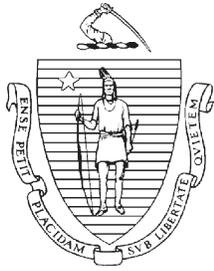


**Report of the
Attorney General
for Fiscal Year 2018**



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
MAURA HEALEY

PUBLIC DOCUMENT No. 12



MAURA HEALEY
ATTORNEY GENERAL

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

(617) 727-2200
(617) 727-4765 TTY
www.mass.gov/ago

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, 2017 to June 30, 2018.

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

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
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

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

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

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

Regional Offices

Central Massachusetts (Worcester)
Southeastern Massachusetts (New Bedford)
Western Massachusetts (Springfield)

TABLE OF CONTENTS

Executive Bureau.....	1
Community Engagement Division	1
General Counsel’s Office	2
Grants Management	3
Office of the State Solicitor.....	4
Policy & Government Division	5
Criminal Bureau	7
Appeals Division.....	7
Enterprise, Major, and Cyber Crimes Division	11
Digital Evidence Lab	12
Financial Investigations	13
Gaming Enforcement Division.....	14
Human Trafficking Division	15
White Collar & Public Integrity Division.....	16
Victim Witness Services.....	19
Energy and Environment Bureau	23
Energy and Telecommunications Division	23
Environmental Crimes Strike Force	24
Environmental Protection Division	25
Government Bureau.....	29
Abandoned Housing Initiative.....	29
Administrative Law Division	30
Municipal Law Unit	33
Division of Open Government.....	33
Trial Division	35
Health Care and Fair Competition Bureau.....	36
Antitrust Division	36
False Claims Division	37
Health Care Division.....	38
Medicaid Fraud Division	39
Non-Profit Organizations/Public Charities Division.....	42
Public Protection and Advocacy Bureau	45
Child and Youth Protection Unit.....	45
Civil Investigations Division.....	46
Civil Rights Division.....	47
Consumer Advocacy & Response Division	48
Consumer Protection Division	49
Fair Labor Division	51
Insurance and Financial Services Division.....	52
Regional Offices	56
Central Massachusetts	56
Southeastern Massachusetts	57
Western Massachusetts	57

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 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.

Community Engagement Division

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

In 2018, the Attorney General's Community Engagement Division organized over 311 events and trainings and engaged directly with nearly 20,000 community members across the state.

Main projects:

The People's Law Firm Outreach Day Summits in Worcester and New Bedford brought together over 130 service providers to discuss the AGO's resources, to assist immigrants, combat wage theft, assist student loan borrowers, and vulnerable residents in debt collection proceedings. At this half-day summit, service providers learned about the efforts and legal assistance available, as well as how they could use the Division's services to assist their clients, members, and students.

The AGO's Wage Theft Clinics, hosted jointly by the CED and the Fair Labor Division, served 218 workers who attended to receive free legal assistance services providers and private attorneys. In addition, these workers met with Workers' Centers representatives and learned about other AGO services. These workers recouped \$117,00 in lost wages.

Debt Collection Clinics aided consumers who had been sued over a debt by helping them appear at court dates and adequately defend themselves in Boston (BMC), Dorchester, Roxbury, and New Bedford District Courts. A total of 628 consumers have been contacted by the Office, with 259 consumers appearing in court (41.2% appearance rate). Consumers have saved a total of \$97,548.20 so far in 2018.

Healthy Summer Youth Jobs program funded more than 700 summer youth jobs to over 90 organizations and provided worker's rights trainings and assistance.

General Counsel's Office

The General Counsel's Office's (GCO) primary responsibility is to provide legal assistance and operational support to the Attorney General, Senior Management, Executive Bureau, and other bureaus.

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

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

The GCO also manages the library and eDiscovery teams.

The General Counsel's Office's reports to the Chief Legal Counsel.

Cases

1. The GCO assisted with federal court, state court, and other proceedings related to the AGO's ongoing investigation of Exxon and whether the company lied to shareholders and investors in Massachusetts.
2. The GCO has continued to work with the Criminal Bureau to represent the AGO in post-conviction proceedings involving defendants whose convictions were impacted by Sonja Farak.
3. The GCO provided substantial assistance to the Administrative Law Division in a case involving the application of the Public Records Law to the DA's database.

Important Statistics

AG Institute:

In FY2018, the AG Institute conducted 37 informal programs for AAsG, filling approximately 1,300 seats (almost an additional 200 seats over FY2017).

The AG Institute also conducted three New Employee Orientations, training a total of 54 new employees. The AG Institute assisted the Human Resource Division in the training of all AGO employees on Harassment Prevention and Anti-Discrimination practices and policies.

Boards and Commissions:

In FY2018, there were a total of 18 new Boards & Commissions Appointments and four Boards & Commissions Reappointments.

Public Records Requests:

In FY2018, the AGO received 656 public records requests, a 35.5% increase in the number received in FY2017. Of the total received, 343 were handled by the GCO (52.3%) and 97 were from the press (14.8%).

Review of Legal Services:

The GCO reviewed 6 Legal Services Contracts and provided substantial assistance to agencies' retention of outside legal counsel.

Special Assistant Attorneys General (SAAsG):

In FY2018, there were a total of 50 new SAAG Appointments, 13 amended SAAG Appointments, and 49 vacated SAAG Appointments.

Grants Management

Grant funds are secured by the AGO through various settlements. While much of these funds are returned to the state and impacted residents, some are set aside to fund programs that benefit Massachusetts residents and support community health, wellness, and other priorities. In Fiscal Year 2018, the AGO made 117 new grants, committing \$2,271,519.09.

Local Consumer Programs

Local Consumer Programs (LCPs) are non-profit or government agencies that use local knowledge and community involvement to provide effective assistance to consumers. Many of these programs have decades of experience assisting Massachusetts consumers, providing a broad array of assistance related to defective products, debt collection, mortgage servicing and loan modifications, home improvement contract issues, and issues specific to immigrants, veterans, homeless, and elderly residents.

Total Awards: 20

Total grant award: \$1,266,850

Face-To-Face Mediation Programs

The Face-to-Face Mediation Program Grant attempts to resolve consumer issues through mediation, pursuant to M.G.L. c. 233, §23c. Grants are made to 501(c)(3) organizations and local governmental agencies such as District Attorney's Offices, Mayor's Offices, municipal Office of Elder Affairs, colleges, and universities to reduce the case load of our small claims court system.

Total Awards: 16

Total grant award: \$535,000

Healthy Summer Youth Jobs

Healthy Summer Youth Jobs funds hundreds of summer jobs for at-risk young people across the state in government offices and non-profit organizations that participate in or provide health and wellness activities, including summer camps, community groups, and parks departments.

Total Awards: 70

Amount Funded: \$297,169.09

Equal Opportunity in the Construction Trades

The Equal Opportunity in the Construction Trades is a one-year program promoting equal opportunity for women, minority workers, and small business owners in the construction industry. This program provided funding to non-profit organizations, apprenticeship programs, labor unions, and vocational schools to conduct worker training and outreach programs.

Total Awards: 7

Amount Funded: \$90,000

Transfer of Charitable Funds

The funds were received through a settlement with a Connecticut-based veterans charity that was illegally soliciting in Massachusetts and misleading donors. This program identified recipient nonprofits that work to increase access to housing and healthcare services for Massachusetts veterans, particularly veterans facing homelessness and health challenges.

Total # of Awards: 2

Amount Funded: \$60,000

Criminal Justice Investment Program

Under federal law, the AG's Office can provide up to \$25,000 annually from forfeitures ordered in joint federal-state prosecutions to fund criminal prevention and education programs around the state. This program provided money seized from criminal cases to local organizations focused on preventing crime, providing drug rehabilitation, and offering drug education in their communities.

Total # of Awards: 2

Amount Funded: \$22,500

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 is here to be 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. It 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.

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 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 the U.S. Congress as well as state and federal regulations. The Division responds to inquiries from members of the congressional delegation, state legislators, executive agencies, and local officials made on behalf of their constituents, helping those constituents access resources within the office.

Achievements

Legislation

In September 2017, Equifax, a consumer reporting agency, announced that a data breach had resulted in the compromising of information of three million Massachusetts consumers, and tens of millions more nationwide. The Division, in collaboration with the Consumer Protection Division and the Data Privacy Unit, joined with Representative Jen Benson and State Senator Barbara L'Italien to present a consumer protection bill providing free credit freezes, a "one-stop-shop" to access the freezes across multiple consumer reporting agencies, and free credit monitoring. After approval in both the House and Senate, the branches appointed conference committees on May 3, 2018 to resolve differences between the two bills.

The Division worked closely with legislators and advocates on legislation ensuring insurance coverage for a full range of contraceptive options. The Attorney General testified in support of the bill and participated in a signing ceremony on November 20, 2017. The Division also worked with the Legislature to support and provide feedback on the Pregnant Workers Fairness Act to ensure employers provide reasonable accommodations to address the needs of pregnant women and nursing mothers. It was signed into law on July 27, 2017.

The Division worked with Legislative leadership, law enforcement partners and stakeholders on reforms to make the criminal justice system fairer for all, while ensuring that the law continues to protect public safety. In that debate, the Division secured passage of a long-time legislative priority of the office enhancing the penalties for a corporation convicted of manslaughter. The maximum fine increased from \$1,000 to \$250,000, and a company may be debarred from state contracts for up to ten years.

As part of the Attorney General's ongoing commitment to passing common sense gun reforms to save individuals' lives, the Division supported "Extreme Risk Protection Order" legislation to allow courts to suspend a person's access to firearms if they demonstrate risk of harm to themselves or others.

Other Projects

The Division continued to act as 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. On June 12, 2018, AG Healey announced a lawsuit against Purdue Pharma and its executives for their role in creating and profiting from this deadly epidemic. At the announcement, the Division brought together family members, police, local officials, and leaders in the medical community to speak about the devastating impacts of the defendants' actions to mislead doctors, patients, and the public about the risks of their dangerous opioids, including OxyContin.

The Division oversaw the design, management and implementation of Project Here, an initiative funded by the office and the GE Foundation to make substance use prevention available to all public middle schools in Massachusetts. The Division gathered public health and addiction experts, school officials, community leaders and other stakeholders to sit on the Project Here Advisory Committee. In the Fall of 2017, Project Here launched a website, opened registration for schools and created an educational toolkit. The toolkit provides schools with classroom instruction resources to educate students about the health risks of substance use. By June 2018, over 250 middle schools had registered with Project Here and received the toolkit. In the Spring of 2018, Project Here put out a request for proposals to fund evidence-based substance use prevention curricula. In addition, the Division and Attorney General Healey visited schools participating in Project Here to meet with teachers and students, discuss the importance of prevention education, and highlight the success of the initiative.

The Division continued to spearhead the work of Game Change, a partnership with the New England Patriots Charitable Foundation to address teen dating violence and promote healthy relationships. In Phase III, awardees received a grant of \$3,000 to support long-term implementation of the curriculum. Thirty schools participated in Phase III and collectively reached over 22,000 students, teachers, and coaches through trainings, events, and activities.

Together with the Civil Rights Division, the Division issued guidance and developed resources for employers regarding compliance with the new Equal Pay Act, which went into effect July 1, 2018. In developing the guidance, the Division engaged with the business community and advocacy organizations. The Division also participated in numerous speaking engagements, panel discussions, and webinars about the new law, which seeks to close the discriminatory gender pay gap.

The Division represented the office on the Student Debt Working Group, a partnership between the office and the Greater Boston Chamber of Commerce. On November 2, 2017, the Group issued a report with recommendations to help student borrowers and address the student loan debt crisis.

Following the release of the Attorney General's March 2018 report on competitive electricity suppliers, the Joint Committee on Telecommunications and Energy held an oversight hearing. Attorney General Healey testified at the hearing, asking legislators to end the residential competitive electric supply market. In June 2018, with assistance from the Division and ETD, the Senate approved important consumer protections for this market as part of a larger energy reform bill.

CRIMINAL BUREAU

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

Appeals Division

The Appeals Division defends Massachusetts convictions, criminal justice officials, and criminal laws and practices, in federal and state courts. Specifically, the Division strives to uphold convictions secured by the Attorney General's Office 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 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. Most commonly, these challenges attack convictions for homicide, rape, other violent and sex-based offenses, drug crimes, and weapons offenses. The Division is, in fact, the only unit of state government to defend Massachusetts convictions in federal courts. Challenges may come in the form of direct appeals to the United States Supreme Court, or they may be pursued through habeas corpus actions in the U.S. District Court, the Court of Appeals for the First Circuit, and the Supreme Court.

The Division's role in the development of federal habeas law is considerable. Nearly all of the First Circuit's published decisions concerning habeas challenges to state convictions involve Massachusetts prisoners and Division attorneys. The Division also represents Massachusetts agencies and officials when they are subpoenaed in criminal cases, and when they are sued or subpoenaed in relation to criminal justice matters in federal or state civil actions. 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.

Cases

In Fiscal Year 2018, the Appeals Division had considerable success in furthering the AGO's priorities; supporting the important work of colleagues in other units of state government contributing to the positive development of the law; and securing justice for crime victims and other individuals vulnerable.

In many cases, the Division worked to protect judgments arising from disturbing acts of victimization. The Division saw the **United States Supreme Court** deny a petition for certiorari filed on behalf of **Sean Fitzpatrick** after requesting an opposing brief from the Division – a step taken in only a small fraction of cases. Fitzpatrick had been convicted of the first-degree murder of Michael Zammitti, Jr., and Chester Roberts, Jr., in Wakefield. The Division also secured decisions from the **U.S. Court of Appeals for the First Circuit affirming the denial of habeas corpus relief to the following: David Jackson**, who was convicted of the first-degree murder of **Arcadio Lara** in Boston; **William Johnson**, who was found guilty of several offenses based on his entering into the home of Carmen Burgos in Holyoke, threatening to kill her while wielding a knife, and then threatening to kill the police officers who arrived on the scene; **Bryan R. Johnston**, who was challenging judgments for the first-degree murder of David Sullivan, as well as armed burglary and firearms offenses, in Amherst; and **James Lucien**, who was imprisoned for committing, in Boston, the first-degree murder of Ryan Edwards, the armed robbery of Alfred Clarke, and the unlawful possession of a firearm. Additionally, the Division obtained a decision

from the **Massachusetts Supreme Judicial Court rejecting a request for release filed by Raymond P. Vinnie**, who was convicted of the first-degree murder of sixteen-year-old Charles Hardison in Milton. And the Division obtained a decision from the **Massachusetts Appeals Court affirming Yasmani Quezada's conviction** for breaking and entering into an apartment in Boston in the daytime with intent to commit a felony.

Other cases involved defendants who faced charges for human trafficking or other forms of sexual subjugation. They included **Ramona Hernandez** and **Rafael Henriquez**, who operated in various Boston-area locations; as well as **Ryan Duntin**, who did so in Braintree and Tewksbury. As a result of Division efforts, the **Appeals Court** affirmed the judgments against these defendants and issued decisions favorable to the Commonwealth regarding the constitutionality or interpretation of the state human trafficking law. The same court issued a favorable decision on evidentiary suppression issues in connection with **Ronald Keplin's** prosecution on human trafficking, conspiracy, prostitution-related, and firearms-related charges associated with alleged activity in Wilmington. Additionally, the Division filed an amicus brief to the **Supreme Judicial Court** in connection with an appeal by **Wayne W. Chapman**, who was convicted of several offenses resulting from his sexual assaults of young boys. The brief encouraged the court to adopt a sensible procedure for sexually-dangerous-person proceedings and to allow appropriate victim input.

In still other cases, the Division defended judgments against individuals who pursued schemes to steal from others. The **First Circuit Court of Appeals rejected a habeas corpus challenge to Charlene Connors's** conviction for fiduciary embezzlement of her clients, David and Sylvia Ghafari, and Maureen Daly, who had tendered funds for home construction in Wilmington. The **Supreme Judicial Court denied a demand for a sentence reduction by Branden E. Mattier**, who attempted to defraud One Fund Boston. And the **Appeals Court affirmed the conviction of Richard A. Trott, Sr.**, who embezzled from a Disabled American Veterans chapter on Cape Cod.

In several of the cases referenced above, like many others in recent years, the Division obtained favorable rulings on issues involving the intersection of modern technology and the criminal law. To illustrate, Keplin's case involved the admissibility of cellphone evidence, while both the Hernandez and Quezada cases involved the adequacy of wiretap warrants.

Division members further prevailed in representing state entities in civil litigation relating to criminal justice matters, securing several decisions that involved important principles of law. In a civil action between Tom Delaney and the Town of Abington, in which the Division represented the Attorney General's Office as a third party, the First Circuit Court of Appeals repeated a district judge's observation that the Office had "gone above and beyond its obligations" in responding to a subpoena. In a proceeding brought on behalf of Sreynoun Lunn, the Supreme Judicial Court ruled that no source of Massachusetts statutory or common law authorizes state court officers to arrest an individual at the request of U.S. immigration authorities who issue a civil immigration detainer based on a belief that the individual is subject to civil removal. In proceedings brought by Christian Miranda and Kyl V. Myrick, that court affirmed the limitations on mandamus and certiorari review when another appropriate remedy is available, and the Appeals Court enforced rules of standing and mootness by affirming the dismissal of a civil action brought by Bodhisattva Skandha and Larry Dale Wampler, Jr. against the Massachusetts Committee for Public Counsel services and certain public defenders, which was related to the Committee's case screening procedure.

In a few appeals, courts issued decisions that were adverse to the Division but had limited impact. Specifically, the First Circuit Court of Appeals granted habeas corpus relief to Eber Rivera, who had been convicted on three charges based on allegations that he committed an armed assault upon Robert

Williams and an assault upon Police Sergeant Scott Brown in Framingham. But Rivera had already completed his term of imprisonment. In a civil action against the Massachusetts Commissioner of Probation and the Acting Director of the Massachusetts Department of Criminal Justice Information Services, the Supreme Judicial Court ruled that the plaintiff, who was proceeding under the name Kristi Koe, could not retroactively be subject to a state statute that prevented former registered sex offenders from having the records of their sex offenses sealed. But the court's holding was confined to the unique circumstances presented. Additionally, the Appeals Court reversed the dismissal of a civil action brought against the Worcester District Attorney by inmate Robert Barclay, who was formerly known as Wayne Coonan. But its decision is non-precedential; and, on remand, the Superior Court dismissed Barclay's case on other grounds.

The Division otherwise had an overwhelmingly 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 assistance professionals to ensure that affected citizens were aided and kept apprised of case developments.

Achievements

The Appeals Division continued to serve the Commonwealth in ways beyond its core litigation work in Fiscal Year 2018. One way involved contributing to litigation efforts by other AGO units. In particular, members of the Appeals division played significant roles in investigations and trial-level prosecutions. Defendants in these matters were charged with human trafficking, deriving support from prostitution, money laundering, unlawful lottery operation, harassment, and witness intimidation.

Another way involved providing guidance to other governmental officials. The Division oversaw or advised nine Special Assistant Attorneys General and lawyers, and reviewed certain pieces of their legal work. Also, building on its role as counsel to the AGO's Victim Compensation Division, Appeals attorneys routinely counselled and offered information on compensation matters to various governmental entities. Division members further provided opinions on whether the AGO should pursue appeals in its own cases or should seek U.S. Supreme Court review of decisions in District Attorneys' cases. In at least ten instances, the Division provided a recommendation as to whether the AGO should join an amicus curiae brief to the U.S. Supreme Court or another court. These concerned topics such as search and seizure, double jeopardy, habeas corpus relief, immigration, digital evidence, tobacco sales, and stun guns. In other instances, the Division opined on whether the AGO should join a policy statement by the National Association of Attorneys General.

Additionally, Division members analyzed legislative proposals and the validity of new municipal ordinances. They offered advice or information on interstate extraditions and subpoenas to colleagues in the AGO, the Governor's Office, District Attorneys' Offices, and other states. They helped manage a program that provided grants to projects designed to help keep communities safe. And they routinely participated in moot courts, and consulted on dozens of civil and criminal matters, for attorneys in other units of state government.

The Appeals Division further contributed substantially to training and professional development efforts in Fiscal Year 2018. Its attorneys organized or presented at seminars concerning U.S. Supreme Court cases, civil rights, search and seizure, habeas corpus relief, criminal discovery, digital evidence, victim-based applications for immigration relief, and legal advocacy. They also helped develop or revise written practice guides and policies. Such materials concerned criminal discovery, seizing and searching electronic information, digital evidence law generally, subpoena practice, and protocols for the AGO's Criminal Bureau and its Digital Evidence Laboratory.

Appeals 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, Veterans' Bonus Appeal Board; Statutory Working Group on the Application of the Public Records Law to Law Enforcement; the Supreme Judicial Court's Standing Advisory Committees on the Rules of Criminal Procedure and on Eyewitness Identification, and its Subcommittee on the Rules of Appellate Procedure; 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.

Individuals in Appeals were additionally very active in recruitment, intern coordination, and career advising. They appeared at career fairs, screened and interviewed intern applicants, and coordinated the placement of Harvard Law School interns for the AGO as a whole.

The Appeals team was also involved in the broader community. One continued to serve as a Clinical Instructor at Harvard Law School. Division personnel were further involved in the Boston Bar Association's Criminal Law Section Steering Committee, Public Interest Leadership Program, and Law Day in the Schools Program. They served on the Massachusetts Law Review Editorial Board and participated in the Harvard Law School moot court program. And members volunteered time at the Paul R. McLaughlin Youth Center and provided language interpretation to those needing legal assistance.

Finally, in Fiscal Year 2018, the Division was pleased to welcome two outstanding new Assistant Attorneys General. One is a former AGO Fellow, Massachusetts Appeals Court clerk, state legislative aide, and U.S. Naval Intelligence Officer. The other has experience as a federal Court of Appeals clerk, a Massachusetts federal District Court clerk, and a large law firm complex litigation specialist.

Important Statistics

In Fiscal Year 2018, the Appeals Division opened approximately 250 new matters. A plurality of these were brought by prisoners seeking habeas corpus relief in the United States District Court, Court of Appeals, or Supreme Court. The remainder involved direct appeals of Massachusetts convictions in the U.S. Supreme Court and state appellate courts; other post-conviction challenges in state courts, and appeals from decisions thereon; proceedings under Chapter 211, Section 3 of the Massachusetts General Laws in the Supreme Judicial Court for Suffolk County; civil actions and appeals in federal and state courts; and subpoena matters in relation to federal and state civil and criminal actions. Division members had around 100 court appearances, and their cases produced over 100 published and unpublished opinions by federal and state courts.

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. In FY2018, EMCC had an overall caseload of 191 cases. The Division charged 70 new cases and closed 17 cases.

Important Statistics

Cybertips processed: 540

Seizures:

Fentanyl: 79.2 Kilograms

Heroin: 18.1 Kilograms

Cocaine: 820 Grams

Crack Cocaine: 305 Grams

Oxycodone "Perc 30's" : 16,216 Pills

Fentanyl Pills: 1,900 Pills

Methamphetamine: 5 Kilograms

Marijuana: 20 Pounds

Money: \$1,863,000.00

Firearms : 20

Arrests: 105

Motor Vehicles: 5

Cases

"**Operation Oxymoron**" was a wiretap investigation that began in April 2018 and continued through July 2018. The investigation began intercepting calls of a narcotics dealer in the Worcester, MA area which ultimately lead to the identification of the target's supplier in Lynn, MA. The supplier was distributing large quantities of heroin and cocaine throughout Massachusetts. This illegal organization was also moving significant amounts of money. The investigation lead to the arrest of five defendants and expanded to the arrest of an additional five defendants who were also distributing fentanyl and heroin pills.

"**Operation Shep Side**" was an intensive drug investigation by members of the Massachusetts State Police assigned to CINRET and the AGO, the DEA, and the Lynn, Danvers, and Beverly Police Departments. The investigation began in the fall of 2017 and was initially focused on a distributor of oxycodone and fentanyl in the greater Lynn area. Over the course of several months, investigators made more than a dozen controlled-buys of oxycodone and fentanyl from the target and conducted extensive surveillance of him and his associates. In March 2018, the investigative team obtained wiretap warrants authorizing the interception of communications pertaining to drug activities over the target's cell phone, as well as five additional phones used to facilitate narcotics distribution. Based on intercepted communications, investigators identified three additional targets who were supplying the chief target. The investigation also identified a number of other individuals who were closely associated with the chief target and serving various roles within his drug distribution network. The investigation culminated with the coordinated execution of search warrants at nine residences in Lynn and Peabody and the arrests of thirteen people on May 22, 2018. As result of the investigation, police seized approximately

1.5 kilograms of heroin/fentanyl, 2,100 oxycodone pills, 75 grams of cocaine, 25 pounds of marijuana, \$415,000 in cash, and a number of vehicles used to facilitate drug distribution. Twelve of the thirteen arrested individuals were subsequently indicted by an Essex County grand jury. Their cases are currently pending in Essex Superior Court.

During 2018, EMCC partnered with investigators from the Brookline Police Department and officers from the Boston Regional Intelligence Center (BRIC), in an investigation of five suspects for an overlapping, multi-year burglary scheme of commercial restaurants in eastern Massachusetts. Beginning with a nighttime breaking and entering in Brookline in September 2017, investigators uncovered evidence of highly similar and linked commercial break-ins in Cambridge, Medford, Taunton, Quincy, Lawrence, and multiple other locations between August 2016 and December 2017. During the 2018 investigation, the investigative team arrested and indicted five suspects in multiple venues, including combinations of Suffolk, Norfolk, Bristol, and Middlesex Counties.

Achievements

EMCC continued to work collaboratively with local, state, and federal partners under the 2016 COPS grant funding. The grant of one million dollars was for law enforcement overtime pay in opioid related investigations.

The highlight of the successful completion of the two-year 2016 COPS grant was the news that the AGO was awarded the 2019 COPS grant of three million dollars. The funds will allow the AGO to continue to combat the opioid epidemic with its local, state, and federal partners.

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 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 criminal cases of virtually any type. The Laboratory is a state-wide unit offering services both to AGO personnel as well as other police departments and prosecutors' offices. In 2018, the Laboratory had 98 cases referred for service including human trafficking, narcotics, public integrity, larceny/embezzlement, child sexual exploitation, hacking, unlawful gaming, vehicular manslaughter, kidnapping/rape, child rape/incest, and murder.

During 2018, the DEL opened 100 new matters for investigation. A total of 64 of these matters were referred through the Criminal Bureau. Thirty-six of those cases were referred to the DEL from other agencies including the Massachusetts State Police, various District Attorney's Offices, local police departments, and federal law enforcement agencies.

Cases

DEL personnel work on almost all matters referred to the Criminal Bureau that result in an investigation. Further, the DEL works on cases referred from outside the Office. During 2018, the DEL worked on many cases from both the Bureau and external agencies in high profile criminal investigations. DEL personnel testified in motor vehicle homicide and human trafficking investigations that resulted in convictions after trial and jail commitment for the offenders. Other cases include some of the largest public integrity, larceny, and narcotics offenses prosecuted on the state level during 2018.

Achievements

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. Examples are listed below.

1. DEL personnel organize and run the largest law enforcement general cyber training conference in the country every April in Norwood. The 2018 National Cyber Crime Conference was attended by approximately 750 local, state, and federal law enforcement personnel, speakers, exhibitors, and partners.
2. DEL personnel organize the Massachusetts Digital Evidence Consortium, a collaborative working group of state, local, and federal cyber investigators and forensic examiners to work on policy matters, standards, and training in the field.

Financial Investigations

The Financial Investigations Division is a team of 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 Unit and the Enterprise and Major 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 a summary witness 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.

Cases

In FY2018 the Financial Investigations Division was part of the prosecution team for the following significant cases:

Commonwealth v. David Perry: Financial investigators forensically examined Perry's bank accounts as the owner and operator of Recovery Education Services (RES), Inc. which was a non-profit organization that operated as a residential facility for men in recovery from alcohol and drug addiction. Perry was indicted on 34 charges in connection with distributing drugs to recovering substance users in exchange for sex. Financial investigators traced over \$223,500.78 in check payments from the families of those men in the residential facility for their benefit, \$399,899.25 in cash deposits, and \$552,000.00 in checks to RES from a private behavioral health treatment hospital. Perry's case is pending in Suffolk Superior Court.

Commonwealth v. Stephen Fagerberg: Financial investigators analyzed Fagerberg's personal bank accounts. 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. Fagerberg's case is pending in Suffolk Superior Court.

Commonwealth v. Timothy Sullivan: Financial investigators with Department of Revenue (DOR) investigators traced more than \$62,000 in unpaid excise taxes due on unstamped cigarettes and more than \$300,000 on unpaid excise tax due on cigar and smoking tobacco. Sullivan pleaded guilty and was ordered to pay restitution to the DOR.

Achievements

In FY2018 the Financial Investigations Division was recognized and collectively received the award for “Outstanding Teamwork” as part of its collaboration with the Human Trafficking Division. The Financial Investigation Division works with the Human Trafficking Division to educate and train its partners by conducting trainings for law enforcement.

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, provide assistance to 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 is gaming-related 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).

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 100 investigations and prosecutions arising out of the newly opened **MGM Casino in Springfield**. The investigation and prosecutions at MGM have ranged from lewdness, disorderly conduct, larceny to firearms, narcotics, money laundering, and violent assault offenses.

The Division indicted two large scale gambling operations, **Nutel Inc. and Televend Inc.**, on illegal and money laundering charges.

Additionally, the Division worked with the Human Trafficking Division to indict **David Perry**, an attorney, who ran a sober home in connection with supplying drugs to recovering substance users for sex.

Achievements

The Division successfully prepared for and handled the opening of **MGM Casino in Springfield**. In preparation of the casino opening the team expanded adding two new Assistant Attorneys General, an Administrative Assistant, a new Paralegal, and three State Troopers. The Division added over 100 new cases since the August opening of the casino.

During Fiscal Year 2018, the Division successfully resolved 20 cases including a witness intimidation case. Additionally, the Division closed the final remaining case in the 36 defendants in the **Green Gravy** investigation with a guilty plea.

Members of the Division attended gambling-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.

Important Statistics

\$750,000 assets were seized.

Over 20 cases resolved in guilty findings or CWOFs.

Over 100 cases opened.

Human Trafficking Division

The Human Trafficking Division (HTD) uses a multidisciplinary team approach dedicated to prosecuting and preventing human trafficking (labor and sex trafficking) through law enforcement efforts, policy development, and community partnerships. Four AAsG, two Victim Witness Advocates, a paralegal, and a team of dedicated Massachusetts State Police troopers investigate and prosecute cases of human trafficking throughout the Commonwealth. Team members also conduct outreach and training for law enforcement and other community members statewide. The Human Trafficking Division also works extensively with stakeholders on collaborative efforts towards prevention, service provision, and data collection.

In Fiscal Year 2018, the Human Trafficking Division had 39 cases pending in criminal courts throughout the Commonwealth. 10 were newly indicted cases.

Cases

Commonwealth v. Martins Maintenance, Fernando Roland and Lisa Matthews: In this case defendants have been charged with labor trafficking, conspiracy to traffick, and criminal wage and hour violations for compelling victims to forced services in a commercial cleaning enterprise. This is a novel case in which a business entity faces charges alongside individual defendants. Indicted in March, 2018.

Commonwealth v. Forsley and Yang: These defendants were indicted for sex trafficking and deriving support from prostitution for their roles in running illicit massage businesses. Indicted in April, 2018.

Commonwealth v. Patrick McDowell & Jayquan Monteiro: In this case defendants face charges of sex trafficking, enticement of a child, and dissemination of matter harmful to a minor in a case that included selling minor victims for commercial sex. Indicted in June, 2018

Achievements

The HTD worked, in collaboration with leaders of the business community, to spearhead an initiative where employers took a stand in announcing zero-tolerance policies for sex-buying in their workplaces. Employers Against Sex Trafficking (EAST) was launched in May 2018 at a roundtable event, cohosted by the Attorney General and the Mayor of Boston. Twenty-three companies have signed on to the effort thus far.

Working in partnership with the AGO's Fair Labor Division, the HTD made strides forward in alerting the public to the issue of labor trafficking in the Commonwealth. In June 2018, a mailing was sent to all 351 municipalities that included a letter describing the issue, a poster with FAQs and indicators, and an offer to join a free webinar training hosted by FLD and HTD.

White Collar & Public Integrity Division

The White Collar & Public Integrity Division deals with Public Integrity (PID) and Fraud & Financial Crimes (FFCD).

PID investigates and prosecutes cases of serious criminal misconduct by corrupt 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.

FFCD investigates and prosecutes cases involving a broad array of financial crimes: fiduciary embezzlement by attorneys, stockbrokers, accountants, and other 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; identify theft; and tax fraud schemes by individuals and businesses. FFCD's most significant cases are those that have a dramatic financial impact upon unsuspecting and vulnerable victims whose trust is violated and upon the community as a whole.

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

Cases

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

Dale Murawski: A former real estate agent pled guilty to 18 counts of Larceny Over \$250 and was sentenced to two years to serve in the House of Correction, with three years of probation after completion of the sentence. Murawski employed multiple schemes to get victims to give him loans that he said he needed for a divorce or buying real estate—money that he said he did not have liquid—and that he would pay back quickly with significant interest. He used the “loans” for gambling and personal expenses and never repaid over \$140,000. He originally stole over \$166,000, but repaid a few victims with other victims' funds and his gambling winnings.

John Carr, Jr.: A payroll and tax return company owner was sentenced to serve 52 weeks of weekend incarceration in the Norfolk House of Correction, followed by three years of probation and restitution. Carr failed to pay over more than \$1.38 million in state withholding taxes for 23 clients, which included the towns of Berlin and Essex, and filed false electronic tax returns to the Department of Revenue on behalf of his clients. He pled guilty to 23 counts of Willful Failure by Preparer to Pay Over Tax and two counts of Willful Delivery of a False Tax Return.

Deborah Henry: The former bookkeeper for a New Bedford company that ultimately closed, partially due to her theft, pled guilty to Larceny Over \$250 and received five months to serve in the House of Correction for embezzling over \$600,000. The scheme involved creating a bank account to which only she had access and funneling money from the company's customers to that account.

Steven Bankert: The former owner of laundromats in four cities across the Commonwealth was found guilty of tampering with 10 gas meters at six of his laundromats and larceny, and he was sentenced to serve one year in the House of Correction with probation following the sentence and \$195,000 in restitution. The defendant's tampering resulted in the theft of gas from both NStar and Columbia Gas.

New Cases Charged

In an ongoing case involving bribery, illegal gratuities and procurement fraud, a buyer for the MBTA was indicted a third time on additional charges of receiving illegal gratuities for schemes with MBTA vendors. It is alleged that the defendant in total made over \$300,000 in illegal gratuities and had a vendor install a pool at his private residence.

Two Springfield women allegedly defrauded a women's shelter and the MassHealth program out of thousands of dollars by stealing gift cards meant for those at the shelter, stealing IDs of shelter clients to obtain benefits, and scheming to receive MassHealth benefits intended for homelessness prevention.

An MBTA automated fare technician tasked with repair of bus collection boxes was charged with the theft of over \$80,000 from those fare boxes. His alleged scheme was discovered when he deposited marked bills into his personal account. These bills had been placed in the fare collection boxes in an undercover operation.

The office manager for a Cape Cod timeshare resort and the only person with access to the resort bank account was charged with embezzling over \$1 million, which she used for expensive vacations and large purchases. The resort went bankrupt as a result of the alleged theft.

A Northern Massachusetts attorney who has since been disbarred allegedly embezzled funds for an estate she oversaw. In that position, she was responsible for taking care of all expenses and getting funds left to beneficiaries. She allegedly lied in statements about the funds, which she allegedly used to cover her own expenses and money she mismanaged for other clients.

The former treasurer of a central Massachusetts nonprofit that oversaw a town water supply allegedly stole about \$30,000 she collected for herself, using a variety of schemes to put the money into her own bank account.

A Winchester man alleged to have cheated the state of over \$350,000 in cigarette, cigar and smoking tobacco excise tax by selling cigarettes that did not have Massachusetts excise stamps and filing fraudulent tax forms.

In another tobacco-related matter, a Rhode Island man allegedly failed to pay over \$13 million in excise taxes on tobacco products he imported from out-of-state distributors and sold in Massachusetts by failing to file tax returns, secretly distributing to retailers, and hiding proceeds from sales.

A Sturbridge pizzeria owner allegedly failed to account for his cash sales – over \$100,000 and 40 percent of his total sales – and knowingly filed false meals tax returns to the DOR.

Achievements

White Collar & Public Integrity staff represented the AGO as liaisons to outside criminal justice and law enforcement entities, including the Boston Bar Association 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 and the National Association of Attorneys General. They also serve on groups within the AGO, such as the Ethics Committee and the Diversity & Inclusion Committee.

Statistics

In cases disposed, defendants were ordered to pay nearly \$900,000 in restitution.

Insurance and Unemployment Fraud Unit

The Insurance and Unemployment Fraud Unit investigates and prosecutes those who commit fraud against insurers and against the Commonwealth's unemployment insurance and workers' compensation system. This includes automobile, health care, and disability fraud.

The Unit prosecutes these crimes to protect both Massachusetts consumers and the integrity of the insurance system. These efforts help protect taxpayers from higher premiums and taxes that result from fraud and assuring that those in need receive appropriate services.

\$260,880.00 of "Recoveries and Revenue" represents restitution ordered in Insurance Fraud Bureau matters; the remaining \$365,154.00 represents restitution ordered in Division of Unemployment Assistance matters. In this past fiscal year, the Insurance and Unemployment Division received, investigated, and charged a total of 64 cases (49 DUA cases and 15 IFB cases). Of those 64 cases, 25 were resolved in the last fiscal year.

Cases

Commonwealth v. Richard Wagner: Richard Wagner sustained a lower back injury in December 2010 while working as a carpenter, and filed a claim against his employer's worker's compensation insurance policy to collect disability benefits. That claim was denied, and Wagner filed a claim with the Department of Unemployment Assistance (DUA). While Wagner was collecting unemployment benefits, he filed a second worker's compensation claim for benefits, which was accepted, and Wagner simultaneously collected unemployment and disability benefits for a full year. Authorities also found that during this timeframe, Wagner operated his own construction company and received payments for jobs. In total, Wagner fraudulently collected approximately \$100,000 in unemployment and disability benefits. Judge Tochka sentenced Wagner to two years in the House of Correction, suspended for 3 years, and ordered that he pay \$102,583 in restitution to the DUA and ACE Insurance Company.

Commonwealth v. Caron Contracting and Paul and Cynthia Caron: Paul and Cynthia Caron, as the sole owners and corporate officers of Caron Contracting, Inc. ("Caron Contracting"), failed to disclose the true nature of the work that their company performed in order to lower their workers' compensation insurance premiums. Cynthia Caron repeatedly described the company's employees as carpenters during annual insurance audits, when in fact Caron Contracting was almost exclusively a roofing company. Paul Caron also failed to inform his insurance carriers that the company performed roofing work during this same time period. Because of the intentional misclassification of their workers, Mr. and Mrs. Caron evaded paying \$70,000 in workers' compensation insurance premiums over the five policy periods. Both defendants, and the corporation, pled Guilty to these offenses and were ordered to pay \$70,000 in restitution to Chartis Inc. and Guard Insurance Group.

Commonwealth v. Sleeping Dog Properties Inc. and Christopher Rapczynski: Sleeping Dog Properties, Inc. ("SDP") is a construction company based in Boston which is owned by Christopher Rapczynski ("Rapczynski"). On a yearly basis, SDP employs approximately fifty construction workers and has an annual payroll of more than \$300,000. As the company grew, and the annual payroll increased, Rapczynski deliberately ceased obtaining and paying workers' compensation premiums on behalf of SDP. The evidence obtained during the course of this investigation reveals that Rapczynski created a second company, New England Construction Resources ("NECR"), for the sole purpose of hiding and failing to disclose the payroll and workers at SDP. For a total of five

insurance policy periods, Rapczynski made false statements and/or failed to disclose the existence and use of SDP in order to obtain lower premiums. At all five audits, Rapczynski knowingly failed to disclose that SDP had no workers' compensation insurance. As a result of these false representations, Rapczynski and NECR avoided paying premiums in the amount of approximately \$66,747. Rapczynski, and his corporation, pled to these offenses and were ordered to pay \$66,747 in restitution to Chartis Global Investigative Services and A.I.M. Mutual Insurance Company.

Victim Witness Services

Victim Witness Services at the Office of the Attorney General 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.

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 155 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, Crimes Against Women's Conference, National Cyber Crime Conference, Garden of Peace Event, Massachusetts Victim Rights Conference, and the National Office of Victim Assistance Conference.

Cases

Commonwealth V. Elena Kurbatzky: The Commonwealth v. Kurbatzky trial took place in July and August of 2018 and resulted in convictions for Medicaid False Claims (3 counts), Larceny over \$250 by False Pretenses (3 counts), and Medicaid Member Eligibility Fraud (1 count) for which the defendant was sentenced to 2–3 years state prison. This defendant was running a home health care company called Harmony Home Health Care and was overbilling MassHealth which resulted in the theft of over \$3 million dollars, \$2.7 Million of which she paid herself. The defendant billed MassHealth for work she and others did not perform, billed for employees who were not part of her company, used incorrect modifier codes, and forged plans of care, most notably physicians' signatures. She spent the money on international and domestic travel, designer goods and rent for luxury apartments. The jury trial lasted two weeks and involved 42 witnesses. The victim witness advocate remained in constant contact with witnesses from their grand jury testimony, scheduled and attended trial preparation meetings at various locations throughout the state, and assisted witnesses during the two-week jury trial.

Commonwealth vs. Dale Murawski: A former Boston-based real estate agent pleaded guilty to 18 Counts of Larceny over \$250.00 and was sentenced to 2 ½ years in the House of Correction followed by 3 years of probation and full restitution, in connection with stealing more than \$166,000 from 19 victims, including his co-workers and acquaintances. Thoughtful and compelling Victim Impact Statements were provided to the Court at sentencing and the defendant was sentenced to a period of incarceration.

Commonwealth V. Allen Seymour: On December 3, 2018, Allen Seymour was indicted on 22 counts including Forgery, Uttering, Larceny over \$250 and Money Laundering. Throughout 2017 and 2018, it is alleged that Allen Seymour repeatedly targeted homeowners, including elderly residents, to fraudulently gain control of residential properties and resell them at a profit to investors. A multi-disciplinary team made up of Victim Witness Advocate, Assistant Attorney Generals, financial investigators, Massachusetts State Police, Brookline PD, Cambridge PD, FBI and the Horry County Sheriff's Department of South Carolina investigated this matter. The investigation revealed that Seymour allegedly forged power of attorney documents in the name of homeowners and others to gain control over the seller's proceeds, and then laundered those funds through third party accounts. This is a complex case where both homeowners and property investors have been defrauded resulting in a diverse range of victim needs and referrals. The Victim Witness Advocate assisted multiple victims and witnesses through the grand jury process and provided updates throughout the lengthy investigation.

Commonwealth v. Marvin Pompilus: Pompilus, (a.k.a. "Kise") was convicted after a 10-day jury trial in Suffolk Superior Court on charges of Trafficking of Persons for Sexual Servitude (10 counts) and Deriving Support from Prostitution (7 counts) in connection with trafficking six different women for sex. Pompilus was sentenced to six to six-and-one-half years in state prison. The investigation found that Pompilus targeted and recruited multiple women to provide commercial sexual services at hotels and other locations in Randolph, Boston, Braintree and Hyannis. Pompilus would have the women post ads online offering sexual services in exchange for money.

The women who were recruited by the defendant were drug dependent. The multi-disciplinary team used a trauma informed approach while interviewing victims, facilitating access to a myriad of resources including substance abuse assistance, and the Victim Witness Advocate remained in contact with victims throughout the pendency of the case. During the trial the Victim Witness Advocate 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.

Post-Conviction Matters

Violation of Probation-Allen Seymour: The Violation of Probation matter stems from the AGO 2010 prosecution of Allen Seymour on similar charges. In that case, Allen Seymour was charged and pled guilty to Forgery (4 counts), Uttering (8 counts), Inducing a Lender to Part with Property (12 counts), and Larceny by False Pretenses after defrauding homeowners and mortgage lenders in numerous real estate transactions involving distressed properties in the Worcester County area. Mr. Seymour was sentenced to serve two years to two and a half years in State Prison, followed by five years of probation. Mr. Seymour was ordered to pay restitution in the amount of \$750,000 to the victims and was prohibited from working in the real estate industry while on probation.

In lieu of the Attorney General's Office 2018 investigation, it is alleged that Allen Seymour violated the terms of his probation and the case is pending in Worcester Superior Court. On this matter the Victim Witness Advocate worked with over a dozen victims to update them and ensure that they

understand the post-conviction process. These victims were owed restitution, a substantial portion of which has not been paid. Despite the time that has passed since these fraudulent transactions occurred, some victims are still dealing with the aftermath. As such, the Victim Witness Advocate has helped connect them to resources and is working to ensure they can be heard in post-conviction hearings.

Francis Lang, Petitioner V. Superintendent MCI, Respondent United States District Court #16-11898-PBS: In this habe case, Petitioner Lang is challenging his 2006 Suffolk County Superior Court conviction for first-degree murder. The petitioner raises two claims: (1) ineffective assistance of counsel alleging counsel failed to investigate a mental health defense; and (2) ineffective assistance of counsel alleging counsel failed to raise the right to a public trial. In his Memorandum in Support of the petition, filed on August 9, 2017, Petitioner Lang acknowledged that his claim of a public trial violation “has now been mooted” by the decision of the United States Supreme Court in *Weaver v. Massachusetts*, 137 S.Ct. 1899 (2017), issued on June 22, 2017.

Shortly before midnight on March 18, 2005, the defendant entered a bar in Charlestown. The defendant had been banned from the bar due to a previous incident. A scuffle ensued. The victim, and others, intervened. The defendant took out a pocket knife and stabbed the victim several times. In the early morning hours of March 19, 2005, the victim died as a result of multiple stab wounds.

A hearing was held on March 9, 2018 in the United States District Court. Seventeen family members and friends attended. The U. S. Marshal’s Office assigned a marshal to attend, monitor, and meet the family. The AGO Victim Witness advocate attended the hearing with the family as well as the Suffolk County District Attorney’s Victim Witness Advocate from the original prosecution. The Division awaits a decision from the district court.

Important statistics and numbers

Total number of cases: 155

Convictions/Pleas: 27

Hotline statistics: 61

Trainings/Webinars attended: 46

NOVA conference in San Diego, CA

Meditation and Stress Management workshop

Conference on Crimes Against Women, Dallas, TX

MOVA’s Victim Rights Conference

Neurobiology of Trauma Training – Human Trafficking Division

Labor Trafficking Training

19 Webinars – Human Trafficking, Domestic Violence, Elder Abuse, Financial Fraud and Mass Causalities

Training Provided: 8

National Cyber Crime Conference: Human Trafficking Track- Illicit Massage Business Investigations, MDT Human Trafficking Investigations Training, Role of Victim Witness Advocate

Hotline statistics:

Victim Witness Services was assigned and responded to 71 open and closed 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 partners.

Victim Compensation & Assistance Division

There are several statistics that highlight the effectiveness and impact of the Division in responding to the needs of victims of violent crime. In the Fiscal Year 2018, the Victim Compensation and Assistance Division received 1251 applications from new claimants and 866 direct billing requests for Forensic Sexual Assault Exam Kit payments. These new claims represent the numbers of individuals who are impacted by violent crimes in the Commonwealth of Massachusetts and have applied to the program for compensation. In Fiscal Year 2018, the Division responded to and made 1539 claims eligible. By the end of the fiscal year, the Division paid out a total of \$ 3,758,686.35 in crime-related expenses using federal and state monies. Of the 1,055 claims that were paid out during Fiscal Year 2018, 90% were related to crimes of assault, homicide, and sexual assault. More than half of the claims that were paid out fell in the crime category of sexual assault. The top three expense categories paid out by the Division in Fiscal Year 2018 were funeral/burial, medical/dental, and economic support. The Division paid out a total of \$921,678.60 in medical/dental expenses, \$ 755,263.27 in funeral related expenses, and \$961,858.45 in economic support.

On April 13, 2018, the state Legislature passed an amendment to the Division's governing statute (M.G.L c. 258C). The amendment was a part of a larger criminal justice omnibus reform package. This change now allows the Division to compensate for funeral/burial and ancillary expenses regardless of whether contributory conduct was a factor in determining eligibility for other compensation expenses.

In addition, the Division continued its outreach efforts in Fiscal Year 2018 by attending events and presenting at over 30 trainings for agencies throughout Massachusetts. This year, the Division established important connections with agencies that work with differently abled persons that are survivors of sexual assault. In addition to conducting trainings about its program, the Division also provided resources at tabling events throughout the state to interact with the public and increase the awareness about the help offered by the Office of the Attorney General. Finally, the Victim Compensation & Assistance Division's Director was asked to participate in a forum sponsored by the Mass Violence and Victimization Resource Center at the National Crime Victims Research and Treatment Center, Medical University of South Carolina in Charleston. In addition, the Director was also a featured panelist at the National Conference for VOCA Administrators discussing "A New Look at Compensation Eligibility Requirements."

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.

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.

Cases

Refund of Windfall Created by the Tax Cuts and Jobs Act: The Attorney General succeeded in securing a refund of tens of millions of dollars in windfalls to Massachusetts utilities that occurred as a result of the Tax Cuts and Jobs Act. The Tax Cuts and Jobs Act reduced the federal corporate income tax from 35 to 21 percent. Because investor-owned utilities in Massachusetts receive income taxes through their rates, the Attorney General filed a petition with the Department of Utilities asking the Department to reduce the utilities' rates in order to return the utilities' savings to customers. The Department of Public Utilities opened a docket following the Attorney General's complaint and entered an order agreeing that the tax savings should be passed back to customers. In June of this year, the Department ordered immediate decreases of more than \$54 million to Massachusetts customers, with other decreases to come through future orders.

National Grid Reconnection Fee Settlement: The Division secured a \$7 million settlement with National Grid that is providing credits or refunds to 53,000 customers improperly charged \$50 service fees, along with financial assistance to help consumers lower their gas bills. In 2010, following a ruling by the Department of Public Utilities in a National Grid gas distribution rate case, the company agreed to eliminate a \$50 reconnection fee for residential customers whose gas service was shut off for non-payment. National Grid had improperly charged 53,000 residential customers with the \$50 fee, including more 3,000 low-income customers. Under the settlement, customers are receiving the \$50 they were improperly charged, plus interest, totaling more than \$3.8 million. \$3.0 million is being used to assist Massachusetts customers by paying or lowering their gas bills. Of this \$3.0 million, \$180,000 is going to the Commonwealth's General Fund and \$20,000 is to defray the costs of the Attorney General's investigation.

Achievements

Competitive Electric Supply Study: In March, the Division released a report that found that Massachusetts residential electric customers who switched to a competitive supplier paid \$176.8 million more than if they had stayed with their utility company during the two-year period from July 2015 to June 2017. According to the report, nearly 500,000 residents in the state receive their electricity from a competitive supplier, but low-income communities and customers were especially hard hit. The report follows complaints received from consumers of aggressive sales tactics, false promises of cheaper electric bills, and the targeting of elderly residents. The report calls for an end to the competitive electric supply market for individual residential customers in Massachusetts in order to protect consumers.

Important Statistics

In FY2018, the Division represented ratepayers and energy customers in more than 290 dockets pending before state and federal courts and regulatory bodies. The Division also participates in New England ISO stakeholder technical and governance issues and has a seat on the Massachusetts Energy Efficiency Council matters.

Environmental Crimes Strike Force

The Environmental Crimes Strike Force investigates and prosecutes crimes that harm the state's air, land, or water and crimes that pose a significant threat to human health. The strike force is comprised of prosecutors from the Attorney General's Office, officers from the Massachusetts Environmental Police, and investigators, engineers, and attorneys from the Massachusetts Department of Environmental Protection.

The Strike Force continues to work closely with its state agency partners, including the Massachusetts Department of Environmental Protection, the Massachusetts Environmental Police, the Massachusetts Department of Agricultural Resources, and the Executive Office of Energy & Environmental Affairs.

Cases

In August 2017, the Strike Force obtained 48 indictments against a defendant who was alleged to have engaged in a complex multi-county automobile theft scheme. At the time the theft offenses are alleged to have occurred, the defendant was serving a probation sentence for a false automobile emissions testing case that had been prosecuted by the Strike Force.

In March 2018, the Strike Force secured guilty pleas in a case in Worcester Superior Court involving solid waste violations in Worcester and Oxford. The defendants in the case were sentenced to three years of probation with detailed conditions governing their environmental company's hazardous and solid waste operations.

In June 2018, the Strike Force secured guilty pleas in Middlesex Superior Court involving a wastewater treatment plant operator who falsified multiple wastewater samples and test results from three private wastewater treatment plants that he was contracted to manage in Holliston, Dover, and Lunenburg. The falsified samples and test results were fraudulently reported to MassDEP. The defendant was sentenced to three years of probation, ordered to pay a \$19,500 fine, and was required to complete 50 hours of community service focused on protecting the environment. He was additionally given a four-month suspension of his wastewater operation certification along with additional reporting requirements for the full term of probation.

Environmental Protection Division

The Environmental Protection Division of the Attorney General's Office enforces environmental laws that protect the air and water; preserve the 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:

- 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;
- Handling defensive cases, seeking to provide effective representation to support the policy choices made by state agencies and officials in implementing environmental protection laws; and
- 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 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 new 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.

Cases

Commonwealth v. Veolia and Town of Plymouth (Municipal Wastewater Discharge Case): AAG Andy Goldberg and EEB Chief Melissa Hoffer resolved an enforcement case against Veolia Water North America for its role in the discharge of over ten million gallons of raw sewage to wooded lands and other locations around Plymouth in connection with three force main failures. Veolia was also responsible for other wastewater discharge violations that resulted in prolonged shellfish bed closures in Plymouth Harbor. The Consent Judgment required Veolia to pay a \$1.6 million settlement, with \$1.35 million paid in civil penalties and \$250,000 paid into an expendable environmental trust to fund projects to benefit the Plymouth Harbor ecosystem. The Consent Judgment also enjoined Veolia to maintain proper staffing levels and institute formalized trainings. This \$1.6 million settlement sum is believed to be the highest payment ever made for alleged violations of the state's Clean Waters Act. The Division also resolved a related enforcement case against the Town of Plymouth for its role in the violations. The Consent Judgment against the Town included a \$25,000 penalty (subject to forgiveness) and an injunction requiring the Town to regulate grease traps at eating establishments, and to adopt a public service announcement campaign to advise Plymouth residents and businesses about the harms associated with disposing of foreign materials down their drains.

New England Power Generators Association v. Department of Environmental Protection: AAG Seth Schofield and AAG Turner Smith successfully defended vigorous industry challenges to Massachusetts's regulations limiting carbon pollution from power plants under the Global Warming Solutions Act, which were promulgated following the Supreme Judicial Court's 2016 decision in the Kain case. In a unanimous opinion upholding the regulations, the Supreme Judicial Court ruled that the Department of Environmental Protection and the Executive Office of Energy and Environmental Affairs acted within their statutory authority to establish a declining annual emission cap on the power sector and rejected industry claims that the agencies had failed to account for emission increases outside Massachusetts.

Exxon Investigation and Related Defensive Litigation: Leading a cross-office team, EPD continued to pursue and defend the Office’s consumer and investor fraud investigation against Exxon Mobil Corporation regarding the company’s statements on climate change. This investigation parallels a similar investigation initiated by New York under the Martin Act in November 2015. With support from IFSD, 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 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 Exxon’s certiorari petition to the United States Supreme Court is pending. 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. EPD’s team includes Chief Christophe Courchesne, AAG Seth Schofield, AAG Andy Goldberg, and AGO Fellow Amanda Morejon, and the overall effort is led by EEB Chief Melissa Hoffer and Chief Legal Counsel Richard Johnston.

Federal Regulatory Rollback Litigation and Advocacy: Continuing the office’s legacy of advocating for protective federal regulations that implement the nation’s environmental laws and benefit the Commonwealth’s residents, EPD is now in the middle of the national fights against unlawful rollbacks of environmental and climate protections under the Trump administration. With the involvement of numerous AAGs, the Office has joined other state AGs in 16 lawsuits where it has sought to stop illegal delays, rollbacks, and repeals of federal environmental rules including, but not limited to, 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, pesticide restrictions, and energy efficiency standards. In the methane, ozone, chemical disaster, pesticide, and energy efficiency cases, the coalition obtained court orders against, or prompt reversals of, unlawful delays. EPD led coalition comments opposing proposals to weaken endangered species protections and pesticide and toxic chemical regulation, and against the proposed national bailout of coal-fired power plants. The Division also contributed to major comments opposing Administration proposals to open the Atlantic to oil and gas exploration, to repeal and replace the Clean Power Plan and vehicle efficiency and emission standards, and to limit clean water protections, among others.

Commonwealth v. Foxglove Housing Associates Limited Partnership (Drinking Water Case): Two AGO Fellows resolved the enforcement case against Foxglove Housing Associates Limited Partnership for violations of G.L. c. 111, § 160 and the Massachusetts Drinking Water Regulations, 310 C.M.R. §§ 22.00 et seq., at its residential housing complex in Harvard, which exclusively houses elderly, disabled, and/or low-income tenants. On three occasions in 2016, Foxglove failed to operate and maintain its public water system in a manner that ensured the delivery of safe drinking water to the residents of the Foxglove Apartments, and residents lost reliable water service for three days. The Consent Judgment requires Foxglove to pay a civil penalty in the amount of \$100,000 with \$25,000 of the penalty waived if Foxglove complies with the injunctive obligations in the Consent Judgment, including undertaking numerous repairs and upgrades to its public water system to ensure that the residents of Foxglove Apartments have an uninterrupted supply of safe drinking water.

Commonwealth v. Hampton Properties, LLC (Asbestos Case): AAG Turner Smith entered a Consent Judgment with Hampton Properties, LLC for violations of the Massachusetts Clean Air Act, G.L. c. 111, §§ 142A-O and its implementing regulations, that requires Hampton Properties to pay a

\$100,000 civil penalty and imposes an additional \$50,000 civil penalty that will be suspended if Hampton Properties complies with the terms of the Consent Judgment, including a comprehensive audit of eight other properties that it owns. During the renovation of two adjacent and interconnected apartment buildings in Worcester, Hampton Properties illegally conducted renovation and demolition work involving asbestos abatement, which risked exposing its staff, its tenants, and the public to asbestos. The Consent Judgment is in line with the office's Asbestos Initiative because the violations took place in a designated environmental justice area and potentially exposed both children and college students.

Commonwealth v. E & F Environmental Services, LLC et al. (Asbestos Case): EPD resolved an enforcement matter against E & F Environmental Services, LLC, its owner and manager, Frank Balogh, New England Builders & Contractors, Inc., Blackstone Block Architects, Inc., and TRC Environmental Corporation, alleging violations of the asbestos work requirements of the state Clean Air Act, G.L. c. 111, §§ 142A-O, its implementing regulations, and related violations of the state False Claims Act, G.L. c. 12, §§ 5A-O. The defendants all failed to follow proper procedures during the asbestos removal at the Pioneer Terrace public housing facility in Salem, which is owned and operated by the Salem Housing Authority and has over one hundred apartments for elderly and disabled residents. The Consent Judgments include a total of \$340,000 in imposed and suspended civil penalties and a requirement that the defendants complete training and retraining in asbestos abatement. This Consent Judgment resolves serious violations impacting a vulnerable population in an environmental justice community.

Achievements

Asbestos Initiative:

This year, EPD continued its Healthy Buildings, Healthy Air Initiative, a comprehensive approach to addressing the public health impacts of asbestos exposure in the Commonwealth. EPD completed the initial phase of its asbestos-in-schools program, worked with other agencies and municipalities to develop enforcement opportunities, advocated for more protective standards for asbestos at the national level, and continued its greatly successful enforcement work on Clean Air Act violations. In particular, the asbestos-in-schools program completed its review of the responses provided by ~65% of Commonwealth schools, and EPD worked with DLS to have those results inputted into a graphical map now available to the public on DLS's website, which is a first in the nation project. EPD also led an eleven-state coalition demanding that the Environmental Protection Agency (EPA) fully review all uses of asbestos when it re-examined asbestos under the newly-amended TSCA, where EPA was proposing to ignore most of the existing asbestos in the country. Finally, the Division brought several significant asbestos enforcement cases to a resolution, including a major matter involving illegal work at a Tyngsborough school and another at a Quincy YMCA. Through these actions, the Division brought the total amount of civil penalties imposed under the Initiative to \$2,404,600.

Independent Enforcement Program:

SAAG Nora Chorover initiated a 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. EPD's 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.

At the end of the fiscal year, the Legislature approved a \$250,000 retained-revenue line item for FY2019 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. The program's docket currently includes five active cases with more under investigation.

Important Statistics

EPD by the Numbers for FY2018:

Recoveries allocated to the General Fund: \$3,088,499.66

Recoveries allocated to Expendable Trusts: \$275,200.00

Recoveries allocated to DEP: \$68,296.66

Recoveries allocated to Remediation Funds: \$25,000.00

The Healthy Buildings, Healthy Air Initiative resulted in civil penalty awards for the General Fund totaling \$1,919,600.00 in FY2018, with some payments to be made in future fiscal years.

In FY2018, EPD opened 72 new matters. These matters involve the following areas of law:

Air (12); Air - Federal (15); Article 97 (1); Bankruptcy (2); Clean Water Act (5); Coastal Zone Management (1); Consumer Protection Act - c. 93A (1); Drinking Water (2); Endangered Species Act (1); Energy (4); Hazardous Material (2); Pesticide (2); Pet Shop License/Animal Health Law/False Claims (1); Solid Waste - c. 21H (2); Special Projects (Amicus Brief) (3); Special Projects (Comments) (4); Toxics (1); Water Pollution (3); Water Quality/Drinking Water (4); Water Supply Management (4); Waterways & Tidelands - c. 91 (1); Wetlands (1).

In FY2018 EPD resolved 11 enforcement cases (24 defendants in total) by court-ordered Final Judgment:

Commonwealth v. Callahan, Inc., and Axiom Partners

Commonwealth v. MK Environmental, Inc., et al.

Commonwealth v. Bolton Fair

Commonwealth v. Hampton Properties, LLC

Commonwealth v. R.M. Technologies, et al.

Commonwealth v. Dellbrook Construction LLC & A-Best Abatement Inc.

Commonwealth v. Foxglove Housing Associated Limited Partnership

Commonwealth v. E & F Environmental Services, LLC, et al.

Commonwealth v. Veolia Water North America Operating Services, LLC, and Veolia Water North America Operating Services Inc.

Commonwealth v. J. Kerrissey LLC

Commonwealth v. Mehl, et al.

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.

Abandoned Housing Initiative

AHI ensures safer neighborhoods through blight reduction and the creation of safe, habitable homes. By fostering on-the-ground partnerships with 140 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.

Cases

385 Reed Street, New Bedford: The single-family home was deteriorated, filled with debris, and left vacant following its owner's death. A receiver brought the property back up to code and the City of New Bedford recovered approximately \$18,000 in back taxes through the receivership.

117 Water Street, Clinton: The single-family home had been accumulating massive amounts of trash inside and outside the house for over ten years. With AHI assistance, the owner has made tremendous progress in cleaning the property with formerly impassable areas now free from debris. AHI is hopeful that the owner may be able to safely move back to their home soon.

111 L Street, Montague: AHI filed for an emergency receivership on this three-family home. The property lacked critical utilities and one unit was occupied at the time of referral. The property now has two of the three units habitable and occupied. \$11,000 in back taxes will be paid to the Town of Montague upon completion of the third unit. The receiver is on track to complete his 17th rehabilitated unit on L Street.

24 Algonquin Drive, Tewksbury: The condemned single-family home plagued neighbors with a rodent infestation. The bank foreclosed but only completed minimal remediation work. The AHI receivership action incentivized the bank to sell the property to a third party developer who is now making repairs.

Achievements

Skyline Apartments, Braintree: After numerous negotiations and hearings in Quincy District Court, AHI secured a six-figure settlement for tenants of the Skyline Drive Apartment complex for units that were not given adequate air cooling systems. Strong AHI pressure was likely the main factor in the owners' decision to sell the property. The new owner has experience in property rehabilitation and the management of large-scale apartment complexes. It is expected that the new owner will complete significant renovations within the first year of ownership.

AHI Grants: AHI celebrated the success of its Receivership Fund (AHIR) and Strategic Demolition Fund (SDF) by reorganizing returned revolving loan payments and other settlement money into a new grant program slated for release in Fiscal Year 2019. Updated versions of AHIR and SDF are to be released alongside the Technology to Enrich Community Housing Grant which will assist municipalities in adopting advanced code enforcement software.

Important Statistics and Numbers:

During the Fiscal Year 2018, AHI maintained partnerships with 133 municipalities, opened 261 new cases, and filed 54 receivership petitions in court. With the expansion of Housing Court coverage to the entire Commonwealth, AHI has now consolidated its new receivership actions into all six Housing Courts and is active in every county except Dukes and Nantucket.

At any given time, AHI averaged an overall caseload of 440 active cases and a litigation caseload of 97 active cases. Ambitious case intake in Fiscal Year 2018 allowed AHI to achieve a record number of 182 successful outcomes.

AHI recovered \$693,626.88 in municipal back taxes, liens, and fines for partner municipalities through receivership actions.

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.

Cases

Doe v. Peyser, SJC. In a unanimous decision, the Supreme Judicial Court (Budd, J.) affirmed the dismissal of the plaintiffs' constitutional challenge to statutory limits on the number of charter schools. Concluding that the plaintiffs failed to state a claim under either the Education Clause or the Equal Protection Clause of the Massachusetts Constitution, the Court observed that "advocates may not turn to the courts merely because they are unsatisfied with the results of the political process." Additionally, the decision includes some helpful language on the constitutional standard to be applied to Education-Clause cases in the future. (Robin Toone, Juliana Rice, Julie Kobick) (4/23/18)

Worman v. Baker et al., U.S.D.C. The court (Young, J.) granted judgment in favor of the defendants in a lawsuit challenging the constitutionality of the state law banning assault weapons and large-capacity magazines, as well as an enforcement notice issued by the Attorney General's Office. The court determined that assault weapons and large-capacity magazines are not protected by the Second Amendment because they are like M-16s and weapons most useful in military service. It rejected the plaintiffs' argument that the phrase "copies or duplicates" in the statute was unconstitutionally vague, concluding instead that ordinary people could understand that phrase. It found that the plaintiffs' due process challenge to the enforcement notice was not ripe because it was merely an advisory to the public of the Attorney General's interpretation of a criminal law committed to her enforcement. (Bill Porter, Julie Kobick, Liz Kaplan, Jim Sweeney, Jeff Collins, Gary Klein) (4/2/18)

Castro v. Beecher; NAACP, Boston Chapter v. Human Resources Division, U.S.D.C. In these decades-old cases regarding the hiring process for entry-level police and firefighter candidates, the court (Saris, C.J.) modified decrees still applicable to eight Massachusetts municipalities with the goals of curing

past decree-induced discrimination and accelerating progress toward rough parity between the share of minorities in the local qualified labor pool and proportionate minority representation on these cities' public safety forces. (Robin Toone and Rob Quinan) (4/23/18)

Transgender Military Ban Litigation: Massachusetts has lead a coalition of States in preparing and filing amicus briefs in four lawsuits that challenge the Trump Administration's ban on transgender military service. In the brief, the Amici States explain how the ban would entangle them in discrimination harmful to their National Guards and public university systems, and harm their residents (including their veterans, active duty services members, and those who wish to serve), as well as their transgender communities more broadly. Most recently, the group filed the amicus brief in *Karnoski v. Trump*, No. 2:17-cv-1279 (W.D. Wash.), to support the plaintiffs' and intervenor-plaintiff State of Washington's motions for summary judgment. Previously, the Amici States submitted their brief in support of the plaintiffs' motions for preliminary injunction (all of which were granted) in *Doe v. Trump*, no. 1:17-cv-1597 (D.D.C.), *Stone v. Trump*, No. 1:17-cv-02459 (D. Md.), and *Stockman v. Trump*, No. 5:17-cv-01799 (C.D. Cal.). (Kim Parr) (1/29/18)

Weng v. Evans, et al., U.S.D.C. The Court (Saylor, J.) granted summary judgment to the City of Boston and Town of Brookline, and the Commonwealth as Intervenor-Defendant, in this Second Amendment challenge to the state firearms licensing statute and the policies and procedures by which Boston and Brookline issue licenses to carry firearms. The state statute gives local licensing authorities (such as the Boston and Brookline police departments) authority to issue Licenses to Carry ("LTCs") "subject to such restrictions relative to the possession, use or carrying of firearms" as they deem proper. It also states that local licensing authorities "may issue" an LTC if it appears that the applicant has "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." Under this statute, Boston and Brookline typically issue LTCs subject to restrictions—subjecting them to limitations permitting carry and use only for "target & hunting" or "sporting" or the like—unless the applicant demonstrates a particularized reason to fear injury to his or her person or property that is distinct from the general population. Plaintiffs, who wish to carry firearms in public without restrictions (other than being required to carry them in a concealed or open manner), claim that these policies infringe their Second Amendment rights to carry firearms in public. The district court disagreed, concluding that the "core" of the Second Amendment includes only the right to use and carry for self-defense in the home. The court argued that the plaintiffs' claim of their Second Amendment right to carry in public fell outside the core of the constitutional right. The court thus subjected the statute, and the Boston and Brookline policies implementing the statute, to intermediate scrutiny and asked whether the statute and policies bore a substantial relationship to an important governmental interest. The court found that the Commonwealth and Boston and Brookline had an important (if not compelling) interest in public safety and crime prevention, and that the statute and policies bore a substantial relationship to that interest. The court thus rejected plaintiffs' constitutional challenge and entered judgment in favor of the Commonwealth and Boston and Brookline. (Tim Casey, Bill Porter) (12/4/17)

New Bedford Educators Association v. Board of Elementary and Secondary Education, Appeals Court. The Appeals Court (Vuono, J.) affirmed a Superior Court ruling that teachers unions may not sue to challenge the provisions of State "turnaround plans" for "chronically underperforming schools." The Appeals Court's primary ruling was that the unions lacked standing to pursue a declaratory-judgment action contesting the plans because their asserted injuries did not fall within the "zone of interests" protected by the turnaround-schools statute. The Appeals Court also held that the unions failed to establish specific prerequisites necessary to pursue alternative claims under mandamus and certiorari. (Iraida Alvarez, Pierce Cray) (8/21/17)

Achievements

The efforts of Administrative Law Division AAsG often have a favorable fiscal impact, but their focus normally remains on the legal issues presented in lawsuits they defend and usually their clients do not share detailed fiscal impact information. The Division estimates, however, that its success in the SJC, in the case of *Worldwide Techservices, Inc. v. Comm’r of Revenue*, preserved the retention in state fiscal coffers of more than \$50 million in sales and use tax revenue. Likewise, the Division’s success in *Pixley, et al. v. Comm’r of Revenue* also preserved a large sum of sales tax revenue—although without further assistance from the DOR, it is not possible for the Division to quantify the savings. *Pixley* is a putative class action alleging that Massachusetts consumers, who purchased cell phones bundled with a service contract from cellular telephone carriers and independent retailers, overpaid sales tax as a result of a DOR directive. But the court upheld the DOR directive at the Division’s urging and did not order the state to refund any alleged overpayment of sales tax. Note, however, that some of plaintiffs’ claims against the co-defendant non-government vendors remain pending; appellate rights have not yet ripened and thus victory is not definitively secure.

In other cases, the Division’s legal work results in substantial savings for state citizens. For example, *Genworth Life Insurance Co.* tried to get a court to declare that significant rate increases it had submitted to the Division of Insurance for its Long-Term Care Insurance policies had been “deemed” approved by reason of the DOI Commissioner’s inaction on the rate increase requests over a four-month period. The Court agreed with the Division’s argument, however, that the Commissioner had followed the rate approval statute by issuing sub-regulatory guidance requiring carriers to request “deemer” treatment of proposed new policies or rates through the Commissioner’s electronic rate and form filing system, and that Genworth’s failure to follow the guidance and file the deemer requests electronically meant that the rate increases were not eligible to be approved. Instead, the court ruled that the Commissioner’s subsequent disapproval of Genworth’s proposed rate hikes was valid. Although the Division cannot attach a precise dollar figure to this court win, Genworth had sought rate increases ranging from 35% to 134% over previous rates, across eight lines of policies, affecting 14,659 Genworth policyholders in Massachusetts.

For Massachusetts consumers of natural gas, the Division preserved over \$4 million in “upstream pipeline capacity” rate refunds that certain third-party marketers were trying to retain for themselves. This win for consumers was a direct result of arguments the Division made in the SJC on behalf of its agency client in the case of *Energy Express, Inc. v. Department of Public Utilities*.

Important Statistics

As of June 30, 2018, the Division had 1,111 open cases and other litigation matters (1,030 cases in litigation and 81 pre-litigation matters). During FY2018, the Division opened 730 new cases and other litigation matters (721 cases in litigation and 9 pre-litigation matters), and closed 610 cases and litigation matters (595 cases that were in litigation and 15 inactive or resolved pre-litigation matters).

Municipal Law Unit

The Municipal Law Unit carries out the Attorney General's statutory mandate to review all town by-laws, and city and town charter amendments, for consistency with state law. The Unit also informally assists town counsel, city solicitors, and state and local officials and agencies with questions regarding municipal law.

Cases

During Fiscal Year 2018, the MLU focused primarily on outreach efforts regarding the adult use marijuana statute. The MLU presented seminars to Franklin Regional Council of Government (Greenfield 9/07/17); Massachusetts Municipal Association Human Services Council (Boston 9/19/17); Massachusetts Municipal Lawyers Association (Worcester 10/3/17); University of Massachusetts Campus and Community Coalition (Amherst 10/18/17); Massachusetts Municipal Association of Town Finance Committees (Franklin 10/21/17); Real Estate Bar Association (Boston 10/25/17); Massachusetts Municipal Moderator's Assoc. (Sturbridge 10/27/17); Northampton Substance Abuse Prevention Coalition (Northampton 11/06/17); the Department of Healthy Families and Communities (Northampton 11/13/17); Norfolk County Board of Commissioners (Walpole 11/16/17); Worcester Economic Club (Worcester 1/18/18); Council of Service Agencies of Hampshire County (Hadley 03/27/18); Massachusetts Selectmen's Assoc. Regional Meeting (Boston 05/16/18); Worcester Department of Public Health (Worcester 05/17/18); and Massachusetts Police Chiefs Assoc. (Edgartown 05/24/18).

Achievements

MLU also worked with DOR/DLS to assist towns in implementing the new statutory requirement that revolving funds be established by way of local bylaw; and MLU continued to assist cities and towns by distributing to municipal clerks the "last drink" notices the Office receives from all departments of the District Court.

Important Statistics

During Fiscal Year 2018, the MLU reviewed and issued decisions regarding 2074 bylaws and 44 charter amendments.

Division of Open Government

The Division is responsible for statewide enforcement of the Open Meeting Law and the Public Records Law. The purpose of the Open Meeting Law is to ensure transparency in the deliberations on which public policy is based. 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 the public on the requirements of the Open Meeting Law; responds to inquiries; investigates complaints of violations; and makes findings and orders remedial action to address violations of the law when necessary. 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 brings enforcement actions in court when necessary.

Cases

Revere Retirement Board v. Attorney General: 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. The SJC subsequently denied further appellate review.

Board of Selectmen of the Town of West Bridgewater 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. If a public body subject to the Open Meeting Law wishes to discuss or consider employees' professional competence, even for contract or salary negotiation purposes, it must first conduct performance evaluations or otherwise discuss that competence in open session. Once it has done so, it may then retire to executive session to determine how its evaluation of the employee's professional competence should be used in upcoming negotiations. The SJC subsequently denied further appellate review.

Commonwealth of Massachusetts et al. v. United States Department of Homeland Security et al.: The Division brought an action in United States District Court to enforce the Attorney General's rights under the federal Freedom of Information Act after several federal agencies, including ICE and USCIS, failed to respond to a FOIA request for documents relating to border control and immigration matters. The U.S. District Court ordered that the requested documents be produced.

Achievements

The Division promulgated revised Open Meeting Law regulations, 940 CMR 29.00, et seq., which took effect in October 2017. The revised regulations offer guidance for amending meeting notices; adopting a website as an official notice posting method and responding to lapses in website functionality; certifying the receipt of Open Meeting Law educational materials; filing and responding to Open Meeting Law complaints; mediating between complainants and public bodies; resolving complaints without hearings; utilizing remote participation; and creating and approving meeting minutes. The Division worked to educate the public and public bodies on the new regulations through numerous online and in-person trainings, guidance on its website, e-mail newsletters, and its Open Meeting Law hotline staffed by Division attorneys.

The Division directly trained over 1,200 people on the Open Meeting Law through its 11 live webinar trainings, 9 in-person trainings in Barnstable, Great Barrington, Greenfield, Leominster, Monson, Norwell, Reading, Rutland, and Sudbury as part of the Division's statewide regional training series, as well as presentations at several seminars hosted by other organizations.

The Division handled four public records referrals from the Supervisor of Records, including two matters in which the Division initiated litigation to enforce the requirements of the Public Records Law, and two matters in which the Division worked with records custodians to secure the release of the records in dispute without resorting to litigation.

Important Statistics

The Division issued 188 determination letters and 22 declination letters, resolving 253 Open Meeting Law complaints. Some determination letters resolved multiple complaints. In addition, the Division received and responded to more than 1400 inquiries by telephone, e-mail, and letter.

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.

Cases

Penate v. Kaczmarek, et al. and Foster, et al. v. Baker, et al.: In FY2018, the Trial Division litigated two significant cases stemming from the Annie Dookhan and Sonja Farak drug lab scandals: Penate v. Kaczmarek, et al., a federal civil rights action against multiple individual defendants, 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 Dookhan and Farak defendants whose criminal convictions were subsequently vacated. Both cases remain pending.

Minich, et al. v. Spencer, et al.: The Trial Division also reached a settlement in principle in a class action case brought by patients at Bridgewater State Hospital, Minich, et al. v. Spencer, et al. It alleged that the levels of restraint and seclusion to which the plaintiffs were subjected-violated their civil rights as well as state seclusion and restraint laws; some of the plaintiffs had experienced long hours of seclusion and/or restraint before the 2018 reforms in Bridgewater.

Paszko v. DOC, et al.: The Trial Division, in conjunction with the Administrative Law Division, settled Paszko v. DOC, et al., a class action alleging improper (and, in many cases, nonexistent) diagnosis and treatment practices for DOC inmates with Hepatitis C. Settlement of this case involved significant work with the Administration to fund a new treatment protocol that is now in the process of being implemented.

Achievements

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 multiplied in FY2018 with 45 appeals handled.

Important Statistics

Approximate number of new litigation cases opened in FY2018: 472*

Approximate number of Presentments processed in FY2018: 581

Number of Trials handled by the Trial Division, Boston office, in FY2018: 12

Approximate number of appeals handled in FY2018: 45

Approximate number of Agency Settlements reviewed/processed in FY2018: 75

Approximate Amount of Money Saved the Commonwealth by the Trial Division in FY2018:
\$27,000,000

Approximate Amount of Money Recovered for the Commonwealth by the Trial Division in FY2018:
\$18,026

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.

ATD handled a total of 23 matters in FY2018. Of these, 10 were closed and 13 remain open.

Cases

In FY2017 ATD and HCFC reviewed the **proposed merger of Beth Israel Deaconess Medical Center, Lahey Health System, and other medical providers** into Beth Israel Health System. This review was pending at the end of FY2017 but was subsequently 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 complaint against twenty pharmaceutical companies or individuals** that alleged price fixing and market allocation in the sale of certain generic drugs. ATD and other states continue to litigate the case and to investigate additional potentially illegal conduct in the sale of generic drugs.

ATD reviewed other significant health care matters in order to protect and maintain competition in this vital market. For example, ATD reviewed the **proposed merger of Massachusetts Eye and Ear Infirmary with Partners/Massachusetts General Hospital**. In each instance, ATD ensured that the proposed transaction complies with the antitrust laws.

Achievements

ATD advocates for effective competition policy on behalf of the Commonwealth in important antitrust cases. For example, ATD joined two briefs advocating pro-competition positions in the Federal Appeals

Courts in cases involving challenges to the merger of hospitals in other states and joined a brief to the United States Supreme Court advocating a pro-competition and pro-consumer position regarding credit card fees. 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.

False Claims Division

Created in 2015 by Attorney General 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, sec. 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 extensively 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.

Cases

IT

In the Matter of **CGI Technologies and Solutions**: \$1,750,000.00 settlement resolving investigation of whether IT contractor's proposal to procure the contract MA Health Insurance Exchange and Integrated Eligibility Systems understated certain risks associated with its proposed use of commercial off-the-shelf software products.

Health Care

In the Matter of **Steward Medical Group**: Federal-state settlement with Steward Medical Group resolving claims that it knowingly presented false claims to the Massachusetts Group Insurance Commission for services not provided.

Zenith Care Health Group: Settlement requiring operators of two skilled nursing facilities requiring to pay \$15,000.00 to resolve allegations of failure to comply fully with certain regulations promulgated by the Massachusetts Department of Public Health for the protection of the health, safety, and welfare of residents of long-term care facilities.

Overbilling on State Contracts

In the Matter of **Granite City Electric Co.**: \$2,367,000.00 settlement resolving allegations of overbilling for electrical supplies sold to hundreds of political subdivisions of the Commonwealth under a statewide contract with the Executive Office for Administration and Finance's Operational Services Division.

In the Matter of **Interline Brands D/B/A Supply Works**: \$1,983,000.00 settlement resolving allegations of overbilling for cleaning supplies sold under contracts with the Massachusetts Port Authority and the Executive Office for Administration and Finance's Operational Services Division.

Public Integrity

In the Matter of **Louis Dell’Olio** and In the Matter of **Integrated Pharmacy Solutions, Inc. and Michael Tocco**: Settlements requiring a former Department of Public Health employee and his business associate to pay over \$100,000 to settle allegations that they interfered in a competitive bid to provide pharmacy management consulting services to the state and that the former state employee violated State Ethics Laws.

Achievements

Throughout FY2018, 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, culminating in the June 2018 complaint filing against OxyContin manufacturer Purdue Pharma and its owners and officers. 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), leading to significant actual and anticipated recoveries for GIC. The False Claims Division collaborated with the Consumer Protection and Environmental Protection Divisions on multiple investigations of allegations that diesel car manufacturers and suppliers deceived consumers and regulators about emissions compliance. And the False Claims Division collaborated with the Antitrust Division on its review of the proposed merger of Beth Israel Deaconess Medical Center and Lahey Health culminating in the filing of an Assurance of Discontinuance providing for consumer protections in connection with the merger.

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 has led a range of actions to protect the public from unfair and deceptive conduct by insurers, providers, pharmaceutical companies, and medical device manufacturers. The Division leads state efforts to examine the health care market and develop standards for public reporting of cost and quality information to help consumers and employers make more prudent health care purchasing decisions. 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.

Cases

The Health Care Division has been at the forefront of health care advocacy, enforcement, and consumer protection. During FY2018, HCD was involved in several high-profile cases, including:

- Filing suit against **Purdue Pharma** and its officers and directors for their illegal deceptive marketing of opioids in Massachusetts; ours was the first suit by any state to hold the individual executives accountable for their misconduct in June 2018.
- Obtaining a consent judgment from **Insys Therapeutics Inc** related to its unlawful marketing of the fentanyl spray, Subsys, with payment of \$500,000 in October 2017.
- Obtained a consent judgment for \$2.4 million with **Medtronic** related to its misleading sales and marketing of certain medical devices in January 2018.
- Intervening, as part of a multistate group, to defend the constitutionality of the Affordable Care Act in a suit brought by the State of Texas and others in April 2018.

Achievements

- HCD presented on payer mix, patient affluence, and Community Benefits at the Annual Health Care Cost Trends Hearing in October 2017.
- Building upon eight months of meetings with the Advisory Task Force and substantial community engagement, HCD published updated guidelines for non-profit hospital and HMO Community Benefits in February 2018.
- HCD analyzed and reported on more than \$750 million in annual Community Benefits provided by hospitals and health plans in the Commonwealth.

Important Statistics

During FY2018, HCD's Mediation Unit assisted more than 2,700 consumers through its helpline, initiated more than 1,700 mediation cases, and closed more than 1,600 cases. This resulted in more than \$200,000 in recoveries and savings for consumers and, where there was a potential pattern of concerning conduct, led directly to enforcement action by HCD. Examples of consumer advocacy and outreach efforts by the Mediation Unit include:

- A health care provider erroneously billed a consumer for the full cost of a biopsy (\$15,568.00) instead of what she owed after insurance (\$1,663.07). After mediation was initiated, the consumer paid nothing, because the provider had a policy of not pursuing claims more than one year old.
- A health care provider billed a consumer for \$26,884.16 for procedures that were not covered because the provider did not obtain prior authorization and it should have. The Division's mediator was able to pinpoint the error, get the prior authorization renewed, and save the patient the full \$26,884.16.
- A provider failed to check with a consumer's insurance regarding preauthorization requirements for braces and took the consumer at their word that it would be covered. The consumer was still getting billed the full amount of \$5,350.00 four years later and reached out to the office. The Division's mediator was able to uncover the mistake, get both parties to understand they were partially at fault, and get the provider to agree to discount the braces by 50%.
- A consumer undergoing chemotherapy was denied coverage for a \$3300.00 hair prosthesis, thought the same prosthesis was covered in previous years. The Division's mediator investigated and discovered the insurer thought the consumer was receiving hair grafts, which are not covered. A phone call to the provider cleared up the issue, and the consumer was reimbursed in full.

Total recoveries and savings includes \$3,150,000 recovered through settlements, and \$200,847 recovered and saved by the Mediation Unit. Mediation Unit savings were \$147,927, and recoveries were \$52,920.

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 to have 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 Medicaid Fraud 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 society's most vulnerable from exploitation and abuse by their caregivers

Cases

Opioid Epidemic:

In September 2017, Dr. Ashok Patel, and his medical practice, the Ambama Clinic, were each indicted in connection with charging patients cash for opioid addiction treatment already covered by MassHealth and illegally profiting from vulnerable patients in Massachusetts.

In October 2017, AG Healey sent a letter to doctors who provide addiction treatment services through MassHealth and warned them against unlawfully charging cash for opioid addiction treatment medication already covered by MassHealth. The AG vowed to take aggressive action against those trying to illegally profit off of this vulnerable population.

Pharmaceutical Companies:

In August 2017, the Medicaid Fraud Division reached a \$20.3 million settlement with Mylan, Inc. and its subsidiary, Mylan Specialty for knowingly underpaying rebates owed on EpiPens for MassHealth members. The payment was part of a \$465 million national settlement.

Home Health Agencies:

In December 2017, Maxim, a national home health provider, agreed to pay more than \$14 million to settle allegations that it improperly received overpayments from MassHealth.

In October 2017, Helen Kiago and her company, Lifestream Healthcare Alliance, were indicted for allegedly stealing \$2.7 million from MassHealth by routinely overbilling and falsely billing for services that were not authorized.

In July 2017, Elena Kurbatzky, her company Harmony Home Health Care, LLC, and Natan Zalyapin, an employee, were indicted for stealing nearly \$2.7 million from MassHealth by falsely billing for services that were not authorized or provided to patients.

Mental Health:

In February 2018, South Bay Mental Health Center, Inc. (SBMHC) agreed to pay \$4 million to resolve allegations that it fraudulently billed MassHealth for care provided by unlicensed and unsupervised clinicians in violation of MassHealth regulations. Furthermore, SBMHC was required to implement a robust external compliance program to ensure further compliance with all applicable state and federal laws.

Dental Providers:

In January 2018, the Medicaid Fraud Division, as part of a global NAMFCU settlement, settled with Kool Smiles for \$1.7 million to resolve allegations that Kool Smiles had fraudulently billed the state's Medicaid program for medically unnecessary dental work on children. This was part of a \$23.9 million national settlement.

In September 2017, the Medicaid Fraud Division, along with the Boston U.S. Attorney's Office, reached a settlement for \$1.375 million with Dental Dreams, LLC to resolve allegations that the dental chain improperly billed MassHealth for unnecessary dental procedures.

In August of 2017, the Medicaid Fraud Division reached a \$500,000 settlement with Annie Watson, a pediatric dentist in Springfield, to resolve claims that the dentist improperly billed MassHealth for palliative care.

Personal Care Attendants:

In March 2018, a former Personal Care Attendant (PCA), Theodore Gilbert, and his wife, Madeline Gilbert, the patient's daughter and surrogate, were indicted on charges that they falsely billed MassHealth for services after the patient's death.

Achievements:

The Medicaid Fraud 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 is led by the Medicaid Fraud Division and 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 act as facilitators at most NAMFCU trainings. The chief of the Medicaid Fraud Division serves on the NAMFCU Executive Committee. Two of the Division's Investigations Supervisors continued to serve with NAMFCU; one as the co-chair of the Association's Training Committee and the other as a member of the Data Analyst Sub-Committee. The Medicaid Fraud Division regularly plays a leadership role in national initiatives and in bringing false claims cases from initial intake to ultimate resolution.

Important Statistics

State Fiscal Year 2018

Criminal recovery: \$22,162.26 Civil recovery: \$45,610,395.15

Total: \$45,632,557.41

Convictions: 3 Settlements: 18 Indictments: 11

Complaints: DPH Referrals: 1,062 Citizen Complaints: 406

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.

Cases

Trustees of the Berkshire Museum, No. SJ-2018-065 (Supreme Judicial Court): From July 2017 through April 2018, the Non-Profit Organizations/Public Charities Division (the "Division"), worked to uphold charitable restrictions on certain artwork that the Trustees of the Berkshire Museum (the "Berkshire Museum" or "Museum") planned to sell. This work included a seven-month long investigation, review of thousands of documents, interviews, litigation, and multiple appeals. Ultimately, the Berkshire Museum agreed that before it proceeded with the sale of any artwork it would first file a petition seeking the Single Justice of the Supreme Judicial Court's permission to lift and/or modify the restrictions the Division believes existed on the artwork. The Division assented to the relief the Berkshire Museum requested in that petition, which included (1) a structured sale designed to meet but not exceed the financial need the Museum was able to demonstrate to the Court; (2) the sale of its most prominent work of art, Norman Rockwell's *Shuffleton's Barbershop*, to a charitable museum that would make it available in Massachusetts for a period of time following the sale; and (3) AGO monitoring of the Museum in (i) future sales and (ii) implementation of the Museum's master plan, which is intended to make the Museum more financially stable moving forward. After hearing oral arguments in the matter, the Single Justice of the Supreme Judicial Court granted the relief requested in April 2018.

Commonwealth v. Gee, No. 14-1300-H (Suffolk Superior): Following years of litigation, the AGO entered a consent judgment in Suffolk Superior Court resolving allegations that Dr. Robert Gee, the former president of the National Graduate School of Quality Management, breached his fiduciary duty by collecting excessive compensation and other benefits from the school. The consent judgment permanently bars Dr. Gee from serving on the board or as a chief executive at any Massachusetts charity and required a \$150,000 payment to be transferred to a Massachusetts charity.

Massachusetts Preservation Corporation vs. Commonwealth, No. 2012-1101-G (Suffolk Superior): After five years of discovery, motion practice, and trial preparation, the Division took this matter to trial in September of 2017. The Division pursued claims against the principal director of the charity, Matthey Haney ("Haney"), for breaches of the duty of care and duty of loyalty as well as for the failure to appropriately register the charity with the Attorney General's Office. The case proceeded as a bench trial before Judge Wilson, who ultimately found in the Division's favor on all counts. As a result, Haney is required to pay the Attorney General's Office \$80,000 in civil penalties and \$375,159.37 in restitution, and he is permanently enjoined from being involved in any capacity at any other public charity organized or operating in Massachusetts.

Mount Ida College Closure and Sale to University of Massachusetts at Amherst: In April 2018, the AGO was notified of Mount Ida College's imminent closure and plans to sell substantially all of its assets to the University of Massachusetts at Amherst ("UMass Amherst"). The Division reviewed the proposed transaction with UMass Amherst (the "Transaction") for compliance with charities law and worked with the Insurance and Financial Services Division of the AGO, the Massachusetts Department of Higher Education, the UMass system and others to help secure transfer opportunities and record keeping for Mount Ida College students. The Division completed its review of the Transaction on May 15, 2018, the same date it announced an intent to investigate the circumstances surrounding the closure of the College.

Reliant Medical Group, Inc. v. Maura Healey, SJ-2018-0117 (Supreme Judicial Court) Reliant provided the AGO with formal notice of its proposal to sell substantially all its assets to a for-profit company, continue its corporate existence as a noncharitable nonprofit corporation, and transfer the net proceeds from the sale of its charitable assets to the Reliant Medical Group Foundation, Inc. The Division's review focused, among other things, on protecting the value of Reliant's charitable assets. Following the Division's review, Reliant filed a complaint with the Single Justice of the Supreme Judicial Court requesting approval of this transaction and a declaratory judgment that Reliant was no longer a public charity. The AGO assented based in part on consultation with experts regarding the purchase price and the Foundation's agreement to undertake certain steps to separate itself and operate independently from Reliant and report regularly to the AGO on those efforts. The Single Justice granted the relief Reliant requested.

Achievements

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 2017 NAAG/NASCO conference in Washington, D.C.

Georgetown Conference, Representing and Managing Tax-Exempt Organizations: Division personnel participated in a panel discussion on fundraising and crowdfunding on the internet and social media at this April 2018 conference.

Important Statistics

In FY2018, the Division accepted 1,337 initial charities registrations and processed approximately 26,233 payments for public charity and professional fundraiser annual reports and registrations. Fees for these activities generated approximately \$6,035,970 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 FY2018, the AGO received and reviewed: 884 new wills, 566 final accounts/documents closing estate files, 34 petitions to sell real estate, 50 trust terminations and 817 miscellaneous complaints and filings with respect to these matters. The AGO also resolved 71 matters involving potential misapplication of charitable bequests or excessive fees which, in the aggregate, resulted in approximately \$308,984.99 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 FY2018, the AGO reviewed several hundred notices regarding these significant transactions.

Revenue reflects \$6,035,970 in filing fees for FY2018 directed to the general fund; \$308,984.99 that was recovered for charities in probate matters involving charitable bequests; \$230,000 recovered for charities in matters resolving claims of fiduciary duty violations, mismanagement of charitable assets, and/or charitable solicitation fraud; and a judgment obtained that includes \$375,159.37 in restitution for charities and \$80,000 in civil penalties.

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.

Child and Youth Protection Unit

The Child & 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.

CYPU's fiscal recovery was from the Care.com settlement of \$481,820 (\$355,000 of which was payment to the Commonwealth).

Cases

Defending Deferred Action for Childhood Arrivals (DACA): CYPU co-led a lawsuit in the Eastern District of New York, joined by seventeen attorneys general, challenging the termination of the DACA program.- On February 13, 2018, the Court issued a preliminary injunction preventing the Trump Administration from terminating the program for current DACA grantees.

Settlement with Care.com: With the Consumer Protection Division, CYPU led an investigation into Care.com's background check process for babysitters and other caregivers. In February 2018, CYPU reached a settlement with Care.com to resolve allegations that the company misled Massachusetts families about the comprehensiveness of its background check products. Pursuant to the settlement, Care.com agreed to pay \$480,000 in restitution to consumers and payment to the Commonwealth. Further, Care.com agreed to provide Massachusetts consumers with more information about its background check products and about how to obtain a Criminal Offender Record Information (CORI) check, which allows for comprehensive, statewide background checks for child care providers and home health aides.

Advocating for Temporary Protected Status (TPS): CYPU co-led amicus advocacy in multiple cases related to the Trump Administration's termination of temporary protected status (TPS) for six countries, which will lead to the loss of legal immigration status for thousands of long-term Massachusetts residents, including many who have U.S. citizen spouses and children. This advocacy has resulted in a preliminary injunction which halted the termination of TPS for El Salvador, Haiti, Nicaragua, and Sudan. Litigation is ongoing in six cases.

Family separation: In June 2018, CYPU filed a lawsuit with seventeen other attorneys general challenging the Trump Administration's policy of separating children from their parents at the border. The same day, a different federal court issued a preliminary injunction halting the policy and citing to the Unit's lawsuit. This case has since been transferred to the court which issued the preliminary injunction, and CYPU continues to pursue advocacy to address the Administration's treatment of migrant children and families.

Achievements

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:

School Resource Officer MOU: CYPU convened stakeholders in education and juvenile justice to draft a model Memorandum of Understanding (MOU) for School Resource Officers (SROs). Through an iterative process of 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.

Guide for immigrant caregivers: Following inquiries about the impact of draconian federal immigration policies on families, CYPU published a guide to help service providers and families understand options for the care and custody of children if parents are detained or deported. The guide was published in February 2018 and is available in English, Spanish, Portuguese, and Haitian Creole.

Protection for the children of unmarried same-sex parents: With the Department of Public Health, CYPU worked on updating state forms to ensure that unmarried parents who conceive children using assisted reproductive technology can acknowledge their parentage at birth. This will help same-sex couples to establish their parentage in Massachusetts on an equal footing with different-sex couples, and without costly co-parent adoption processes.

Civil Investigations Division

The Civil Investigations Division employs a trained staff who provide investigative support in civil matters for the divisions within PPAB and throughout the Attorney General's office. The Division's 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 U.S. Attorneys Office, and other federal law enforcement agencies.

Currently CID provides investigative support for ten other divisions across four bureaus within the Attorney General's Office.

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 compiling statistics, providing information regarding gun specifications, investigating and interacting with gun dealers across the state, and on-going monitoring of gun sales across the state.

Deceptive and fraudulent practices: 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, auto dealerships and service providers. Over the past year these cases have resulted in significant monetary penalties against many of these companies.

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

Financial Investigations: The Civil Investigations Division employs two forensic financial investigators who in the past year have provided support in the form of ability to pay investigations, hidden asset investigations, and financial audit assistance to divisions from every bureau within the Attorney General's Office.

In FY2018, CID opened 315 cases and closed 261.

In addition to the above represented cases, the Civil Investigations Division fielded hundreds of queries in 2018 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 (CRD) protects and advances the constitutional and statutory civil rights and liberties of residents and visitors to the Commonwealth. The Division works to remedy and end discrimination on the basis of race, national origin, immigration status, religion, gender, gender identity, sexual orientation, age, and disability as well as other protected categories. It also works to ensure equal opportunity in areas such as education, housing, employment, healthcare, public accommodations and voting.

Cases

In FY2018, CRD obtained a significant settlement with **Dell EMC** following an investigation into claims of sex and gender identity discrimination against a former employee. The company agreed to update its policies and training programs and to pay a total of \$110,000 to the victim and two local nonprofit organizations to ensure that workplaces are inclusive and free from discrimination.

CRD also obtained multiple fair housing settlements to resolve claims against several housing providers, realtors, and rental agents for claims of housing discrimination based on race, familial status, disability, and source of income. The settlements require defendants to update their fair housing policies, train staff, and compensate victims of unlawful discrimination.

In January 2018, the AG's office filed a lawsuit against **Redbrook Village and Residential Management Corp.** for violating fair housing and consumer protection laws. The AG's Office alleges that the defendants, who own and manage an affordable housing complex in Orange, discriminated against a tenant who uses a wheelchair by denying and delaying reasonable modifications and accommodations necessary for her to use and enjoy her apartment.

In March, 2018, the Superior Court approved a Consent Judgment between the AG's office and **Matteo Gallo as the trustee of Ocean View Nominee Trust (OVNT)** following a lawsuit filed by the office alleging that the defendant was discriminated against as a prospective tenant because he was a recipient of public assistance. The trust, which owned 31 housing units in one municipality, will pay \$24,000 to the prospective tenant, adopt better policies, and train its staff on fair housing laws.

Achievements

The Division entered into an MOA with Easthampton High School in August 2017 to resolve an in-depth investigation into concerns of racial disparities in student discipline and a hostile environment for students of color.

In April 2018, the Division obtained a preliminary injunction against an individual who engaged in bias-motivated assault of three men at a Provincetown bar based on their sexual orientation.

In June 2018, CRD entered into resolutions with several employers who were illegally asking applicants about their criminal histories. CRD additionally sent warning letters to many more—all as part of an initiative to address the use of criminal records to unfairly limit opportunities for returning citizens.

CRD led a multi-state effort opposing the Trump Administration's attempt to ban transgender individuals from serving openly in the military. The Division filed several amicus briefs in federal cases challenging the ban.

The Division issued detail guidance for employers on complying with the new Massachusetts Equal Pay Act.

CRD helped lead multi-state legal challenges to federal immigration policies, including cases challenging the termination of Deferred Action for Childhood Arrivals, family separation at the southern border, and Byrne JAG funding conditions.

Important Statistics

The Civil Rights Division received more than 1,200 civil rights complaints from members of the public and closed approximately 900 complaints. CRD also participated in numerous community outreach and education events across the Commonwealth, including training programs about housing, hate crimes, pay equity, and general civil rights protection. Through a combination of intake resolutions and case work, the Division recovered approximately \$213,200 for the Commonwealth and its residents.

Consumer Advocacy & Response Division

The Consumer Advocacy & Response Division (CARD) works with consumers and businesses to resolve disputes in a manner fair and reasonable to all parties under the circumstances. CARD conducts specific and targeted outreach across the Commonwealth to address high volume and high priority consumer issues. CARD also manages the Local Consumer Program grant program. CARD frequently partners with other AGO divisions on enforcement actions identified through its consumer advocacy work..

Cases

Deputy Chief William O'Hearn and Legal Analyst Bianca Hoffman secured a judgment of \$489,884 against Richard Rolon, an unregistered Everett home improvement contractor who accepted hundreds of thousands of dollars in deposits from consumers for home renovation projects that he failed to complete. Richard Rolon will also be permanently enjoined from operating a home improvement business in Massachusetts.

A 79 year old consumer was talked into purchasing his vehicle by a dealership that charged him above value at \$14,000 after the vehicle's lease was up. He was additionally convinced to purchase approximately \$8,000 in add-on products for a total sale of roughly \$22,000. The consumer was undergoing evaluation for Alzheimers and was on a fixed income. His children filed a complaint on his behalf as, due to his diagnosis, he was unable to drive and had a \$400 monthly car payment that was worth more than 1/3 of his Social Security Income. The consumer ended up voluntarily surrendering the unaffordable vehicle and the finance company went after him for the outstanding deficiency of \$9,508.67. The Consumer Specialist reached out to the finance company and explained the situation requesting a waiver of the deficiency. Initially, the finance company offered to settle if the consumer

paid 60% of the deficiency. The Consumer Specialist reviewed the paperwork and determined the finance company could not have verified the consumer's income as there were incorrect entries on the application. Additionally, the finance company would not have provided this loan if they had reviewed the consumer for affordability. When bringing this to their attention they agreed to waive the entire \$9,508.67 deficiency and correct the consumer's credit reporting.

The TAPS (Trades and Professional Services) Team assisted 19 consumers who had purchased pre-paid memberships to a golf club that shut down in Brockton. The TAPS Team worked with the business that took over the property and started a new golf enterprise. Most consumers were able to use their memberships at the newly opened golf club.

Achievements

For creating a Massachusetts Elder Identity Theft Coalition, CARD was awarded and implemented the National Identity Theft Victims Assistance Network (NITVAN) Grant from the Identity Theft Resource Center in coordination with the DOJ, Office of Victims of Crime.

In FY2018, CARD implemented a new strategy for assisting consumers with resolving issues involving defective, new large appliances after multiple failed warranty repair attempts by the manufacturer/retailer by evoking their rights under MGL c.106, §§ 2-608. The new strategy requires fewer resources while achieving quicker resolution.

Deputy Chief O'Hearn drafted and submitted multi-state comments to the FCC regarding robocalls and ringless voicemail.

Important Statistics

CARD received 13,679 intakes between July 1, 2017 and June 30, 2018. This is down 25% from FY2017, owing mostly to the the new consumer complaint form which was launched in October 2017. The new consumer complaint form automatically routes many types of complaints not handled by CARD directly to the appropriate division.

Despite the decrease in complaints received, the total number of consumers assisted by CARD and the Local Consumer Programs (LCPs) remained about the same, down only 1% from FY2018. 2,485 consumers were provided with consumer assistance by CARD staff, while 5,436 consumers were provided with consumer assistance by an LCP organization.

However, outcomes for consumers improved in FY2018. Of the 7,921 consumers who received consumer assistance, 3,916 of these consumers received a positive resolution to the issue described in their complaint. This is up 13% from the 3,455 positive resolutions in FY2017.

Over \$3,191,478 was recovered by CARD and LCP partners.

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, deterring future misconduct through penalties, ending unlawful practices, and imposing oversight of problematic businesses through injunctive relief.

Cases

On January 28, 2018, the AG's Office resolved its investigation of **Nationstar Mortgage, LLC** (now doing business as "Mr. Cooper"), the largest, nationwide, non-bank servicer of mortgage loans. The AG's Office alleged that Nationstar routinely violated Mass. Gen. Law c. 244, sec. 35B, enacted in 2012 as "An Act to Prevent Unnecessary Foreclosures." Section 35B requires mortgage servicers such as Nationstar to make commercially reasonable, good faith efforts to avoid foreclosure by offering struggling homeowners affordable modifications to their mortgage loans. Instead of complying with this law, the AG's Office alleged that Nationstar offered homeowners short-term, exploding loan modifications that, after a few years, resulted in monthly payments even higher than their original payments. The Assurance of Discontinuance filed in Suffolk Superior Court requires Nationstar to reduce the principal balances of Massachusetts homeowners by an estimated \$20,000,000 and provide affordable mortgage modifications to homeowners on an ongoing basis. Nationstar also made a monetary payment of \$500,000 to be distributed by the AG's Office to foreclosed homeowners.

On July 6, 2017, the AG's Office led a coalition of 20 Attorneys General in **filing suit against U.S. Dept. of Education Secretary Betsy DeVos** for her agency's unlawful delay of the "Borrower Defense Rule" meant to expedite the cancellation of federal student loans based on the misconduct of for-profit schools. The AG's Office alleged that Secretary DeVos violated both the Higher Education Act and the Administrative Procedure Act by delaying the rule by fiat, rather than subjecting any delay to notice and comment or negotiated rulemaking procedures. On September 12, 2018, the Court granted summary judgment in favor of the Attorneys General and vacated the delay of the Borrower Defense Rule. The rule went into effect on October 16, 2018 and, in response, the Department of Education discharged \$150 million in student loans on December 23, 2018. Substantial additional discharges required by the rule are expected.

On September 9, 2017, the AG's Office filed suit on behalf of the Commonwealth against **Equifax, Inc.**, representing the first enforcement action brought by a state to hold Equifax accountable for its data breach, which exposed the social security numbers and other sensitive data of nearly 3 million consumers in Massachusetts and 148 million consumers nationwide. The AG's Office alleges that Equifax violated Massachusetts data security regulations by failing to patch a known security vulnerability long after the problem had been brought to Equifax's attention. The Suffolk County Superior Court has denied Equifax's motions to dismiss the case and for a protective order, and litigation in the matter is ongoing.

Important Statistics

The Division recovered and/or saved \$22,587,000.00 in Fiscal Year 2018. \$2,587,000 were monetary payments by businesses for restitution to Massachusetts consumers, for penalties to the Commonwealth, and for the Commonwealth's costs and attorneys' fees. \$20,000,000 was the total principal reductions to mortgage loans of Massachusetts homeowners to be made by Nationstar Mortgage, LLC ("Mr. Cooper").

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.

Cases

Estée Lauder Companies, Inc., which employs hundreds of cosmetic workers in its own Aveda, M.A.C., and Origins stores and in other retail outlets in Massachusetts, agreed to pay \$90,000 in restitution and penalties for its failure to offer paid sick leave to part-time employees. More than 500 employees received restitution as a result of this settlement.

Fair Labor issued two citations totaling \$213,407.38 in restitution and penalties against Florida-based **Southern Road & Bridge, LLC**. Fair Labor opened an investigation after receiving a referral from the Foundation for Fair Contracting and the International Union of Painters and Allied Trades, District Council 35, alleging that the company was not paying its employees the prescribed prevailing wage rate for work performed on several MassDOT public works projects. A review of payroll records revealed that the company was classifying employees as Laborers for tasks that, according to the Department of Labor Standards (DLS), fall under the Painters (Bridges/Tanks) classification. The investigation also revealed that cash fringe benefits were not included in overtime calculations. The company entered into a settlement agreement to pay wages owed to 33 workers.

As a result of a joint enforcement action between the AGO and the United States Department of Labor's (USDOL) Wage and Hour Division, a Dudley aerosol factory and two of its executives paid nearly \$1 million to resolve intentional overtime and minimum wage violations and for hindering the AG's investigation. **Shield Packaging, Inc. and its owners and managers, through two temporary staffing agencies, Central Eastern Staffing and Southern Mass Staffing (SMS)**, employed and failed to pay minimum wage and overtime to approximately 480 workers over a two-year period, resulting in more than \$330,000 in unpaid wages. The AGO determined that Shield Packaging was a joint employer and that it used SMS in an attempt to evade wage and hour laws.

In addition, SMS, a Worcester-based staffing agency, paid \$95,000 in restitution and penalties for its role in the labor scheme that deprived hundreds of workers of minimum wage, overtime, and earned sick time pay. More than 270 workers will receive restitution for earned sick time not made available to them.

In June 2018, **Joseph B. Kerrissey, III** of Plymouth and his two corporations, **J Kerrissey LLC and Sunrise Equipment and Excavation**, pled guilty to 107 charges including willful wage and hour violations, larceny, and failure to pay prevailing wages which occurred from 2011 through 2017. The judge sentenced Kerrissey to three years of probation and ordered him to pay \$91,743 in restitution to 37 former employees. Kerrissey must comply with the signed court order regarding the amount of restitution, allocation to named victims and payment plan. In addition, Fair Labor imposed the maximum five-year debarment which prevents Kerrissey and his companies from working on public construction projects in Massachusetts.

The defendants were indicted by a Statewide Grand Jury in October 2016 after an investigation by the AGO. The investigation revealed that Kerrissey, despite receiving payment for his companies' work on construction projects, consistently bounced payroll checks to employees, failed to issue checks, shaved

hours from employees' paychecks, and paid workers below agreed-upon hourly rates. When workers complained about non-payment of wages, Kerrissey used various excuses to avoid payment including telling employees the money should be in the account, arguing they did not earn the wages, and threatening to take out criminal complaints against them if they attempted to use the legal system to obtain their wages.

In December 2017, Fair Labor reached a settlement agreement with **Burger King franchisee Northeast Foods, LLC**, headquartered in Sugarland, Texas, and owner Shoukat Dhanani. An investigation by Fair Labor revealed more than 800 child labor violations at Northeast's 40 locations across Massachusetts. Among the violations uncovered were minors working shifts that exceeded the total maximum daily hours allowed or shifts that ended later than allowed under state law, in some instances past 3 a.m. Many of the minor employees also did not have the proper work permits. As part of the agreement, the company and its owner agreed to pay \$250,000 in penalties and come into compliance with state law.

Achievements

In April, Fair Labor led a multistate coalition to support workers' right to organize in order to combat misclassification of employees as independent contractors. In a brief submitted to the National Labor Relations Board, Fair Labor drew on its experience with misclassification and wage theft to show how some employers use misclassification to evade myriad workplace protections, including those under the National Labor Relations Act, at great cost to workers, responsible employers, and states generally.

AG Healey is leading a multistate investigation of "no poach" clauses included in many franchise agreements. These clauses restrict franchise employers' ability to recruit or hire employees who worked for other stores or restaurants in the same chain. As a result, they also restrict workers' ability to find better jobs and negotiate higher wages. Often, workers have no idea these restrictions exist.

FLD filed amicus briefs opposing arbitration agreements that prevent employees from pursuing work-related claims on a collective basis in *NLRB v. Murphy Oil USA, Inc.*, and supported the ability of public sector unions to collect agency fees from employees who are members of the bargaining unit and benefit from union representation. Following the Court's anti-worker decisions in *Janus v. AFSCME Council 31*, AG Healey issued a first-in-the-nation advisory, affirming the rights of public sector employees to organize, join a union, and engage in concerted activities for mutual aid or protection.

Important Statistics

In FY2018, FLD issued 605 citations. FLD assessed \$9,588,377 (i.e., \$6,847,929 in restitution and \$2,740,448 in penalties).

FLD received 5,720 complaints.

Insurance and Financial Services Division

The Insurance & Financial Services Division (IFSD) represents consumers, cities, towns and the state in civil matters involving the insurance, securities, and lending industries. The Division performs key consumer protection functions including securities, insurance and lending enforcement, and advocacy concerning insurance rates. 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.

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's action recovered over \$32 million against **Barclay's Bank** for its alleged deceptive sales of investments to Massachusetts governmental entities and non-profit institutions in the Commonwealth.

In addition, as part of the Office's initiative directed at opioid abuse, IFSD reviewed transactions by the **Walgreens pharmacy chain** and determined that Walgreens profited from the opioid epidemic by overcharging for opioid prescriptions issued to workers' compensation insureds, as well as overcharging on certain other drugs. IFSD recovered \$5.5 million from Walgreens relating to its behavior, of which \$1.5 million was directed to opioid abuse prevention programs.

Continuing with its work on unfair student loan debt, IFSD worked to rescind the private loan debts of students who had attended Corinthian and College Network programs. Resolutions with **Jefferson Capital, Aequitas Capital, We Florida, and Southeast Financial Credit** resulted in refunds and debt forgiveness of approximately \$3 million for hundreds of Massachusetts student borrowers.

The Division also continued to pursue for-profit schools involved in allegedly unfair practices, filing Assurances of Discontinuance in Suffolk Superior Court against **New England College of Business and Empire Beauty Schools** that required student refunds, forgiveness of institutional debt, and changes to marketing and recruitment practices. In addition, IFSD successfully completed its litigation against **Hosanna College of Health**, an unlicensed nursing school that overcharged and misled Massachusetts students. Under the judgment entered in that case, Hosanna is banned from holding courses in Massachusetts, must repay approximately \$200,000 to students, and was forced to forgive outstanding student debt.

In addition, IFSD continued to investigate so-called student "debt relief" companies, which offer to assist borrowers with reducing student loan debt, but actually make illusory promises and charge illegal fees. This past year, based on an enforcement action by IFSD, **United Advisors Group** is no longer doing business in Massachusetts and must repay approximately 75 student debtors. The IFSD mediation program has also assisted numerous borrowers on an individual basis who were victimized by these companies.

During this fiscal year, IFSD continued to pursue companies for unfair practices that targeted seniors. This includes a case against **Delaware Life** for underpaying on annuity proceeds, delaying consumer payments inappropriately, and failing to provide policyholders and beneficiaries with appropriate paperwork. This matter returned over \$200,000 to Massachusetts residents. Similarly, IFSD's continued work relating to **Moneygram's** alleged failure to oversee money transfers properly resulted in the return of over \$70,000 to Moneygram customers. The Division also completed a case against TransAmerica, which used an unlicensed agent to sell complex life insurance products to Massachusetts customers in violation of Massachusetts law.

Finally, IFSD also continued with its insurance ratepayer advocacy, acting to prevent unfair rate increases on insurance in the Commonwealth and monitoring the insurance marketplace for unfair practices. This included intervening in an administrative rate case against the **FAIR Plan** (the residual home insurance provider in Massachusetts which offers insurance to those who cannot obtain policies from private insurers) and bringing an action against **Liberty Mutual** for unfair policy cancellations affecting hundreds of Massachusetts residents.

Achievements

IFSD and the Bureau of Consumer Frauds & Protection of the New York Attorney General's Office provided detailed commentary and suggestions to the U.S. **Department of Education** regarding potential changes to the Department's method of evaluating student borrower Undue Hardship claims. The letter was joined by California, Illinois, Iowa, Maryland, and several other States active in student loan enforcement issues.

In October 2017, IFSD wrote to the **Board of Registration of Nursing** to provide information regarding the Attorney General's consumer protection litigation against Hosanna College of Health. The letter also recommended that the Board, which was planning on reprimanding certain Hosanna students, not take such action against the victims of this for-profit school.

IFSD also engaged in advocacy with the U.S. **Department of Education** regarding various student loan collection practices. For instance, in November 2017, IFSD pointed out to the Department of Education that the Department was mishandling credit reporting for defaulted student loan borrowers whose loans had been discharged due to school closure. The Department agreed to fix the problem both retroactively and prospectively.

When administrative advocacy was ineffective, IFSD also took the U.S. **Department of Education** to court. In December 2017, IFSD sued the Department for its unlawful collection practices against Massachusetts student borrowers. The Department was continuing to garnish wages and seize tax refunds from students despite knowing it had no right to collect these amounts. The lawsuit, filed in the District of Columbia, also challenged the Department's unreasonable delay in processing individual borrower defense to repayment applications submitted by defrauded Corinthian College borrowers.

IFSD was also an active advocate relating to auto insurance issues. In November 2017, the Division wrote to **Commonwealth Automobile Reinsurers**, the entity that oversees the residual market for auto insurance, in opposition to plans that would have reduced the incentives for insurers to write policies in certain urban areas. After receipt of the IFSD letter, CAR dropped the proposal. IFSD also provided data and analysis this year to the legislature's Financial Services Committee demonstrating the disparate impact insurance rating practices have had on good drivers in low-income and minority communities.

Important Statistics and Numbers

Massachusetts insurance policyholders received a \$150 million rate reduction as part of a settlement that IFSD reached with the workers compensation insurers and the State Rating Bureau. The rate case began after the Attorney General reviewed data relating to possible rate changes and indicated the need for a rate rollback. In the ensuing rate setting process, the industry offered an 11.1% decrease. The Attorney General continued to pursue additional rate relief and obtained \$20 million more in rate relief as part of the final 12.9% average rate reduction approved by the Commissioner of Insurance at the end of the rate proceeding.

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

In FY2018, IFSD's Insurance & Financial Services Mediation Program fielded over 3,220 hotline calls, opened 908 complaint files, closed 830 complaint files and generated \$582,109 in savings and recoveries for Massachusetts residents. Successful mediation results included:

- reversing denials of auto, home, credit, travel, pet, warranty, and life insurance claims;
- securing reinstatements of non-renewed homeowners insurance policies;
- persuading companies to unwind unsuitable annuity sales and to correct errors in surrender values for life insurance policies;
- 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 checks from mortgage loan servicers; and
- obtaining refunds of incorrectly calculated premiums.

In FY2018, IFSD's Student Loan Assistance Unit (SLAU) fielded over 3,088 hotline calls, received 955 requests for assistance, closed 910 requests, and generated \$1,568,251 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 student loan "debt relief" companies;
- helping borrowers complete and submit disability, ability to benefit, death, and closed school discharge applications; and
- helping borrowers understand requirements for public service loan forgiveness programs.

In addition, SLAU worked to protect students during unexpected school closures. For instance, working with the Attorney General's Public Charities Division, the Unit helped mitigate harm to Mount Ida College students when the school abruptly closed by securing additional commitments from the University of Massachusetts at Amherst. The Unit also helped develop a reverse transfer option for students who had nearly completed their Mount Ida College degrees.

IFSD recovered \$43,588,771.17 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. IFSD also obtained savings for insurance ratepayers by intervening in rate setting proceedings at the Division of Insurance. Those savings, totaling approximately \$20,000,000 this past fiscal year, are not included in the Fiscal Recoveries and Revenue figure but are reflected elsewhere in this IFSD summary.

REGIONAL OFFICES

Central Massachusetts

The Central Massachusetts Regional Office serves as the local office of the Attorney General's Office for the cities and towns in Central Massachusetts. The Office is available to directly assist constituents with consumer, labor, and civil rights complaints, and to focus on local community issues that intersect with the Attorney General's jurisdiction. The CMAS office is staffed with attorneys and staff from each Bureau in the Office and makes it a priority to focus on local cases. It also spends a significant amount of time on outreach efforts to local community organizations.

The CMAS office continued to grow during Fiscal Year 2018 and now has 22 attorneys and staff from various AGO Bureaus.

Cases

Here is a selection of significant cases handled by CMAS based staff from various divisions during Fiscal Year 2018:

Commonwealth v. South Bay Mental Health Center (AAG Greg Matthews and Senior Investigator Denise Long, Medicaid Fraud)

ExxonMobil Deceptive Marketing (Climate Science) (AAG Peter Mulcahy, EPD)

Shields Packaging (FLD Investigator Erin Mackenzie)

Riteway LLC (Medicaid Fraud Senior Investigator Denise Long)

Commonwealth v. Maestro-Connections Home Health Systems (FLD Investigator Leah Lucier)

Commonwealth v. Lifestream Healthcare Alliance LLC and Hellen Kiago (Medicaid Fraud Senior Investigator Denise Long)

Commonwealth v. GS4 Secure Integration LLC (FCD AAG Cassandra Arriaza)

Achievements

CMAS staff participated in a significant number of community outreach events focused on Central Massachusetts residents during the year, including the People's Law Firm Outreach Day at Clark University on April 30, 2018.

CMAS staff continue to be active participants in local community groups including the Mayor's Brownfields Roundtable and the City Manager's Coalition Against Bias and Hate.

Southeastern Massachusetts

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

In keeping with the Southeastern Massachusetts Regional Office's mission to bring the resources of the Attorney General's Office into the Commonwealth's communities, the Office regularly participates in area outreach events coordinated through the Community Engagement Division. In Fiscal Year 2018, staff from the Office conducted trainings in a number of communities including, New Bedford, Fall River, Brockton, Hyannis, Taunton, Middleboro, Fairhaven, and Dartmouth.

Achievements

The Southeastern Massachusetts Regional Office's Abandoned Housing Initiative team uses the enforcement authority of the State Sanitary Code to address those properties that local communities have identified as having serious health and safety code violations. In Fiscal Year 2018, the Office was able to negotiate a successful outcomes on several of these properties including:

119 Kent Street, Scituate – The single-family home had been identified by the town as a blighted property. Years of attempts by the Board of Health to address the problem were unsuccessful. The office successfully petitioned the court to appoint a receiver who received permission to demolish the structure after it was determined that the violations could not be remediated.

205 Haute Drive, Somerset – The single-family home had been identified by the town as one of its worst properties. All of the copper piping and fixtures had been removed and there were numerous reports of drug activity. The office successfully petitioned the court to appoint a receiver who addressed all of the health and safety code violations.

Western Massachusetts

The Western Massachusetts Division ("WMAS") of the AGO was the first regional office and remains the largest regional office in Massachusetts. WMAS has 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. WMAS handles matters throughout the state with a particular focus on those matters within the jurisdictions of Hampden, Hampshire, Franklin, and Berkshire counties.

Cases

Commonwealth v. Lynn Minella and Jody Farber-Winters, Two Springfield women were indicted in connection with stealing more than \$14,000, through various larceny schemes, including defrauding state agencies of benefits and stealing from a local women's shelter.

Commonwealth v. Stephen Forsley and Liu Yang, Two were indicted for human trafficking and money laundering charges for trafficking women for sex at Springfield "massage parlors" set up as fronts for illicit activity.

Kennedy v. Commonwealth, 92 Mass. App. Ct. 644 (2018), review denied sub nom. *Town of Huntington v. Commonwealth*, 479 Mass. 1107 (2018), the Appeals Court affirmed the dismissal of a lawsuit brought by a school district, member town, and residents of member towns to stop a different town from withdrawing from the school district.

Trustees of the Berkshire Museum v. Maura Healey, SJ-2018-065. Justice Lowy, sitting as a single justice, allowed the Berkshire Museum's cy pres petition, clearing the way for the Museum to sell certain artwork as part of a plan to sustain operations. The decision resulted in the voluntary dismissal of numerous actions in the Superior Court and Appeals Court concerning the proposed sale and to which the AGO was a party.

Achievements

The Western Massachusetts Regional Office attains its mission of providing accessible AGO assistance to Western Massachusetts citizens in the four western counties: Berkshire, Hampden, Hampshire and Franklin. The Western Massachusetts Regional Office reflects the Attorney General's dedication to providing access to effective services throughout Western Massachusetts. 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 Western Massachusetts Regional staff participates in numerous outreach programs, establishing new relationships and solidifying 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 partners with and outreaches to the communities that it serves in the Commonwealth's four western-most counties.

In addition to the core casework and community outreach, members of WMAS attend regular meetings throughout the region with law enforcement, stakeholders, local officials, and community organizations. WMAS staff are 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, and High Impact Strike Force. WMAS staff conduct internal and external trainings on criminal and civil law, and offer assistance and expertise on case and policy matters throughout the office.



OFFICE OF ATTORNEY GENERAL MAURA HEALEY

One Ashburton Place

Boston, MA 02108

(617) 727-2200

www.mass.gov/ago/