

Office of the Attorney General



At a Glance

GEORGE JEPSEN, Attorney General

PERRY ZINN ROWTHORN, Deputy Attorney General

Established – 1897

Statutory authority - Conn. Gen. Stat. §§3-124 to 3-131

Central office - 55 Elm Street, Hartford, CT 06106

Average number of full-time employees - 316

Recurring General Fund operating expenses - \$30,157,000

Revenues Generated - \$565,455,445

Mission

Among the critical missions of this office are to represent and vigorously advocate for the interests of the state and its citizens, to ensure that state government acts within the letter and spirit of the law, to protect public resources for present and future generations, to preserve and enhance the quality of life of all our citizens, and to ensure that the rights of our most vulnerable citizens are safeguarded.

Statutory Responsibility

The Attorney General is the chief civil legal officer of the state. The Attorney General's Office serves as legal counsel to all state agencies. The Connecticut Constitution, statutes and common law authorize the Attorney General to represent the people of the State of Connecticut to protect the public interest.

REVENUE ACHIEVED BY THE OFFICE OF THE ATTORNEY GENERAL

During the 2013-2014 fiscal year, the Attorney General's Office generated **\$565,455,445**, as described below:

A. Revenue Generated for the General Fund

Tobacco Settlement Fund Collections	\$ 197,174,160
State Child Support Collections	35,583,879
Tax Collection	1,825,793
Recovery for Environmental Violations	319,957
Consumer Protection Penalties, Costs and Forfeitures	1,319,625
Charitable Trusts/Solicitations—Civil Penalties	5,600
Department of Social Services Collections/Civil	518,642
Global Civil Settlements/DSS	11,964,801
Department of Banking Penalties	71,194
Department of Administrative Services Collections	6,752,749
Antitrust Fees, Costs & Civil Penalties	294,901
SOS, DOC, DECD (misc.)	1,907,000
Dept. of Correction Cost of Incarceration	285,346
Secretary of State	1,621,054
Miscellaneous Collections	
W.R. Grace Bankruptcy	738,699
American Industries, Inc.	186,000
Sherman Court Association	2,740
Other	40,500
Total Revenue Generated for General Fund	\$ 260,612,640

B. Revenue Generated for Special Funds

John Dempsey Hospital	\$ 317,042
Second Injury Fund	175,267
Unpaid Wage and Unemployment Tax	148,338
Department of Social Services IV-D Liens	66,802
SEP's	155,000
CT Environmental Benefit Project	714,286
Privacy Protection Guaranty & Enforcement	15,000
Miscellaneous Collections	212
Total Revenue Generated for Special Funds	\$1,591,947

C. Revenue Awarded or Paid to Consumers and Businesses

Nuclear Waste Cost Reimbursement	\$77,800,000
Consumer Restitution, CL&P, Operation Fuel	2,500,000
Consumer Assistance Unit Mediations	688,740
Consumer Protection Restitution	19,823
Child Support Collections for Connecticut Families	204,138,033
Child Support Collections for Custodial Parents Outside of CT	17,003,796
Security Deposit Cases	17,473
Insurance Coverage, Healthcare Advocacy	1,082,257
Illegal Billing – Medicaid	736

Total Revenue Generated for Consumers and Businesses \$ 303,250,858

TOTAL REVENUE ACHIEVED \$ 565,455,445

PUBLIC SERVICE PROVIDED BY THE OFFICE OF THE ATTORNEY GENERAL

The Office of the Attorney General is divided into 14 departments, each of which represents agencies that provide particular categories of service to State residents. In addition, the Attorney General's Privacy Task Force is charged with promoting the protection of personal data and investigating alleged violations of federal and state laws requiring protection of personal data and information. The responsibilities and achievements of each department and the Privacy Task Force are described in detail below. The Attorney General also participates in the legislative process, engages with citizens and investigates, in conjunction with the State Auditors, whistleblower complaints. The overall work completed by this office in fiscal year 2013-14 is summarized as follows:

Trial Court Cases	
Instituted	35,721
Completed	13,661
Pending	54,421
Appeals	
Instituted	160
Completed	132
Pending	231
Administrative proceedings	
Instituted	2,070
Completed	1,684
Pending	8,324
Antitrust Investigations	
Instituted	11
Completed	3
Pending	19
Consumer Investigations	
Instituted	11
Completed	7
Pending	72
Data Breach / Privacy	
Instituted	11
Completed	4
Pending	5

Fraud Investigations	
Instituted	47
Completed	22
Pending	138
Special Lit / Charities Investigations	
Instituted	23
Completed	22
Pending	18
Whistleblower Investigations	
Instituted	49
Completed	78
Pending	17
Formal and Informal Opinions Issued	
Instituted	289
Completed	534
Pending	98
Legal documents examined	8,479

LEGISLATION

During the 2014 legislative session, the Attorney General proposed and supported a number of different important measures aimed at reducing healthcare costs by increasing transparency and competition, and preventing and deterring healthcare fraud. All of these measures passed and were signed by the Governor. The first requires hospitals and health systems that charge so-called "hospital facility fees" for outpatient care at off-campus facilities to disclose such fees prior to the time patients arrive for treatment. The second bill requires hospitals, health systems and large physician group practices to provide the Attorney General with notice prior to acquiring other group practices. This bill will ensure our Office has the information it needs to better monitor and enforce our antitrust laws in the healthcare industry. In passing this measure, the legislature also made several other changes to the laws governing physician practice acquisitions. Among other things, the bill permits for-profit hospitals to acquire such practices and subjects such acquisitions to the certificate of need process at the Department of Public Health. The bill also made several changes to the statutes governing the process governing the review and approval of for-profit hospital conversions. A third bill expands the state's False Claims Act to cover all state-administered health and human services

programs. The existing False Claims Act only applies to Medicaid claims.

The Attorney General, together with the Governor and Office of Consumer Counsel, also proposed legislation that will protect consumers who purchase electricity from third-party retail electricity suppliers. During the past winter, many electricity customers were shocked to learn that they were paying as much as twice the amount they would have paid if they had elected to buy their electricity from one of the State's two utility companies. To add insult to injury, these customers also discovered that they had to wait as long as two months before switching back to their utility. The new legislation, which passed almost unanimously in both chambers, provides a number of important consumer protections, including greater price transparency, the ability to switch back to a traditional supplier within 72 hours, and increased oversight and enforcement by PURA.

Lastly, the Attorney General successfully opposed a resolution that would have reversed the Claims Commissioner's dismissal of Charla Nash's request to sue the State for the horrific and tragic injuries she sustained as a result of an attack by a pet chimpanzee. Though sympathetic to Ms. Nash's tragic ordeal, the Attorney General persuaded the members of the Judiciary Committee that the Claims Commissioner had properly applied the "public duty doctrine" to Ms. Nash's claim and that there were important fiscal and policy reasons for upholding that decision.

DEPARTMENTS

ANTITRUST AND GOVERNMENT PROGRAM FRAUD DEPARTMENT

The Antitrust and Government Program Fraud Department has two distinct and critical missions: 1. ensuring that companies that do business in Connecticut compete fairly and vigorously; and 2. protecting Connecticut's health and human service programs from fraud, waste and abusive schemes. In that regard, the department focuses on enforcing two important laws: the Connecticut Antitrust Act and the Connecticut State False Claims Act.

The department has responsibility for administering and enforcing the Connecticut Antitrust Act, and has authority to enforce major provisions of the federal antitrust laws. It also relies on other state laws, including the Connecticut Unfair Trade Practices Act, to ensure the Attorney General's overall responsibility to maintain open and competitive markets in Connecticut. Using these statutes, the department investigates and prosecutes antitrust and other competition-related actions on behalf of consumers, businesses and governmental entities. In addition, this department provides advice and counsel to the Attorney General on proposed legislation and various issues regarding competition policy. The Attorney General currently serves as the Chair of the Antitrust Committee of the National Association of Attorneys General.

The primary focus of the department's health care fraud efforts is to detect, investigate and prosecute health care provider fraud that results in financial loss to the State of Connecticut's health and human services' programs, including the Connecticut Medical

Assistance Program and the State Employee and Retiree Health Plan. The department develops cases independently and in conjunction with other state and federal law enforcement and regulatory agencies. The Connecticut State False Claims Act, which makes the submission of a false claim to certain health and human service agencies illegal, is the department's chief tool to fight healthcare fraud.

The department also investigates complaints made to the Auditors of Public Accounts or to the Attorney General regarding corruption, unethical practices, violation of state laws or regulations, mismanagement, gross waste of funds, abuse of authority and danger to the public safety occurring in any state agency or large state contractor.

Antitrust Enforcement

During the past year, the department continued to build on the successes achieved over the last few years in industries that are vitally important to consumers. The department has conducted investigations involving a number of different industries, and obtained significant settlements in the electronic book and technology markets and in snow plow services to municipalities. The department's mandate is focused on identifying and deterring anticompetitive conduct and obtaining restitution for injured "consumers", including state agencies and government programs, small businesses and individuals.

During the past fiscal year, the department obtained settlements with two publishers-- Macmillan Publishers Ltd. and Penguin Group (USA), Inc.—as a result of an antitrust lawsuit filed in federal court in April 2012 alleging price-fixing in the e-books industry. By way of background, in January 2010, right before the launch of Apple Inc.'s iPad, five of the country's largest eBook publishers announced that they were switching from the traditional wholesale model of selling books - - where books are sold to retailers who then set the price for consumers - - to an "agency model," where the publishers use the retailer as their agent but retain control of pricing. Sales of New York Times bestseller eBooks jumped by \$3 to \$5 dollars per book virtually overnight. In a relatively short period of time, the sales of eBooks had experienced marked growth, in part because of the introduction in January 2010 of the iPad, and the continued development of other popular eReader suppliers such as the Kindle, Nook and Google's Nexus. In August 2010, the Attorney General announced an investigation into the facts underlying the publishers' decision to implement the agency model to determine whether their conduct violated antitrust laws by inhibiting competition in eBooks.

On April 11, 2012 the Attorney General's investigation resulted in 16 states, led by the Texas and Connecticut Attorneys General, filing an antitrust lawsuit in federal court alleging that Apple Inc., and publishing companies Macmillan Publishers Ltd., Penguin Group (USA), Inc. and Simon & Schuster engaged in an anticompetitive price-fixing scheme for marketing eBooks. In August 2012, the Attorney General announced that Hachette Book Group, Inc. and HarperCollins Publishers L.L.C. - - two publishers not sued in April - - along with Simon & Schuster, agreed to pay a total of more than \$69 million to consumers to resolve their role in the alleged price-fixing scheme. In February 2013, Macmillan Publishers Ltd, signed a preliminary memorandum of understanding to settle the claims asserted in Connecticut's lawsuit. Macmillan agreed to pay consumers \$12 million in restitution and to

allow retailers to compete for business by discounting Macmillan's books. Finally, in May 2013 - - two weeks before the eBook trial was to commence - - the last publisher, Penguin Group (USA), Inc., agreed to settle the charges by paying \$75 million to compensate affected eBook consumers nationwide. Penguin also agreed to allow retailers that purchase its books the freedom to discount.

To date, the Attorney General and partner states have settled with the five alleged conspiring publishers for a total benefit of \$164 million to consumers nationwide. In addition to granting eBook retailers greater freedom to reduce the prices of eBook titles, the settlements are expected to provide Connecticut eBook purchasers approximately \$3 million in aggregate restitution from the five settling publishers. The trial against Apple Inc., took place in June 2013, with a Connecticut Assistant Attorney General giving the opening statement for all the litigating states. On July 10, 2013, the Court found Apple liable for conspiring to raise the retail price of eBooks. Thereafter, in mid-June 2014, Apple and the states announced that they reached a tentative settlement, conditioned on the outcome of Apple, Inc.'s appeal of the trial court's ruling, that will likely avoid the need for a trial on damages, which was set to commence in July 2014.

The technology industry continues to be an important priority for the department as personal computers and tablets become ever more instrumental in accomplishing our everyday tasks. Thus, it is of paramount importance that a competitive marketplace is maintained in this sector. One such industry is the manufacture of computer memory chips. After completing an investigation in 2006, Connecticut, along with other states, settled allegations that computer chip producers Samsung Electronics Co., Ltd. and Winbond Electronics Co., conspired to fix prices on certain memory chips and thus caused consumers to over-pay for electronic devices they purchased from 1998 to 2002. In March of 2014, the Attorney General announced that Connecticut consumers could file claims to recover money after a federal court's preliminary approval of antitrust settlements worth \$310 million.

Ensuring open and competitive bidding for public procurement projects is another of the Attorney General's most important antitrust enforcement initiatives. In keeping with that priority, in October 2013, the Attorney General filed an antitrust lawsuit against three companies and their key executives over allegations that they engaged in an illegal boycott and bid-rigging conspiracy involving snow removal and snowplowing services for the town of Southbury. In January 2014 the Attorney General entered into settlement agreements with each defendant requiring each entity to pay the state a \$30,000 civil penalty. The three companies also agreed to provide the town of Southbury with snow removal services at the rate charged prior to the rigged inflated prices for a period of three years that will be applied retroactively beginning with the 2013-2014 winter season. Finally, each company agreed to establish an antitrust and competition training program.

Ensuring open and vigorous competition in Connecticut's health care markets is a chief law enforcement objective of the Attorney General. The benefits to consumers from competitive and efficient markets usually take the form of transparent pricing, sufficient consumer choice and access to providers, and high quality care. To better address these issues, in early 2013 the Attorney General formed a Health Care Competition Working Group within the office to examine how the trend of hospital and physician consolidation affected competition in Connecticut's health care market and to propose potential investigative or

legislative initiatives to address any problems. Ultimately the working group proposed two pieces of legislation: the first bill was intended to provide consumers with notice if a physician was going to charge a patient a "facility fee" in addition to the professional charges billed by the provider. The second bill required certain physician groups and hospitals to provide written notice to the Attorney General in the event they entered into a merger, acquisition or other affiliation. (*See* Legislation section above). This information will provide the Attorney General with notice of proposed transactions before they are consummated and, thus, enable his office to investigate whether such arrangements will substantially lessen competition.

Health Care Fraud Enforcement

The Government Program Fraud Unit entered into several settlements during the fiscal year, providing restitution to the State's Medical Assistance Program and consumers.

The department continued to participate in numerous multistate settlements with pharmaceutical companies related to problematic marketing practices that affected the Medicaid program. In July 2013, the Attorney General, along with a number of other states and the federal government, agreed to a settlement with Wyeth Pharmaceuticals, Inc. to resolve allegations of off-label marketing of the immunosuppressive drug, Rapamune. Connecticut's net state share of the settlement, after federal reimbursement, was approximately \$425,000

In November 2013, the office joined other states and the federal government to settle allegations that Johnson & Johnson and its subsidiary, Janssen Pharmaceuticals, Inc. illegally promoted and marketed the two drugs, Risperdal and Invega, for uses that were not approved by the Food and Drug Administration and for uses that were not medically indicated. The companies agreed to pay the states and the federal government \$1.1 billion to resolve the allegations pertaining to state Medicaid programs. Connecticut's net share of the settlement amounted to just over \$10 million.

On January 10, 2014, the Attorney General entered into a \$40 million multistate settlement to resolve the allegations that CareFusion promoted its drug Chloraprep for off-label uses; made false and misleading statements about the uses for Chloraprep and paid illegal kickbacks to the physician-owner of an entity known as Health Care Concepts, Inc. to promote and induce providers to use Chloraprep. The settlement returned about \$77,000 to the state's Medicaid program.

In February 2014, the Attorney General joined a \$173 million federal-state settlement with Endo Health Solutions Inc. and Endo Pharmaceuticals Inc. to resolve allegations that the companies inappropriately marketed the drug Lidoderm for conditions not approved by the Food and Drug Administration. The settlement yielded slightly more than \$600,000 in restitution to the Connecticut Medicaid program.

On June 18, 2014, the Attorney General filed a false claims act case against a Stamford-based dental practitioner and related individuals and businesses alleging a long-

running and substantial scheme of fraudulent Medicaid claims submitted for dental services provided to residents of long-term care facilities in the state. The investigation was conducted in coordination with the state Division of Criminal Justice's Medicaid Fraud Control Unit, which also initiated criminal charges against one of the dentists. A trial date has not yet been scheduled.

Whistleblower Matters

The department, in cooperation with the Auditors of Public Accounts, continued to investigate a variety of complaints alleging corruption, unethical practices, mismanagement, gross waste of funds and abuse of authority.

CHILD PROTECTION DEPARTMENT

The Child Protection Department is responsible for representing the Connecticut Department of Children and Families (DCF) in state and federal court proceedings brought in the interest of abused and neglected children. DCF's most prominent mandate is to investigate reports of child abuse or neglect and, based on the outcome of the investigations, to provide the proper protection for children and to assist families in retaining or regaining the care and custody of their children by enhancing the safety of children's family environments and improving parenting skills. DCF's interventions in serious cases of abuse or neglect are always subject to judicial scrutiny. The vast majority of civil child protection cases before the Superior Court for Juvenile Matters are initiated by DCF through neglect petitions, applications for orders of temporary custody, review of permanency plans, petitions for termination of parental rights, adoptions and other civil proceedings. DCF is also responsible for children and youths found guilty of committing acts of delinquency and committed to the custody of the DCF commissioner. The cases of committed delinquents are subject to permanency plan review on an annual basis and at times, motions to extend commitment are heard by the criminal session of the Superior Court for Juvenile Matters. Attorneys in the Child Protection Department regularly represent DCF in all fourteen juvenile courts statewide, as well as in federal court. In addition, this department defends DCF in all administrative appeals to the Superior Court.

The Child Protection Department also successfully represented DCF in a large number of appeals to the state Appellate and Supreme Courts, including several positive outcomes in appeals concerning abused and neglected children and youths.

COLLECTIONS/CHILD SUPPORT DEPARTMENT

The Collections/Child Support Department is dedicated to the expeditious recovery of monies owing to the State, as well as the establishment of orders for the support of children. The department represents the Department of Administrative Services/Collection Services in matters involving the recovery of debts owed to the state, including reimbursable public assistance benefits, other state aid and care, and costs of incarceration. The department also

represents the Bureau of Child Support Enforcement within the Department of Social Services (DSS-BCSE), to establish child support orders. Additionally, the department provides legal services to enforce child support orders at the request of the Support Enforcement Services division of the Connecticut Judicial Branch (SES). Department staff also provide a full range of litigation services to collect, on a case-by-case basis, monies owed to state agencies, including the Departments of Social Services, Revenue Services, Correction and Higher Education, as well as the Unemployment Division of the Labor Department, John Dempsey Hospital, the Second Injury Fund, the Connecticut State University System, the Office of the Secretary of the State, the State Elections Enforcement Commission and various other state agencies, boards and commissions.

In fiscal year 2013-2014, department attorneys recovered millions of dollars in cash payments on debts owed to the state. The department's activities on child support orders continue to create exceptionally large caseloads. During the fiscal year, more than 10,000 cases were opened in all child-support categories. These cases are handled in both the J.D. Superior Court-Family Division and the Family Support Magistrate division, and involve the establishment of paternity and/or orders for support of minor children.

The State of CT-Title IV-D partnership, comprised of the Attorney General's office, DSS-BCSE, and SES, successfully enforced/collected in excess of \$297 million, including funds paid directly to custodial parents and to the state General Fund.

Department attorneys actively argued cases on behalf of children who resided in the State of Connecticut, as well as children residing in other states and cooperating countries, pursuant to the Uniform Interstate Family Support Act. In addition to their work establishing paternity and support orders for children, department attorneys appeared and successfully argued hundreds of cases in Probate Court and Superior Court-Juvenile Court, to protect the State's interest and to preserve the legal rights of children to receive financial support from their parents. The Probate Court matters generally involve non-custodial parents seeking to terminate their own parental rights, or the custodial parent seeking to terminate the rights of the non-custodial parent. These matters are often transferred or appealed to Superior Court.

Outside the child-support area, department attorneys engaged in a wide variety of other collection-related litigation and managed a large active case load, including bankruptcy proceedings in Connecticut and throughout the country. The department concluded several litigation collection matters involving the recovery of debts owed to the numerous state agencies, boards and commissions. The Department collected in excess of \$3 million for the State. The largest recovery involved \$650,000 related to the termination of an OBRA Supplemental Needs Trust (Omnibus Budget Reconciliation Act of 1993).

Department staff, working with staff from the Department of Social Services, recovered \$399,000 in connection with the State's statutory lien on a workers compensation settlement for medical and cash public assistance debt. An additional recovery of \$157,685 came from a case involving the collection of a public assistance debt owed to the State. The Department also recovered \$146,500 collected on behalf of the Department of Correction for cost of incarceration debt owed by an inmate. The department also successfully collected \$1.6 million in penalties/fines from foreign (unregistered) businesses, working in cooperation with the Secretary of the State's Commercial Recording Division.

Several bankruptcy cases were successfully prosecuted, resulting in substantial collections including: \$1,400,000 in unpaid corporation; \$282,849 in unpaid nursing home provider taxes; \$246,476 in a collection pursuant to a confirmed Chapter 11 Plan of Reorganization of unpaid nursing home provider taxes; and \$498,949.96 through a Department of Revenue Services tax claim in a Chapter 11 Bankruptcy case.

CONSUMER PROTECTION DEPARTMENT

The Consumer Protection Department's focus is to protect consumers through representation of the Connecticut Department of Consumer Protection, consumer education and complaint mediation, investigations, appearances before state and federal agencies on consumer matters, and litigation under various state and federal laws, with a major reliance on the Connecticut Unfair Trade Practices Act (CUTPA).

Mediation

As part of the Attorney General's focus on consumer mediation, the department includes a Consumer Assistance Unit (CAU), dedicated to assisting individuals in resolving consumer complaints and enforcing laws designed to protect the public from deceptive or unfair practices. During the fiscal year, CAU staff responded to 2,458 written consumer inquiries and, in addition, scores of telephone inquiries. Approximately \$690,517 was refunded or credited to Connecticut consumers due to staff mediation efforts.

Consumer Education

Educating consumers is an important part of the department's core mission. During the previous fiscal year, staff engaged in several outreach efforts, included a shredding event with the U.S. Postal Inspector's Office in Hartford; mortgage assistance events with the Office of the Governor and state Department of Banking in Hartford and Bridgeport; a Government Helps Expo in Middletown sponsored by U.S. Sen. Chris Murphy and health and consumer information fairs in New Haven, Norwich and Danielson. The department has also provided speakers to community groups. In addition, the department continues to work statewide through Triad and through the Department on Aging's newly formed Elder Justice Coalition, among other organizations, to provide fraud-prevention information to seniors and their families.

Multistate Activities

During the past fiscal year, Connecticut continued to participate in a number of multistate investigations, several of which led to substantial settlements. Connecticut joined with 44 other state and territorial Attorneys General in a settlement with GlaxoSmithKline (GSK) to resolve allegations of unlawful promotion of the asthma drug Advair, and antidepressants Paxil and Wellbutrin. The State alleged that GSK violated state consumer protection laws by misrepresenting the uses and qualities of these drugs. In addition to the extensive injunctive relief, GSK paid the states \$105 million with Connecticut receiving \$1,619,856.

The injunctive provisions prohibit GSK from making false claims about any products, from making promotional claims that are not approved or permitted by the FDA, from disseminating information describing any off-label uses of their products, unless consistent with applicable FDA regulations. The settlement also requires scientifically trained personnel to be responsible for developing approved responses to healthcare provider questions to ensure that such responses that are neither biased nor promotional.

Another multistate investigation resulted in a stipulated judgment in October 2013 with Affinion, and its subsidiaries Trilegiant and Webloyalty, companies that market various membership and loyalty programs to customers of its marketing partners. The judgment requires the companies to make restitution of over \$19 million in refunds to consumers who joined from approximately 2008 to the present, in addition to refunds for certain consumers who complain to local, state, or federal agencies. The estimated breakdown of the restitution that will be provided to Connecticut consumers \$426,126. Connecticut could receive more money if more than 17 percent of consumers return claim forms. Further, under the judgment, the companies made a separate payment of \$25,000 to the State.

The Department is serving on the executive committees for two multistate investigations of major automobile manufacturers. The first of these, involving Hyundai and Kia, is looking into the circumstances surrounding the companies' alleged over-estimation of fuel economy ratings for many of their most popular models. We are examining, among other things, the circumstances giving rise to the misstatements about the vehicles' mpg ratings and whether the companies have taken sufficient corrective action since the issues were brought to light. The second is a multistate investigation of General Motors and its February, 2014 recall of thousands of cars to repair faulty ignition switches. The investigation is looking into whether GM breached its duty to consumers to warn them of the significant risks associated with the defective switches, whether, in the weeks since announcing the recall, the company has yet made a complete disclosure of the true extent of the ignition switch problems, and whether GM has taken all appropriate steps to prevent similar problems from occurring in the future.

Other Unfair and Deceptive Trade Practice Cases

The Department helped draft an amicus curiae brief on behalf of the State in the case of Artie's Autobody, Inc. v. The Hartford Fire Insurance Co, which is currently before the Connecticut Supreme Court. The State argued in favor of retaining the current test for whether a practice is "unfair" under the Connecticut Unfair Trade Practices Act, rather has a narrower test suggested by use of the litigants than would be less protective of consumer rights.

The department continues to prosecute a joint enforcement action with the Federal Trade Commission in federal court in Connecticut for alleged CUTPA violations relative to the sale of weight-loss supplements. The original defendants—LeanSpa, LLC; Nutraslim, LLC; Nutraslim UK, Ltd.; and Boris Mizhen—are alleged to have used various deceptive practices in the sale of their products, including the use of fake internet news sites that purported to objectively tout the benefits of their products; bogus “trial offers;” and various deceptive representations regarding the efficacy of their products. In late 2012, the State and the FTC named LeadClick Media, Inc. and Richard Chiang as additional defendants for their alleged role in posting the fake Internet news sites. In January, 2014, the court entered a stipulated order and judgment against the original defendants—LeanSpa, et al—in favor of the State and FTC in the amount of \$32,725,453; however, the judgment is suspended pending a determination of the defendants' ability to pay the full amount of the judgment. The judgment further imposes permanent injunctions against specific deceptive practices. The State and FTC settled with Richard Chiang in February, 2014, by way of a stipulated judgment in which the court ordered Chiang to pay the State and FTC \$270,000, and imposed various injunctive provisions upon him. The State and FTC have filed a motion for summary judgment as to the remaining defendant, LeadClick Media, Inc., in May, 2014. That motion is pending.

Department staff also prosecuted a contempt action against Monica, LLC, which does business under the name omegastores.com, and its owner, Gabor Smatko. The defendants operate an online business that sells, among other things, log-splitters, electric bicycles and mobility scooters. Responding to multiple complaints from consumers who had received damaged and defective goods from the defendants, the State had brought an action against Monica, LLC and Smatko in 2006, which was settled by a stipulated judgment entered by the Superior Court against Monica and Smatko in November, 2010. That judgment called for the defendants to pay restitution to consumers and imposed injunctions upon the defendants. In response to continuing consumer complaints, the department, the state Department of Consumer Protection and the Better Business Bureau received about omegastores.com, the State filed a motion for contempt in February, 2014, claiming that the defendants have violated some of the judgment's injunctive provisions. The State's motion is pending.

The department also concluded investigations concerning two automobile dealerships, Drive Auto Group and Barberino Nissan. The department, as well as the state Department of Consumer Protection and the state Department of Motor Vehicles received numerous complaints about Drive Auto Group, which sells used cars under the names Fred's Auto Mart, Inc., Ellington Auto Sales & Financing, LLC and Good Shepherd Auto Sales, claiming, among other things, that the company failed to properly inspect vehicles before sales and failed to repair vehicles that broke down shortly after a sale. The consent order requires Drive Auto to comply with all applicable statutes and regulations concerning vehicle inspections and requires it to designate an employee for state agencies to contact for all future consumer complaints. The consent order further requires Drive Auto to pay \$12,000 in restitution to consumers and to pay \$4,000 to the State.

The Department concluded its investigation of Barberino Nissan that was the result of a consumer complaint alleging deceptive and misleading advertising. Barberino agreed to an assurance of voluntary compliance and a \$10,000 payment to the State.

The Department resolved its lawsuit against Safe Home Security for alleged CUTPA violations resulting from the company's automatic renewal provisions in its contracts with customers, its billing practices, its debt collection practices, and alleged violations of the Home Improvement Solicitations Act and Home Improvement Act. On March 21, 2014 the court entered a stipulated judgment against the company that imposed permanent injunctions and required a \$100,000 payment to the State.

The Department conducted an inquiry into Top Flight Sports & Daycare, which closed abruptly after accepting deposits from customers for services. The company's owner assured our office that refunds would be provided. As of October 31, 2013, the company had issued refunds totaling \$51,089 to 247 consumers.

Our Department conducted an investigation into THE Event, a company that promotes and holds "open call events" for children's modeling and acting. Consumers claimed that they were misled into believing that the business had an affiliation with The Walt Disney Company and were never told that their deposit was not refundable. As part of the investigation, the department informally negotiated restitution totaling \$17,885 to the four consumers who complained.

Department staff continued their investigation of women's gifting tables in Connecticut, which appear to be prohibited under the Contingent Transactions Statute (CTS) and CUTPA. In October 2013, after having previously finalized Assurances of Voluntary Compliance (AVC) with five gifting table participants, the department negotiated an AVC with an additional former gifting-table participant under which \$30,000 was forfeited to the State.

Utility Cases

In May 2014 the Attorney General and Consumer Counsel reached an agreement with Energy Plus, LLD, to resolve allegations that Energy Plus, a Connecticut licensed electric supplier, may have engaged in a pattern of soliciting customers with the direct or implied promise of competitive, market-based rates and savings on their electric bills, but then rapidly increased customers' charges substantially above competitive market rates or the utilities' standard service rates. These allegations implicated both consumer protection and utility law. After extensive settlement discussions, Energy Plus, which has undergone substantial management changes and improved its practices, agreed to make a payment to the State in the amount of \$4.5 million, to be used by the Public Utilities Regulatory Authority (PURA) for consumer education, consumer assistance, and the enforcement of State laws and regulations in Connecticut's electric supplier market.

In March 2014, the Attorney General reached an agreement with CL&P to resolve allegations that CL&P had failed to provide timely, accurate and complete responses to discovery requests during the PURA's investigation into the company's 2011 response to Tropical Storm Irene and the October, 2011 Nor'easter. CL&P agreed to donate \$2.5 million to Operation Fuel in return for the withdrawal and termination of that investigation. The \$2.5 million resolution the largest single donation that Northeast Utilities (CL&P's parent corporation) had ever made to Operation Fuel.

In November 2013 the Attorney General notified PURA of his opposition to CL&P's request to recover certain storm-related costs. CL&P petitioned PURA to recover \$414 million from its ratepayers for costs allegedly incurred restoring service following five major storms in 2011 and 2012, including Tropical Storm Irene and the October 2011 Nor'easter. CL&P claimed that it incurred \$454 million in major storm costs, but wrote down \$40 million from this amount as required by CL&P's settlement with the Attorney General and the Office of Consumer Counsel in the NU-NSTAR merger proceeding. In this case, the Attorney General opposed full recovery of the \$414 million because CL&P's petition included at least \$90 million in costs not properly collected from ratepayers, including accumulated deferred income taxes, tree work costs that should have been collected from AT&T, and other costs that should have been collected from ratepayer funded insurance policies. In its final decision, PURA allowed recovery of \$365 million, producing a savings to CL&P ratepayers of \$49 million. When added to the \$40 million write-down required in the NU-NSTAR merger proceedings, the Attorney General's Office helped reduce CL&P's storm cost recovery from ratepayers by \$89 million.

EMPLOYMENT RIGHTS DEPARTMENT

The Employment Rights Department defends state agencies and state officials in employment-related litigation and administrative complaints, and provides legal advice and guidance to state agencies on employment issues. Department staff is defending the State in approximately 93 matters, including 85 employment cases in the state and federal trial courts, three appeals before the 2nd U.S. Circuit Court of Appeals and five appeals before the Connecticut Appellate Court. The department is also defending 113 complaints pending before the Connecticut Office of the Claims Commissioner, Connecticut Commission on Human Rights and Opportunities (CHRO), Office of Public Hearings (OPH), and/or the Equal Employment Opportunity Commission (EEOC).

During the fiscal year, the department obtained favorable rulings on 13 summary judgment motions that were filed in federal court, and on one summary judgment motion filed in state court, eliminating the need for costly, lengthy trials in those cases. In three other state court cases, summary judgment was granted in part, eliminating many of the claims against the State, and one case subsequently settled for a nominal amount. The department also filed approximately four additional summary judgment motions: three in federal court and one in state court, which are pending. In addition, four other summary judgment motions are awaiting rulings in federal court.

The department also obtained judgment in favor of the State in several employment cases that went to trial.

In addition, through post-trial motion practice, the department was successful in vacating a large jury verdict rendered against the State during the previous fiscal year in another case. Two additional matters, which were trial ready and scheduled to proceed in state court, were settled for nominal amounts on the eve of trial.

The Employment Rights Department is currently working on approximately eight appeals before the Connecticut Appellate Court or the 2nd Circuit and on two administrative appeals. Two other state court appeals have been fully briefed and are awaiting dates for oral argument.

The department also disposed of several court matters by way of dismissal with no financial impact to the state.

The department defends state agencies in public hearings before the CHRO in complaints alleging discriminatory practices. CHRO referees have authority to issue damages for back pay, front pay and/or reinstatement of terminated state employees. The department prevailed on behalf of the State, after a full public hearing in three matters. In one additional matter, the State obtained judgment on two of the three claims and was able to resolve the remaining claim. The department completed a CHRO public hearing in one additional matter and one CHRO public hearing is ongoing after several days of trial.

In several other CHRO cases, department staff successfully obtained the dismissal of all, or part of the claims made. After participating in investigatory fact findings before the CHRO, the department obtained several findings from CHRO investigators that there was "no reasonable cause" for a belief that discrimination occurred by the State. The cases were dismissed.

In other employment matters at various stages of litigation in various forums, including state court, federal court, and CHRO, department staff was able to achieve favorable settlements saving the State many thousands of dollars. In addition, department staff collected over \$20,000 in reimbursement for costs incurred in cases in which the state prevailed.

In addition, the department provided legal advice and counsel, both orally and in writing, to state agencies on a variety of employment law topics.

ENERGY DEPARTMENT

The Energy Department provides legal services to the Public Utilities Regulatory Authority (PURA) and the Connecticut Siting Council. The Department defends the state's interests on energy and utility issues before the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC). The Department also represents both agencies in court challenges to their decisions.

Public Utilities Regulatory Authority (PURA)

During the past fiscal year, the Energy Department recovered more than \$77 million dollars for Connecticut ratepayers in the matter of *Connecticut Yankee Atomic Power Company*. Connecticut ratepayers have paid for the decommissioning costs of various New England retired nuclear power plants. At the same time, the Yankee nuclear power companies sued the federal government for its failure to obtain long-term storage of nuclear waste. To date, the companies

have been awarded damages through 2004 and anticipate similar damages for additional years until long-term storage is found.

The Energy Department also successfully defended PURA's decisions when challenged in state and federal court. Among the highlights of that representation was the department's successful defense in the matter of Sound View Community Media, Inc. v. PURA, of the constitutionality of a public act ensuring cable television viewers in the Bridgeport area viewing access to their local government proceedings.

The Energy Department also represented PURA in on-going administrative matters before FERC regarding the rules and policies governing the forward capacity energy market, many of which present the risk of adverse impacts upon Connecticut's ratepayers.

Connecticut Siting Council

The Energy Department successfully defended numerous challenges to Siting Council decisions, including decisions regarding the placement of cell towers.

In New Cingular Wireless PCS LLC d/b/a AT&T v. Connecticut Siting Council, the Energy Department successfully defended the Siting Council against AT&T's suit in U.S. District Court challenging the Council's denial of a cell tower application in Falls Village. AT&T withdrew its appeal in the 2nd Circuit, leaving the District Court decision intact, upholding the first tower denial in over a dozen years.

In Citizens Against Overhead Power Line Construction v. Connecticut Siting Council, the Energy Department defeated a challenge to the Council's approval of the Greater Springfield Reliability Project, a major transmission project further integrating Connecticut with the rest of New England and increasing electric transmission reliability. The Energy Department prevailed in this litigation in the state Superior Court, the Appellate Court, and the Connecticut Supreme Court. The case involved a matter of first impression, interpreting the amendments to Conn. Gen. Stat. §§ 4-181a and 4-183 in P.A. 06-32.

ENVIRONMENT DEPARTMENT

The Environment Department continued to achieve important successes in abating pollution and in enforcing environmental laws. This year, the department continued its role in national efforts to keep Connecticut's air clean, protect our citizens from air pollution from outside our borders and to reduce production of the pollutants causing climate change. The department had an important victory along with our partner states in our efforts to limit air pollution carried on prevailing winds to the state, polluting the air and causing unfair economic disadvantages to Connecticut businesses. The U.S. Supreme Court ruled in US EPA v. EME Homer City Generation, L.P. that states whose emissions negatively impact the air quality of another state must control the excess emissions without first waiting for the federal Environmental Protection Agency ("EPA") to determine exactly how much excess pollution must be removed. This ruling should help further clean Connecticut's air and do so in a shorter time period.

The department pressed another attack on air pollution transport to our state by filing three challenges to EPA's approval of state air pollution control plans that did not include provisions for reducing their pollution carried to Connecticut. The department argued that the Clean Air Act requires upwind states to include "good neighbor provisions" in their air pollution implementation plans that remove the burden placed on Connecticut when their pollution is transported by winds to our state, unfairly requiring Connecticut to impose even stricter limits on in-state emission sources. Department staff challenged the approval of implementation plans for Kentucky Tennessee, and 28 other states for their failure to adequately control emissions to prevent impacts to Connecticut. Those actions are pending.

In a federal appellate court, department staff challenged an adverse decision in a case against Allegheny Energy Inc. for numerous violations of the Clean Air Act at the defendants' power plants in Pennsylvania. The appeals assert that the district court wrongly ruled that the large-scale, expensive replacement and upgrade projects at two of the defendants' plants were "routine maintenance, repair and replacement" and therefore exempt from permitting requirements and pollution controls. This challenge to the ruling furthers the goal of attacking air pollution transport to our state from older dirty out-of-state power plants.

Along with other states, the department successfully defended in the U.S. Supreme Court EPA's determination that greenhouse gases endanger public health and, as a consequence, can be regulated by EPA. In *UARG v. EPA*, the Supreme Court ruled that EPA's decision to require the best available control technology for greenhouse gases emitted by sources otherwise subject to certain EPA permit review is a permissible interpretation of the Clean Air Act, thereby clearing the way for EPA to require controls for greenhouse gases from a variety of sources. This ruling is consistent with Connecticut's existing efforts to curb greenhouse gas emissions from stationary sources in Connecticut.

The department maintained its successful representation of the state in federal Superfund matters. Staff attorneys represented the state Department of Energy and Environmental Protection ("DEEP") in settling a case against Durham Manufacturing Company. Durham owned and operated a site in Durham that is highly contaminated with volatile organic compounds and which is designated as a Superfund site. The contamination impacted a residential neighborhood. The settlement required the defendant to pay \$2.9 million into an account to be used by EPA to effectively and expeditiously clean up the contaminated site.

The department had an important success in the Connecticut Appellate Court in defending against the first challenge to the state's Aquifer Protection Act. In *Herasimovich v. Town of Wallingford*, the owner of a lawn mower servicing business sought review of a decision of the Wallingford's Aquifer Protection Agency amending aquifer protection regulations. The Superior Court sustained the appeal. An appeal of the ruling was taken, and the department and the Town of Wallingford argued in support of the municipal aquifer protection agency's actions and in support of the goals of the Aquifer Protection Act. The Appellate Court agreed with our position and reversed the trial court's decision, preserving Wallingford's efforts to protect its aquifer resources.

The department continued its successful coordination with the criminal authorities in pursuing knowing and flagrant violations of the state's environmental laws. Both the U.S. Attorney and this office brought litigation against Conopco, Inc., which did business as Unilever,

for violations of the water pollution laws at its facility in Clinton. The cases were resolved by remediation of the water pollution caused by Unilever, a \$100,000 civil penalty, which was satisfied by a \$2.5 million contribution to the Connecticut Resiliency and Climate Adaptation Center, payment of \$500,000 to fund various environmentally beneficial projects in the Town of Clinton and \$500,000 for a fishway at Chapman Pond.

The department's representation of the DEEP in bankruptcy proceedings continues to prevent polluters from avoiding environmental responsibility through bankruptcy proceedings. Department staff handled numerous bankruptcy filings this past year, representing DEEP's interests in bankruptcy courts. The department seeks to ensure that contaminated properties are not abandoned and left to taxpayers to clean up.

In representing the Department of Agriculture ("DoAg"), the department successfully protected several animals, rescuing them from abuse and neglect. Through court actions to remove ownership and control of neglected animals from their abusers, the state took ownership of horses for rehabilitation and placement in appropriate homes.

The department carried on the protection of valuable Connecticut farmland. Legal support was provided to the DoAg in preserving nearly 700 acres of farmland by acquiring the development rights through its Farmland Preservation Program. The department continued to provide legal support to DoAg's Aquaculture Division, and assisted DoAg in leasing hundreds of acres to an industry that generates more than \$30 million for the state's economy.

In addition, the department continued to provide a full range of legal services to both DEEP and DoAg, including contract review, opinions, defense of Claims Commissioner matters, legal advice, and counsel.

FINANCE DEPARTMENT

The Finance Department provides legal services to state agencies that regulate insurance, banking, and securities, as well as to the Department of Economic and Community Development, the Department of Revenue Services, the Office of Policy and Management, and the Gaming Division of the Department of Consumer Protection. Legal issues involving state regulation of the financial services industry formed a major part of this department's work during the fiscal year.

The Finance Department continues to help Connecticut consumers affected by the housing and foreclosure crisis. Department attorneys represent Connecticut on the Mortgage Monitoring Committee overseeing implementation of the National Mortgage Settlement (NMS). In total, 6,300 Connecticut borrowers received \$450 million in debt relief under the settlement, with an average benefit of \$71,618. Additionally, more than 5,000 Connecticut consumers who lost their homes to foreclosure during the crisis have received payments totaling approximately \$7 million under the NMS. As part of the monitoring process, the NMS Monitoring Committee imposed heightened standards on two NMS signatory banks to address continued consumer complaints regarding lost documents, conflicting and confusing information, and poor customer service. Department attorneys were also leaders in negotiating a \$2.1 billion settlement with mortgage

servicer Ocwen Loan Servicing to resolve claims related to its poor mortgage servicing practices. Department attorneys also helped negotiate a \$550 million settlement with mortgage lender and servicer SunTrust to resolve claims regarding Suntrust's origination, servicing and foreclosure practices.

Finally, together with Governor Malloy and the Department of Banking, the Finance Department helped organize two multi-servicer mortgage assistance events. These day-long events offer Connecticut citizens the opportunity to meet face to face with their banks to work out a loan modification or other assistance on the spot. The department continues to receive positive consumer feedback on these events.

Department attorneys were also active on other consumer financial enforcement matters. Department attorneys are part of President Obama's Residential Mortgage Backed Security (RMBS) Task Force investigating how financial institutions packaged the structured securities at the heart of the 2008 financial crisis. Department attorneys are actively engaged in pursuing these important and complex investigations. Additionally, a team of department attorneys are leading a multistate coalition of 20 other states and the U.S. Department of Justice in a series of lawsuits against a national rating agency.

The Finance Department worked closely with the state agencies it represents. The department defended in court its client agencies' numerous decisions regarding licensees under their respective jurisdictions and the enforcement of their regulatory authority.

When requested, the department provided legal advice and opinions to its client agencies on the meaning and application of Connecticut law. For example, department attorneys successfully defended an important ruling from the Department of Banking on the application of Connecticut's statutes regulating debt negotiators. Additionally, given the Governor's emphasis on providing support to businesses operating in, or relocating to Connecticut, Finance attorneys provided frequent assistance and advice to the Department of Economic and Community Development (DECD) regarding the grant, loan, and economic stimulus programs administered by DECD.

The department is responsible for enforcement of the Master Settlement Agreement (MSA) between the states, including Connecticut, and various participating tobacco product manufacturers, as well as related tobacco issues. The Department works to ensure that Connecticut receives the monetary payments it is owed by tobacco manufacturers, and that tobacco manufacturers also comply with the public health provisions of the MSA and the requirements of state law. The Finance Department is currently working with the Department of Revenue Services to implement new statutory requirements, contained in 2014 Public Act No. 14-15, related to the sale of tobacco products in Connecticut.

HEALTH/EDUCATION DEPARTMENT

The Health and Education Department provides legal services and representation to a broad spectrum of state agencies, including the University of Connecticut, the University's Health Care Center and John Dempsey Hospital, the Board of Regents composed of the three Connecticut State Universities and the sixteen Connecticut Community Colleges, the Office of Higher Education, the State Library, the State Department of Education and the Connecticut Technical High Schools. This department also represents the Department of Public Health, the Department of Social Services, the Department of Mental Health and Addiction Services, the Department of Rehabilitation Services, the Department of Aging, the Office of Early Childhood, the Office of Health Care Access, the Psychiatric Security Review Board, the Department of Developmental Services, the Department of Veterans' Affairs, the Commission on Medical and Legal Investigations, the Office of the Chief Medical Examiner and the sixteen health licensing boards and commissions.

The department's workload addresses the entire spectrum of litigation in federal and state courts for these clients, including but not limited to class action lawsuits, administrative appeals, regulatory enforcement actions, non-employee discrimination claims, civil rights actions, probate proceedings, bankruptcy and receivership actions. The department also is involved in a variety of administrative proceedings representing the adjudicating agency (*e.g.* licensing boards), the prosecuting agency (*e.g.* day care and health care facility prosecutions) and defending agencies in proceedings before the Office of the Claims Commissioner, the Freedom of Information Commission and the Commission on Human Rights and Opportunities. The department advises and counsels client agencies on wide spectrum of issues, including, for example, regulatory issues for health care facilities and professions, emergency medical services, child day care services and environmental health such as public water supply, lead paint, and asbestos; Medicaid and other welfare programs such as Food Stamps, WIC, HUSKY, Charter Oak Healthcare; nursing home rates; health care facility certificates of need; confidentiality of medical and education records; gestational carrier agreements; stem cell and human subjects research, scientific misconduct, civil commitment law, medical/psychiatric treatment at state facilities, property acquisitions, state contract law, disability accommodations for students and faculty, college tenure, federal higher education law, and oversight of public and private educational entities. The department also reviews and approves for legal sufficiency regulations and contracts for its client agencies. Last fiscal year the Department reviewed approximately 2,400 contracts and six sets of regulations.

During the last fiscal year the department worked with the Department of Public Health (DPH) to further its role as a health regulatory and enforcement agency. These activities included, among others, defending a number of challenges on appeal to the regulatory authority of DPH and decisions of the licensing boards for health care professionals. In *Bristol v. Connecticut Medical Examining Board*, plaintiff, a physician, appealed from the final decision of the Board for engaging in an improper sexual and personal relationship with a patient. The physician asserted numerous challenges to the Board's decision. The trial court dismissed his appeal and affirmed the decision of the Board. The department also provided assistance in securing five consent orders between the Department of Public Health and health care facilities. The department negotiated the voluntary surrender of two day care centers' licenses and a consent order with another center. Finally, the department was able to secure the sale of residential care home in receivership to a new operator without displacement of any of the residents.

The department handled a substantial amount of litigation for the Department of Social Services. For example, the department also negotiated the settlement of a class action lawsuit in *Shafer v. Bremby*, which alleged that the processing of Medicaid applications was not in accord with federal legal requirements.

The department addressed a variety of issues for the State Board of Education and the Department of Education. The department successfully negotiated a one year settlement agreement in the landmark Hartford school desegregation case, *Sheff v. O'Neill*. In *P.J. v. Connecticut State Department of Education*, the U.S. 2nd Circuit Court of Appeals affirmed the favorable ruling of the district court rejecting the plaintiffs' allegation that the State had violated a 2002 settlement agreement that addressed improvement in opportunities for intellectually disabled children to be educated in regular classrooms with their non-disabled peers. The successful defense of the State Department of Education avoided more than \$12 million dollars in additional expenditures sought by the plaintiffs.

The department continued to provide legal services on a broad array of issues to the Board of Regents, which includes the Connecticut State University System, Charter Oak College and the Community-Technical Colleges. Some of these issues included contract questions, real property matters, requests for access to student information, discrimination claims, Title IX claims, due process rights, the development of an interagency data base for longitudinal studies and issues arising under the Freedom of Information Act.

The department also provided services for the wide variety of legal matters involving the University of Connecticut. This responsibility continues to increase as the University grows and higher education matters become more complex. Counsel is provided on issues including public safety, security, liability, data transfer, risk management, Title IX and Title VI compliance, FOIA and trade secrets, and intellectual property rights. The department attorneys expend substantial time on legal review, negotiation and approval of highly complex transactions and contracts.

The University of Connecticut Health Center continued to present broad and challenging legal issues that arose from the operation of an academic health center with an annual budget approaching \$900 million. Significant legal advice was given in the areas of human resources, human subjects' research, scientific misconduct, medical treatment, Health Insurance Portability and Accountability Act ("HIPAA") compliance, the hospital's medical staff, medical and dental student and residency programs, emergency medical services, contracts and the Health Center's Correctional Managed Care program. In addition, department attorneys appeared regularly at probate hearings relative to the John Dempsey Hospital's two locked psychiatric wards, engaged in a broad range of lease and contract negotiations and appeared before multiple administrative agencies including the Claims Commissioner, the Freedom of Information Commission and the Commission on Human Rights and Opportunities. The department continued to be successful in litigation avoidance relative to the hospital, the medical school, the dental school and the research enterprise. Finally, the department continued to provide advice to the Health Center relative to the legislation creating the Connecticut Bioscience initiative which includes authorizing the construction of a new hospital bed tower, collaborative ventures with area hospitals, as well as the acquisition of an office building contiguous to the Health Center campus.

PRIVACY TASK FORCE

In September, 2011, the Attorney General created a multi-disciplinary Privacy Task Force within the Office. The Task Force is led by an assistant attorney general who reports directly to the Office's administration and is staffed by attorneys from a number of departments with specialized expertise in health, insurance, finance and other areas. Since its creation, the purpose of the task force has been twofold: to proactively promote the protection of personal data and information and to investigate any violations of privacy or breaches of personal information in violation of federal and state laws that require protection of that data. The Task Force investigates dozens of privacy and data security matters affecting hundreds of thousands of Connecticut residents each year.

Education

Chief among the initial goals was a series of meetings with public and private entities with a strong interest in privacy and data protection. These included a broad spectrum of large Connecticut-based business and educational institutions. The meetings afforded the Attorney General and the Task Force the opportunity to learn, through open and quite candid discussions, precisely what entities are doing to protect consumers' private information. Perhaps more importantly, the dialogue that began in these initial meetings has continued, and the Task Force is gaining an extremely unique, real-world perspective relative to data privacy and security. The Attorney General and the Task Force members have spoken to groups and businesses about the importance of data privacy and security. In addition to small business roundtable or industry-specific events, the Attorney General and Task Force members have spoken to trade groups and bar associations and have participated in numerous panel discussions and presentations regarding data security and privacy.

Data Breaches

Effective October 1, 2012, Connecticut law requires notification to the Attorney General of security breaches. During the fiscal year, the office received notification of approximately 448 data breaches – or, approximately 37 per month. The majority were received via a devoted email address (ag.breach@ct.gov), with the remaining received by regular mail or package service. In total, approximately 1.4 million Connecticut residents were reported to have been affected by these breaches with varying categories of personal information implicated. Most of the reported breaches that specified a number of affected residents impacted fewer than 100 individuals, with approximately 71 breaches impacting 100 or more residents.

Google

Connecticut, with 36 other states and the District of Columbia, reached a \$17 million agreement with Google, Inc. to resolve allegations that the company circumvented default privacy settings pertaining to cookie blocking in Safari Web browsers. Through its DoubleClick advertising platform, Google facilitates the transmission of third-party advertising cookies – small files set in Internet users' Web browsers that allow advertisers to gather information about users' Internet browsing. Apple's Safari Web browser is designed to block third-party cookies as its default privacy setting, including cookies used by DoubleClick. The states alleged that from June

1, 2011, until February 15, 2012, Google circumvented Safari's default privacy settings, without consumers' knowledge and consent, enabling advertisers to set third-party cookies on users' browsers. According to the States, these acts contradicted Google's assurances to consumers that Safari's default privacy settings would block such third-party cookies.

The settlement prohibits Google from misrepresenting or omitting material facts about how consumers can use Google's Ad Settings tool or any other Google product, service or tool to directly manage how Google serves advertisements to their browsers. Additionally, Google must maintain systems configured to instruct Safari Web browsers to expire offending cookies. The task force was able to negotiate and participate in a multistate settlement which resulted in a payment of \$535,312 to the State of Connecticut.

Citibank

The Attorney General joined with the California Attorney General in an investigation that led to a joint settlement involving a technical vulnerability in Citibank's Account Online Web-based service that permitted hackers to access multiple user accounts. Hackers accessed account information through Account Online by logging in with an account number and password, and then modifying a few characters in the resulting Universal Resource Locator (URL) bar in a browser in order to access additional accounts. Account information for more than 360,000 Citibank customers, including about 5,066 Connecticut residents, was potentially obtained or accessed by hackers.

Under the terms of the court-approved settlement, Citibank was required to hire an independent third party to conduct an information security audit of Account Online and report a detailed summary of its findings to the Attorney General. The company will be required to maintain reasonable security procedures and practices to protect Account Online in the future. Citibank must also provide appropriate notice and free credit monitoring for two years to any individual affected by certain future security incidents involving Account Online. Citibank also paid \$55,000 to the state of Connecticut.

PUBLIC SAFETY DEPARTMENT

The Public Safety Department represents the Department of Correction, the Department of Emergency Services and Public Protection, including the Division of State Police, the Division of Emergency Management and Homeland Security and the law enforcement functions of the former Division of Fire, Emergency and Building Services; the Military Department; the State Marshal's Commission and the Department of Consumer Protection Liquor Control Division. It also provides legal services and representation to a number of associated boards, commissions and agencies, including the Division of Criminal Justice, the Division of Public Defender Services, the Office of Adult Probation, the Governor's Office (Interstate Extradition), the Statewide Emergency 9-1-1 Commission, the State Codes and Standards Committee, the Crane Operator's Examining Board, the Board of Firearms Permit Examiners, the Commission on Fire Prevention and Control, the Board of Pardons and Paroles and the Police Officer Standards and Training Council. The department continues to provide limited representation for the State Fire Marshal

and State Building Inspector, including review of all regulations and changes to the state Building and Fire Codes, even though those offices have been transferred to the Department of Administrative Services.

During the last year, the department has also represented the Department of Consumer Protection, the Department of Mental Health and Addiction Services, the Department of Environmental Protection, several State Universities, the Judicial Branch and the Department of Children and Families in various litigation matters.

Department of Correction

The Department of Correction (DOC) is the department's largest client agency. With more than 6,500 employees, 17,000 inmates and another 3,000 offenders supervised in community placements, the DOC requires the attention of nearly all of the attorneys in our department. Much of this work is done in defense of the State in lawsuits brought by and on behalf of prisoners. We continue to defend a large number of lawsuits challenging conditions of confinement in state correctional facilities and the administration of community programs. The department's pending corrections cases in the district court alone continue to represent more than 10 percent of the federal court docket. These lawsuits collectively seek millions of dollars in money damages and seek to challenge and restrict the statutory authority and discretion of the Department of Correction. Our efforts in defense of these cases save the State millions of dollars in damages claims, and preserve the state's authority to safely and securely manage an extremely difficult prison population free of costly and onerous court oversight as has been the experience in other states. Significant areas of litigation in the last year include: the successful defense of the DOC's pornography ban; defense of policy restrictions on the ability of restrictive housing inmates to move out of cell without restraints; defeat of claims that the prison facilities are "public accommodations" under state law; and defeat of multiple claims that certain violent groups are entitled to recognition as religious organizations.

Because the inmate population continues to present exceptionally challenging medical and mental health issues, the department attorneys increasingly find themselves defending complex medical cases in custody. In addition, the department continues to defend a number of medical malpractice and civil rights cases arising from suicides committed by persons in custody. Recent pharmacological advances in infectious disease treatment similarly have led to an increase in lawsuits regarding Hepatitis care and treatment. The department continues to work with the Department of Correction, the University of Connecticut Health Center and outside medical and mental health experts to defend litigation and identify systemic deficiencies in an effort to improve medical care and reduce the state's exposure to substantial damages awards.

A great number of inmate claims addressing conditions of confinement continue to be brought as habeas corpus cases, and in that forum we continue to defend inmate challenges to prison conditions and the of various sentence reduction credits. We also have seen an increase in medical claims in this practice area.

In addition to our litigation commitments, we continue to advise the Commissioner of Correction on a myriad of legal issues, including: maintaining appropriate services for mentally ill offenders; developing and maintaining appropriate administrative directives; and implementing

safety and security procedures that protect staff and the public while also accommodating evolving constitutional standards as articulated in developing case law. We also continue to monitor compliance with agreements resolving litigation regarding the conditions of confinement in the women's prison and treatment of HIV-infected inmates. Department attorneys also provide instruction at the DOC training academy on legal issues arising in corrections. These issues will continue to challenge us as budget constraints take a toll on the correctional system.

Board of Pardons and Paroles

Department attorneys continue to defend a number of cases involving the Board of Pardons and Paroles (BOPP). These cases involve challenges to the Board's authority relative to the granting, rescission and revocation of paroles. With the pressure on DOC and BOPP to reduce the inmate population, we will continue to work on protocols designed to safeguard against release of offenders who are likely to reoffend. Our department continues to provide the Board with training on legal issues involving its hearing procedures and developing legal trends.

Department of Emergency Services and Public Protection (DESPP)

Department attorneys defend all lawsuits involving the State Police seeking money damages arising from the exercise of police powers. The caseload of police litigation continues to grow in both number and complexity, and includes false arrest and excessive force cases, wrongful death claims arising from police shootings and contract claims arising from the agency's relationships with outside service providers. This year, we successfully litigated a number of cases in federal court and received favorable decisions in many of those cases. In addition to our litigation efforts, we meet regularly with State Police command staff and counsel to review the agency's policies and procedures and to address legal issues relating to release of confidential information, compliance with subpoenas and relations with other agencies.

The department continues to represent DESPP and its successor agencies in administrative appeals involving the State Building Code and Fire Safety Code, and to review regulations implementing the various building codes. Department attorneys also routinely appear on behalf of the department in state and federal court and before the Freedom of Information Commission. Lastly, we continue to review and provide advice to the department on a number of contracts and memoranda of understanding for the department, in particular, resident trooper agreements between the department and more than forty municipalities around the state.

Board of Firearms Permit Examiners

The department provided legal advice and representation to Board of Firearms Permit Examiners on a number of issues. We have handled several appeals to the Superior Court from the Board's decisions, including efforts to compel towns to issue permits in accordance with the orders of the Board. Our department also continues to field many public inquiries related to the concealed and open carrying of firearms under Connecticut law and the recently enacted firearms legislation as it relates to the licensing of firearms owners and their purchase of firearms and ammunition. The department continues to work with the Board to enforce the firearms laws of the State.

Liquor Control Division

The department handled a number of administrative appeals involving permits and licenses that are within the purview of the Liquor Control Division. In addition, department attorneys provided the Division with advice on legal issues concerning enforcement of the liquor laws.

State Marshal Commission

The department provided legal advice to the State Marshal Commission on several matters, particularly with respect to the duties of state marshals and the removal of state marshals. Our efforts have included assisting the Commission in responding to complaints regarding state marshals, developing protocols and appropriate training for marshals who have authority to serve criminal process, and guidelines for serving process on behalf of pro se litigants.

Division of Criminal Justice & Division of Public Defender Services

The department appeared and defended numerous cases involving the Division of Criminal Justice and the Division of Public Defender Services. These cases often raised constitutional questions and governmental immunity, and related to the core duties of prosecutors throughout the criminal justice process. In addition, department attorneys worked closely with the Office of the Chief State's Attorney and the several State's Attorneys in areas of overlapping jurisdiction, such as complex habeas corpus matters in state and federal courts and issues arising from death penalty cases. The department has also had to deal with an increase in Freedom of Information matters involving the Office of the Chief Public Defender.

Military Department

The department continued to work closely with the Military Department on a variety of issues, particularly in claims from one of the ceremonial military units that challenged the authority of the Military Department. During the fiscal year the department reviewed contracts involving military construction projects worth millions of dollars.

Prosecution of Home Improvement Contractors

An Assistant Attorney General ("AAG") in the department oversees the Attorney General's program for prosecution of fraudulent home improvement contractors. Under this program, several AAGs (six from this department) are appointed as special assistant state's attorneys in order to prosecute new home construction contractors and home improvement contractors for various crimes, including failure to obtain proper licensing and refusing to refund deposits. The attorneys are involved in reviewing and approving warrants leading to the arrest of individuals who violate the acts governing home improvement and new home construction contractors. The attorneys then prosecute the cases to completion in criminal court. During the fiscal year, the office criminally prosecuted 29 unregistered home improvement

contractors resulting in nearly \$108,915 in court-ordered restitution to consumers. In two matters, contractors were sentenced to periods of incarceration.

SPECIAL LITIGATION & CHARITIES DEPARTMENT

The Special Litigation and Charities Department represents the Governor, Lieutenant Governor, the General Assembly, the Judicial Branch, the Secretary of the State, the Treasurer, the Comptroller, the Auditors of Public Accounts, the State Elections Enforcement Commission, the Office of State Ethics, the Office of Governmental Accountability, the State Contracting Standards Board, the State Properties Review Board, the Judicial Review Council, the Judicial Selection Commission, the Statewide Grievance Committee, the Probate Court Administrator, the Board of Accountancy, the Office of Protection and Advocacy and the Office of the Victims Advocate. In addition, through its Public Charities Unit, the Department protects the public interest in gifts, bequests and devises for charitable purposes, and in cooperation with the Department of Consumer Protection, enforces state laws regulating charities and professional fundraisers who solicit from the public.

During the fiscal year, the Department represented the State's interests in a number of important cases, including: the ongoing defense of gun control legislation enacted in 2013 against several lawsuits, under the Second Amendment of the federal Constitution as well as under the state constitution, seeking to enjoin the State's efforts to protect public safety through reasonable restrictions on ownership of assault weapons and high-capacity ammunition magazines; the successful defense of the state's campaign finance laws from a federal court challenge seeking to enjoin the authority of State Elections Enforcement Commission relating to coordinated campaign spending; the investigation and commencement of enforcement actions about the misappropriation of funds from the Doc Hurley Scholarship Fund; litigation of a federal court suit involving the calculation of agency fees imposed on non-member state employees represented by unions; a federal constitutional challenge to provisions of Connecticut franchise law pertaining to payments made by auto manufacturers to auto dealers for warranty repairs; the litigation of several election matters relating to the past year's municipal elections; ongoing defense of the Governor's authority to issue executive orders with regard to the election of a majority representative for family child care providers and personal care attendants; and several appellate cases involving complex sovereign immunity issues. In addition, a considerable portion of the department's resources is committed to defending the State's interests in a growing body of pro se litigation against judges and other state officials.

In the area of charitable trusts and gifts, the department was active in investigations or court actions to ensure that charitable gifts are used for the purposes for which they were given. The charities unit spent considerable time and effort on charitable fundraising and fund management issues related to the Newtown-Sandy Hook tragedy, including issuing a report on the funds raised by charitable organizations in response to it. The department is engaged in several pending merger and non-profit hospital conversions to ensure ongoing protection of charitable assets. Department attorneys were involved in several matters with municipalities and private groups to protect parks, open space, school properties and museums that were donated for those charitable purposes. In addition, the department has been actively involved in a multistate effort to develop a single portal website for public charity registration.

Department attorneys provide ongoing advice to the Governor's office, the legislature, constitutional officers, commissioners and others on a wide variety of constitutional and other important legal questions, and assistance on possible First Amendment, commerce clause and other constitutional implications of proposed legislation. The Department also provides advice and guidance to agencies and other departments on Freedom of Information Act matters.

The department represents the interests of the State in matters related to federal tribal recognition and in litigation involving land claims brought by groups claiming Indian tribal status. In particular, the department's attorneys have been actively involved in opposing proposals by the federal Bureau of Indian Affairs to change the regulatory criteria for recognizing Indian tribes that could have substantial adverse effect on interests of the State. The department provides advice to numerous state agencies regarding issues of Indian law and issues connected to the two federally recognized Indian tribes in Connecticut and the operation of their casinos, as well as issues relating to gaming generally.

The department also plays a leading role in the preparation of appeals and opinions in the Office. The department often participates as amicus curiae in litigation involving other states, the federal government and private parties in which important state interests are implicated.

TORTS/CIVIL RIGHTS DEPARTMENT

The Torts/Civil Rights Department defends state agencies and employees in tort and tort-like civil rights actions, including high exposure personal injury and wrongful death actions. A substantial number of cases arise from alleged injuries at state educational facilities, such as the technical high schools and state colleges, or involve children in the care of the Department of Children and Families ("DCF"). The remainder of cases involve many agencies and reflect the varied activities and services in which the state is involved, from providing direct treatment to those with mental illness or mental retardation, to having recreational parks and swimming areas, being a large landowner and controlling many buildings and other premises, obtaining custody of abused/neglected children, operating many types of programs and services or holding those arrested by police. Many of these cases seek large sums in damages from state taxpayers' funds. Department attorneys have saved the State millions of dollars by obtaining favorable judgments and settlements for the State in the courts and at the Claims Commission.

The department has aggressively pursued indemnification and hold harmless provisions in contracts between the state agencies and contractors providing services. Where state contractors and/or their insurers have not quickly come forward to defend and indemnify the State in these actions, department staff have sought and obtained compensation for the office's attorneys' time and expenses. In several cases, the department has collected many thousands of dollars in attorney's fees from contractors when there was a considerable delay in representing and indemnifying the State.

Some notable legal decisions during the year include:

- In the Claim of Charla Nash, the legislature, after a hearing before the Judiciary Committee, affirmed the Office of Claims Commissioner's dismissal of the claim of a woman injured by her friend's pet chimpanzee. The Attorney General and his staff

presented written and oral argument for denial on the basis that regulatory authority of the Department of Energy and Environmental Protection allowing it to issue a permit and/or seize certain wild animals did not create a private duty to the claimant. This doctrine, known as “the public duty doctrine”, performs a very valuable function in ensuring that the State is not open to limitless liability when it chooses to regulate areas for the protection of the public, and it prevents a drain on public funds for injuries caused by private entities.

- In *Brye v. State of Connecticut*, the Appellate Court affirmed the trial court's judgment for the State. An inmate, who was injured in a fall when a portion of the floor on a gymnasium stage collapsed, brought a negligence action against the State. The Appellate Court agreed that expert testimony was required on the issue of whether it was a breach of the standard of care for the State to use one-quarter inch thick plywood to cover a lighting pit next to a stage in a gymnasium in a correctional facility and no such testimony had been presented.
- In *Estate of Krauth v. State of Connecticut*, the Superior Court, after a trial, entered judgment for the State. The decedent was walking in a parking lot at the UCONN Health Center when she was struck by a car driven by a private party. The driver was also sued and settled. The court found that the State had not breached any duty of care regarding the signage or maintenance of the parking lot and that the death was solely caused by the negligent conduct of the driver.

The department successfully defended the majority of the many slip and fall actions filed. In addition, when any dangerous condition or practice is revealed during our representation, the department advises agencies regarding the need for physical or policy changes to increase safety.

TRANSPORTATION DEPARTMENT

The Transportation Department provides representation for: the Department of Transportation ("DOT"), Division of Construction Services ("DCS"), Department of Administrative Services ("DAS"), including the Bureau of Enterprise Systems and Technology ("BEST"), Department of Motor Vehicles ("DMV"), Department of Housing ("DOH"), Department of Energy and Environmental Protection ("DEEP") for real property matters, and the State Historic Preservation Office. In addition, the department provides representation for various occupational licensing boards within the Department of Consumer Protection ("DCP"). The representation includes counseling and advice on legal issues, the prosecution or defense of lawsuits or claims in both federal and Connecticut state courts and before various administrative entities, including the defense of claims filed with the Office of the Claims Commissioner pursuant to Chapter 53 of the Connecticut General Statutes.

Contracting Matters

As a result of the large number of public works projects undertaken by the State during

any given year, and the broad scope and complexity of many of these projects, there is a continuing need for department attorneys to provide legal assistance to the DOT, DCS, DAS, DMV, Housing and other state agencies, such as the General Assembly's Joint Committee on Legislative Management ("JCLM") and the State Contracting Standards Board. The department also provides counsel and drafting for many of the state's significant transactional matters. In conjunction with agency staff, the department is assisting with development of various master contracts for use in all areas of contracting at the DOT, DAS and DCS with the goal of streamlining the State's contracting process.

During the year, the department reviewed 485 contracts for substance and form and provided substantive advice in the negotiation of a number of significant State transactions, including:

- Purchasing commercial property for State office space in the Hartford area. Drafting energy savings performance contracts and processes to assist DEEP in providing guidance to help realize energy efficiencies in State and municipal facilities.
- Developing and negotiating a contract related to the provision of service (21CT) to be used to detect, prevent and seek recovery of fraud committed in government programs.
- Reviewing and negotiating contracts related to provision of fare boxes, technology and a ticket vending machine system for DOT's CTFAstrak project.
- Contracting for establishment of an electronic health records database.
- Procuring information technology consulting services contracts with multiple vendors.
- Contract for developing and installing a state-of-the-art, fully integrated, turnkey system for issuance of driver's licenses and identification cards for the DMV.
- Contract for a fully integrated offender/case management system to support all Department of Correction institutions, jails and prisons, State Board of Pardons and Pardons and the State Division of Community Supervision.

Other legal assistance involving contracts included resolving public contracting bid protests, interpreting and drafting contract language, and addressing problems that arise during the course of large construction and statewide procurement projects.

Litigation Matters and Construction Claims

During the fiscal year, department staff prosecuted and defended several major lawsuits and appeals, including obtaining the reversal and dismissal of an \$18.3 million award against the former Department of Information Technology and prosecuting suits seeking damages for construction defects at the University of Connecticut School of Law Library in Hartford, and the York Women's Prison in Niantic. The University of Connecticut Law Library lawsuit was settled and the State recovered \$12.1 million, 80 percent of the maximum sought in the lawsuit. The department handled litigation and claims involving other important state construction projects, including projects at the New Haven Rail Yard, Bradley International Airport and Henry Abbott Technical High School.

Construction claims against DCS totaling \$11,154,833 were resolved during the year for \$3,013,751 for a total savings of \$8,141,082. Also, the department defended DOT in claims totaling \$7,341,771 and saved the state more than \$5 million in those claims. The department handled 1,000 Highway Liability claims and 482 Auto Liability claims.

In addition to prosecuting and defending lawsuits in court, the department regularly assisted agency personnel with early analysis and settlement negotiations with the goal of quickly resolving disputes to avoid litigation and to avoid or minimize the potential adverse financial impact of such claims on the public treasury.

Property Matters

In its representation of the DOT, the department provided legal services and advice relating to eminent domain; rights-of-way; surplus property divestitures; service plazas and other properties and facilities along I-95 and the Merritt Parkway; Transit Oriented Development projects in various towns; ports; public transit and rails; the State Traffic Commission; and environmental matters involving permitting, salt shed and maintenance facilities located throughout the State. Department attorneys also counseled the DOT regarding the divestiture of 50 surplus properties representing \$2,390,402 in sales of state property.

Department attorneys resolved four eminent domain appeals by trial and 15 by stipulated judgment. Currently, 31 eminent domain appeals are in litigation, including 13 new appeals filed during the fiscal year. The litigation outcomes of the concluded eminent domain appeals saved the State \$3,236,032.30.

Department attorneys represent DEEP in real property matters. Of particular significance was the department's work with DEEP in the procurement of conservation easements, resulting in the dedication of thousands of acres to public recreation. These conservation easements are generally funded by grants that DEEP provided for land purchases by other entities, specifically municipalities and land trusts. The easements and purchase of land that DEEP bought directly for the State total a value of \$5,056,564 and cover a total of 2,173.62 acres. The department also provided legal advice to DEEP on complex property law issues.

During the fiscal year, the department provided DAS and DCS with legal counsel and review of seven leases, 12 agreements, 171 contracts and two deeds.

WORKERS' COMPENSATION & LABOR RELATIONS DEPARTMENT

The Workers' Compensation and Labor Relations Department represents the State Treasurer as the Custodian of the Second Injury Fund, the Workers' Compensation Commission and the Department of Administrative Services in its capacity as the administrator of the state

employees' workers' compensation program, as well as DAS Personnel, the Labor Department, the Office of Labor Relations, the Office of the Claims Commissioner, the State Employees Retirement Commission, the Teachers' Retirement Board, and others. The department's workers' compensation attorneys and paralegals represent the Second Injury Fund in cases involving potential liability of the Fund for workers' compensation benefits and the State of Connecticut in contested workers' compensation claims filed by state employees, while the department's labor attorneys represent the Department of Labor in unemployment compensation appeals to the Superior Court. The department also represents the Department of Labor's Wage Enforcement Division, collecting unpaid wages due Connecticut employees in the private sector. The department's workers' compensation attorneys and paralegals also devote significant time on third party tortfeasor cases that result in the recovery of money for the State and the Fund, as well as handling a large number of appeals to the Compensation Review Board and the state Appellate and Supreme Courts.

During the fiscal year, department attorneys and paralegals appeared for the Fund and the State in more than 3,900 hearings before workers' compensation commissioners and in 320 new unemployment compensation cases in the Superior Court.

Department attorneys and paralegals were responsible for recouping \$616,443 for the State and \$47,767 for the Second Injury Fund through third-party interventions. This money represents reimbursements to the State or the Fund of money which has been paid out in workers' compensation benefits for injuries caused by third parties. Finally, department attorneys were responsible for the collection of \$90,877 in unpaid wages and civil penalties for Connecticut citizens whose employers failed to pay them in accordance with Connecticut's labor laws.

The department's labor attorneys continued to assist the Attorney General in his participation on the State Employees Misclassification Taskforce. This ad hoc group, comprised of the Chief State's Attorney, the Commissioners of Labor, Revenue Services, Consumer Protection, Workers' Compensation Commission and the Attorney General, is charged by the General Assembly to promote, coordinate and enforce workers' rights by penalizing employers who intentionally designate workers as independent contractors when, in fact, they are employees. In Standard Oil of Connecticut, Inc. v. Administrator, department attorneys were successful in defending a Department of Labor audit which found installers/technicians of a heating service company to be employees for purposes of the Connecticut Unemployment Compensation Act. Insofar as Standard Oil maintained that these workers were independent contractors, it appealed this ruling to the Appellate Court, and a department attorney is handling the appeal for the Department of Labor.

During the fiscal year, the department was involved in other significant cases such as:

In Leff v. State Employees' Retirement Commission and State Medical Examining Board, the parties reached a settlement whereby the plaintiff was denied disability retirement benefits prospectively and agreed to repay an overpayment in the amount of \$17,000 of such benefits from July 1, 2011. This settlement is consistent with the State's prospective denial of disability retirement benefits on substantive grounds.

In *Board of Regents of Higher Education v. Connecticut State Board of Labor Relations*, an appeal from a SBLR decision that included noncredit part-time lecturers in a contract bargaining unit, a settlement was reached on the basis of negotiated wage increases for the part-time faculty prior to renegotiation of the entire collective bargaining agreement in 2016.

A number of significant settlements were reached in wage enforcement matters:

In a wage claim referred by the Labor Commissioner against Mota Brothers Asbestos, LLC, a company currently in bankruptcy, a bankruptcy court-approved agreement was reached to settle a \$500,000 wage claim for the sum of \$230,000 which will be distributed to the former employees of Mota Brothers.

In *Commissioner of Labor v. Dental Care of Connecticut, Inc.*, this department, in conjunction with the Attorney General's Antitrust and Government Program Fraud Department, filed a forfeiture petition in the matter of *United States v. Anusavice*, and negotiated a recovery of \$45,000 in unpaid wages from the forfeited assets of one of the defendants in the state action. A department attorney handled this matter for the Labor Department, and will continue to prosecute the civil wage enforcement action against all defendants in the Superior Court.

In *Labor Commissioner v. Advanced Delivery Systems, Inc.*, a settlement was reached with court-assisted mediation for \$80,000 to be distributed among ten employees who claimed illegal wage deductions by the trucking company.

In *Labor Commissioner v. City Electrical Enterprises, LLC*, a settlement was reached for payment of \$60,000 by Lawrence Brunoli, Inc., the general contractor on two state construction projects, for distribution to ten employees on claims for prevailing wages pursuant to Conn. Gen. Stat. Section 31-53.

The Labor Relations Unit assisted the Labor Commissioner when an out-of-state contractor renovating the Apple Store at Westfarms Mall in Farmington, defied a stop-work order issued by the Department of Labor due to the contractor's failure to have workers' compensation insurance coverage. After counsel for both Apple and Westfarms Mall were contacted, the contractor relented, obtained workers' compensation insurance, and paid fines and penalties totaling \$27,500. The department's attorneys achieved this favorable outcome without the necessity of litigation.

A number of significant settlements were reached in complex workers' compensation cases.

AFFIRMATIVE ACTION

The Office of the Attorney General is firmly committed to equal employment opportunity. Nearly **54 percent** of the full-time attorney workforce consisted of women and minorities. Women and minorities comprised **64.3 percent** of entry-level attorneys and **50%** of middle and high-level attorneys.

VOLUNTEER PROGRAMS

The Office welcomes the assistance of volunteers, who provided valuable service to the Office and its work on behalf of the State.

Student volunteers are accepted year around for unpaid internships; externships for course credit; or for work-study or legal fellowship positions where their stipend is paid by their sponsoring school. These programs are open to graduate and law students, paralegal, undergraduate, and where applicable, highly motivated high-school students. The volunteer programs provide students with a valuable learning experience inside the state's largest public interest law firm. Their assignments vary by department, but all provide opportunities for critical thinking, research and writing. Law students also gain practical experience in drafting legal documents and trial work.

Within the Consumer Assistance Unit, volunteer advocates, under staff supervision, provided informal mediation services to resolve consumer complaints. These advocates worked to help consumers resolve problems with purchases of goods and services, such as obtaining refunds or bill credits to which they are entitled. (*See Consumer Protection*).

In limited cases, the Office also accepts the services of attorney volunteers – either licensed attorneys or law school graduates awaiting admission to the bar, who wish to supplement their legal training or experience by volunteering in the Office. They are assigned to a department for up to a year to provide legal research and drafting assistance to a supervising assistant attorney general.

During the fiscal year, 156 students participated in internship, externship, work-study or legal fellowship programs. The Office also received assistance from seven volunteer advocates and three attorney volunteers. Both the internship and volunteer programs provided valuable assistance to the Office and its work on behalf of the state.