

ARTICLES FOR 8-17-17 ROUNDUP

20 YEARS AGO, BISHOP ESTATE SCANDAL LED TO STRICT CHARITIES OVERSIGHT IN HAWAII

The essay titled “Broken Trust”, published on August 9, 1997 by the Honolulu Star Bulletin, reported widespread corruption involving Bishop Estate, the largest private property owner in the State of Hawaii, and led to the formation of a charities regulation group in the Hawaii Department of the Attorney General that exists to this day. Now-retired University of Hawaii law professor Randall Roth and the late Judge Samuel P. King, along with prominent Hawaiian community members Walter Heen, Gladys Brandt, and Charles Kekumano, wrote the essay that exposed the Bishop Estate scandal involving the trustees of one of the largest charitable trusts in the United States. Attorney General Doug Chin said: “Under former Governor Ben Cayetano, Hawaii Attorney General Margery Bronster began legal proceedings to remove the culpable trustees. We appreciate their example. For 20 years, the Department of the Attorney General has maintained strict oversight over organizations that solicit charitable contributions in Hawaii. Our office is nationally recognized for its pioneering oversight program.”

ATTORNEY GENERAL JIM HOOD SETTLES SUIT IN EPPS SCANDAL

Attorney General Jim Hood announced today that the State of Mississippi has settled its claims with Global Tel*Link Corporation for \$2,500,000.00.

“I am pleased with Global Tel*Link for cooperating and quickly resolving this matter with the State’s taxpayers,” said General Hood. “As a company that continues to contract with the State, Global Tel*Link quickly approached our office seeking settlement after the Epps scandal. Due to their cooperation, we have now resolved this matter.”

This settlement ends the second of 11 civil actions the Attorney General filed on February 8, 2017, accusing 10 individuals and 12 out-of-state corporations of using alleged “consultants” as conduits to pay bribes and kickbacks to then-Commissioner Epps for the awarding and retention of MDOC contracts—all while defrauding the State through a pattern of misrepresentation, fraud, concealment, money laundering and other wrongful conduct, arising from the Epps Bribery Scandal. To date, the Attorney General has recovered \$4,500,000.00 on behalf of Mississippi taxpayers related to the MDOC Prison Bribery Scandal.

“We will continue to aggressively pursue these remaining cases not only to disgorge these other companies and individuals of their ill-gotten profits, but also the value of the public contracts. Before this is over, companies that aren’t willing to do right by Mississippi taxpayers will wish they never heard the word ‘consultant’ or ‘bribe’ in the state of Mississippi,” said General Hood. “Corporations who play these illegal games with Mississippi taxpayers’ money should take note that the state of Mississippi will get its money back and then some.”

WHAT DOES THE NATIONAL OPIOID EMERGENCY MEAN FOR STATES AND CITIES?

There are still some major unanswered questions about Trump's declaration.

BY MATTIE QUINN

After at least six states declared the opioid epidemic an emergency in their states as opioid deaths continue to rise, President Donald Trump declared it a "national emergency" on Thursday. But what does that mean for governors and mayors who have been grappling with opioid abuse for years?

Nothing -- at least not yet.

First, the White House has to decide what kind of emergency the opioid epidemic is, exactly. There are several different kinds of emergency declarations. While they accomplish similar things, they serve different purposes.

The President's Commission on Combating Drug Addiction and the Opioid Crisis recommends that the disaster be declared through either the Stafford Act or the Public Health Service Act. The Stafford Act is usually initiated for natural disasters, such as hurricanes and tornadoes, and normally requires a request from a governor. It would trigger the Federal Emergency Management Agency (FEMA) to dole out financial and technical assistance to states and cities.

The Public Health Service Act, on the other hand, allows the secretary of health and human services -- not the president -- to declare a public health emergency and deploy medical staff to areas in need. This was used for the outbreak of the Zika virus and the H1N1 virus, for example.

No matter which route White House officials decide to take, "a whole set of tools kick in," says Jay Butler, medical director of Alaska and president of the Association of State and Territorial Health Officials. Either way, states would essentially receive extra grants and manpower to start new programs and aid existing ones. It would also ease bureaucratic rules so states can enact programs and policies more easily.

It's possible that the Trump administration could invoke both the Stafford Act and the Public Health Service Act -- something that has usually been reserved for the most serious disasters like Hurricane Sandy and Hurricane Katrina. This would allow the federal government to relax certain Medicaid, Medicare or Children's Health Insurance Program requirements to get more people care (and make sure more providers get reimbursed).

Trump's commission recommended several actions that many states and cities have already undertaken. The group proposed increasing access to naloxone, the drug that reverses opioid overdoses, as well as medication-assisted treatment and strengthening prescription drug monitoring programs, which have been criticized as being ineffective.

There are some things, however, that only the feds can do.

It's possible, for instance, the federal government could decide to fast track the Food and Drug Administration's review to make naloxone available over the counter nationwide. Right now, some states have more or less achieved that goal.

As public health officials wait to see Trump's plan of action, they hope he doesn't single-mindedly focus on the law and order aspect of the crisis.

"That is very important, but I hope there's an emphasis on the public health and treatment aspect of this. I want the White House to not lose track of that," says Geoffrey Mwaungulu, senior program analyst of public health preparedness and law at the National Association of County and City Health Officials.

In the meantime, the opioid crisis is continually top-of-mind for governors and mayors. Six states -- Alaska, Arizona, Florida, Maryland, Massachusetts and Virginia -- have already declared a state of emergency. Some cities, like Baltimore, have issued standing orders to make naloxone available to anyone.

"States know what's best for them," says Jim Blumenstock, chief of health security for the Association of State and Territorial Health Officials. While state and local officials wait for federal guidance, he says "now is the time to review their state of play, and move forward as appropriate."

Butler agrees that states and cities should be proactive at this time.

"We do have to ask ourselves how we want to proceed with this because we have a limited amount of time to talk."

ATTORNEY GENERAL SCHIMEL RESPONDS TO PRESIDENT TRUMP'S DECLARATION OF OPIOID CRISIS AS A NATIONAL EMERGENCY

MADISON, Wis. – Earlier today, President Donald Trump declared the United States opioid crisis a national emergency. The President's Commission on Combatting Drug Addiction and the Opioid Crisis recently released a report with recommendations to combat the ongoing crisis that include access to medication-assisted treatment, expansion of naloxone availability, prescriber education, and enforcement measures.

In response to President Trump's announcement, Attorney General Schimel released the following statement.

"President Trump's announcement today signals his commitment to carry out the Commission on Combatting Drug Addiction and the Opioid Crisis' recommendations and partner with the States to fight prescription drug and heroin abuse. Luckily, in Wisconsin, thanks to the leadership of Rep. Nygren and Governor Walker, we have already made great strides and implemented many of the federal Commission's recommendations, such as a standing order for naloxone. I look forward to learning more about the President's initiatives and working with the Administration to save lives and continue making Wisconsin safer and stronger."

STATE'S TWELVE YEAR FIGHT WITH CANADA OVER WATER PROJECT COMING TO END

Stenehjem Applauds Court's Ruling

BISMARCK, ND – The twelve year-long court proceedings that have delayed construction of the Northwest Area Water Supply project may finally be at an end, announced Attorney General Wayne Stenehjem. In an opinion issued late yesterday, the District Court in Washington, DC concluded that the Environmental Impact Statement for the NAWS project met the requirements of the National Environmental Protection Act (NEPA).

The NAWS project will bring much-needed water from the Missouri River to Minot and surrounding counties in northwest North Dakota.

The State Water Commission and Bureau of Reclamation began construction on the NAWS project in early 2002. Soon after, the Province of Manitoba sued under the National Environmental Protection Act (NEPA), and the project has been entangled in litigation since then. Though much of the distribution system and supply pipelines have been constructed, the remaining work has been subject to various court injunctions since 2005. In addition, the State of Missouri joined the litigation against North Dakota in 2009. The court also dismissed the State of Missouri's claims and lifted all the injunctions that have hampered the project.

“This is a significant victory for the citizens of North Dakota,” said Stenehjem. “Although the opinion is subject to appeal, this is a giant step forward in resolving the legal issues that have delayed the completion of the NAWS project for over a decade.”

In its opinion, the court noted “[A]s long as the federal agency has adequately identified its options, seriously studied and evaluated the consequences of each, identified and adopted reasonable measures to mitigate adverse consequences, and selected its action after balancing all of the above, NEPA will not prevent the agency from going ahead.”

ZINKE MAY SEND THREE INTERIOR AGENCY HQS TO DENVER

Interior Secretary Ryan Zinke reportedly has said Denver “will probably” become the headquarters for the Bureau of Land Management, Fish and Wildlife Service, and the Bureau of Reclamation as part of an ambitious reorganization effort slated to get underway in fiscal 2019.

Zinke provided an overview of his reorganization plans to the senior executives during a July 21 lunch, USGS spokesman Dave Ozman confirmed. It included discussion of the secretary’s desire to shift more department resources and personnel from Washington to field offices across the country and empower front-line employees with more decision making authority.

But more authority might not translate into higher salaries for employees outside the Beltway.

The notes indicated that Zinke believes Interior is too top-heavy with managers. He told senior executives during the Denver meeting that shrinking the workforce would be achieved without layoffs, something he has said publicly before.

“Zinke believes the DOI organization is an upside-down pyramid—there are too many high-graded employees,” the notes said. “There needs to be more lower grades, and they need to be in the field. Example, when a GS-14 retires, we should hire a GS-6 or 9.”

Zinke has told lawmakers that he wants to reduce the department workforce by 4,000 full-time jobs through a mix of attrition, separation incentives and reassignments to meet the recommendations of the Trump administration’s fiscal 2018 budget request.

AGO FILES CAMPAIGN FINANCE COMPLAINT AGAINST PIERCE COUNTY DEMOCRATS

OLYMPIA —The Attorney General’s Office (AGO) today announced that it filed a complaint in Thurston County Superior Court alleging campaign finance violations by the Pierce County Democratic Central Committee. Specifically, the AGO asserts the committee failed to timely report a total of \$63,643 in contributions, \$90,357.95 in expenditures, and \$34,791 in debts over a three-year period.

Attorney General Bob Ferguson recused himself from any involvement in the matter.

In May, the AGO received a Citizen Action Notice alleging multiple violations of the state’s public disclosure laws by the Pierce County Democratic Central Committee.

After receiving the notice, AGO staff determined the committee failed to timely file numerous reports of contributions received and expenditures made between 2015 and 2017.

Washington law requires political committees to regularly report information to the state Public Disclosure Commission about sources of contributions, starting with those over \$25. Political committees must also regularly report information about their activities, including expenditures, debts and obligations.

Among the reporting deficiencies, the Pierce County Democratic Central Committee:
Failed to timely disclose \$63,643 in contributions it received on 92 separate reports, up to 179 days late.

Failed to timely disclose \$90,357.95 in expenditures (e.g. political donations) made on 16 separate reports, up to 171 days late. For example, the committee contributed \$15,000 to a Pierce County candidate before the 2016 general election. The committee was required to report this contribution a week before the election and did not do so until December — more than a month after Election Day.

Failed to file any reports for 2017 until after the committee learned the Attorney General’s Office was investigating. These 2017 reports were up to 146 days late.

Failed to timely disclose debts and obligations in 2016. No corrective action has been taken to report these debts.

By not timely reporting its contributions and expenditures, the committee inhibited the public's right to know the source of the committee's income and how it spent its funding.

The state seeks penalties and injunctive relief. The defendant will have 20 days from the date they are served to respond to the state's complaint.

Senior Assistant Attorney General Linda Dalton is handling the case.

When the Attorney General's Office receives a Citizen Action Notice, it has 45 days to investigate and respond to the citizen. If the Attorney General's Office or local prosecutor does not initiate litigation, the individual may sue in the name of the state. If litigation is successful, any penalties awarded go to the state, and the individual's attorney can recover attorney fees and costs. If the citizen's litigation is unsuccessful, the defendant may recover attorney fees from the state.

The Attorney General's Office enforces the state's campaign finance disclosure law to ensure free, open and fair elections in Washington state. A summary of campaign finance case resolutions is available [here](#).

Controversial Bakken pipeline upends oil transport

Before the Dakota Access pipeline came online this spring, trains were still carrying a significant amount of oil, about 25 percent. But in just the line's first month, that number dropped way off, down to just 7 percent.

DAKOTA ACCESS PIPELINE UPENDS OIL TRANSPORT

Amy Sisk/Inside Energy

Before the Dakota Access pipeline came online this spring, trains were still carrying a significant amount of oil, about 25 percent. But in just the line's first month, that number dropped way off, down to just 7 percent.

This single pipeline will soon carry half the state's daily oil production, which isn't showing any sign of slowing down despite stagnant oil prices. The number of rigs drilling for oil in North Dakota has climbed to nearly 60 in recent months.

North Dakota continues to produce over 1 million barrels of oil per day, state mineral resources director Lynn Helms said at a recent press briefing on oil and gas production numbers.

"Based on the field data coming in, it looks like we're going to stay above that million barrels a day," he said.

A lot of that crude will go through Dakota Access.

That pipeline still has one final legal hurdle to clear. A judge could decide to shut the line down while the federal government revisits parts of its environmental analysis done during the permitting process.

The various parties—the Standing Rock Sioux and other tribes, along with the Army Corps of Engineers and pipeline developer Energy Transfer Partners—are embroiled in a court battle over whether a shutdown's necessary.

COLORADO MARIJUANA SALES TOP \$750 MILLION AT 2017 MIDPOINT

Cannabis sales through June 2017 are up 25.7 percent compared with the first half of 2016, The Cannabist's calculations show.

By Alicia Wallace, The Cannabist Staff

Halfway through 2017, Colorado's marijuana retailers amassed more than \$750 million in sales, according to The Cannabist's extrapolations of the latest tax data released by the state.

Covering both the medical and adult-use markets, the sales of flower, edibles and concentrates through June 2017 are up 25.7 percent compared with the first half of 2016, The Cannabist's calculations show.

The cumulative sales made through June equate to nearly \$116 million in tax revenue and license fees for the state.

The Colorado Department of Revenue on Thursday published the report for marijuana sales and excise taxes remitted in July. The receipts largely reflect sales made in June, but could include some variance based on incomplete or late returns from prior months.

Barring any major variance in returns, June appears to have been a near-record month for Colorado's marijuana shops, with \$131.65 million in total sales. That would trail the high of \$131.69 million set earlier this year in March, but extends the streak of \$100 million monthly sales to 13 months.

Adult-use transactions accounted for \$95.54 million, or more than 72 percent, of June's sales. The \$36.11 million of medical marijuana products sold remains in line with the monthly averages for 2016 and 2017.

As Colorado's marijuana industry continues to mature, the annual growth rates are expected to slowly ratchet down, analysts have said.

Bethany Gomez, director of research for cannabis market research firm Brightfield Group, told The Cannabist last month:

“What you’re seeing in Colorado is similar to other industries, we’re starting to see lower double-digit growth rates, rather than the triple-digit growth rates.

“That time of massive growth expansion in Colorado, I think, is over.”

