

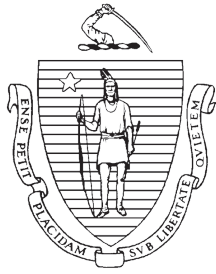
Report of the Attorney General for Fiscal Year 2019



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL

MAURA HEALEY

PUBLIC DOCUMENT No. 12



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ATTORNEY GENERAL

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In accordance with the provisions of Section 11 of Chapter 12 of the Massachusetts General Laws, I hereby submit the Annual Report for the Office of the Attorney General. This Annual Report covers the period from July 1, 2018 to June 30, 2019.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ma Healey".

Maura Healey
Attorney General

The Attorney General's Office

The Executive Bureau

Budget Division
Communications Division
Community Engagement Division
General Counsel's Office
Human Resources Division
Information Technology Division
Law Library
Office of the State Solicitor
Operations and Support Services Division
Policy & Government Division
Central Massachusetts Regional Office
(Worcester)
Southeastern Massachusetts Regional Office
(New Bedford)
Western Massachusetts Regional Office
(Springfield)

The Criminal Bureau

Appeals Division
Digital Evidence Lab
Enterprise, Major, & Cyber Crimes Division
Financial Investigations Division
Gaming Enforcement Division
Human Trafficking Division
White Collar & Public Integrity Division
 Insurance and Unemployment Fraud Unit
Victim/Witness Services Division
State Police Detective Unit

Energy and Environment Bureau

Energy and Telecommunications Division
Environmental Crimes Strike Force
Environmental Protection Division

Government Bureau

Administrative Law Division
Municipal Law Unit
Open Government Division
Trial Division
 Abandoned Housing Initiative

Health Care and Fair Competition Bureau

Antitrust Division
False Claims Division
Health Care Division
Medicaid Fraud Division
Non-Profit Organizations/Public Charities Division

Public Protection and Advocacy Bureau

Civil Investigations
Civil Rights Division
 Child and Youth Protection Unit
Consumer Advocacy & Response Division
Consumer Protection Division
Fair Labor Division
Insurance and Financial Services Division

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EXECUTIVE BUREAU

The Executive Bureau provides administration, public information, and policy development support for the Attorney General's Office (AGO), as well as operational support, information technology, human resources, and fiscal management services. Executive Bureau leadership includes the First Assistant Attorney General, the Chief Deputy Attorney General, and the Chief of Staff. Divisions within the Executive Bureau include: General Counsel's Office; Policy and Government; Community Engagement; Information Technology; Human Resources; Communications; Budget; Operations and Support Services, and the Law Library.

General Counsel's Office

The primary responsibility of the General Counsel's Office (GCO) is to provide legal assistance and operational support to the Attorney General, Senior Management, Executive Bureau, and the office as a whole.

Specifically, the GCO provides legal assistance with employment, ethics, and conflicts of interest issues; assists in the development and implementation of office policies and procedures; works with the Human Resources Division to ensure best employment practices; ensures that all staff members comply with G.L. c. 268A; coordinates the AGO's appointments to state boards and commissions; manages the AGO's responses to public records requests; and runs the AGO in-house legal training program known as "AG Institute."

The GCO also manages the library and eDiscovery teams.

The General Counsel's Office reports to the First Assistant Attorney General.

Fiscal Information

While the General Counsel's Office (GCO) is technically not a revenue-producing division, the GCO is instrumental in identifying ways in which the AGO can save money by encouraging sound business practices. For example, the GCO has been instrumental in 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.

Important Statistics and Numbers

AG Institute:

In FY2019, the AG Institute conducted 40 informal programs for AAsG, filling approximately 1,331 seats. The AG Institute also conducted 3 New Employee Orientations, training a total of 103 new employees. These programs facilitated AAsG in meeting the AGO's continuing legal education requirements.

Boards and Commissions:

In FY2019, there were a total of 25 new Boards & Commissions Appointments and 5 Boards & Commissions Reappointments.

Public Records Requests:

In FY2019, the AGO received 743 public records requests, a 13.2% increase in the number received in FY2018. Of the total received, 414 were handled by the GCO while the remainder were handled by division public records officers with the support of the GCO. Members of the press filed 104 of these requests. In total, 26 public records requests were appealed to the Supervisor of Records.

Review of Legal Services:

In FY2019, the GCO reviewed 33 Legal Services Contracts and provided substantial assistance to agencies' retention of outside legal counsel.

Special Assistant Attorneys General (SAAsG):

In FY2019, there were a total of 46 new SAAG Appointments, 19 amended SAAG Appointments, and 2 vacated SAAG Appointments.

Community Engagement Division

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

Significant Achievements & Priorities for FY2019

In FY2019, CED organized over 250 events and trainings and engaged directly with nearly 20,000 community members across the state.

CED, also, assisted other bureaus and divisions as a community resource on several investigation and litigation matters, CED also provided resources to the communities affected by events such as the travel ban, Merrimack Valley gas explosion, and numerous environmental and consumer fraud matters.

Main Projects

The People's Law Firm Outreach Day Summits in Worcester and New Bedford brought together nearly 200 service providers from over 150 organizations for a deep overview of our actions to assist immigrants; wage theft enforcement and outreach for workers; student loan assistance; and consumer protection through free debt collection legal clinics. At these half-day summits, service providers learned about the work of the AGO, as well as how they could use our services to assist clients, members and students served by their organizations.

We launched a Monthly Webinar Series on multiple issues, in partnership with divisions across the AGO, including non-profits/charities, consumer protection, fair labor, and civil rights. The webinar series is intended to give service provider organizations and representatives another way to receive resources and information from our office. In total the webinar series has served 355 service provider representatives, with an average of 39.4 attendees per webinar. Webinar Topics included Identity Theft and Scams Prevention; Consumer Protection (as a part of National Consumer Protection Week); Workers' Rights; Immigration Scams Prevention; Landlord-Tenant Rights and Responsibilities; and Non-Profit Solicitation & Wise Giving Tips.

CED was instrumental in reorganizing and bringing new members to the AG's Advisory Councils on Racial Justice & Equity and New Americans to strengthen the office's connections to immigrant communities and communities of color. The Councils facilitate open communication between racial minority leaders and the Attorney General's Office regarding issues affecting racial and ethnic minority residents and how the AG's Office can work to improve their lives. In FY2019, Council members served as partners and resources in many matters, including the travel ban, DACA, and census. In FY2019, CED distributed AGO Advisory bulletins to schools and health centers regarding ICE's ability to access personal information.

In partnership with the Fair Labor Division, CED hosted Wage Theft Clinics, where nearly 400 workers to attend clinics, where they received free legal assistance in their Wage Theft court action from a variety of legal service providers and private bar attorneys. In addition, these workers met with representatives of Workers' Centers and learned about other services of the AGO. Workers attending Wage Theft Clinics in FY2019 recouped \$293,000 in lost wages.

Access to Justice Clinics, in partnership with the Consumer Protection Division, connected consumers who had been sued over a debt with legal aid to defend themselves in Boston (BMC), Dorchester, Roxbury and New Bedford District Courts. In FY2019, a total of 1721 consumers were contacted by CED, with 730 appearing in court and avoiding a default judgment (42.4% appearance rate), up from 20% appearance rate before our project. These 730 consumers have collectively saved \$379,898.37, and the savings per attendee was \$520.41.

Grants Management

In October 2018, AG Healey and her Fentanyl Strike Force were awarded a \$3 million grant to expand efforts to combat the opioid epidemic and disrupt drug and fentanyl trafficking throughout Massachusetts and New Hampshire. The AG's Office won this grant from the U.S. Department of Justice's Community Oriented Policing Services Anti-Heroin Task Force grant program. The office was one of just 17 proposals funded nationally and the only awarded in New England.

The AGO aided the Volunteer Lawyers Project in their effort to secure a Pro Bono Innovation Fund Grant of over \$300,000 that now helps fund the work of the Debt Collection and Wage Theft Clinics programs.

The AGO's Healthy Summer Youth Jobs program funded summer youth jobs to over 100 youth workers. CED and FLD provided worker's rights trainings and assistance to over 400 youth

Policy & Government Division

The Policy & Government Division assists in the development and advancement of Attorney General Maura Healey's policy and legislative priorities. These initiatives focus on ensuring all Massachusetts residents have access to equal treatment under the law, a healthy environment, affordable health care, a transparent and open government, safe neighborhoods, and protection from abusive practices in the marketplace. Additionally, the Division articulates the office's positions on legislation under consideration in the Massachusetts Legislature and U.S. Congress. The Division responds to inquiries from members of the congressional delegation, state legislators, executive agencies and local officials made on behalf of their constituents, and helps those constituents access resources within the office.

Significant Achievements

Legislation

The Legislature concluded formal sessions on July 31, 2018. The Division was pleased to work on several initiatives that became law.

- As part of the Attorney General's ongoing commitment to passing common sense gun reforms, the Division supported "Extreme Risk Protection Order" legislation. Signed into law on July 3, 2018, this allows an individual to petition a court to suspend a person's access to firearms if they demonstrate a risk of harm to themselves or others.
- A comprehensive bill to address the opioid epidemic included a provision proposed by the office that prohibits manufacturers of brand-name, Schedule II opioids like OxyContin and Zohydro from using copay coupons to promote their drugs and boost sales. The AG's lawsuit

against Purdue Pharma showed that the company considered its copay savings programs a critical component of its strategy to increase sales and as among the company's most profitable marketing tools for OxyContin.

- On January 10, 2019, Gov. Baker signed into law a bill that prohibits gender discrimination in disability insurance policies. The Division represented the office on a legislatively-created working group that was instrumental in helping the bill advance to the Governor's desk. The office had supported the bill in previous legislative sessions.
- On January 10, 2019, Gov. Baker signed into law a bill responding to the September 2017 data breach at Equifax, wherein the consumer reporting agency announced that the social security numbers and other sensitive data of nearly three million Massachusetts consumers was exposed. The Division worked with the Consumer Protection Division and key legislators on the proposal. The final bill codifies in state law the right of a consumer to obtain a free credit freeze, gives new tools to the office and requires businesses and consumer reporting agencies to provide free credit monitoring in certain circumstances.
- The Division led the office's advocacy in support of legislation that removed outdated and unconstitutional restrictions on access to reproductive health care. The bill, An Act negating archaic statutes targeting young women, was signed into law in July 2018.
- A bill establishing an automatic voter registration system in Massachusetts became law in August 2018. The AG submitted written testimony and participated in public advocacy events in support of the legislation, which would create an "opt-out" system of automatically registering citizens to vote when they interact with the Registry of Motor Vehicles and other key state agencies.

In January 2019, the Division led the rollout of AG Healey's legislative agenda. These initiatives would create a regulatory structure for bodyworks practices to prevent criminals from using these businesses as fronts for human trafficking, ban new competitive electric supply contracts, allow the Fair Labor Division to file civil cases in Superior Court, extend the availability of the statewide grand jury, protect the confidentiality of information contained in a crime victim's compensation application and restrict the sale of pesticides that harm honeybees and other pollinators.

AG Healey also expressed her support for issues related to the health and wellbeing of children and adolescents. She testified in support of the SAVE Students Act, a measure to bring violence prevention and mental health programming to every Massachusetts school district. AG Healey also submitted written testimony to the Legislature's Joint Committee on Education for a legislative update to the funding formula for K-12 public schools.

As other states and the federal government have intensified their efforts to limit access to reproductive health care, the Attorney General testified in support of the ROE Act. The ROE Act codifies reproductive freedom into state law and improves access by removing unnecessary and burdensome provisions that often function to delay or deny care. AG Healey also testified in support of Election Day registration, in order to increase voter participation and strengthen our democracy.

Additional Projects

Combating the opioid epidemic remains a top priority for the Attorney General. After the office sued Purdue Pharma and its board members and executives in June 2018 for misleading prescribers and consumers about the addiction and health risks of their opioids, the Division helped to construct and lead an Advisory Council. The Council will ensure that families and partners directly impacted by the opioid epidemic can share their perspective on an appropriate remedy in the litigation. The Council

will also provide strategic input and feedback as the case moves forward. The Division continues to be a point of contact for family members who have been directly impacted by the opioid epidemic, ensuring that their voices and experiences inform the office's advocacy and litigation surrounding this public health crisis.

In September 2018, the AG's Office received a \$1 million grant from the Department of Justice to work with Sandy Hook Promise to provide evidence-based violence prevention and mental health training to approximately 140,000 students grades six through twelve across 50 school districts in the next three years. The AG's Office has been working over the past year to plan the implementation of three trainings through Sandy Hook Promise's Know the Signs Program: (1) Start With Hello, which trains students to notice social isolation in their school and communities and reach out to help; (2) Say Something, which trains students to pay attention to warning signs, signals, and threats, and communicate concerns with a trusted adult; and (3) Signs of Suicide, which teaches students to recognize the symptoms of depression and suicide and to tell a trusted adult if they observe signs or symptoms in a peer or themselves. In Spring 2019, the AG's Office and Sandy Hook Promise began providing Start With Hello trainings to participating school districts and will continue to provide trainings for all three programs in subsequent school years.

The Division continued to oversee the design, management and implementation of Project Here, an initiative funded by the Office and the GE Foundation to make substance use prevention education available to all public middle schools in Massachusetts. Project Here was expanded to include information about vaping and other forms of electronic cigarettes. In September 2018, the AG's Office and the GE Foundation unveiled Project Here Games and announced the Project Here Grant Program awardees. Project Here Games, developed in partnership with FableVision Studios, is an innovative web-based game to teach students about healthy choices, peer pressure, substance use and coping with stress. The Project Here Grant Program awarded nearly \$450,000 to school districts across the state to fund evidence-based substance use prevention curricula. In February 2019, Project Here Games was selected as a Parents' Choice Foundation 2019 Gold Award winner. In March 2019, Project Here hosted its first Substance Use Prevention Educators' Summit, which brought together approximately 200 school administrators, teachers and community partners to learn about Project Here resources and best practices in substance use prevention. By July 2019, over 300 middle schools had registered with Project Here and received access to the Online Toolkit and Project Here Games.

Office of the State Solicitor

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

Central Massachusetts Regional Office

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

Significant Achievements & Priorities for FY2019

During FY2019 the CMAS Office increased its focus on local fair labor issues and increased its fair labor division staffing. The Office also added staff from the Criminal Bureau's State Police Detective Unit and Digital Evidence Lab.

Significant Cases

The following FY2019 Office cases involved staff from and/or locations served by the Central Massachusetts Regional Office:

- A Sturbridge home health owner with an office in Worcester was convicted after a 10-day trial and sentenced to two-and-a-half years in jail for stealing \$2.5 Million from MassHealth.
- A Shrewsbury property owner and a Sutton based asphalt contractor were sued for allegedly causing a dangerous explosion and fire that released hazardous material and fumes during the demolition of a storage shed.
- 10 Central Massachusetts residents, along with a New York resident, were arrested in a joint state, federal and local takedown of a major opioid trafficking operation in Worcester.
- A national nursing home company agreed to pay the state \$75,000 and to make improvements in a wastewater treatment plant at the company's Littleton nursing home.
- A Shrewsbury resident who owned a Worcester autobody shop was indicted in connection with a motor vehicle fraud scheme in which he damaged vehicles, falsely inflated vehicle repair estimates, and stole \$170,000 from 11 different insurance companies.
- A nursing home in Westborough agreed to pay money and institute reforms to resolve allegations of improper patient care.
- A Hopkinton wedding equipment rental company agreed to pay nearly \$40,000 in restitution and penalties to 15 employees to settle allegations that it violated state wage and hour laws and made unlawful deductions from employee paychecks.
- A Worcester home health company agreed to pay more than \$272,000 in restitution and penalties, including compensation for 240 current and former employees, to settle allegations that it failed to pay workers travel time and keep true and accurate payroll records.
- A Worcester man pled guilty in Worcester Superior Court and was sentenced to state prison for trafficking fentanyl and heroin.
- Two Worcester-based contractors agreed to pay \$195,000 to settle allegations that they engaged in or allowed illegal asbestos work during the renovation of two multi-family homes in Worcester.

- A Worcester-based medical center and a Worcester-based physician practice group agreed to pay \$230,000 and institute reforms arising out of claims that two separate data breaches exposed the personal and health information of more than 15,000 Massachusetts residents.
- A Hopkinton-based charity agreed to institute governance reforms following allegations of financial mismanagement.

Southeastern Massachusetts Regional Office

The Attorney General's Southeastern Massachusetts Regional Office ("SEMA") serves Bristol, Plymouth, Barnstable and Dukes Counties. Its staff primarily handle matters from the Fair Labor, Administrative Law, Trial, Consumer Advocacy and Response, Consumer Protection and Insurance and Financial Services Divisions.

Significant Achievements & Priorities for FY2019

In keeping with SEMA's mission to bring the resources of the Attorney General's Office into the Commonwealth's southeastern communities, the Office regularly participates in area outreach events coordinated through the Community Engagement Division. One of the major Fiscal Year 2019 events was the People's Law Firm Outreach Day in New Bedford. This event was attended by numerous local service providers who were educated on AGO resources that can be utilized to assist the communities they serve. Other trainings conducted by SEMA office staff during the year addressed topics including scams and identity theft, workers' rights, landlord-tenant rights and wage theft issues.

Significant Cases

Commonwealth v. F&R Auto Sales, Inc. and Francis Correiro, In November 2018, the Court entered a consent judgment settling the AGO's 2016 lawsuit against F & R Auto Sales, Inc. and its owner, Francis R. Correiro. The litigation grew out of a litany of consumer complaints the AGO had received over a period of years regarding the dealership and its practice of selling unsafe and defective used cars, providing consumers with car purchases and finance contracts that did not contain information required by state law and failing to provide consumers with the required warranty. The consent judgment permanently enjoins Correiro from selling unsafe and defective cars; misrepresenting any material facts about cars; selling cars without performing pre-sale safety checks on cars; providing warranty information required under law; executing and transferring titles consistent with the law; completing and providing consumer with proper Motor Vehicle Purchase Contracts and Retail Installment Sales Contracts and protecting personal information of consumers. It also requires Correiro to notify the AGO if he ever again participates in the sale of used cars. The matter was settled for \$500,000; \$400,000 in restitution, \$50,000 in civil penalties, and the final \$50,000 in penalties suspended for three years pending Correiro's compliance with the terms of the consent judgment.

Commonwealth v. Russell Pond, Inc., The AGO brought an enforcement action by and through the Department of Conservation and Recreation ("DCR") against Russell Pond, Inc. ("RPI"), the owner of a dam located in Kingston. The dam is an earthen structure dating back to colonial days and impounding water to create Russell Pond. Pursuant to G. L. c. 253, s. 46, RPI was obligated to file inspection reports regarding the condition, safety, and adequacy of the dam with DCR. RPI did not do so and failed to respond to DCR's attempts to get it to address the unsafe condition of the dam. A bench trial was held in January 2018, and a decision was issued in favor of the Commonwealth. The judgment ordered RPI to conduct inspections of the dam, repair or breach it, and to reimburse the Commonwealth \$58,837.42 for expenditures it undertook to inspect the dam. It further ordered RPI to pay \$285,000 in fines to DCR.

SEMA's Abandoned Housing Initiative ("AHI"): The AHI team uses the enforcement authority of the State Sanitary Code to address those properties that area communities have identified as being abandoned and having serious health and safety code violations. In Fiscal Year 2019, the SEMA AHI team was able to achieve a successful outcome on many of these properties throughout the region.

- **51 Statler Avenue, Somerset:** This single-family Somerset home had been vacant for several years. In October 2018, the court appointed a receiver. Within six months, all health and safety code violations had been addressed. The home is now occupied by its new owners.
- **248-248 Mt. Pleasant Street, New Bedford:** This three-family property was identified as a receivership candidate through a collaborative effort between AHI and the City of New Bedford. It had been vacant and abandoned for many years. The receiver was able to address the numerous health and safety code violations and, after being the high bidder at the foreclosure auction, sold the property to a private party.

Fiscal Information

SEMA's total fiscal recoveries/revenues/savings have already been captured and reported with information submitted by the Administrative Law, Trial, Fair Labor, Consumer Protection, Consumer Advocacy and Response and Insurance and Financial Services.

Important Statistics and Numbers

SEMA's statistics and numbers have already been captured and reported with information submitted by the Administrative Law, Trial, Fair Labor, Consumer Protection, Consumer Advocacy and Response and Insurance and Financial Services.

Western Massachusetts Regional Office

The Western Massachusetts Regional Office ("WMAS") of the AGO was the first regional office and remains the largest regional office in Massachusetts. WMAS has approximately 35 employees representing nearly every bureau, division, and initiative of the AGO, including Abandoned Housing Initiative, Administrative Law, Trial, Civil Investigations, Civil Rights, Consumer Protection, Fair Labor, Medicaid Fraud, Criminal Appeals, Criminal Bureau (generally), Gaming Enforcement, Massachusetts State Police Detective Unit, Community Engagement, and Consumer Advocacy and Response.

Significant Achievements & Priorities for FY2019

During Fiscal Year 2019, the Western Massachusetts Regional Office continued to attain its mission of providing accessible AGO assistance and services to Western Massachusetts citizens in the four western counties: Berkshire, Hampden, Hampshire and Franklin. Notably, a Berkshire Liaison was added to the staff, to focus on Berkshire-specific initiatives and matters, representing the office at community events and meetings, and assisting area residents in connecting with the office and its services. In addition to providing direct constituent services in many areas, including civil rights, consumer protection, fair labor, Medicaid fraud, abandoned housing, and criminal matters, the WMAS staff participated in numerous outreach programs, established new relationships, and solidified ongoing relationships with partner agencies and law enforcement throughout a significant geographic area. Through the extensive work of the AGO's Community Engagement Division ("CED"), including WMAS's CED Working Group, WMAS effectively partnered with and outreached to the communities it serves across the four western-most counties.

WMAS continued to serve the Commonwealth in ways beyond its core casework and community outreach. For instance, members of WMAS attended regular meetings throughout the region with law enforcement, stakeholders, local officials, and community organizations. WMAS staff were also active participants in local bar associations, community organizations, and working groups, including: Hampden Bar Association, Hampshire Bar Association, Franklin Bar Association, Holyoke Safe Neighborhood Initiative, Western Massachusetts Chiefs of Police Association, Hampden County Quarterly Consultation for New Americans, Western Massachusetts Human Trafficking Investigative Working Group, Regional Reentry Task Force, Commercial Sexual Exploitation of Children Working Group, Western Massachusetts Security and Loss Prevention Group, Casino Investigative Working Groups, Commonwealth Attorneys Appellate Action Project, Massachusetts Digital Evidence Consortium, and High Impact Strike Force.

WMAS members represented the AGO as appointees or liaisons to various governmental bodies, including the Illegal Tobacco Task Force and the Board of Appeals on Motor Vehicle Liability Policies and Bonds. Division personnel also served on the AGO's Ethics Committee, Opioid Task Force, Parallel Proceedings Working Group, Community Engagement Working Group, Diversity and Inclusion Committee, Grant Review Committee, and Legislative Tracking.

WMAS conducted internal and external trainings on criminal and civil law, and offered assistance and expertise on case and policy matters throughout the office. Notably, its attorneys and staff organized or presented at seminars at the state, regional, national, and international level on various topics, including state defensive litigation, human trafficking, fair labor, Medicaid fraud, gaming enforcement, money laundering, federal habeas corpus jurisprudence, victims' rights, civil rights, and consumer protection. WMAS staff also regularly participated in moots for attorneys in various divisions.

Additionally, individuals in WMAS were active in recruitment, intern coordination, career advising, and youth education. They participated in career fairs, screened and interviewed intern applicants, provided trainings, and engaged with Just the Beginning – Pipeline Organization, which exposes youth to the practice of law. Further, several members were trained and served on AGO hiring and interview panels.

The WMAS team also hosted numerous AGO cross-division events, which promoted collaboration and coordination among our offices. For instance, staff from across the office frequented the WMAS office and presented in conjunction with regional staff on various topics, including representatives from the Gaming Enforcement Division, Community Engagement Division, Victim/Witness Services, Abandoned Housing Initiative, Public Protection and Advocacy Bureau, Consumer Advocacy and Response Division, Diversity and Inclusion Division, State Solicitor's Office, Community Engagement Division, Medicaid Fraud Division, Opioid Task Force, and Digital Evidence Lab, as well as, the Chief of Staff, Chief Legal Counsel, and First Assistant Attorney General.

Finally, during Fiscal Year 2019, WMAS further expanded its office space, and welcomed additional Massachusetts State Police Troopers, a Consumer Advocacy Response Specialist, a Gaming Enforcement Assistant Attorney General, and numerous legal and non-legal interns.

Initiatives

- WMAS Wage Theft Clinic, in conjunction with FLD and CRD
- Cross-division Farm Workers Project, in conjunction with CRD, CPD, FLD, and HTD
- FLD Child Labor Laws Training to Springfield Public Schools, in conjunction with FLD, CRD, and P&G
- AGO Paralegal Training in conjunction with AG Institute

Hosted and Organized Trainings

- NAGTRI Regional State Defensive Litigation Training
- Human Trafficking and Child Sexual Exploitation Investigative Networking Event
- Massachusetts Gaming Commission/GEU Training

MGM/Springfield

- GED successfully prepared for and handled opening of MGM/Springfield Casino
- In preparation for opening, team expanded by adding Assistant Attorneys General, Administrative Assistant, paralegal, and MSP troopers

Significant Cases

Zenon v. Guzman, An AAG represented the Massachusetts Trial Court in this decision affirming and clarifying judicial immunity in the First Circuit, and protecting the decisions of Commonwealth courts from circumvention through lawsuits in federal courts.

Commonwealth v. Sostre, An AAG successfully defended the appeal of a conviction previously secured by the Environmental Crimes Strike Force. Defendant Tommy Sostre was convicted of counterfeiting a motor vehicle inspection sticker and uttering a counterfeit motor vehicle inspection sticker. Sostre appealed, and the Massachusetts Appeals Court rejected each challenge.

Acme Abatement Contractor, Inc., A Seekonk, MA asbestos abatement and hazardous materials remediation company failed to pay employees prevailing wage. A total of 29 employees received restitution. Restitution: \$39,465.85; Penalty: \$34,250 [Total paid = \$73,715.85]

J Donlon & Sons, Inc., A Winchester, MA construction company specializing in asphalt paving, concrete and masonry work failed to pay the prevailing wage. Employee filed complaint alleging he worked on City of Medford public works project and was not paid the prevailing wage. A settlement agreement was reached and the company accepted four, with specific intent civil citations for failing to pay prevailing wage, failing to submit true and accurate certified payroll.

Housing discrimination, A landlord and its property management company, which together own and operate several apartment complexes, refused to make the doors to an apartment building accessible for a tenant who uses a wheelchair. Because of their failure to reasonably accommodate or modify, the tenant was trapped in her apartment for several years. The defendants ultimately made the necessary accommodations and modifications, and, as part of our consent judgment, agreed to pay the tenant \$80,000.

Civil rights matter, A Student in a local school district was given an emergency suspension following her reporting of sexual harassment by another student. District agreed to cease use of emergency suspensions, revised policies and procedures, and implemented staff training.

Commonwealth v. Minella, A Springfield woman pled guilty to charges in connection with stealing more than \$8,000, in various larceny schemes, including defrauding state agencies and a Massachusetts homeless shelter.

Commonwealth v. Stanley Webb, et al., Four individuals and their Fall River-based gambling machine company were indicted in connection with a multi-million dollar illegal gambling and money laundering scheme.

Commonwealth v. Eng, et al., Two Braintree brothers and another were arrested and arraigned in connection with major money laundering and marijuana trafficking operation, where defendants allegedly laundered large amounts of cash through MGM Springfield casino.

Important Statistics and Numbers

- Assisted hundreds of consumers and other members of the public who visited the office with complaints, concerns, or looking for assistance
- Government Bureau
 - Opened Cases – 46 cases
 - Closed Cases – 68 cases
- Abandoned Housing Initiative
 - In FY2019, AHI recovered nearly \$20,000 in back taxes for the communities of Becket, Holyoke, Monson, and West Springfield, bringing the total amount of recovered back taxes for cities and towns in Western Massachusetts to \$125,529.68 since 2017.
 - In addition, the Western Division Housing Court awarded AHI over \$54,000 for AHI's costs and fees as well as to support the AHI Receivership Loan Fund for the 4 westernmost counties of the Commonwealth.
 - We also saw the conclusion of 12 receiverships during the FY2019 year, including several that resulted in fully rehabilitated properties in Holyoke, Becket, West Springfield, and Northampton.
- Fair Labor Division
 - TOTAL Restitution and Penalties COLLECTED/PAID:

Restitution: \$513,550.57

Penalty: \$368,855.02

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, human trafficking, gaming, insurance and unemployment fraud, environmental crimes, cyber crimes, and appellate issues. The Criminal Bureau's investigations are supported by a team of State Police detectives as well as investigators, Assistant Attorneys General, victim witness advocates, and federal, state, and local law enforcement partners.

Appeals Division

The Appeals Division defends Massachusetts convictions, criminal justice officials, and criminal laws and practices, in federal and state courts. Specifically, the Division strives to uphold convictions secured by the Attorney General's Office when they are challenged in the Massachusetts Trial Court, Appeals Court, and Supreme Judicial Court. Such convictions often arise from large-scale drug trafficking; environmental violations; child pornography; and white-collar offenses, such as those involving public corruption, fraud, and financial crimes. The Division also responds to all challenges in federal court to convictions obtained by the AGO and the Commonwealth's District Attorneys' Offices. The Division is the only unit of state government to defend Massachusetts convictions in federal courts. Challenges come in the form of direct appeals to the United States Supreme Court, and through habeas corpus actions in the U.S. District Court, Court of Appeals for the First Circuit, and Supreme Court. The Division's role in the development of federal habeas law is considerable. In a typical year, between ninety and one hundred percent of the First Circuit's published decisions concerning habeas challenges to state convictions involve Massachusetts prisoners and thus Division attorneys. 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, the Inspector General's Office, courts, the Probation Service, other criminal justice agencies, and members of such bodies. In its various cases, the Division is often required to defend the constitutionality of statutes, rules, procedures, and practices related to criminal adjudication and punishment.

Significant Achievements & Priorities for FY2019

In Fiscal Year 2019, the Appeals Division contributed greatly to the advancement of the priorities of the Attorney General's Office, the important work of colleagues, the positive development of the law, and the cause of securing justice for victims and the vulnerable.

The Division had considerable success in its core litigation work. In fact, it did not see a single criminal judgment set aside on habeas corpus review, or in any contested direct appeal that it handled. It also received favorable rulings in numerous other matters in which the Commonwealth or its agencies or officials were sued or served with legal process. And it filed six times the number of amicus curiae briefs as it had previously averaged. These achievements are described in greater detail in the next section.

Members of the Division also contributed to the legal work of other units of state government. They played significant roles in investigations, trial-level prosecutions, and civil actions being handled primarily by other units. Such matters concerned human trafficking, money laundering, intimidation, harassment, manslaughter, automobile insurance fraud, child pornography, gaming, and other subjects. The Division also oversaw or advised seven Special Assistant Attorneys General and lawyers working under them, and reviewed certain of their legal work. Division personnel served as counsel to the AGO's Victim Compensation and Assistance Division, and advised AGO colleagues and the Governor's Office on interstate extradition matters. In close to twenty cases, they provided recommendations on whether the AGO or another state entity should pursue an appeal or a petition for certiorari to

the United States Supreme Court. On at least as many occasions, they offered a recommendation as to whether the AGO or another state entity should author or join an amicus curiae brief to the U.S. Supreme Court or another court, or should join a multistate policy statement. Additionally, Division members drafted a legislative bill regarding the confidentiality of information related to victim compensation claims, which the AGO filed; evaluated state legislative bills related to criminal justice; and reviewed public statements by the AGO regarding firearms and other subjects. They also participated in over twenty moot courts, and consulted on dozens of legal matters, for attorneys in other units of state government.

Division members further contributed substantially to legal-education, professional-development, and intragovernmental-coordination efforts. In particular, the Division hosted a Conference of the Commonwealth Attorneys Appellate Action Project at the Social Law Library in Boston. The event brought together around eighty appellate prosecutors from across Massachusetts to hear about and discuss topics such as: victims' rights, appellate practice, probation, digital evidence, human trafficking, gaming, environmental offenses, grand-jury practice, and legislative affairs. Additionally, one Division member delivered a presentation to state appellate justices regarding the Massachusetts Sex Offender Registry Board's procedures and classification determinations at the Massachusetts Appeals Court Education Conference. Another joined colleagues from other AGO units in presenting on the topic of advancing victims' interests in federal habeas actions at the National Crime Victim Law Institute's annual conference in Portland, Oregon. Yet another helped staff the AGO-sponsored National Cyber Crime Conference. Still another joined an AGO Human Trafficking Division colleague in training immigration attorneys and advocates regarding the intersection of the visa-application and criminal-justice processes at a Need of Defense program. Team members also organized, moderated, and/or presented at seminars concerning: recent decisions by the U.S. Supreme Court; cases pending before the Court; the anticipated impact of changes to the Court's composition; criminal discovery and associated ethical obligations; ethical legal practice; forensic analysis; GPS and cell site location information tracking; digital search and seizure; legal research and brief-writing; oral argument; and service on public boards and committees. They further helped develop or revise written and electronic practice tools and manuals concerning: Criminal Bureau policies and procedures and associated areas of law, parallel criminal and civil proceedings, digital evidence law, and criminal discovery.

Added to the above, Division members represented the AGO as appointees or liaisons to various governmental bodies. Such bodies included: the Massachusetts Criminal Records Review Board, Firearms Licensing Review Board, Illegal Tobacco Task Force, and Veterans' Bonus Appeal Board; the Massachusetts Supreme Judicial Court's Standing Advisory Committees on the Rules of Criminal Procedure and on Eyewitness Identification; the Interstate Compact for Adult Supervision State Advisory Council; and the U.S. Department of State's Bureau of Consular Affairs. Division personnel also served on the AGO's Ethics Committee, its Elder Issues Working Group, and advisory groups concerning its technological systems.

Significant Cases

The Appeals Division successfully defended criminal judgments and vindicated the interests of victims in numerous cases in Fiscal Year 2019. Many of those cases involved murder, human trafficking, distribution of opioids and other drugs, weapons offenses, and other crimes involving brutality or abuse of the vulnerable. Some resulted in decisions refining the law in ways that will help protect the public.

In two cases, the United States Supreme Court denied petitions for certiorari after requesting a formal brief in opposition from the Division – a step the Court takes in only a fraction of cases. In the first, the Court declined to review Timothy Brown's convictions of the first-degree murder of Luis

Antonio Delgado and Hector Delgado, as well as home invasion, firearm possession, and ammunition possession. In the second, the Court refused to disturb Matthew Alden's conviction of witness intimidation.

The Division secured other favorable decisions in the U.S. Court of Appeals for the First Circuit. That court affirmed the denial of habeas corpus relief to, and thus declined to upset the convictions of, the following individuals: Joseph A. Bebo, who was imprisoned for murdering Carl Schirmer by stabbing him in the heart; Robert Bianchi, who was found guilty of the first-degree murder of his estranged wife, Donna Bianchi; Larry Blue, who was convicted of unlawful possession of a firearm and ammunition; Jeffrey Hardy, who was serving a sentence for the first-degree murder of Thomas Moran, the victim having been shot in the face and stabbed close to eighty times; Alexander Mattei, who was found to have committed assault and battery, and assault with intent to rape, as a result of an attack upon a resident of a housing complex for the elderly and disabled; Jose M. Mercado, who was adjudged guilty of first-degree murder and unlawful possession of firearm based on the shooting death of Teddy Velasquez; Walter Norris, who was attacking his conviction of first-degree murder based on the shooting death of Bernard Johnson; Miguel Roman, who was sent to prison for cocaine possession and the first-degree murder of Shawn Tiago, the victim having been shot repeatedly in the head; Robert Scott, who was imprisoned for the first-degree murder of an eighteen-year-old woman, evidence showing that she had also been the victim of an aggravated rape; Quillie Merle Spray, who was found guilty of first-degree murder, and assault and battery with a dangerous weapon, after fatally stabbing Sherylann Miller; and Andre Walker, who was convicted of unlicensed possession of a firearm, the first-degree murder of Francis Stephens, and the armed assault of Jose Astacio with intent to murder, both victims having been shot. Also, based on a jurisdictional doctrine of importance to the States, the First Circuit affirmed the dismissal of a civil action by Heather Tyler against the Massachusetts Supreme Judicial Court, its Justices, and the Attorney General.

The appellate courts of Massachusetts likewise issued decisions favorable to the Commonwealth in numerous Division cases. The SJC upheld orders in which a judge required Julie A. Eldred to remain drug-free as a condition of probation, found her in violation of probation where she tested positive for fentanyl, and required her to submit to inpatient treatment as a consequence. The SJC also rejected an effort by Christian Miranda, who had been convicted of multiple drug offenses, to obtain post-conviction discovery through improper procedures. And the court rejected Mark A. Stacy's invalid claim that the lower court failed to address his motions to withdraw his guilty pleas for breaking and entering in the daytime, possessing burglarious tools, larceny, and receiving stolen goods.

Meanwhile, the Appeals Court affirmed the convictions of: Frutuoso Barros for conspiring to commit the offenses of murder, armed home invasion, and assault and battery by means of a dangerous weapon; John W. Coughlin III for violating the Medicaid antikickback statute; Steven Diaz for trafficking a person for sexual servitude and deriving support from prostitution; and Glaciris Hidalgo for possessing with intent to distribute heroin. That court also reversed a decision suppressing drug and drug-related evidence in connection with Jose Vargas's prosecution on charges of trafficking heroin and conspiring to violate the Controlled Substances Act. It dismissed an appeal by former inmate "John Doe," who had sued the Massachusetts Parole Board to obtain a revised parole decision, after the Division resolved the matter out of court. And it rejected Ulysses Pena's challenge to being kept on GPS monitoring as a probation condition after he pleaded guilty to breaking and entering offenses, wanton destruction of property, intimidation, and solicitation to commit a felony.

In Dawn E. Stryker's appeal of an order requiring her to make certain restitution payments after being convicted of larceny over \$250 and identity fraud, the Appeals Court remanded the case for further factual findings by the lower court – one of the outcomes that the Division argued would be reasonable.

The Appeals Court did set aside Eric Busuito's conviction of distributing heroin, but only after the Commonwealth conceded that there had been a reversible error.

In addition to litigating the matters above, the Division advocated for the adoption or application of sensible legal rules through a series of amicus curiae briefs to the SJC. The team filed briefs in: *Commonwealth v. Jonathan Brown*, which involved questions about the offense of deriving support from prostitution; *Commonwealth v. Jesse Carrillo*, which concerned prosecutions for manslaughter where fatalities are caused by the provision of heroin; *Commonwealth v. Brian Harris*, which concerned interstate firearm transportation; *Commonwealth v. Aaron J. Hernandez*, which raised issues about how to account for the interests of victims and others where a defendant dies during the pendency of his appeal; and *Commonwealth v. Dennis Jones*, which involved a human-trafficking prosecution and concerned orders compelling defendants to unlock their electronic devices.

The Division otherwise had an extremely high rate of success, securing scores of favorable decisions in federal and state appellate and trial courts. Throughout its casework, the Division cooperated closely with the AGO's Victim/Witness Services division to ensure that affected individuals received appropriate forms of assistance and were kept apprised of case developments.

Important Statistics and Numbers

In FY2019, the Appeals Division opened close to 210 new matters. Approximately 53% of these involved federal-court challenges to state convictions, through either habeas corpus proceedings in the United States District Court or Court of Appeals for the First Circuit, or petitions for certiorari to the U.S. Supreme Court. In about 22% of the Division's new matters, it represented one or more agencies or officials who were parties to federal or state civil actions. Around 18% of the Division's new matters involved criminal cases in state courts. They included direct appeals of convictions; proceedings under Chapter 211, Section 3 of the Massachusetts General Laws; interlocutory appeals of judicial orders, or proceedings seeking leave to bring such appeals; and state habeas corpus actions. In most of these, Division attorneys appeared as counsel for a party, while in some they appeared on behalf of the AGO as an amicus curiae. And in about 8% of its new matters, the Division represented one or more agencies or officials who were subpoenaed in connection with federal or state criminal or civil actions.

Digital Evidence Lab

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, and other technical tasks in the course of all types of criminal offenses. The DEL is a state-wide unit offering services both to AGO personnel as well as other police departments and prosecutors' offices across the Commonwealth of Massachusetts. In FY2019, the DEL had 100 cases referred for service including human trafficking, narcotics, public integrity, unlawful tobacco sales, insurance fraud, ABDW, larceny/embezzlement, child sexual exploitation, hacking, unlawful gaming, robbery, and murder.

Significant Achievements & Priorities for FY2019

DEL personnel engage in many important tasks away from their cases in support of AGO initiatives and interests. The DEL is considered a leader in the cyber investigation community across the Country. Last year was a significant year for the DEL team. It was the first time in the history of the Lab that we have been at a full staffing level with 8 full-time examiners, 3 part-time examiners, and support personnel. By this measure we are the largest forensic facility in the State. This development allowed us

to focus on developing the next generation of forensic capability we can offer the Criminal Bureau and our law enforcement partners across the Commonwealth. And it allows us to progress in ways beyond case management like training, research and development, and quality measures. We also purchased new tools that have separated us and help establish this Lab as a state-of-the-art forensic facility and a national leader within the field.

Here are a few of the examples of success in the Lab from FY2019.

- Hired two new forensic examiners who have had an immediate positive impact in our technical capacity.
- Engaged in a new partnership with the OIG to host a forensic examiner. This will help the IG's Office develop their own capacity.
- Acquired, tested, and implemented new technologies. Included among those technologies was the acquisition of an iPhone decryption device that has allowed us to access more data, from locked devices, leading to critical forensic findings in human trafficking, drug, public integrity, and murder cases amongst many others. We have saved the Commonwealth tens of thousands of dollars.
- Dove deeper into the realm of open source intelligence and data analytics to identify relationships among targets of criminal activity, discover evidence posted to social media, and understand location data. These are examples of "working smarter, not harder," which has increased efficiency for investigators in the Lab and Bureau.
- Expanded to the Worcester office to more efficiently serve our colleagues in the rest of the Commonwealth.
- Continued to move data and evidence to cloud environments to allow for a new and more efficient model for digital evidence review, storage, and disclosure.
- Led a consortium of state, local, and federal law enforcement partners focused on cyber investigations and prosecutions, known as the Massachusetts Digital Evidence Consortium ("MDEC"). MDEC held several meetings including a free training on legal updates and cyber investigations for 80 police officers in collaboration with the Massachusetts Internet Crimes Against Children Task Force.
- The team's work on major office initiatives like training, outreach, and leadership within the cyber realm continued. The most significant of these initiatives being a remarkably successful 8th Annual National Cyber Crime Conference in April 2019. More than 750 attendees, staff, exhibitors, and speakers took part in more than 200 training sessions that have had a positive impact on the ability of police and prosecutors to deal with digital evidence in all manners of cases. It is important to recognize the remarkable core team of Lab personnel, Aaron Kravitz, and Lisa Caputo that run this remarkable event.

Important Statistics and Numbers

As a team, our most significant accomplishments happen in our case work. In FY2019, DEL analysts managed 100 new cases resulting in the intake of more than 660 devices for examination. DEL examiners completed more than 220 reports of their findings over that period. Several analysts testified as experts in various court proceedings. And all this was done despite the fact that more 150 cases dating back to 2012 were active as we entered the year, demanding time for discovery, court, or additional forensic examination.

Enterprise, Major, and Cyber Crimes Division

The Enterprise, Major and Cyber Crimes Division targets criminal enterprises and organizations using sophisticated investigative techniques and strategies in order to develop high-impact prosecutions. The Division includes prosecutors, support staff and State Police assigned to the Attorney General's Office who work closely with various federal, state, and local law enforcement authorities and agencies to target, investigate, prosecute and disrupt criminal organizations in order to promote and ensure public safety in communities throughout the Commonwealth. The Enterprise, Major and Cyber Crimes Division investigates and prosecutes a wide variety of offenses, including narcotics trafficking that focuses on heroin and fentanyl cases, extortion, firearms, possession/dissemination/manufacturing of child pornography, and cyber intimidation.

Significant Achievements & Priorities for FY2019

Combatting the opioid epidemic and the proliferation of deadly narcotics remains the main priority of this division. In October 2018, we were awarded a \$3 million COPS grant to continue our narcotics enforcement actions and investigations. Utilizing these funds, EMCCD was able to fund many successful investigations, which led to the seizure of significant amounts of narcotics and arrests of dozens of individuals. In addition, through the COPS grant, we were able to fund and assist the Bristol County District Attorney's Office and Hampden District Attorney's Office of narcotics investigations in their respective counties.

Significant Cases

Operation Brand New Bag was a long term, joint investigation between MSP-AGO, MSP-CINRET and DEA into a high-level narcotics trafficking organization operating out of the city of Lawrence and surrounding areas. After a three-month long wiretap, the investigation culminated with the execution of search warrants at 14 different locations. Twelve individuals were arrested, nearly 14 kilograms of heroin/fentanyl, nearly 7 kilograms of cocaine, 4 firearms and approximately \$100,000 in U.S. currency was seized. Two individuals were arrested and an additional 2 kilograms of fentanyl/heroin and 3 kilograms of cocaine were seized during the course of the investigation, bringing to total seizure of narcotics to over 25 kilograms.

DEA Worcester HIDTA task force conducted a 3 month investigation in to a DTO operating out of La Casa Del Mofongo restaurant in Worcester (Mofongo DTO). Through CI controlled buys, intercepted communications, and physical surveillance, it was determined that the owner of the restaurant, Francisco Ortiz-Rivera, and his associates were supplying trafficking weights of fentanyl to street level dealers in the Worcester area. The Mofongo DTO was supplied with the fentanyl directly from a New York based DTO. The investigation yielded the seizure of over 600 grams of fentanyl and resulted in the indictments of 10 DTO members on trafficking and firearms charges.

In early 2018, EMCD received information from the FBI and opened an investigation into allegations of four men beaten in relative proximity to the Nathan Bill's bar by off-duty Springfield Police Officers, causing three victims to seek medical care and, in at least one case, serious permanent injuries. Over the course of approximately 13 months and with presentation of more than 40 witnesses and hundreds of exhibits, the grand jury on March 27, 2019, returned two sets of indictments resulting from this investigation in partnership with the FBI. The first set relative to the assault charged seven men. The second set of indictments relative to Springfield police officers' and others' responses to the Springfield, Hampden, FBI, and AGO investigations charged nine additional individuals. Additionally, based upon statements they made to SPD IIU and the FBI, respectively, the grand jury also returned additional indictments against two others for Misleading the Investigation.

Important Statistics

MSP troopers assigned to EMCD and our partners at MSP-CINRET were involved in the following seizures during FY2019:

Seizures:

Fentanyl: 97.763 Kilograms

Heroin: 8.793 Kilograms

Cocaine: 12.075 Kilograms

Crack Cocaine: 411 Grams

Fentanyl Pills: 12,450 Pills

Oxycodone "Perc 30's": 11,340 Pills

Money: \$724,438.00

Firearms : 17

Financial Investigations

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, Major, and Cyber Crimes Division. The financial investigators provide extensive analysis and forensically examine evidence for allegations of criminal misconduct involving a broad array of complex financial crimes including larceny, embezzlement, identity theft, public corruption, money laundering and human trafficking. The financial investigators conduct interviews of victims, witnesses and targets, and provide testimony in the Grand Jury and at trial as summary witnesses to the documentary evidence they gathered and examined, which is vital to the Criminal Bureau's investigations and prosecutions. The Financial Investigations Division also maintains an accounting and disbursement of the funds used in the undercover operations of the State Police assigned to the office.

Significant Achievements & Priorities for FY2019

Training is a priority in the Financial Investigations Division. Participating in trainings related to the field of financial investigations provides us with the most up to date and innovative methods of tracing stolen funds. It also provides us with the knowledge and tools necessary to successfully and accurately conduct our investigations. In FY2019 the financial investigators attended the following trainings offered by the National White-Collar Crime Center (NW3C) and the National Association of Attorneys General Training and Research Institute (NAGTRI):

- Financial Records Examination and Analysis (NW3C)
- Financial Investigations Practical Skills (NW3C)
- Financial Records Investigative Skills (NW3C)
- Money Laundering and Asset Recovery Section-Financial Investigations (NAGTRI)

Significant Cases

In FY2019 the Financial Investigations Division was part of the prosecution team for the following significant cases:

Financial investigators' analysis of a variety of records resulted in the indictment of three former Massachusetts State Police lieutenants responsible for supervising traffic enforcement along the Massachusetts Turnpike for Larceny over \$250 by a Single Scheme, Procurement Fraud, and Public Employee Standards of Conduct Violations (Making False/Fraudulent Claims to Employer) in connection with an investigation into overtime abuse. Lieutenants David Wilson, John Giulino and

David Keefe all allegedly submitted claims for pay for overtime shifts they did not work or from which they left early.

Commonwealth v. Stephen Fagerberg: Fagerberg was the Automated Fare Technician for the busses owned and operated by the MBTA. Financial investigators traced \$450,000.00 in \$1's, \$5's and \$10's being deposited in Fagerberg's personal bank accounts that he allegedly stole from the MBTA fare boxes he was responsible for fixing and repairing. Financial investigators located and analyzed Fagerberg's personal bank accounts and traced those stolen funds. Fagerberg was indicted and plead guilty in Suffolk Superior Court to a two-year split sentence, with six months to serve, balance suspended for two years.

Commonwealth v. Ashley Goodrich: Goodrich was a former employee of Eliot Community Human Services where she allegedly targeted and recruited a minor for sexual servitude. Financial investigators analyzed a variety of records including online advertisements, bank, hotel and cell phone records. At the end of FY2019, Goodrich's case was pending in Worcester Superior Court.

Commonwealth v. Cornell Mills: Mills who posed as a real estate broker, pleaded guilty and was ordered to pay back thousands of dollars he stole from potential homebuyers. Financial investigators located and analyzed Mills' bank accounts and traced all the funds deposited on behalf of the potential homebuyers and the expenditure of those funds. Mills was sentenced to two and half years in the House of Correction, suspended for three years, and ordered to pay \$36,651 in restitution in connection with the scheme.

Commonwealth v. Xiu Chen: Chen was found guilty after a five-day trial and sentenced to five years in state prison for running a human trafficking and money laundering operation. Financial investigators located and reviewed records regarding the five businesses Chen operated as massage parlors, online advertisements, utility records, and traced hundreds of thousands of dollars in cash and credit card payments into the bank accounts for those five massage parlors.

Commonwealth v. Woonryong Heo and Hayun Nam: Heo and Nam were arrested and later indicted for running a human trafficking and money laundering operation through a residential brothel. Financial investigators analyzed online advertisements, utility records, credit card records, phone records, Uber records and traced cash deposits through various bank accounts. At the end of FY2019, Heo and Nam's cases were pending in Essex Superior Court

Gaming Enforcement Division

The mandate of the Gaming Enforcement Division is to investigate and prosecute criminal conduct related to expanded gaming in the Commonwealth, monitor the fairness and integrity of the gaming industry, aid the Gaming Commission in consideration and promulgation of rules and regulations, and participate in generating a list of persons to be excluded from licensed gaming facilities. The work of the division is not strictly limited to gambling offenses or crimes committed within casinos but includes activity that relates to the gaming facilities- such as financial crime, organized crime, corruption, and money laundering. The Division works closely with the State Police Gaming Enforcement Unit, 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 FY2019

The Division successfully prepared for and handled the opening of **Encore Boston Harbor in Everett**. As a result of the casino opening the team is adding five new team members, including three Assistant Attorneys General, an Administrative Assistant, and a financial investigator. These new hires will be

replacing some of the division members that have moved on to new opportunities and to assist with the new responsibilities. The Division added over 100 new cases since the August opening of the casino.

Division Chief Thomas Caldwell and Senior Financial Investigator Eugene Griffin facilitated a two-day anti-money laundering conference in Lilongwe, Malawi in March 2019. The program was a collaboration between the Conference of Western Attorney General (CWAG) and the Africa Alliance Partnership (AAP)

Members of the Division attended, and continue to attend, gaming-related meetings throughout the Commonwealth with law enforcement, industry stakeholders, local officials, and interested citizens. Members of the Division conducted internal and external trainings on criminal law and search and seizure. Additionally, members of the Division offer assistance and expertise on case and policy matters throughout the office.

Significant Cases

During Fiscal Year 2018, the Division responded to dozens of members of the public and law enforcement via its tipline.

The Division conducted investigations arising out of conduct at **Plainridge Park Casino**. The investigations and prosecutions at the Plainridge Park Casino included larceny, assault, firearms, money laundering, and narcotics offenses.

The Division conducted over 480 investigations and prosecutions arising out of the newly opened **MGM Casino in Springfield**. The investigation and prosecutions at MGM have ranged from money laundering, disorderly conduct, possession of firearms, narcotics, money laundering, and violent domestic assaults.

The Division conducted over 50 investigations and prosecutions arising out of the newly opened **Encore Boston Harbor in Everett**. The investigations and prosecutions at Encore have ranged from disorderly conduct, assault and battery offenses, narcotics, and money laundering.

The Division indicted one large scale gambling operation being operated in Middlesex County by Lon Hillson, Sr. and Lonnie Hillson, Jr., on illegal gaming, loansharking, attempted extortion and money laundering charges.

Additionally, the Division worked with the AGO Human Trafficking Division to indict Geekin Ng who was running an illegal gaming operation and a house of ill fame while trafficking in humans for sexual servitude in Boston.

Important Statistics and Numbers

The GED was involved in the seizures of \$85,000, opened 520 cases, and resolved over 45 cases with guilty findings or CWOFs.

Human Trafficking Division

The Human Trafficking Division (HTD) uses a multi-disciplinary team approach to prosecuting and preventing human trafficking through law enforcement efforts, policy development, and community partnerships. The 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 and local law enforcement to investigate and prosecute multi-jurisdictional, high impact cases of human trafficking throughout the Commonwealth. The 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 & Priorities for FY2019

In January, 2019, the HTD joined efforts with the National Association of Attorneys General (NAAG) to support NAAG's training arm, the National Attorneys General Training and Research Institute (NAGTRI) by participating and presenting at NAGTRI's weeklong Human Trafficking Summit in San Juan, Puerto Rico. HTD worked to secure speakers and coordinate the agenda for this nationally and internationally attended conference. HTD team members were also highlighted as expert panelists and presenters.

Throughout fiscal year 2019 the HTD, often in partnership with AGO's Fair Labor Division, continued to make strides in educating both law enforcement and civilian communities on sex and labor trafficking by providing numerous trainings and hosting free webinars.

Another fiscal year 2019 HTD collaboration with Boston University School of Law's Immigrants' Rights and Human Trafficking Program, the BU Spark! Program and the AGO's Fair Labor Division produced the development of a web-based app designed as a tool to help investigators identify potential labor trafficking in Massachusetts.

Significant Cases

Commonwealth v. Geekin Ng: This defendant was indicted in August 2018 for trafficking multiple women for sex. The investigation, conducted in collaboration with the AGO's Gaming Enforcement Division, resulted in charges of trafficking for sexual servitude, deriving support from prostitution, keeping a house of ill fame, maintaining a house of prostitution, and money laundering.

Commonwealth v. Ashley Goodrich: This defendant was indicted in September 2018 for trafficking a minor out of a group home, where she had been employed, and resulted in charges of trafficking a minor for sexual servitude, deriving support from prostitution of a minor, and contributing to the delinquency of a minor.

Commonwealth v. Xiu Chen: In November 2018, the HTD began the jury trial of Xiu Chen, a brothel owner charged with human trafficking, conspiracy for that same charge, deriving support from prostitution, keeping a house of ill fame, and money laundering. Ms. Chen was found guilty on all 26 counts by a jury in Middlesex County.

Commonwealth v. Woonryong Heo and Hayun Nam: These co-defendants were each indicted in March 2019 for trafficking women for sex. The defendants were each indicted on charges of trafficking for sexual servitude, conspiracy to traffic persons for sexual servitude, deriving support from prostitution, keeping a house of prostitution, keeping a house of ill fame, money laundering, and identity fraud.

Fiscal Information

In Fiscal Year 2019, the HTD completed successful forfeiture actions utilizing the human trafficking forfeiture laws and was able to transfer \$100,311.43 to the state's Victims of Human Trafficking Trust Fund.

Important Statistics and Numbers

During Fiscal Year 2019, the Human Trafficking Division had 36 cases pending in criminal courts throughout the Commonwealth; 11 cases resolved during this timeframe by way of conviction or plea. There were 4 newly indicted cases during fiscal year 2019.

Victim Witness Services

Victim Witness Services is comprised of two Divisions: The Victim Witness Assistance Division and the Victim Compensation & Assistance Division.

Victim Witness Assistance Division

The Office of Attorney General serves victims and witnesses in a variety of ways. Victim Witness Assistance Division advocates are assigned to work with victims/witnesses throughout the investigation and prosecutions the Division pursues. In criminal matters, the Division's advocates are mandated to inform victims of the rights afforded to them under the Victim Rights Law, M. G. L. c.258B, and work to fulfill them. In all matters, the Division's advocates keep victims and witnesses informed about the case involving them and give them a voice in the process. The Division routinely assists victims and their families in accessing all available resources, both internally and externally, to meet their individual needs.

Significant Achievements & Priorities for FY2019

The Victim Witness Assistance Division provides comprehensive services to victims and witnesses involved in Attorney General Office cases. Victim Witness Advocates (VWA's) handled over 290 cases throughout the year serving victims and witnesses involved with Criminal, Civil and Post-disposition matters. In addition, staff members were active in numerous committees, outreach, and over 46 training/webinar activities including the Sexual Assault Nurse Examiners (SANE) Advisory Board, MA Victim Assistance Academy, Human Trafficking Working Groups, Domestic Violence round-table events, National Cyber Crime Conference, Garden of Peace Event, and the Massachusetts Victim Rights Conference.

Significant Cases

Commonwealth v Xiu J. Chen: Chen was convicted after a five-day jury trial in Middlesex Superior Court on charges Trafficking of Persons for Sexual Servitude (6 counts), Conspiracy to Traffic Persons for Sexual Servitude (6 counts), Deriving Support from Prostitution (5 counts), Keeping a House of Ill Fame (5 counts) and Money Laundering (4 counts). Chen was sentenced to five years to five years and a day in state prison, with three years' probation after completion of her sentence.

The investigation found that Chen operated an extensive and lucrative criminal enterprise by setting up massage parlors as fronts for human trafficking and bringing victims to Massachusetts to engage in sex. Chen recruited women from New York to work in the parlors, arranged for overcrowded housing where victims typically slept on mattresses on the floor, or in some instances massage tables, facilitated daily transportation of victims to and from businesses, and received the majority of profits.

The multi-disciplinary team used a trauma informed approach while interviewing victims, facilitating access to a myriad of resources--including assistance with New York resource referrals--during investigation, through the court process, and during jury trial. The VWA remained in contact with victims throughout the pendency of the case and during the trial the VWA worked with the victims to ensure they understood their rights, had access to resources that met their individual needs, and provided support during trial process and their testimony.

Edmond J. Carriere, Jr., v. Superintendent Sean Medeiros: Petitioner Carriere challenged his 2012 Barnstable County Superior Court conviction for the first-degree murder of his wife in 1980. VWA worked with the Department of Correction's Victim Service Unit to provide the victim's daughter with advocacy and support and ongoing case notification.

This case is a great illustration of the work of our advocates to support victims and witnesses through what can be an extremely lengthy process from time the crime is committed through the prosecution and post-conviction process. It is also a testament to the power of bearing witness to the grief and grit and grace of victims and survivors as they deal with the past in the present.

Important Statistics and Numbers

Number of cases: 291

Trainings attended/presented:

- Commonwealth Attorneys Appellate Action Project, presented "Helping Make Victims Whole: Post Conviction Victim & Witness Assistance," Boston, MA
- National Crime Victim Law Institute, presented "Advancing the Rights of Victims in Federal Habeas Corpus Actions," Portland, Oregon
- United Way South Shore Homeless Shelter Coalition, presented "Human Trafficking Overview 101," Brockton, MA
- 2019 National Cybercrime Conference 2019, presented "Investigating Illicit Massage Businesses," Norwood, MA

Hotline statistics: 50

Victim Witness Services responded to over 50 intakes. These intakes involved requests for assistance regarding domestic violence, sexual assault, child abuse, housing, and civil rights. The staff provided resources and appropriate referrals both internally and externally to victim service providers, community agencies, and local, state, and federal law enforcement partners.

Victim Compensation & Assistance Division

The Victim Compensation & Assistance Division ("VCAD") is the state's financial assistance program that has served victims of violent crime that occur within the Commonwealth since the late 1960's. As an administrative program, survivors of violent crimes can apply for assistance with reimbursement of their crime related expenses that include medical, dental, counseling, loss of financial support, and funeral/burial expenses that are not covered by any other source of assistance or benefit. The program receives over 1800 applications a year and pays out over \$3 million dollars annual to aid survivors in their recovery from the impact of violent crime in their lives. Criminal fines, forfeitures, special assessments, and gifts or donations deposited into the national Crime Victims Fund and an allocation from the state legislature comprise the funding for the program.

Important Statistics and Fiscal Information

VCAD's work during this reporting period continues to demonstrate our commitment, effectiveness, and the impact of responding to the needs of victims of violent crime within the Commonwealth. During FY2019, the Division received 1024 new applications from victims of violent crime and 1057 direct billing requests for Forensic Sexual Assault Exam Kit payments. These new claims represent the number of crime survivors and the families of homicide victims who were impacted by violent crime in the Commonwealth. FY2019 saw 1891 claims deemed eligible for compensation of their crime related expenses. By the end of this fiscal period the Division paid out a total of \$4,793,408.59 in reimbursements for claimant's out of pocket expenses and payments for outstanding expenses to providers. Of the 1532 claims that were paid during FY2019, 90 % of all claims that the division paid were related to crimes of assault, homicide and sexual assault. More than half of the claims that were paid fell into the category of sexual assault. The top three expense categories paid out by the division to all eligible claimants in FY2019 were economic support, funeral/burial costs and forensic sexual assault exam expenses. The division paid out a total of \$1,209,306.31 in economic support, \$1,111,673.19 in funeral/burial costs, and \$1,010,493.03 in forensic exam expenses. Total annual payouts for FY2019 show an increase of over \$1 million dollars expended to assist victims of violent crime during the past fiscal year.

During this fiscal year, the Division saw the financial impact of the legislative change to the governing statute (M.G.L. c. 258C) allowing the Division to compensate for funeral/burial and ancillary expenses in those cases where contributory conduct was previously a factor in determining eligibility for compensation of these expenses. As a result, the Division saw a 47% increase in the compensation of funeral/burial and ancillary expenses during this fiscal year, a reduction in the processing of these expenses and a more immediate response for assistance to families impacted by homicides at a time of significant need.

The work of VCAD also included providing presentations and attending trainings throughout the Commonwealth to ensure that victim advocates, community program staff and citizens of the Commonwealth are informed of the assistance that the program can provide. This year our continued outreach efforts included the development and dissemination of Crime Victim Compensation calendars to law enforcement, court-based advocates, community advocates, college campuses, health services, elder service agencies and housing authorities. Over 1500 calendars were distributed for posting in locations where crime victims seek assistance. The Division also increased their support to victims through their work with the Governor's Council on Domestic and Sexual Violence subcommittee on Veterans, Military and Families. Finally, the Compensation staff continued their involvement in community events by providing resources at tabling events in order to increase the awareness of services provided by the Division and the Office of the Attorney General.

White Collar & Public Integrity Division

The White Collar & Public Integrity Division investigates and prosecutes breaches of public trust, fraud, and financial crimes.

Public Integrity matters involve serious criminal misconduct by public employees and officials who engage in or conspire to commit larceny, fraud, bribery, gratuities, and other crimes in which there is a hidden or unwarranted personal financial interest, crimes committed against or upon public agencies, and crimes that have a corrosive or harmful effect on public confidence in government and other trusted institutions, such as perjury and obstruction of justice.

Financial crimes handled by the division involve fiduciary embezzlement by attorneys, stockbrokers, accountants and other financial professionals who steal client funds; theft and fraudulent recordkeeping by employees; complex financial fraud such as pyramid schemes, telemarketing fraud, commercial bribery and mortgage fraud; large-scale consumer fraud schemes; identity theft; and tax fraud by individuals and businesses. The most significant cases have a dramatic financial impact upon unsuspecting and vulnerable victims.

The Division's staff of experienced prosecutors partner with civilian financial investigators, state police, computer forensics investigators, victim witness advocates, and other support personnel from within the Attorney General's Office, as well as local, state and federal investigative and enforcement agencies. Collectively, the combined resources of all law enforcement partners are used to handle challenging and complex cases.

Significant Achievements & Priorities for FY2019

During FY2019, White Collar & Public Integrity staff represented the AGO as liaisons to outside criminal justice and law enforcement entities. Those included the Boston Bar Association's Bar Journal Board of Editors and White-Collar Crime Section Steering Committee, the Municipal Police Training Committee, the Massachusetts Major City Chiefs, the White-Collar Prosecutors' Working Group, The Boston Lawyers' Group, the Women's Bar Association and the National Association of Attorneys General. They also serve as members and co-chairs on groups within the AGO, including the Ethics Committee and the Diversity & Inclusion Committee. They also served as trial training instructors and student mentors, represented the office at government career fairs and attended professional trainings.

Significant Cases

Disposed Cases

Among the cases disposed during the fiscal year were several in which the defendants received committed jail time:

Stephen Fagerberg, a former MBTA Automated Fare Technician, pleaded guilty to the theft of over \$450,000 from fare collection boxes on buses he was hired to repair. He was sentenced to serve six months in the House of Correction with the balance suspended for two years, plus two years of probation after his release. He was also ordered to pay \$458,694 in restitution.

Deborah Anthony, a disbarred Methuen lawyer, pleaded guilty to stealing nearly \$200,000 in her role as administrator of a client estate. Anthony kept the money for her own personal and business expenses, and for the estates she mismanaged for other clients. She was sentenced to 18 months in the House of Correction, with three years of probation after release.

Paul Collins, a former Associate Probation Officer at Framingham District Court, was convicted after a five-day trial of Trafficking in Firearms. He gave his loaded handgun to an individual on probation

who, in turn, gave the gun to an associate. Collins did not have a valid FID card or a license to carry the weapon. He was sentenced to serve two and a half to three and a half years in State Prison.

Tariq Mehmood, pleaded guilty to evading over \$13 million in taxes on tobacco products he imported from out-of-state distributors and secretly sold to retailers in the Commonwealth. He was sentenced to serve one year in the House of Correction, with the balance of his sentence suspended with probation following his jail time.

Timothy Sullivan, who pleaded guilty to cheating the Commonwealth in a tobacco tax fraud scheme was ordered to serve three years of probation. Sullivan sold tobacco products at his business, Cigar Emporium, that did not have state excise stamps and filed fraudulent tax returns to hide what he actually bought and sold. In addition to probation, Sullivan was ordered to pay the \$417,000 in excise tax he owed to the Department of Revenue.

New Cases Indicted

In an ongoing state investigation, three former Massachusetts State Police lieutenants assigned to Troop E, the now-disbanded unit assigned to the Massachusetts Turnpike, were indicted for alleged overtime abuse. They were indicted originally in the Fall of 2018 and on additional charges later in the year.

The former District Executive Director and former District Board Chairman of the Carver, Marion, Wareham Regional Refuse Disposal District were charged in connection with the theft of close to \$700,000 in district funds over the course of six years.

A state employee for the Massachusetts Department of Developmental Services allegedly illegally collected over \$42,000 worth of overtime hours she did not work after putting in false payroll claims for the 1,428 extra hours.

Fiscal Information

Among cases disposed, defendants were ordered to pay over \$900,000 in restitution.

The division indicted 14 individuals in the fiscal year.

Insurance and Unemployment Fraud Unit

The Insurance and Unemployment Fraud Unit (IUFU) investigates and prosecutes people and businesses who commit insurance fraud, fraud against the Commonwealth's unemployment insurance trust fund and against the Commonwealth's workers' compensation system. Examples of insurance fraud include phony automobile repairs, health care treatment, and disability claims. IUFU also provides investigators for the Cooperative Disability Investigations (CDI) Unit whose mission is to help ensure the integrity of state and Federal disability programs. IUFU prosecutes these crimes to protect the people of Massachusetts from higher insurance premiums and taxes as well as to ensure that those in need receive appropriate services.

Significant Achievements & Priorities for FY2019

In FY2019, IUFU continued to develop its partnerships with the Massachusetts Insurance Fraud Bureau (IFB), the Massachusetts Department of Unemployment Assistance (DUA), the Massachusetts Rehabilitation Commission (MRC) and the United States Social Security Administration (SSA) in order to better fight insurance, unemployment and benefit fraud throughout the Commonwealth. IUFU also continued to host and chair quarterly meetings of the Massachusetts Health Care Fraud Investigators' Working Group on behalf of the Attorney General.

Significant Cases

Commonwealth v. Adam Haddad & Accurate Collision, Inc. & ADH Collision of Boston: A two year, joint law enforcement investigation with the Attorney General's Office, the Massachusetts State Police, the Everett Police Department and the Insurance Fraud Bureau of Massachusetts revealed that Mr. Haddad, owner of two automotive repair businesses in Massachusetts, regularly enhanced damage, and caused new damage to customer's vehicles in order to falsely inflate appraisal repair quotes for labor, paint and parts reimbursement requests. Haddad also made additional profit by pocketing the insurance company's check and not completing the necessary repairs on the customers' cars. In total, Haddad charged or attempted to charge more than \$170,000 in fraudulent insurance claims. A Statewide Grand Jury indicted the case in March 2019, and it is currently being prosecuted in the Middlesex Superior Court.

Worcester business/Dept. of Unemployment Assistance: Over several years, the owner and operator of a Worcester rest home fell behind and became delinquent on its required contributions into the Commonwealth's unemployment insurance trust fund. Working in partnership with the Department of Unemployment Assistance (DUA), the Attorney General's Office executed an agreement with the business whereby it would pay in full all of the money it owed to the Commonwealth, thereby forestalling criminal prosecution. In January 2019, the company issued a check to the DUA for over \$250,000 which represented the principal owed and all assessed interest and penalties.

Commonwealth v. Rapo: In 2016, John Rapo (Rapo), a Boston based insurance agent, submitted a false application to his insurance carrier for Massachusetts automobile insurance on a 2014 Maserati Quattroporte sports car. The Massachusetts Insurance Fraud Bureau referred the case to the Attorney General's Office after it determined that Rapo listed his father as the applicant in order to receive a "65 years old and over" discount to the policy, even though his father had died two years earlier. A Suffolk County Grand Jury indicted Rapo in March 2019, and the case is being prosecuted in the Suffolk Superior Court.

Fiscal Information

In FY2019, over \$570,000 in restitution was ordered by the courts as a result of IUFU prosecutions, to be paid directly to the parties harmed by insurance or unemployment fraud.

Fraud investigations carried out by IUFU investigators as part of the Boston Cooperative Disability Investigations (CDI) Unit saved taxpayers over \$1.3 million in FY2019.

Important Statistics and Numbers

During the past fiscal year, IUFU received 39 referrals (25 from the DUA and 14 from the IFB) and charged or resolved 42 cases. The unit had 137 cases under investigation or in litigation at the end of FY2019

ENERGY AND ENVIRONMENT BUREAU

The Energy and Environment Bureau works to protect utility ratepayers and the environment while also reducing the threat of climate change for the people of the Commonwealth. As the state's Ratepayer Advocate, the Bureau's Energy and Telecommunications Division represents consumers in matters involving the price and delivery of natural gas, electricity, and telecommunication services before state and federal regulators. The Bureau's Environmental Protection Division and Environmental Crimes Strike Force enforce the laws that protect the air and water, preserve lands and open space, require the clean-up of contaminated sites, and govern the use of pesticides and the handling and disposal of hazardous waste. 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.

Environmental Crimes Strike Force

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

Significant Achievements & Priorities for FY2019

ECSF has continued to partner with its state agency partners, including the Executive Office of Energy and Environmental Affairs, MassDEP, and the Massachusetts Environmental Police to investigate instances of environmental crime, including illegal asbestos removal, illegal disposal of hazardous waste, and illegal disposal of solid waste. ECSF has additionally partnered with the Massachusetts Society for the Prevention of Cruelty to Animals and the Animal Rescue League of Boston to develop a curriculum for a Municipal Police Training Commission mandatory in-service training for police officers on animal cruelty.

Significant Cases

In October 2018, ECSF secured a guilty plea in a case in Essex Superior Court involving the improper disposal of hazardous waste (used motor oil) by an auto repair shop owner into the City of Lawrence sewer system. The defendant was sentenced to probation for five years, with conditions that he perform 100 hours of community service, pay \$5,000 to the Massachusetts Natural Resource Damages Trust, and comply with all applicable rules and regulations with regard to the handling and disposal of hazardous waste.

In May 2019, ECSF secured a guilty plea in a case in Norfolk Superior Court involving a complex auto theft scheme. The defendant was also found in violation of his probation on a case, previously prosecuted by ECSF, involving false automobile emissions testing. The defendant was sentenced to 9 months in the House of Correction on the probation violation. On the auto theft case, the defendant was sentenced to 1 year to 1 year and 1 day in State Prison to be served after the conclusion of the House of Correction sentence. The defendant was also sentenced to probation for three years, including one year of house arrest, to begin after he is released from State Prison.

In June 2019, ECSF secured guilty pleas and admissions to sufficient facts from 13 defendants in Bristol Superior Court in a case involving numerous acts of animal cruelty. The defendants received various sentences including suspended sentences and probation. The defendants were ordered to perform 100 hours of community service and to not possess or care for any animals during the pendency of their probation.

Important Statistics and Numbers

Number of cases handled in Fiscal Year 2019 (open or closed): 35

Environmental Protection Division

The Environmental Protection Division of the Attorney General's Office enforces environmental laws that protect our air and water, preserve our wetlands, tidelands, and public open space, require the clean-up of contaminated sites, and govern the use of pesticides and the handling and disposal of solid and hazardous waste. Working in close coordination with state and federal environmental agencies, particularly the Massachusetts Department of Environmental Protection, the Environmental Protection Division pursues three main types of work:

- 1) Prosecuting civil enforcement and cost recovery cases, seeking to produce the greatest results in terms of compliance and deterrence, environmental and public health benefits, and financial recovery;
- 2) Handling defensive cases, seeking to provide effective representation to support the policy choices made by state agencies and officials in implementing our environmental protection laws; and
- 3) Undertaking affirmative, non-enforcement work to develop and pursue innovative ways to further environmental protection exercising the Attorney General's role as the Commonwealth's chief law officer.

This third type of advocacy includes bringing litigation, especially in federal courts and in coalitions with other state attorneys general; 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.

In light of the policy priorities of the current federal administration, EPD is also a key player, working with other state attorneys general, in challenging illegal or harmful changes to federal environmental regulations and policies.

Significant Achievements & Priorities for FY2019

The Environmental Protection Division advanced an extensive set of advocacy initiatives and priorities in FY2019, including its work (i) to oppose the current federal administration's regulatory rollbacks and other efforts to weaken environmental protections, (ii) to protect the Commonwealth's residents from asbestos dangers, (iii) to independently pursue violations of the federal Clean Water and Air Acts to protect Commonwealth residents and communities from water and air pollution, and (iv) to continue and defend our investigation of deceptive practices by Exxon Mobil Corporation with regard to Massachusetts consumers and investors.

Federal Regulatory Rollback Litigation and Advocacy

Continuing our office's legacy of advocating for protective federal regulations that implement the nation's environmental laws and benefit of the Commonwealth's residents, EPD is fully engaged in the national fights against unlawful rollbacks of environmental and climate protections under the Trump administration. With the involvement of numerous AAGs, we have joined other state AGs

in numerous lawsuits where we have sought to stop illegal delays, rollbacks, and repeals of federal environmental rules, like the Clean Power Plan, vehicle efficiency and emission standards, limits on climate “superpollutants” hydrofluorocarbons and methane, ozone regulations, clean water protections, rules that seek to prevent chemical disasters, asbestos reporting requirements, pesticide restrictions, migratory bird and marine species protections, and energy efficiency standards. In the ozone, chemical disaster, pesticide, heavy-duty-truck emissions, and energy efficiency cases, our coalition has recently obtained court orders against, or prompt reversals of, unlawful delays. We led or co-led coalition comments opposing proposals to weaken mercury and air toxics standards for power plant emissions, endangered species protections, hydrofluorocarbon rules, pesticide restrictions, and toxic chemical regulation, and to lease the Arctic National Wildlife Refuge for oil and gas drilling. We also contributed to major comments opposing Administration proposals to open the Atlantic to oil and gas exploration restrict the use of science in agency decision-making, to replace the Clean Power Plan and vehicle efficiency and emission standards, and to limit clean water protections, among others. In July 2018, EPD authored a multistate amicus brief to the Supreme Court in support of certiorari of a D.C. Circuit decision restricting federal authority to regulate hydrofluorocarbons and throughout the year co-signed numerous amicus briefs opposing unlawful administration actions under environmental laws.

Asbestos Initiative

This year, we continued our Healthy Buildings, Healthy Air Initiative, which is a comprehensive approach to addressing the public health impacts of asbestos exposure in the Commonwealth. In FY2019, we brought several significant asbestos enforcement cases to a resolution, bringing the total amount of civil penalties imposed under the Initiative to \$3,230,600. We also led national efforts to compel the Environmental Protection Agency to effectively regulate asbestos, including a twelve-state effort to require the agency to properly evaluate asbestos, and a fifteen-state lawsuit to force the agency to require reporting of data related to the importation, processing, and use of asbestos, and spearheading an effort to support a national ban on asbestos.

Independent Enforcement Program

EPD advanced its new independent enforcement program focused on violations of federal environmental laws in the Commonwealth, with a particular priority on violations of EPA’s federal stormwater permit by large industrial and commercial operations that are polluting waterways. Our work on these cases is intended to supplement the Department of Environmental Protection’s enforcement work and to address gaps in federal enforcement under the current Administration, utilizing the citizen suit authorities of federal environmental laws. The Legislature approved \$250,000 retained-revenue line items for FY2019 and FY2020 supporting this work under the federal Clean Water Act and federal Clean Air Act, to take advantage of the opportunity to recover attorneys’ fees and expert costs in such matters. In FY2019, the program secured in its first successful settlement in the Lane Construction case and initiated numerous additional investigations and cases.

Exxon Investigation and Related Defensive Litigation

Leading a cross-office team, EPD continued to pursue and defend the Office’s consumer and investor deception investigation against Exxon Mobil Corporation regarding the company’s statements regarding climate change. EPD served a civil investigative demand on Exxon in April 2016. In June 2016, Exxon filed litigation challenging the CID on constitutional and other grounds in both Superior Court and in federal district court in the Northern District of Texas. In January

2017, the Superior Court rejected Exxon's challenges to the CID and ordered compliance. In April 2018, the Supreme Judicial Court fully affirmed the Superior Court decision, and the United States Supreme Court denied Exxon's certiorari petition in January 2019. In federal court, Exxon's lawsuit was transferred to the Southern District of New York, where the court granted the Office's motion to dismiss Exxon's complaint for failure to state a claim and in light of the preclusive effect of the Massachusetts Superior Court decision. Exxon appealed that decision to the Second Circuit, where the matter is fully briefed and awaiting oral argument. Working with ETD, IFSD, and CPD, EPD actively continued our investigation of the company's practices with regard to Massachusetts consumers and investors.

Significant Cases

Commonwealth v. FCA US, LLC & Commonwealth v. Bosch: As part of a nationwide set of federal, multistate, and consumer settlements, we entered into Consent Judgments with automaker FCA US, LLC (Fiat Chrysler) and engineering firm Bosch for their violations of the Massachusetts Clean Air Act, G.L. c. 111, §§ 142A-142O, and the Massachusetts Consumer Protection Act, G.L. c. 93A, in connection with the use of defeat devices in diesel passenger vehicles sold in the Commonwealth to cheat on federal and state emissions tests and the marketing of those vehicles. The settlement with Fiat Chrysler concerned the company's installation of defeat devices in 2014-2016 Jeep Grand Cherokee and Ram 1500 diesel vehicles it marketed, leased and sold nationwide, including approximately 1,000 in Massachusetts. Under the settlement, Fiat Chrysler paid Massachusetts more than \$1.89 million, including \$1 million in civil penalties and the balance to the state's Natural Resource Damages Trust, and committed to injunctive relief and consumer restitution that also was required under the company's nationwide settlements regarding the same conduct. The settlement with Bosch concerned its help to its clients Fiat Chrysler and Volkswagen, which utilized Bosch-supplied engine control software as part of defeat devices in their vehicles. Under the settlement, Bosch paid the state more than \$3.66 million in consumer and environmental civil penalties and to cover the cost of investigation. The agreement also included precedent-setting terms that require Bosch to monitor compliance and to refuse to accommodate requests for software development and programming that could result in the installation of defeat device software.

Commonwealth v. LH Realty LLC & GER Corporation: We entered into Consent Judgments with LH Realty LLC, a real estate development company, and GER Corporation, a demolition company, requiring payment of a total of \$250,000 in civil penalties, solid waste and asbestos cleanup, and wetlands restoration and replication for multiple violations of the Massachusetts Wetlands Protection Act, G.L. c. 131, § 40, the Endangered Species Act, G.L. c. 131A, Clean Waters Act, G.L. c. 21, §§ 26-53, Solid Waste Disposal Act, G.L. c. 111, § 150A, and Clean Air Act, G.L. c. 111, §§ 142A-142O, at LH Realty's West Bridgewater property. Although it knew the site contained wetlands, LH Realty directed its contractor GER Corporation to bring construction debris to the Site, crush it, and spread it throughout the Site to illegally fill and grade wetland areas to make the property developable, resulting in the filling of approximately 35,000 square feet of wetland resources with thousands of cubic yards of solid waste (including suspect and actual asbestos-containing and other potentially contaminated material), all in rare species habitat in an area of critical environmental concern.

Commonwealth v. The Lane Construction Corporation: We entered into a Consent Judgment with The Lane Construction Corporation, a Connecticut-based highway construction contractor, for the payment of \$100,000 in civil penalties, a supplemental clean water project, and the office's enforcement costs to resolve claims that it violated the federal Clean Water Act, 33 U.S.C. §§ 1251, et seq., the Massachusetts Wetlands Protection Act, G.L. c. 131, § 40, and the Massachusetts Clean Waters Act, G.L. c. 21, §§ 26-53 at its Lee, Massachusetts mining and manufacturing facility. Our complaint

alleged that Lane discharged gravel to the Housatonic River and its banks by moving gravel around the facility with heavy equipment and by stockpiling it in piles immediately above the river's banks, and that pollutants from the piles traveled to the river after being mobilized by rain or snow-melt, in violation of federal and state laws. Sedimentary material such as gravel that is discharged into waterways or improperly placed on riverbanks destroys habitat, harms aquatic organisms, and can contribute to flooding. The Housatonic River is a state-listed impaired waterbody and is habitat for several species that are endangered or of special concern. This settlement marked the first win in EPD's growing Independent Enforcement Program.

Commonwealth v. Heath Morse: After receiving complaints from over 35 people, we filed a lawsuit and the court entered judgment against Heath Morse for his operation of an illegal, unlicensed pet shop out of his home in Shrewsbury, Massachusetts, and sales of multiple gravely ill bulldog puppies to numerous Massachusetts customers. Specifically, in our complaint we alleged that Morse sold puppies out of his overcrowded, unsanitary home without following any of the pet shop maintenance or quarantine requirements of the Commonwealth's Animal Health Law, G.L. c. 129, and its implementing regulations, 330 C.M.R. §§ 3.01-3.05, 12.01-12.09. Morse advertised these puppies for sale on various websites and social media platforms, claiming, among other things, that his puppies were of show-dog quality, healthy, American Kennel Club certified, veterinary-checked, microchipped and pure bred in violation of G.L. c. 93A. Morse knew these representations to be false, however, and within days and even hours of selling the puppies, many of the dogs suffered serious and, in some cases, fatal communicable diseases, including giardia, pneumonia, and canine parvovirus infection, or genetic defects that cost Morse's customers thousands of dollars to treat. Morse continued to operate his illegal, unlicensed pet shop and misrepresent the health and quality of purchased puppies even after he was ordered to stop. After hearing, the court ordered Morse to pay civil penalties in the amount of \$180,000 and double damages in the amount of \$287,655 to reimburse the customers for the costs that they incurred as a result of their dealings with Morse.

Amicus Brief in Portland Pipe Line Corporation v. City of South Portland, Maine: We authored a major multistate amicus brief, filed in the case Portland Pipe Line Corporation v. City of South Portland pending in the United States Court of Appeals for the First Circuit, in support of appellee City of South Portland, Maine. In the case, a pipeline company challenged the City's local ordinance prohibiting the loading of crude oil onto tankers and new structures, on the grounds that the ordinance was unconstitutional under the domestic and foreign commerce clause and preempted by federal and state law. Our brief argued that the City's ordinance was a constitutional exercise of state and local police power that was not preempted under either federal or state law. 12 states and the District of Columbia co-signed the brief.

Fiscal Information

- Estimated Revenue Generated to the Commonwealth for FY2019 (if any):
 - Total: \$6,088,818.29
- Estimated Recoveries to the General Fund, State Agencies or Others (if any):
 - General Fund: \$5,094,671.66*
 - Expendable Trusts: \$7,200.00
 - DEP NRD Trust: \$897,182.00
 - DEP: \$14,764.63
 - Clean Air/ Clean Water Fund: \$50,000.00
 - Other Trusts or Funds: \$25,000 (GreenAgers 501(c)(3))

- Estimated Restitution to Institutions, Individuals or Others (if any): N/A
 - Estimated Savings to the Commonwealth, Institutions, Individuals or Others (if any): N/A
- * Civil penalties in Commonwealth v. FCA US, LLC & Commonwealth v. Bosch were recovered through enforcement matters pursued jointly with the Consumer Protection and False Claims Divisions.

Important Statistics and Numbers

In FY2019, EPD opened 62 new matters. These matters involve the following areas of law:

Air - Federal (6); Air - State Enforcement (6); Amicus Brief (Air - Federal) (2); Amicus Brief (Scientific Advisory Committees) (2); Amicus Brief (Toxics/Mercury) (1); Brownfields (1); Coastal Zone Management (1); Drinking Water (3); Endangered Species (1); Energy (7); Hazardous Material (1); MESA (1); NEPA (2); Other (4); Pesticides (2); Pet Shop License/Animal Health Law/False Claims (1); Special Projects (1); Toxics Legislation (3); Water Pollution (10); Water Supply Management (c. 21G) (2); Waterways and Tidelands (c.91) (1); Wetlands (4).

In FY2019 EPD resolved 12 enforcement cases (17 defendants in total) by court-ordered Final Judgment. A table of resolved cases is attached

Energy and Telecommunications Division

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

The Division works to ensure that businesses and residents have access to reliable, safe, and affordable energy. The Division litigates cases before state and federal courts, as well as administrative bodies such as the Massachusetts Department of Public Utilities, the Massachusetts Department of Telecommunications and Cable, the Federal Energy Regulatory Commission, and the Federal Communications Commission.

In many of these matters, the Attorney General is the only active participant advocating on behalf of Massachusetts consumers.

Significant Achievements & Priorities for FY2019

Federal and Regional Advocacy on Behalf of Ratepayers: In FY2019, the Division continued to vigorously advocate for Massachusetts consumers before the Federal Energy Regulatory Commission (“FERC”) and in the stakeholder process at ISO-New England, the regional electric grid operator, on regional issues pertaining to electric transmission, grid reliability, competitiveness and cost of the New England wholesale electric market and integration of state clean energy procurements. The Division often takes the lead in the drafting and submission of joint pleadings to the FERC when the six New England states share a consensus position, which the Division often helps to facilitate. Major matters the Division handled in FY2019 include ISO-New England’s winter Energy Security Improvements initiatives in FERC Dockets EL18-182 and ER19-1428, the Mystic Generating Station’s Cost of Service litigation in Docket ER18-1639, the Transmission Rate litigation in EL16-19 and advocacy to accelerate the connection of intermittent resources such as onshore wind and solar to the grid by means of reducing costs for interconnection and removing economic and legal barriers to their integration in Docket No. ER19-1951 (Order 845). The Division also continued to press and defend on judicial remand the refunds the AGO (and others) initiated in 2011 (in Docket No. EL11-66, *et al.*) on behalf

of Massachusetts ratepayers against New England transmission owners for transmission rate reductions to reflect the prevailing market decline in the cost of investor capital on transmission investments. In addition, the Division has joined with other state agencies in New England in reply to FERC's Notice of Inquiry in Docket No. PL19-3 urging reform in the regulations FERC applies for incentive forms of ratemaking for transmission investments.

Competitive Supply Initiative: The Division continued to advocate strongly for customers who have been adversely affected by unfair and deceptive practices by competitive electric suppliers. The Division filed a lawsuit against competitive electric supplier Starion Energy, Inc., seeking restitution for affected customers and civil penalties, alleging that Starion deceived customers out of more than \$30 million through high electricity supply rates. The Division also released an update to its report *“Are Consumers Benefiting from Competition? An Analysis of the Individual Residential Electric Supply Market in Massachusetts.”* The report's updated analysis shows that consumers paid \$253 million more than they would have paid if they had received electric supply from their electric company during a three-year period from July 2015 to June 2018. The AGO has also co-sponsored legislation (H.311 and S.195) with Rep. Frank Moran of Lawrence and Sen. James Welch of West Springfield that would eliminate the individual residential competitive supply market but preserve the forms of electricity competition in Massachusetts that are working. If enacted, the AGO's proposed legislation would save Massachusetts customers tens of millions of dollars each year.

Significant Cases

National Grid Gas Rate Case: The Division advocated against National Grid's proposed increase of its gas distribution rates. As a result of the Division's advocacy, the Department of Public Utilities directed National Grid to reduce its proposed annual revenue requirement by \$94.2 million, which could save ratepayers as much as \$471 million over the next five years. The Department of Public Utilities reduced National Grid's request, in part, because the Division successfully advocated for it to reduce National Grid's proposed shareholder profits due to the Company's "persistent pattern of poor management." Massachusetts Electric Company, D.P.U. 17-170, at 310 (Sept. 28, 2018).

Fiscal Information

Cases that were finalized in FY2019 yielded approximately \$537 million in savings to ratepayers and customers.

Important Statistics and Numbers

In FY2019, the Division represented ratepayers and energy customers in more than 300 dockets pending before state and federal courts and regulatory bodies. The Division also participates in ISO-New England stakeholder technical and governance issues, chairs the ISO-NE Consumer Liaison Group and has a seat on the Massachusetts Energy Efficiency Council.

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 and reviews and approves town bylaws through its Municipal Law Unit.

Administrative Law Division

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

Significant Achievements & Priorities for FY2019

Among the most important cases the Administrative Law Division handles are appeals in both state and federal appellate courts. The next section summarizes a small number of the most important appeals resolved in favor of the Commonwealth or our agency clients. These represent but a fraction of the over 65 appellate court dispositions issued in FY2019 after oral arguments conducted by Division members. The Division also handles or oversees hundreds of cases litigated in state and federal trial courts annually. Division attorneys devoted considerable effort in FY2019 to issues of physician and other professional licensure; child protection matters; firearms regulation; environmental permitting; and an array of other complex subjects, such as education reform, health care, human services, public benefits, campaign finance, affordable housing, public-sector labor and employment, state taxation, and the regulation of insurance products, banking services, and public utilities. Division members also perform vital counseling functions, advising a broad swath of state entities on numerous and diverse legal topics, ranging from how to discharge properly their constitutional obligations to how to respond to subpoenas demanding government documents.

Significant Cases

1A Auto, Inc. v. Office of Campaign and Political Finance. The Supreme Judicial Court upheld the constitutionality of G.L. c. 55, § 8, the 100-year old statute that bans business corporations from making contributions to political campaigns, against First Amendment and equal protection challenges. The court ruled that Section 8 is “closely drawn” to the government’s compelling interest in preventing quid pro quo corruption and the appearance of quid pro quo corruption. Rejecting the plaintiffs’ argument that Section 8 is over-inclusive because it prevents corporations from forming PACs, the court reasoned that corporations have a meaningful opportunity to participate and speak in the political process because they can make unlimited independent expenditures and contribute to independent expenditure PACs. The court also rejected the plaintiffs’ argument that Section 8 is underinclusive because it does not also ban unions from making campaign contributions. An argument that a statute regulates too little speech, the court explained, only succeeds when the statute’s under-inclusiveness suggests viewpoint discrimination, and the court discerned no basis for finding that Section 8 was intended to favor or disfavor any particular viewpoint. The U.S. Supreme Court subsequently denied the plaintiffs’ petition for a writ of certiorari.

Chelsea Collaborative Inc. v. Galvin. The Supreme Judicial Court reversed the determination of the Superior Court that the Commonwealth’s 20-day voter registration deadline violated the state constitution. In the majority opinion authored by Justice Budd, the Court concluded that the deadline does not “substantially interfere” with the right to vote and that therefore its constitutionality is properly reviewed under a rational-basis analysis. A three-justice concurrence agreed with the result, but would have applied a slightly different standard of review.

Garcia v. Department of Housing and Community Development. The Supreme Judicial Court vacated a class-wide injunction that required the department to immediately move unhoused families in the emergency assistance (EA) program to hotels or motels where a family member with a disability had requested such a transfer as an accommodation under the ADA. The Court held that the Superior Court misconstrued the relevant budget line-item provision, which authorizes expenditures to place families in motels only when beds in contracted, congregate shelters are not available. Rather, under the ADA, the transfer could take place within a reasonable time, depending upon the nature of the disability. Undue delay might violate the ADA, but there must be an individualized assessment before drawing such a conclusion. Extensive discovery is still underway. Plaintiffs’ settlement requests call for a substantial overhaul of the EA system.

Branch v. Commonwealth Employment Relations Board, et al. This was a First Amendment challenge to the status of public-sector unions as the “exclusive representative” of public-sector employees who are members of a bargaining unit represented by a union. Appellants are state employees who claim that the unions acting as their exclusive representative in dealings with the Commonwealth as employer violates their First Amendment rights to free association, specifically their claimed right not to associate with a union whose political and non-political viewpoints the employees disagree with. The Supreme Judicial Court held that the employees’ constitutional challenge to a provision in G.L. c. 150E authorizing unions to collect a representation or “agency” fee from objectors like appellants is moot because the unions voluntarily stopped collecting agency fees to comply with the United States Supreme Court’s recent Janus decision. The SJC further held that the employees’ First Amendment challenge to the exclusive representation provisions of G.L. c. 150E is foreclosed by Supreme Court precedent and thus lacks merit. Appellants are seeking further review by the U.S. Supreme Court.

Gould v. Morgan. The U.S. Court of Appeals, First Circuit, affirmed the district court’s rejection of a Second Amendment challenge to Boston and Brookline’s implementation of the Massachusetts firearms licensing statute. The statute gives local police chiefs (as the “licensing authority”) discretion to issue licenses to carry firearms to applicants, provided they are not a “prohibited” person (e.g., a felon or under 21), are not “unsuitable” (i.e., the subject of credible information suggesting they are a threat to public safety), and have a valid “reason” to carry a firearm, i.e., “good reason to fear injury to the applicant or the applicant’s property or for any other reason, including the carrying of firearms for use in sport or target practice only.” The license is “subject to such restrictions relative to the possession, use or carrying of firearms as the licensing authority deems proper.” In the absence of such restrictions, the license allows the applicant to carry a firearm in public, in an open or concealed manner. In Boston and Brookline, an applicant must demonstrate a special reason, rooted in self-defense (e.g., a restraining order against someone or threats made by others) in order to receive an “unrestricted” license to carry a firearm in public. A generalized need for self-defense will not, by itself, result in an unrestricted license. In the absence of such special reason, Boston and Brookline will typically issue a restricted license, which allows the applicant to keep and carry a firearm in the home, and for specific activities (like hunting and target shooting), but does not allow for unrestricted carrying of a firearm in public. Plaintiffs claim that they have a Second Amendment right to keep and carry a firearm in public for self-defense, and that Boston and Brookline’s implementation of the statute violates their

Second Amendment rights. The First Circuit disagreed. The Court concluded, based on the Supreme Court's decision in *District of Columbia v. Heller*, that the "core" of the Second Amendment right is self-defense in the home, and that the Boston and Brookline policies burdened only the "periphery" of the Second Amendment. As such, the Court applied intermediate scrutiny, and found that the Massachusetts statute, and Boston and Brookline's implementation of it, satisfied intermediate scrutiny, because the policies were substantially related to the undeniably compelling interests in violence reduction and crime prevention. In doing so, the Court concluded that the evidence submitted by the Commonwealth—demonstrating that Massachusetts consistently has one of the lowest rates of gun-related deaths in the nation, and that states with more restrictive licensing policies for public carriage of firearms (like Massachusetts) typically have lower rates of gun violence than those with more permissive policies—had "considerable force", and satisfied the requirement of intermediate scrutiny that the challenged law be substantially related to an important governmental interest.

Worman v. Healey. This case raised a Second Amendment challenge to the Massachusetts statute that bans assault weapons and large-capacity magazines. The U.S. Court of Appeals, First Circuit affirmed the district court's judgment upholding the constitutionality of the law. Assuming without deciding that the statute implicated Second Amendment rights, the Court held that the statute survived intermediate constitutional scrutiny because it had a substantial nexus to the Legislature's public safety objectives.

Massachusetts v. U.S. Department of Health and Human Services, First Circuit. The Commonwealth filed suit in this case to challenge two regulations issued by federal agencies that created broad exemptions for employers to stop providing employees the contraceptive coverage required by the Affordable Care Act based on any religious or moral objection to contraception. The District Court held that the Commonwealth did not have standing to challenge the regulations. The First Circuit vacated the District Court's decision and remanded for further proceedings on the merits. The court held that the Commonwealth had established that it faces an imminent economic injury from the regulations under Article III. Specifically, it held that the Commonwealth had introduced specific facts showing that women in Massachusetts are likely to lose contraceptive coverage because of the regulations, and that Massachusetts agencies will likely incur costs in providing them replacement contraceptive coverage. Because the Commonwealth had established an imminent economic injury, the court did not address whether Massachusetts had standing based on a *parens patriae* theory.

Although the Division plays an important role in trying to contain litigation-related contingent liabilities facing Commonwealth entities, and in protecting the public fisc, it is relatively rare that revenues (except in certain tax appeals), recoveries, restitution, or cost savings are primary motivators driving the work of the Division. And even when large sums may be at stake in Division cases, it typically is not the function of Division members to assess the fiscal impact of the litigation positions we advance on behalf of our clients.

Important Statistics and Numbers

As of June 30, 2019, the Division had 1,209 open cases and other litigation matters (1,142 litigation & 67 pre-litigation). During FY2019, the Division opened 782 new cases and other litigation matters (772 litigation & 10 pre-litigation), and closed 671 cases and litigation matters (653 litigation & 18 pre-litigation).

Or in a different format:

Litigation Matters:

Opened: 772
Closed: 653
Pending on 6/30/19: 1142

Pre-Litigation Matters:

Opened: 10
Closed: 18
Pending on 6/30/19: 67

Total Matters for AdLaw Division:

Opened: 782
Closed: 671
Pending on 6/30/19: 1209

Municipal Law Unit

The Municipal Law Unit performs the Attorney General’s statutory duty (G.L. c. 40, § 32) to determine whether all town bylaws, and all city and town charters, are consistent with the laws and Constitution of the Commonwealth. The Unit also assists state agency counsel, state and local elected officials, and municipal counsel, upon request, regarding municipal law issues related to by-laws and charters.

Significant Achievements & Priorities for FY2019:

During FY2019 the Municipal law unit continued to assist municipalities with the local implementation of Chapter 351 of the Acts of 2016, “The Regulation and Taxation of Marijuana Act.” The Unit issued over two hundred decisions on bylaws related to the Act and amendments thereto and participated in three trainings for town clerks and other municipal officials on the Act and its implementing regulations. The Unit also organized and staffed a booth at the Massachusetts Municipal Association 2019 Annual Meeting to be available to local officials for questions on the work of the Office.

Important Statistics and Numbers

During Fiscal Year 2019 the Municipal Law Unit issued a total of 595 decisions reflecting the Unit’s review of over 1600 bylaws and charter provisions.

Division of Open Government

The Division is responsible for state-wide enforcement of the Open Meeting Law and the Public Records Law. The purpose of the Open Meeting Law is to ensure transparency in the deliberations on which public policy is based. 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. It also seeks to balance the public’s interest in witnessing the deliberations of public officials with the government’s need to manage its operations efficiently. The Division of Open Government provides training to members of public bodies and of the public on the requirements of the Open Meeting Law, responds to inquiries, investigates complaints of violations, and, when necessary, makes findings and orders remedial action to address violations of the law. Under the Public Records Law, any person may appeal a public official’s denial of a request for a record to the Supervisor of Records within the Office of the Secretary of the Commonwealth. The Supervisor may refer an order to comply with the Public Records Law to the Attorney General for enforcement. The Division reviews these referrals, works with records custodians to ensure compliance with the Public Records Law, and, when necessary, brings enforcement actions in court.

Significant Achievements & Priorities for FY2019

The Division prevailed in litigation in several matters in which public bodies sought judicial review of determinations of the Division finding violations of the Open Meeting Law.

In **Revere Retirement Board v. Attorney General**, the Superior Court and the Appeals Court affirmed a determination of the Division finding that the Board violated the Open Meeting Law when it discussed the merits of an application for accidental disability retirement benefits in executive session. The Appeals Court agreed with the Division that (1) the executive session purpose for discussions of pending or threatened litigation did not apply when the Board's discussion was limited to discussing the merits of the application; (2) there is no implied attorney-client privilege executive session purpose; and (3) the consideration of an application for accidental disability retirement did not constitute an "adjudicatory proceeding" so as to exempt it from the requirements of the Open Meeting Law. On September 13, 2018, the SJC denied further appellate review.

In **Fall River City Council v. Attorney General**, the Superior Court upheld the Division's finding of an intentional violation and imposition of a fine against the Fall River City Council for not filing a response to an Open Meeting Law complaint within 14 days. The court rejected the Council's assertion that the 14-day response period begins only once the Council has met and reviewed the complaint at an open meeting. The Superior Court issued its decision on July 25, 2018.

In **West Bridgewater Board of Selectmen v. Attorney General**, the Appeals Court affirmed a determination of the Division finding that performance evaluations of non-union personnel do not fall within one of the enumerated executive session purposes, and therefore must be conducted in open session. On July 30, 2018, the SJC denied further appellate review.

Significant Cases

The Division resolved several public records matters that were referred from the Supervisor of Records for enforcement, including three matters in which the Division secured the release of requested records (from the University of Massachusetts Building Authority, the Plymouth District Attorney's Office, and the Department of Public Health). Other matters are ongoing.

Fiscal Information

The Division received payment of a \$1,000 civil penalty from the Fall River City Council, which was imposed after finding that the Fall River City Council intentionally violated the Open Meeting Law by failing to timely respond to an Open Meeting Law complaint.

Important Statistics and Numbers

The Division issued 142 determination letters and 26 declination letters, resolving 244 Open Meeting Law complaints. Some determination letters resolved multiple complaints. In addition, the Division received and responded to more than 2000 inquiries by telephone, e-mail, and letter.

The Division directly trained over 800 people on the Open Meeting Law through its 9 live webinar trainings, 8 in-person trainings in Natick, Orange, Winchester, Spencer, Harvard, Peabody, Avon, and Amherst as part of the Division's statewide regional training series, as well as presentations at several seminars hosted by other organizations

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 FY2019

The Trial Division maintained litigation docket of more than 800 open cases on behalf of Commonwealth agencies and employees and tried 12 cases in a wide variety of legal areas (eminent domain, employment discrimination, tort) in courts across the Commonwealth. In addition, the Trial Division's appellate work was maintained in FY2019 with approximately 45 appeals handled.

Significant Cases

In FY2019, the Trial Division litigated John Doe 1-10, individually and on behalf of all other similarly situated v. Mici, et al., a putative class action challenging the conditions of confinement for men civilly committed under Section 35 to correctional institutions. The Plaintiffs claim gender discrimination, disability discrimination and violation of their substantive due process rights. At the end of FY2019, the case remained pending.

The Trial Division continued to handle two significant cases stemming from the Annie Dookhan and Sonja Farak drug lab scandals: Penate v. Kacmarek, et al., a federal civil rights action against multiple individual defendant, including current and former AGO personnel; and Foster, et al. v. Baker, et al., a purported class action seeking the return of fines and fees paid by the Dookhan and Farak defendants whose criminal convictions were subsequently vacated. We succeeded on several motions to dismiss in Penate, aspects of which are currently being appealed. At the end of FY2019, the case remained pending.

The Trial Division managed two cases against the Department of Justice: United States of America v. Commonwealth of Massachusetts, Massachusetts Department of Correction was a Title VII disparate impact claim brought by the United States challenging DOC's use of the Caritas Physical Abilities Test as a pre-employment screening tool for Correction Officer candidates, which was recently dismissed by order of the court after years of litigation surrounding the implementation of the Settlement Agreement reached in 2011; and Department of Justice/Department of Children and Families is a pre-litigation matter where DOJ has issued findings and threatened a class action lawsuit for monetary and injunctive relief against DCF on behalf of approximately 26 developmentally disabled individuals for purported violations of the Americans with Disabilities Act and the Rehabilitation Act. The parties are engaged in extensive negotiations concerning modifications to DCF's policies and practices surrounding casework and services for developmentally disabled clientele, during which DCF asserts that its actions and policies and practices have not violated federal law.

Fiscal Information

Approximate Amount of Money Saved the Commonwealth by the Trial Division in FY2019:
\$19,539,000.

Approximate Amount of Money Saved the Commonwealth by the Trial Division in CY2019 (1/1/19 to 8/28/19): \$12,433,501.66

Important Statistics and Numbers

Approximate number of new litigation cases opened in FY2019: 427*

*Western Mass cases are included in total litigation cases opened but are not reflected in the Money Savings/Recovery for this report.

Approximate number of Presentments processed in FY2019: 463

Approximate number of Agency Settlements reviewed/processed in FY2019: 70

Abandoned Housing Initiative

AHI ensures safer neighborhoods through blight reduction and the creation of safe, habitable homes. By fostering on-the-ground partnerships with 145 municipalities across Massachusetts, AHI reduces the safety hazards, economic drag, and criminal activity created by blighted residential properties. AHI 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 AHI receivership actions in Housing Court. AHI bolsters its mission by administering grant programs that address receivers' access to capital, property demolition and redevelopment, and code enforcement technology upgrades.

Significant Achievements & Priorities for FY2019

In addition to maintaining a robust statewide residential property receivership program and fostering municipal partnerships throughout the Commonwealth, AHI has continued to tackle deceptive and unfair practices in residential leasing. In cross-bureau collaboration with CPD, AHI has continued to hold the owners of the Skyline Drive Apartments complex in Braintree accountable for code violations at the complex. In FY2019, AHI negotiated a six-figure rent-abatement for tenants as compensation for the owners' failure to address inoperable air-cooling systems. Midway through FY2019, the owners sold the complex to a new buyer. All climate systems have since been adequately replaced or repaired. The number of apartments that are not compliant with the Housing Code is at an all-time low. The new ownership group has also promised to maintain the same number of apartments with rental subsidies, preserving affordable housing in the region. AHI is also working with CPD to litigate a 93A action against Anglefund, Inc., a Texas-based corporation, in which the AGO alleges Anglefund, Inc. targeted Massachusetts consumers with predatory rent-to-own contracts on properties unfit for human habitation.

AHI continued its commitment to curb neighborhood property blight through the effective utilization of settlement funds via three grant programs. The AHI Receivership Fund was successfully relaunched with two grantees to provide capital to receivers through revolving loans and direct grant assistance. AHI also relaunched the Strategic Demolition Fund, bringing the administration of the grant inhouse to provide more efficient assistance to communities seeking to demolish severely blighted structures that drag down their surrounding neighborhoods. The application period for the Technology to Enrich Community Housing Grant (TECH) was opened for the first time in FY2019. TECH will provide municipalities with advanced code enforcement software that will create streamlined approaches to marshalling municipal data in support of blight reduction. Award recipients will receive grant assistance over the next two fiscal years in support of software implementation and utilization. Through the implementation of TECH, AHI anticipates improving communication and information sharing related to distressed properties between municipalities and the AGO.

Significant Cases

AHI is working to return blighted properties to habitable use across the Commonwealth. Here are a few examples of properties we worked on in FY2019:

47 Walnut Street, Palmer: This large 2-family property was condemned by the Town of Palmer in 2016 due to a leaking sewer pipe in the basement, lack of electricity, and lack of running water. AHI reached out to the bank that owned the property and when it became clear the bank would not repair the property, AHI sought the appointment of a receiver. The receiver was appointed in February 2018 and worked over the next year to return the house to habitability. The receiver completed his work in Spring 2019 after completely rehabilitating the property and the property was sold to a new owner in May 2019.

403 Valley Road, New Bedford: This single-family property in New Bedford's North End neighborhood was filled with trash when it was referred to AHI. It also lacked utilities including heat, hot water, and electricity. AHI sought the appointment of a receiver in January 2019. Reed Built Properties was appointed receiver on February 4, 2019. The receiver repaired the property, spending a total of \$89,613.18. The property recently sold for \$262,000 to a new owner.

60 Bolton, Lancaster: The owner of this single-family home was caught up in the foreclosure crisis. Unable to pay her mortgage, she tried to work with the bank to address the property. The bank initiated foreclosure proceedings, but never completed the foreclosure, leaving the property and its owner in limbo. Ultimately, the property fell into an uninhabitable state of disrepair. AHI requested the appointment of a receiver. After the receiver was appointed, the owner of the property proposed selling the property directly to the receiver to allow for a more cost-effective means of repairing the property. Subject to the court's oversight, the owner, receiver, and bank were able to work together toward a short sale of the property to the receiver. This allowed for the owner to finally extricate herself from the property, returned some funds to the bank through the short sale, and the receiver is now at work repairing the property as its new owner.

Needham: The Town of Needham referred a number of vacant properties in a somewhat isolated area of Needham east of Route 128 - 6 of which belonged to one individual. We attempted to work with the owner to no avail and, in 2017, filed a petition for receivership on the property in the worst condition. Prior to appointment of a receiver, the owner retained counsel. Working with counsel, the owner was able to sell the property subject to the receivership litigation. In FY2019, the owner sold the remaining 5 two-family homes, which were demolished due to their condition and are currently being redeveloped. The former owner was able to find additional financial security, the town recovered over \$200,000 in back taxes, and the neighborhood changed virtually overnight.

Fiscal Information

AHI recovered \$1,000 in costs and fees, which were returned to the General Fund. In addition, courts awarded AHI \$63,900.82 from surplus funds generated from the sales of properties following receivership to further AHI's work on abandoned housing issues, including funding for grants to help make receivership financially feasible for troubled properties.

Estimated Savings to the Commonwealth, Institutions, Individuals or Others (if any):

Through its efforts, AHI oversaw the following recoveries to municipalities:

- \$725,460.53 in unpaid property taxes;
- \$2,125.68 in unpaid municipal expenses, such as past due water and sewer bills.

Important Statistics and Numbers

During Fiscal Year 2019, AHI expanded into 12 additional municipalities and now maintains partnerships with 145 municipalities across the Commonwealth. AHI is active in every county except Dukes and Nantucket. Over the course of the fiscal year, AHI opened 197 cases and averaged an active caseload of approximately 337 properties, with an average of 83 in litigation at any one time. In FY2019, AHI filed 63 receivership petitions and obtained 163 successful outcomes.

HEALTH CARE AND FAIR COMPETITION BUREAU

The Health Care and Fair Competition Bureau aligns Divisions within the Attorney General's Office that routinely touch upon the Massachusetts health care sector in fundamental ways. The work of the bureau includes overseeing public charities, preventing anticompetitive or fraudulent practices by providers of health care products and services within the Commonwealth, safeguarding rights of health care consumers, and combatting fraud and abuse in the MassHealth system. The Divisions within the Health Care Fair Competition Bureau bring affirmative litigation on behalf of Massachusetts consumers and taxpayers, maintain a health care help line and mediation service, and engage in advocacy and policy initiatives to ensure access to quality, affordable health care in Massachusetts. In addition, some of the Divisions' work on cases and issues beyond the health care arena, such as overseeing a wide variety of charitable organizations, combatting fraud across the spectrum of government contracting, and investigating anticompetitive behavior in all manner of businesses.

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. The Division also promotes and protects competition in various industries directly affecting consumers, such as health care, pharmaceuticals, retail, and communications. Furthermore, the Division 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 FY2019

ATD advocates for effective competition policy on behalf of the Commonwealth in important antitrust cases. For example, ATD joined a brief to the United States Supreme Court advocating a pro-competition and pro-consumer position regarding Apple Inc.'s App store. ATD similarly joined with other states in submitting comments to the Federal Trade Commission advocating strong antitrust enforcement on behalf of consumers including with regard to large technology platforms. In addition, ATD consults or provides antitrust expertise on legislative issues to Massachusetts state governmental entities on policy matters. ATD also provides regular training for state and municipal purchasers in order to help government officials and employees detect and report potential illegal collusion in bidding for state contracts.

Significant Cases

ATD and HCFC reviewed the proposed merger of Beth Israel Deaconess Medical Center, Lahey Health System, and other medical providers into Beth Israel Lahey Health System. This review was resolved in the form of an Assurance of Discontinuance filed in Suffolk Superior Court. The settlement includes a seven-year price cap and requires \$71.6 million in financial commitments to support health care services for low-income and underserved communities in Massachusetts.

ATD also worked with other state antitrust enforcement authorities to file a new complaint against thirty-five pharmaceutical companies or individuals that alleged price fixing and market allocation in the sale of over 100 generic drugs. ATD and other states had previously filed a complaint against twenty defendants alleging similar conduct. ATD continues to work with other states to litigate these cases and

to investigate additional potentially illegal conduct in the sale of generic drugs.

ATD joined a coalition of states and the District of Columbia in filing a lawsuit seeking to halt the proposed merger of telecom giants T-Mobile and Sprint. The complaint alleges that the merger of two of the four national mobile network operators would deprive consumers in Massachusetts and across the country of the benefits of competition and drive up prices for cellphone services. ATD is working with other states to litigate the case.

Important Statistics and Numbers

ATD handled a total of 23 matters in FY2019. Of these, 13 were closed and 10 remain open.

False Claims Division

Created in 2015 by Attorney General Maura Healey, the False Claims Division works to safeguard public funds by enforcing high standards of integrity against companies and individuals that make false statements to obtain government contracts or government funds in violation of the Massachusetts False Claims Act, G.L. c. 12, §§ 5A-5O.

In its efforts to combat fraud and save taxpayer dollars, the False Claims Division partners with local, state and federal law enforcement agencies and also collaborates and consults internally with other Divisions and Bureaus across the Office, including the Medicaid Fraud Division, the Health Care Division, the Environmental Protection Division, the Fair Labor Division, and the AG's Criminal and Government Bureaus. The False Claims Division also reviews and investigates allegations of fraud by whistleblowers and qui tam relators in a wide variety of sectors, including information technology, construction and health care.

Significant Achievements & Priorities for FY2019

Throughout FY2019, the False Claims Division collaborated on significant projects with multiple divisions in the Office. The False Claims Division collaborated with the Health Care Division to investigate the roles played by multiple opioid manufacturers and distributors in the ongoing opioid crisis, including a leading role in opposing motions to dismiss our complaint filed by Purdue and certain of its officers and directors. In addition, the False Claims Division collaborated with the Medicaid Fraud Division on multiple investigations where alleged False Claims Act violations damaged the Commonwealth's Group Insurance Commission (GIC), including resolving our investigation of a qui tam lawsuit filed against Carewell Urgent Care Centers alleging improper billing. Finally, the False Claims Division has expanded its collaboration with the Fair Labor Division (FLD), and is currently investigating a number of matters referred by FLD.

The False Claims Division experienced a significant increase in qui tam filings in FY2019, and in addition to the Carewell matter mentioned above, also played a leading role in investigating and settling a qui tam lawsuit filed against LexisNexis.

The False Claims Division also began a collaboration with the Office of the Inspector General's Civil Recovery Unit (CRU), where the False Claims Division provides guidance on and will, in some instances, provide supervision of civil fraud matters investigated by the CRU.

Significant Cases

The False Claims Division worked on a range of matters related to Public Integrity and Accountability and Health Care Access and Affordability:

U.S. ex rel. Cartier v. Carewell Urgent Care Centers: Settlement of multistate qui tam resolved by FCD in collaboration with the Medicaid Fraud Divisions of Massachusetts and Rhode Island and the U.S. Attorney's Office in Boston requiring Carewell to pay \$2 million to resolve allegations they engaged in improper billing practices.

In the Matter of G4S Secure Integration, LLC.: Assurance of Discontinuance requiring G4S to pay \$450,000 to resolve allegations they violated the False Claims Act and the Consumer Protection Law by failing to pay subcontractors as required under their contract with MassTech.

Lexis Nexis Solutions: \$5.8 million settlement of multistate qui tam requiring Lexis Nexis to pay \$748,216.67 to Massachusetts to resolve allegations the company did not pay certain fees to law enforcement agencies required by their contracts.

Bosch, LLC: Consent Judgment against Robert Bosch and Bosch LLC requiring the company to pay \$3,668,482.00 to resolve allegations that they knowingly developed, programmed or refined software automakers used to violate environmental laws and regulations through implementation of defeat devices.

FCA US LLC: Consent Judgment requiring company to pay \$1,897,182.00 to resolve allegations that automakers violated environmental laws and regulations through implementation of defeat devices.

Fiscal Information

Estimated Revenue Generated to the Commonwealth for FY2019 (if any): \$7,156,600.39

Estimated Recoveries to the General Fund, State Agencies or Others (if any): \$6,646,430.85

Estimated Restitution to Institutions, Individuals or Others (if any): \$267,656.52

Important Statistics and Numbers

Number of cases handled in Fiscal Year 2019 (open or closed): 53

Number of complaints received, or consumers assisted: 3 (from OnBase)

Number of hotline calls received or handled: 6 (FCD hotline)

Health Care Division

The Health Care Division uses its unique blend of enforcement and policy tools to promote the interests of Massachusetts health care consumers. The Division leads a range of cases to protect the public from unfair and deceptive conduct by insurers, providers, pharmaceutical companies, and medical device manufacturers. The Division also leads state efforts to examine the health care market and provides guidance to hospitals and HMOs about how they should determine the health care needs of their communities, plan programs with their community partners, and report those activities to the AGO. HCD has also played a key role through advocacy and litigation in ensuring the continued strength of the Massachusetts health insurance marketplace in light of changes in federal health policy. In addition, the Division mediates hundreds of health care complaints annually and educates consumers regarding their health care coverage and billing rights.

Significant Achievements & Priorities for FY2019

The Health Care Division was a national leader in FY2019, including through its work addressing the opioid epidemic, improving health care access and affordability, and protecting Massachusetts health care consumers from federal interference. Among our opioid enforcement work, HCD (with our colleagues in the False Claims Division) filed the first lawsuit against members of the Sackler family who made billions of dollars directing the deceptive marketing of opioids in Massachusetts. Our complaint made public substantial evidence showing the Sacklers' role in creating the opioid epidemic.

HCD continues to play a leading role in ensuring all Massachusetts consumers have access to affordable health care. In FY2019, we achieved this priority through our cost trends examination, which highlighted the administrative complexity in the health care system, our community benefits guidelines and website, which encourage hospitals and HMOs to provide community benefit funding where it is most in need, and through our resolution of the Beth Israel Lahey Health merger, which included enforceable conditions to protect access to care for communities across Eastern Massachusetts. HCD has also intervened time and again to file (or defend) lawsuits that threaten to use federal policy to restrict access to affordable health care for Massachusetts residents.

Finally, HCD continues to aggressively police unfair and deceptive practices in the health care market place, taking public action in FY2019 against pharmaceutical manufacturers, health insurance companies, insurance brokers, dental practices, hospitals, and others.

Significant Cases

In addition to our confidential investigations, HCD led the following significant matters during FY2019.

Purdue / Sacklers Litigation. During FY2019, we advanced the Commonwealth's landmark litigation against Purdue Pharma and its executives and directors for their role in the opioid epidemic. In January 2019, we won a court order to make public our Amended Complaint, revealing to the world the Sacklers' control of the deceptive marketing of OxyContin that caused thousands of Massachusetts residents to suffer, overdose, or die. Since we sued, nineteen other states and hundreds of cities and counties filed suits against the Sacklers based on our investigation.

To build our case, we worked with the Department of Public Health to assemble the strongest evidence in the nation of how illegal marketing of opioids caused addiction, overdose, and death. We traced hundreds of opioid-overdose deaths to Massachusetts patients who were prescribed opioids by doctors that Purdue targeted in its deceptive sales campaign. Throughout the case, we were guided by the Attorney General's Opioid Advisory Committee and the families across Massachusetts who are doing the hard work of recovery.

Aetna Behavioral Health Investigation. In December 2018, HCD filed an assurance of discontinuance, resolving our concerns that Aetna's online directories misled patients and that Aetna had not fully complied with state laws requiring insurers to cover certain substance use disorder treatment without prior authorization. As part of the AOD, Aetna paid \$75,000 and agreed to various assurances correcting inaccuracies in its health care provider directories and its obligations to cover behavioral health services.

Skyline Receivership. In April 2019, HCD filed an Emergency Petition for the appointment of a receiver for four nursing homes in Southeastern Massachusetts with more than 200 residents. The petition followed concerns of substantial problems with the finances and operations of the facilities, including insufficient staffing, food not being delivered, and utilities being cut off, putting the residents in imminent danger. The Superior Court allowed the petition and the receiver was able to relocate all the residents in an orderly way and effectuate the closing of the nursing homes.

Partners HealthCare Billing Investigation. In September 2018, HCD filed an assurance of discontinuance against Partners HealthCare System Inc. and Massachusetts Eye and Ear Infirmary, resolving allegations that they violated Chapter 93A by failing to adequately disclose to patients billing information for certain health care services. They paid \$175,000 and agreed to assurances requiring that they increase transparency and help patients be aware of potentially unexpected charges by providing them with important billing information.

Association Health Plan Litigation. HCD is co-leading a multistate coalition of states in *New York et al. v. Dep't of Labor*. Following the filing of our complaint and cross-motions for summary judgment, the federal district court in Washington, D.C. issued an order vacating the DOL's final rule expanding the use of association health plans, because it was unlawful and contrary to ERISA. The court order was cheered by health plans, health care providers, and consumer advocates across Massachusetts who feared the DOL Rule would negatively impact the health insurance markets in the Commonwealth.

Affordable Care Act Litigation. With a multistate coalition of states, HCD is defending the constitutionality of the Affordable Care Act ("ACA") in *Texas v. U.S.* in the Northern District of Texas and, on appeal, in the Fifth Circuit. Plaintiffs argue that the ACA's minimum coverage provision is unconstitutional as a result of Congress's decision to eliminate the tax penalty associated with the minimum coverage provision and that this provision is inseverable from the rest of the ACA. HCD, along with 20 other states, are defendants-intervenors where the United States declined to defend the statute.

Beth Israel Lahey Health. HCD worked closely with the Antitrust Division to negotiate an assurance of discontinuance that was filed in November 2018 following our investigation into the merger of Beth Israel Deaconess Medical Center and Lahey Health System. The AOD included a series of enforceable conditions, including a seven-year constraint on price increases and \$71.6 million in financial commitments to support health care services for low-income and underserved communities in Massachusetts.

Health Care Cost Trends. In October 2018, HCD issued a report on its Examination of Health Care Cost Trends and Cost Drivers. The Report found that the complicated and varied methods used to determine health care payment rates contribute to administrative cost increases and make it difficult for consumers to identify high-value health care options. The report encouraged market participants to reduce complexity and explore increased standardization in order to promote real-time health care price transparency for Massachusetts' residents.

Community Benefits. In June 2019, HCD launched a new website for annual Hospital and HMO Community Benefits reporting in order to promote increased transparency in health care spending. This website features quick downloads and a clear, accessible interface, making finding and downloading reports easy. The launch of the website comes on the heels of a year-long Community Benefits Guidelines update process. The updated Community Benefits Guidelines are now fully effective and improve coordination of hundreds of millions of dollars in community health programs made by hospitals and HMOs.

Fiscal Information

During the fiscal year, HCD recovered payments to the General Fund from the following enforcement actions:

Aetna Behavioral Health AOD (\$75,000)

Partners HealthCare Billing Practices AOD (\$175,000)

McLean Hospital Data Breach Consent Judgment (\$75,000)

UMass Memorial Data Breach Consent Judgment (\$230,000)

DePuy Hip Multistate Consent Judgment (\$2,300,000)

Important Statistics and Numbers

During FY2019, HCD's Mediation Unit assisted more than 3,000 consumers, initiated more than 1,600 mediation cases, and assisting more than 2,000 consumers through the helpline. As summarized above, this resulted in more than \$300,000 in recoveries and savings for consumers.

Here are a few examples of consumer advocacy by the Mediation Unit include.

The unit successfully resolved a complaint by a consumer who had received a bill of more than \$2000 for an out of network ambulance service, after her son had a seizure. The mediator persuaded the insurance company to re-adjudicate the claim and the carrier issued a check for more than \$1200, leaving only the deductible and co-insurance in-network amounts to be paid.

In another case, a consumer who was undergoing cancer treatment underpaid her premium for one month by \$16 after the premium had been increased. A year later, the insurance carrier attempted to "claw back" more than \$7800 for the cancer treatment she received during the month the premium was not paid in full. The mediator advocated with the insurance carrier and, once the consumer paid the \$16, the carrier retroactively reinstated the insurance policy for the month at issue, saving the consumer more than \$7800.

In another different billing dispute, the mediator saved the consumer about \$10,000 relating to out of network services. The consumer in this case had received two colonoscopies at an in-network facility, but was billed by an out-of-network provider. Even though the provider's office had said the provider was in-network for the consumer, the insurance carrier denied coverage, and the consumer was billed \$10,000. After negotiating extensively with the insurance carrier, the facility, the billing provider, and a third-party billing service, the insurance carrier re-processed the claims as in-network, covering the bill in full

Medicaid Fraud Division

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

Through criminal and civil enforcement actions, the Division seeks a significant deterrent impact on fraudulent activities within every area of the Commonwealth's healthcare provider community. The Division 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. The Division employs investigators, auditors, data analysts, and attorneys who work together to develop investigations and bring prosecutions.

The Medicaid Fraud Division 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 Cases:

Nursing Homes:

In March 2019, the Division announced a series of settlements with seven different nursing homes to resolve allegations of systemic failures at facilities that endangered nursing home residents. The nursing homes were located throughout Massachusetts and were alleged to have committed a variety of systemic failures, including failing to develop appropriate policies and procedures to treat residents with substance use histories, replace old bed rails, and implement appropriate interventions to prevent a resident from repeated falls. Many of the systemic failures resulted in deaths or serious injury to nursing home residents. The facilities agreed to pay fines totaling up to \$500,000 (including one case that represented the second-largest nursing home recovery by the Division), and to either implement compliance programs or cease business in Massachusetts for seven years to resolve these allegations. A significant portion of the money recovered was used to fund the newly-created Long-Term Care Facility Quality Improvement Fund, which was established by DPH in 2016 to improve the safety and quality of care provided in nursing homes.

Opioid Epidemic:

The Division continues to focus on identifying and prosecuting the root causes of the opioid epidemic. In January 2019, a Dorchester doctor, Ashok Patel, pleaded guilty in connection with charging patients cash for Suboxone treatment, which is already covered by MassHealth. He was sentenced to house arrest and surrendered his medical license and was ordered to pay restitution to the victims and MassHealth. In August 2018, the Division secured a \$600,000 settlement with North-Andover based Center for Psychiatric Medicine for illegally charging cash for Suboxone. In December 2018, a Dracut physician, Dr. Richard Miron, was charged with illegally prescribing opioids to an at-risk patient, which ultimately resulted in her death. The Division charged Miron with involuntary manslaughter, the Commonwealth's first such charge related to opioid prescribing. In addition, Rite Aid of Massachusetts agreed, pursuant to a settlement with the Division, to contribute \$177,000 to the state's Municipal Naloxone Fund and correct its procedures to settle allegations that it dispensed controlled substances, including opioids, in violation of regulations designed to prevent substance use disorders.

Home Health Agencies:

The Division continues to focus on combating fraud in one of the fastest-growing industries in Massachusetts, the home health industry. In May 2019, after an eleven-day trial, a jury convicted Lifestream Healthcare Alliance and its owner Helen Kiago of billing MassHealth for services that were not authorized by physicians and instructing an employee to forge documents to indicate that the services had been authorized. Kiago was sentenced to two-and-a-half years in a house of corrections, for which she will serve 18 months. In August 2018, after a nine-day trial, a jury convicted Elena Kurbatzky, owner of Harmony Home Health Care, LLC, a Boston home health care agency, of billing for services that were never performed and not authorized by a physician. She was sentenced to 2-3 years in state prison. Additionally, two home health companies, Amigos

Homecare, LLC and Avenue Homecare Services, Inc., reached settlements totaling over \$10 million to resolve allegations that the companies submitted false claims for home health services that were not authorized by a physician.

The Division also continues to coordinate with MassHealth to reduce costs in the home health sector through actions such as the continued moratorium on new home health agency enrollment and prompt suspension of payment upon identification of a credible allegation of fraud. These efforts have been very successful; for example, home health spending by MassHealth was reduced by over \$30 million over a five-month period (July through November) from FY2018FY2018 to FY2019 alone.

Personal Care Attendants:

The Division continues to coordinate with partners and stakeholders to root out fraud in the personal care attendant program. Recently, the Medicaid Fraud Division partnered with the Office of the Inspector General's Office of Investigations (OIG/OI), the State Auditor's Bureau of Special Investigations Office, and MassHealth to establish a task force focused on investigating and prosecuting fraud in the Personal Care Attendant ("PCA") program. The Division has also had considerable success in prosecuting these cases in FY2019. In November 2018, personal care attendant Theodore Gilbert and surrogate Madeline Garcia Gilbert pleaded guilty to charges that they billed MassHealth for services after a patient had died. Both received suspended sentences and were ordered to pay full restitution to MassHealth. In December 2018, Dawna DeMarco pleaded guilty to submitting false timesheets for PCA services while her aunt was hospitalized and then after her aunt's death. In August 2018, Kerry Quinn, Mark Ferreira, and Kariann Tomer were indicted for knowingly submitting false claims in excess of \$40,000 for PCA services that were not provided.

Pharmaceutical Companies:

The Division also continues to enforce regulatory requirements with respect to pharmaceutical providers. The Division reached a settlement in December 2018 with Target Corporation, who agreed to pay \$3 million to resolve allegations that it improperly operated an automatic refill program at its Massachusetts locations. In February 2019, the Division resolved allegations that Walgreens Pharmacy had overcharged MassHealth members more than \$2 million for prescriptions.

Urgent Care:

In the first Massachusetts Medicaid fraud case against an urgent care center, CareWell Urgent Care Centers agreed to pay a total of \$2,000,000 to resolve allegations that it routinely overbilled government insurance programs for complex patient exams that were not medically necessary. This resolution was part of a multi-state settlement and will result in \$857,800 being returned to MassHealth.

Other Significant Achievements:

The Division continues to lead the Interagency Group on Illegal Prescribing (IGIP). Created in January 2016, IGIP was formed to investigate and prosecute prescribers, pharmacists, and other medical providers who illegally prescribe or dispense controlled substances. The group includes federal and state agencies such as the Federal Bureau of Investigation (FBI), the Drug Enforcement Agency (DEA), the Office of Inspector General (OIG), the Massachusetts State Auditor's Office, and MassHealth. The coalition works collaboratively on investigations and meets regularly to share information. By working more closely together, the group looks to eliminate duplicative efforts and save time and resources.

The Medicaid Fraud Division continues to have a national presence within the National Association of Medicaid Fraud Control Units (NAMFCU). AAsG and Investigators presented at the annual conference and continue to act as facilitators at most NAMFCU trainings. The chief of the Medicaid Fraud Division serves on the NAMFCU Executive Committee. One of the Division's Investigations Supervisors continued to serve with NAMFCU as the co-chair of the Association's Training Committee. Two members of the Division are coordinating with a NAMFCU committee to develop, pilot, and establish a training on civil fraud for other MFCUs. The Medicaid Fraud Division regularly plays a leadership role in national initiatives and in bringing false claims cases from initial intake to ultimate resolution.

Fiscal Information:

Total Recoveries = \$23,080,005.88

- Estimated Revenue Generated to the Commonwealth for FY2019 = \$21,531,116.62
- Estimated Recoveries to the General Fund, State Agencies or Others =
 - General Fund = \$458,044.26
 - DPH Long-Term Care Facility Quality Improvement Fund = \$280,000.00
 - Municipal Naloxone Fund = \$177,000.00

Important Statistics and Numbers:

- Number of Cases Handled in Fiscal Year 2019 = 647 Open and 115 Closed
- Number of Complaints Received = 904 (DPH) and 484 (Citizen)
- Number of Hotline Calls Received: 317
- Number of Indictments: 7
- Number of Convictions: 11
- Number of Settlements: 28

Non-Profit Organizations/Public Charities Division

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

Significant Achievements & Priorities for FY2019

Nonprofit Corporations

The Division continues to work with a group from the Boston Bar Association – largely practitioners in the local bar – on an effort to review and revise the nonprofit corporation statute.

Generally, the group is looking to keep the existing Massachusetts nonprofit and charities law while modernizing the structure of the statute, largely consistent with the Model Nonprofit Corporations Act (Third Edition). While the group prepared a draft for consideration for the current biennial legislative session (beginning 2019), it is not yet ready for presentation to the General Court.

Educational Initiatives

In addition, Division personnel participated in a number of educational initiatives for charities and the counsel that serve them. A summary is below.

Bar Presentations: Division personnel made presentations and served on panels at a wide variety of events aimed at attorneys who represent or work with public charities; these events were coordinated by the Boston Bar Association, MCLE, and other sponsors.

Community Trainings: Division personnel also presented on fiduciary obligations and compliance at conferences/meetings of a number of nonprofit groups throughout the Commonwealth.

Conferences: National Association of Attorneys General (NAAG)/National Association of State Charity Officials (NASCO) Annual Conference: Division personnel participated in multiple panel presentations at the October 2018 NAAG/NASCO conference in Baltimore, MD.

International Conference of Charity Regulators: Division personnel attended this conference of charity regulators in New York City in November 2018, permitting continuing conversations and connections with regulators in a number of Commonwealth countries.

Public Outreach: International Charity Fraud Awareness Week: the AGO participated in the CFAW, which was a coordinated effort to educate the public, including charities, of the role of charities regulators and the ways in which we work to combat fraud in the charitable sector.

Significant Cases

Mount Ida College Review: Mount Ida College (MIC) was a private college in Newton, Massachusetts with over 1,500 students and a history dating back to 1899. In FY2018, due to financial challenges and following unsuccessful merger discussions with Lasell College (also located in Newton), MIC sold its campus and ceased operations after providing its students and the Division with only six weeks' notice. While we reviewed the value of the sale transaction in FY2018, we followed that review in FY2019 with an investigation to consider whether or not MIC's senior administrators and its Board violated their fiduciary duties in addressing MIC's financial condition and in carrying out its educational mission. We determined that their conduct and communications raised serious questions. At a minimum, their decision-making fell short of what is expected of a charitable board in meeting its obligations to an educational mission. The same activities may well have violated the Massachusetts Consumer Protection Act, Chapter 93A. Notably, MIC's failure to develop a closing plan and transfer opportunities for students violated Board of Higher Education regulations designed specifically to prevent students from being educationally stranded. Finally, we determined that with Mount Ida now closed and effectively assetless, pursuing litigation would be costly, time-consuming, and of limited public benefit.

College Closures, Mergers, and Other Reorganizations: Because of the number of small colleges in the Commonwealth and throughout New England, and the financial and demographic challenges faced by these tuition-dependent institutions, the Division is seeing some dynamic activity in the sector. While we hope to use our work on the Mount Ida College matter to help inform our responses to these

situations, there are considerable differences between institutions. At the end of FY2018, Wheelock College, a small college in Boston with an historical emphasis on providing training for teachers and nurses, merged into Boston University following an RFP process to find a merger partner. This merger, begun with ample time, appears to have followed a largely successful process. During FY2019, Newbury College, a small liberal arts college in Brookline, announced that it would be closing at the end of the following semester. Unlike MIC, though, Newbury College had both (i) made outreach to the Division in advance, and (ii) done significant work on developing transfer opportunities for its students if it should have to close. When it made the determination to close in December, it was much better placed to assist its students in finding schools at which to continue their education.

Beth Israel Lahey Health Transaction: The Division reviewed the proposed merger between Beth Israel Deaconess Medical Center and Lahey Health System to determine its compliance with applicable charities law. As part of that review, we requested and reviewed documents and related information to examine the surviving entity's organizational structure and control, the transaction's treatment of restricted assets, board governance issues, and each affiliated entity's continuing duty to its core charitable purposes. The Division also supported the Office's wider-ranging review of the transaction.

American Textile History Museum: In 2016, the Single Justice of the Supreme Judicial Court had approved an order granting the American Textile History Museum authority to enter into agreements to transfer its various collections to other charities, in anticipation of dissolution. During FY2019, and following a multi-year process, the Museum filed a dissolution petition negotiated and assented to by the Division requesting that the Single Justice grant the Museum authority to transfer its remaining funds to those charities to help pay for the processing and care of the transferred collections. Justice Lenk entered an interlocutory order approving the requested relief, and the Museum was subsequently dissolved.

Fiscal Information

Total Fiscal Recoveries and Revenue for FY2019: \$7,585,967.79. Revenue reflects \$7,405,020 in filing fees for FY2019 directed to the general fund, \$140,947.79 that was recovered for charities in probate matters involving charitable bequests, and \$40,000 recovered for charities in matters resolving claims of fiduciary duty violations, mismanagement of charitable assets, and/or charitable solicitation fraud.

Important Statistics and Numbers

In FY2019, the Division accepted 2,013 initial charities registrations, processed approximately 30,207 payments for public charity and professional fundraiser annual reports and registrations. Fees for these activities generated approximately \$7,405,020 for the Commonwealth.

As a party to the probate of all estates in which a charitable interest exists and in all judicial proceedings affecting charitable trusts, during FY2019, the AGO received and reviewed: 964 new wills, 576 final accounts/documents closing estate files, 30 petitions to sell real estate, 47 trust terminations and 812 miscellaneous complaints and filings with respect to these matters. The AGO also resolved 72 matters involving potential misapplication of charitable bequests or excessive fees, which in the aggregate, resulted in approximately \$140,947.79 being recovered for charitable purposes.

In carrying out its responsibility to assure the proper use of charitable funds, the AGO reviews: significant asset dispositions, changes in purposes, and other material transactions undertaken by non-profit charitable organizations, including all dissolution proceedings. During FY2019, the AGO reviewed several hundred notices regarding these significant transactions.

PUBLIC PROTECTION AND ADVOCACY BUREAU

The Public Protection and Advocacy Bureau (PPAB) uses investigation, litigation, and other advocacy to enforce laws protecting the Commonwealth. The Bureau works towards meaningful economic recovery for Massachusetts by tackling the economic and mortgage foreclosure crisis with a multifaceted and aggressive strategy. The Bureau protects consumers from unfair and deceptive activity, enforces state and federal civil rights laws, ensures access and equal opportunity for all residents, advocates for protection of environmental resources, pursues complex insurance and finance cases on behalf of residents or government entities, works towards affordable and high-quality health care for all, and enforces antitrust laws. The Bureau is supported by a team of skilled civil investigators.

Civil Investigations Division

The Civil Investigations Division employs a trained staff who provide investigative support in civil matters for the divisions both within with in PPAB and throughout the Attorney General's office. The divisions investigators locate and interview victims, witnesses and subjects connected with actions taken by the office. They obtain and review documentary evidence from numerous sources including individuals, corporations, federal, state, county and municipal agencies, conduct background investigations, analyze financial records and perform other forensic accounting functions, and testify in court. Investigators often work closely with other states Attorney General offices, local and state law enforcement agencies, the US Attorney's Office and other federal law enforcement agencies.

Significant Achievements & Priorities for FY2019

Civil Investigations has played and continues to play a significant role in the Attorney General's enforcement of the Assault Rifle ban. This has included compilation of statistics, providing information regarding gun specifications, investigating and interacting with gun dealers across the state, on-going monitoring of gun sales across the state.

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

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

Significant Cases

The Division was at the forefront of the Attorney General's assault rifle initiative providing crucial information and investigative expertise in support of it.

The Division worked closely with several other divisions within the office investigating fraudulent and unethical practices by major pharmaceutical companies.

CID supports several other divisions within the office in dealing with unscrupulous business practices against consumers by, among others, automobile dealerships, building contractors, and service providers. Over the past year these cases have resulted in monetary penalties against many of them as well as ending their unscrupulous practices.

CID Financial Investigators provided expert analysis and support to multiple divisions across the office with ability to pay investigations.

Fiscal Information

The Civil Investigations Division has provided key investigative support to various other divisions to assist them in defending the Commonwealth against lawsuits, achieve settlement decisions against companies engaging in deceptive or fraudulent practices, and provide documentation regarding the ability of companies and individuals to pay penalties incurred by such practices. The resulting dollar figure either saved or collected by the Commonwealth from these efforts is substantial.

Important Statistics and Numbers

FY2019 (to date) cases opened; 253

FY2019 (to date) cases closed; 241

The investigative support provided to ten other divisions across four bureaus within the Attorney General's Office has been instrumental in resolving hundreds of cases and bringing thousands of dollars back to the Commonwealth and to consumers.

In addition to the above represented cases, the Civil Investigations Division fielded hundreds of queries in 2019 from other divisions that did not require opening an official case file. These included obtaining contact information for individuals, retrieving documents or court information, or obtaining information from other local, state and federal agencies in connection with a case. CID also served over 200 summons and subpoenas resulting in a significant savings to the office

Civil Rights Division

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

Significant Achievements & Priorities for FY2019:

During FY2019, as in other recent years, the bulk of CRD's work involved investigating complaints of civil rights violations from residents and visitors to the Commonwealth and prosecuting cases of housing-related discrimination referred to us by other agencies. In addition, CRD continued to be active in litigation against the federal government, in collaboration with other state attorneys general, to address changes in rules and policy that adversely affect the Commonwealth and its residents, businesses and visitors. We were, for example, actively involved in a number of multistate initiatives to support immigrants who were being harmed by federal rules and policies. We also continued to build strong relationships with various communities and community-based organizations to inform and strengthen our work. An initiative and a case that are representative of some of our work during FY2019 are described below.

CORI: During FY2019, CRD continued its work to address discrimination against individuals with criminal records by enforcing the state's "ban the box" law, which is part of legislation on criminal offender record information (CORI). We found a number of businesses to be violating the law by asking questions about applicants' criminal histories on initial job application, and we worked with these businesses to ensure compliance with the law, imposing penalties on two business as well. We also revised our guidance to the public regarding the "ban the box" law, and we are collaborating with FLD

to incorporate CORI compliance checks into their investigations and to maximize our efforts to educate businesses on the law.

Contraceptive Mandate: CRD, along with the Administrative Law Division and several other divisions of the AGO, is handling ongoing litigation related to attempts by the federal government and a number of states to roll back the contraceptive coverage mandate of the Affordable Care Act. The mandate currently requires that insurers fully cover preventive care for women, guaranteeing comprehensive, no-cost coverage for contraception, including to the tens of millions of residents nationwide whose plans federal law places beyond the reach of state legislative action. Our work on this issue includes leading a lawsuit against the federal government in the First Circuit and providing amicus support to related lawsuits in the Eastern District of Pennsylvania, the Northern District of California, the Northern District of Texas, and the Third Circuit.

Significant Cases

In FY2019, CRD handled and litigated several significant cases. Some representative cases are listed below.

MPA Granada Highlands: In FY2019, CRD obtained a significant settlement with MPA Granada Highlands, a major property management company, that agreed to pay \$600,000 following an investigation into allegations that the company systematically discriminated against applicants and tenants of a Malden apartment complex based on their race and whether they qualified for public assistance vouchers. In addition, the company agreed to update its fair housing and leasing policies and train its employees.

Cataldo Ambulance: In a case pursued by CRD at the Massachusetts Commission Against Discrimination, a former employee of an ambulance company, Cataldo Ambulance Service, was awarded \$243,560 in damages due to pregnancy and disability-related discrimination. The employee alleged that the company had terminated her employment after she informed them that she was pregnant and experiencing pregnancy-related complications.

Lord & Taylor: Also in FY2019, CRD settled an investigation into racial discrimination at major retail establishment, Lord & Taylor, which arose out of concerns that the company's efforts to prevent shoplifting perpetuated a climate of racial and ethnic bias resulting in, among other things, the disproportionate targeting of black and Hispanic customers for surveillance and apprehension. As part of the settlement, Lord and Taylor agreed to pay \$100,000, hire an expert consultant to review and improve its shoplifting prevention policies and procedures, and train its staff.

Redbrook Village: CRD routinely investigates and prosecutes cases involving allegations of housing discrimination after the Massachusetts Commission Against Discrimination finds that there is probable cause that discrimination occurred. One such case from FY2019 involved allegations that Redbrook Village LLC had discriminated against a tenant on the basis of her disability by denying and had unduly delayed making reasonable modifications and accommodations necessary to permit her to use and enjoy her apartment. We settled the matter with the landlord, Redbrook Village, agreeing to train its employees on fair housing laws, bring their advertising and rental applications materials into compliance with the law, implement an anti-discrimination policy, and pay \$90,000.

Fiscal Information

During FY2019, the Civil Rights Division recovered a total of \$1,173,460.

Important Statistics and Numbers

During FY2019, CRD received 1391 complaints through our online complaint system. Of those, 1297 complaints have been closed.

Child and Youth Protection

The Child and Youth Protection Unit (CYPU) works to enhance protections and positive outcomes for children and youth in Massachusetts. CYPU engages in advocacy, enforcement, advisory, programmatic, and policy-making efforts.

Significant Achievements & Priorities for FY2019

CYPU provided consultation on child-related matters within the office; advised state agencies, the Legislature, and the public; participated in task forces; presented at convenings; and pursued specific projects to advance the best interests of children and youth throughout the Commonwealth. Among these projects were:

Model Memorandum of Understanding for School Resource Officers: CYPU released a model Memorandum of Understanding (MOU) for School Resource Officers (SROs), in coordination with the Department of Elementary and Secondary Education and the Executive Office of Public Safety and Security. Through an iterative process of diverse stakeholder engagement, CYPU developed a model to better define the role of the SRO in addressing school safety while ensuring that police powers are not used to address school discipline issues. Clear definition of roles and responsibilities and preventing over-involvement of law enforcement in schools is critical to a safe and supportive learning environment for all students to achieve success. The model SRO MOU complies with the new requirements set forth in the criminal justice reform bill signed into law in April 2018.

Trauma-Informed Care for Young Children Grant Program: With settlement funds from the CYPU-led investigation of Care.com concluded in FY2018, CYPU created a grant program geared toward early education and care providers seeking training and support on trauma-informed care practices. Specifically, the grant program aimed to assist children who have experienced childhood trauma stemming from violence, separation from parents and caregivers, and stress due to poverty or related to the opioid crisis. After a comprehensive grant application and review process, the grant program awarded \$500,000 across eight geographically diverse organizations across the state, including one state-wide training and support program.

Comment Letter on Proposed Title IX Regulations: CYPU submitted a comment letter on the new Title IX regulations proposed by the U.S. Department of Education (USDOE), arguing that the rule would make it more difficult for survivors of sexual assault and harassment to report allegations and access educational opportunities. The comment letter urged USDOE to withdraw the proposed rule, citing significant concerns about the proposed definition of “sexual harassment,” the ability of schools to refrain from responding to sexual harassment complaints unless incidents are reported to a small number of school officials, limitations on the scope of schools’ Title IX authority to address incidents occurring at off-campus events, and requirements for live hearings and cross-examination in higher education proceedings. The rule was proposed, and the letter was submitted, in the context of a national awakening to the pervasiveness and realities of sexual harassment and assault.

Comment Letter on Proposed Public Charge Rule: CYPU, with the Health Care Division, submitted a comment letter on the proposed changes to admissibility on public charge grounds

proposed by the U.S. Department of Homeland Security (DHS), urging DHS to withdraw the rule. CYPUP wrote to detail the harm that the proposed rule would cause to Massachusetts families, including more than 160,000 children, who would likely be forced to forgo important benefits essential for their health, well-being, and education. CYPUP argued that DHS failed to justify its proposed changes to longstanding policy, or to adequately consider the harms to families, businesses, and communities, and that instead the rule appeared designed to frighten lawful residents of Massachusetts and other states across the country.

Advocacy on Behalf of Migrant Children: Among the non-litigation projects that CYPUP pursued on behalf of migrant children were a comment letter on the proposed Flores rule and a letter regarding new sponsorship requirements imposed by the Office of Refugee Resettlement (ORR). With regard to the Flores rule, CYPUP co-lead, with the Attorney General Offices in California and Washington, a letter joined by 18 attorneys general denouncing the Trump Administration's proposal to rewrite rules governing the detention of immigrant children. Specifically, the letter argued that the proposed rule would undermine, and even contradict, the protections that the federal government agreed to provide to immigrant children in the stipulated settlement in *Flores v. Reno*, No. 85-cv-4544 (C.D. Cal. Jan. 17, 1997), and would undercut the longstanding and traditional authority of states to license children's residential placements. With respect to ORR sponsorship requirements, CYPUP led a letter signed by 12 attorneys general, calling on the federal agency to reverse a new policy of requiring fingerprints and background information of all family members in a sponsor's household and the automatic sharing of that information with Immigration and Customs Enforcement. The new policy had led to severe delays in releasing children from federal custody to family members or other sponsors in the community, causing the number of children in custody to balloon to its highest level in history and resulting in additional trauma for migrant children. A month after the letter was sent, ORR reversed its policy.

Significant Cases

Family Separation: CYPUP co-lead, with the Attorney General Offices in Washington and California, a coalition of 17 attorneys general in filing a lawsuit challenging the federal government's "zero tolerance" policy of forcibly separating children from their parents at the southwestern border. The day that the States' lawsuit was filed, a federal court in California enjoined the policy, *Ms. L. v. ICE*, 310 F. Supp. 3d 1133 (S.D. Cal. 2018), and cited the States' complaint.

Rights of LGBTQ Foster Parents: CYPUP led an amicus brief, joined by 18 attorneys general, in support of the *City of Philadelphia in Fulton v. Philadelphia*, a Third Circuit case in which Catholic Social Services (CSS) argued that it had a First Amendment right to discriminate against same-sex foster parents while fulfilling services under a city contract. Based on Massachusetts's experience, CYPUP argued for the compelling government interest in eradicating discrimination generally and in the child welfare and foster care contexts in particular. On April 22, 2019, the Third Circuit ruled in favor of the city.

E-Cigarette Litigation and Investigations: With the Consumer Protection Division, CYPUP filed a lawsuit against Eonsmoke and initiated investigations of several e-cigarette companies, including JUUL Labs. *In Commonwealth of Massachusetts v. Eonsmoke*, the AGO alleged that Eonsmoke, a national retailer of e-cigarette and vaping products, violated state laws regulating the sale and advertisement of tobacco products. Earlier in the fiscal year, CYPUP (along with CPD) began investigating three e-cigarette companies, including JUUL, to determine if they are in violation of state laws and regulations by failing to prevent minors from purchasing their products.

Amicus Defense of Temporary Protected Status (TPS) and Deferred Enforced Departure (DED): CYPUP co-led, with the District of Columbia and California Attorney General Offices, a series of multi-state amicus briefs in opposition of the termination of TPS, a protected status that provides work authorization and protection against removal for hundreds of thousands of long-term U.S. residents from El Salvador, Haiti, Honduras, Nepal, Nicaragua, and Sudan. In the briefs, filed in federal courts in Massachusetts, New York, and California, the States argued that TPS terminations would tear families apart and harm the economy, public health, and public safety. As a result of these cases, the termination of TPS for all six countries has been delayed pending further litigation. Separately, CYPUP co-led with Minnesota an amicus brief filed in federal court in Massachusetts in opposition to the termination of DED for Liberian nationals who are long-term residents of the United States. Days after the amicus brief was filed, and just hours before the hearing on whether the DED termination should be enjoined, the Trump Administration reversed course and extended DED for an additional year, providing important protections to many Liberian residents of Massachusetts.

Consumer Advocacy & Response Division

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

Significant Achievements & Priorities for FY2019

In FY2019 CARD worked closely with our Local Consumer Program Partners and the AGO IT Division to convert each of the 18 Local Consumer Programs to use a new online intake management portal. The six-month project involved 20 trainings for more than 100 staff and volunteers across the Commonwealth. The launch of the portal was a success—improving the efficiency of CARD’s complaint referral process and response times to consumer complaints.

This fiscal year CARD also renewed its outreach goals of protecting the most vulnerable consumers, focusing especially on education about the myriad telephone and internet scams targeting consumers. CARD staff participated in 48 events across the state, including presenting on topics such as elder identity theft, cyber safety for middle school students, financial literacy for high school students, and combatting robocall scams.

Significant Cases

There were many highlights from FY2019:

CARD’s Trades and Professional Services team (TAPS) was frequently tasked with helping consumers impacted by sudden business closures. For example, CARD received 52 complaints from consumers affected by the closure of L’Espalier, a Boston Back Bay restaurant. Consumers alleged they could not use the gift cards they had received because the restaurant was fully booked up until its closing date. The TAPS team negotiated with the business and reached a settlement refunding \$11,400 to consumers who were not able to use their gift cards.

CARD's Consumer Specialists assisted many consumers suffering from sudden financial hardships. In one such case a consumer was hospitalized for an urgent medical problem. He quickly fell behind on his car loan and accrued thousands of dollars in interest and late fees. The consumer's auto lender was threatening to repossess his car while the consumer was still in the hospital. A CARD consumer specialist worked with the consumer and the lender to stop the repossession and negotiated an affordable payment plan for the consumer. The consumer was able to keep the car and is likely to save over \$15,000 under the new payment plan.

Consumers with disabilities sometimes faced additional obstacles when trying to resolve disputes with businesses. In one such dispute a consumer with a sight impairment was at risk of losing his home because he was unable to complete a complex loan modification application which his bank had sent to him in tiny print. A CARD Consumer Specialist worked with the consumer's bank to obtain a copy of the loan application in a font size that the consumer could read. The consumer was then able to complete the application, was approved for a loan modification, and the bank agreed to waive \$2000 of fees which had accrued while the consumer was unable to complete the paperwork.

Many of the consumers who filed complaints with CARD were assisted by one of the AGO's Local Consumer Program partners. For example, the Springfield Mayor's Office of Consumer Information successfully advocated on behalf of a consumer whose contractor installed faulty windows and initially refused to replace them or refund the cost. The Springfield LCP worked with the consumer and business to reach a fair outcome. Ultimately, the business agreed to pick up all the faulty windows and provided the consumer with a \$3000 refund.

Fiscal Information

The \$3.88M recovered for consumers through individual consumer assistance. This includes \$1.1M recovered from assistance performed by the AGO directly and \$2.8M recovered through assistance performed by a Local Consumer Programs.

Important Statistics and Numbers

In FY2019 CARD handled more than 40,000 consumer hotline calls and 19,000 consumer complaints, including 15,800 new complaints filed during the fiscal year—a 14% increase in complaints from the prior fiscal year. More than 2,900 consumers received consumer assistance services from an AGO consumer specialist, while 9,400 consumers received help from a Local Consumer Program (LCP).

CARD helped recover more than \$1.1M for consumers, while the LCPs helped consumers obtain over \$2.8M in relief. CARD and the LCPs also helped more than 2,500 consumers obtain some form of non-monetary result such as modifying their mortgage loan to avoid foreclosure, trading-in a lemon car, correcting a credit report, or restoring power to a consumer's home.

Consumer Protection Division

The Consumer Protection Division (CPD) is responsible for enforcing the Consumer Protection Act, G. L. 93A, by means of investigations and court enforcement actions, without subject matter limitation. CPD prioritizes cases that involve the goods and services that are fundamental to the economic security of Massachusetts residents such as housing, education, transportation, and safe access to the digital economy. CPD pursues its mandate by returning funds to consumers that were unlawfully obtained by businesses, ending unlawful practices, deterring future misconduct through penalties, and imposing oversight of problematic businesses through injunctive relief.

Significant Achievements & Priorities for FY2019

CPD continued its vigorous enforcement of the Massachusetts Act to Prevent Unnecessary Foreclosures, M.G.L. c. 144, sec. 35B, and secured substantial mortgage loan reductions for numerous Massachusetts homeowners. CPD obtained an assurance of discontinuance from Shellpoint Mortgage Servicing for its violations of sec. 35B, pursuant to which the company made an upfront payment of \$450,000 for foreclosed homeowners and committed to principal reductions of \$3.5 million on outstanding mortgages, with any shortfall to be paid to the Commonwealth. Similarly, CPD obtained an assurance of discontinuance from Caliber Loan Servicing for its practice of making unsustainable short-term, interest-only loan modifications, pursuant to which the Company made a \$2 million payment to the Commonwealth. CPD remains committed to ensuring that mortgage servicers make good faith efforts to avoid foreclosure, as required by sec. 35B.

Significant Cases

Commonwealth v. Uber Technologies, Inc. CPD secured this consent judgment against Uber for its violations of the Consumer Protection Act and the Data Security Law, in failing to report, and instead concealing, a data breach. Uber made a payment of approximately \$7,100,000 to the Commonwealth.

In the matter of Comcast Communications, Inc., CPD obtained this Assurance of Discontinuance for Comcast's deceptive advertising practices and unfair early termination fees, providing a \$250,000 payment to the Commonwealth and a restitution for consumers in the amount of \$700,000 with any uncashed checks reverting to the Commonwealth, as well as \$3,090,000 in debt cancellation for thousands of Massachusetts consumers.

Fiscal Information

\$ 7,605,044.59 in recoveries for the General Fund.

\$ 2,465,376.37 in monetary payments distributed as restitution or to the Local Consumer Aid Fund.

\$ 7,258,549 in principal reduction or debt cancellation for consumers.

Please note, these statistics do **not** include the Commonwealth's recoveries in Comm. v. FCA US LLC, Fiat Chrysler Automobiles NV, VM Motori SPA and VM North America, Inc., and Comm. v. Robert Bosch GmbH and Robert Bosch LLC, which were jointly staffed by CPD, EPD and FCD and resulted in payments to the Commonwealth of \$1.89 and \$3.66 million, respectively.

Important Statistics and Numbers

1,000+: Homeowners contacted affirmatively in FY2019 by CPD to offer assistance in seeking a principal reduction or other loan modification arising out of CPD enforcement actions.

400: Approximate number of loan modification reviews resulting from these contacts.

267: Loan modifications secured with further reviews still pending.

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 FY2019

National Advocacy to Support Workers Challenging the US Department of Labor

Working people in Massachusetts are currently more vulnerable to exploitation as the federal government rolls back wage and hour regulations, dismantles protections for occupational safety and health, and suppresses the right to organize. FLD, through AG Healey, has challenged national efforts by the United States Department of Labor and the National Labor Relations Board to unreasonably restrict the standard for joint-employer liability. The fight against the narrowing of the joint employment standard is critical because it is harmful to working people and fails to reflect the changing nature of today's workplace, in which businesses increasingly share employees. We also stood up for the safety of workers by challenging the reversal of a 2016 Occupational Safety and Health Administration rule that mandated employers report information on workplace injuries and fatalities. Greater transparency on occupational hazards is essential to making workplaces safe and healthy.

No-Poach / No-Hire Restrictions

During FY2019, five national fast food franchisors agreed to drop no-poach / no-hire restrictions in their franchise contracts, representing a win for workers. No poach/no-hire provisions restrict a franchisee's ability to hire employees of another franchisee of the same chain and are anticompetitive in nature. These provisions hurt low-wage workers and limit their ability to seek higher-paying jobs at other franchise locations. FLD led a coalition of 14 state attorneys general in reaching a settlement with Arby's, Dunkin' Donuts, Five Guys Burgers and Fries, Little Caesars, and Panera Bread. Under the terms of the settlements, the franchisors agreed to stop including no-poach provisions in their franchise agreements, to stop enforcing any no-poach agreements already in place, and to post notices to inform employees of the settlement.

Employee Rights to Organize

In this post-Janus period, the FLD continues to defend against efforts that undermine the rights of working people. In July 2018, the AGO issued the nation's first statewide advisory highlighting existing state laws that protect employee rights to organize and to act collectively, free of interference or discrimination by an employer. We also clarified that the decision does not affect existing membership agreements between a union and its members regarding union dues and does not change any laws that protect access to public employee's personal information. At least a dozen states followed Massachusetts' lead and used our advisory as a template.

Challenging the Medicaid Rule Affecting PCAs

In Massachusetts, MassHealth Consumers have a right to hire their own Personal Care Attendants (PCAs), who are paid through fiscal intermediaries and provide critical home-based services to sick, elderly, and disabled individuals. Massachusetts PCAs—a unionized workforce—may request to pay their voluntary union dues through a payroll deduction. The U.S. Department of Health

and Human Services recently issued a new Medicaid rule that threatens the future viability of Massachusetts' PCA program by restricting the payments of union dues and insurance out of Medicaid funds. In May 2019, we joined a multistate lawsuit to protect the rights of PCAs and MassHealth Consumers from this proposed rule.

Outreach and Education

Labor Trafficking Outreach

Labor trafficking is a global phenomenon that is happening in many communities across the state. In addition to Fair Labor's continued labor trafficking enforcement efforts, resources were devoted this year to increasing outreach efforts related to this issue. Recognizing that local officials are key to identifying these crimes and bringing survivors out of the shadows, the FLD sponsored two webinars for municipal officials and discussed ways that local first responders, health inspectors, and code enforcement officers can help combat labor trafficking.

Outreach efforts included labor trafficking awareness and resources presentations to the Brazilian and United Arab Emirates Consulates, the South Shore Homeless Coalition, the Town of Burlington, the National Association of Attorneys General Human Trafficking Summit, and the Massachusetts Major City Chiefs of Police Association. Additionally, the AGO has partnered with the Boston University (BU) Migration Innovation Collaborator (CoLAB) and BU Law School's Immigrants' Rights and Human Trafficking Program, to develop a multi-functional web-based "app" to identify victims of labor trafficking in the Commonwealth. The app includes training and resources for front-line responders and, by the early part of FY2020, the app will connect victims with services.

Young Workers

Young workers are an increasingly integral part of the Massachusetts workforce given low unemployment and a strong economy. Fair Labor understands the importance of that first job and has continued its robust enforcement of the child labor laws to ensure that young workers learn early on that they have a right to a safe and healthy workplace, and to be paid their earned wages in full and on time. In FY2019, Fair Labor assessed \$487,000 in penalties and restitution against employers who violated the state's child labor laws—the majority of which were fast food companies—and encouraged employers to adopt practices that protect young workers. Fair Labor has also prioritized outreach and education efforts to young workers and challenged a national rollback of safety rules that protect young workers from operating power-driven patient lifts—commonly used in nursing homes, residential facilities, and hospitals—without the proper training or supervision.

Fair Labor is a member of the Massachusetts Youth Employment Safety Team (YES Team)—an interagency working group that brings together eight state and federal agencies to coordinate efforts to protect and promote the health and safety of young workers across the state. This year, the YES Team, in partnership with Massachusetts Coalition for Occupational Safety and Health, held a Workplace Health and Safety Poster Contest, open to 14- to 19-year-olds across the state. With over 215 entries submitted, the contest challenged teenagers to think about health and safety at work as both an employability skill and a right for young workers.

Public Construction: Prevailing Wage / Fair Bidding

In addition to its ongoing prevailing wage enforcement, Fair Labor issued 74 letters to awarding authorities notifying them of prevailing wage violations that occurred on their public construction projects. Fair Labor sent copies of these letters to the Division of Capital Asset Management and Maintenance's (DCAMM) Certification Unit which reviews applications for and maintains files of certified contractors in order to help awarding authorities select responsible low bidders. Full transparency in matters involving taxpayer-funded projects is critical to keeping a level playing field for honest and fair competition. The letters went to town officials in the following 11 counties: Barnstable, Bristol, Essex, Franklin, Hampden, Hampshire, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester Counties for both domestic workers and employers.

Partnerships

Wage Theft Clinic Expansion

The AGO's Wage Theft Clinic is a partnership with legal aid providers, law schools, worker centers, federal agencies, bar associations, and the private bar. In FY2019, more than 200 workers attended clinics in Boston, Brockton, New Bedford, and Springfield. At the clinic, working people can meet with lawyers and advocates to learn about their rights, prepare pleadings, or find legal representation. Clinic partners reported more than \$200,000 in FY2019 recoveries. The Wage Theft Clinic's partners include Greater Boston Legal Services Inc., Volunteer Lawyers Project, Harvard Legal Aid Bureau, Justice at Work, Justice Bridge, MetroWest Legal Services, Suffolk University Law School, Brazilian Worker Center, Brazilian Women's Group, Chelsea Collaborative, Chinese Progressive Association, MassCOSH, MetroWest Worker Center, the Boston Bar Association, the U.S. Department of Labor, Central West Justice Center, Western New England University School of Law, the Hampden County Bar Association, and the private bar.

Enhanced Awarding Authority Training

During FY2019, Fair Labor enhanced its long-standing partnership with the Office of the Inspector General's (OIG) MA Certified Public Purchasing Officer (MCPPO) certification and training program for public employees and their representatives involved in public construction procurement matters. Fair Labor also added a new advanced topics training course for MCPPO called "Prevailing Wisdom—Confronting Potential Pitfalls and Applying Solutions on Prevailing Wage Projects", which focuses on the practical application of the prevailing wage laws for public procurement and project management professionals. More than 350 public procurement professionals attended these classes last year.

Strategic Industry Enforcement

Construction

As part of an ongoing initiative to combat wage theft in the construction industry, Fair Labor issued 209 civil citations against 88 construction companies across the state in FY2019. Restitution exceeded \$1.68M for more than 1,200 employees of the various employers, and Fair Labor assessed the companies nearly \$1.45M in penalties. Violations in these cases included the failure to pay all earned wages in a timely manner, failure to pay overtime, retaliation, and failure to furnish records for inspection. For work performed on public construction projects, violations included failure to pay the prevailing wage, failure to submit true and accurate certified payroll records, and failure to register and pay apprentices appropriately.

Domestic Workers

Fair Labor enforces the Domestic Workers' Bill of Rights, which provides additional workplace protections for Massachusetts's workers who perform domestic services in private homes—such as housekeepers and caretakers. The law regulates working and rest time and charges for food and lodging for domestic workers. The Domestic Workers' Bill of Rights also requires employers to keep records of hours worked and provides guidelines for written employment agreements. The protections established by this law apply regardless of immigration status.

Fair Labor continues to conduct outreach and rigorous enforcement of the Domestic Workers' Bill of Rights, and is working alongside community-based partners to ensure that domestic workers do not fall victim to exploitative practices. This last year, in three separate cases, Fair Labor issued nine citations totaling \$449,010 to three families living in Massachusetts. These families had failed to pay minimum wage and overtime to four former live-in domestic workers employed to provide childcare, housekeeping, and food preparation services. After issuing the citations, Fair Labor also certified T-Visas and U-Visas for the four domestic workers based on the wage violations and associated conduct. Fair Labor investigated the employers after receiving referrals from Boston University Law School's Human Trafficking Clinic and Greater Boston Legal Services. Fair Labor also works with partners like Matahari, the Dominican Development Center, and the Massachusetts Coalition for Domestic Workers to advocate on behalf of domestic workers and to provide resources to and training

Field Presence

Fair Labor investigators performed 165 worksite visits, including 106 compliance visits at various worksites, such as multi-unit residential construction sites and seafood processing and manufacturing facilities, in 72 cities and towns between July 2018 and June 2019. The purpose of Fair Labor's worksite visits is to assist employers in complying with the wage and hour laws, to remind working people of their rights, and to show that the AGO is accessible and vigilant in wage and hour matters. Worksite visits expand Fair Labor's impact across industries and increase the AGO's ability to reach vulnerable workers who may be reluctant to come forward.

Significant Cases

Fair Labor cited **ERA Equipment**, an Ipswich construction company, and its owners \$580,611 in restitution and penalties for wage theft violations. The company had not paid any of its employees overtime pay, had failed to pay four employees the appropriate prevailing wage rate, and kept inadequate and inconsistent payroll records.

After an investigation, Fair Labor cited **Force Corporation**, a construction company in Leominster, \$837,341 in restitution and penalties for making illegal deductions from employee paychecks and failing to furnish payroll records to the AGO. Fair Labor began its investigation after the New England Regional Council of Carpenters referred complaints from workers. In addition to making illegal deductions from employees' weekly wages for tools, safety equipment, discipline, and advances, the company also unlawfully required employees to purchase their construction tools through another company owned by the employer.

Fair Labor continues to prioritize cases involving janitorial and cleaning workers due to the prevalence of wage and hour violations in this industry. Cleaners frequently work on their own and are paid a flat rate per location, which may be insufficient to satisfy minimum wage and overtime requirements. An investigation into **Maidas d/b/a MaidPro**—a franchisee of a national cleaning services company—

revealed that the company required employees to report to work at the company's office for daily client lists and cleaning supplies before traveling to job sites but failed to compensate employees for travel time between job sites. As a result of the investigation, the employer paid \$63,000 in restitution and penalties.

Fair Labor began investigating **United Services Group, Inc. (USG)** after receiving a referral from Greater Boston Legal Services, MetroWest Worker Center - Casa, and the Brazilian Women's Group. The AGO cited USG, which formerly provided janitorial services at all Whole Foods Market locations in Massachusetts, for misclassifying employees as independent contractors and for failing to maintain an earned sick leave policy, furnish a suitable pay stub, and maintain true and accurate records. USG and its president and treasurer, Edivaldo Reis, are required to pay \$335,000 in restitution and penalties.

In two notable cases, Fair Labor's investigations revealed employers were not paying home health workers for travel time between appointments. **Petra Health Care LLC**, a privately-held home care company in North Chelmsford, and its managers John and Joanne Wachira, paid \$217,335 in penalties and restitution to 175 employees. **Ace Medical Services Inc.**, a Worcester home health company, and its owners, Michael Chege and Raphael Bibiu, agreed to pay more than \$272,000 in restitution and penalties to compensate 240 current and former employees.

Fair Labor drafted and filed an amicus brief (joined by 14 States and DC) with the Supreme Court of the United States in **New Prime v. Oliveira**. Oliveira was a long-distance truck driver who frequently drove more than 5,000 miles per week; he earned as little as \$4 per hour and sometimes received no pay whatsoever after New Prime's payroll deductions. The SCOTUS unanimously affirmed the First Circuit's ruling that Oliveira was not bound by a mandatory arbitration clause.

Fiscal Information

Total Citations and Assessments	804
Total Restitution	\$5,812,240.22
Total Penalties	\$3,992,737.99
Total Restitution and Penalties	\$9,804,978.21
# of Employees Impacted	1,192
Tax Liens Recorded for Unpaid Citations	100

Important Statistics and Numbers

- Number of cases handled in Fiscal Year 2019 (open or closed) 697 cases opened; 683 cases closed
- Number of complaints received, or consumers assisted 6,376 complaints received
- Site Inspections (enforcement capacity) 59
- Compliance visits (non-enforcement capacity) 106
- Community Outreach events 194
- Public Construction Bid Unit calls and e-mails approximately 4,000
- Public Construction Bid Unit protest hearings 29
- Public Construction Bid Unit formal protests without hearing 82

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

Significant Achievements & Priorities for FY2019

Several issues dominated IFSD's advocacy and direct consumer outreach in FY2019, including the Columbia Gas explosions, for-profit schools, student loans, settlement implementations, and auto insurance.

In the aftermath of the 2018 Merrimack Valley gas explosions, IFSD worked on an emergency basis to secure relief for affected residents. In September 2018, **Columbia Gas** caused a series of explosions and fires that resulted in the loss of natural gas for thousands of homes in Lawrence, Andover, and North Andover. During the pendency of the crisis, the Division regularly visited the Merrimack Valley, staffing multiple events, including weekend events, and sending representatives to the Columbia Gas Claim Center and Lawrence Consumer Relief Center. IFSD also established a hotline for Merrimack Valley Residents and created an online help request form to directly assist residents with housing, transportation, meal expenses, lost wages, and evacuation expenses. Based on IFSD's interactions with residents and observations concerning the claims process, the Division sent a letter to Columbia Gas enumerating the issues encountered by residents and requesting immediate changes to the claims process. In addition, IFSD advocated successfully for Columbia Gas to pay landlords so that tenants did not have to pay rent while rental units were without heat and/or hot water. This advocacy included drafting guidance for landlords and tenants concerning the state sanitary code and mailing letters to over 1,600 landlords directing them to file claims with Columbia Gas rather than seeking rent from affected tenants. As a result of IFSD's advocacy, Columbia Gas paid 1,529 landlords \$9.4 million relating to rental income. IFSD also partnered with the Abandoned Housing Division to contact landlords pursuing eviction to ensure that affected residents were not wrongfully evicted for withholding rent.

IFSD also continued to pursue for-profit schools for unfair and deceptive trade practices and advocate for associated student loan relief. For example, IFSD continued to pursue debt relief for former Corinthian students by filing a motion in a Massachusetts federal court case, **Williams v. DeVos**. The action was taken to prevent the U.S. Department of Education from involuntarily collecting on students named in the Division's Corinthian group discharge application.

Similarly, when questions arose as to whether federal student loan forgiveness under the Public Service Loan Forgiveness program would trigger state income tax consequences, IFSD worked with state officials from the Department of Revenue to provide clarity and protection for public servants and non-profit workers.

In addition, IFSD provided testimony before the **U.S. House Committee on Financial Services Subcommittee on Oversight and Investigations** on the patterns of inadequate and harmful servicing practices observed by the Division's Student Loan Assistance Unit. IFSD also advocated for the U.S. Department of Education to continue to provide routine disclosure of student loan information to state

law enforcement agencies.

IFSD also implemented a prior auto loan securitization settlement by negotiating for additional post-settlement relief that resulted in **an additional \$7.18 million in debt forgiveness and credit repair** for affected borrowers. The implementation process required the Division to send over 4,000 letters to borrowers and field over a thousand phone calls. IFSD also distributed over \$236,000 to force-placed insurance victims who had previously failed to respond to the settlement administrator.

In the last fiscal year, IFSD also continued its advocacy to support vulnerable communities across the Commonwealth on insurance issues. IFSD opposed efforts by **Commonwealth Automobile Reinsurers (CAR)**, the entity that oversees the residual market for auto insurance, to eliminate consumer protections for many of the state's urban drivers. The changes would have disincentivized insurance carriers to write policies in low-income and urban territories. IFSD argued against the changes, submitted comments to CAR, and then sent a letter to the **Commissioner of Insurance**, who rejected CAR's proposal in a hearing in January 2019.

Finally, IFSD also appeared before the MA legislature's **Financial Services Committee** to submit testimony regarding the role of the AGO in insurance, securities, and lending enforcement.

Significant Cases

IFSD recovered funds in a variety of cases this past fiscal year, advancing the Office's mission to protect consumers and the public fisc. For instance, the Division completed an investigation of **HSBC Securities** regarding the company's role in selling defective subprime mortgage loans. Our actions against HSBC resulted in the company paying \$26.3 million in cash, which will help harmed homeowners throughout the state. IFSD also recovered a \$5.5 million penalty from **State Street** for overcharging investors on messaging fees, and, as part of our ongoing efforts to recover for unfair practices relating to LIBOR, we returned \$12.6 million to governmental entities and nonprofits that did business with **Deutsche Bank**. In addition, the Division obtained a \$6.1 million payment from **Wells Fargo** relating to unfair retail banking practices.

IFSD also brought numerous actions against for-profit schools that engaged in unfair practices, securing refunds for students, forgiveness of institutional debt, and significant policy changes at the schools. Our action against **Career Education Corporation** for unfair marketing practices resulted in \$11.3 million in debt forgiveness to Massachusetts students. **American Military University** paid \$270,000 in restitution to students harmed by its misleading recruitment practices. Cases against **Millennium Training Institute** and **Motoring Technical Training Institute** for misreporting graduates' job placement rates also resulted in restitution of approximately \$100,000.

In addition, IFSD continued to investigate so-called student loan "debt relief" companies, which purport to help borrowers reduce student loan debt, but in fact provide no meaningful services and charge illegal fees. Following prior actions against five other student loan debt relief companies, this year IFSD filed an Assurance of Discontinuance in superior court against **Start Fresh Financial**, obtaining full refunds for all its Massachusetts customers and barring the company from doing future business in the state.

During this fiscal year, IFSD also took action regarding a variety of insurance issues. For instance, IFSD resolved allegations that **Kanawha Insurance Company** failed to provide policyholders with timely notices required under life insurance contracts, including notices relating to termination of policies. As a result of our investigation, Kanawha was required to pay \$10,000 to the Commonwealth and \$78,000 in restitution to consumers.

The Division also initiated an investigation into **Mutual of Omaha**, which revealed that the company had unfairly denied life insurance policies and long-term care insurance policies to Massachusetts residents who had been taking AIDS prevention drugs. Mutual of Omaha was required to change its practices, offer relief to affected consumers and make a payment to the state. IFSD also continued to return money to consumers relating to overcharges on force-placed hazard insurance. The Division's settlement with **Ocwen** and audit of **QBE** relating to these issues generated an additional \$3 million in refunds to Massachusetts homeowners.

IFSD additionally continued to investigate investment and retirement planning issues. The Division completed a matter against **Santander Securities, LLC (SLLC)** after receiving several complaints that the company was engaged in misleading annuity sales tactics. SLLC was required to make a payment of \$100,000 to the Commonwealth, and reimburse the surrender charges paid by clients, totaling approximately \$146,000. IFSD also brought an action against a tax preparation firm that allegedly misled consumers. **Jackson Hewitt** advertised that consumers would obtain various discounts, but in fact never provided them to many customers. Through a settlement, Jackson Hewitt paid over \$90,000 to customers who used the company's in-person tax preparation services to file federal 1040-EZ tax returns. Jackson Hewitt also made a separate payment of \$93,649 to the Commonwealth.

Fiscal Information

IFSD recovered \$74,620,020 for consumers, non-profit entities, political subdivisions, and the Commonwealth. Monies recovered includes both cash paid and, in the case of some consumer-related cases, the discharge of debt.

Important Statistics and Numbers

IFSD's other major contribution to consumer protection has been through its Insurance & Financial Services Mediation Program and Student Loan Assistance Unit.

In FY2019, IFSD's Insurance & Financial Services Mediation Program fielded over 5,046 hotline calls, opened 1,268 complaint files, closed 1,261 complaint files and generated \$1,301,183 in savings and recoveries for Massachusetts residents. Successful mediation results included:

- helping residents of the Merrimack Valley affected by the Columbia Gas explosions to receive payment of claims for evacuation costs, home repair, and lost wages; and facilitating emergency hotel placement and cash assistance for extra food and mileage costs while residents' homes were without heat and/or hot water;
- reversing denials of auto, home, travel, cell phone, warranty, and life insurance claims;
- helping consumers receive fair value for totaled vehicles under auto insurance claims;
- securing reinstatements of life insurance policies;
- persuading companies to unwind unsuitable annuity sales and compensate investors for sales of risky investments;
- obtaining premium refunds for consumers who were deceived into signing up for insurance coverage;
- obtaining GAP claim payments and refunds;
- helping consumers avoid expensive force-placed insurance;
- securing the release of homeowners insurance claim payments from mortgage loan servicers; and
- obtaining refunds of incorrectly calculated premiums.

In FY2019, IFSD's Student Loan Assistance Unit (SLAU) fielded over 1,648 hotline calls, received 883 requests for assistance, closed 880 requests, and generated \$1,102,110 in savings and recoveries for student loan borrowers. Examples of the services provided by SLAU include:

- aiding borrowers in resolving defaulted federal loans and helping end associated wage garnishments and tax refund interceptions;
- providing information about income-driven repayment plans and assisting borrowers in enrolling in these plans in order to lower their monthly federal student loan payments;
- helping borrowers obtain information about their student loans through NSLDS or loan servicers;
- obtaining write-downs or forgiveness of institutional and private student loan debt;
- resolving billing disputes with loan servicers and correcting student loan servicer errors;
- recovering payments made to fraudulent student loan "debt relief" companies;
- helping borrowers complete and submit disability and closed school discharge applications; and
- helping borrowers understand requirements for public service loan forgiveness programs.



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