



National Association  
of Attorneys General

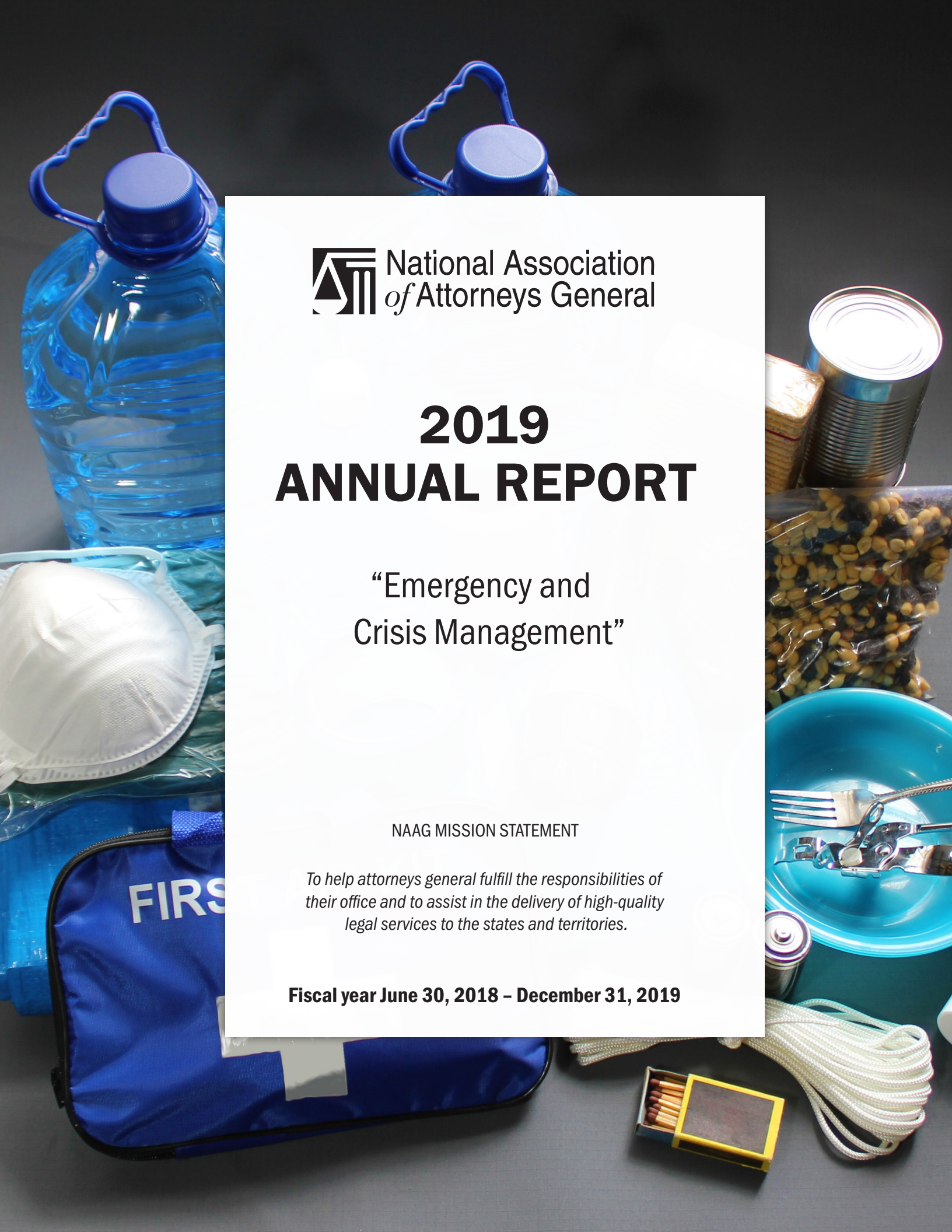
# 2019 ANNUAL REPORT

“Emergency and  
Crisis Management”

## 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 June 30, 2018 – December 31, 2019**



## PRESIDENT'S LETTER



For 18 months, I had the distinct honor and privilege of serving as NAAG president. During my tenure as leader of this wonderful organization, NAAG transitioned into a new annual meetings format and adjusted its fiscal calendar.

As I reflect on my term, I continue to be amazed by the many achievements we were able to make together. From emergency preparedness to antitrust situations to the opioid epidemic, we worked across party lines on pivotal issues that have affected the daily lives of virtually all of our constituents.

Through our Presidential Initiative, we have helped better prepare all attorney general offices for the next natural or manmade disaster coming their way. Thanks to a collective effort, we were able to produce the third edition of the Disaster Preparedness Manual. The publication, which contains resources and lessons that can serve as useful guides for the future, is a lasting testament to the dedication of attorney general offices.

Providing support in our communities was a theme carried throughout the year, as NAAG continued to aid Puerto Rico following the devastation wrought by Hurricane Maria in 2017. From forgiving student loan debt for permanently and totally disabled veterans to passing the Autism CARES Act and Pallone-Thune TRACED Act, we succeeded in persuading the federal government to support several important NAAG initiatives that assist countless numbers of our constituents.

This report serves as evidence of the value and impact of our organization. As you read through it, I hope you feel as proud of our incredible work as I do.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Landry".

**Jeff Landry**

2018-2019 NAAG President & Louisiana Attorney General

## EXECUTIVE DIRECTOR'S LETTER



The NAAG Annual Report provides a summary of the organization's activity and highlights some of the many accomplishments of NAAG members and staff during the most recent fiscal year, which ran from July 1, 2018 through December 31, 2019.

NAAG's 2018-2019 fiscal year was highlighted by tremendous growth and enhanced opportunities for engagement on matters of mutual interest. Under the leadership of Louisiana Attorney General Jeff Landry during his 18-month presidential term, the nation's attorneys general worked together to address a variety of important issues, including forgiving student loan debt for veterans, combatting robocalls, and preparing for disasters, which was the subject of General Landry's Presidential Initiative.

I'm proud to highlight NAAG's accomplishments in this report and look forward to future opportunities to further the missions of state and territory attorneys general in the coming year.

A handwritten signature in black ink, appearing to read "Christopher Toth".

**Chris Toth**

NAAG Executive Director



# 2018-2019 ACTIVITIES AND ACCOMPLISHMENTS

## Strategic Plan

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In late 2018, NAAG released its 2019 Strategic Plan, which seeks to enhance the ability of members to work collaboratively and effectively in an atmosphere of professionalism, collegiality, and cooperation. The 2019 Strategic Plan identified the following four key priorities for the next five years:

- Increased Involvement and Collaboration
- Effective Communications
- Enhanced Member Services, including increased outreach by NAGTRI
- Financial Stability and Independence

## Services to Attorney General Offices

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Throughout the 2018-2019 fiscal year, NAAG staff was focused on providing an outstanding level of service to the association's members. With an influx of new attorneys general NAAG's executive director and deputy executive director visited 19 new attorneys general in their home offices in the first six months of their terms. In addition, NAAG conducted four management reviews and coordinated information requests on behalf of nine attorney general offices.

Recognizing the importance of supporting and connecting key staff in member offices, NAAG hosted uniquely targeted meetings and seminars attended by 44 executive assistants, 68 chief deputies and chiefs of staff, and 60 public information officers and communications staff. Finally, with an eye toward growing and enhancing the services provided to members, NAAG developed new programs and centers and added staff in key areas, including hiring a chief communications officer and a director of online learning.

## Enhanced Legislative Profile and Presence

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In accordance with the 2019 Strategic Plan, NAAG provided significant support to attorneys general in their outreach to federal policymakers. Through coordination and cooperation with member offices, 18 sign-on letters reached NAAG policy during the 2018-2019 fiscal year. Topics included federal prison reform, robocalls, banking in the marijuana industry, treatment for opioid use disorder, and illegal online alcohol sales.

There were three wins as a result of NAAG sign-on letters. After 53 attorneys general urged the U.S. Department of Education to discharge student loans of disabled veterans in May 2019, President Trump signed in August 2019 an order forgiving student loan debt for permanently and totally disabled veterans. In addition, following a NAAG letter of support and a NAAG-facilitated call between Hill staff and staff in attorney general offices, The Autism CARES Act passed both houses unanimously and was signed into law at the end of September 2019. Finally, the Pallone-Thune TRACED Act, which aims to combat illegal robocalls and malicious spoofing, was signed into law in December 2019, following a March 2019 letter signed by 54 attorneys general.

## Puerto Rico Engagement

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At the request of then-Puerto Rico Secretary of Justice—and now Governor—Wanda Vázquez Garced, in early 2018, NAAG sent delegations to Puerto Rico to assess its needs following the devastation wrought by Hurricane Maria. As a result of that original request and the identified needs, in early 2019, NAAG entered into an MOU with the American Society of Crime Laboratory Directors (ASCLD) and the Puerto Rico Department of Public Safety (DPS) to help support rebuilding and capacity efforts in Puerto Rico. Specifically, efforts were extended to assist the Puerto Rico Bureau of Forensic Science.

Attorneys General Maura Healey (MA) and Lawrence Wasden (ID), along with members of the ASCLD Leadership Academy, the DPS, and the Puerto Rico Department of Justice coordinated efforts to, e.g., conduct assessments; evaluate infrastructure and instrument needs; and increase communications among the lab, prosecutors, and law enforcement. NAGTRI Center for Ethics and Public Integrity Director Amie Ely helped to spearhead this assistance and the reports that resulted from the assessments.

The ASCLD and NAAG team also collaborated with volunteers from forensic pathology and forensic anthropology organizations, which resulted in teams of pathologists and anthropologists assisting the territory's only medical examiner's office with autopsies and the examination of remains, and the assessment of the medical examiner's office's capacity and needs. The U.S. Department of Health and Human Services funded one such trip.

# PRESIDENTIAL INITIATIVE

Emergency and crisis management was the focus of NAAG President and Louisiana Attorney General Jeff Landry’s 2018-2019 Presidential Initiative. Attorney General Landry led several efforts to assist the state attorney general community in preparing for disasters of all kinds.

“Every attorney general has gone through some crisis or natural disaster in his or her state or territory,” Attorney General Landry said. “It calls on us to lead at the most critical and trying times when our citizens are in their most vulnerable moment.”

Attorney General Landry also hosted his Presidential Initiative Summit from April 25-26, 2019 in Lafayette, Louisiana. The summit included informative panels addressing critical issues like maintaining communications during a disaster, infrastructure security, and active shooter training. A NAGTRI training for attorney general staff on preparing for and responding to mass violence preceded the Summit.

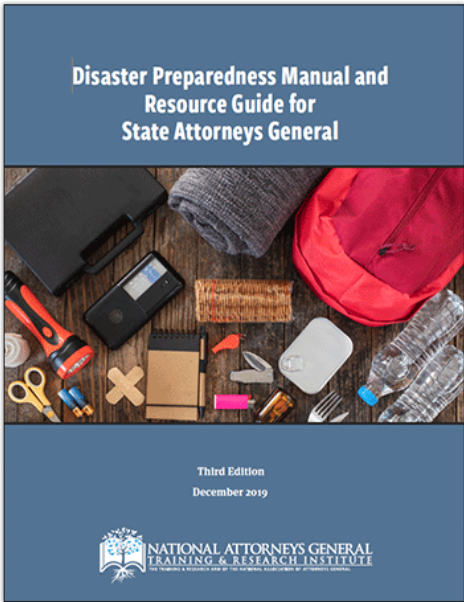
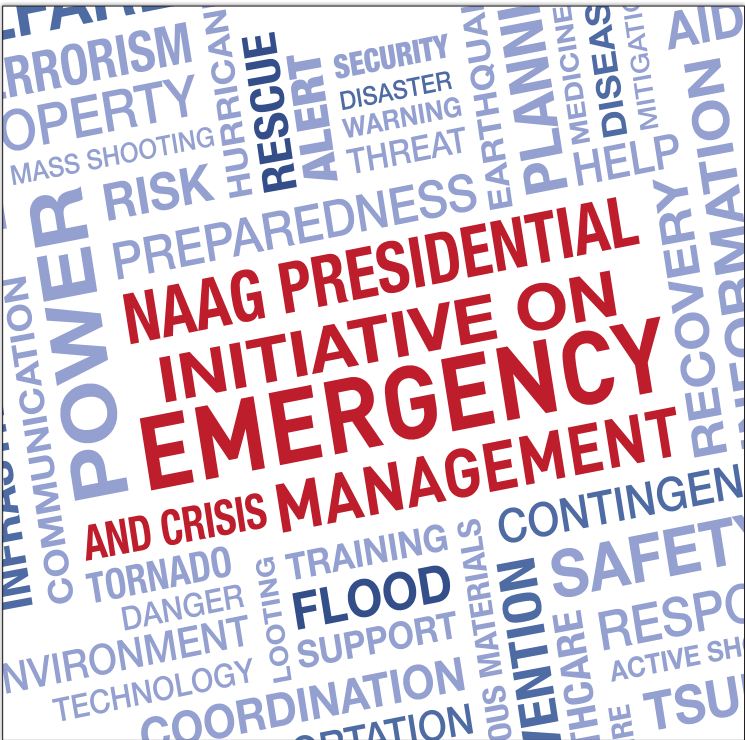
In addition, NAAG hosted three annual meetings that featured emergency and crisis management panels and discussions on rebuilding after a shooting, national disaster mortgage issues, and public/private partnerships.



Ohio Attorney General Dave Yost donating blood during a blood drive

To raise awareness about constant blood needs for routine and high casualty emergencies, nearly two dozen attorneys general hosted blood drives in their offices. According to the American Red Cross, donations made by the attorney general community saved more than 1,500 lives.

Attorney General Landry’s Presidential Initiative successfully concluded with the completion of the third edition of the Disaster Preparedness Manual and Resource Guide for State Attorneys General, which includes lessons learned from attorney general offices, summaries of key legal issues, a prepared disaster checklist, and templates and examples that can serve as useful guides.







The National Attorneys General Training and Research Institute (NAGTRI), the NAAG training and research arm, continues to grow. Over the past fiscal year, NAGTRI:

- Hosted 128 trainings
- Trained 12,218 participants, representing a 12% increase from FY 2018
- Provided at least 21,600 hours of CLE

## Leadership

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NAGTRI continued to benefit from the guidance and input of the NAGTRI Training Committee and the NAGTRI Advisory Board. The NAGTRI Training Committee convened a total of six times from July 1, 2018 to December 31, 2019. Four of these meetings were conducted in-person and two were conducted via conference call. In August 2019, several committee members actively participated in NAGTRI's Strengths, Weaknesses, Opportunities and Challenges (SWOC) analysis conducted at the 2019 NAGTRI Advisory Board Annual Meeting in Washington D.C. Finally, NAGTRI recruited Advisory Board members, chief deputies, NAGTRI faculty, and other friends of NAGTRI to serve on NAGTRI Planning Committees to ensure that we meet the needs of the community.

## Strategic Plan

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NAGTRI's 2017-2019 three-year strategic plan had six pillars of strategic focus were: governance; ensuring financial soundness; training; research; promoting NAGTRI activities; and expanding and evolving. By the end of 2019, NAGTRI successfully accomplished all the priorities identified in the strategic plan. In December 2019, a working group composed of senior attorney general staff from across the country developed NAGTRI's strategic plan for the next five years. The Plan, which was subsequently approved by the Training Committee, will be considered by the NAAG Executive Committee and the full NAAG membership in 2020.

## Endowment Fund

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The NAGTRI Endowment Fund continued to grow through settlement contributions and investment gains. The Fund was created in order to centralize funding for NAGTRI training resources, as part of the prior NAGTRI Strategic Plan. In just three years, the Fund now has \$28 million thanks to the support of the attorneys general who have designated settlement funding for the important training and research resources that NAGTRI provides.

## Training for the Attorney General Community

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During the 2018-2019 fiscal year, NAGTRI launched and grew several programs and initiatives related to its focus on providing quality, relevant training to the attorney general community. In April 2019, NAGTRI established the NAGTRI Center for Legal Advocacy and Faculty Development, which works across NAGTRI to recruit stellar faculty and provide dedicated faculty development and support. Also in 2019, the NAAG Office of Online Learning was created to build out a learning management platform with enhanced structures for webinars and on-demand learning.

With a focus on being responsive to member needs, NAGTRI developed and launched an online mobile training request system, allowing members to easily access course options and provide immediate and relevant training information. In addition, NAGTRI conducted outreach to member offices to identify training priorities including national training priorities and developed a more automated system for the CLE application process, reducing costs by decreasing the number of paper applications for each training.

# NATIONAL ATTORNEYS GENERAL TRAINING AND RESEARCH INSTITUTE

## Communications and Research

NAGTRI expanded its efforts to communicate with NAAG members and partners during this fiscal year. In addition to newsletters on various topics of interest to the attorney general community and the quarterly NAGTRI Journal, which provides information on emerging issues for attorney general offices, the NAGTRI Update newsletter was launched to share important calls to action, news, and acknowledgements with the NAGTRI faculty community on a periodic basis. NAGTRI also created a NAGTRI 101 flyer in response to need for quick and relevant information that describes NAGTRI and outlines the trainings and resources available to attorneys general and their staff.

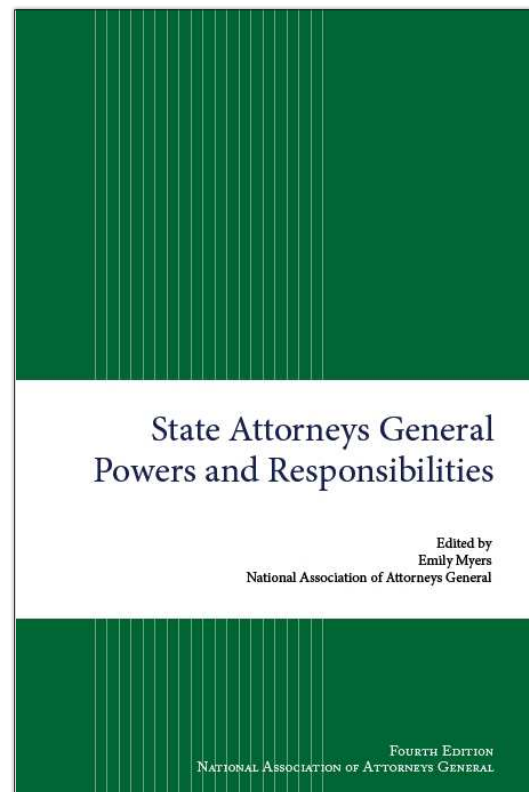
NAGTRI's focus on research and tools for the attorney general community was continued with the publication of the fourth edition of State Attorneys General Powers and Responsibilities and third edition of the Disaster Preparedness Manual and Resource Guide for State Attorneys General. In addition, NAGTRI continued to update the publicly available Antitrust Multistate Litigation database and the Powers and Duties database. Finally, NAGTRI collaborated with the Attorney General Librarians Initiative to create structures for providing resources through NAGTRI and between offices.



## Grants and Special Projects

NAGTRI received nearly \$1 million from the State Attorney General Consumer Prescriber Education Grant Program. Funds from this grant will be used to implement comprehensive opioid and substance misuse online training and public education platforms focused on the attorney general community, law enforcement, prescribers, and the public with a projected launch date of 2021.

At member request, NAGTRI formed an Energy and Environment Group consisting of assistant attorney generals and began providing them service, including a monthly national conference call to address trending and emerging topics. In addition, NAGTRI managed a U.S. Department of Energy (DOE) grant and facilitated relations between DOE and attorneys general representing states affected by nuclear waste on federal sites.





# NATIONAL ATTORNEYS GENERAL TRAINING AND RESEARCH INSTITUTE

## Center for Consumer Protection

The NAGTRI Center for Consumer Protection (CCP) is dedicated to providing training, research, expertise, and other resources to help staff in attorney general offices and other government attorneys protect the public against consumer fraud and abuse, and the misuse of charitable resources. Throughout the 2018-2019 fiscal year, CCP hosted five conferences totaling more than 800 attendees, including Fall 2018, Spring 2019, and Fall 2019 Consumer Protection Conferences and the 2018 and 2019 NAAG/NASCO Conferences. In addition, CCP conducted 10 trainings for more than 400 attendees, on topics including intellectual property, consumer protection in healthcare, charities, and anatomy of a complex consumer case. Finally, CCP hosted 16 webinars for more than 2,700 participants on topics such as civil investigative demands, claims administration, bankruptcy, and cybercrime.

In March 2019, CCP launched ConsumerResources.org, a consumer-facing website that provides educational information for consumers as well as contact information for each attorney general office's consumer protection division and how to file a complaint.

CCP secured \$3 million in funding from the Volkswagen Settlement Fund, and contracted with Everlaw as the vendor, to provide electronic document review platform services for use by attorneys general for consumer protection oversight and enforcement. As of October 30, 2019, twenty-eight attorney general offices and eight multistates have applied/been approved to use the EDRP.



## Center for Ethics and Public Integrity

The NAGTRI Center for Ethics and Public Integrity (CEPI) provides training, research, and technical assistance to prosecutors involved in the fight against corruption, as well as training and resources on the ethical practice of law by government attorneys. Throughout the 2018-2019 fiscal year, CEPI trained more than 700 students through in-person trainings and webinars, including partnering with the National District Attorneys Association and the U.S. Department of Justice on a national Forensic Science Symposium in August 2018.

CEPI led NAAG's efforts in Puerto Rico (see p. 3), including conducting five trips to Puerto Rico to meet with federal, state, and local government stakeholders and support partners in completing more than 100 autopsies. In addition, CEPI secured funding from the U.S. Department of Health and Human Services to cover travel costs for 29 volunteers, including two attorneys general and an assistant attorney general, to support NAAG's mission of assistance.



NAAG announcing the Puerto Rico Forensic Science Project



Massachusetts Attorney General Maura Healey and Idaho Attorney General Lawrence Wasden in Puerto Rico

# NATIONAL ATTORNEYS GENERAL TRAINING AND RESEARCH INSTITUTE

## Center for International Partnerships and Strategic Collaboration

In January 2019, NAGTRI created the NAGTRI Center for International Partnerships and Strategic Collaboration (CIPS-C) to consolidate NAAG's and NAGTRI's international efforts and provide a dedicated space for NAGTRI's human trafficking work.

Throughout the fiscal year, CIPS-C hosted various delegations visiting the United States on study tours, from countries such as Egypt, Costa Rica, Thailand, Albania, Australia, Hong Kong, and Jordan. In addition, attorneys general and their staff, as well as NAAG staff traveled to Italy, Argentina, Brazil, Taiwan, and Israel to develop partnerships and learn from international peers.

In January 2019, NAGTRI and the International Association of Prosecutors partnered to hold the first ever Global Conference on Human Trafficking in Puerto Rico. The conference brought together more than 100 prosecutors, investigators, victim advocates, and law enforcement officials from 22 nations around the world to build relationships and share ideas.

NAGTRI also brought together approximately 60 practitioners, primarily attorney general staff, at a Human Trafficking Summit to share information and strategies to effectively address human trafficking cases domestically.

In June 2019, 20 government attorneys from 15 countries and six states participated in the 9<sup>th</sup> annual NAGTRI International Fellows Program which focused on cybersecurity. The program featured expert speakers from the U.S. Department of Justice, Microsoft, the Rand Corporation, the Federal Trade Commission, among others, and visits to the U.S. Capitol to meet with U.S. Senators and the U.S. Supreme Court Clerk of the Court.



NAAG staff members at the Annual Conference of the International Association of Prosecutors



2019 International Fellows

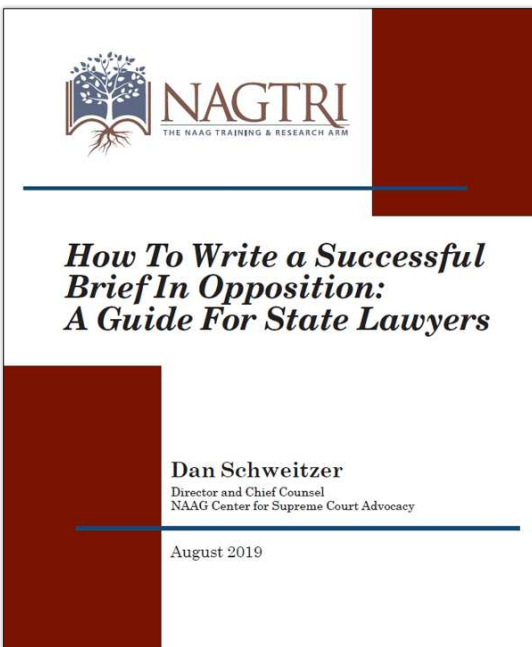


## Center for Leadership Development

The NAGTRI Center for Leadership Development (CLD) serves attorneys general by offering training programs and resources to assist leaders in their efforts to maximize organizational and individual performance. During the 2018-2019 fiscal year, CLD trained more than 4,000 students through 38 in-person trainings and webinars. In addition, CLD provided support and services to new attorneys general and conducted management reviews for five attorney general offices, including providing organizational improvement recommendations or assisting with implementing strategic plans or performance review processes.

## Center for Legal Advocacy and Faculty Development

The NAGTRI Center for Legal Advocacy and Faculty Development launched in 2019 with a mission to provide innovative legal skills training to members of the attorney general community. The Center oversees NAGTRI faculty across all initiatives and centers and will work to increase faculty size and scope through dedicated and strategic recruiting. In its first year, CLAFD conducted 20 mobile trainings, three regional trainings, and three national trainings on topics such as trial advocacy, legal writing, deposition skills, and e-discovery. In addition, CLAFD hosted a live webinar on e-discovery for paralegals with more than 600 participants from 50 jurisdictions.



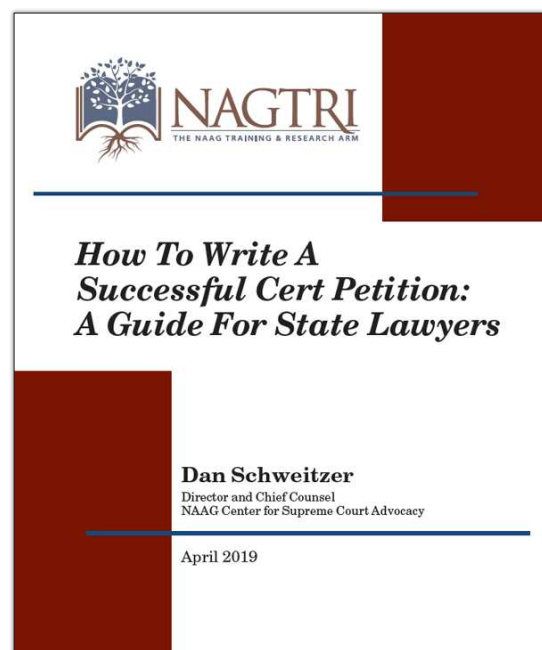
## NAAG Center for Supreme Court Advocacy

The NAAG Center for Supreme Court Advocacy conducted 29 moot courts for state attorneys arguing in the U.S. Supreme Court. The cases involved a wide range of issues including the Census, immigration, sovereign immunity, redistricting, preemption, Indian law, the Fourth Amendment, and habeas corpus. In addition, the Center's director and chief counsel edited more than 70 state briefs filed in the U.S. Supreme Court.

The following state attorneys served three months at NAAG as Supreme Court Fellows: Karli Eisenberg of California; Erin Grundy of Colorado; Anna Lumelsky of Massachusetts; Mike Murphy of Wisconsin; Gary O'Connor of Maryland; Joshua Schneider of Illinois; Nick Sydow of New Mexico; and Eleanor Spottswood of Vermont.

The Center hosted more than 60 state solicitors general, deputy solicitors general, and other appellate chiefs at the State Solicitors General and Appellate Chiefs Conference on July 11-12 in Washington, DC. In addition, more than 50 state attorneys attended the Supreme Court Advocacy Seminar on November 13-14 in Washington, DC.

The Center published two manuals this year: "How to Write a Successful Brief in Opposition: A Guide for State Lawyers," a comprehensive guide for preparing briefs in opposition to cert petitions filed in the Supreme Court; and "How to Write a Successful Cert Petition: A Guide for State Lawyers," a comprehensive guide for preparing cert petitions filed in the Supreme Court.



## NAAG Center for Tobacco and Public Health

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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 additional interest income while more effectively safeguarding settlement proceeds, pending distribution.

Tobacco Center counsel were instrumental in obtaining a very favorable ruling from a North Carolina court in *S&M Brands, Inc., v. North Carolina et al.*, upholding the North Carolina Attorney General's claim of privilege over documents containing legal advice and work product provided by Tobacco Center counsel to North Carolina and the other fifty-one states that signed the MSA. The court specifically found an attorney-client relationship between NAAG Tobacco Center counsel and the MSA state attorneys general. It also found that the MSA states, by virtue of their shared enforcement of the MSA and related escrow statutes, have a common interest with each other and that this common interest protected the privileged nature their communications with each other and NAAG counsel. The plaintiffs also served NAAG a subpoena seeking to depose Tobacco Center counsel about the legal advice they had given to the MSA states on the matters at issue in their litigation. Tobacco Center counsel also moved to quash this subpoena in D.C. Superior Court asserting the same privilege grounds upheld by the North Carolina court.

NAAG Tobacco Center counsel provided legal advice to the states on enforcement of the MSA's public health provisions. Counsel also provided legal advice on interpretation of federal regulations, including FDA regulations applicable to electronic cigarettes, and interacted on behalf of the states with federal agencies including the Food and Drug Administration, Centers for Disease Control and Prevention, Alcohol and Tobacco Tax and Trade Bureau, U.S. Customs and Border Protection, and the Bureau of Alcohol, Tobacco, Firearms and Explosives. In addition, throughout 2019, Tobacco Center bankruptcy counsel represented the tobacco regulatory interests of states that signed the MSA in bankruptcy cases filed by three tobacco manufacturers (Sandia Tobacco Manufacturer, Star Tobacco, Inc., and Native Wholesale Supply Co.).

In an August 2019 letter, a bipartisan coalition of 43 attorneys general, led by Attorneys General Xavier Becerra of California and Doug Peterson of Nebraska, urged the video streaming industry to limit tobacco use in their video content and urged the industry to adopt policies to protect young viewers from the effects of tobacco content. The NAAG Center for Tobacco and Public Health provided counsel and support to the attorneys general.

In September 2019, the Tobacco Center hosted the seventh Triennial Conference under the MSA in Portland, Oregon. Seven attorneys general, as well as over 100 other representatives of attorneys general offices from across the country, participated in the conference. Representatives of the public health community, several federal agencies, and the tobacco manufacturers that are parties to the MSA also attended the conference. Also, the Tobacco Center hosted several trainings and conferences during the 2018-2019 fiscal year.



## Bankruptcy

NAAG held two 4-day seminars on Bankruptcy Law for Government Practitioners in Columbus (October 2018) and Santa Fe (September 2019), with approximately 200 registrants at each. Topics covered ranged from environmental and other regulatory issues in large energy company bankruptcies to handling mass tort cases to preserving and collecting on tax claims.

NAAG bankruptcy counsel published a quarterly review and analysis of significant bankruptcy cases, wrote articles published in Norton Journal of Bankruptcy Law and Practice, ABI Journal, and the NAGTRI Journal, moderated a July 2019 webinar on Hot Topics in Bankruptcy and Collections, and worked with a NAAG Supreme Court fellow on an amicus brief dealing with the standard of liability for discharge complaints. Finally, NAAG bankruptcy counsel provided one-on-one guidance to a variety of states on whether and how they could proceed when their defendants filed bankruptcy.



NAAG Strategic Plan Committee Meeting



## National Association of Medicaid Fraud Control Units

### National Association of Medicaid Fraud Control Units

This year the most noteworthy achievement for the National Association of Medicaid Fraud Control Units (NAMFCU) is the addition of three new member Medicaid Fraud Control Units (MFCUs) from North Dakota, Puerto Rico, and the U.S. Virgin Islands. NAMFCU continues to focus on resolving global cases and providing professional training to MFCU staff. This fiscal year, 13 global cases were resolved with an estimated \$749.94 million recovered for the Medicaid program. The largest resolved case during the fiscal year was the Reckitt Benckiser settlement which recovered approximately \$467 million for the Medicaid program.

In November 2018, NAMFCU offered a Resident Abuse Training Program for the first time in New Orleans. This training program focuses on specific topics and techniques related to the investigation and prosecution of abuse and neglect of vulnerable residents in nursing home and residential care facilities throughout the country. Approximately 220 MFCU staff attended this program and NAMFCU now plans to offer this training biannually.

NAMFCU held four 101 Medicaid Fraud Training Programs in San Diego (July 2018), Montgomery (February 2019), Santa Fe (June 2019), and Cleveland (September 2019). Three 102A Medicaid Fraud Training Programs were held this fiscal year in Pittsburgh (December 2018 and November 2019) and Columbus (May 2019). One 102B Medicaid Fraud Training Program was held in St. Louis (April 2019) and one 103 Medicaid Fraud Training Program was held in Atlanta (January 2019). Two Annual Training Programs were held in San Diego (October 2018) and Richmond, Virginia (October 2019). Approximately 1,279 MFCU staff have been trained at these programs.

Additionally, NAMFCU President Randy Clouse was invited to speak to the NAAG chief deputies at their Annual Meeting in Las Vegas in May 2019. Legislation was introduced in Congress to expand the authority of the MFCUs, on an optional basis, to investigate and prosecute abuse and neglect in non-institutional settings.

## COMMITTEE HIGHLIGHTS — *Standing Committees*

### Antitrust

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The NAAG Antitrust Committee held a successful antitrust seminar in San Antonio, Texas, attended by more than 65 state antitrust enforcers, featuring a primer on economics for antitrust enforcers and panels on ethical and strategic considerations in pre-trial publicity, discovery issues and educating state procurement officials on bid-rigging detection.

NAAG antitrust counsel assisted representatives of seven attorney general offices (including three attorneys general) who testified on competition issues at a Federal Trade Commission hearing on Consumer and Competition Law in the 21<sup>st</sup> Century. In connection with that hearing, NAAG filed comments on technology platform markets that were joined by 43 attorneys general. Eighteen attorneys general also submitted comments to the FTC on labor issues in connection with the hearing. In November, 19 attorneys general also sent a letter to the FTC urging it to use its rulemaking authority to bring an end to the abusive use of non-compete clauses in employment contracts.

The co-chairs of the Antitrust Committee are members of the Special Committee that administers grants from the NAAG Antitrust Training and Education Fund to enable states to attend the seminar, and the Special Committee awarded \$50,000 in scholarships this year. Antitrust Committee Co-Chairs also act as Administrators of the NAAG Milk Fund, which provides grants to states for economists and other experts in multistate investigations, and grants were awarded this year.

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.

### Civil Rights

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In October 2018, the Committee organized a session called “Implicit Bias in the Justice System” at the International Association of Prosecutors Regional Conference in Canada. The session discussed implicit bias relating to gender, race, and other classifications in both criminal and civil cases. In November 2018, the Committee organized a civil rights panel on the attorney general community response to disasters, through the lens of the Charleston (SC) Church Shooting.

In January 2019, the Committee partnered with the Museum of Tolerance in California to host a symposium entitled, “Raising Awareness and Effective Collaboration Approaches to Address Hate Crimes.” In March 2019, the Committee facilitated a civil rights webinar in partnership with the Department of Justice and the National District Attorneys Association as an extension of the prior month’s Hate Crimes Symposium. The program highlighted collaborative approaches involving local, state, and federal officials on hate crime cases.

In December 2019, the Committee organized a panel on officer-involved shootings at the NAAG Capital Forum. Members of the attorney general community, law enforcement, and a policy expert explained the trends and complexities of officer-involved shootings, as well as the role of attorneys general in addressing them.



## Consumer Protection

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Members of the Consumer Protection Committee participated in the 2018 Fall Consumer Protection Conference, 2019 Spring Consumer Protection Conference, 2019 Fall Consumer Protection Conference. In addition, the Committee supported grant requests to the Volkswagen Fund and the Sears Fund which were awarded and collectively provided one scholarship for each attorney general office to send an attendee to each of the aforementioned conferences.

In addition, the Committee participated in a press conference with federal agencies related to a Tech Scam Sweep in March 2019, assisted in providing attorneys general and attorney general staff panelists for an FTC competition hearing in June 2019, and worked on the development of the consumer protection multistate checklist.

## Criminal Law

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The Criminal Law Committee held a conference call to discuss opioids, immigration/law enforcement issues, criminal justice reform, and officer-involved shootings in 2018. In addition, NAAG participated in the ABA Criminal Justice Section Council 2019 fall meeting in Washington, D.C.

## Energy and Environment

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The Energy and Environment Committee through its staff participated in intergovernmental meetings with the U.S. Department of Energy (DOE) in New Orleans in 2018 and Nashville in 2019, held monthly national conference calls with the environmental attorney general community, and collaborated on webinars with the Regional Environmental Enforcement Associations and the U.S. Department of Justice. In addition, the committee participated in a 2019 DOE site visit to Oak Ridge National Laboratory and submitted a new DOE grant application.



Louisiana Attorney General Jeff Landry participating in the Tech Scam Sweep press conference at the U.S. Department of Justice

## COMMITTEE HIGHLIGHTS — *Special Committees*

### Charities

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The Charities Committee supported the creation of a NAAG Charities Enforcement and Training Fund, the rules and regulations of the Fund, and the related committee to oversee the Fund, which was ultimately approved by the NAAG Executive Committee. The Fund has already received deposits. The Committee also supported a request to the Financial Services Fund for a grant to assist the Single Portal Project.

Committee members Attorney General Gordon MacDonald (NH), Attorney General Doug Peterson (NE), and Attorney General Herbert Slatery (TN) attended and spoke at the 2019 NAAG NASCO Charities Conference in Nashville, Tennessee. The Committee also supported grant requests to the Financial Services Fund, which were awarded and provided one scholarship for each attorney general office to send an attendee to the NAAG NASCO Charities Conference in both 2018 and 2019.

### Elder Justice

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In 2019, the Elder Justice Committee collaborated with the U.S. Department of Justice on its Money Mule Initiative. In addition, Committee Co-Chair Attorney General Derek Schmidt (KS) was interviewed on elder justice issues for the American Banker Magazine podcast.

### Federalism/Preemption Committee

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The Federalism/Preemption Committee sponsored a panel on nationwide injunctions at the NAAG Fall Meeting in December 2018. In 2019 at the NAAG Capital Forum, the Committee sponsored a panel that shared examples of cooperative federalism “success stories” and lessons learned to ensure that future interactions between federal and state officials are equally successful.

### Gaming

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The Gaming Committee held a conference call in December 2019 to discuss the committee’s membership and goals for 2020.

### Human Trafficking

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In January 2019, the NAAG Human Trafficking Committee assisted in planning a human trafficking summit. The summit, which was attended by practitioners from the attorney general community, local prosecutors, victim witness advocates, law enforcement investigators, and individuals from the non-profit sector, involved sessions that focused on investigating both labor and human trafficking cases, current trends and challenges, technological advances, providing services to victims, and creative legislative efforts. The Committee also participated in a first ever NAAG international human trafficking conference, hosted in conjunction with the International Association of Prosecutors, immediately following the domestic summit.

In May 2019, the Committee offered a training on how to investigate and prosecute human trafficking cases for attorney general staff, local prosecutors, and law enforcement officials. In addition, the Committee hosted webinars on sextortion, working with and interviewing human trafficking victims, and investigating and prosecuting illicit massage businesses.

Finally, the committee published a periodic newsletter on human trafficking cases, legislation, and court opinions throughout the country to educate the attorney general community and to assist them on how best to address matters within their office.

## **Internet Safety/Cyber Privacy and Security Committee**

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Committee Co-Chairs Attorney General Jim Hood (MS) and Attorney General Ken Paxton (TX) sponsored a sign-on letter, backed by 47 attorneys general, to leaders in Congress endorsing an amendment to the Communications Decency Act. The amendment would ensure state and local authorities have the power to take action against criminals who are profiting from illegal online activity.

## **Law Enforcement and Prosecutorial Relations Working Group (EWG)**

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The Executive Working Group on Prosecutorial Relations met three times during the fiscal year: October 2, 2018; August 19, 2019; and December 12, 2019. Each meeting included 6-8 AGs; approximately six DAs; the U.S. Attorney General; USDOJ subject matter experts; and staff from NAAG, NDAA, and USDOJ. The working group hosted a 3.5-day July 2018 Forensic Science Symposium, which was a combined effort of NAAG, USDOJ, and NDAA; and an October 2019 webinar that introduced NAAG and NDAA participants to USDOJ's money mule initiative and elder justice resources.

## **State Defensive Litigation**

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The State Defensive Litigation Committee did not meet during the fiscal year. However, under the auspices of NAGTRI, there have been four introductory level mobile State Defensive Litigation trainings conducted, in Arizona, Washington, DC, Massachusetts, and New York, each lasting a day and a half and attended by 24 or 32 participants. Topics included how to read and analyze a complaint filed by an alleged whistleblower over discriminatory treatment and drafting answers and responding to discovery.

## **Substance Use**

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The Substance Use Committee held conference calls in September 2018 and September 2019. In addition, the committee secured the participation of two staff members from the Delaware Attorney General's Office in a November 2019 meeting of the Neurontin Curriculum Advisory Group (CAG).

## **Marijuana Issues Working Group**

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In July 2019, communications initiated in the Marijuana Issues Working Group resulted in a letter sent to the U.S. Food and Drug Administration (FDA), signed by 37 state and territory attorneys general. In response to the FDA's request for comments regarding "Scientific Data and Information About Products Containing Cannabis or Cannabis-Derived Compounds," the letter urged the FDA to consider regulatory oversight in testing and manufacturing, and to include state attorneys general in the process.

## **Veterans Affairs Committee**

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NAAG Veterans Affairs Committee hosted a panel at the 2018 NAAG Fall Meeting on states' innovative efforts to assist the military community. The panel focused on common financial scams that target veterans and servicemembers and provided a report on innovative attorney general offices' programs to assist veterans and servicemembers.



## 2018-2019 AWARD RECIPIENTS

### 2019 Kelley-Wyman Award

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- Kansas Attorney General **Derek Schmidt**

### Attorney General Senior Staff Member of the Year Award

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- **Dennis Dunn**, chief deputy attorney general, Georgia Attorney General's Office
- **Natalie Ludaway**, chief deputy attorney general, District of Columbia Attorney General's Office
- **Charlie McGuigan**, chief deputy attorney general, South Dakota Attorney General's Office

### Attorney General Career Staff of the Year Award

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- Major **Pete La Fuente**, assistant attorney general, Texas Attorney General's Office
- **Bruce Lieberman**, assistant attorney general, Alabama Attorney General's Office
- **Rolf Moan**, assistant attorney general, Oregon Attorney General's Office.

### NAGTRI Faculty of the Year Award

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- **Marc Abrams**, assistant attorney in charge, Civil Litigation Section, Trial Division, Oregon Attorney General's Office
- **Leslie Bridges**, senior deputy in the Public Protection Section and counsel to the attorney general, Tennessee Attorney General's Office
- **Katherine "Missy" Cary**, chief of staff, Texas Attorney General's Office
- **David Chaisson**, principal counsel to the Maryland treasurer and assistant attorney general, Maryland Attorney General's Office
- **Anthony Picione**, counsel to the director, Office of Public Integrity and Accountability, New Jersey Attorney General's Office

### Francis X. Bellotti Award from the Society of Attorneys General Emeritus (SAGE)

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- Former Maine Attorney General **Drew Ketterer**

## NAAG BEST BRIEF AWARDS

The Best Brief Awards honor the appellate practitioners from state attorneys general offices who have exhibited superb work in representing their states before the U.S. Supreme Court. The 2019 Best Brief Award winners are:

**Missouri:** Missouri's Brief of Respondents in *Bucklew v. Precythe*, No. 17-815. The authors were State Solicitor **D. John Sauer**, Deputy Solicitors **Joshua M. Divine**, **Julie Marie Blake**, and **Peter T. Reed**, and Assistant Attorney General **Michael Joseph Spillane**.

**New York:** New York's Brief for Government Respondents in *Department of Commerce v. New York*, No. 18-966. The authors were Solicitor General **Barbara D. Underwood**, Deputy Solicitor General **Steven C. Wu**, Senior Assistant Solicitor General **Judith N. Vale**, Assistant Solicitor General **Scott A. Eisman**, Chief Counsel for Federal Initiatives **Matthew Colangelo**, and Acting Chief for Civil Rights Bureau **Elena Goldstein**.

**Virginia:** Virginia's Brief of State Appellees in *Virginia House of Delegates v. Bethune-Hill*, No. 18-281. The authors were Solicitor General **Toby J. Heytens**, Principal Deputy Solicitor General **Matthew R. McGuire**, Deputy Solicitor General **Michelle S. Kallen**, and **Brittany M. Jones**.



Kelley-Wyman Award Recipient and Kansas Attorney General Derek Schmidt

## ANNUAL MEETINGS

### NAAG Fall Meeting

*Attorneys General and AG Staff Only*  
November 28-29, 2018  
Charleston, South Carolina

### Executive Assistant Seminar

February 13-14, 2019  
New Orleans, Louisiana

### NAAG Winter Meeting

March 4-6, 2019  
Washington, DC

### Presidential Initiative Summit

April 25-26, 2019  
Lafayette, Louisiana

### Chief Deputies/Chiefs of Staff Meeting

May 13-15, 2019  
Las Vegas, Nevada

### PIO Seminar

September 16-17, 2019  
Boston, Massachusetts

### Capital Forum

December 9-11, 2019  
Washington, DC

## REGIONAL MEETINGS

### Southern Region

May 21-22, 2019  
“Cyber Privacy and Security in the 21st Century”  
Little Rock, Arkansas

### Midwest Region

June 13-14, 2019  
“Confronting Healthcare: The State’s Role in Combating Rising Costs and Ensuring Quality Care for our Constituents”  
Omaha, Nebraska

### Eastern Region

September 26-27, 2019  
“Clean Energy”  
Boston, Massachusetts



NAGTRI Faculty of the Year recipient Marc Abrams with District of Columbia Attorney General Karl Racine and Oregon Attorney General Ellen Rosenblum

## 2018-2019 NAAG EXECUTIVE COMMITTEE

Attorney General **Jeff Landry** (LA), President  
Attorney General **Tim Fox** (MT), President-Elect  
Attorney General **Karl A. Racine** (DC), Vice President  
Attorney General **Derek Schmidt** (KS), Immediate Past President  
Attorney General **Maura Healey** (MA), Chair, Eastern Region  
Attorney General **Doug Peterson** (NE), Chair, Midwestern Region  
Attorney General **Leslie Rutledge** (AR), Chair, Southern Region  
Attorney General **Hector Balderas** (NM), Chair, Western Region  
Attorney General **Lawrence Wasden** (ID), Chair, NAAG Mission Foundation  
Attorney General **Jim Hood** (MS), Presidential Appointment  
Attorney General **Ashley Moody** (FL), Presidential Appointment  
Attorney General **Sean Reyes** (UT), Presidential Appointment

### 2018-2019 Finance Committee

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Attorney General **Karl A. Racine** (DC), Co-Chair  
Attorney General **Herbert H. Slatery III** (TN), Co-Chair

### 2018-2019 Ex Officio

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Attorney General **Mark Brnovich** (AZ), NAAG Tobacco Committee Co-Chair  
Attorney General **Josh Stein** (NC), Co-Chair, NAAG Tobacco Committee Co-Chair

## 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 AMOUNT 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 and funded Supreme Court fellowships, moot courts, and publications.



# FINANCIALS

## Volkswagen Settlement Fund Grant Awards

The Fund shall be used by Attorneys General for consumer protection oversight, training and enforcement, including in the area of automobile-related fraud and deception. In 2019, grants were awarded in the amount of **\$989,608** for multiple multistate matters and for scholarships to attend the NAAG Consumer Protection Spring and Fall Conferences.

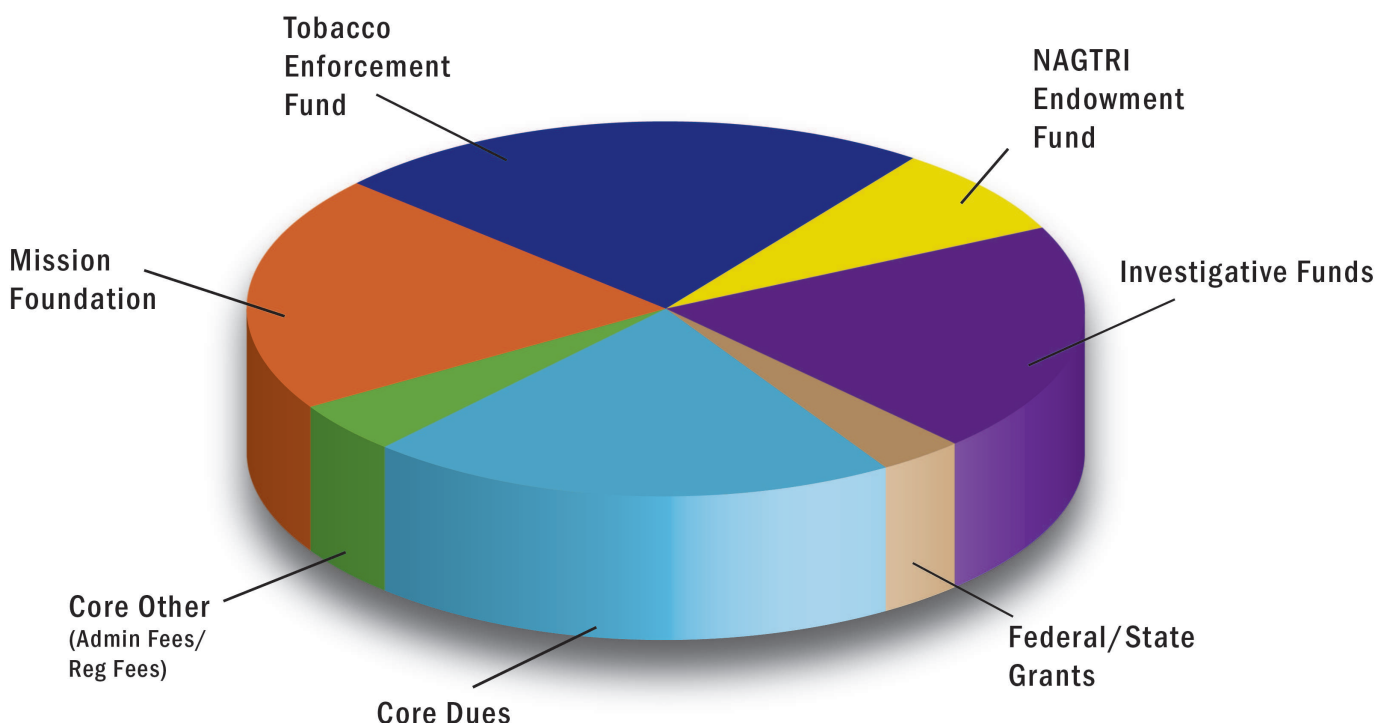
## Financial Services Fund Grant Awards

The Fund shall be used to pay for expenses and training relating to the investigation and prosecution of cases involving fraud, unfair and deceptive acts and practices, and other illegal conduct related to financial services or state consumer protection laws. In 2019, grants were awarded in the amount of **\$4,745,505** for multiple multistate matters and for scholarships to attend the NAAG NASCO Charities Conference.

## Funding Sources

- **NAAG 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

## FY 2019 Funding Sources



# FINANCIALS

## Consolidated Statements of Activity

As of June 30, 2018 and December 31, 2019

	For the Year Ended in 6/30/2018**	For the Year Ended in 12/31/2019**
	Consolidated	Consolidated
(In Thousands)	Total	Total
<b>REVENUES</b>		
Dues	\$2,711	\$4,234
Registration fees	1,062	1,451
Settlement Income	638	20,214
Grant Reimbursement - Federal	353	705
Other	456	722
<b>TOTAL REVENUES</b>	<b>5,220</b>	<b>27,325</b>
<b>EXPENSES</b>		
Program Expenses		
Core Programs and Member Support	2,169	3,547
NAGTRI Trainings	2,238	2,242
Meetings	1,204	2,174
Grants	415	641
Investigative Funds	5,152	7,903
Center for Tobacco & Public Health	2,766	5,197
Total Program Expenses	13,945	21,704
General and Administration	1,282	2,905
<b>TOTAL EXPENSES</b>	<b>15,226</b>	<b>24,610</b>
<b>NET CHANGE PROGRAMS</b>	<b>(10,006)</b>	<b>2,716</b>
Net Income from Investments	12,233	18,024
Net Income from Building Operations	11,940	79
<b>NET CHANGE OTHER</b>	<b>24,173</b>	<b>18,103</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$14,167</b>	<b>\$20,818</b>
<b>NET ASSETS</b>		
Beginning	\$188,938	\$203,105
Ending	\$203,105	\$223,924

### NOTE

\*\* FY19 is for a 18 month period whereas FY18 is for 12 months

# FINANCIALS

## Consolidated Statements of Financial Position

As of June 30, 2018 and December 31, 2019

(In Thousands)	6/30/2018**			12/31/2019**		
	NAAG	Mission Foundation	Consolidated Total	NAAG	Mission Foundation	Consolidated Total
<b>ASSETS</b>						
Cash & Investments						
Cash & Cash Equivalents	\$3,203	\$2,031	\$5,234	\$2,771	\$899	\$3,671
Investments	111,280	72,801	184,081	130,484	77,114	207,597
Total Cash & Investments	114,483	74,831	189,315	133,255	78,013	211,268
Accounts Receivable & Other						
Accounts Receivable	56	17,437 *	17,493	41	16,969 *	17,011
Due from Other Funds	415	-	415	230	-	230
Prepaid Expenses	138	158	296	92	610	702
Total Accounts Receivable & Other	608	17,595	18,203	363	17,579	17,942
Fixed Assets and Building, Book	209	420	629	74	2,178	2,252
Accumulated Depreciation	(193)	(408)	(601)	(74)	(637)	(711)
Fixed Assets, Net	16	12	28	-	1,541	1,541
<b>TOTAL ASSETS</b>	<b>115,107</b>	<b>92,438</b>	<b>207,546</b>	<b>133,618</b>	<b>97,133</b>	<b>230,751</b>
<b>LIABILITIES</b>						
Accounts Payable	2,431	449	2,880	1,809	197	2,006
Deferred Revenue	1,126	14	1,139	1,317	3,275	4,591
Due to Other Funds	-	415	415	-	230	-
Other Liabilities	7	-	7	-	-	230
TOTAL LIABILITIES	3,563	878	4,441	3,126	3,702	6,827
<b>NET ASSETS</b>						
Undesignated Net Assets	3,346	46,290 *	49,635	3,655	48,132 *	51,787
Restricted Net Assets	108,199	45,271	153,470	126,838	45,299	172,137
TOTAL NET ASSETS	111,545	91,561	203,105	130,493	93,431	223,924
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$115,107</b>	<b>\$92,438</b>	<b>\$207,546</b>	<b>\$133,618</b>	<b>\$97,133</b>	<b>\$230,751</b>

## NOTES

\* Mission Foundation includes building transaction

\*\* FY19 is for a 18 month period whereas FY18 is for 12 months



CAPITAL FORUM





DECEMBER 9-11, 2019, WASHINGTON, DC





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