

ARTICLES FOR 4-6-17 ROUNDUP

Attorney General Balderas Announces Extradition of Roswell Man Accused of Murdering his Family

AG Balderas is currently in Mexico meeting with Procurador General de la República Raúl Cervantes Andrade

Mexico City, Mexico – New Mexico Attorney General Hector Balderas announced that Juan David Villegas was successfully extradited this afternoon and is on U.S. soil in the custody of the U.S. Marshal Service. Attorney General Balderas used the extradition process for the return of this fugitive back to the United States, and as a result Juan David Villegas was captured and returned to stand trial for the deaths of his wife and four daughters in New Mexico. On June 12, 2016, it is alleged that former fugitive Juan David Villegas shot and killed his wife, Cynthia Villegas and shot and killed his four daughters: Yamilen Villegas; Cynthia Janeth Villegas; Abigail (Abby) Villegas; and Idaleigh (Idaly) Villegas. After Villegas allegedly killed his wife and four daughters, he fled the United States for Mexico where he was apprehended by U.S. Marshals. “Today we begin the process of bringing justice against Juan David Villegas who rocked the community of Roswell and the entire state when he allegedly murdered his own family and fled to Mexico,” said Attorney General Hector Balderas. “I want to thank U.S. Marshal Conrad Candelaria, Fifth Judicial District Attorney Dianna Luce, and their amazing teams for their assistance in returning Juan David Villegas to New Mexico to face his crimes. Our partnerships from the federal to local levels are how we are working to put away the most dangerous, violent offenders in New Mexico.” Attorney General Balderas is currently in Mexico meeting with Mexican justice officials, including the Attorney General of Mexico (Procurador General de la República) Raúl Cervantes Andrade to continue to strengthen New Mexico’s strong diplomatic relations with Mexico and will personally thank Attorney General Cervantes Andrade for his cooperation and effort to return Juan David Villegas to New Mexico. Attorney General Balderas also maintains regular communication with Mexican border state attorneys general regarding issues impacting the border and international extraditions. The United States’ extradition treaty with Mexico allows extraditions of violent offenders or child predators, and the Office of the Attorney General is the only state agency in New Mexico that provides extradition support to local law enforcement and district attorneys. The Border Violence Unit of the New Mexico Office of the Attorney General navigates this lengthy and complex process with the U.S. Marshals Service, the U.S. State Department and the Department of Justice, Office of International Affairs. However, the extradition process would not be successful, if not for our strong relationships, collaborations and communication with Mexican officials. International extraditions are one of the most important functions of the New Mexico Office of the Attorney General.

FERGUSON FILES \$2.1M CAMPAIGN FINANCE LAWSUIT AGAINST TIM EYMAN

OLYMPIA — Attorney General Bob Ferguson today filed a campaign finance lawsuit against Tim Eyman, alleging improper personal use of \$308,000 in contributions made to political committees, concealment of contributions totaling \$490,185 and misleading reporting. The lawsuit also accuses

for-profit signature gathering firm Citizen Solutions of participating in a scheme to conceal campaign money the company funneled to Eyman.

If successful, Eyman and his for-profit company, Tim Eyman Watchdog for Taxpayers, could face \$1.8 million in penalties, plus \$308,000 in reimbursement.

Citizen Solutions and one of its principals, William Agazarm, could face penalties up to \$924,555.

Ferguson will also ask the court to bar Eyman from participating in or directing financial transactions for any political committees going forward. A 2002 agreement permanently barred Eyman from serving as treasurer for political committees. Yet, the lawsuit alleges, Eyman still managed to weave an elaborate web of financial transactions to hide campaign funds, enriching himself while keeping his contributors and the public at large in the dark.

This scheme duped contributors who thought they were donating to one initiative, but instead were supporting Eyman's personal expenses and a completely different initiative.

"Taking kickbacks from contractors, using campaign funds for personal expenses, redirecting donations made for one initiative to a different initiative — it's hard to imagine what more Mr. Eyman could have done to show his contempt for our campaign finance disclosure laws," Ferguson said.

The complaint filed today in Thurston County Superior Court stems from a state Public Disclosure Commission investigation. In August 2012, the PDC received a complaint about Eyman and two of his political committees: Voters Want More Choices and Protect Your Right to Vote on Initiatives.

In September 2015, PDC staff presented the results of their investigation to the Commission, which then referred the case to the Attorney General's Office.

On Nov. 13, 2015, the Attorney General's Office issued civil orders to Eyman, his for-profit company, two of his political committees and Citizen Solutions.

The orders sought business and financial information, including banking and tax records, regarding Eyman initiative campaigns in Washington. While the respondents produced a smattering of records, some of which were heavily censored, they did not fully respond to the subpoenas.

In June 2016, a judge ordered Eyman to comply with the subpoenas in the Attorney General's investigation. Even then, the defendants failed to meet the court-ordered deadline, and it took a contempt motion to obtain the records.

In September 2016, the courts ordered Eyman, his political committees and Citizen Solutions to pay the Attorney General's Office a total of \$33,000 for the costs of enforcing subpoenas in the investigation.

Allegations

“Voters Want More Choices – Save the 2/3’s” was a political committee with one treasurer and three officers, one of whom was Eyman. VWMC was created to support Initiative 1185, which would have required a two-thirds majority for legislative actions raising taxes.

On April 2, 2012, Eyman signed an agreement on behalf of the committee with for-profit signature gathering firm Citizen Solutions to provide signatures to qualify I-1185 for the November 2012 General Election ballot.

VWMC agreed to pay Citizen Solutions \$3.50 per signature, a total cost of over \$1 million.

Over the course of the signature drive, VWMC paid \$623,325 to Citizen Solutions for signature gathering.

In addition, VWMC reported receiving \$495,000 in in-kind contributions from the Association of Washington Businesses PAC and \$100,000 in in-kind contributions from the Washington Beer and Wine Wholesalers for direct payments to Citizen Solutions for signature-gathering services for the I-1185 signature drive. Those contributions were not part of this investigation.

The total payments by VWMC and the in-kind contributors to Citizen Solutions for I-1185 signature gathering amounted to \$1,218,325, for a total of 320,003 signatures.

Immediately after the I-1185 signatures were delivered, Eyman and his for-profit company, Tim Eyman Watchdog for Taxpayers, sought and received \$308,185 from Citizen Solutions. The payment was delivered via wire transfer July 11, 2012 — four days after the signatures were delivered.

This payment was not reported to the PDC, and, the lawsuit alleges, constitutes concealment, a violation of state law. Eyman did not communicate to VWMC that he was receiving this money. Because VWMC did not report the payment to Eyman in its reports, the lawsuit further alleges Eyman caused the committee to file five inaccurate and misleading reports. Each report is a violation.

No written agreement exists related to the payment. However, a July 8 email exchange between Eyman and Agazarm references the payment. Agazarm wrote: “The immediate goal is to get you paid.”

These funds went to Eyman’s personal use. Every transaction he made using the \$308,185 for his personal use constitutes a violation of state law, the lawsuit alleges.

During the PDC’s investigation, Eyman admitted he used more than \$100,000 of the \$308,185 “to provide for my family.”

The same day Eyman received the payment from Citizen Solutions, he made the first in a series of payments totaling \$200,000 to a Virginia-based advocacy group, Citizens in Charge, to sponsor

signature gathering for a different Eyman initiative — Initiative 517. I-517 would have “set penalties for interfering with signature-gatherers or signers.”

Eyman expected the money he paid to Citizens in Charge to be used for I-517. The lawsuit alleges these payments also constitute personal use, and violate state law.

Citizens in Charge did spend the money on signature gathering for I-517. They sent the signatures to another Eyman committee, Protect Your Right to Vote on Initiatives.

The value of these signatures was reported as \$182,000.

However, instead of reporting Eyman as the source of the \$182,000 in-kind contribution, Eyman directed the committee to report Citizens in Charge as the source.

The lawsuit alleges Eyman concealed the true source of the \$182,000, a violation of state law, and caused the committee to file three inaccurate and misleading reports. Each report is a violation.

Potential penalties

Under state law, sanctions for campaign finance disclosure violations can include a penalty equal to the amount not reported. If the court finds that the violation was intentional, that penalty can be tripled.

Ferguson's lawsuit alleges:

Eyman concealed the \$308,185 payment from Citizen Solutions. If the judge finds this to be intentional, that penalty could total \$924,555.

Eyman concealed the true source of \$182,000 in in-kind contributions to Protect Your Right. If the judge finds this to be intentional, that penalty could total \$546,000.

Eyman spent campaign funds for personal use through at least five payments to Citizens in Charge, with a penalty up to \$10,000 per payment. If the judge finds this to be intentional, that penalty could total \$150,000.

Eyman caused VWMC to file three inaccurate or misleading reports related to its payments to Citizen Solutions, with a penalty up to \$10,000 per report. If the judge finds this to be intentional, that penalty could total \$90,000.

Eyman caused Protect Your Right to file five inaccurate and misleading reports related to contributions it attributed to Citizens in Charge, with a penalty up to \$10,000 per report. If the judge finds this to be intentional, that penalty could total \$150,000.

Citizen Solutions and one of its principal, William Agazarm, concealed the \$308,185 payment to Eyman. If the judge finds this to be intentional, that penalty could total \$924,555.

If all violations are proven and found intentional, Eyman's penalties could total \$1,860,555.

Additionally, Ferguson will ask the court to order Eyman and his company reimburse to VWMC \$308,185 for his improper personal use.

Today's lawsuit is unrelated to separate actions filed in September 2016 against Eyman, four political committees and their officers and treasurer. Those lawsuits allege shoddy accounting practices and improper disclosure of the source of funds for the committees and their ads violated Washington law.

The defendants will have 20 days from the date they are served to respond to the state's complaints.

Senior Assistant Attorney General Linda Dalton and Assistant Attorneys General Walter Smith and Jeff Sprung are handling the case.

The Attorney General's Office enforces the state's campaign finance disclosure law to ensure free, open and fair elections in Washington state. Since becoming Attorney General, Attorney General Ferguson has devoted more agency resources to campaign finance casework.

Attorney General Bondi Appointed to President's Opioid and Drug Abuse Commission

TALLAHASSEE, Fla.—Attorney General Pam Bondi is honored to be appointed to President Donald J. Trump's Opioid and Drug Abuse Commission. As a member of the commission, Attorney General Bondi will work alongside national leaders in the opioid fight on drug prevention, interdiction and treatment strategies. New Jersey Governor Chris Christie will chair the commission.

"I am honored to work alongside President Trump, Governor Christie and others to combat the national opioid crisis that is claiming thousands of American lives every year," said Attorney General Bondi. "For more than two decades, first as a state prosecutor and now as Florida's attorney general, I have fought drug abuse at the local and state level—with this appointment I will work with national leaders in this vital fight."

In 2011, when Attorney General Bondi took office, seven Floridians were dying every day from prescription drug abuse, 98 of the top 100 oxycodone dispensers lived in Florida, and Florida was known as the Pill Mill Capital of the Country. Working with law enforcement and lawmakers, Attorney General Bondi took quick action to shut down pill mills and save lives. Today none of the top oxycodone dispensers live in Florida.

In 2012, Attorney General Bondi chaired the Prescription Drug Abuse and Newborn Task Force to raise awareness, improve reporting and identify policy recommendations regarding Neonatal Abstinence Syndrome. NAS effects babies born drug exposed. The task force finished ahead of schedule with recommendations to raise awareness, increase reporting and improve treatment. The task force also worked with the legislature to secure millions of recurring dollars to treat expectant mothers addicted to drugs.

Since taking office, Attorney General Bondi has issued executive orders and worked with lawmakers to ban 136 of the most common chemical compounds used to produce deadly synthetic drugs. In 2016, Attorney General Bondi helped pass sweeping legislation to dramatically improve control over synthetic drugs.

For the 2017 legislative session, Attorney General Bondi is supporting legislation to add Fentanyl to Florida's drug trafficking statute. Fentanyl is a deadly synthetic substance 50 times more powerful than heroin. Drug dealers commonly mix Fentanyl with other substances and sell it as heroin or a prescription painkiller—all too often resulting in drug abusers suffering fatal overdoses.

As a career prosecutor, Attorney General Bondi has fought drug abuse for two decades. She is currently the Co-Chair of the National Association of Attorneys General Substance Abuse Committee. The appointment to the President's Opioid and Drug Abuse Commission will allow her to work with other national leaders on drug prevention, interdiction, treatment and recovery strategies.

AG JOSH STEIN: NC IS ONE STEP CLOSER TO CONFRONTING OPIOID EPIDEMIC

AG Applauds House Health Committee's Unanimous Passage of STOP Act

RALEIGH, NC – Attorney General Josh Stein today applauded the North Carolina House of Representatives Health Committee, which unanimously passed legislation to confront the opioid crisis. The STOP Act, formally the Strengthen Opioid misuse Prevention Act, will ensure smarter prescribing and smarter dispensing of highly-addictive prescription drugs.

“I sincerely thank the House Health Committee for its support of this bill and, in particular, Chairman Murphy for his leadership on it,” said AG Josh Stein. “Opioid addiction is tearing families apart all across our state and requires a swift policy response to prevent addiction and support those who are currently struggling. This bill is an important first step in a comprehensive response to the opioid crisis.”

NOTE: AG Stein will host a press conference tomorrow at 10:30 to discuss additional legislation related to the opioid crisis. This bill, the Synthetic Opioid Control Act, will address law enforcement’s needs to confront the crisis. For more information, join the press conference at 114 West Edenton Street at 10:30 or visit www.facebook.com/ncdoj to view the press conference on Facebook live.

Insurance Company to Pay \$2.8 Million to Resolve Claims of Unlawful, Deceptive Sales of Health Insurance Sold Across State Lines

Settlement will Provide \$2.3 Million to Customers in Massachusetts; Company Allegedly Failed to Cover Basic Health Care Services Required by Law

BOSTON – A Kansas-based insurance company has agreed to pay more than \$2.8 million to settle allegations that it used deceptive and unlawful practices to sell health insurance to Massachusetts consumers, Attorney General Maura Healey announced today. The settlement will provide more than \$2.3 million to consumers.

According to the complaint, filed Monday along with the consent judgment in Suffolk Superior Court, Unified Life Insurance Company (ULIC) sold health insurance to Massachusetts consumers

that was not authorized for sale and engaged in a host of deceptive practices, such as claiming its insurance included services that it did not cover. According to the AG's complaint, ULIC also excluded Massachusetts consumers from coverage based upon their health status or preexisting conditions, and failed to cover basic health services – such as behavioral health services, maternity services, preventive services for women and children, and other essential benefits required by Massachusetts law. The coverage at issue was sold across state lines and was issued through a third-party association.

"This company sold sub-par health insurance that violated state law," said AG Healey. "Recently revived federal proposals to take away our state's longstanding authority to oversee sales of health insurance will leave consumers and families more vulnerable to exploitation and create a 'race-to-the-bottom' that will raise prices and reduce access to quality health care for those in need."

"Consumers deserve to shop for health insurance free from unfair and deceptive sales tactics," said Donald M. Berwick, President Emeritus of the Institute for Healthcare Improvement and former Administrator of the Centers for Medicare and Medicaid Services. "I applaud our Attorney General for protecting a level playing field in Massachusetts, where insurers compete on providing better health care, not on discriminating against those with preexisting conditions. Our state has a strong history of setting basic standards for health insurance that its residents can depend on."

State law also requires that health benefit plans sold to individuals or small groups in Massachusetts be filed with the Massachusetts Division of Insurance (DOI) and approved by the Commissioner of Insurance. According to the AG's complaint, ULIC did not file with DOI or get approval from the Commissioner.

Under the terms of the consent judgment, approved by the Court on Monday, ULIC must pay more than \$2.8 million, including \$2,348,000 for consumer relief, which will be distributed by ULIC, and \$465,000 to the Commonwealth, including \$450,000 in civil penalties.

The AG's Office has brought multiple actions raising similar issues against health plans, often ones sold across state lines and involving association health insurance.

Consumers concerned about illegal health insurance practices in Massachusetts are urged to call the AG's Health Care Helpline at (888) 830-6277. Guidance on how to choose a health plan is also available on the AG's website.

This matter was handled by Assistant Attorney General Emiliano Mazlen, with assistance from Division Chief Karen Tseng and Mediator/Policy Analyst Patricia Hamilton, of AG Healey's Health Care Division and Anthony Crespi of AG Healey's Civil Investigations Division.

Attorney General Balderas Announces Launch of Conscious Campus Initiative; Partners with New Mexico Institutions of Higher Learning to Combat Sexual Assault and Promote Campus Safety

New Mexico Attorney General to host Conscious Campus evening at New Mexico Colleges and Universities to raise awareness around sexual assault Las Vegas, NM

In recognition of Sexual Assault Awareness Month, Attorney General Hector Balderas announced the launch of his office's statewide Conscious Campus initiative. The educational initiative aims to help college communities discuss the realities of sexual assault on campus, explore interventions, and benefit from community resources. "I applaud my alma mater, Highlands University and other participating colleges in New Mexico for taking steps toward making their campuses safer," said Attorney General Balderas. "This initiative brings together college and university communities, government officials, health professionals, and law enforcement to engage in a meaningful dialogue about the realities of sexual assault and connects students with critical resources." Furthering its work to promote public safety, the Office of the Attorney General will kick off its initiative by hosting Conscious Campus nights at four New Mexico campuses – Highlands University, Eastern New Mexico University, Central New Mexico Community College and New Mexico State University. These evening events—which are free and open to the public—are designed to raise student awareness and engage college communities in efforts to prevent, recognize and report instances of sexual violence within campus communities. Each event will include a screening of "The Hunting Ground" followed by a moderated panel discussion and resource fair. The first Conscious Campus event will be held at New Mexico Highlands University on Tuesday, April 4, 2017 at 5:30 PM in the Ilfeld Auditorium. More detailed information will be released starting tomorrow regarding each campus' events.

AG Reyes and Simone Biles Team Up with Responsibility.org to Encourage Teens to Say 'NO' to Underage Drinking

ARLINGTON, VA. – Kicking off April's "Alcohol Responsibility Month," Attorney General Sean Reyes teamed up with Olympic Superstar Simone Biles and the Foundation for Advancing Alcohol Responsibility (Responsibility.org) to release a public service announcement (PSA) to prevent underage drinking. In the video, through Responsibility.org's Ask, Listen, Learn: Kids and Alcohol Don't Mix program, Attorney General Reyes and Biles encourage parents to have conversations with their kids and teens about saying "no" to underage drinking. Find a link to the video below.

"Few people have as significant an impact on children as their own parents," said Sean Reyes, Utah Attorney General. "Parents can be positive role models and are the best people to teach children to make healthy lifestyle choices. I owe my own mother and father so much for the lessons and examples they gave me."

"I'm thrilled to join Responsibility.org and their Ask, Listen, Learn program," said Biles. "Setting goals and making the right choices were so important in my journey to becoming a World Champion. It's not always easy, but I find that surrounding myself with positive role models and other people who are willing to work hard are the keys to my success. I hope these PSAs will help kids understand the benefits of living a healthy lifestyle and making informed decisions."

In the PSAs, the attorneys general encourage parents to begin talking with kids about alcohol because underage drinking is illegal and unhealthy and negatively effects their developing brains. In addition, these talks are shown to be effective. From 2003 to 2016, conversations between kids and their parents increased 73 percent. During that same time period, the 2016 Monitoring the

Future survey shows that underage drinking decreased 50 percent. While this is a major improvement—underage drinking is at a record low—there is still work to be done. The PSAs will begin airing throughout each of the 21 states this month.

“For more than 25 years, Responsibility.org has led the fight against drunk driving and underage drinking, and we are very excited to work with Simone Biles and so many of our country’s attorneys general,” said Ralph Blackman, president and CEO of Responsibility.org. “There is no better time than April—Alcohol Responsibility Month—to jumpstart conversations about making smart choices. We hope these PSAs will help parents to open up early and often and talk to their kids about alcohol responsibility.” The PSA filmed with Simone Biles and AG Reyes can be found here.

Attorney General Racine Launches Pilot Program to Resolve Lawsuits against District through Informal Mediation

WASHINGTON, D. C. – Attorney General Karl A. Racine has launched a pilot program to resolve lawsuits against the District government through an informal mediation process. Under the program, any individual who has filed a lawsuit against the District of Columbia seeking \$10,000 or less for property damage or personal injury may bring the claim before a neutral mediator.

Because this process does not involve formal discovery by either side, the mediation is intended to allow individuals with meritorious claims to obtain a quick resolution and save taxpayers the cost of going to trial.

“District taxpayers benefit when lawsuits against the city are resolved quickly and the District as well as the other party can avoid the costs of going to trial,” said Attorney General Racine. “The Office of the Attorney General’s new mediation program is an opportunity for the District government to provide a quick, fair, and informal way of resolving claims with resolutions agreeable to all parties.”

In its initial phase, the program will only apply to claims for property damage and personal injury being defended by the Office of the Attorney General’s Civil Litigation Division. Participants may agree to either binding or non-binding mediation. When cases are resolved through the program, the plaintiff forgoes any further claim, and the maximum amount that may be awarded is \$10,000.

Individuals can participate in the mediation process with or without an attorney. The program guidelines are attached and available online.

AG MARSHALL, REVENUE COMMISSIONER MAGEE ANNOUNCE VICTORY IN FEDERAL COURT IN CSX CASE

Ruling Could Return More than \$10 million to State Schools

(MONTGOMERY)— Attorney General Steven T. Marshall and Revenue Commissioner Julie P. Magee announced that the federal District Court for the Northern District of Alabama has dismissed CSX Transportation’s lawsuit challenging the application of Alabama’s four percent

sales tax to CSX's purchase of diesel fuel, a ruling that could return more than \$10 million in unpaid taxes to Alabama's Education Trust Fund.

Beginning in 2008, four railroad companies sued the Alabama Department of Revenue and its commissioner, claiming that the department's application of the State's general four percent sales tax to the railroads' purchase of diesel fuel discriminated against railroads because neither trucks nor barges who transport goods across state lines pay the four percent sales tax on their purchases of diesel fuel. The railroads sought an order barring the State from applying the sales tax to future purchases of diesel fuel, plus the return of millions of dollars the companies had already paid. The lead case brought by CSX Transportation has been the subject of two opinions by the U.S. Supreme Court, the second of which ordered the June 2016 trial that resulted in Wednesday's opinion dismissing CSX's lawsuit.

In its opinion, the district court ruled that Alabama is justified in not applying its four percent sales tax to trucking companies' purchases of diesel fuel because trucks pay Alabama's more expensive 19 cents per gallon motor fuels tax, a tax that railroad companies could choose to pay instead of the four percent sales tax. The district court ruled that Alabama was justified in not applying its four percent sales tax to interstate barges, who pay a 29.1 cents per gallon federal fuel tax, because doing so might violate the federal Constitution, thus exposing the State to litigation brought by the barge companies. The court also found that CSX was not injured by Alabama's exemption for interstate barges because the barges against whom CSX competes purchase their diesel fuel outside Alabama.

Attorney General Marshall and Commissioner Magee both stated that they are pleased with the Court's opinion.

Attorney General Marshall said, "I hope that Wednesday's opinion signals the end of nine years of litigation that has resulted in millions of dollars being withheld from Alabama's public schools. Everyone in this State benefits from stronger schools, so everyone, including railroad companies, needs to pay their fair share of taxes to support our schools."

Commissioner Magee added, "The Court's decision vindicates the State's imposition of sales tax on the railroad's purchase of fuel and clearly shows that the State never discriminated against CSX."

In light of Wednesday's ruling, which CSX may appeal, the State will seek to recoup the sales taxes that CSX has withheld since filing its lawsuit, an amount that is estimated to exceed \$10 million. The cases initiated by the three remaining railroad companies have been stayed pending resolution of CSX's lawsuit, and the amounts of withheld taxes involved in those cases are not presently available.

Attorney General Marshall commended Assistant Attorneys General Laura Howell and Winfield Sinclair and Special Deputy Attorney General Corey Maze for their successful work on the 2016 trial and Solicitor General Andrew Brasher for his work on the successful 2015 appeal. The Attorney General also commended attorneys Margaret McNeill and Keith Maddox of the Alabama Department of Revenue for their assistance in the case.