2017–2018
ANNUAL REPORT

“Protecting America’s Seniors: Attorneys General United Against Elder Abuse”

NAAG MISSION STATEMENT

To help attorneys general fulfill the responsibilities of their office and to assist in the delivery of high-quality legal services to the states and territories.

Fiscal year July 1, 2017 – June 30, 2018
NAAG President’s Message

The best part of serving as NAAG president is joining all state and territory attorneys general to work on topics with which we all agree and dedicating Association resources to it. I was confident our membership would embrace the presidential initiative, “Protecting America’s Seniors: Attorneys General United Against Elder Abuse,” and they did not disappoint. There is no partisan divide on the commitment of attorneys general to protecting seniors and combating elder abuse.

During this year-long initiative, we identified some of the best ideas and made them readily available to adapt. More information can be found on page five, and going forward our work will continue through the NAAG Elder Justice Committee I established in May.

NAAG membership also pulled together during several hurricanes and mass shootings. In September 2017 Hurricane Maria devastated Puerto Rico, including its Department of Justice. The situation is probably the most crippling damage any attorney general’s office has suffered in modern American history. I traveled there in January 2018 to offer NAAG’s assistance and another AG-led working group followed suit in April. Possible help includes technical assistance, temporary personnel and replacing lost technology.

You will find the collective effort on the part of attorneys general and AG office staff is the main theme of the work you will read about in this report. From developing a new Mass Violence Response Checklist and establishing a popular NAGTRI drug overdose death investigation and prosecution training course to urging Congress to pass federal legislation ending secret, forced arbitration in workplace sexual harassment cases, NAAG membership is successfully combining goals with action to serve the public.

The Association’s momentum never wavered after a seamless transition in December from Executive Director Jim McPherson, who served NAAG admirably for almost 10 years, to our new Executive Director Chris Toth, who served 14 years as NAAG deputy executive director. I encourage you to appreciate the accomplishments reflected in this document and keep up the great work.

Sincerely,

Derek Schmidt
2017-2018 NAAG President &
Kansas Attorney General
The NAAG Annual Report’s purpose is to provide a summary of the many accomplishments of NAAG members and staff over the past year, as well as to document the general health and operations of our organization. NAAG is committed to transparency in all that we do. This publication is an essential part of that commitment.

Under the leadership of Kansas Attorney General Derek Schmidt, our 2017-2018 NAAG president, NAAG enjoyed another dynamic and successful year, including the work on his presidential initiative, Protecting America’s Seniors: Attorneys General United Against Elder Abuse. It brought attorneys general together on an issue that serves as an example of how they can work together in an increasingly partisan era.

Providing nonpartisan and bipartisan bridges for attorney general cooperation and collaboration remains the essence of NAAG. Our hope is that this organization will always remind us that what unites us as Americans is so much more than what divides us.

During this past year, NAAG continued to make great strides in furthering the key missions of state and territory attorneys general:

The National Attorneys General Training and Research Institute (NAGTRI) continued to grow both in terms of quality and quantity. NAGTRI conducted 136 trainings this past year, up from 11 in its inaugural year of 2008, and reached over 10,000 AG staff. Also, we are pleased that after a national search, Amy Tenney Curren joined us as the new NAGTRI director. We look forward to the new heights to which she will lead NAGTRI.

NAAG’s 16 committees became increasingly more productive. In addition to weighing in and exerting influence in areas of national importance, the committees have expanded their role in providing updates to the membership on critical issues.

The NAAG Center for Supreme Court Advocacy continued its key role in assisting AG offices in preparing oral arguments and briefs before the U.S. Supreme Court and other appellate courts. In the past Supreme Court term every key case involving a state attorney general was mooted by the Center. Over the course of the year Center Director Dan Schweitzer conducted 24 moot courts.

The NAAG Center for Tobacco and Public Health, under the leadership of Michael Hering, continued its vigorous support of our members’ efforts to enforce the landmark 1998 Master Settlement Agreement (MSA) and to provide training to a new generation of AG staff involved in the MSA’s enforcement.

NAAG continues to have a powerful voice in national discourse. NAAG members weighed in collectively on topics of great importance to Americans, issuing 14 bipartisan sign-on letters directed to Congress and federal agencies.

Of course, none of the accomplishments over the past year would have been possible without our extraordinary staff. I am renewed each day by their energy, commitment to public service, and professionalism. All of us at NAAG understand the unique importance of America’s attorneys general and their critical mission as their state’s chief legal officers. It is our honor to support them.

We congratulate Attorney General Schmidt on a very successful NAAG presidency and look forward to another great year under the leadership of new NAAG president, Louisiana Attorney General Jeff Landry!

Chris Toth
NAAG Executive Director
NAAG President and Kansas Attorney General Derek Schmidt announced in summer 2017 that the 2017–2018 NAAG presidential initiative would focus on gathering the expertise and building the capacity to fight elder abuse, neglect and exploitation.

“Elder abuse has been called the silent epidemic of our time,” Attorney General Schmidt said. “It is a crime that too often operates in the shadows. But the numbers are staggering, and as the population age 65 and older continues to grow, it is clear that we all need to do more to combat this serious problem.”

To assist in guiding the year-long effort, AG Schmidt appointed a bipartisan working group of four other state attorneys general: Mark Brnovich (R-Ariz.), Chris Carr (R-Ga.), Peter Kilmartin (D-R.I.), and Ellen Rosenblum (D-Ore.). Each led innovative efforts to combat elder abuse in his or her respective state or territory. The 56 state and territory attorneys general have addressed this issue by:

- Establishing an Elder Abuse Unit within their AG office to help residents;
- Protecting senior citizens from financial exploitation through both education and prosecution;
- Educating seniors and their families on crime prevention and adult bullying; and
- Providing techniques on how to avoid scams and victimization

**Annual Meetings**

Three NAAG Annual Meetings held over the year provided an opportunity for prominent speakers and panelists to discuss a range of elder issues and to offer new ideas and potential solutions. Keynote speakers included those from the U.S. Department of Health and Human Services/Administration for Community Living and the U.S. Centers for Disease Control and Prevention. Topics covered were the “State of Aging and Health in America,” “The Silver Tsunami,” investigating residential Medicaid abuse and neglect cases, Georgia’s experience in fighting elder abuse as a case example, and next steps in elder justice.

**U.S. DOJ Elder Fraud Sweep**

AG Schmidt joined U.S. Attorney General Jeff Sessions and other law enforcement partners Feb. 22, 2018 in announcing the largest coordinated sweep of elder fraud cases in history. The actions charged a variety of fraud schemes victimizing the elderly. Attorney General Schmidt highlighted state cases.
Working Group Expands into NAAG Committee

AG Schmidt turned the initiative working group into the NAAG Elder Justice Committee in May 2018 to ensure the Association continued its work on the issue after the initiative concluded.

Presidential Initiative Summit

Manhattan, Kan., known as the Little Apple, was the location of the April 16–18, 2018 NAAG Presidential Initiative Summit, hosted by AG Schmidt and with approximately 140 people in attendance.

With 40 million people in the United States aged 65 and over and growing, AG Schmidt remarked in his opening Summit statement that it’s a segment which “psychologically tends to be more vulnerable; culturally tends to be more trusting and vulnerable; wealth-wise tends to be a greater target, and here we are on the public safety and law enforcement side, trying to wrestle with how we right-size prevention and law enforcement” when resources are stretched. Attorneys general, AG staff and invited speakers talked through elder law, fiduciary relationships, the medical dynamics of aging, the investigation/prosecution of elder physical abuse and neglect, and senior consumer protection.

NAGTRI Training

The National Attorneys General Training and Research Institute (NAGTRI), a NAAG branch, hosted an Elder Justice training April 16–17 in Manhattan and attendees then participated in the Summit. Sixty assistant attorneys general heard sessions on the capacity and cognitive issues in elder victims and witnesses, and barriers and resolution strategies to investigation and prosecution of such cases as well as other ways to combat the personal abuse, neglect and exploitation of the elder population.

NAAG Mission Foundation

The NAAG Mission Foundation, Inc., a 501 (c) 3 organization, was formed with proceeds from the 1998 Tobacco Master Settlement Agreement (MSA). Its board consists of seven attorneys general, including the four current NAAG executive officers. The Foundation’s purpose is to help NAAG’s mission by engaging in education, research, and training courses, supporting the MSA enforcement, and funding other NAAG programs and initiatives. The Mission Foundation has been active in advancing NAAG programs and meetings this fiscal year by providing $3,044,000 for three NAAG Annual Meetings, the NAAG Presidential Initiative Summit, NAAG regional meetings, and a majority of NAGTRI training courses. It also supported management reviews in AG offices as well as funded Supreme Court fellowships and moot courts, and publications.
The National Attorneys General Training and Research Institute (NAGTRI), the NAAG training and research arm, continues to grow steadily. Over the past fiscal year, NAGTRI conducted 136 trainings, reaching nearly 11,000 participants from the attorney general and broader prosecutorial communities.

**Leadership**

With Chris Toth's promotion to NAAG executive director in December 2017, NAAG created the stand-alone position of NAGTRI director to build upon the Institute's successes and continue its growth and reach. After a national search was conducted, Amy Tenney Curren joined NAGTRI in spring 2018. Amy previously served as assistant dean at American University Washington College of Law, where she led the academic services functions of the law school, and taught several courses annually, including White Collar Crime.

NAGTRI continued to benefit from the guidance and input of its members through the NAGTRI Training Committee and the NAGTRI Advisory Board. The NAGTRI Training Committee met quarterly and during this fiscal year, was comprised of Attorneys General Lawrence Wasden (Idaho) (co-chair), Peter Kilmartin (R.I.) (co-chair), and Attorneys General Chris Carr (Ga.), Doug Chin (Hawaii), George Jepsen (Conn.), and Peter Michael (Wyo.). The NAGTRI Advisory Board brought together training coordinators, NAGTRI faculty, and other AG office staff for its annual meeting in August 2017. Together, we focused on meeting the goals of the NAGTRI Strategic Plan and providing opportunities to forge relationships among states and territories on areas of common interest.

**Strategic Plan Update**

NAGTRI continued to implement its three-year strategic plan, approved by NAAG membership in November 2016. The six pillars of the plan call for strategic focus on governance; ensuring financial soundness; training; research; promoting NAGTRI activities; and expanding and evolving.

NAGTRI’s reach expanded significantly in fiscal year 2018. Through additional in-person trainings and webinars, NAGTRI saw a 44 percent growth in the number of participants trained over the prior fiscal year. These additional trainings, whether focused on skills development or emerging legal issues such as tackling the opioid crisis, have allowed NAGTRI to meet the growing needs of AG offices.

NAGTRI continued to focus on providing topical, timely information to NAAG members through its research efforts. We published a series of topic-specific newsletters and the quarterly NAGTRI Journal. Over the past year, NAAG’s member-only wiki, Promoting Attorney General Expertise (PAGE), has continued to grow. The number of users increased by over 300 percent, and NAGTRI and attorney general staff continued to add and use content to the research site.

The NAGTRI Endowment Fund continued to grow through settlement contributions and investment gains, and was used to help kickstart the Center for Consumer Protection, cover expenses for several NAGTRI basic skills courses, and fund the Elder Justice training in conjunction with this year’s presidential initiative.
International Programs

Through NAAG’s continued partnership with the U.S. Department of State’s Bureau of International Narcotics and Law Enforcement Affairs, NAGTRI conducted several overseas deployments on topics including transparency and improved prosecutorial training and techniques. Deployments to Armenia, Honduras, Macedonia, and Vietnam were led by delegations including former Hawaii Attorney General Doug Chin, representatives from several AG offices, and NAGTRI staff, and provided insight and assistance to government officials, judges, prosecutors, defense attorneys, and others focused on justice sector reform. NAGTRI also executed its 8th annual International Fellows program, with this year’s focus on prosecutorial strategies to protect consumers against deceptive and fraudulent products and practices. Through this program, NAGTRI provided a forum for elite government attorneys from around the world to learn from each other, explore common issues, and establish an international network for the mutual benefit of their respective offices.

Center for Consumer Protection (CCP)

NAGTRI created the Center for Consumer Protection (CCP) in 2017 as the nation’s only entity solely dedicated to providing training, research, expertise, and other resources to the staff working in AG offices and other government attorneys and staff committed to protecting the public against consumer fraud and abuse, and the misuse of charitable resources, particularly at the state level.

Led by Director Abby Stempson, CCP’s mission is to assist and enable state and territory attorneys general in protecting the public in the areas of consumer protection and charitable asset and entity oversight by providing information, technical assistance, and support; facilitating cooperation among attorney general staff through open dialogue and advanced communication systems; planning, organizing, and conducting training and seminars for the exchange of ideas and information on relevant matters; and promoting the development of effective programs and education for the protection of the public.
In the first full year of the CCP’s existence, the Center hosted the Fall 2017 and Spring 2018 NAAG Consumer Protection Conferences; co-hosted the 2018 NAAG/National Association of State Charities Officials annual educational seminar; hosted four national trainings, one mobile training, and multiple educational webinars including a Consumer Protection Partners series and Charities series; distributed the Center for Consumer Protection monthly newsletter; started the Prosecutors Consumer Protection Network, an international consumer protection network through the International Association of Prosecutors; enhanced communication through list-serv and contact lists; provided information through PAGE, NAAG's member-only wiki, on consumer protection, veterans and military, and charities; provided multistate assistance and support; and staffed and supported the NAAG Consumer Protection, Charities, Veterans, Volkswagen Settlement Fund, and Financial Services Fund Committees. Currently under development are consumer protection and charities enforcement action databases; consumer protection regional meetings co-sponsored with the Center for State Enforcement of Antitrust and Consumer Protection Laws, Inc.; electronic document review platform for consumer protection matters; a national consumer-focused website that will provide consumers easy access to their state attorney general consumer protection division, as well as provide information to assist consumers in educating themselves in many different topical areas; and a new consumer protection chief training.

**Center for Ethics & Public Integrity (CEPI)**

As it enters its second year, the Center for Ethics & Public Integrity (CEPI) continued to blossom under the leadership of Director Amie Ely. The Center held national trainings that addressed corruption, ethics, and forensic science, including the inaugural Forensic Science Symposium in July 2017 and Ethics Summit in October 2017, the second Anticorruption Academy in August 2017, and, in partnership with the U.S. Department of Justice's Money Laundering and Asset Recovery Section, a Financial Investigations Seminar in March 2018. Through publication in the NAGTRI Journal and a webinar, CEPI focused on providing resources relating to the McDonnell case and its implications for state prosecutors. CEPI also provided needed resources, such as a summary of state statutes codifying the Uniform Act to Secure the Attendance of Witnesses from Without a State in Criminal Proceedings.

**Center for Leadership Development (CLD)**

The Center for Leadership Development (CLD), directed by NAAG Deputy Executive Director Al Lama, provided leadership and management training to AG offices. The Center conducted two national trainings, two webinars, and 12 mobile trainings. It also launched a new course entitled “Understanding Conflict and Resolving Conflict Through Communication” and held its inaugural regional training for executive leaders. Additionally, the Center is developing a curriculum for performance management and evaluation tools and is considering ways to offer its core curriculum programs more frequently in order to meet NAAG membership demand.
NAAG Financials

The Association’s core budget is funded principally from member dues, meeting grants, settlement funds, and other sources. The NAAG dues structure is modeled after the National Governors Association, with categories and amounts assessed based on the most recent census. NAAG membership is comprised of the 56 state and territory attorneys general and their office staff.

NOTES

+ NAAG is the official organization of the chief legal officers of the states, commonwealth, and territories of the United States which is reflected in NAAG’s status, for federal tax purposes, as an “instrumentality of the states.” As such, NAAG is exempt from federal income tax in the same way a state government body is tax-exempt. NAAG’s Mission Foundation is a 501 (c) 3 organization.
+ In accordance with a policy established by the NAAG Executive Committee, NAAG does not solicit or accept funding from corporations, industry/trade associations, advocacy groups, or law firms.
+ The National Association of Medicaid Fraud Control Units’ (NAMFCU) financials are separate from NAAG and are not reflected in this report.

FY 2018 FUNDING SOURCES

+ **NAAG Member Dues**—funds NAAG core programs and general and administrative expenses
+ **Registration Income**—contributes to fund some meeting expenses
+ **Settlement funds**—usually restricted to fund certain prescribed programs or expenses
+ **Interest and investment income on Tobacco portfolio**—funds a portion of the Tobacco program expenses and Tobacco grants
+ **Interest and investment income on Mission portfolio**—fund annual meetings, NAGTRI and other meetings
+ **Interest and investment income on NAGTRI Endowment Fund**—fund and consumer protections and other trainings
+ **Rental Income on Mission Foundation**—funds general and administrative expenses related to the owned office building
**Consolidated Statements of Financial Position**

*As of June 30, 2017 and June 30, 2018*

<table>
<thead>
<tr>
<th>(In Thousands)</th>
<th>6/30/2017</th>
<th>6/30/2018</th>
<th>6/30/2017</th>
<th>6/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NAAG</td>
<td>Mission Fndn</td>
<td>Consol’d Total</td>
<td>NAAG</td>
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<tr>
<td><strong>ASSETS</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Investments</td>
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<tr>
<td>Cash &amp; Cash Equivalents</td>
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<td>$404</td>
<td>$5,519</td>
<td>$3,203</td>
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<td>Investments</td>
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<td>70,860</td>
<td>180,995</td>
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<td>Total Cash &amp; Investments</td>
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<td>71,263</td>
<td>186,514</td>
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<td>Accounts Receivable &amp; Other</td>
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<tr>
<td>Accounts Receivable</td>
<td>98</td>
<td>(1)</td>
<td>97</td>
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<tr>
<td>Due from Other Funds</td>
<td>142</td>
<td>-</td>
<td>142</td>
<td>415</td>
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<tr>
<td>Prepaid Expenses</td>
<td>142</td>
<td>182</td>
<td>324</td>
<td>138</td>
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<tr>
<td>Total Accounts Receivable &amp; Other</td>
<td>382</td>
<td>181</td>
<td>562</td>
<td>608</td>
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<tr>
<td>Fixed Assets and Building, Book</td>
<td>209</td>
<td>9,583</td>
<td>9,791</td>
<td>209</td>
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<tr>
<td>Accumulated Depreciation</td>
<td>(177)</td>
<td>(3,005)</td>
<td>(3,183)</td>
<td>(193)</td>
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<tr>
<td>Fixed Assets, Net</td>
<td>31</td>
<td>6,577</td>
<td>6,609</td>
<td>16</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>115,663</td>
<td>78,022</td>
<td>193,685</td>
<td>115,107</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Accounts Payable</td>
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<td>3,587</td>
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<td>Deferred Revenue</td>
<td>991</td>
<td>18</td>
<td>1,010</td>
<td>1,126</td>
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<td>Due to Other Funds</td>
<td>-</td>
<td>142</td>
<td>142</td>
<td>-</td>
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<tr>
<td>Other Liabilities</td>
<td>8</td>
<td>-</td>
<td>8</td>
<td>7</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
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<td>552</td>
<td>4,747</td>
<td>3,563</td>
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<td><strong>NET ASSETS</strong></td>
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<tr>
<td>Undesignated Net Assets</td>
<td>3,062</td>
<td>32,213</td>
<td>48,385</td>
<td>3,346</td>
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<td>Board Designated Net Assets</td>
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<td>45,000</td>
<td>47,392</td>
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<td>Temporarily Restricted Net Assets</td>
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<td>256</td>
<td>93,162</td>
<td>105,883</td>
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<td><strong>TOTAL NET ASSETS</strong></td>
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<td>77,469</td>
<td>188,938</td>
<td>111,545</td>
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<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>115,663</td>
<td>78,022</td>
<td>193,685</td>
<td>115,107</td>
</tr>
</tbody>
</table>

*Note: Mission Foundation includes building transaction*
## Consolidated Statements of Activity

**As of June 30, 2017 and June 30, 2018**

### (In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>6/30/2017 Consolidated Total</th>
<th>6/30/2018 Consolidated Total</th>
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<tbody>
<tr>
<td><strong>REVENUES</strong></td>
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</tr>
<tr>
<td>Dues</td>
<td>$2,645</td>
<td>$2,711</td>
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<tr>
<td>Registration fees</td>
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<td>1,062</td>
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<td>Settlement Income</td>
<td>25,112</td>
<td>572</td>
</tr>
<tr>
<td>Grant Reimbursement - Federal</td>
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<td>352</td>
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<tr>
<td>Other</td>
<td>470</td>
<td>523</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
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<td>5,220</td>
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<tr>
<td><strong>EXPENSES</strong></td>
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<tr>
<td>Program Expenses</td>
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<td></td>
</tr>
<tr>
<td>Core Programs</td>
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<td>2,169</td>
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<tr>
<td>NAGTRI Trainings</td>
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<td>Other Meetings</td>
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<tr>
<td>Grants</td>
<td>575</td>
<td>415</td>
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<tr>
<td>Settlement Funds</td>
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<td>5,152</td>
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<tr>
<td>Center for Tobacco &amp; Public Health</td>
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<td>2,760</td>
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<tr>
<td>Total Program Expenses</td>
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<td>14,493</td>
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<tr>
<td>General and Administrative</td>
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<td>727</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>12,665</td>
<td>15,220</td>
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<tr>
<td><strong>NET CHANGE PROGRAMS</strong></td>
<td>17,144</td>
<td>(9,999)</td>
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<tr>
<td>Net Income from Investments</td>
<td>17,877</td>
<td>12,332</td>
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<tr>
<td>Net Income from Building Operations*</td>
<td>(389)</td>
<td>11,835 *</td>
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<td><strong>NET CHANGE OTHER</strong></td>
<td>17,489</td>
<td>24,167</td>
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<td><strong>CHANGE IN NET ASSETS</strong></td>
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<tr>
<td>Beginning</td>
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<td>$188,938</td>
</tr>
<tr>
<td>Ending</td>
<td>$188,938</td>
<td>$203,106</td>
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</table>

*Note: Includes building transaction*
**Association Policy Action**

Sign on letters are policy-oriented documents sent to members of Congress, congressional committees, federal agencies or private companies, expressing the viewpoint of the signatories. If a document reaches 36 attorneys general signatures, it becomes NAAG policy. This fiscal year, NAAG had 14 letters become policy, covering a range of topics including opioids, drug treatment centers, amending the Communications Decency Act, and Medicaid patient abuse and neglect. The letters are available on the NAAG website under the Policy tab—Sign on Archive.

The two NAAG letters garnering the most attention were when all 56 state and territory attorneys general signed on—the first time in a decade—to urge Congress in February 2018 to pass federal legislation that would end secret, forced arbitration in cases of workplace sexual harassment. The other letter, sent in March 2018, demanded answers from Facebook CEO Mark Zuckerberg about the company’s business practices and privacy protections following evidence that user profiles may have been misused.

Two issues NAAG weighed in on passed in Congress and were signed into law. One was clarifying federal law so states could use their traditional criminal investigation and prosecution authority to combat human trafficking facilitated by Internet websites. The Stop Enabling Sex Traffickers Act (SESTA). The other was the CLOUD Act, endorsed by NAAG. It clarifies when law enforcement can collect foreign-stored electronic data in criminal investigations.

**Administration & Association Services**

NAAG moved its offices in July 2017 from 2030 M Street, N.W., 8th Floor, in Washington, D.C., to 1850 M Street, N.W., 12th Floor. After selling its floor share of what is being built as a new 2050 M Street building, NAAG signed a 12-year lease in its current space.
2017-2018 Association Activities & Accomplishments

The NAAG Center for Supreme Court Advocacy conducted 24 moot courts for state attorneys arguing in the U.S. Supreme Court this term. The cases involved a wide range of issues, from partisan gerrymandering to free speech to internet taxation on the civil side; and from the Fourth Amendment to the Double Jeopardy Clause to the death penalty on the criminal side.

The Center’s director and chief counsel edited almost 50 briefs filed by state attorney general offices in the U.S. Supreme Court, including merits briefs, cert petitions and oppositions, and amicus briefs.

The following state attorneys served three months at NAAG as Supreme Court Fellows: Frank Bieszczat of Illinois; Natalie Chalmers of Kansas; Terry Crist of Arizona; Misha Igra of California; Winston Lin of Indiana; and Karla Zarbo of Massachusetts.

The Center also organized two conferences. The NAAG Supreme Court Advocacy Seminar, held Jan. 17-18, 2018, in Washington, D.C., taught its 53 attendees how to effectively practice in the U.S. Supreme Court. The NAAG State Solicitors General and Appellate Chiefs Conference, held June 21-22, 2018, in Portland, Ore., provided a forum in which 55 state solicitors general and appellate chiefs exchanged ideas and information about managing an appellate practice and heard from outside speakers on important legal issues.
The NAAG Center for Tobacco and Public Health (Tobacco Center) provided significant support to the Settling States under the Master Settlement Agreement (MSA) in connection with a variety of matters.

Tobacco Center counsel worked on behalf of the Settling States to ensure proper calculation and disbursement of MSA payments by PricewaterhouseCoopers LLP, the MSA’s Independent Auditor. In particular, the Tobacco Center identified certain changes to April’s MSA payment distribution, and worked with the Settling States, the Independent Auditor, and the MSA Escrow Agent (Citibank) to implement such changes, which provided the Settling States with an additional $1.5 million in interest income while more effectively safeguarding settlement proceeds, pending distribution.

Tobacco Center counsel successfully defended the confidentiality of NAAG’s internal e-mail communications from discovery by the tobacco companies in litigation. In an arbitration proceeding involving 19 Settling States and the tobacco companies that signed the tobacco MSA, R.J. Reynolds, Philip Morris, and the other tobacco companies sought to compel the states (through discovery) and NAAG (through a subpoena) to turn over NAAG’s internal e-mails related to the states’ enforcement of certain tobacco laws. Tobacco Center counsel challenged the arbitration panel’s subpoena authority over it under the Federal Arbitration Act and asserted that internal NAAG e-mails were not within the possession, custody or control of the arbitrating states but rather subject to control only by the NAAG Executive Committee, which had not directed their release. After briefing and oral argument, the Panel reversed its prior decision to order production of these e-mails, finding that the Tobacco Center functions like an “outside law firm” for the states, and as such its internal deliberations are entitled to work product protection, which protection the companies had not demonstrated a justification for breaching.

The Tobacco Center provided legal advice to the MSA Settling States in connection with various issues arising from enforcement of the MSA’s advertising and marketing restrictions. In addition, following up on prior efforts of the states related to implementation by the Food and Drug Administration (FDA) of a May 2016 rule deeming certain tobacco products to be subject to the Federal Food, Drug, and Cosmetic Act, as amended by the Family Smoking Prevention and Tobacco Control Act, Tobacco Center counsel monitored and advised the states concerning developments that resulted from FDA’s August 2018 announcement of its comprehensive regulatory plan for tobacco and nicotine regulation.
In January 2018 in Savannah, Ga., the Tobacco Center provided its first NAGTRI training for new attorneys in state attorneys general offices. This two-day training was attended by assistant attorneys general from across the country.

The Tobacco Center assisted Washington Attorney General Bob Ferguson with hosting the Tobacco Policy and Responsible Retailing Conference in June 2018 in Minneapolis, Minn. The two-day Conference focused on topics such as Tobacco Assurances of Voluntary Compliance between states and retailers, tobacco marketing, youth tobacco enforcement challenges, and other issues regarding tobacco at the point of sale. Attendees of the Conference included staff from attorneys general offices, state and local officials, representatives from public health organizations, and representatives from tobacco retailers and related organizations.

NAAG held its annual three-and-a-half day bankruptcy seminar for governmental practitioners in November 2017 in Savannah, Ga., with approximately 170 attendees from more than 40 states, several cities and counties, and the federal government. The seminar focused on the many ways in which student loans and the governmental process interact. It also had a third track for the first two days of the seminar dealing with enforcing child support obligations in bankruptcy.

Related to tobacco, NAAG bankruptcy counsel continued to pursue litigation in the Native Wholesale Supply case dealing with asserted defaults under its confirmed plan. Counsel also served as associate editor for the Affairs of State column in the American Bankruptcy Institute Journal.
The most noteworthy accomplishments of the National Association of Medicaid Fraud Control Units (NAMFCU) continues to be resolving global cases and providing professional training to Medicaid Fraud Control Unit (MFCU) staff. This fiscal year, 11 global cases were resolved with an estimated $536.11 million recovered for the Medicaid program.

The Association developed and offered a new training program this year. The 102B Medicaid Fraud Training Program focuses on complex investigative and legal issues for the more experienced MFCU employees.

NAMFCU held two 101 Medicaid Fraud Training Programs this fiscal year; one in San Diego, Calif., in July 2016 and one in Montgomery, Ala., in February 2018. Three 102A Medicaid Fraud Training Programs were held this fiscal year; one in Providence, R.I., in August 2017; one in Scottsdale, Ariz., in December 2018; and one in Columbus, Ohio, in May 2018. The inaugural 102B Medicaid Fraud Training Program was held in Santa Fe, N.M., in April 2018. Two 103 Medicaid Fraud Training Programs were held this fiscal year; one in Santa Fe, N.M. in September 2017 and one in St. Louis, Mo., in June 2018. NAMFCU holds an Annual Training Program for all MFCU staff. This fiscal year it was held in Fort Lauderdale, Fla., in October 2018. Approximately 570 MFCU staff have been trained at these programs.

Additionally, the Association undertook an expansive revision to its By-Laws which were last revised in 2012. This revision was approved by Unit Directors at the 2017 Annual Training Program. Finally, for the first time, NAMFCU published an annual report in April 2018.
CIVIL RIGHTS

On Jan. 11, 2018, the NAAG Civil Rights Committee assisted in the hosting of former Tennessee Attorney General Mike Cody for the webinar, King at the Mountain Top: The Representation of Dr. Martin Luther King, Jr., April 3-4, 2018. Cody spoke about his early years living and growing up in segregated Memphis, Tenn., and his firm’s representation of Dr. King during the last two days of his life. Cody attended the final speech Dr. King gave, popularly known as the “I’ve Been to the Mountaintop” speech. This webinar was highly attended with hundreds of people participating to hear General Cody’s poignant, personal account of his firm’s representation, life in parts of the United States at that time, and the aftermath of Dr. King’s assassination.

ANTITRUST

The NAAG Antitrust Committee helped develop a panel on Net Neutrality for the NAAG Winter meeting, providing insight from both sides of the debate. The committee held a successful antitrust seminar in Providence, R.I., attended by more than 65 state antitrust enforcers, featuring panels on new case development, privilege issues, use of experts in antitrust cases and implementing effective remedies. NAAG antitrust counsel assisted states with amicus briefs in antitrust cases in the U.S. Supreme Court and the Courts of Appeals for the Third, Seventh, Eighth and Ninth Circuits. NAAG continues to maintain the Multistate Antitrust Litigation Database, with more than 700 antitrust cases brought by state attorneys general, including complaints, settlements and judicial decisions.

District of Columbia Attorney General Karl A. Racine and Louisiana Attorney General Jeff Landry at Fall Meeting panel discussion.
**FEDERAL/PREEMPTION**

This NAAG committee sponsored a panel on consent decrees during the NAAG Fall Meeting in November 2017. The panel discussed the federalism and separation-of-powers implications of federal consent decrees, shared states’ experiences with them, and addressed how states can constructively work with the U.S. Department of Justice to terminate decrees where appropriate.

**GAMING**

The Gaming Committee has been a resource for the membership on gaming issues and, in particular, the advent of sports gambling in the wake of the Supreme Court decision in *Murphy v. NCAA*. The committee also organized a relevant panel discussion at an annual meeting on the Supreme Court arguments and the effect of the Supreme Court case, as well as an update on other gambling issues that have an impact on the states.
INTERNET SAFETY, CYBER PRIVACY & SECURITY COMMITTEE

The Internet Safety, Cyber Privacy & Security Committee updated the membership on pressing technology issues by presenting two panel discussions during NAAG annual meetings. In the first panel, the committee sought to provide their fellow attorneys general with a better understanding of the mechanics of how social media collect and use consumer data and how that data is protected. In the second forum, the committee presented three pressing technological issues faced by law enforcement and prosecutors: the “going dark” encryption debate, the benefits and flaws of bug bounty programs and the growing threat of synthetic identity theft.

VETERANS AFFAIRS

The NAAG Veterans Affairs Committee hosted a panel during the 2018 Winter Meeting on common veterans’ benefits scams and how state attorneys general can educate their state governments on compliance with the Uniformed Services Employment and Reemployment Rights Act. Additionally, and at the request of 2017-2018 NAAG President, Kansas Attorney General Derek Schmidt, NAAG staff created a flyer explaining some of the important rights servicemembers have under the Servicemembers Civil Relief Act and the Uniformed Services Employment and Reemployment Rights Act. To further the work of the Veterans Affairs Committee, NAAG staff compiled a list of contacts in attorneys general offices in all 50 states.

New Jersey Attorney General Gurbir Grewal greets U.S. Supreme Court Justice Clarence Thomas.
These awards are given annually for excellence in brief writing for the U.S. Supreme Court. This year’s recipients of the NAAG Supreme Court Best Brief Awards were:

**COLORADO**: Merits brief in *Masterpiece Cakeshop v. Colorado Civil Rights Commission*. The brief was written by Solicitor General Fred Yarger, Deputy Attorney General Vincent Morscher, Deputy Solicitor General Glenn Roper, and Assistant Attorneys General Stacy Worthington and Grant Sullivan.

**GEORGIA**: Merits brief in *Wilson v. Sellers*. The brief was written by Solicitor General Sarah Hawkins Warren and Deputy Solicitor General Andrew Pinson.

**ILLINOIS**: Merits brief in *Janus v. AFSCME*. The authors of the brief were Solicitor General David Franklin, Deputy Solicitor General Brett Legner, and Assistant Attorneys General Frank Biesczat, Jane Flanagan, Sarah Hunger, Richard Huszagh, Lindsay Beyer Payne, and Andrew Tonelli.

**OHIO**: Merits brief in *Ohio v. American Express Company*. The brief was written by State Solicitor Eric Murphy, Chief Deputy Solicitor Michael Hendershot, and Deputy Solicitor Hannah Wilson.

**WASHINGTON**: Cert petition in *Washington v. United States*. The petition was written by Solicitor General Noah Purcell, Deputy Solicitor General Jay Geck, and Assistant Attorney General Fronda Woods.

**WISCONSIN**: Merits brief in *Gill v. Whitford*. The brief was written by Solicitor General Misha Tseytlin, Chief Deputy Solicitor General Ryan Walsh, Deputy Solicitor General Kevin LeRoy, Assistant Solicitor General Amy Miller, and Assistant Attorney General Brian Keenan.
NAAG Annual Meetings

NAAG’s final Summer Meeting was held in June. Moving forward, NAAG leadership elections and annual awards presentations will take place at the NAAG Capital Forum each December in Washington, D.C., starting in 2019.

NAAG Fall Meeting
Attorneys General and AG Staff Only
Nov. 28-29, 2017
Jekyll Island, Ga.

Winter Meeting
Feb. 26–28, 2018
Washington, D.C.

Presidential Initiative Summit
“Protecting America’s Seniors:
Attorneys General United Against Elder Abuse”
April 17-18, 2018
Manhattan, Kan.

Chief Deputies/Chiefs of Staff Meeting
May 16–18, 2018
San Antonio, Texas

Summer Meeting
(Final NAAG Summer Meeting)
June 19-21, 2018
Portland, Ore.

REGIONAL MEETINGS

Conference of Western Attorneys General (CWAG)
July 30-Aug. 2, 2017
San Francisco, Calif.

Eastern Region
“Reducing Violence: Innovations that Work”
March 22-23, 2018
Washington, D.C.

Southern Region
“Healthcare Dynamics in the 21st Century”
April 10-11, 2018
Nashville, Tenn.

The NAAG Midwestern Region did not hold a regional meeting in this fiscal year.
2017–2018 NAAG Executive Committee

Attorney General Derek Schmidt (KS)
President

Attorney General Jeff Landry (LA)
President-Elect

Attorney General Tim Fox (MT)
Vice President

Attorney General George Jepsen (CT)
Immediate Past President

Attorney General Karl A. Racine (DC)
Chair, Eastern Region

Attorney General Doug Peterson (NE)
Chair, Midwestern Region

Attorney General Herbert H. Slatery III (TN)
Chair, Southern Region

Attorney General Mark Brnovich (AZ)
Chair, Western Region

Attorney General Lawrence Wasden (ID)
Chair, NAAG Mission Foundation

Attorney General Cynthia Coffman (CO)
Presidential Appointment

Attorney General Maura Healey (MA)
Presidential Appointment

Attorney General Peter Kilmartin (RI)*
Presidential Appointment

*Took over in spring 2018 from Hawaii Attorney General Doug Chin who was appointed lieutenant governor.

2017–2018 Finance Committee

Karl A. Racine (DC)*
Co-Chair

Herbert H. Slatery III (TN)
Co-Chair

*Took over in spring 2018 from Hawaii Attorney General Doug Chin who was appointed lieutenant governor.

2017-2018 Ex Officio

Attorney General Janet T. Mills (ME)
NAAG Tobacco Committee Co-Chair

Attorney General Brad Schimel (WI)
NAAG Tobacco Committee Co-Chair
NAGTRI Wyoming training

Taiwan delegation gift exchange