    - Number: 51
    - Type: IFSD participated as board member in public Merit Rating Board meetings; Live webinars for federal student loam borrowers regarding debt relief through

the U.S. Department of Education's Payment Count Adjustment for Public Service Loan Forgiveness (PSLF) and Income-Driven Repayment (IDR); Presentations at workers' compensation insurance administrative rate case hearings; Panelists for an AARP scam prevention information session
    - Community Members Engaged: Consumers, industry participants, state regulators, and over 4,000 student loan borrowers via the IFSD's Student Loan Assistance Unit webinars.

- Internal Events
    - Number: 12
    - Type: Presentations regarding cryptocurrency enforcement, ethical practice for attorneys/paralegals, auto insurance, and auto premium disparities
    - Community Members Engaged: Paralegals, support staff, and lawyers