

ARTICLES FOR 11-2-17 ROUNDUP

33 STATE ATTORNEYS GENERAL URGE CONGRESS TO EVALUATE ‘BUMP STOCKS’

Bipartisan Letter Spearheaded by Nevada and Massachusetts
in the Wake of Las Vegas Shooting

HONOLULU – Expressing extreme concern about the role “bump stocks” played in the recent Las Vegas tragedy, Attorney General Doug Chin yesterday joined a bipartisan letter to Congressional leaders urging them to close a loophole in current federal gun laws.

The bipartisan letter, co-sponsored by Nevada Attorney General Adam Laxalt and Massachusetts Attorney General Maura Healey, includes support from a broad group of attorneys general from U.S. states and territories. The letter notes that bump stock devices – a plastic or metal piece attached to a firearm’s stock designed to increase the ability to fire like a fully automatic weapon – may be used to evade the machinegun laws that are currently in place.

MILLER JOINS BIPARTISAN ATTORNEYS GENERAL GROUP IN URGING CONGRESS CLOSE “BUMP STOCK” LOOPHOLE

Attorneys general: bump stocks can mimic fully automatic weapons firing, lead to “disastrous consequences in the wrong hands”

DES MOINES – Expressing extreme concern about the role “bump stocks” played in the recent Las Vegas tragedy, Attorney General Tom Miller today joined a bipartisan group of attorneys general in urging Congressional leaders to close a loophole in current federal gun laws.

The letter, signed by attorneys general of 29 states, the District of Columbia and three U.S. territories, notes that bump stock devices – a firearm stock attachment designed to increase the ability of a semiautomatic rifle to fire faster and at a rate closer to that of a fully automatic weapon – may be used to evade machine gun laws that are currently in place.

It has been widely reported that the Las Vegas gunman, Stephen Paddock, modified otherwise lawful semi-automatic rifles with “bump stocks” to kill 58 people and injure hundreds more. The attorneys general urge Congress to regulate bump stocks like machine guns in order to protect residents from the dangers posed by unrestricted fully automatic weapons.

Since 1986, when Congress enacted the Firearm Owners Protection Act to amend the Gun Control Act of 1968, restricting fully automatic weapons and “machineguns.” It is unlawful for civilians to possess a machine gun unless the owner acquired the firearm prior to the law’s enactment.

According to the letter, bump stocks can “mimic fully automatic machinegun fire and therefore lead to disastrous consequences in the wrong hands.” The attorneys general also added that Congress “should carefully consider whether bump stocks have created a loophole in the machinegun laws” when considering any new laws.

AG FERGUSON SUCCESSFULLY DEFENDS VOTER-APPROVED FIREARM BACKGROUND CHECK INITIATIVE

Three-judge panel unanimously agrees with lower court, dismisses challenge

OLYMPIA — Attorney General Bob Ferguson today announced that the U.S. Court of Appeals for the Ninth Circuit agreed with a lower court ruling and dismissed a challenge against Washington’s voter-approved Initiative 594, which expanded the state’s firearm background check requirements.

The plaintiffs appealed the case to the Ninth Circuit after a federal judge in Tacoma dismissed the case, Northwest School of Safety v. Ferguson, in 2015. U.S. District Court Judge Benjamin Settle ruled that the plaintiffs lacked legal standing to challenge the law. Today, a three-judge panel for the Ninth Circuit unanimously agreed with Judge Settle’s ruling.

“Initiative 594 puts important, common-sense protections in place to help keep guns out of the hands of dangerous individuals,” Ferguson said.

Initiative 594 passed with 59 percent of the vote in the November 2014 general election. It expands Washington’s law requiring background checks to cover all firearm purchases and transfers, with limited exceptions set forth in the Initiative.

Deputy Solicitor General Jeff Even argued the case before the Ninth Circuit. Assistant Attorney General July Simpson, Deputy Solicitor General Rebecca Glasgow and Solicitor General Noah Purcell assisted on the case.

ALASKA ATTORNEY GENERAL ALLEGES DECEPTIVE PRACTICES BY OPIOID MANUFACTURER

(Juneau, AK) – As part of the State’s ongoing efforts in battling Alaska’s opioid crisis, Attorney General Jahna Lindemuth yesterday filed a lawsuit against Purdue Pharma, the maker of the opioid OxyContin. The lawsuit alleges that Purdue used deceptive practices in violation of state consumer protection laws, such as promoting the use of OxyContin for long-term chronic pain when there was little evidence to support it.

“Alaska’s opioid crisis directly impacts people’s lives,” said Governor Bill Walker. “We have people becoming criminals to feed their habits. We have grandparents having to take care of grandchildren because the parents have fallen into the spiral of addiction or worse, have died from an over-dose. And the worst part is a lot of these people would have never become addicts without that initial prescription that went on too long.”

“We need to put a stop to these deceptive practices that are endangering people’s lives,” said Attorney General Lindemuth. “Pharmaceutical companies, like Purdue, need to be held accountable when they mislead providers and the public about how their drugs should be used.”

The Attorney General's Office hired the firm Motley Rice on a contingency fee basis this summer to investigate whether any manufacturers or distributors of opioids had violated state consumer protection laws. The investigation, as explained in the State's lawsuit, uncovered that the majority of Medicaid spending on brand-name opioids was for OxyContin, the drug manufactured by Purdue. In fact, the top three prescribers of OxyContin in Alaska accounted for over \$1 million in claims each between 2009 and 2017. Overall, the investigation found that Purdue exhibited a pattern of deceptive marketing to convince practitioners to prescribe their drug. This included the use of seemingly neutral medical professionals and organizations who promoted the drug to their colleagues without disclosing their relationship to Purdue.

Although this complaint has been filed, the Attorney General's Office continues to investigate whether additional claims should be brought against other manufacturers and distributors.

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UTAH OPIOID TASK FORCE ENCOURAGES ACCESS TO NALOXONE RESCUE KITS

Naloxone rescue kits are legal and save lives, says Opioid Task Force leaders

SALT LAKE CITY October 26, 2017 – Upon receiving reports that naloxone rescue kits were being confiscated, the Utah Opioid Task Force reiterated the legality of the life-saving kits and encouraged first responders, healthcare workers, and others to be ready to use them to save lives. Naloxone hydrochloride (Narcan®) can be a life-saving medication and is used solely as an antidote to reverse an opiate overdose. Utah law permits any individual within the state of Utah to obtain, carry, furnish, and administer naloxone to anyone at risk of overdosing themselves or to anyone at risk of witnessing an overdose around them.

“Utah laws permitting the use of naloxone were put in place to save lives, especially with the alarming number of Utahns dying of opioid overdoses. We are worried and concerned about recent reports that life-saving naloxone kits have been confiscated from those who can use them to save lives,” said Attorney General Sean Reyes. “Anyone in possession of a naloxone kit has the ability to keep a victim alive until they can receive emergency medical aid. The taking or confiscation of these rescue kits is rarely an appropriate action and could potentially result in a life lost.”

“The opioid crisis is devastating Utah and this country,” said Utah House Speaker Greg Hughes. “Naloxone rescue kits may be the difference between life and death for someone's family member, friend or loved one. In 2014 and 2016, the Utah Legislature passed laws that permits the dispensing of naloxone. Naloxone kits may provide a second chance for individuals struggling with an opioid addiction, assists in the battle of this horrific pandemic and helps combat the devastation that follows. As we are fighting this opioid epidemic that is sweeping the nation, it is crucial this life-saving tool be readily available to those willing to carry and administer it.”

“The burgeoning heroin and opioid epidemic sweeping across the state is claiming the lives of over 24 Utahns per month – the devastation and loss of human life experienced by families within our local communities is utterly overwhelming,” said DEA District Agent in Charge Brian Besser.

“The DEA Salt Lake City District Office and Metro Narcotics Task Force highly encourage the personal appropriation and immediate availability of naloxone kits for Utah’s first responders, educators, and any private individual willing to carry and administer this life-saving drug. The robust availability of individual Naloxone kits will greatly assist law enforcement officers and medical professionals in combatting this vicious plague and the carnage it leaves behind.”

“Naloxone rescue kits across the state of Utah, in the hands of nonmedical laypeople, have been responsible for over 1,800 lives saved,” said Dr. Jennifer Plumb, Medical Director of Utah Naloxone. “Carrying naloxone is an important and responsible strategy for anyone who knows individuals who may be at risk of an opiate overdose.”

While there are different forms of naloxone rescue kits available, the most widely available kit has an injectable form of naloxone. This administration method requires individual naloxone in vials as well as syringes for administration of the medication. The only way to administer this form of naloxone is by using syringes. It is essential that injectable naloxone be carried with syringes always. These syringes are essential for the delivery of this life-saving medication and should not be viewed as paraphernalia.

Naloxone may now be obtained without a prescription throughout the state of Utah, via a standing order issued and signed by the Director of the Utah State Department of Health. There is not a prescription required to possess it or furnish it to another individual. There are multiple agencies statewide who are actively supplying kits to community members to help them save lives around them. These include EMS agencies, medical providers, the substance abuse recovery community, agencies that work with those experiencing homelessness, and the state’s largest healthcare organizations.

The Utah Opioid Task Force was formed in early 2017 and is a voluntary task force made up of representatives from partner agencies and organizations across the state. The mission of the Task Force is to take action against opioid abuse through law enforcement, prosecution, proposed legislation, and innovation.

The Utah Opioid Task Force was organized by Attorney General Sean Reyes, Speaker of the House Greg Hughes, DEA District Agent in Charge Brian Besser, Dr. Jennifer Plumb, and includes representatives from the Utah State Senate, Utah House of Representatives, law enforcement, government agencies, and volunteer organizations.

EIGHT INDICTED IN ARIZONA OPIOID RING

BULLHEAD CITY - Attorney General Mark Brnovich announced two arrest warrants have been issued for the alleged mastermind of a Northern Arizona opioid ring and her accomplice. 29-year-old Amanda Lee Doyle is currently on the run and wanted by the Attorney General’s Office for allegedly operating an opioid ring. Special Agents are also searching for Doyle’s accomplice, 25-year-old Gavin Robel. Anyone with information on Doyle or Robel’s whereabouts should call 602-542-8419.

A State Grand Jury indicted Doyle on 26 felony charges for allegedly writing fake prescriptions in order to sell opioids in Bullhead City, AZ. Seven other defendants, including Robel, have been indicted for their alleged involvement in the opioid ring. The indictments are the result of a joint investigation by the Attorney General's Office, the Mohave County Sheriff's Office, the Mohave Area General Narcotics Enforcement Team (MAGNET), the Bullhead City Police Department, and the Kingman Police Department.

Doyle is a former medical billing assistant employed at Silver Creek Medical Associates in Bullhead City. According to the indictment, Doyle used her position to create fake electronic prescriptions for opioids. Doyle allegedly recruited "patients" so she could create fictitious patient profiles in a software program used to write electronic prescriptions. According to Silver Creek Medical Associates, those "patients" were never seen by a doctor. Doyle allegedly wrote fraudulent prescriptions for those "patients" and then demanded the "patients" give her back a portion of the pills after the prescriptions were filled.

Defendants Indicted:

- 1) Amanda Doyle, 29 - WANTED
- 2) Gavin Robel, 25 - WANTED
- 3) Mark Mannor, 27 - Arrested in California by the San Bernardino County Sheriff's Department
- 4) Darcia Rohrer, 20 - Arrested in Bullhead City
- 5) Matthew Solari, 30 - Arrested in California by the San Bernardino County Sheriff's Department
- 6) Koryn Tinnell, 22 - Served with summons to appear
- 7) Jordan Waters, 21 - Served with summons to appear
- 8) REDACTED – Defendant not served with indictment

Assistant Attorney General Jarred McBride of the Health Care Fraud and Abuse Section is prosecuting this case.

All defendants are presumed innocent until convicted in a court of law.

ATTORNEY GENERAL BALDERAS ANNOUNCES \$18.5 MILLION PRESBYTERIAN SETTLEMENT

Balderas' recovery exceeds the audit amount identified by nearly \$4 million

Albuquerque, NM – This afternoon, New Mexico Attorney General Hector Balderas announced he has reached an \$18.5 million settlement with Presbyterian Healthcare regarding the failure to pay Medicaid premium taxes by the corporation. The settlement exceeds the amount identified, \$14.6 million, in the recently released Examination Resources audit by nearly four million dollars.

The \$18.5 million dollar recovery only settles the Attorney General's lawsuit regarding the \$14.6 million identified for Medicaid Premium taxes, the remainder of the \$29 million identified in the Examination Resources audit is still subject to enforcement. This quick settlement will return critical funds owed to the State of New Mexico and greatly assist the state budget at a crucial time.

"This \$18.5 million settlement returns critical funds owed to New Mexico taxpayers at a time of fiscal crisis," said Attorney General Hector Balderas. "New Mexicans deserve access to the best

healthcare available and at affordable prices, they should not continue to face higher insurance premiums while quality care becomes harder to access. Presbyterian, and all healthcare companies operating in New Mexico, should be focusing on removing barriers for New Mexico families and providing the best care possible, putting people above profits.”

Nearly half of New Mexico residents rely on Medicaid for access to healthcare, and all healthcare companies in New Mexico are responsible for paying their fair share of taxes from Medicaid dollars. Attorney General Balderas continued, “I appreciate Presbyterian’s willingness to do the right thing and pay what they owe through this speedy resolution. Given the corporation’s ambitious future plans, I am optimistic Presbyterian won’t repeat its past missteps. However, I will continue to monitor Presbyterian’s compliance with the findings contained in the Examination Resources audit.”

VERMONT ATTORNEY GENERAL RESOLVES SECURITY BREACH WITH HILTON COMPANY TO PAY \$300,000 PENALTY

Vermont Attorney General TJ Donovan reached a settlement today regarding two security breaches involving the credit card numbers of potentially thousands of Vermonters. The agreement settles allegations that Hilton lacked reasonable data security and took too long to notify consumers and the Attorney General of the breaches. It includes a \$300,000 penalty and requirements that Hilton change its security practices. The Attorney General worked with New York’s Attorney General to resolve the investigation which resulted in a total penalty of \$700,000.

Hilton Domestic Operating Company Inc., formerly Hilton Worldwide, Inc., experienced two separate network intrusions in 2014 and 2015. Hilton did not provide notice to the Attorney General or consumers until November 24, 2015. The Attorney General alleged this notification was 287 days after Hilton knew of the first incident and 100 days after it knew of the second incident.

“We continue to make enforcement of our data breach laws a top priority,” said Attorney General T.J. Donovan. “Every business should notify the public and our office as soon as possible when a breach occurs to ensure consumers can protect themselves,” he said.

Vermont law requires preliminary notice to the Attorney General within 14 days of discovering a breach, and notice to consumers in the most expedient time possible, but no later than 45 days after the incident. This time period is supposed to provide the business enough time to investigate the incident and determine that a breach has in fact occurred. The settlement requires Hilton to provide the Attorney General with notice whenever it retains a PCI Forensic Investigator – a requirement of the credit card companies when a business experiences a breach.

More information about the Attorney General Donovan’s efforts to protect consumers and address data breaches can be found at: <http://ago.vermont.gov/focus/consumer-info/privacy-and-data-security1.php>.

AG PAXTON ISSUES FORMAL DEMANDS TO 127 BUSINESSES ACCUSED OF PRICE GOUGING DURING HURRICANE HARVEY DISASTER

Attorney General Ken Paxton's Consumer Protection Division sent notices of violations to 127 Texas businesses accused of price gouging during the state of disaster declared for Hurricane Harvey. All of the cases involve consumer complaints against gas stations that allegedly charged \$3.99 or higher for a gallon of unleaded gasoline or diesel.

"At the outset of Harvey, I made it clear that my office would not tolerate price gouging of vulnerable Texans by any individuals or businesses looking to profit from the hurricane," Attorney General Paxton said. "We've given 127 alleged offenders an opportunity to resolve these issues with our office or face possible legal action for violating state law. Our investigation of other businesses into price gouging remains ongoing."

The Texas Deceptive Trade Practices Act (DTPA) prohibits anyone from taking advantage of a disaster declared by the governor and selling or leasing fuel or other necessities for excessive or exorbitant prices. The law authorizes the attorney general to file price gouging lawsuits, and seek refunds of money unlawfully taken from consumers, civil penalties of up to \$20,000 per violation, and court orders to prevent future violations.

During the disaster, Attorney General Paxton's Consumer Protection Division received approximately 5,500 price gouging complaints about businesses. Many Texans emailed photos and receipts as evidence. Numerous businesses receiving notices of violations are located in the Dallas-Fort Worth Metroplex.

Texans who believe they have been scammed or price gouged should call the attorney general's Consumer Protection Hotline toll-free at (800) 621-0508, email consumeremergency@oag.texas.gov, or file a complaint online at <https://www.texasattorneygeneral.gov/cpd/file-a-consumer-complaint>.

BIG BREWER MAKES A PLAY FOR MARIJUANA BEVERAGES

Corona brewer to invest nearly \$200 million in Canadian marijuana grower, with plans to develop cannabis-infused drinks

By Jennifer Maloney and David George-Cosh

The U.S. distributor of Corona beer is chasing a new type of buzz.

Constellation Brands Inc. has agreed to take a 9.9% stake in Canopy Growth Corp. , a Canadian marijuana company, and plans to work with the grower to develop and market cannabis-infused beverages.

Canopy Growth is the world's largest publicly traded cannabis company, with a market valuation of 2.2 billion Canadian dollars on the Toronto Stock Exchange. The C\$245 million (US\$191 million) deal gives Constellation a toehold in an industry that the brewer expects to be legalized nationwide in the U.S. in the coming years.

“We think that it’s highly likely, given what’s happened at the state level,” Rob Sands, chief executive of the Victor, N.Y.-based beer, wine and spirits company, said in an interview. “We’re obviously trying to get first-mover advantage.”

Constellation—flush with cash after posting a 13% increase in beer sales in its latest quarter—is interested in developing drinkable cannabis products that don’t contain alcohol, he said. Products currently on the market in U.S. states where they are legal include buzz-inducing sodas, coffees and fruit elixirs.

Constellation doesn’t plan to sell such a product in the U.S. before marijuana is legalized there nationwide, Mr. Sands said, but could sell it in Canada, where edible and drinkable cannabis products are expected to be legalized by 2019, or other countries where recreational marijuana is permitted.

Independent research firm Euromonitor International estimates that the legal marijuana market in 2018 will be US\$7.5 billion in Canada and \$10.2 billion in the U.S.

U.S. beer-industry executives have been debating whether legalized marijuana could cannibalize sales of beer, even as other consumers migrate from beer to wine and spirits. Some brewers have experimented with cannabis-infused beers, not containing THC but instead a marijuana flavor.

“Wine and spirits are not sitting still, and marijuana is being legalized in many states,” Heineken USA Chief Executive Ronald den Elzen said at a beer wholesalers conference earlier this month. “We have to act now, and we have to do it together.”

Mr. Sands said he doesn’t see pot as a threat to booze. But if a consumer is going to choose a can of beer, a glass of wine, a shot of liquor or a weed-laced elixir, he wants to be able to offer all four, he said.

“Could it be a threat? Yes, I guess it could be,” he said. “We’re not going to stand around twiddling our thumbs.”

Medical use of marijuana has been legal in Canada since 2001. The country is expected to legalize recreational use, not including edibles, by July 2018, with edible and drinkable products expected to become legal the following year. In the U.S., eight states plus the District of Columbia have legalized marijuana, and more than 20 states have legalized it for medical purposes.

Constellation doesn’t plan to lobby for or against marijuana legalization in the U.S., Mr. Sands said.

Canopy Growth, based in Smiths Falls, Ontario, is ramping up capacity ahead of next summer’s legalization in Canada and said it would use the new capital to expand its production and storage facilities throughout the country.

The deal, expected to close by early November, gives Constellation board-observer status and the option to increase its stake to just under 20%. Canopy Growth CEO Bruce Linton said

Constellation's expertise in alcohol distribution would be helpful for the cannabis company as it determines how to distribute and package recreational cannabis. Canada's provincial regulators are still considering how to handle the selling of marijuana, he said.

Mr. Linton said he hoped the deal could be the turning point for the nascent industry, signaling to institutional investors "that a cannabis company that fully complies within legal jurisdictions would be the right place to invest."

There are 69 publicly traded cannabis companies listed on Canada's three main stock markets, representing about C\$8 billion in market capitalization. The bulk of the trades in Canada are conducted by retail investors.

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