

C81C
Office of the Attorney General

Operating Budget Data

(\$ in Thousands)

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$20,214	\$18,625	\$20,073	\$1,448	7.8%
Contingent & Back of Bill Reductions	0	0	-230	-230	
Adjusted General Fund	\$20,214	\$18,625	\$19,843	\$1,218	6.5%
Special Fund	3,195	3,762	4,284	522	13.9%
Contingent & Back of Bill Reductions	0	0	-11	-11	
Adjusted Special Fund	\$3,195	\$3,762	\$4,273	\$510	13.6%
Federal Fund	1,703	1,933	2,051	118	6.1%
Contingent & Back of Bill Reductions	0	0	-5	-5	
Adjusted Federal Fund	\$1,703	\$1,933	\$2,046	\$113	5.9%
Reimbursable Fund	2,344	2,489	2,486	-3	-0.1%
Contingent & Back of Bill Reductions	0	0	-6	-6	
Adjusted Reimbursable Fund	\$2,344	\$2,489	\$2,480	-\$9	-0.4%
Adjusted Grand Total	\$27,457	\$26,808	\$28,641	\$1,833	6.8%

- A fiscal 2009 deficiency would provide (1) \$889,000 in special funds to backfill general funds – \$589,000 of which was reduced in October by the Board of Public Works (BPW) and \$300,000 of which was reduced during the 2008 session – in the Division of Consumer Protection; (2) \$216,987 in special funds for the Securities Division to backfill general funds reduced during the 2008 session; and (3) \$198,267 in special funds for 4 contractual full-time equivalents (FTEs) in the Home Builder Guaranty Fund Division.
- When adjusted for cost containment actions and contingent reductions, the fiscal 2010 allowance increases \$1.8 million, or 6.8%, above the fiscal 2009 working appropriation. This results from increases to personnel expenditures including (1) actions taken during the 2008 session and by BPW during fiscal 2009 that included one-time general fund reductions that

Note: Numbers may not sum to total due to rounding.

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C81C – Office of the Attorney General

are restored in fiscal 2010 (\$1.2 million); (2) health insurance for employees and retirees (\$585,000); and (3) the employee retirement system (\$310,000).

- Cost containment actions taken in the budget include (1) \$114,981 for a personnel reduction; (2) \$34,988 in expected savings from contractual services; and (3) a \$31,213 reduction for contractual FTEs.
- Reductions contingent upon the enactment of legislation include a \$71,787 decrease for the deferred compensation match.
- Contractual employee expenditures increase by \$268,000, primarily to fund 4 new contractual FTEs to enforce new regulations in the Home Builder Guaranty Fund Division pursuant to Chapter 480 of 2008.

Personnel Data

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>
Regular Positions	247.50	246.50	243.50	-3.00
Contractual FTEs	<u>8.90</u>	<u>7.50</u>	<u>7.50</u>	<u>0.00</u>
Total Personnel	256.40	254.00	251.00	-3.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	8.63	3.50%
Positions and Percentage Vacant as of 12/31/08	17.20	6.98%

- The fiscal 2010 allowance contains a reduction of 3.0 vacant regular positions.
- As of December 31, 2008, the vacancy rate for regular employees was 6.98%, or 17.20 positions. When adjusted for the 3.0 abolished vacant positions, the vacancy rate drops to 5.7%.

Analysis in Brief

Major Trends

Managing for Results Indicate Continued Success: The Office of the Attorney General (OAG) exceeds projected recovery amounts in its Securities and Consumer Protection divisions.

Recommended Actions

1. Add language reducing general funds for the Consumer Protection Division.
2. Adopt committee narrative requesting data on allocation and costs of Assistant Attorneys General and Staff Attorneys.

Updates

Report on New Consumer Protection Office: Fiscal 2009 budget bill language directed OAG to submit a report on the impact of opening a consumer protection office in suburban Maryland similar in size and scope to its small offices located in Western and Southern Maryland. The report indicated that securing a facility would cost between \$65,000 and \$85,000 for initial set-up and then between \$15,000 and \$20,000 for annual operational expenses.

Nonbudgeted Accounts: The 2008 *Joint Chairmen's Report* required OAG to submit a report detailing the fund balance within its nonbudgeted accounts. OAG reports that the Consumer Protection Recoveries Account is projected an ending fund balance of \$3.8 million and \$1.3 million in fiscal 2009 and 2010, respectively.

C81C
Office of the Attorney General

Operating Budget Analysis

Program Description

The Attorney General acts as legal counsel to the Governor; General Assembly; Judiciary; and all departments, boards, and commissions (except the Commission on Human Relations, Public Service Commission, and State Ethics Commission). The Office of the Attorney General (OAG) represents the State in all matters of interest to the State, including civil litigation and criminal appeals in all State and federal courts. The office also reviews legislation passed by the General Assembly prior to consideration by the Governor. The office is currently supported by 13 divisions: Legal Counsel and Advice; Securities; Consumer Protection; Anti-trust; Medicaid Fraud Control; Civil Litigation; Criminal Appeals; Criminal Investigations; Educational Affairs; Correctional Litigation; Contract Litigation; People's Insurance Counsel; and the Juvenile Justice Monitor Unit.

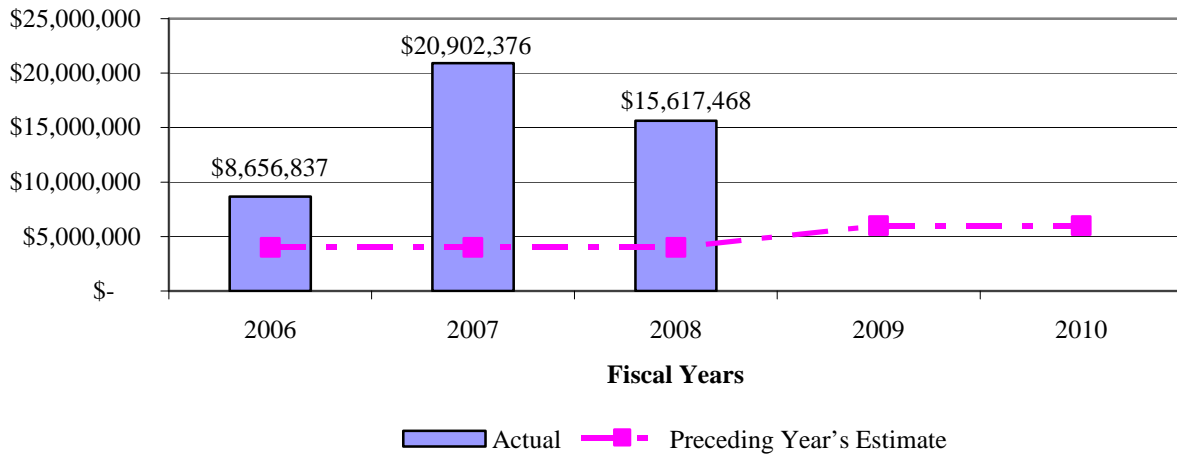
In addition to the aforementioned duties, OAG also provides assistant attorneys general and staff attorneys to State agencies. These positions are located within each of the respective agencies' budgets. **Appendix 4** provides a breakdown of assistant attorneys general by agency. **Appendix 5** provides a list of significant civil litigation currently being handled by OAG.

Performance Analysis: Managing for Results

Overall, OAG's Managing for Results (MFR) data shows continued success within its Security, Consumer Protection, and Medicaid divisions. **Exhibit 1** illustrates the actual amount of money collected by OAG's Securities Division compared to the preceding year's MFR estimate. The primary mission of the Securities Division is to protect Maryland investors from investment fraud and misrepresentation. In fiscal 2008, OAG collected approximately \$15.6 million in fines and restitution, a \$11.6 million, or 290%, increase above its preceding year's estimate. OAG notes that recoveries vary from year to year depending on the type of cases and time of settlement.

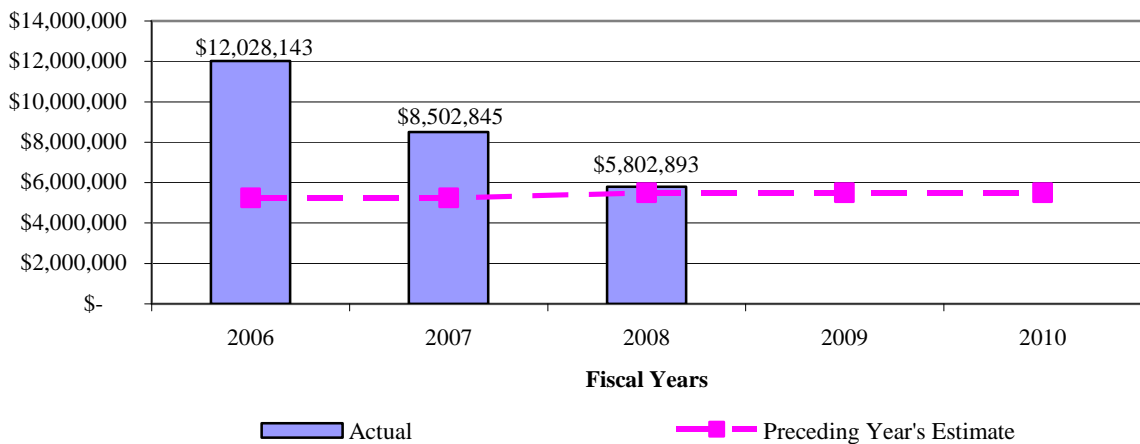
Exhibit 2 displays the actual amount of money recovered for consumers via OAG's Consumer Protection Division compared to the preceding year's MFR estimate. The Consumer Protection Division provides mediation and arbitration service to consumers to help resolve complaints against businesses and health insurance carriers. In fiscal 2008, OAG collected approximately \$5.8 million in consumer recoveries, only slightly above the prior year's estimate. OAG once again notes the variations in recoveries resulting from case types and timing of settlements.

Exhibit 1
Securities Division Fines and Restitution Collected
Fiscal 2006-2010



Source: Office of the Attorney General

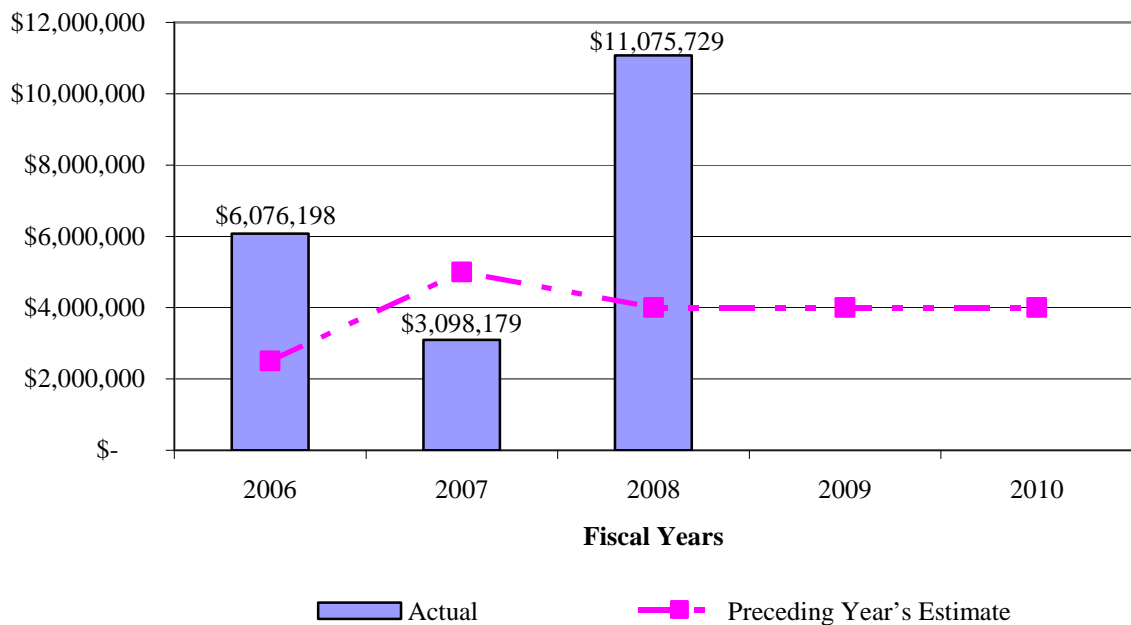
Exhibit 2
Consumer Protection Division Recoveries for Consumers
Fiscal 2006-2010



Source: Office of the Attorney General

Exhibit 3 shows the actual amount of money collected by OAG’s Medicaid Fraud Unit compared to the preceding year’s MFR estimate. The Medicaid Fraud program investigates and prosecutes provider fraud in statewide Medicaid programs. In fiscal 2008, this unit collected \$11.1 million in fines, a \$7.1 million, or 177%, increase from its preceding year’s estimate. OAG reports that there were two very large global settlement cases in 2008 that contributed to the sharp increase.

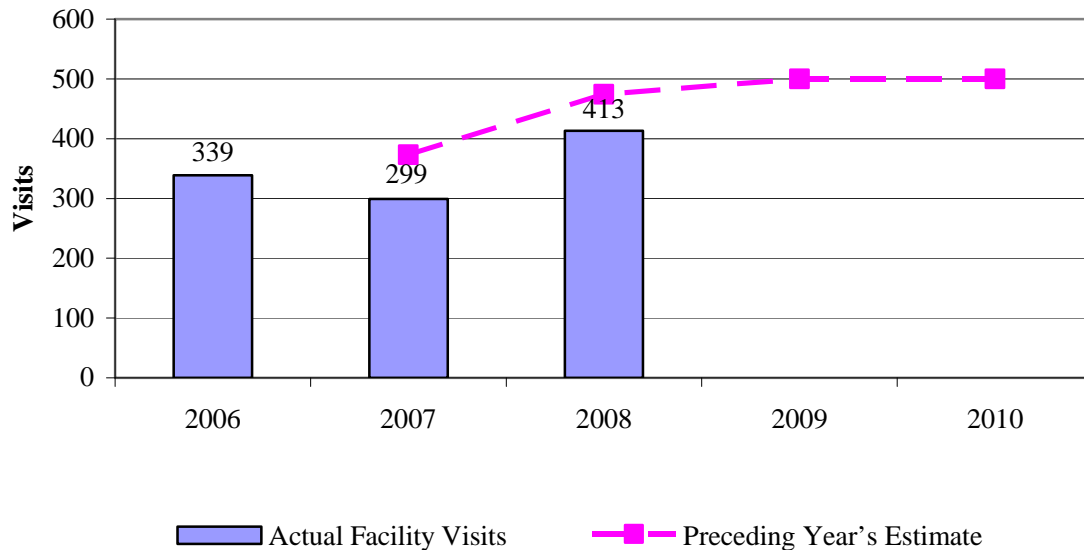
Exhibit 3
Medicaid Fraud Control Unit – Fines and Collections
Fiscal 2006-2010



Source: Office of the Attorney General

Exhibit 4 shows the actual number of facility visits made by the Juvenile Justice Monitoring Unit (JJMU) compared to the preceding year’s MFR estimate. JJMU made 413 facility visits in fiscal 2008, a 13% decline from its preceding year’s estimate, but nevertheless an increase of 144 visits over fiscal 2007. Chapter 499 of 2007 expanded the jurisdiction of JJMU to include the monitoring of any residential facility licensed by the Department of Juvenile Services.

Exhibit 4
Juvenile Justice Monitoring Program
Fiscal 2006-2010



Source: Office of the Attorney General

Fiscal 2009 Actions

Proposed Deficiency

Fiscal 2009 deficiencies for OAG total \$1.3 million.

- \$589,000 in special funds would backfill general funds reduced in October 2008 by the Board of Public Works (BPW) in the Division of Consumer Protection. The source of these funds is consumer protection recoveries, which would be used to supplement personnel expenditures during fiscal 2009 only.
- \$300,000 in special funds would backfill general funds in the Division of Consumer Protection reduced during the 2008 session. OAG was authorized to submit a budget amendment to transfer these funds from its nonbudgeted Consumer Protection Recoveries account.

- \$216,987 in special funds for the Securities Division backfill general funds reduced during the 2008 session. The securities settlement that would fund this one-time swap may be depleted during fiscal 2009 as a result of this action.
- \$198,267 in special funds would provide 4 new contractual full-time equivalents (FTEs). These 4 positions have been created to enforce new regulations in the Home Builder Guaranty Fund Division pursuant to Chapter 480 of 2008.

Of the above mentioned fund swaps, \$1.1 million were one-time actions. General funds are restored to the fiscal 2010 budget for those items.

Impact of Cost Containment

The Governor proposed and BPW adopted reductions to the fiscal 2009 appropriation. Cost containment actions taken in fiscal 2009 total \$1.1 million. Included in the actions were the replacement of general funds with special funds from existing multi-settlement consumer protection recoveries (\$503,240 in general funds); a reduction to health insurance and across-the-board reductions for items such as Other Post Employment Benefits (\$425,058 in general funds, \$19,063 in special funds, and \$8,221 in federal funds); and the elimination of 2 assistant attorney general positions (\$185,760 in general funds).

Proposed Budget

As shown in **Exhibit 5**, the OAG budget increases by \$1.8 million, or 6.8%. A total of \$1.2 million of this increase is for regular personnel to restore general funds that were deleted from the fiscal 2009 budget. When adjusting for this restoration of general funds, the budget increases only \$685,000, or 2.5%. Other personnel-related increases include \$585,000 for employee and retiree health insurance, \$310,000 for retirement contributions, and \$175,000 to adjust the turnover rate.

Other changes to the budget include a \$268,000 special fund increase to fund 4 new contractual FTEs to enforce new regulations in the Home Builder Guaranty Fund Division pursuant to Chapter 480 of 2008. In addition, legal services for items such as expert witnesses and court costs are reduced \$254,000 for cost containment purposes.

Impact of Cost Containment

Contingent and across-the-board reductions are effected in this agency budget to reduce 3.0 vacant regular positions and \$114,981 in general funds as part of the abolition of 1,000 positions in the Executive Branch, \$31,213 in general funds to reduce contractual full-time equivalents, \$71,787 in funds to delete the deferred compensation match, and \$34,988 in general funds in the expectation of savings in contracted services based on a favorable bidding climate. Additional personnel reductions may occur in this agency as part of a statewide \$30.0 million unallocated across-the-board reduction.

Exhibit 5
Proposed Budget
Office of the Attorney General
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
2009 Working Appropriation	\$18,625	\$3,762	\$1,933	\$2,489	\$26,808
2010 Allowance	<u>20,073</u>	<u>4,284</u>	<u>2,051</u>	<u>2,486</u>	<u>28,894</u>
Amount Change	\$1,448	\$522	\$118	-\$3	\$2,086
Percent Change	7.8%	13.9%	6.1%	-0.1%	7.8%
 Contingent Reduction	 -\$230	 -\$11	 -\$5	 -\$6	 -\$253
Adjusted Change	\$1,218	\$510	\$113	-\$9	\$1,833
Adjusted Percent Change	6.5%	13.6%	5.9%	-0.4%	6.8%
 Where It Goes:					
Personnel Expenses					
Restoration of general funds from fiscal 2009 actions					\$1,198
Employee and retiree health insurance pay-as-you-go costs					585
Retirement contribution					310
Four contractual full-time equivalents for the Homebuilders Guaranty Fund.....					268
Turnover adjustment.....					175
Reduction in Other Post Employment Benefits' unfunded liability					-201
Across-the-board reduction: 3.0 vacant regular positions					-115
Contingent reduction: deferred compensation match					-72
Across-the-board reduction: contractual employees.....					-31
Other Changes					
Legal services					-254
Across-the-board reduction: contractual services.....					-35
Other expenditures.....					5
 Total					 \$1,833

BPW: Board of Public Works

Note: Numbers may not sum to total due to rounding.

Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that this appropriation is reduced by \$844,496. The Governor is authorized to process a special fund budget amendment for \$844,496 to make use of the available balance in the Consumer Protection Recoveries Account.

Explanation: This action would reduce general funds in the Consumer Protection Division. The Governor is authorized to process a budget amendment transferring special funds in the amount of \$844,496 from the Consumer Protection Recoveries Account to the Consumer Protection Division.

2. Adopt the following narrative:

Allocation and Costs of Assistant Attorneys General and Staff Attorneys: Salaries of Assistant Attorneys General (AAG) and staff attorneys assigned to Executive Branch agencies are budgeted within those respective agencies. While the AAGs and staff attorneys have a reporting relationship to the Office of the Attorney General (OAG), OAG does not manage the costs associated with those personnel. In order to maintain an understanding of the statewide costs relating to all activities of OAG, the committees request that OAG submit with its annual budget request a complete listing of salaries for all AAGs and staff attorneys throughout the Executive Branch.

Updates

1. Report on New Consumer Protection Office

Fiscal 2009 budget bill language directed the Office of the Attorney General to submit a report on the impact of opening a consumer protection office in suburban Maryland similar in size and scope to its small offices located in Western and Southern Maryland. OAG submitted its report on October 30, 2008.

The report indicated that OAG would receive at least 1,000 additional complaints annually if a new office were opened near Montgomery and Prince George's counties. The office would require a staff of three employees and at least 10 volunteers. Moreover, securing a facility would cost between \$65,000 and \$85,000 for initial set-up and then between \$15,000 and \$20,000 for annual operational expenses. The fiscal 2010 allowance does not include funds to open such an office.

2. Nonbudgeted Accounts

The 2008 *Joint Chairmen's Report* required OAG to submit a report detailing the fund balance within its nonbudgeted accounts, including three-year projections based on historical averages. On October 30, 2008, OAG submitted its fund summary.

OAG reports that the Consumer Protection Recoveries Account is projected to have an ending fund balance of \$3.5 million and \$2.6 million in fiscal 2009 and 2010, respectively. These estimates were based on five-year historical recovery averages and current spending patterns. However, OAG noted that two unusually large awards in fiscal 2008, totaling \$3.3 million, increased the historical recovery average; therefore, the projected fund balance may be misleading. The fiscal 2010 allowance for the Consumer Protection Division includes \$2.2 million in special funds from this account.

OAG also collects funds related to other types of recoveries. Collections from anti-trust settlements generally go to consumers or revert to the general fund. A one-time securities settlement was budgeted to the Securities Division and will be exhausted during fiscal 2009. Finally, collections within the Medicaid Fraud unit are sent to the Department of Health and Mental Hygiene.

Current and Prior Year Budgets

Current and Prior Year Budgets
Office of the Attorney General
(\$ in Thousands)

Fiscal 2008	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Legislative Appropriation	\$20,397	\$3,226	\$2,006	\$2,303	\$27,932
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	269	47	0	446	762
Cost Containment	-375	0	0	0	-375
Reversions and Cancellations	-77	-78	-303	-404	-862
Actual Expenditures	\$20,214	\$3,195	\$1,703	\$2,345	\$27,457
Fiscal 2009					
Legislative Appropriation	\$19,470	\$3,768	\$1,941	\$2,489	\$27,668
Cost Containment	-1,114	-65	-8	0	-1,187
Budget Amendments	269	59	0	0	328
Working Appropriation	\$18,625	\$3,762	\$1,933	\$2,489	\$26,809

Note: Numbers may not sum to total due to rounding.

Fiscal 2008

The Office of the Attorney General finished fiscal 2008 \$475,000 below its legislative appropriation. This the net result of a \$762,000 increase in budget amendments in the OAG's general, special, and reimbursable fund accounts and a \$1.2 million decrease due to cost containment initiatives, cancellations, and reversions.

General Funds: The general fund appropriation increased by \$269,000 due to a cost-of-living adjustment (COLA) that was budgeted in the Department of Budget and Management (DBM). The budget decreased by \$375,000 in response to cost containment initiatives. Additionally, there was a \$77,000 cancellation due to cost containment efforts and recruiting difficulties.

Special Funds: The special fund appropriation increased by \$46,684 for a COLA that was budgeted in DBM. Additionally, there was a \$78,000 cancellation due to cost containment efforts and recruiting difficulties.

Federal Funds: There was a \$302,000 federal fund cancellation as the result of cost containment efforts and recruiting difficulties.

Reimbursable Funds: The reimbursable fund appropriation increased by \$446,000 due to the following: (1) \$200,000 from the Maryland State Police for litigation relating to Interstate 95; (2) \$125,376 in grants from the Governor's Office of Crime Control and Prevention for gun violence reduction; and (3) \$120,000 from the Department of Juvenile Services to expand the Juvenile Justice Monitoring Unit. Additionally, there was a \$404,000 cancellation due to cost containment efforts and recruiting difficulties.

Fiscal 2009

The OAG fiscal 2009 working appropriation is \$859,000 lower than the legislative appropriation, is primarily due to a \$1.2 million decrease for cost containment efforts initiated in June and October 2008 by the Board of Public Works. As part of these actions, fringe benefit appropriations were reduced as Other Postemployment Benefits prefunding of \$275,578 was ceased and statewide employee health insurance balances of \$68,100 were used in lieu of budgeted funds. The reductions were partially offset by a \$313,000 increase for a COLA budgeted by DBM and a \$14,318 increase for annual salary reviews.

**Object/Fund Difference Report
Office of the Attorney General**

<u>Object/Fund</u>	<u>FY08 Actual</u>	<u>FY09 Working Appropriation</u>	<u>FY10 Allowance</u>	<u>FY09 - FY10 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	247.50	246.50	246.50	0	0%
02 Contractual	8.90	7.50	7.50	0	0%
Total Positions	256.40	254.00	254.00	0	0%
Objects					
01 Salaries and Wages	\$ 21,524,043	\$ 21,013,101	\$ 23,024,234	\$ 2,011,133	9.6%
02 Technical and Spec. Fees	414,272	299,033	584,387	285,354	95.4%
03 Communication	374,628	411,250	400,399	-10,851	-2.6%
04 Travel	189,450	132,200	125,365	-6,835	-5.2%
07 Motor Vehicles	244,884	234,917	244,043	9,126	3.9%
08 Contractual Services	1,453,721	1,491,008	1,243,796	-247,212	-16.6%
09 Supplies and Materials	524,284	366,000	366,000	0	0%
11 Equipment – Additional	133,975	73,900	69,803	-4,097	-5.5%
12 Grants, Subsidies, and Contributions	310,608	383,744	411,754	28,010	7.3%
13 Fixed Charges	2,287,039	2,403,203	2,424,367	21,164	0.9%
Total Objects	\$ 27,456,904	\$ 26,808,356	\$ 28,894,148	\$ 2,085,792	7.8%
Funds					
01 General Fund	\$ 20,213,891	\$ 18,624,530	\$ 20,073,000	\$ 1,448,470	7.8%
03 Special Fund	3,195,119	3,762,193	4,283,895	521,702	13.9%
05 Federal Fund	1,703,425	1,932,775	2,051,047	118,272	6.1%
09 Reimbursable Fund	2,344,469	2,488,858	2,486,206	-2,652	-0.1%
Total Funds	\$ 27,456,904	\$ 26,808,356	\$ 28,894,148	\$ 2,085,792	7.8%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary
Office of the Attorney General**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk Approp</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
01 Legal Counsel and Advice	\$ 7,482,383	\$ 6,815,047	\$ 6,704,519	-\$ 110,528	-1.6%
04 Securities Division	2,552,044	2,358,686	2,581,574	222,888	9.4%
05 Consumer Protection Division	3,918,037	3,485,459	4,675,448	1,189,989	34.1%
06 Antitrust Division	960,682	952,914	986,462	33,548	3.5%
09 Medicaid Fraud Control Unit	2,284,681	2,577,862	2,734,731	156,869	6.1%
10 People's Insurance Counsel Division	492,351	519,568	501,369	-18,199	-3.5%
12 Juvenile Justice Monitoring Program	601,604	751,916	689,411	-62,505	-8.3%
14 Civil Litigation Division	2,608,162	2,856,771	2,811,969	-44,802	-1.6%
15 Criminal Appeals Division	2,440,968	2,445,977	2,587,001	141,024	5.8%
16 Criminal Investigation Division	1,538,033	1,360,298	1,800,311	440,013	32.3%
17 Educational Affairs Division	520,839	535,888	567,902	32,014	6.0%
18 Correctional Litigation Division	388,221	281,174	374,545	93,371	33.2%
20 Contract Litigation Division	1,668,899	1,866,796	1,878,906	12,110	0.6%
Total Expenditures	\$ 27,456,904	\$ 26,808,356	\$ 28,894,148	\$ 2,085,792	7.8%
General Fund	\$ 20,213,891	\$ 18,624,530	\$ 20,073,000	\$ 1,448,470	7.8%
Special Fund	3,195,119	3,762,193	4,283,895	521,702	13.9%
Federal Fund	1,703,425	1,932,775	2,051,047	118,272	6.1%
Total Appropriations	\$ 25,112,435	\$ 24,319,498	\$ 26,407,942	\$ 2,088,444	8.6%
Reimbursable Fund	\$ 2,344,469	\$ 2,488,858	\$ 2,486,206	-\$ 2,652	-0.1%
Total Funds	\$ 27,456,904	\$ 26,808,356	\$ 28,894,148	\$ 2,085,792	7.8%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

Assistant Attorneys General Distribution by Agency

<u>Agency</u>	<u>Assistant Attorneys General</u>	<u>Staff Attorneys</u>
Aging	2	
Agriculture	3	
Assessments and Taxations	3	
Budget and Management	7	4
Business and Economic Development	9	
Comptroller	6	
Contract Litigation, Morgan	1	
University of Maryland, Maryland Institute for Emergency Medical Services Systems, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College	16	
Maryland Higher Education	2	
Maryland Automobile Insurance Fund	2	
Maryland Public Television	2	
Maryland Department of Education	10	
Environment	25	
Energy Administration	2	
Environmental Services	3	
General Assembly	1	
General Services	7	
Governor's Office for Children	1	
Health and Mental Hygiene	45	5
Housing and Community Development	11	
Human Resources	17	1
Information Technology	2	
Insurance Administration	13	
Juvenile Services	4	
Labor and Higher Education Board	1	
Labor, Licensing, and Regulation	22	
Lottery Agency	5	
Natural Resources	10	
Planning	3	
Public Safety and Correctional Services	16	
Retirement Systems	7	

C81C – Office of the Attorney General

Appendix 4 (Cont.)

<u>Agency</u>	<u>Assistant Attorneys General</u>	<u>Staff Attorneys</u>
Stadium Authority	1	
State Police	5	
Subsequent Injury Fund	6	
Transportation	51	1
Treasurer's Office	6	
Uninsured Employers' Fund	3	
Workers' Compensation Commission	1	
Total	331	11

Source: Office of the Attorney General

**Office of the Attorney General
Significant Litigation – Fiscal 2008 and 2009
Civil Litigation: Claims of \$2 Million or More**

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<p><i>Allen, Tasha v. Department of Human Resources (DHR) (DHR)</i> Survival actions and actions for wrongful death arising from killing of foster child by her foster mother's fiancé.</p>	\$5.0
<p><i>In the Appeal of Barton Mallow Construction (Contract Litigation)</i> Claim for additional costs from contractor that built University of Maryland building.</p>	4.1+
<p><i>Becker, et al. v. Maryland Transit Administration (MTA) (Maryland Department of Transportation (MDOT)/MTA)</i> Plaintiff was northbound on I-795 in lane 2 just south of McDonough Road and alleges his vehicle was struck by a MTA third rail collector shoe. The collector shoe went through the driver's side windshield striking Becker in the neck and throat area.</p>	23.0
<p><i>Bennett, Mary v. State (MDOT/MTA)</i> As mother and surviving parent of Richard Wilson, deceased, and as personal representative of the estate; Circuit Court Baltimore City; MTA bus was pulling away from stop, deceased plaintiff ran up to side of bus, fell into street and was run over by wheel of bus.</p>	20.0
<p><i>Baltimore Gas & Electric Company (BGE) v. State Department of Assessments and Taxation (SDAT) (SDAT)</i> Application of franchise tax to BGE electricity charges.</p>	6.4+
<p><i>Braverman v. State of Maryland (Civil)</i> Owners of residential ground rent leases in Maryland brought a punitive class action against the State, asserting that Senate Bill 396 (nonpayment of ground rent), effects an unconstitutional taking of their property.</p>	400.0+
<p><i>Butler v. Pullen, et al. (Educational Affairs)</i> Multi-count complaint alleging abuse of process and malicious prosecution, etc.</p>	2.6
<p><i>Carroll County Commissioners v. Maryland State Retirement Pension System (MSRPS) (MSRPS)</i> “Withdrawal liability” of Carroll County for members who remained in the system after the county’s withdrawal in 1985.</p>	12.0

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<p><i>Chase Brexton Health Serv. v. Department of Health and Mental Hygiene (DHMH) (DHMH)</i> Challenge to DHMH calculation of prospective payment rate applicable to Federally Qualified Health Centers.</p>	7.0
<p><i>Coalition for Equity and Excellence in Maryland Higher Education v. Ehrlich (Maryland Higher Education Commission)</i> Complaint alleges that Maryland maintains a racially segregated system of higher education and has engaged in a pattern and practice of racial discrimination that has prevented historically black institutes from achieving parity with traditionally white institutions.</p>	2.0
<p><i>Community Development Ventures, et al. (Department of Business and Economic Development)</i> State sued in third party capacity for breach of fiduciary duties and good faith/fair dealing, civil conspiracy in business financing case.</p>	338.0
<p><i>Days Cove Reclamation v. State (Civil)</i> Alleging that Chapter 161 of 2007, which prohibits landfills in certain locations, is a special law in violation of the Maryland Constitution and a taking under the 5th Amendment.</p>	25.0
<p><i>Duncan v. State (Department of Public Safety and Correctional Services (DPSCS))</i> Arises from parole retake warrant, where parole retake agent forced entry into Plaintiff's home through locked window.</p>	50.0
<p><i>Fisher v. State of Maryland (DHR)</i> Failure of the Department of Social Services to intervene to stop child abuse of G. Fisher and her sister.</p>	15.0+
<p><i>George, Regina v. MTA (MDOT/MTA)</i> Plaintiff was traveling westbound and made a left turn in front of the eastbound MTA bus.</p>	2.0

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<p><i>Hayes, James McKinley v. State of MD, et al. (DHR/DHMH)</i> Claims against the State based on alleged conduct of (1) Prince George’s County Department of Social Services (PGCDSS) investigators for failure to conduct a thorough investigation and expunge his records; (2) PGCDSS employees for failure to expunge Child Protective Services case records; (3) Assistant Attorney General for failure to recognize court orders and failure to ensure that his rights were not violated (4) Detention Center Commission for issuing an arrest warrant and (5) Assistant State’s Attorney for prosecuting him for 2nd degree assault.</p>	2.0+
<p><i>In the Appeal of Hess Construction (Contract Litigation)</i> Defective steel design specifications caused delay and increased steel costs and extended overhead.</p>	8.6+
<p><i>Hess Construction Company, Inc. v. Morgan State University (Contract Litigation)</i> Claims by contractor on the New Library project at the University for additional costs associated with delay in completion of the project.</p>	5.0+
<p><i>Hill/Adams v. Mayor of Balto., et al. (Department of General Services)</i> Ten plaintiffs suing in tort for wrongful death due to mold in building. State not listed as a defendant., but State leases the building and lease states State will indemnify.</p>	600.0
<p><i>Holmes-Marrow v. O’Malley, et al. (DHR)</i> Claim against State. State officials and employees arising from alleged sexual assault of plaintiff’s group home.</p>	6.0
<p><i>Howard v. Dicks, et al. (MDOT/Maryland Transportation Authority(MDTA))</i> Motor vehicle accident. The suit is brought by the estate of plaintiff drivers against a tractor trailer driver, Dicks. The traffic control devices were inoperable due to a power failure at the intersection.</p>	5.0
<p><i>Iko v. Galley (Correctional Litigation)</i> Family of inmate claims decedent was subject to excessive force in cell extraction and subsequently denied medical care.</p>	28.0
<p><i>Johnson v. Coalition for Equity & Excellence in Maryland (Educational Affairs)</i> Plaintiff was previously hired as counsel in another civil action (Coalition v. Ehrlich) and was then terminated. There was no signed Retainer Agreement. Plaintiff alleges Richardson & Goodwin both of Morgan State University (MSU) were acting outside the scope of their employment.</p>	4.0+

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<i>Jones v. Marks (MDOT/MTA)</i> African American plaintiff charges harassment and hostile work environment.	16.0
<i>Jones v. Marks, et al. (DPSCS)</i> Claim alleges that detainees upon entering central booking were illegally strip-searched.	2.0+
<i>Kent v. MDTA (#2) (MDOT/MDTA)</i> Constitutional and tort claims relating to retaliation for filing discrimination complaints.	4.0
<i>Leech v. Maryland State Police(MSP) (MSP)</i> Mr. Leech was shot and killed following high speed chase and was firing his weapon upon Maryland State Police troopers.	2.0
<i>McReady, Edward C. v. University of Maryland University College, et al.</i> Plaintiff seeks compensation and punitive damages under 42 U.S. Code §1983 and 1st Amendment for defamation arising in employment from non-renewal decision.	17.0
<i>Maryland v. Centers for Medicare & Medicaid (DHMH)</i> Disallowance of Medicaid Federal Financial Participation for Medicaid school based services claim during fiscal 2000.	20.0+
<i>Maryland Department of the Environment (MDE) v. Honeywell International, Inc. and Maryland Port Administration(MPA) (MDOT/MPA)</i> MDE filed a complaint seeking preliminary and permanent injunctive relief related to presence of chromium at the Dundalk Marine Terminal.	17.0
<i>Nofi v. Cornell (Educational Affairs)</i> Negligence/strict liability case brought against University of Maryland School of Medicine for its distribution of defective Human Growth Hormone in the 1970s and 1980s. Plaintiff died after contracting Cruetzfeld Jakob Syndrome from the hormone.	3.0
<i>Okoh, Bilky v. University of Maryland Eastern Shore (Educational Affairs)</i> Civil action filed pursuant to the Civil Rights Act of 1964, the Federal Fair Labor Standards Act and Maryland common law based on race/color, national origin, equal pay and compensation, nonselection, and sex and gender discrimination in employment.	10.0

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<i>Powell, et al. v. State of Maryland, et al. (Civil)</i> Suit against State with 35 other defendants alleging negligence and violation of Consumer Protection Act in connection with allegedly lead-paint contaminated properties,	4.0+
<i>Randall v. MTA (MDOT/MTA)</i> False arrest case. Plaintiff eating while a patron on the light rail train. MTA Officer Mance requested plaintiff to dispose of food, refused, and then arrested.	4.0
<i>Rodriguez v. State (Correctional Litigation)</i> Inmate was murdered on bus while traveling from Baltimore City Correctional Center, §1983 claims, State Constitution and other State law claims.	51.0
<i>Ryan v. MDTA (MDOT/MDTA)</i> Tort claim received by Treasurer. Wrongful death claim pertaining to auto accident where road design defects were the cause.	10.0
<i>Sawiki v. MSU (Educational Affairs)</i> Professor suing MSU and four of its officers for breach of contract, race, gender, religious, age, and disability discrimination	11.0
<i>Self Pride v. Kronmiller, et al. (DHMH)</i> Claims that department treated licensee in discriminatory fashion.	12.0+
<i>Seyoum v. Meyer (MDOT/MDTA)</i> Tort claim litigation relating to arrest at BWI.	12.5
<i>Estate of Sherwood v. State (Department of Natural Resources (DNR))</i> Section 1983 and constitutional torts claimed in United States District Court for DNR police excessive force when they shot Sherwood while taking him into custody.	30.0
<i>Siemens Energy & Automation v. Hensel Phelps & Maryland Economic Development Corporation (MEDCO) (Contract Litigation)</i> Involves \$152 million contract for construction of new Pier A-B for Baltimore/Washington International Thurgood Marshall Airport (BWI).	4.5
<i>Silva v. Bowie State University, et al. (Educational Affairs)</i> Discrimination based on national origin and age.	54.0

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<p><i>Smith v. McCann and DHMH/ DHMH v. CMS (DHMH)</i> Class action challenging DHMH policies regarding Medicaid deductions for nursing home cost incurred prior to eligibility. DHMH disputes Centers of Medicare and Medicaid Services interpretation of Medicaid deduction policy.</p>	21.0
<p><i>Spicka v. Stewart, et al. (MDOT/MDTA)</i> Allegations of State torts, violations of Maryland Constitution, false arrest/imprisonment, intentional infliction of emotional distress, slander/defamation, invasion of privacy against 5 authority police officers out of arrest re: emailed bomb threat to BWI.</p>	6.0
<p><i>Tollenger v. Connor. (MDTA/Civil)</i> Survivor action and wrongful death claim arising out of collision on Maryland bridge.</p>	3.0
<p><i>Trigen Cinergy Sys. v. MEDCO. (Contract Litigation)</i> Contract claim arising out of University of Maryland, College Park power plant construction based on delay in issuance of notice to proceed.</p>	9.3+
<p><i>Turner v. Knight (Courts/Sheriffs)</i> U.S. and Maryland constitution and tort claims arising from shooting plaintiff who resisted when deputy intended to tase.</p>	15.0
<p><i>U.S., ex rel. Allen Hindin v. New York Lutheran Medical Center, et al. (Educational Affairs)</i> False Claim Act case regarding dental residency education funds.</p>	5.0
<p><i>Victors, et al. v. Kronmiller, et al. (DHMH)</i> Claims that DHMH treated licensee in discriminatory fashion.</p>	13.0+
<p><i>Walker v. MTA (MDOT/MTA)</i> Complaint for declaratory judgment, negligence and intentional infliction of emotional distress, discrimination, and breach of contract.</p>	3.0+
<p><i>Ward, Victor v. Anne Arundel County Domestic Relations Division (DHR)</i> Plaintiff is seeking to have paternity judgment declared void and appears to claim that State lied to court; claims entitlement to a jury trial to determine paternity and appears to claim State violated certain provisions of the Social Services Administration.</p>	200.0

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<p><i>Warfle, Merle v. DHMH, et al. (DHMH)</i> Suit filed pursuant to Title II of American Disabilities Act; Title VII of the Civil Rights Act; and 4th Amendment – named defendants are DHMH, Eastern Shore Hospital Center, and Maryland Sheltered Workshop, as well as several current and former employees.</p>	3.4
<p><i>Washington County Board of Commissioners v. Maryland Environmental Service (MES) (MES)</i> County claims MES breached agreement to properly design a landfill closure cap. County also alleges tortious interference.</p>	7.7+
<p><i>Williams v. Prince George’s County (Courts/Sheriffs)</i> Tort claims alleging malice for excessive force in arrest.</p>	7.0
<p><i>Williamson v. Grant, et al. (MDOT/MDTA)</i> State and federal constitutional violations, false arrest, battery, and malicious prosecution arising out of arrest of Mr. Williamson at BWI airport after he became unruly after flight was canceled.</p>	3.7
<p><i>Estate of Lelia Wright filed by Green, Fowler, et al v. MTA (MDOT/MTA)</i> Plaintiff Wright, age 80, stood up to notify bus operator that she wanted to get off at next stop and fell. Taken to ER, died next morning of cardiac arrest.</p>	100.0

Other Significant Cases

<u>Case and Nature of Claim Alleged</u>	<u>Amount Claimed (\$ in Millions)</u>
<p><i>Philip Morris (Tobacco Litigation)</i> The State initiated a proceeding in the Circuit Court for Baltimore City to obtain a ruling that the State has "diligently enforced" State law on cigarette sales by tobacco companies that are not participants to the Master Settlement Agreement, in order to avoid liability for a major downward adjustment to its 2003 MSA payment. Related proceedings are underway for 2004 and 2005.</p>	Up to \$144.0 (up to \$150,000 per year of adjustment)
<p><i>Bradford v. Maryland State Department of Education (MSDE) (MSDE)</i> Complaint filed by ACLU challenging the adequacy of education provided to students in Baltimore City schools.</p>	1.0+