

# **The AG's Collections & Bankruptcy Section: An Overview**

Inspector General Legal & Ethics Conference  
Indiana Convention Center  
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# Office of Attorney General

- Statutory Office:

- **4-6-1-2 Creation of office; election; time of taking office**

Sec. 2. There is created the office of attorney general for the state to be administered by an attorney general who shall be elected under [IC 3-10-2-6](#) by the voters of the state. The term of office of the attorney general is four (4) years, beginning on the second Monday in January after election and continuing until a successor is elected and qualified.

- **4-6-3-2 Direction of prosecutions brought in the name of the state**

Sec. 2. (a) The attorney general shall have charge of and direct the prosecution of all civil actions that are brought in the name of the state of Indiana or any state agency.



# AG Divisions

- Advisory
- Appeals
- Consumer Protection
- Licensing
- Litigation
- Medicaid Fraud
- Revenue
- Solicitor General
- Unclaimed Property



# **AG Litigation Division**

Four Sections

- Bankruptcy and Collections
- Civil Litigation
- Tort Litigation
- Transportation Practice Group



# Management

- Current Attorney General: Greg Zoeller
- Incoming Attorney General: Curtis Hill
- Chief Deputy AG: Matt Light
- Chief Litigation Counsel: Patricia Orloff-Erdmann
- Bankruptcy and Collections Section Chief: Open and posted



# Bankruptcy and Collections Section

- We are the plaintiff's lawyers for the state's agencies
- Our function is the civil recovery of damages, fines, assessments, and other money owed to state agencies
- Our clients are the agencies and we have current cases for nearly all state agencies
- Scope of section's caseload is broader than name implies – section name change has recently been under consideration but will likely await new AG's assumption of office



# Section Staffing

- Section Chief – Open and posted
- Deputy Attorneys General – Six (6) current DAG's, with one expected to come on board soon dedicated to INDOT cases pursuant to MOU with INDOT, and one position expected to be posted soon
- Paralegals – Five (5) current paralegals, with one open position posted to be dedicated to INDOT cases
- Administrative Assistant to the Section Chief– One (1)
- Law Clerks – None currently, but expecting five (5) starting in January
- AG Office overall – Approximately 150 attorneys and approximately 355 total employees



# Section Caseload

- Approximately 2500 pending cases at any given time
- Approximately 200 new cases are opened and 200 pending cases are closed each month
- Our current threshold for cases is \$6,000.00
- Department of Workforce Development accounts for approximately 40% of the case numbers
- Caseload per attorney ranges from approximately 250 to 450 cases depending on nature of the Deputy's cases
- Dollars collected each month range from \$300,000 to \$500,000





# Bankruptcy Cases

- Cases where State is creditor or has an interest, *i.e.*:
  - Motors Liquidation Company (Old General Motors)
  - ITT Technical Institute
  - Peabody Energy Corporation
- Cases where individuals we have sued file bankruptcy, *i.e.*, DWD and INDOT defendants



# Deputy Attorneys General

- Megan Binder - DWD and DWD claimant bankruptcies
- Heather Crockett – Bankruptcy generally, DWD employer cases
- Kevin Fitzgerald – Hoosier Lottery, Proceedings Supplemental
- Melinda (Mindy) MacAnally - DWD and INPRS
- John Phillip - FSSA Medicaid estate cases and estate cases generally
- Stephen (Steve) Vaughan – INDOT, SBOA



# Example DAG Caseload (Vaughan)

▪ DNR	1
▪ DWD	129
▪ INDOT	69
▪ ISP	2
▪ LOTTO	23
▪ IOSHA	2
▪ SBOA	33
▪ SOS Auto Div.	19
▪ SOS Securities Div.	3



# Outside Collection Cases and Proceedings Supplemental Cases

- Approximately 1400 cases currently with an outside collection agency
- Approximately 300 cases at the proceedings supplemental stage
- OCA cases
  - Below threshold
  - Reason to believe there is a real defendant
  - May be out of state or otherwise beyond Indiana's jurisdiction
- Pro Supp cases
  - In state defendant
  - Realistic prospect for recoverable assets
- Currently have contracts with an agency for OCA cases and contracts with a Florida and a California law firm for some pro supp cases
- Fourteen agencies and/or law firms have responded to an RFI for OCA and/or Pro Supp work



# Contact Information

- Patricia Orloff – Erdmann – Chief Litigation Counsel and acting Section Chief  
317 – 232-6318  
[patricia.erdmann@atg.in.gov](mailto:patricia.erdmann@atg.in.gov)
- Heather Belton – Assistant to Chief Litigation Counsel  
317- 233-2040  
[heather.belton@atg.in.gov](mailto:heather.belton@atg.in.gov)
- Stephen L. Vaughan – Deputy Attorney General  
317-233-6581  
[stephen.vaughan@atg.in.gov](mailto:stephen.vaughan@atg.in.gov)

