

ARTICLES FOR 3-30-17 ROUNDUP

ELECTROIMPACT TO PAY \$485K OVER ANTI-MUSLIM HARASSMENT, RETALIATION CLAIMS

OLYMPIA — Attorney General Bob Ferguson today announced that Mukilteo-based aerospace company Electroimpact will pay \$485,000 after an investigation alleging discrimination by the company, retaliation against employees, and unfair or deceptive advertising. The company will also change its hiring practices and conduct outreach to minority applicants.

An investigation by the Attorney General's Wing Luke Civil Rights Unit found evidence that Electroimpact and its president, Peter Zieve, refused to hire Muslim applicants, engaged in religious and/or national origin harassment, discriminated against employees based on marital status, and retaliated against employees who opposed such unfair practices. The investigation also found the company engaged in unfair or deceptive practices by describing itself as an equal opportunity employer in advertising.

“The conduct outlined in our complaint is outrageous,” Ferguson said. “Discriminating against workers and retaliating against anyone who questions it is illegal.”

Zieve posted job ads on Craigslist, Indeed and CareerBuilder and had primary responsibility for screening applicants and conducting final interviews. Almost all job ads requested applicants “attach a recent picture of [themselves.]”

The complaint alleges that Zieve screened out applicants that affirmatively indicated that they were Muslim, or that Zieve perceived to be Muslim based on their name, photograph, national origin and/or application.

As a result, 94.5 percent of Electroimpact’s 474 engineers are white, according to a June 30, 2016 report to the U.S. Department of Labor. The complaint alleges that these practices make Electroimpact’s claim that it is an “equal opportunity employer” false advertising.

Electroimpact also maintained a listserv where employees discussed and shared “jokes.” Many emails and “jokes” posted to the listserv were demeaning to Muslims or those perceived to be Muslim.

For example, one employee emailed: “How do you save half the Muslims? Kill the other half.”

Zieve encouraged employees’ conduct on the listserv and often engaged in similar conduct.

On Dec. 3, 2015, Zieve emailed the listserv regarding the mass killing in San Bernardino and stated in the subject line, “With the stupidity in the highest office” and in the email body stated: “we might as well lay down across railroad tracks. And they sue the states that refuse to take Syrian refugees.” When an employee noted that one of the San Bernardino attackers was born in the

United States, Zieve responded to the listserv: “American born Muslims are almost as dangerous as the Syrian imports.”

Zieve encouraged employees to engage in conduct that degraded Muslims. On May 6, 2015, Zieve emailed an employee a smiley face emoji after the employee sent him an email that stated: “The winning drawing at the ‘Draw Mohammad’ art contest in Garland, Texas” and attached an image of a chalk outline of a dead body.

Zieve likewise recruited employees to participate in a neighborhood group that opposed the construction of a mosque in Mukilteo and to attend events regarding perceived flaws within Islam.

Electroimpact provided a bonus program to employees, in addition to their regular salary, that was available at Zieve’s discretion. The bonus was added to employees’ regular paycheck.

Until July 2016, Zieve exercised that discretion by providing Electroimpact employees who got married with a bonus.

The purpose of the “marriage bonus,” and an additional “children bonus” for those employees with children, was to encourage Electroimpact employees to procreate.

In a Dec. 19, 2015 email to the entire company, Zieve stated: “The future can only be secured by building families. I will not go south on the family benefits. Consider that an annuity. The birth rate is still low for a young group like we have. . . I believe the financial benefits are helping people to make the right decisions. Since the marriages underpin henceforth I will bring a \$1000 personal check to any marriage I attend. This is in addition to the \$1,000 you get in your paycheck.”

In another email, dated Feb. 6, 2015, Zieve stated: “When [our sons and daughters] choose to not repopulate and allow our wonderful country to be backfilled with rubbish from the desperate and criminal populations of the third world[,] I find that to be disgusting and I find those persons to make these decisions to be repulsive and I don’t like them around me.”

In a Oct. 2, 2015, email to the company, Zieve responded to an employee’s announcement that his wife gave birth to a girl by stating: “I note that 381,000 terrorist savages have gotten into Europe so far this year and if we don’t make more babies the light will out on civilization” and included a link to an article about the meaning of God’s mandate that Adam and Eve be “fruitful and multiply.”

In addition to providing “marriage bonuses,” Zieve sometimes pressured employees into getting married. In October 2015, for example, an employee working at the Mukilteo campus requested that Zieve approve renewal of his work visa. Zieve initially refused, stating, “Isn’t there an American girl you can marry?”

Although Zieve eventually agreed to renew the employee’s work visa, he warned the employee in an email: “Last time I am doing this guaranteed. Get married. Join the human race.”

Some Electroimpact employees are retaliated against when they express opposition to Electroimpact's discriminatory practices.

On March 27, 2015, for example, Zieve emailed the company on one of the email chains from the "Jokes" list. Zieve's email included an article suggesting that the suicidal Germanwings co-pilot was a "Muslim convert" and a "hero of the Islamic state."

One employee responded, "I am not on the jokes list and do not wish to be."

Immediately afterwards, Zieve both called and emailed the employee, telling her that it was "time for [her] to leave [Electroimpact]." Over the phone, Zieve told her that this was his company and that if she didn't agree with his beliefs, she had to leave.

Realizing that the company owner wanted her to leave, the employee was forced to find another job and quit several months later.

On March 22, 2016, Zieve discriminated against another employee in a similar manner. After receiving an email that seemingly derided Islam as the "religion of peace," the employee pleaded that the group "not do this" because "world cultures are too complicated to discuss in a jokes email list." Within 15 minutes, Zieve informed the listserv that he had just looked up the employee's phone number and that the employee "[was] out of line."

In a consent decree filed yesterday in Snohomish County Superior Court, Electroimpact agreed to pay \$485,000, which will be used to cover restitution, damages, and the Attorney General's Office's costs to enforce the Washington Law Against Discrimination and the Consumer Protection Act, and:

Zieve will no longer participate in evaluating individual candidates for non-management positions; Electroimpact will no longer base compensation decisions on a change in marital status;

Someone other than Zieve will be designated to accept employee complaints and the employee handbook will be changed to reflect that Electroimpact prohibits harassment based on all protected classes;

The company will provide annual trainings about their obligations under the WLAD (the first to take place within 90 days);

Electroimpact will make reasonable efforts to increase its hiring of minorities, including advertising every internship and full-time employment opportunity to minority engineering organizations, hosting two events with minority student associations at Electroimpact's facilities on a semi-annual basis, and conducting at least two recruitment events with minority engineering organizations on a semi-annual basis; and

Electroimpact will provide semi-annual reports to the state including a summary of all complaints made against Electroimpact or its agents in the previous six month period about discrimination or harassment based on religion, national origin or marital status.

If you believe you experienced discrimination, harassment, or retaliation while employed at Electroimpact, please call the Attorney General's Office toll free at (844) 323-3864 or email civilrights@atg.wa.gov, by Oct. 1, 2017.

Assistant Attorney General Marsha Chien handled the case.

The Wing Luke Civil Rights Unit was created in 2015 to protect the rights of all Washington residents by enforcing state and federal anti-discrimination laws. It is named for Wing Luke, who served as an Assistant Attorney General for the state of Washington in the late 1950s and early 1960s. He went on to become the first person of color elected to the Seattle City Council and the first Asian-American elected to public office in the Pacific Northwest.

More information about Washington's civil rights laws in employment is available at <http://www.hum.wa.gov/employment>. Individuals who believe they have been victims of employment discrimination can file a complaint with the Human Rights Commission at <http://www.hum.wa.gov/discrimination-complaint> or can contact the Office of the Attorney General at civilrights@atg.wa.gov.

Ohio attorney general program to help children of addicts

By Andrew Welsh-Huggins - Associated Press

COLUMBUS (AP) — Children hurt by their parents' addictions to painkillers and heroin will get help under a pilot program announced Wednesday targeting 14 southern Ohio counties hit hard by the state's opiate epidemic.

The \$3.6 million effort will provide intensive trauma counseling and other services to children abused or neglected due to parental drug use.

Parents of children referred to the program unveiled by Ohio Attorney General Mike DeWine will also receive drug treatment.

One of every two children placed in foster care in 2015 were there because of abuse and neglect associated with their parents' drug use, according to the Public Children Services Association of Ohio.

The announcement comes as the deadly epidemic shows no signs of letting up and in fact may be worsening.

The Franklin County Coroner said last week that nearly a person a day is dying in central Ohio by overdosing on the painkiller fentanyl.

The Cuyahoga County Medical Examiner said a record 60 people in that county died from opiate overdoses in February.

“The bad news is this wave is not letting up. It’s still coming,” said DeWine, a Republican. “The good news is there are a lot of people in Ohio today who are alive because fellow citizens of theirs have done amazing work.”

He cited efforts in Lucas County and elsewhere in which law enforcement officers reach out to overdose victims to encourage them to enter treatment.

Ohio has also boosted access to an anti-overdose drug and cracked down on painkiller prescribing, among many programs.

In Gallia County, about 100 miles (161 kilometers) southeast of Columbus, 17 of the 18 children in county custody were placed because of their parents’ opiate abuse, said Russ Moore, director of Gallia County Children Services.

In addition, the county has five infants in custody who tested positive for opiates at birth, Moore said. “In our community, we really are a crisis point,” Moore said. He added: “We’ve never seen anything like this before and it has been progressively getting worse.”

Children services agencies have seen increases in the number of children removed from homes and in children staying in care longer, both trends associated with parents’ opiate addiction, said Angela Sausser, executive director of the state children services association.

The program announced Wednesday is funded with \$3.5 million from victims of crime funding and a \$75,000 grant from the Seattle, Washington-based Casey Family Programs.

Counties targeted by the program: Athens, Clermont, Clinton, Fairfield, Fayette, Gallia, Highland, Jackson, Perry, Pickaway, Pike, Hocking, Ross and Vinton.

Andrew Welsh-Huggins can be reached on Twitter at <https://twitter.com/awhcolumbus>. His work can be found at <http://bigstory.ap.org/content/andrew-welsh-huggins>.

AG Schimel and Pharmacy Society of Wisconsin Team Up to Prevent Pharmacy Robberies

Wauwatosa, Wis. – Today, Attorney General Brad Schimel and the Pharmacy Society of Wisconsin (PSW) announced a new training tool designed to deter pharmacy robberies.

“Since the launch of Dose of Reality 18 months ago, the Wisconsin Department of Justice and our private and public partners have taken a multifaceted approach to preventing prescription drug abuse,” said Attorney General Schimel. “The DOJ’s and Pharmacy Society of Wisconsin’s Pharmacy Robbery Prevention and Response training is another tool in our arsenal. By discouraging robberies, and effectively responding to those that do occur, we protect the safety of pharmacy employees, customers, and the public, and reduce the amount of narcotics that reach the street.”

The Pharmacy Robbery Prevention and Response training, provided to pharmacies by law enforcement, will teach pharmacists, pharmacy technicians, clerks, and other pharmacy personnel how to deter a robbery, what to do when a robbery occurs, and what to do after a robbery occurs. The adoption of this training's content by pharmacies is not required but rather a series of recommendations to make pharmacy premises resistant to robberies.

Examples of effective deterrents include:

- Geographic location
- Categories, amount, and accessibility of drug stock
- Security equipment
- Physical design
- Management practices

"The Pharmacy Society of Wisconsin is deeply grateful for the Wisconsin Department of Justice's leadership and partnership in creating a pharmacy robbery prevention and response training program," said Danielle Laurent, Director of Public Affairs at the Pharmacy Society of Wisconsin. "Due in large part to the prescription drug abuse epidemic, pharmacy robberies are an all-too-common occurrence in pharmacies across the state of Wisconsin. It is imperative that pharmacy professionals and law enforcement are aware of methods to deter robbery, while also knowing how to respond in the event of a robbery to ensure the safety of pharmacy professionals and their patients. PSW is honored to partner with the Attorney General and the Department of Justice on this training program and we look forward to continued partnerships on prescription drug abuse initiatives."

Pharmacy robberies have occurred in all corners of the state, in rural, suburban, and urban areas. Anybody with information related to a pharmacy robbery or other criminal behavior is encouraged to contact local law enforcement.

For more information about prescription drug abuse, please visit: www.doseofrealitywi.gov

\$60,000 in Restitution for Students Given Unaccredited Degrees & Medical Certifications

PHOENIX- Attorney General Mark Brnovich announced students are eligible to receive up to \$60,000 in refunds after Para Health Professionals, Inc., and Examination Preparation Institute, Inc. issued unaccredited degrees and medical certifications. Students took seminars to become certified as Phlebotomists, Electrocardiogram Technicians, Medical Technicians, Behavioral Health Technicians, Healthcare Technicians, or Pharmacy Technicians. The restitution is part of a consent judgment obtained by the Attorney General's Office against Para Health Professionals and Examination Preparation Institute for violations of the Arizona Consumer Fraud Act.

"These so-called schools scammed students who dreamed of becoming medical technicians in Arizona," said Attorney General Mark Brnovich. "Students paid thousands to become certified medical techs only to find out their certifications are effectively worthless. One victim found out her certification was invalid during a job interview at a local hospital."

Pamela Rae Davis and Ernest C. Esteban, who own and operate both Para Health Professionals and Examination Preparation Institute, admitted they falsely told students they could provide valid medical certifications that were equivalent to state-licensed certifications. Students paid between \$99 to \$800 per seminar and from \$100 dollars to several thousand dollars to obtain "valid educational credentials" such as a bachelor's degree or Ph.D. Students later discovered the credentials came from an unaccredited establishment purporting to be in the British West Indies. Seminars lasted various lengths of time and included lectures and take home work. Students paid between \$99 to \$800 per seminar.

The judgment requires Davis and Esteban to pay \$40,000 in consumer restitution and up to \$20,000 in additional restitution to resolve consumer complaints. Students can still file a complaint with the Attorney General's Office and must include supporting documentation by April 17, 2017 to be eligible for restitution.

The judgment also permanently stops Davis and Esteban from operating any business that provides education credentials and from making representations that any certification they provide is the equivalent of a state-licensed certification.

Assistant Attorney General Evan Daniels handled this matter.

Push for Internet Privacy Rules Moves to Statehouses

New York Times By CONOR DOUGHERTY MARCH 26, 2017

Now that Republicans are in charge, the federal government is poised to roll back regulations limiting access to consumers' online data. States have other ideas.

As on climate change, immigration and a host of other issues, some state legislatures may prove to be a counterweight to Washington by enacting new regulations to increase consumers' privacy rights.

Illinois legislators are considering a "right to know" bill that would let consumers find out what information about them is collected by companies like Google and Facebook, and what kinds of businesses they share it with. Such a right, which European consumers already have, has been a longtime goal of privacy advocates.

Two other proposals face a crucial Illinois House committee vote this week. One would regulate when consumers' locations can be tracked by smartphone applications, and another would limit the use of microphones in internet-connected devices like mobile phones, smart TVs and personal assistants like Amazon's Echo.

Should they be passed into law, these rules could end up guiding the rights of consumers far beyond Illinois — because they would provide a model for other states, and because it would be difficult for technology companies with hundreds of millions of users to create a patchwork of state- and country-specific features to localize their effects.

Congress is pushing to overturn regulations imposed by the Federal Communications Commission under the Obama administration that limit the collection of data by broadband providers like AT&T and Comcast. The Senate approved the rollback last week, and the House is expected to follow this week.

Congressional Republicans argue that the rules would add an unneeded and confusing layer of regulation and that they fail to distinguish between broadband providers and content companies like Facebook and Google. They also assert, more broadly, that such regulation is onerous and stifles innovation.

Illinois is not the only place where state legislators are asserting themselves in the opposite direction.

California and Connecticut, for instance, recently updated laws that restrict government access to online communications like email, and New Mexico could follow soon. Last year, Nebraska and West Virginia passed laws that limit how companies can monitor employees' social media accounts, while legislators in Hawaii, Missouri and elsewhere are pushing similar bills for employees, as well as for students and tenants.

"More and more, states have taken the position that, if Congress is not willing or able to enact strong privacy laws, their legislatures will no longer sit on their hands," said Chad Marlow, a lawyer at the American Civil Liberties Union.

Online privacy is the rare issue that draws together legislators from the left and the far right. At the state level, anyway, some of the progress has come from a marriage between progressive Democrats and libertarian-minded Republicans, who see privacy as a bedrock principle, Mr. Marlow said.

States have often been a kind of regulatory laboratory. Be it tax cuts, emission regulations, gay rights or gun laws, advocates on both the left and the right have long worked at the state level to push agendas that Washington is too busy or hostile to handle.

In the case of online privacy, consumer groups and civil liberties advocates had a friendly ear in many quarters of the Obama administration. Now they face a White House and a Congress that are looking to roll back regulations, not create them.

But federal blockage can create local opportunities.

"What you're seeing is this growing recognition of the intrusiveness of these technologies, and some efforts — not to regulate them out of existence, but to regulate them in ways that allow people who care about this to preserve their own privacy," said David Vladeck, a professor at Georgetown Law School, and the former director of the Federal Trade Commission's consumer protection bureau. "So what's going to happen is California is going to supplant Congress, and it's going to be augmented by states like Illinois, Minnesota and even Texas in efforts to protect consumer privacy."

In Illinois, the “right to know” legislation recently cleared the Senate Judiciary Committee, paving the way for a full vote sometime in the next few weeks. Technology companies and their trade organizations are lobbying fiercely against it.

“I think I created 30 jobs when I filed this bill,” said Michael Hastings, a Democratic state senator who sponsored the measure.

Mr. Hastings said lobbyists representing companies including Microsoft, Apple, Lyft and Amazon had visited his office to talk about amending the bill. Several technology trade groups, including the Internet Association and NetChoice, have pushed publicly against the legislation.

In an interview, Carl Szabo, senior policy counsel at NetChoice, said the law could add a burden of compliance costs and legal fees on essentially any company with a website that collects information, even routine things like creating email lists or giving online support to customers.

“Hiring attorneys to write privacy policies, coming up with terms of service — that will be a real burden for small businesses,” he said.

Illinois also has another dimension: class-action lawyers. Almost a decade ago the state passed a trailblazing law, the Biometric Information Privacy Act, that regulates the collection of things like facial scans, voice data and thumbprints. This has given rise to a series of potentially expensive lawsuits against Facebook, Google and others.

Last year, lobbyists for Facebook failed in a push for an amendment that would have weakened the biometric law by exempting photo-tagging technologies that are now commonly used on social media.

In the interim, however, lawyers at Edelson PC, a Chicago-based class-action firm that has become notorious among tech companies for its prolific filing of privacy suits, have gone on offense with a lobbying campaign of their own. Firm lawyers have also helped found a new nonprofit group, the Digital Privacy Alliance, as an advocate for privacy legislation in Illinois and elsewhere.

“We were forced to get involved politically because once we started winning a lot of cases in court, they all went on the offensive,” said Jay Edelson, founder of Edelson PC. “It’s important because the Trump administration is doing so much to roll back privacy rights, so there is going to be a huge shift to state lawmakers and state attorneys general.”

Boston Man Indicted for Human Trafficking, Rape, and Witness Intimidation in Connection With Trafficking Women for Sex

Allegedly Supplied Multiple Women with Drugs, Trafficked Them for Commercial Sex in Boston, Brookline, Newton, Springfield, and Waltham

BOSTON – A Boston man has been indicted on charges of human trafficking, rape and witness intimidation in connection with supplying multiple women with drugs and trafficking them for

commercial sex in communities across the state, Attorney General Maura Healey announced today.

Hendricks Mario Berdet (aka “Capo,” aka “Supa Capo,” aka “Supa Mario”), age 31, was indicted on Thursday by a Statewide Grand Jury on the charges of Trafficking in Persons for Sexual Servitude (12 counts), Rape (1 count), Deriving Support from Prostitution (10 counts), and Intimidation of a Witness (5 counts).

“Ending the sexual exploitation of human beings is one of my office’s highest priorities,” said AG Healey. “In the midst of a deadly and widespread opioid epidemic, we continue to find individuals preying upon those struggling with addiction.”

Berdet will be arraigned in Suffolk, Middlesex, Hampden and Norfolk Counties, where the AG’s Office alleges the crimes occurred, at later dates.

A Statewide Grand Jury also indicted David Rivera, age 27, for Conspiracy to Traffic Persons for Sexual Servitude (4 counts) in connection with his alleged role in transporting the women for commercial sex.

Berdet was originally arrested on Feb. 14 in Medford by Boston Police and Massachusetts State Police assigned to the AG’s Human Trafficking Division, with assistance from Medford Police and the U.S. Immigration and Customs Enforcement’s Homeland Security Investigations (HSI).

The AG’s Office began an investigation in November 2016 along with the Boston Police Department’s (BPD) Human Trafficking Unit and HSI after the matter was referred by BPD.

The investigation revealed that Berdet allegedly supplied multiple women with drugs, including heroin and cocaine, in exchange for engaging in commercial sexual activity for his personal profit.

According to authorities, Berdet would allegedly distribute drugs to the women, post advertisements on websites known to advertise sexual services, and transport the women to various homes and hotels in locations including Boston, Brookline, Newton, Springfield and Waltham where they would engage in sexual acts for a fee.

The women allegedly provided all of the money they received for performing commercial sexual acts to Berdet, who required the women to reach a certain quota each night, usually between \$1,000 and \$1,500. In some cases, Berdet also allegedly took the victims’ identification or bank cards.

These charges are allegations, and all defendants are presumed innocent until proven guilty.

This case is being handled through the AG’s Human Trafficking Division, which focuses on policy, prevention and prosecution and includes a team of specialized prosecutors, victim advocates and Massachusetts State Police troopers who handle high impact, multi-jurisdictional human trafficking investigations and prosecutions across the state. Through the Human Trafficking Division, the AG’s Office has charged more than 30 individuals in connection with human trafficking since the law went into effect in 2012.

This case is being prosecuted by Assistant Attorney General Elizabeth K. Keeley, Chief of the AG's Human Trafficking Division, with assistance from Nikki Antonucci, Chief of the AG's Victim Services Division. It was investigated by Massachusetts State Police assigned to the AG's Human Trafficking Division, BPD Human Trafficking Unit, HSI, Investigator Jillian Petruzzielo of the AG's Financial Investigations Division and the AG's Digital Evidence Lab.

AG Ballot Explanations Released for Two Initiated Measures on Legalizing Marijuana

PIERRE, S.D. - South Dakota Attorney General Marty Jackley announced today that Attorney General Explanations for two proposed initiated measures have been filed with the Secretary of State. These statements will appear on petitions that will be circulated by the sponsor of the measures. For each petition, if the sponsor obtains a sufficient number of signatures (13,871) by November 2017, as certified by the Secretary of State, the measure will be placed on the ballot for the November 2018 general election.

The measures are titled:

“An initiated measure to legalize marijuana for medical use.”

“An initiated measure to legalize certain amounts of marijuana, drugs made from marijuana, and drug paraphernalia, and to regulate and tax marijuana establishments.”

Under South Dakota law, the Attorney General is responsible for preparing explanations for proposed initiated measures, referred laws, and South Dakota Constitutional Amendments. Specifically, the explanation includes a title, an objective, clear and simple summary of the purpose and effect of the proposed measure and a description of the legal consequences. The Attorney General Explanation is not a statement either for or against the proposed measure.

To view the Attorney General Explanations for the measures, as well as the final form of the measures submitted to this office, please click on the links.

<http://atg.sd.gov/docs/IMLegalizeMJformedical.pdf>

<http://atg.sd.gov/docs/IMlegalizeMJgen.pdf>

AGO Executes Search Warrants in Major Statewide Gambling-Device Enterprise

SALT LAKE CITY March 2, 2017 – The Utah Attorney General’s Office (AGO) announced today that AGO investigators, in a joint operation with local, state, and federal law enforcement partners, executed warrants to seize evidence of an alleged statewide enterprise related to illegal gambling machines. The operation identified over an estimated 500 machines or more at over 130 locations across the state. Tips about illegal gambling devices were reported by citizens to legislators, Utah Senator Curt Bramble, Utah Representative Justin Fawson, and Utah Representative Norm Thurston, as well as from other sources. The investigation is ongoing.

“The Attorney General’s Office has focused its operation today on a large number of gambling devices that we allege are illegal under Utah statute,” said Utah Attorney General’s Office Investigations Chief Leo Lucey. “Because these devices are out in the open and are available to anyone, they present an especially dangerous threat to youth.”

“I appreciate the Attorney General’s office and the work they’ve done to address concerns that local law enforcement agencies brought to the attention of Representative Thurston and myself,” said Rep. Justin Fawson, District 7. “This was a coordinated effort between local law enforcement and the Attorney General’s office that resulted in bringing down an enterprise that was attempting to skirt the Utah gambling laws.”

“A question was raised whether coin pushers in local convenience stores were legal,” said Rep. Norm Thurston, District 64. “After learning the about the problems these machines create, it was made clear that statewide approach would be necessary to address this issue. Rep. Fawson and I appreciate the cooperation, hard work and response of the Attorney General’s office, investigators and agencies across the state to help resolve this issue.”

Utah law requires prosecutors and law enforcement to prosecute illegal gambling in Utah where ever it may be found. The Utah AGO takes this legislative mandate seriously and appreciates all of the various law enforcement agencies who have collaborated in this case.

New tribal cigarette-tax compact submitted to Legislature

TOPEKA – (March 27, 2017) – Kansas has negotiated an agreement with the Sac and Fox Nation of Missouri in Kansas and Nebraska to improve accounting for cigarettes and tobacco products sold on tribal lands, Governor Sam Brownback and Attorney General Derek Schmidt announced today.

The agreement, known as a compact, has been signed by tribal leaders and by Governor Brownback, and was submitted to the Legislature earlier this month. Two similar compacts negotiated with the Prairie Band Potawatomi Nation and the Iowa Tribe of Kansas and Missouri were approved by the Legislature and signed into law in April 2016. A compact with the Kickapoo Tribe was signed in December 2016 and also awaits approval by the Legislature.

Under the 1998 tobacco Master Settlement Agreement (MSA), participating tobacco manufacturers agreed to make annual cash payments to the State of Kansas to resolve the state’s liability claims. In exchange, Kansas agreed to diligently enforce certain obligations under the MSA, including accounting for cigarette sales within the state. In 2012, Kansas resolved a longstanding dispute with tobacco manufacturers, which had accused the state, among other things, of failing to live up to its diligent enforcement obligations by not accounting for tobacco sales on qualified tribal lands. Before it was resolved, that dispute had placed at risk hundreds of millions of dollars in future tobacco payments for Kansas, which typically total \$50-\$60 million each year.

To resolve the dispute, and to eliminate a potential large financial liability for the state, Kansas as part of the 2012 settlement agreed to expand its diligent enforcement efforts to tribal lands. One

step needed to accomplish that expanded enforcement obligation is to account more fully for cigarettes sold on tribal lands in Kansas. Because the tribes are considered sovereign nations, it is necessary for the state to work cooperatively with them to obtain accurate and comprehensive sales data.

Schmidt said approval of the compacts this year will help the state demonstrate compliance with its enforcement obligations under the MSA. The compact with the Sac and Fox Nation of Missouri in Kansas and Nebraska is the final compact to be reached with the four resident tribes in Kansas, allowing the state to account for tobacco sales on all reservation lands in the state.

A copy of the compact negotiated with the Sac and Fox Nation of Missouri in Kansas and Nebraska is available at <http://bit.ly/2odqO0r>.