



STATE OF INDIANA

OFFICE OF THE ATTORNEY GENERAL

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CURTIS T. HILL, JR.
INDIANA ATTORNEY GENERAL

August 20, 2018

Jason Dudich, Director
State Budget Agency
Statehouse Room 212
Indianapolis, IN 46204

Dear Mr. Dudich,

The Office of the Attorney General is pleased to submit this transmittal letter as part of our Fiscal Year (FY) 2020-2021 biennial budget submission to the State Budget Agency. This letter provides a description of our office's programs and initiatives, recent accomplishments, and goals for the next biennium. Included with this letter is our executive organizational chart and fund narratives.

Office Programs and Functions

The Office of the Attorney General represents and advises the State of Indiana and its agencies and helps protect the rights, freedoms, and safety we enjoy as citizens of Indiana. As the state's chief legal officer, I oversee a staff of approximately 400 employees spread across multiple divisions, and my team and I are dedicated to meeting the state's legal needs, as well as the needs and interests of Hoosiers. A brief description of each division is included below:

Advisory Division:

The Advisory Division provides legal advice to state elected officials and state agencies. While it does not make or recommend policy, the Advisory Division assists officials in their efforts to understand specific state statutes, policies, and procedures. It also reviews state contracts and administrative rules for legal compliance.

Consumer Protection Division:

The Consumer Protection Division (CPD) safeguards Hoosiers from deceptive and predatory business practices. This division educates consumers to make wise choices when buying products and entering into contracts, and it mediates and investigates consumer complaints against businesses and other organizations. CPD takes legal action on behalf of the state against individuals and companies that violate Indiana's Deceptive Consumers Sales Act. It reviews and can seek reform of non-profit entities and public charitable trusts. CPD is comprised of the following areas:

- Consumer Litigation
- Consumer Mediation
- Unclaimed Property
- Data Privacy & Identity Theft
- Tobacco Enforcement
- Medical Licensing
- Professional Licensing & Homeowner Protection



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Litigation Division:

The Litigation Division represents and defends the State of Indiana in lawsuits in which the state's interests are at stake. The Litigation Division is comprised of the following sections:

- Administrative & Regulatory Enforcement Litigation
- Asset Recovery & Bankruptcy Litigation
- Correctional Law Litigation
- Government Litigation
- Real Estate Litigation

Medicaid Fraud Control Unit:

The Medicaid Fraud Control Unit (MFCU) investigates unscrupulous practices and enforces state healthcare laws with respect to entities that receive state Medicaid funds. The MFCU investigates the following:

- Medicaid provider fraud
- Misuse of Medicaid recipients' funds
- Patient abuse and neglect in Medicaid facilities

Unclaimed Property Division:

The Unclaimed Property Division (UPD) receives and returns assets to their rightful owners. Unclaimed property is any financial asset with no activity by its owner for an extended period of time. Examples include:

- Dormant bank accounts
- Lost or forgotten uncashed checks
- Stocks, bonds, and dividends
- Insurance proceeds
- Utility refunds
- Safe deposit box contents

Appeals Division:

The Appeals Division represents the state in criminal, civil, and child services appeals cases. The Appeals Division also pursues the state's interests when inmates file actions in federal District Court alleging their convictions violate the U.S. Constitution and represents the state when death row inmates return to trial courts to challenge convictions. This division also handles victim notification responsibilities in relation to ongoing criminal appeals cases. Examples include:

- Civil cases involving administrative agency orders and decisions, constitutional issues, civil rights, consumer protection, government benefits, and employment matters, as well as business regulations and cases involving torts and claims against the state
- Criminal cases appealed to all levels of the judiciary and provides assistance to prosecuting attorneys throughout the state

Solicitor General:

The Solicitor General (SG) is the chief litigation policy advisor to the Attorney General, providing comprehensive oversight of state and federal litigation for Indiana. The SG also:

- Handles specific cases involving constitutional challenges
- Pursues cases with issues of vital interest to state government
- Makes recommendations on filing amicus curiae (friend of the court) briefs



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- Consults with the Appellate Division to determine which civil cases the state should appeal and the appropriate legal position to pursue

Investigations:

This section works in coordination with the legal divisions to collect evidence and provide background information on open cases. It investigates legal activity on behalf of Indiana state agencies and works with state and local law enforcement on human trafficking cases. This section also handles tort claims investigations and cold case reviews.

Victim Services:

The Office of the Attorney General is committed to providing services and assistance to crime victims. The Indiana Constitution guarantees victims fairness, respect, and dignity, and the office sustains that promise by supporting those affected directly, and indirectly, by crime in Indiana. The office provides support through the following programs and services:

- Address Confidentiality Program to protect victims of domestic violence or stalking
- Hope Card Program to provide a convenient civil protection order summary for victims
- Human Trafficking Prevention
- Victim Notification Program to keep victims informed throughout the appellate process

Communication & Outreach:

These teams work to increase public awareness of the programs and initiatives that we offer to protect Hoosiers and promote public safety. Our office has focused heavily on tackling prescription drug abuse, helping addicted offenders leave jail on paths to recovery, reducing urban youth gun violence, and developing long-term solutions to the drug and crime problems plaguing our state.

Examples of these initiatives and partnerships include:

- Indiana Attorney General's Drug Abuse Prevention Task Force
- Jail Chemical Addiction Program (JCAP) for inmates suffering from substance addiction
- Partnership with the Indy TenPoint Coalition to reduce youth gun violence
- Safe drug handling classes for law enforcement statewide
- Providing grant funds to regional drug interdiction teams to combat drug trafficking
- Hosting prescription drug take back events
- Attorney General's Public Safety Coalition

Office Accomplishments

My team and I take great pride in providing high quality service to Hoosiers as we fulfill the statutory duties of this office. We have a number of accomplishments that we are proud to share as evidence of the hard work we do every day:

- In 2018 to date, we have partnered with law enforcement across the state to complete 19 drug take back events, which allow Hoosiers a safe and convenient way to dispose of unwanted or unneeded prescription drugs, ensuring that those pills don't fall into the wrong hands. At these 19 events, we collected 2,191 pounds of drugs for safe disposal.



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- The investigative efforts of our Medicaid Fraud Control Unit (MFCU) resulted in 42 indictments and 26 convictions in state and federal court in 2017. MFCU recovered over \$29 million from various civil and criminal cases involving Medicaid fraud or abuse and neglect of Medicaid patients.
- In 2017, our office took in over \$99 million worth of unclaimed property and returned almost \$59 million to its rightful owners. We average about \$1 million per week in funds returned to Hoosiers, and our single largest payout in 2017 was an astounding \$637,488.
- Our Litigation Division's diligent prosecution of civil proceedings recouped almost \$7 million owed to the state in 2017, representing a 19% increase in civil recovery from the previous year. Through zealous advocacy and an eye towards reducing frivolous litigation, this division achieved a 100% success rate in federal and state jury trials and closed more cases than it opened, saving taxpayer dollars.
- Through the work of our office, other state agencies received \$39 million from multistate consumer settlements, and another \$13 million was returned to Hoosiers through consumer restitution.
- Our office continues to provide an outstanding return on Hoosier investment, as our work has returned hundreds of millions of dollars in collections, recoveries, and unclaimed property transfers to the state's general fund.

Objectives for the Next Biennium

As proud as we are of our successes, we will continue diligently working to provide efficient and effective services to the state agencies we represent and our Hoosier constituents. We intend to build upon the positive foundation we have laid and continue working hard as a team to achieve positive results for the State of Indiana. Our goals include:

- Continuing to protect the legal interests of the state and its citizens while meeting the challenge of an increasingly complex caseload, which includes over 30,000 legal matters a year, while staying within budgetary constraints.
- Improving case reporting to provide management the ability to better track the work being completed in each division to promote government efficiency and transparency.
- Continuing to return at least \$1 million every week in unclaimed property to Hoosiers.
- Increasing public outreach efforts to ensure that consumers and businesses understand what they can do to prevent harm from scams, identity theft, and security breaches.
- Maintaining a strong focus on employee engagement to increase employee retention and promote a healthy and positive work environment.
- Enhancing our comprehensive training and development programs for new attorneys joining the office right out of law school, thereby creating a talent pipeline that benefits the office, our employees, and the state agencies whose work we support.



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FY 2020-2021 Budget Request

Below is a brief summary of the five change packages we are requesting in our biennial budget, three of which are for current services and two are for new office initiatives:

Current Services Requests:

- \$1.53 million per year in personal services funds to our main operating account (10430)
 - *These funds are vital for us to continue staffing at current levels, maintain recent salary increases, and continue normal office operations.*
- \$1.14 million per year for 15 PCNs in our new Intensive Deputy Attorney General (I-DAG) Program
 - *This program is a part of an overall focus on ensuring we are making strides to attract and retain the best talent possible to serve the State of Indiana and our constituents.*
- \$0.5 million increase to our annual Medicaid fraud state match
 - *This would increase our annual state match from \$1.4 million to \$1.9 million to reduce our reliance on the Medicaid fraud recovery revenue in the 12720 fund.*
- Per the budget instructions, a 3.3% increase to OAG Personal Services to cover pay-for-performance and benefit increases that went into effect in FYs 2018 and 2019.
 - *Increase of \$0.6 million in 10430 and \$0.04 million in 74910 (Unclaimed Property)*

New Initiatives:

- \$0.57 million to create a new opioid litigation team
 - *The team would consist of one section chief, one senior deputy attorney general (DAG), one investigator, and one paralegal. This change package would add \$0.48 million for personnel and \$0.09 million for operating costs to our main general fund (10430).*
- \$1.16 million to create a new torts litigation team to bring work in-house that is currently being performed by outside counsel at a rising cost
 - *The team would consist of one section chief, one senior DAG, five other DAGs, and four paralegals. This change package would add \$0.96 million in personnel costs and \$0.2 million in operating costs to our main general fund (10430).*

Through careful assessment of our programs, services, and future needs, the Office of the Attorney General respectfully submits this request for an additional \$5.5 million over our base budget, which reflects only a \$3.4 million increase over our prior year appropriation. This conservative increase is necessary to continue the high quality service our office provides to the State of Indiana and the general public. We appreciate your consideration and look forward to working together this year.

Sincerely,

Curtis T. Hill, Jr.