

ARTICLES FOR 6-1-17 ROUNDUP

AG COFFMAN FIGHTS FOR LEGAL SERVICES FUNDING FOR VULNERABLE COLORADANS

Highlighting the need for legal services in rural and low-income communities across the country, Colorado Attorney General Cynthia H. Coffman and Massachusetts Attorney General Maura Healey are leading a bipartisan group of 32 attorneys general urging Congress to oppose the proposed elimination of federal funding for the Legal Services Corporation (LSC).

In a letter sent to the U.S. Senate and the U.S. House of Representatives Appropriations Committees, the attorneys general noted that for more than 40 years, under both Republican and Democratic administrations, the LSC has helped veterans and military families secure important benefits, supported survivors of domestic violence seeking safety, and assisted families facing foreclosure and victims of natural disasters.

“The legal services provided by LSC are critical for low-income and vulnerable citizens in Colorado and for millions of people across the country,” said Attorney General Coffman. “As a bipartisan group of attorneys general we have joined together to speak up for those people who need access to these services in order to protect their rights.”

“Colorado Legal Services currently receives 40 percent of our annual funding from the Legal Services Corporation,” said Jonathan D. Asher, Executive Director of Colorado Legal Services. “The elimination of LSC funding would be devastating, and would seriously jeopardize our ability to help provide low-income Coloradans with the civil legal services they need to ensure the health, safety and stability of themselves and their families.”

“Our state attorneys general know that all Americans, rich and poor, should be treated equally under the law,” said Martha Minow, Vice Chair of the Legal Services Corporation and Dean of Harvard Law School. “That’s why, on a bipartisan basis, our chief law enforcement officers overwhelmingly support the Legal Services Corporation. They call for funding legal assistance to low-income and rural Americans, as Congress has done for more than forty years, in order to strengthen the rule of law, fairness, and human dignity. I thank Attorneys General Maura Healey, Cynthia Coffman, George Jepsen, and all 32 state AGs from across the United States who came together to make this strong, bipartisan statement of support for LSC.”

LSC funding also fosters longstanding public-private partnerships between legal aid organizations and private firms and attorneys nationwide who donate their time and skills to assist low-income residents.

The letter was signed by the Attorneys General of Massachusetts, Alaska, American Samoa, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maine, Maryland, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, Northern Mariana Islands, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia and Washington.

ATTORNEY GENERAL FOX SEEKS INPUT FOR ADDRESSING SUBSTANCE ABUSE IN MONTANA

Attorney General Tim Fox announced Wednesday an effort through his office's Aid Montana initiative to gather input from Montanans regarding how best to address substance abuse.

"We want to hear from people across the state on how to effectively combat Montana's substance abuse problem," said Attorney General Fox. "Whether you're a healthcare professional, educator, social worker, or have experienced or work with the effects of substance abuse in your work, profession, or family, we want to hear your ideas for what needs to be done to fight this epidemic ripping through our state."

Aid Montana: Addressing the Impact of Drugs was launched by Attorney General Fox and the Montana Department of Justice in April 2017. Aid Montana will be a comprehensive approach to addressing Montana's substance abuse problem. Law enforcement, treatment, education and coordination efforts will be central components to the Aid Montana strategy.

"We need to know what works, what doesn't work, what's missing, what Montanans have found to be most effective through their experiences, and how our state's comprehensive approach to addressing substance abuse should operate in unison to combat this problem," Fox added.

Attorney General Fox highlighted four ways Montanans can send their ideas for addressing substance abuse directly to the attorney general's office.

By visiting www.dojmt.gov/aid-montana/

By sending an email to: AidMT@mt.gov

By sending a message to the Aid Montana Facebook page

By sending a letter to Aid Montana, Office of the Attorney General, 215 N. Sanders Street, Helena, MT 59601.

Over the summer, Attorney General Fox and the Montana Department of Justice will partner with the Montana Healthcare Foundation to hold six listening sessions across the state to hear real life experiences of individuals affected by substance abuse. The dates and locations for these listening sessions will be announced early next month.

The Department of Justice and the Montana Healthcare Foundation will hold a substance abuse and addiction summit this fall to begin developing a comprehensive substance abuse prevention strategy built off of the input gathered from the listening sessions.

It's the goal of Aid Montana to have a strategic plan completed before the 2019 legislative session. Aid Montana will present a "roadmap" to lawmakers that outlines what needs to be done at the legislative level to efficiently and effectively combat this problem. Whether it be shifting resources to find where they are most effective, or changing laws to better reflect the reality of the problem, the Montana Department of Justice wants policymakers to have a clear understanding of what needs to be done.

AG FERGUSON TO HOLD SUMMIT ON OPIOID EPIDEMIC WITH WSP, PROSECUTORS

SEATTLE — Attorney General Bob Ferguson will hold a two-day summit in June on the opioid epidemic, convening law enforcement, medical professionals, prosecutors and public health experts.

“Opioids are devastating Washington families and communities, and overwhelming our safety nets,” Ferguson said. “This summit will bring together key stakeholders to identify next steps and solutions to this epidemic.”

The summit, scheduled for June 15 and 16 at the University of Washington, is free and open to the public. Those interested should register online.

Speakers include Attorney General Bob Ferguson, Washington State Patrol Chief John Batiste, King County Prosecuting Attorney Dan Satterberg and State Health Officer Dr. Kathy Lofy. Multiple sessions will share best practices from around the country, from drug monitoring to health care fraud field operations.

The Attorney General’s Office planned the summit in partnership with the Washington State Patrol and the Washington Association of Prosecuting Attorneys. On October 7, 2016, Governor Jay Inslee signed an executive order requesting that the AGO, along with law enforcement and community partners, develop and recommend strategies to reduce the supply of illegal opioids in Washington state.

In 2015, 718 Washingtonians died from opioid overdose, more than from car accidents. The majority of drug overdose deaths — more than six out of ten — involve an opioid.

The opioid epidemic has impacted Washington unlike any other state in the region. According to the Centers for Disease Control and Prevention, Washington is the only Western state to see a statistically significant increase in drug overdose death rates between 2014 and 2015.

Nationwide, 1 in 4 people who receive prescription opioids for chronic pain in primary care settings struggle with addiction.

For more information on the upcoming opioid summit, please contact Kelly Richburg at kellyr1@atg.wa.gov.

NINTH CIRCUIT UPHOLDS BIG THORNE TIMBER SALE

(Juneau, AK) – The Ninth Circuit Court of Appeals issued a decision today upholding the Big Thorne Timber Sale in the Tongass National Forest. This decision ensures that the sole remaining saw mill in Southeast can continue operating for now.

“In a resource-centered state, we must be able to responsibly develop our resources,” said Attorney General Jahna Lindemuth. “I’m pleased the Big Thorne Timber Sale can continue to move forward

and hope that we will see more sales in the future that properly balance conservation with economic need.”

In 2014, the U.S. Forest Service (USFS) authorized the harvest of 148.9 million board-feet of timber over 8,500 acres. Several environmental groups challenged the record of decision for the sale and the 2008 Amendment to the Tongass Land and Resource Management Plan. Most of the allegations related to wolf management in the harvest area, which is a joint function of the State and USFS.

The federal district court upheld the sale and the management plan, and plaintiffs appealed. Ruling in favor of USFS, the State of Alaska, the Alaska Forest Association and many other intervening parties, the Ninth Circuit held that the USFS did not violate any laws in authorizing Big Thorne. The Big Thorne sale was designed to be a ten year sale supplying timber at a rate of 15 to 20 million board feet per year. Although the final sale fell well short of the planned volume of timber, the sale is nevertheless one of the biggest federal timber sales from the Tongass in many years. As such, it allows the last remaining mill in Southeast Alaska, Viking, to continue to operate in the near term. However, the timber supply remains at a critically low level and the future of the industry remains in doubt. The State continues efforts on all fronts to assure a timber supply into the future.

ATTORNEY GENERAL BONDI FILES ACTION TO STOP DEBT RELIEF SCAM

TALLAHASSEE, Fla.—Attorney General Pam Bondi’s Office filed legal action to stop an alleged student loan relieve scam. According to the complaint, Strategic Student Solutions LLC and the owner Dave Green induced consumers to use the company’s phony student loan debt relief services by falsely claiming to be able to assist in substantially reducing or complete forgiveness of student loan debt. Strategic allegedly bilked these unsuspecting consumers out of thousands of dollars.

“This scheme targeted people working hard to pay off the debt they incurred trying to further their education by falsely promising to reduce or even eliminate their student loan debt,” said Attorney General Bondi. “With this action, my office is seeking restitution for those victims who lost hundreds or even thousands of dollars.”

Strategic allegedly misled consumers into believing that they would be enrolled in loan forgiveness or payment reduction programs and that payments made by consumers to Strategic would be applied towards satisfying or eliminating the consumers’ student loan balances. However, according to the complaint, consumers soon learned that Strategic failed to make payments to consumers’ lenders as promised; that their lenders had neither any knowledge of nor any business relationship with Strategic; that Strategic had no special relationship with the Federal Department of Education or any other government agency; and that the same services that Strategic offered to consumers for a fee were in reality available to consumers free of charge.

Strategic maintained places of business in Boca Raton, Delray Beach and Lake Worth, but offered debt management services to consumers throughout Florida and the United States.

Attorney General Bondi's Office received more than 200 complaints regarding Stragetic's debt services scheme. The attorney general is seeking permanent injunctive relief, full restitution, the imposition of civil penalties, an award of attorney's fees and other equitable relief. The complaint Attorney General Bondi's Office filed alleges violation of Florida's Deceptive and Unfair Trade Practice Act.

AG OBTAINS JUDGMENT VOIDING HUNDREDS OF ILLEGAL LOANS TO MASSACHUSETTS CONSUMERS IN CASE AGAINST ONLINE AUTO TITLE LENDER

Company Permanently Barred from Operating in Massachusetts; Vehicle Liens Dissolved, New Titles Issued

BOSTON – Hundreds of illegal loans made to Massachusetts consumers by an unlicensed online auto title lender are now void pursuant to a judgment announced today by Attorney General Maura Healey. The company has also been permanently barred from operating in Massachusetts, and liens they placed on vehicles have been dissolved with new titles issued to consumers.

The final judgment and permanent injunction entered in Suffolk Superior Court against Liquidation, LLC (Liquidation) permanently bars the company from advertising, soliciting, selling or assigning any loans in Massachusetts and from collecting on any of those loans already made to consumers.

Pursuant to the judgment, all of the loans issued by Liquidation in Massachusetts are void and all of the liens it placed on Massachusetts vehicles are dissolved. The judgment also prohibits the company from repossessing any vehicles in connection with the loans.

“With this judgment, Massachusetts borrowers will be freed from paying the illegal loans made by this sham company,” said AG Healey. “This unlicensed auto title lender is prohibited from ever doing business in Massachusetts again.”

More than 200 loans made by Liquidation to Massachusetts borrowers are now void under the terms of the judgment. With the assistance of the Massachusetts Registry of Motor Vehicles Title Division, more than 50 liens on consumers' vehicles have been dissolved and the vehicle owners have been issued new, lien-free titles. Several vehicles that were repossessed by Liquidation and are currently at auction houses are eligible to be returned to their prior owners. The judgment also orders Liquidation to pay \$197,600 restitution and \$1,135,000 in civil penalties.

In March 2016, AG Healey sued Liquidation for allegedly targeting consumers and providing them with unlawful, high-interest loans on their otherwise paid-off vehicles and, when they could not pay, seizing and selling their vehicles.

According to the Suffolk Superior Court's findings and judgment, Liquidation, also doing business as Auto Loans, LLC, Car Loan, LLC, and Sovereign Lending Solutions, LLC, routinely made and collected upon short-term loans containing undisclosed, unfair, and deceptive terms, including illegally high interest rates and an abusive and undisclosed interest-only payment schedule that

resulted in a final unknown balloon payment that exceeded the principal amount originally lent to the consumer.

A sample of loan agreements obtained by the AG's Office in its investigation revealed loans ranging from \$700 to more than \$9,000, with interest rates ranging from 181 percent to 619 percent—rates far in excess of state civil and criminal usury laws that limit interest on small loans of \$6,000 or less to 12 percent and 20 percent for loans above the \$6,000 threshold, respectively. More than 200 Massachusetts consumers statewide were victimized by this unlawful lending scheme.

Most consumers applied for loans from Liquidation online or by calling a number listed on its website. Liquidation and entities affiliated with it were not licensed to originate small loans in Massachusetts. Liquidation also did not provide consumers with copies of their loan agreements and did not disclose a number of abusive contract terms such as high interest rates, an expected large lump sum final payment, and a requirement that any disputes be mediated in New Zealand.

Although consumers were led to believe that they would pay off their loans in one year, they were never informed that their final payment would be more than the amount originally borrowed. Many consumers were unable to come up with the unexpected final payments and were forced to extend their loan terms and continue paying the high interest rates or risk losing their vehicles. Liquidation also required consumers to install GPS tracking units in their vehicles to ensure regular loan repayment and for purposes of repossession.

When borrowers missed or were late on a payment, Liquidation attempted to collect on the debt through repeated harassing phone calls and e-mails. In numerous instances, Liquidation repossessed the consumers' vehicles and sold them at auction houses in Massachusetts, with Liquidation retaining proceeds.

In order to perpetuate and conceal their scheme and deceive consumers and regulators, Liquidation operated under several other fictitious business names and from virtual office spaces and post office boxes around the country. The company also purports to have reorganized in the Cook Islands.

The AG's Office continues to be active in this area and wants to hear from Massachusetts consumers who have information regarding unfair or deceptive lending. Consumers with tips or questions can call the Attorney General's consumer hotline at 617-727-8400 or file a complaint with the office.

The matter was handled by Assistant Attorney General Jared Rinehimer of Attorney General Healey's Consumer Protection Division and Assistant Attorney General Justin Lowe, with assistance from Investigator Anthony Crespi, Paralegal Ivy Yan, Kim McDonald and the Auto Team from the AG's Consumer Advocacy and Response Division, and Joyce Mover and William McVey of the Massachusetts Registry of Motor Vehicles.

LOUISIANA ATTORNEY GENERAL LANDRY LEADS STATES IN NATIONAL EFFORT TO AVOID FEDERAL OVERREACH

BATON ROUGE, LA - In an effort led by Louisiana Attorney General Jeff Landry, nine states are urging the United States Department of Justice (USDOJ) to evaluate Obama-era consent decrees and ongoing civil rights cases with a goal of working collaboratively to end them.

In a letter to United States Attorney General Jeff Sessions – Louisiana, Alabama, Arkansas, Kansas, Michigan, South Carolina, Texas, Utah, and West Virginia asked the USDOJ to implement internal policies allowing state and local authorities a corrective period to actively use more assistance letters as opposed to advocating for full federal take-overs.

“When federal judges control our schools, prisons, and law enforcement agencies over the course of several years and in some instances decades – democracy suffers through the dilution of elected officials’ accountability to voters,” wrote General Landry. “By moving policy-making from the public arena to the shadows of a judicial conference room or the parties’ negotiating table, political agendas that would otherwise have little public support can be mandated by federal authorities.”

“Federal judges are simply not equipped to run agencies day-to-day; and they were never intended to,” said General Landry. “If anything is a given under the U.S. Constitution, it is that the police power is a state and local responsibility.”

“These consent decrees are requiring state law enforcement, elected officials, and state agencies to spend a significant amount of time and money complying with federal mandates that exceed that which is necessary to correct a problem and instead transfer control of state and local governmental functions to the federal government for years,” added General Landry, who cited FBI data showing a drastic increase of violent crime in New Orleans and other major cities after being put under federal supervision.

In General Landry’s roles as National Association of Attorneys General Vice President and member of the Republican Attorneys General Association Executive Committee, he initiated this letter following many meetings on the topic.

“We will work with the USDOJ to facilitate resolution of outstanding issues, develop an achievable path toward closure, and to take the steps necessary to reverse this disturbing trend,” pledged General Landry and his fellow Attorneys General.