OFFICE OF THE ATTORNEY GENERAL
ANNUAL REPORT
FISCAL YEAR 2014-2015

At a Glance

GEORGE JEPSEN,
Attorney General

PERRY ZINN-ROWTHORN,
Deputy Attorney General

Established – 1897
Statutory authority: Conn. Gen. Stat. §§3-124 to 3-131
Central Office: 55 Elm Street, Hartford, CT 06106
Average number of full-time employees: **309**
Recurring General Fund operating expenses: $$ **31,717,000**

Revenues Generated: $ **523,238,320**

Mission

The critical missions of this office are to represent and vigorously advocate for the interests of the state and its citizens by performing, with diligence and integrity, the duties and directives assigned to the Attorney General by law, to ensure that state government acts within the letter and spirit of the law, to protect public resources for present and future generations, to safeguard the rights of all consumers, including our most vulnerable citizens, and to preserve and enhance the quality of life of all citizens of the State of Connecticut.

Statutory Responsibility

The Attorney General is the chief civil legal officer of the state. The Attorney General's Office serves as legal counsel to all state agencies. The Connecticut Constitution, statutes and common law authorize the Attorney General to represent the people of the State of Connecticut to protect the public interest.

REVENUE ACHIEVED BY THE OFFICE OF THE ATTORNEY GENERAL

During the 2014-2015 fiscal year, $523,238,320 was generated by the Attorney General's Office, as described below:

A. Revenue Generated for the General Fund

Tobacco Settlement Fund Collections	$ 118,987,915
Child Support Collections	20,964,549
Tax Collection	110,000
Recovery for Environmental Violations	107,222
Consumer Protection Penalties, Costs and Forfeitures	208,232
Charitable Trusts/Recoveries—Civil Penalties	94,169,607
Department of Social Services Collections/Civil	1,034,087
Global Civil Settlements/DSS	1,825,400
Antitrust Fees, Costs & Civil Penalties	949,826
SOS, DOC, OSE, UConn (misc.)	1,340,095
HIPAA Monetary Recoveries	65,000
Miscellaneous Collections	58,186,641
Total Revenue Generated for General Fund	**$ 297,948,574**

B. Revenue Generated for Special Funds

Privacy Protection Guaranty & Enforcement	$ 100,000
Second Injury Fund	115,379
PURA Enforcement Fund	4,500,000
Investment Commitment	21,000,000
Total Revenue Generated for Special Funds	**$25,715,379**

C. Revenue Awarded or Paid to Consumers and Businesses

Consumer Protection Restitution AVC & Litigation	$ 32,325
Consumer Assistance Unit Mediations	1,147,102
Child Support Collections for Families	36,594,500
Refunds obtained for Conn. Utility Customers	130,300,000
Consumer Restitution from Home Improvement Contractors	135,713
Consumer Restitution (Other)	629
Environmental Clean-up Costs	4,489
Security Deposit Cases	
Insurance Coverage/Healthcare Advocacy	
Illegal Billing – Medicaid	
Total Revenue Generated for Consumers and Businesses	**$ 199,574,367**
TOTAL REVENUE ACHIEVED	**$ 523,238,320**

PUBLIC SERVICE PROVIDED BY THE OFFICE OF THE ATTORNEY GENERAL

The Office of the Attorney General is divided into 15 departments, each of which represents agencies that provide particular categories of service to state residents. This year the Attorney General created the Privacy and Data Security Department, the work of which had previously been performed by a Task Force within the Office. The Attorney General also participates in the legislative process, represents the State in various lawsuits and claims, maintains an active communication with citizens, promotes the protection of personal data and information, and investigates violations of privacy and breaches of personal information. The overall work completed by this office in fiscal year 2014-15 is summarized as follows:

Trial Court Cases	
Instituted	17,859
Completed	14,569
Pending	22,770
Appeals	
Instituted	178
Completed	169
Pending	231
Administrative proceedings	
Instituted	1,493
Completed	1,698
Pending	8,891

Antitrust/Fraud Investigations	
Instituted	67
Completed	69
Pending	175
Consumer Investigations	
Instituted	12
Completed	15
Pending	112
Privacy Investigations	
Instituted	514
Completed	321
Pending	204
Miscellaneous Investigations	
Instituted	16
Completed	13
Pending	21
Legal Documents Examined	7,366
Public Inquiries Completed	3,553
Opinions Issued	112

LEGISLATION

During the 2015 legislative session, the Attorney General supported a number of different important legislative proposals. Several of those proposals were adopted by the legislature and signed into law by the Governor. The Attorney General continued to fight for changes to state law to combat opioid abuse. He supported a new law that: (1) requires practitioners, before prescribing more than a 72-hour supply of any controlled substance, to check the patient's record in the prescription drug monitoring program; (2) requires pharmacists and other controlled substance dispensers, by July 1, 2016, to report to the program immediately after dispensing controlled substances but in no event more than 24 hours after doing so, rather than at least weekly as under prior law; (3) allows pharmacists to prescribe opioid antagonists, used to treat drug overdoses, if they receive special training and certification to do so, and expands the existing immunity for all prescribers when prescribing, dispensing, or administering opioid antagonists; and (4) requires certain providers to take continuing education in prescribing controlled substances and pain management.

The Attorney General also supported a new law that enhances the State's data breach law, which the Attorney General is charged by state law with enforcing. Among other things, that new

law requires each company that experiences a data breach to notify impacted residents within 90 days of a breach and offer them at least one year of free identity theft prevention and mitigation services. The Attorney General also continued to fight for seniors by supporting the adoption of a new Uniform Power of Attorney Act. That new law creates a strong, uniform and easy to use power of attorney ("POA"). The new law will help protect seniors from financial exploitation by, among other things, clarifying the duties of an agent and the powers an agent is prohibited from exercising absent POA provisions expressly authorizing such actions, establishing liability for agents who violate POA law, and addressing third-party acceptance and reliance on a POA and the circumstances under which a third-party may refuse to accept a POA.

Lastly, the Attorney General continued to fight for access to more affordable health care. The Office participated on a number of occasions in the Legislative Leadership's Hospital Roundtable, which resulted in a comprehensive set of reforms to the way healthcare is delivered. Among other things, the new law makes changes to the oversight of hospital sales, places limits on allowable facility fees for outpatient hospital services, promotes competition among healthcare providers, and ensures greater price transparency for consumers.

DEPARTMENTS

ANTITRUST AND GOVERNMENT PROGRAM FRAUD DEPARTMENT

The Antitrust and Government Program Fraud Department has two distinct and critical missions: (a) ensure that companies that do business in Connecticut compete fairly and vigorously and; (b) protect Connecticut's health and human service programs from fraud, waste and abusive schemes. In that vein the department has the primary responsibility to enforce two important laws: the Connecticut Antitrust Act and the Connecticut state False Claims Act.

The Department's Antitrust Section has responsibility for administering and enforcing the Connecticut Antitrust Act, and has authority to enforce major provisions of the federal antitrust laws as well. It also relies on other state laws, including the Connecticut Unfair Trade Practices Act, to support the Attorney General's overall responsibility to maintain open and competitive markets in Connecticut. Utilizing these statutes, the section investigates and prosecutes antitrust and other competition-related actions on behalf of consumers, businesses and governmental entities. In addition, this section provides advice and counsel to the Attorney General on proposed legislation and various issues regarding competition policy. The Attorney General currently serves as the Chair of the Antitrust Committee of the National Association of Attorneys General.

The primary focus of the Department’s Health Care Fraud Section is to detect, investigate and prosecute health care provider fraud that results in financial loss to the State of Connecticut’s health and human services' programs, including the Connecticut Medical Assistance Program and the State Employee and Retiree Health Plan. The section develops cases independently and in conjunction with other state and federal law enforcement and regulatory agencies. The Connecticut state False Claims Act, which makes the submission of a false claim to certain health and human service agencies illegal, is the department’s chief tool to fight health care fraud.

The department also investigates complaints referred to this office by the Auditors of

Public Accounts regarding corruption, unethical practices, violation of state laws or regulations, mismanagement, gross waste of funds, abuse of authority and danger to the public safety occurring in any state agency or large state contractor.

Antitrust Enforcement

During the past year the Antitrust Section continued to build on the successes it has achieved over the last few years in industries that are vitally important to consumers. The section's mandate is focused on identifying and deterring anticompetitive conduct and obtaining restitution for injured "consumers", including state agencies and government programs, small businesses and individuals.

One of the primary goals of the section is ensuring that innovative products have the ability to effectively compete in what are often fast-paced and burgeoning markets. Electronic books ("eBooks") and electronic book readers ("eReaders") are two such areas of growth. In a relatively short period of time, the sales of eBooks have experienced marked growth, in part because of the introduction in January 2010 of Apple Inc.'s iPad, and the continued development of other popular eReaders such as the Kindle, Nook and Google's Nexus.

In August 2010, the Attorney General announced an investigation to determine whether the "Big Five" eBook publishing companies and Apple colluded to raise the price of eBooks. On April 11, 2012 the Attorney General's investigation resulted in 16 states, led by the Texas and Connecticut Attorneys General, filing an antitrust lawsuit in federal court alleging that Apple Inc., and the publishing companies Macmillan Publishers Ltd., Penguin Group (USA), Inc. and Simon & Schuster engaged in an anticompetitive price-fixing scheme for marketing eBooks. Those three publishers and two others who previously settled - - Hachette Book Group, Inc. and HarperCollins Publishers L.L.C - - ultimately agreed to pay $166 million in restitution to consumers nationwide, with Connecticut eBook purchasers receiving approximately $3 million in aggregate restitution from the five settling publishers.

The trial against Apple commenced in June 2013 - - with a Connecticut Assistant Attorney General giving the opening statement for all the litigating states. On July 10, 2013, the Court found Apple liable for conspiring to raise the retail price of eBooks. Thereafter, in mid-June 2014, Apple and the states announced that they reached a conditional settlement that will require Apple to pay an additional $400 million in restitution unless it prevails on its appeal of the district court's decision. On June 30, 2014, the U. S. Court of Appeals for the Second Circuit upheld the district court's decision. Any appeal by Apple to the United States Supreme Court would be due by [fill in].

The Antitrust Section is also active conducting investigations and litigation relating to competition in the financial markets. In 2010, the United States and seventeen states, including Connecticut, filed suit against American Express Company alleging the company's anti-steering rules, which prevented merchants who accept American Express credit and charge cards from steering customers to alternative credit card brands, raised consumers' transaction costs and, thus violated the antitrust laws. On February 19, 2015, the US District Court for the Eastern District of New York found American Express liable. The court will now fashion an appropriate remedy to address the harm.

Ensuring open and vigorous competition in Connecticut's health care markets is a chief law enforcement objective of the Attorney General. The benefits to consumers from competitive and efficient health care markets usually take the form of transparent pricing, sufficient consumer choice and access to providers, and high quality care. To better address these issues, in early 2013 the Attorney General formed a Health Care Competition Working Group within the office to examine how the trend of hospital and physician consolidation affected competition in Connecticut's health care market and to propose potential investigative or legislative initiatives to address any problems. Ultimately the working group proposed two pieces of legislation: the first bill was intended to provide consumers with notice if a physician was going to charge a patient a "facility fee" in addition to the professional charges billed by the provider. The second bill requires certain physician groups and hospitals to provide written notice to the Attorney General in the event they entered into a merger, acquisition or other affiliation (the disclosure statute). Through the Attorney General's leadership, the Connecticut legislature passed both bills and the Governor signed them into law, effective October 1, 2014.

Connecticut's hospital systems and physician practices have undergone significant consolidation over the last several years driven, in large part, by The Patient Protection and Affordable Care Act, which promotes Accountable Care Organizations, coordinated care and the bundling of payments across providers. When these mergers and acquisitions occur, section attorneys will review the competitive implications of these transactions to ensure they do not substantially lessen competition in Connecticut's markets. Often the section staff will work jointly on these investigations with the Federal Trade Commission (FTC) or the U. S. Department of Justice, although for smaller, more local transactions, the section may conduct its own inquiry.

This past year, the section worked with the FTC on several investigations, including proposed transactions involving Tenet Healthcare Corp., Yale-New Haven Health Services Corp., Greater Waterbury Health Network, St. Mary's Hospital System, The Bristol Hospital, Inc. and the Eastern Connecticut Health Network, Inc. Ultimately the parties decided to abandon the transactions.

The section also reviewed a number of other proposed acquisitions by Connecticut hospitals and/or physician practice groups during this past fiscal year. These reviews were initiated, in large measure, due to the disclosure requirements triggered by the disclosure statute.

Government Program Fraud

The Government Program Fraud Section entered into several health care fraud settlements this past fiscal year that provided restitution to the Connecticut Medical Assistance Program.

The section continued to participate in numerous multi-state health care fraud settlements with pharmaceutical companies related to problematic marketing practices that affected the Medicaid program. In all, the Attorney General entered into eight (8) settlements with pharmaceutical companies yielding a total recovery (federal and state) of approximately $1.4 million for the Medicaid program. Among the companies that settled with the United States and the State of Connecticut were: Shire Pharmaceuticals, LLC, Omnicare, Inc., Organon USA, Inc., and Daiichi Sankyo Company, Ltd.

In May of 2012, the Attorney General filed a false claims act lawsuit against a number of dentists, dental practices and corporations alleging they engaged in a long-running and elaborate scheme to defraud Connecticut's Medicaid program. In April, 2015, the Attorney General reached a settlement with Mehran Zamani and 13 of his practices and management companies resolving the fraud allegations stemming from the illegal Medicaid billing scheme. Under the terms of the settlement, Zamani agreed to pay $2.1 million in restitution to the Medicaid program and was excluded from providing services to Medicaid recipients for a period of 10 years.

Following on the heels of the Zamani settlement, in June 2015, the Attorney General entered into settlements with three additional defendants who participated in the scheme and were sued in 2012. These settlements netted an additional $279,000 in restitution and resulted in exclusion from the Medicaid program for all three individuals.

On June 18, 2015, the Attorney General filed a false claims act case against the co-owners of Brighter Concept, Inc. – Dr. Ashwini Sabnis, a licensed psychiatrist enrolled as a provider in the Connecticut Medical Assistance Program, and her husband, Saurav "Sam" Mohanty alleging they engaged in a scheme to submit false claims to the Connecticut Medical Assistance Program (CMAP) from January 2010 through December 2014. A trial date has not yet been scheduled.

Whistleblower Matters

The Whistleblower Section, upon referrals by the Auditors of Public Accounts, continued to investigate a variety of complaints alleging corruption, unethical practices, mismanagement, gross waste of funds and abuse of authority.

CHILD PROTECTION DEPARTMENT

The Child Protection Department is responsible for representing the Connecticut Department of Children and Families (DCF) in state and federal court proceedings brought in the interest of abused and neglected children. DCF's most prominent mandate is to investigate reports of child abuse or neglect and, based on the outcome of the investigations, to provide the proper protection for children and to assist families in retaining or regaining the care and custody of their children by enhancing the safety of children's family environments and improving parenting skills. DCF's interventions in serious cases of abuse or neglect are always subject to judicial scrutiny. The vast majority of civil child protection cases before the Superior Court of Juvenile Matters are initiated by DCF through neglect petitions, applications for orders of temporary custody, review of permanency plans, petitions for termination of parental rights, adoptions and other civil proceedings. DCF is also responsible for children and youths found guilty of committing acts of delinquency and are committed to the custody of the DCF commissioner. The cases of committed delinquents are subject to permanency plan review on an annual basis and at times, motions to extend commitment are heard by the criminal session of the Superior Court of Juvenile Matters. Attorneys in the Child Protection Department regularly represent DCF in all fourteen juvenile courts statewide, as well as in federal court. In addition, this

department defends DCF in all administrative appeals to the Superior Court.

The Child Protection Department successfully represented DCF in a large number of appeals to the state Appellate and Supreme Courts, including several positive outcomes in appeals concerning abused and neglected children and youths.

In *In re Cassandra C.*, 316 Conn. 476 (2015); the Supreme Court approved DCF's decision to compel a seventeen year old girl diagnosed with Hodgkin's Lymphoma, a condition that is universally fatal if not treated, to receive life-saving medical treatment. The Court upheld DCF's action to assume the temporary custody of the child once her mother failed to obtain proper treatment for the daughter, and rejected the claim that Cassandra C. was a "mature minor."

In *Frank* v. *Department of Children and Families*, 312 Conn. 393 (2014); the Supreme Court reinstated a DCF hearing officer's decision upholding the plaintiff's substantiation of abuse and neglect and placing him on the registry. The Court held that the behavior of the plaintiff, an elementary school teacher who ridiculed one student on a daily basis for being overweight and for his awkward appearance in front of his class, constituted abuse. The Court rejected the claim that the applicable statute is void for vagueness.

In *Gagliardi* v. *Department of Children and Families*, 155 Conn. App. 610, cert. denied, 316 Conn. 917 (2015); the Appellate Court upheld a DCF hearing officer's decision substantiating abuse by the plaintiff, a high school teacher who engaged in an improper "texting" relationship with a female student. The Court held that the content of the text messages established a prima facie showing that the plaintiff sent the messages because they contained distinctive characteristics sufficient to authenticate the identity of the plaintiff as the one who composed and sent the messages at issue.

In *In re Jaccari J.*, 153 Conn. App. 599 (2014); the Appellate Court affirmed the trial court's decision to transfer the guardianship of two teenaged siblings to their biological father over the objection of their legal guardian - their maternal grandmother. The Appellate Court held that the statutory presumption that favors a biological parent over a non-parent in child custody dispute under Conn. Gen. Stat. §46b-56b, does not apply to child protection cases. Nevertheless, the trial court conclusion was upheld because the trial court properly exercised its broad discretion in determining which custodial placement was in the children's best interest.

COLLECTIONS/CHILD SUPPORT DEPARTMENT

The Collections/Child Support Department is dedicated to the expeditious recovery of monies owing to the State, as well as the establishment of orders for the support of children. The department represents the Department of Administrative Services/Collection Services in matters involving the recovery of debts owed to the state, including reimbursable public assistance benefits, other state aid and care, and costs of incarceration. The department also represents the Bureau of Child Support Enforcement within the Department of Social Services (DSS-BCSE), to establish child support orders. Additionally, the department provides legal services to enforce child

support orders at the request of the Support Enforcement Services division of the Connecticut Judicial Branch (SES). Department staff also provide a full range of litigation services to collect, on a case-by-case basis, monies owed to state agencies, including the Departments of Social Services, Revenue Services, Correction and Higher Education, as well as the Unemployment Division of the Labor Department, John Dempsey Hospital, the Second Injury Fund, the Connecticut State University System, the Office of the Secretary of the State, the State Elections Enforcement Commission and various other state agencies, boards and commissions.

In fiscal year 2014-2015, department attorneys recovered millions of dollars in cash payments on debts owed to the state. The department's activities on child support orders continue to create exceptionally large caseloads. During the fiscal year, more than 10,000 cases were opened in all child-support categories. These cases are handled in both the J.D. Superior Court-Family Division, the Family Support Magistrate division, and Probate Court, and involve the establishment of paternity and/or orders for support of minor children.

The State of CT-Title IV-D partnership, comprised of the Attorney General's office, DSS-BCSE, and SES, successfully enforced/collected nearly $300 million in child support for families, and of that amount, $36 million was paid to the state General Fund under the state's assignment of rights.

Department attorneys actively argued cases on behalf of children who resided in the State of Connecticut, as well as children residing in other states and cooperating countries, pursuant to the Uniform Interstate Family Support Act. In addition to their work establishing paternity and support orders for children, department attorneys appeared and successfully argued hundreds of cases in Probate Court and Superior Court-Juvenile Court, to protect the State's interest and to preserve the legal rights of children to receive financial support from their parents. The Probate Court matters generally involve non-custodial parents seeking to terminate their own parental rights, or the custodial parent seeking to terminate the rights of the non-custodial parent. These matters are often transferred or appealed to Superior Court.

Outside the child-support area, department attorneys engaged in excess of 1,500 collection-related litigation matters and managed a large diverse case load, in numerous venues including state superior court, probate court, federal district court, and federal bankruptcy court proceedings in Connecticut and throughout the country. The department concluded several litigation collection matters involving the recovery of debts owed to numerous state agencies, boards and commissions. The department's collections efforts resulted in a recovery in excess of $100,000 in approximately twenty or more cases, for a total recovery in excess of $ 20 million for the state General Fund. The largest matters involved a $2.1 million recovery related to the termination of an OBRA Supplemental Needs Trust (Omnibus Budget Reconciliation Act of 1993), nearly $ 765,000 related to the successful prosecution of a state claim in federal district civil court, and $733,000 recovery from the termination of a Special Needs Trust.

Department staff, working with staff from the Department of Social Services, recovered

$650,000 from the successful enforcement of a state statutory lien filed upon a personal injury case arising out of the State of Florida.

The Department also recovered nearly $ 130,000 on behalf of the Department of Correction for cost of incarceration debt owed by inmates. The department also successfully collected $1.7 million in penalties/fines from foreign (unregistered) businesses, working in cooperation with the Secretary of the State's Commercial Recording Division.

Of the numerous bankruptcy claims that were successfully prosecuted, several resulted in substantial collections, including nearly $2 million recovery in a DRS unpaid tax claim involving a multi-national corporation and $400,000 collected in unpaid unemployment taxes owed to DOL and unpaid provider taxes owed to DRS.

Department staff also negotiated a one-time child support payment of $ 50,000 to resolve a contested child support matter and assisted DSS with the civil enforcement of numerous contested statutory child support liens on behalf of neglected children.

CONSUMER PROTECTION DEPARTMENT

The Consumer Protection Department's focus is on protecting consumers from unfair and deceptive business practices through its representation of the Connecticut Department of Consumer Protection, consumer education, complaint mediation, investigations, appearances before state and federal agencies, and litigation under various state and federal laws, primarily the Connecticut Unfair Trade Practices Act (CUTPA).

Mediation

As part of the Attorney General's focus on consumer mediation, the department includes a Consumer Assistance Unit (CAU). The CAU is dedicated to assisting individuals in resolving consumer complaints and enforcing laws designed to protect the public from deceptive or unfair practices. During the fiscal year, CAU staff responded to 2,419 written consumer inquiries and many telephone inquiries. Over $1,147,102.48 was refunded or credited to Connecticut consumers due to the mediation efforts of CAU**.**

Consumer Education

Educating consumers is part of the department's core mission. During this past fiscal year, outreach efforts by staff included a mortgage assistance event in Waterbury with the state Department of Banking , and several local and regional health and consumer information fairs in Ansonia, Danielson, Wethersfield and Willimantic. The department also continued to work statewide through Triad and the Department on Aging's Elder Justice Coalition to provide fraud-

prevention information to seniors and their families. The department has also made efforts in this year to reach non-English-speaking populations in Connecticut. The department's telephone greeting now includes messages in Spanish, Italian, Haitian Creole, Chinese, Portuguese and Polish, informing consumers of the office hours and providing instructions on how to file a consumer complaint. The online consumer complaint form and several consumer guides have been translated into these languages, as well. In collaboration with AARP, the department participated in the filming of a Spanish-language Fraud Watch Network segment on the Spanish-language television network Univision.

Multistate Activities

Connecticut joined 49 other states and the District of Columbia Attorneys General in multi-state settlements against four companies to resolve allegations of unlawful "data cramming", i.e., the placement of charges for services on consumers' mobile telephone bills that they had not signed up for or otherwise agreed to. In October 2014, the multi-state group obtained a $105 million settlement with AT & T that included a $20 million payment to the participating states, of which Connecticut received $268,252.17, and an $80 million payment to the FTC to fund the costs of a claims-based restitution program. In December 2014, the multi-state group obtained an $18 million settlement payment from T-Mobile, of which Connecticut received $241,426.96. This settlement required T-Mobile to allocate $90 million for consumer restitution. In May 2015, the multi-state group obtained a $158 million settlement with Sprint and Verizon that included a $12 million payment from Sprint and a $16 million payment from Verizon, of which Connecticut's share of the Sprint payment was $160,314.28 and its payment from Verizon was $213,782.71. Sprint will also pay up to $50 million to consumers and Verizon will pay up to $70 million to consumers in claims programs supervised by the federal Consumer Financial Protection Bureau.

The department is presently serving on the executive committees for two multistate investigations of major automobile manufacturers. One involves Takata Corporation and its U.S. subsidiary, TK Holdings. Takata, one of the largest manufacturers of airbags, announced a recall of airbags installed in nearly 34 million vehicles dating back at least to the 2001 model year. The recall, which was prompted by reports that the airbag inflator units could shatter and spray shrapnel into the passenger compartment, came about only after months of pressure from regulators. Connecticut is also co-leading a multistate investigation involving Hyundai and Kia and its representations regarding fuel economy and gas mileage.

Other Unfair and Deceptive Trade Practice Cases

In August 2014, in conjunction with the FTC, the department obtained a stipulated judgment against TicketNetwork, Inc., Ryadd, Inc. and SecureBoxOffice, LLC. TicketNetwork, a secondary market ticket exchange, and its two partners Ryadd and SecureBoxOffice, created websites and web advertising, which allegedly created an impression that consumers were purchasing tickets from a primary ticket-seller or venue, rather than a secondary ticket seller. The stipulated judgment, among other things, requires the defendants to prominently disclose on their

websites that they are ticket resellers, that they are not affiliated with the venue or authorized ticket seller, and that the prices displayed may exceed the face value of the ticket. The judgment further ordered the defendants to make payments to the State totaling $1.4 million, to be used by the State for complaint resolution programs, consumer education and consumer protection enforcement.

In February 2015, the department sent informational requests to computer technology company Lenovo Group Ltd and the software company Superfish, regarding the pre-installation of Superfish software on Lenovo computers, following media reports that the Superfish software compromised the security of the users' computers, making them susceptible to hackers. That investigation is ongoing.

In March 2015, the department sent an informational request to Lumber Liquidators following a media report alleging that some of the laminate flooring Lumbar Liquidators sold in its stores contained levels of formaldehyde that exceeded federal and other government standards. That investigation is ongoing.

Also in March 2015, the U.S. District Court granted a summary judgment motion against LeadClick Media, Inc. in *FTC and State of Connecticut v. LeanSpa, LLC, et al*. In granting the motion, the court held that LeadClick was responsible for the false claims made by affiliate marketers it had recruited for LeanSpa, a company that sold acai berry and “colon cleanse” weight-loss products. According to the complaint, LeanSpa used a “free trial” ploy to enroll consumers into its recurring purchase program that cost $79.99 a month and that was difficult to cancel. LeadClick’s marketers lured consumers to LeanSpa’s website through fake news websites designed to trick consumers into believing that independent news outlets and independent customers, rather than paid advertisers, had reviewed and endorsed LeanSpa’s products. The court ordered LeadClick to give up nearly $12 million it had received from LeanSpa as payment and further ordered LeadClick's parent company, CoreLogic, to disgorge more than $4 million in ill-gotten gains it had received from LeadClick. LeadClick filed an appeal with the 2nd Circuit Court of Appeals, which is pending.

Utility Cases

On June 9, 2014, CL&P filed an application to increase its rates by $232 million per year. The Attorney General opposed the rate increase, except for those portions that involved the recovery of storm costs and system resiliency investments. In December, 2014, PURA issued a decision approving an overall rate increase of $134 million, reducing CL&P's request by nearly $100 million. While CL&P's rate increase was substantial, the Attorney General effectively advocated for the minimum rate increase necessary to allow the company to continue to provide safe, adequate and reliable service at reasonable rates.

EMPLOYMENT RIGHTS DEPARTMENT

The Employment Rights Department devotes a substantial amount of its resources to defending state agencies and state officials in employment related litigation and administrative complaints. Its staff continues to work to effectively defend employment claims against the state and state officials – thereby limiting or avoiding the state's exposure to financial liability and other costs associated with litigation -- while ensuring protection of employees' legitimate legal rights.

The department also regularly provides legal advice and counsel, both orally and in writing, to state agencies on a variety of employment matters. The department staff also participates in training agency staff in employment laws including the Connecticut Fair Employment Practices Act, the Civil Rights Act of 1964, and the Americans with Disabilities Act.

Department staff are currently defending the State in approximately 92 employment cases in the state and federal courts, including 2 Second Circuit Court appeals and 3 Connecticut Appellate Court appeals. The department is defending 99 complaints before the Connecticut Commission on Human Rights and Opportunities ("CHRO"), Office of Public Hearings, the Equal Employment Opportunity Commission ("EEOC") and Freedom of Information Commission ("FOIC"). The department is also defending 12 claims in the Office of the Claims Commissioner.

During the past year, the department successfully defended state agencies in numerous cases in the state and federal courts. Significantly, the department was able to obtain favorable rulings on 6 summary judgment motions that were filed in federal court and 2 summary judgment motions filed in state court, eliminating the need for trials in those cases. In an additional case in state court, summary judgment was granted in part and denied in part. The department also filed approximately 13 additional summary judgment motions, 8 in federal court and 5 in state court during fiscal year 2014-2015, motions which are pending rulings by the court.

The department was successful in obtaining judgment for the Judicial Branch and the Department of Children and Families in two employment trials in the Hartford Superior Court.

In addition, department staff handled two public hearings before the Commission on Human Rights and Opportunities. One hearing was completed after 15 days of evidence and post-hearing briefs have been filed. The department filed a motion to dismiss in the other hearing and the CHRO has stayed that proceeding.

The Employment Rights Department is currently handling a number of appeals pending before the Connecticut Appellate Court or the federal Second Circuit Court of Appeals.

The department was also successful in avoiding the state's exposure to financial liability by getting several cases dismissed by the Court and CHRO and by entering into settlements.

ENERGY DEPARTMENT

The Energy Department represents the Public Utilities Regulatory Authority (PURA) and the Connecticut Siting Council (Council) in court challenges to their decisions. The Department also defends the state's interests in energy and utility issues before the Federal Energy Regulatory

Commission (FERC) and in telecommunications issues before the Federal Communications Commission (FCC).

During the past fiscal year, the Energy Department recovered more than $100 million for Connecticut ratepayers in two FERC proceedings: *Connecticut Yankee Atomic Power Co.* and *Coakley vs. Bangor Hydro-Electric*. In the *Connecticut Yankee* cases, Connecticut ratepayers had paid for the decommissioning costs of retired nuclear power plants. After losing federal litigation regarding its failure to obtain long-term storage of nuclear waste, the federal government was ordered to reimburse the decommissioning costs to Connecticut ratepayers in series of cases. The reimbursement for the most recent of these cases totaled $77.8 million and was used to defray utility storm costs otherwise payable by ratepayers. This delivered additional benefits to ratepayers by avoiding several million dollars in carrying costs the ratepayers would have had to otherwise pay. In the *Coakley* case, this Office on behalf of PURA and the Massachusetts Attorney General led a coalition of New England public utility commissions, Attorneys General, Consumer Counsels and municipal utilities in a proceeding at FERC to successfully obtain a reduction in the return on equity (ROE) applied by FERC to transmission projects. The cost savings to Connecticut ratepayers for this fiscal year from the *Coakley* case totaled $21 million, and was reflected as a credit on ratepayers' bills.

Representing PURA, the Energy Department led a coalition of several states and public utilities as amici in the Third Circuit's case of *PPL v. Nazarian* and the Fourth's Circuit matter of *PPL v. Solomon*, where the states defended their right to encourage development of power generation plants by the use of procurement contracts. When the Circuit Courts of Appeal issued adverse rulings, the Energy Department filed an amici brief for a coalition of states in support of the petitions of certiorari with the U.S. Supreme Court. The petitions remain pending.

The Energy Department also successfully defended numerous PURA decisions in state and federal court, including obtaining a $600,000 donation to the Clean Energy Fund in a renewable portfolio standards matter, and successfully defended orders establishing transit traffic service and reciprocal compensation rates charged by AT&T to competing telecommunications carriers.

Representing the Siting Council, the Energy Department successfully defended the Council's decisions for the siting of cell towers and transmission power lines. In the matter of *FairwindsCT v. Connecticut Siting Council*, the Department successfully defended the Council's decision to permit the first commercial wind turbines in Connecticut, confirming the Council's jurisdiction over the siting of wind turbines and other renewable energy power generation facilities.

ENVIRONMENT DEPARTMENT

The Environment Department represents the state Department of Energy and Environmental Protection and the Department of Agriculture in court and administrative proceedings. The department continues to have important success in abating pollution and in

enforcing environmental laws. This year the department initiated and participated in a number of cases that sought to protect the environment and the citizens of the State of Connecticut. The department also continued to coordinate with other states on national efforts to keep Connecticut's air clean and help protect its citizens from the impacts of air pollution transported to our state and from climate change.

In the continuing effort to improve Connecticut's air quality, the department participated in several legal actions to enforce the Clean Air Act, including actions seeking to reduce the impact in Connecticut from air pollution generated in other states. An action with the State of Maryland was filed challenging the federal Environmental Protection Agency's failure to disapprove the interstate pollution transport portion of Virginia's State Implementation Plan ("SIP") because the SIP did not include adequate protections to limit pollution transported to Connecticut. Protections that are required by the Clean Air Act, 42 U.S.C. § 7410(a)(2)(D)(i)(I).

The department also joined with Maryland and Delaware in two other challenges to EPA's actions in regards to other states' SIPs. In the federal Sixth Circuit Court of Appeals, suit was brought against EPA because it did not require Tennessee to submit a SIP. Also in the Sixth Circuit, the department handled a case challenging EPA's failure to set a deadline for Kentucky to revise its SIP after EPA disapproved it. Connecticut's lawsuit alleges that EPA was required, in light of Kentucky's failure, to establish its own Federal Implementation Plan for Kentucky. Both cases in the Sixth Circuit are captioned *Connecticut et al. v. EPA.*

This year the department had a number of legal victories in State court on behalf of the Department of Energy and Environmental Protection ("DEEP") that bolstered the State's efforts to enforce and defend environmental laws.

In *Vorlon Holding, LLC v. Commissioner*, the State received a favorable decision in the trial court upholding a DEEP pollution abatement order issued to a limited liability company that had knowingly acquired contaminated property. The decision is notable because it held, for the first time in Connecticut, an individual personally liable where she created the LLC for the express purpose of having title to the polluted property pass to the LLC and in an attempt to avoid responsibility for the pollution to the detriment of the environment and neighboring property owners. This case is on appeal to the Appellate Court.

The department's attorneys also assisted DEEP in successfully defending a number of administrative appeals of challenges to its environmental enforcement orders and the DEEP's enforcement authority.

The department's representation of the DEEP in bankruptcy proceedings continues to prevent polluters from avoiding environmental liability by filing bankruptcy. The department attorneys handled numerous bankruptcy filings this year, representing DEEP's interests in bankruptcy courts. The department's attorneys' work in bankruptcy court seeks to ensure that contaminated properties are not abandoned and left to taxpayers to clean up.

The Environment Department also successfully defended a lawsuit, filed in federal court, by a disappointed bidder related to DEEP's procurement of new renewable energy resources. This procurement resulted in a projected $217 million savings to ratepayers over a 20 year period. In *Allco v. Klee*, the court granted the Department's motion to dismiss determining that the plaintiff did not have legal standing to challenge the procurement process. Successfully defending this claim was critical for meeting the state's carbon reduction and renewable portfolio standard goals and that seek to increase the State's use of solar and wind power.

The department continues to represent and assist the Department of Agriculture ("DoAg") in animal cruelty cases. Of significance, this past year the department successfully defended DoAg seizure of 72 neglected goats from a privately owned farm. DoAg seized the goats based on evidence that they were dying of starvation and exposure to the elements. This represented the largest seizure of medium to large animals ever conducted by DoAg. The department's attorneys also assisted the DoAG in saving two severely neglected horses by filing an action in court, *State v. Two Horses* which resulted in DoAg being awarded ownership of the horses.

The Environment Department provided legal support to DoAg in preserving valuable Connecticut farmland by acquiring the development rights through the Farmland Preservation Program, thereby protecting the land from commercial or residential development. The department continues to provide legal support to DoAg's Aquaculture Division and assists DoAg in leasing hundreds of acres for oyster farming and other commercial aquaculture activities, thereby generating millions of dollars for the State's economy.

In addition, the Environment Department continued to provide a full range of legal services to both DEEP and DoAg, including defense of Claims Commissioner matters, contract review, opinions, legal advice and counsel.

FINANCE DEPARTMENT

The Finance Department provides legal services to state agencies that regulate insurance, banking, and securities, as well as the Department of Economic and Community Development, the Department of Revenue Services, the Office of Policy and Management, and the Gaming Division of the Department of Consumer Protection. Legal issues involving state regulation of the financial services industry formed a major part of this department’s work in 2015.

The Finance Department continues to focus significant resources on legal issues arising from the 2008 financial crisis. For example, Connecticut, the U.S. Department of Justice, 18 states and the District of Columbia reached a $1.375 billion settlement with Standard & Poor's Financial Services, LLC ("S&P") to resolve allegations that S&P mislead investors when it rated structured finance securities in the lead-up to the financial crisis. The settlement culminated a five-year effort led by Finance Department attorneys. Connecticut was the first state to sue S&P in 2010 and

received $36 million in the settlement.

Finance Department attorneys continue to represent Connecticut on the Mortgage Monitoring Committee overseeing implementation of the National Mortgage Settlement ("NMS") and similar settlements with mortgage loan originators and servicers. The Connecticut Attorney General's office was a lead state in negotiating the NMS and subsequent settlements with Ocwen Financial Corporation and Suntrust Bank. The NMS helped approximately 7,000 Connecticut homeowners receive loan modifications and other forms of mortgage relief. Additionally, over 5,000 Connecticut citizens who lost their homes to foreclosure received compensation payments under the NMS. Banks participating in the NMS completed their consumer relief obligations in March 2014. Department attorneys will continue to represent Connecticut on the Ocwen and Suntrust Monitoring Committees until those settlements sunset. To date, the consumer relief provisions of the Ocwen and Suntrust settlements have helped approximately 1,000 Connecticut homeowners receive loan modifications and other forms of relief.

Department attorneys also successfully sued in federal court in Florida to shut down a mortgage rescue scam operated in part from Connecticut. Finally, together with Governor Malloy and the Department of Banking, the Finance Department helped to organize its eighth multi-servicer mortgage assistance event. These day long events offer Connecticut citizens the opportunity to meet face to face with their banks to work out a loan modification or other assistance on the spot. We continue to receive positive consumer feedback on these events.

Department attorneys are part of President Obama’s Residential Mortgage Backed Security ("RMBS") Task Force investigating financial institutions' conduct in structuring the securities at the heart of the 2008 financial crisis. Department attorneys are actively engaged in pursuing these important and complex investigations. Department attorneys have also been active on other consumer financial enforcement matters. For example, the Department has joined a multistate effort to assist student borrowers who have been harmed by for-profit colleges and to provide some relief to federal student loan borrowers that have been harmed by such schools as a result of violations of state law.

The Finance Department works closely with the state agencies it represents. For example, Department attorneys have represented the Department of Revenue Services in 480 tax warrant proceedings seeking to collect overdue and delinquent state taxes. The Finance Department also defends in court its client agencies’ numerous legal decisions. This year, Department attorneys defended client agencies at every level of Connecticut's court system, including the Connecticut Supreme Court, and in federal courts, including the Second Circuit Court of Appeals.

When requested, the Department provides legal advice and opinions to its client agencies on the meaning and application of Connecticut law. For example, Department attorneys drafted a legal opinion clarifying a municipal tax emption statute for veterans that was being interpreted incorrectly by some municipal tax assessors to deny eligible veterans the benefit of the exemptions. Additionally, the Governor’s continued emphasis on providing support to businesses operating in

or relocating to Connecticut requires Department attorneys to provide frequent assistance and advice to the Department of Economic and Community Development ("DECD") regarding grant, loan, and economic stimulus programs administered by DECD. The Department has approved 135 requests from DECD for assistance from outside counsel to close grant and loan agreements with Connecticut businesses.

The Finance Department is responsible for enforcement of the Master Settlement Agreement ("MSA") between the states, including Connecticut, and various participating tobacco product manufacturers, as well as related tobacco issues. The Department works to ensure that Connecticut receives the monetary payments it is owed by tobacco manufacturers, and that tobacco manufacturers, distributors and retailers comply with the public health provisions of the MSA and the requirements of state law.

HEALTH / EDUCATION DEPARTMENT

The Health and Education Department provides legal services and representation to a broad spectrum of state agencies, including the University of Connecticut, the University's Health Care Center and John Dempsey Hospital, the Board of Regents composed of the four Connecticut State Universities and the sixteen Connecticut Community Colleges, the Office of Higher Education, the State Library, the State Department of Education and the Connecticut Technical High Schools. This department also represents the Department of Public Health, the Department of Social Services, the Department of Mental Health and Addiction Services, the Department of Rehabilitation Services, the Department of Aging, the Office of Early Childhood, the Office of Health Care Access, the Psychiatric Security Review Board, the Department of Developmental Services, the Department of Veterans' Affairs, the Commission on Medical and Legal Investigations, the Office of the Chief Medical Examiner and the sixteen health licensing boards and commissions.

The department's workload addresses the entire spectrum of litigation in federal and state courts for these clients, including but not limited to class action lawsuits, administrative appeals, regulatory enforcement actions, non-employee discrimination claims, civil rights actions, probate proceedings, bankruptcy and receivership actions. The department also is involved in a variety of administrative proceedings representing the adjudicating agency (*e.g.* licensing boards), the prosecuting agency (*e.g.* day care and health care facility prosecutions) and defending agencies in proceedings before the Office of the Claims Commissioner, the Freedom of Information Commission and the Commission on Human Rights and Opportunities. The department advises and counsels client agencies on a wide spectrum of issues, including, for example, regulatory issues for health care facilities and professions, emergency medical services, child day care services and environmental health such as public water supply, lead paint, and asbestos; Medicaid and other welfare programs such as SNAP, WIC, and HUSKY; nursing home rates; health care facility certificates of need; confidentiality of medical and education records; human subjects research, scientific misconduct, civil commitment law, medical/psychiatric treatment at

state facilities, property acquisitions, state contract law, disability accommodations for students and faculty; college tenure, federal higher education law, and oversight of public and private educational entities. The department also reviews and approves for legal sufficiency regulations and contracts for its client agencies. This past year the department reviewed over 2,600 contracts and ten sets of regulations.

The department worked with the Department of Public Health ("DPH") to further its role as a health regulatory and enforcement agency. These activities included, among others, defending a number of challenges on appeal to the regulatory authority of DPH and decisions of the licensing boards for health care professionals. The department also provided assistance in securing eleven (11) consent orders between the Department of Public Health and health care facilities for regulatory violations. For example, the department assisted in the investigation of Bioreference Laboratories, a licensed clinical laboratory, for the operation of eight blood collection sites without the required certifications for their operation. After securing an agreement to close all of the sites, a consent agreement was secured placing all of Bioreference's Connecticut facilities under probation and setting requirements for future operations of the company and addressing the opening of blood collection sites in the future. In addition, Bioreference agreed to pay a civil penalty of $200,000, the largest penalty ever imposed upon a clinical laboratory. The department also successfully defended the appeal of the suspension of a WIC vendor for violations of program requirements including overcharging the state.

On behalf of the Office of Early Childhood, the department negotiated the voluntary surrender of a day care center's license and a consent order with another center. The department handled a substantial amount of litigation for the Department of Social Services ("DSS"). In addition to resolving ten court cases involving issues of Medicaid eligibility, the department also assisted DSS with the impact of the bankruptcy filing of Johnson Memorial Hospital and its affiliates. The department addressed a variety of issues for the State Board of Education and the Department of Education. The department successfully negotiated a one year settlement agreement in the landmark Hartford school desegregation case, *Sheff v. O'Neill*.

The department successfully brought to a close the oversight of Connecticut Valley Hospital's provision of services under a settlement agreement with the U.S. Department of Justice that began in 2009. The settlement agreement contains 63 standards on inpatient care and discharge planning which the hospital met. In addition, the department secured the Court's approval of a settlement of a class action lawsuit initiated in 2006 over the access to services to the community for psychiatrically disabled residents of two nursing homes.

The department continued to provide legal services on a broad array of issues to the Board of Regents, which includes the Connecticut State University System, Charter Oak College and the Community-Technical Colleges. Some of these issues included contract questions, real property matters, requests for access to student information, discrimination claims, Title IX claims, due process rights, the development of an interagency data base for

longitudinal studies and issues arising under the Freedom of Information Act ("FOIA").

The department also provides services for the wide variety of legal matters involving the University of Connecticut. This responsibility continues to increase as the University grows and higher education matters become more complex. Counsel is provided on issues including public safety, security, liability, data transfer, risk management, Title IX and Title VI compliance, and FOIA. The department attorneys expend substantial time on legal review, negotiation and approval of highly complex transactions and contracts.

The department provides advice and representation to the University of Connecticut Health Center ("UCHC") on broad range of legal issues arising from the operation of an academic health center with an annual budget approaching $900 million. Significant legal advice was given in the areas of human resources, human subjects' research, scientific misconduct, medical treatment, HIPAA compliance, the hospital's medical staff, medical and dental student and residency programs, emergency medical services, contracts and the Health Center's Correctional Managed Care program. In addition, the department appeared regularly at probate hearings relative to the John Dempsey Hospital's two locked psychiatric wards, engaged in a broad range of lease and contract negotiations and represented UCHC before multiple administrative agencies including the Claims Commissioner, the Freedom of Information Commission and the Commission on Human Rights and Opportunities. The department continued to be successful in litigation avoidance relative to the hospital, the medical school, the dental school and the research enterprise. Finally, department attorneys continue to provide advice to the Health Center relative to the legislation creating the Connecticut Bioscience initiative which includes authorizing the construction of a new hospital bed tower, collaborative ventures with area hospitals, as well as the acquisition of an office building contiguous to the Health Center campus.

PRIVACY AND DATA SECURITY DEPARTMENT

The Privacy and Data Security Department handles matters related to the protection of Connecticut residents' personal information and data. The department enforces state laws governing notification of data breaches, safeguarding of personal information, and protection of social security numbers and other sensitive information. The department is also responsible for enforcement of federal laws under which the Attorney General has enforcement authority, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Children's Online Privacy Protection Act (COPPA), and the Fair Credit Reporting Act (FCRA). In addition, this department provides the Attorney General with advice and counsel on proposed legislation and other matters regarding privacy and data security, and it engages in extensive outreach to citizens and businesses on matters relating to data protection and privacy.

Education

Chief among the initial goals of the Privacy and Data Security Department and its predecessor- the Privacy Task Force- was a series of meetings with public and private entities with a strong interest in privacy and data protection. These included a broad spectrum of large Connecticut-based business and educational institutions. The meetings afforded the Attorney General and the department the opportunity to learn, through open and quite candid discussions, precisely what entities are doing to protect consumers' private information. Perhaps more importantly, the dialogue that began in these initial meetings has continued, and the department is gaining an extremely unique, real-world perspective relative to data privacy and security. The Attorney General and the Privacy and Data Security Department staff members have spoken to groups and businesses about the importance of data privacy and security. In addition to small business roundtable or industry-specific events, the Attorney General and department staff members have spoken to trade groups and bar associations, as well as participated in numerous panel discussions and presentations regarding data security and privacy.

Data Breaches

Effective October 1, 2012, Connecticut law requires notification to the Attorney General of security breaches. This past year, the department logged in approximately 515 data breaches– or, approximately 42 per month. In total, approximately 2.5 million Connecticut residents are reported to have been affected by these breaches with varying categories of personal information implicated. Most of the reported breaches that specified a number of affected residents impacted fewer than 100 individuals, with approximately 87 breaches impacting 100 or more residents.

The Privacy and Data Security Department reviews all breach notifications submitted to the office, and conducts all necessary follow-up with the reporting company, such as obtaining further information about the incident itself, copies of consumer notice letters, and/ or requesting extended protection services where warranted under the circumstances.

Attorney from the Privacy and Data Security Department are currently leading or co-leading a number of important national investigations into large retailer data breaches, including data breaches affecting customers of Target and Home Depot. The past year has seen settlements by the department of a number of investigations, including in the following matters:

TD Bank, N.A.

In October 2012, the Connecticut Attorney General's Office received notification from TD Bank of a data breach involving the loss of unencrypted backup tapes in Massachusetts. These tapes contained 1.4 million files in 1,800 different file types. The files contained a variety of personal information belonging to some 260,000 TD Bank customers nationwide, including 43,157 customers in Connecticut.

Connecticut led a nine-state group that worked for a year and a half to investigate the 2012

breach, as well as the bank's policies and procedures. Connecticut also led the negotiations leading to a AVC with TD Bank. The signed agreement resolved consumer protection and privacy claims against TD Bank related to the 2012 breach. As the lead state, Connecticut's overall share of the $850,000 settlement totaled $179,862; $100,000 was deposited in the consumer privacy protection guaranty and enforcement account and the remaining amount in the state's General Fund.

In addition to the monetary payment, the agreement requires TD Bank to notify residents of any future breaches of security or other acquisitions of personal information a timely manner. TD Bank also agreed to maintain reasonable security policies to protect personal information. The agreement ensures that no backup tapes will be transported unless they are encrypted and all security protocols are complied with. TD Bank will review on a bi-annual basis its existing internal policies regarding the collection, storage and transfer of consumer's personal information and make changes to more adequately protect such information as needed. TD Bank will also institute further training for their employees.

Zappos, Inc.

Connecticut led a nine-state investigation following the unauthorized access of one of Zappos's computer servers in January 2012. The investigation revealed that the on-line retailer's server contained customer names, billing and shipping addresses, telephone numbers, the last four digits of credit card numbers, and login credentials of customers.

As part of a settlement, Zappos agreed to pay a total of $106,000 (of which Connecticut received $17,111.12) and take actions to better protect consumers' information. Under the agreement, Zappos is also required to maintain and comply with its information security policies and procedures, provide annual training to employees regarding its security policies, provide the attorneys general with its current security policy regarding customer information and copies of reports demonstrating compliance with the Payment Card Industry Data Security Standard for two years. In addition, Zappos is required to have a third party conduct an audit of its security of personal information, provide the audit report to the attorneys general, and address any identified deficiencies.

PointRoll

PointRoll is a digital advertising and technical services firm owned by parent company Gannett Corp. Connecticut, along with five other states, alleged that between December 13, 2011, and February 15, 2012, PointRoll circumvented consumers' privacy settings that would have otherwise blocked cookies from third parties or advertisers and allowed cookies to be placed in Safari Web browsers. Cookies are the small files set in Internet users' web browsers that allow for advertisers to gather information about consumers, such as their web surfing habits.

Connecticut joined a $750,000 multistate settlement with PointRoll, Inc., and Connecticut's overall share of the settlement was $110,000. Under the non-monetary settlement terms, PointRoll is prohibited from engaging in practices to override cookie blocking settings configured by

consumers in order to gather information about consumers in the future. PointRoll must also implement a privacy program that will include employee training on the importance of user privacy and how to maintain it. Lastly, PointRoll must ensure that its servers are configured properly as to instruct Safari Web browsers to expire any cookie placed by PointRoll using its browser circumvention technique, if those systems encounter such cookies, for a period of two years.

PUBLIC SAFETY DEPARTMENT

This past year the Public Safety Department represented the Department of Correction, the Department of Emergency Services and Public Protection, including the Division of State Police, the Division of Emergency Management and Homeland Security and the law enforcement functions of the former Division of Fire, Emergency and Building Services; the Military Department; the State Marshal's Commission and the Department of Consumer Protection Liquor Control Division. The department also provides legal services and representation to a number of associated boards, commissions and agencies, including the Division of Criminal Justice, the Division of Public Defender Services, the Office of Adult Probation, the Governor's Office (Interstate Extradition), the Statewide Emergency 9-1-1 Commission, the State Codes and Standards Committee, the Crane Operator's Examining Board, the Board of Firearms Permit Examiners, the Commission on Fire Prevention and Control, the Board of Pardons and Paroles and the Police Officer Standards and Training Council. The department also continues to provide limited representation for the State Fire Marshal and State Building Inspector, including review of all regulations and changes to the state Building and Fire Codes, even though those offices have been transferred to the Department of Administrative Services. Within the last year, attorneys in the department have also represented several State Universities, the Judicial Branch and the Department of Children and Families in various litigation matters.

The Department of Correction

The Department of Correction ("DOC") is the department's largest client agency. With over 6,000 employees, 16,000 inmates and another 3,000 offenders supervised in community placements, nearly all of the attorneys in the department devote at least some of their time to representation of the DOC of. Much of this work is done in defense of the agency and its employees in lawsuits brought by and on behalf of prisoners. The department continues to defend a large number of lawsuits challenging conditions of confinement in state correctional facilities and the administration of community programs, and the pending corrections cases in the U.S. Federal District Court alone continue to represent more than 10% of the overall federal court docket. These lawsuits collectively seek millions of dollars in money damages and seek to challenge and restrict the statutory authority and discretion of the Department of Correction. The department's efforts in defense of these cases save the State of Connecticut millions of dollars in damages claims, and preserve the state's authority to safely and securely manage an extremely difficult prison population free of costly and onerous court oversight as has been the experience in other states.

Significant areas of litigation in the last year include: the continued defense of the DOC's pornography ban; defense of various challenges to limitations on access to courts by inmates; defense of policy restrictions on the ability of restrictive housing inmates to move out of cell without restraints; defending lawsuits brought by death row prisoners challenging their conditions of confinement on death row; and handling ongoing challenges by certain violent groups that seek to be recognized as religious organizations.

Because the inmate population continues to present exceptionally challenging medical and mental health issues, department attorneys increasingly find themselves defending complex medical cases involving issues such as the alleged misdiagnosis of cancer and other serious chronic illnesses; viral infections allegedly resulting in blindness; loss of organ function; and methadone overdose while in custody. In addition, the department continues to defend a number of medical malpractice and civil rights cases arising from suicides and other acts of self-harm committed by persons in custody. Recent pharmacological advances in infectious disease treatment similarly have led to an increase in lawsuits regarding Hepatitis care. The department continues to work with the Department of Correction, the University of Connecticut Health Center and outside medical and mental health experts to defend litigation, develop policies addressing inmate patient care and identify systemic deficiencies in an effort to improve medical care and reduce the state's exposure to substantial damages awards.

A great number of inmate claims addressing conditions of confinement continue to be brought as habeas corpus cases, and in that forum, the department continues to defend inmate challenges to prison conditions and the application of the "good time" statutes to multiple sentences. The DOC utilizes a "Risk Reduction Earned Credit" program to reduce the inmate population by awarding sentence credits for participation in designated inmate programming, and inmates who feel they have not received a sentence decrease frequently litigate these claims by means of habeas corpus cases. In each of the last several legislative sessions, statutory changes have altered the award of discretionary sentence credits, which has resulted in a significant increase in habeas cases. We also continue to see an increase in medical claims in this practice area.

In addition to our litigation commitments, department staff continues to advise the Commissioner of Correction on a myriad of legal issues, including: , providing necessary services to inmates discharging from custody, the management of high profile inmates, maintaining appropriate services for mentally ill offenders, developing and maintaining appropriate administrative directives, and implementing safety and security procedures that protect staff and the public while also accommodating evolving constitutional standards as articulated in developing case law.

During the last year, the department represented DOC in discussions with the Office of Protection and Advocacy and the Yale and Columbia Law School clinics in an effort to avoid litigation challenging conditions of confinement at the state's maximum security facility. The department also continues to monitor compliance with agreements resolving litigation regarding

the conditions of confinement in the women's prison, treatment of HIV infected inmates and release of offenders sought by immigration authorities for possible deportation. As the DOC shifts its focus to increasing community placements and reducing the number of inmates assigned to restrictive housing settings, the department works closely with the agency to implement policies governing these new initiatives that comport with statutory and constitutional mandates. Department attorneys also provide instruction at the DOC training academy on legal issues arising in corrections. These issues will continue to challenge the department as budget constraints take a toll on the correctional system.

Board of Pardons and Paroles

The department continues to defend a number of cases involving the Board of Pardons and Paroles ("BOPP"). These cases involve challenges to the Board's authority relative to the granting, rescission and revocation of paroles. The Public Safety Department continues to provide the Board with training on legal issues involving its hearing procedures and developing legal trends.

Department of Emergency Services and Public Protection

Department attorneys defend all lawsuits involving the State Police, a division of the Department of Emergency Services and Public Protection ("DESPP"), seeking money damages arising from the exercise of police powers. The department caseload of police litigation continues to grow in both number and complexity, and includes false arrest and excessive force cases, wrongful death claims arising from police shootings and contract claims arising from the agency's relationships with outside service providers. During the past year, the department successfully litigated a number of cases in federal court and received favorable decisions in many of those cases. In addition to the department's litigation efforts, department attorneys meet regularly with State Police command staff and counsel to review the agency's policies and procedures and to address legal issues relating to release of confidential information, compliance with subpoenas and relations with other agencies. Recent legislative mandates requiring adoption of policies addressing use of Tasers and body-worn cameras by police will continue to require the department to work closely with DESPP command staff.

The department continues to represent DESPP and its successor agencies in administrative appeals involving the State Building Code and Fire Safety Code, and to review regulations implementing the various building codes. Department attorneys also routinely appear on behalf of the department in state and federal court and before the Freedom of Information Commission to address the many different statutory provisions that mandate confidentiality, and even erasure, of police records. Lastly, the department continues to review and provide advice to DESPP on a number of contracts and memoranda of understanding, in particular, agreements relating to the consolidation of dispatch services around the state as well as the resident trooper agreements between the department and more than forty municipalities participating in the resident trooper program.

Board of Firearms Permit Examiners

During the past year, the department provided legal advice and representation to the Board of Firearms Permit Examiners on a number of issues. The department has handled several appeals to the Superior Court from the Board's decisions, including efforts to compel towns to issue permits in accordance with the orders of the Board. The department also continues to field many public inquiries related to the concealed and open carrying of firearms under Connecticut law and the recently enacted firearms legislation as it relates to the licensing of firearms owners and their purchases of firearms and ammunition. The department continues to work with the Board to enforce the firearms laws of the State of Connecticut.

Liquor Control Division

During the past year, the department has handled a number of administrative appeals involving permits and licenses that are within the purview of the Liquor Control Division. In addition, department staff provided the Division with advice on legal issues concerning enforcement of the state's liquor laws.

State Marshal Commission

During the past year, the department continued to provide legal advice to the State Marshal Commission on several matters, particularly with respect to the duties of state marshals and the removal of state marshals. The department's efforts have included developing protocols and appropriate training for marshals who have authority to serve criminal process, and developing guidelines for serving process on behalf of pro se litigants.

Division of Criminal Justice & Division of Public Defender Services

The department has appeared and defended numerous cases involving the Division of Criminal Justice and the Division of Public Defender Services. These cases often raise constitutional questions and governmental immunity, and relate to the core duties of prosecutors throughout the criminal justice process. In addition, the department works closely with the Office of the Chief State's Attorney and several State's Attorneys in areas of overlapping jurisdiction, such as complex habeas corpus matters in state and federal courts. The department also has seen an increase in Freedom of Information matters involving the Office of the Chief Public Defender and the Division of Criminal Justice and has provided legal advice and representation in this area.

Military Department

The department continues to work closely with the Military Department on a variety of issues, particularly in claims from one of the ceremonial military units that challenge the authority of the Military Department. During the past year the department also reviewed contracts involving military construction projects worth millions of dollars.

Prosecution of Home Improvement Contractors

An Assistant Attorney General in the Public Safety Department oversees the Attorney General's program for prosecution of fraudulent home improvement contractors. Under this program, several of the office's AAGs are appointed as special assistant state's attorneys in order to prosecute new home construction contractors and home improvement contractors for various crimes including failure to obtain proper licensing and refusing to refund deposits. The program's AAGs are involved in reviewing and approving warrants leading to the arrest of individuals who violate the acts governing home improvement and new home construction contractors. The AAGs then prosecute the cases to completion in criminal court.

Actual Incarceration Claims

The department continues to represent the State in claims for wrongful incarceration brought in the Claims Commission pursuant to Conn. Gen. Stat. § 54-102uu. Since the legislature created this remedy, more than 25 individuals have filed claims seeking millions of dollars in damages for being wrongfully convicted of, and incarcerated for, crimes they did not commit. This department reviews each claim to determine whether a claimant is eligible for damages, which requires examination of the underlying criminal case files and consultation with prosecutors. In several of the cases where it appeared the claimants were not eligible for damages, the department contested the claim in litigation before the Claims Commissioner.

Miscellaneous Litigation Matters

During the past year, the department continued to work on litigation matters involving other departments, including: the wrongful death and personal injury claims arising from the courthouse shootings in Middletown; a complex litigation matter arising from the suicide of a Southern Connecticut State University student; a wrongful death claim against the state arising from the death of a child in custody of a foster parent employed by the Department of Children and Families, and several claims by the estates of crime victims challenging the release and supervision of offenders in Connecticut and other states.

SPECIAL LITIGATION & CHARITIES DEPARTMENT

The Special Litigation and Charities Department represents the Governor, Lieutenant Governor, the General Assembly, the Judicial Branch, the Secretary of the State, the Treasurer, the Comptroller, the Auditors of Public Accounts, the State Elections Enforcement Commission, the Office of State Ethics, the Office of Governmental Accountability, the State Contracting Standards Board, the State Properties Review Board, the Judicial Review Council, the Judicial Selection Commission, the Statewide Grievance Committee, the Probate Court Administrator, the Board of Accountancy, the Office of Protection and Advocacy, the Office of Child Advocate and the Office

of the Victims Advocate. In addition, through its Public Charities Unit, the Department protects the public interest in gifts, bequests and devises for charitable purposes, and in cooperation with the Department of Consumer Protection, enforces state laws regulating charities and professional fundraisers who solicit from the public.

In the fiscal year, the department represented the State's interests in a number of important cases, including: the initiation of a receivership action related to the sailing vessel *Amistad* after the nonprofit Amistad America experienced serious financial distress and problematic organizational governance issues, including assisting the court-appointed receiver in marshaling resources and resolving the debts of the former organization, coordinating efforts to establish a new nonprofit organization to take title of the *Amistad*, and assisting other agencies and officials in the State's efforts ensure a better future for this important cultural and historical asset; the ongoing defense of gun control legislation enacted in 2013 against several lawsuits, under the Second Amendment of the federal constitution as well as under the state constitution, seeking to enjoin the State's efforts to protect public safety through reasonable restrictions on ownership of assault weapons and high-capacity ammunition magazines; and complex state and federal court litigation involving efforts by a payday lender associated with a federally recognized Indian tribe to avoid penalties for violations of state banking laws.

The department also represented the State in the litigation of a federal court suit involving the calculation of agency fees imposed on non-member state employees represented by unions; the successful defense of a federal constitutional challenge to provisions of Connecticut franchise law pertaining to payments made by auto manufacturers to auto dealers for warranty repairs the litigation of several election matters relating to the past year's municipal elections; and several appellate cases involving complex sovereign immunity issues.

In addition, a considerable portion of the department's resources is committed to defending the State's interests in a growing body of pro se litigation against judges and other state officials.

In the area of charitable trusts and gifts, the department was active in investigations or court actions to ensure that charitable gifts are used for the purposes for which they were given. The charities unit has spent considerable time and effort on charitable fundraising and fund management issues related to the Newtown-Sandy Hook tragedy. The Department is engaged in several pending merger and non-profit hospital conversions to ensure ongoing protection of charitable assets. Department attorneys were involved in several matters with municipalities and private groups to protect parks, open space, school properties and museums that were donated for those charitable purposes. Members of the charities unit regularly offer guidance on best practices for governance of charitable organizations, with the goal of avoiding problems that often inflict such organizations when good governance is lacking. In addition, the Department has been actively involved in a multistate effort to develop a single portal website for public charity registration.

The attorneys in the Special Litigation Department provide ongoing advice to the Attorney

General, the Governor's office, the legislature, constitutional officers, commissioners and others on a wide variety of constitutional and other important legal questions, and assistance on possible first amendment, commerce clause and other constitutional implications of proposed legislation. The department also provides advice and guidance to agencies and other departments on Freedom of Information Act matters.

The department represents the interests of the State in matters related to federal tribal recognition and in litigation involving land claims brought by groups claiming Indian tribal status. In particular, the department's attorneys were actively involved in the successful opposition to the federal Bureau of Indian Affairs' proposals to change the regulatory criteria for recognizing Indian tribes that could have had substantial adverse effect on interests of the State. The department provides advice to numerous state agencies regarding issues of Indian law and issues connected to the two federally recognized Indian tribes in Connecticut and the operation of their casinos, as well as issues relating to gaming generally.

The department also plays a leading role in the preparation of appeals and opinions in the Office. The department often participates as amicus curiae in litigation involving other states, the federal government and private parties in which important state interests are implicated.

TORTS/CIVIL RIGHTS DEPARTMENT

The Torts/Civil Rights Department defends state agencies and employees in tort and civil rights actions, including high exposure personal injury and wrongful death actions. Many of the department's cases are brought by parties alleging injuries at state facilities or while receiving services from state agencies. The department's cases reflect the varied activities and programs in which the state is involved: administering state technical high schools and colleges, providing care and assistance to persons with mental illness or developmental disabilities, maintaining recreational parks and swimming areas, owning buildings and land, protecting abused or neglected children, and providing numerous other services. Many of the claimants seek large sums of money damages. The department has saved the state and its taxpayers millions of dollars through the years by obtaining favorable judgments and fair settlements in the courts and at the Office of the Claims Commissioner.

Of the eighty cases the department closed this fiscal year, the state prevailed in thirty-five, after filing dispositive motions or conducting trials on the merits. In thirty-two other cases, the department attorneys obtained withdrawals; and in seven cases, reasonable and just settlements were reached. Of the remaining six cases, two were claims in which the Claims Commissioner made monetary awards and four were claims for which permission to sue the state in the Superior Court was granted.

This past fiscal year, the department continued to defend several complex, high-exposure, wrongful death and serious personal injury cases in the Superior Court and before the Claims Commissioner. During the past year, much effort has gone into preparing these cases by engaging

in extensive discovery, including conducting complicated electronic forensic investigations, retaining appropriate expert witnesses, and filing applicable motions and briefs. In one wrongful death case, with an extensive procedural history, *McDermott v. State*, the trial court found the state liable. After an appeal, the Connecticut Supreme Court recently ordered a new trial after concluding that the trial court used an incorrect standard in finding the state liable.

The department was successful this past year in defending employees of the Department of Children and Families ("DCF") in the U.S. District Court and the Superior Court against allegations of civil rights violations related to acts taken to protect children from abuse and neglect. The U.S. District Court dismissed civil rights claims against DCF social workers after finding that state officials may remove children from their parents' custody before a hearing is held when there is an objectively reasonable basis for believing that a threat to a child's health or safety is imminent.

The department has also made arguments in the Superior Court and the Office of the Claims Commission this year which resulted in several favorable legal decisions on sovereign immunity. The Superior Court dismissed counts asserted against the University of Connecticut, agreeing with the department's assertion that the state is the only proper defendant after the General Assembly grants a claimant permission to sue. In another case, the Superior Court found that the defective highway statute did not permit suit against the state for an injury sustained on a stairway in a train station; and held, as the state claimed, that a stairway is neither a highway nor a sidewalk under the statute and dismissed the case based on sovereign immunity. Likewise, the court dismissed a trip and fall case, after agreeing with the department that section 52-557n of the Connecticut General Statutes applies only to municipal liability and, therefore, does not waive the state's sovereign immunity.

In four actions, the Claims Commissioner dismissed claims brought by persons injured while riding a rope tow lift at a privately owned ski area, after the department argued that the state's regulatory function in permitting and inspection of tramways such as the tow lift did not create a duty of care to private individuals at a privately owned ski area. In his decision, the Claims Commissioner followed the public duty doctrine, which ensures that the state is not open to limitless liability when it chooses to regulate areas for the protection of the public. The doctrine, also observed in the *Claim of Nash* last year, prevents a drain on public funds for injuries caused by private entities.

The department defended many other premise liability claims in the Superior Court and the Office of the Claims Commissioner and prevailed in most of them. As an outgrowth of defending these claims, the department advised agencies on issues relating to physical or policy changes designed to increase safety or ameliorate unsafe conditions or practices in the future. This advice contributes to reduced risk of state liability, thereby resulting in substantial savings of state taxpayer funded resources.

Where an alleged injury may be an insurable event under an insurance policy that a private

party purchased as a term and condition of a contract or lease with a state agency -- or when a state contract requires a private contractor to indemnify the state, this department continues to seek coverage to ensure that the state is held harmless and/or reimbursed for expenses. In such cases, the department has been successful in persuading contractors or their insurance carriers to settle and pay claims against the state, thereby saving the state thousands of dollars. When state contractors and/or their insurers have not quickly come forward to defend and indemnify the state, the department attorneys have sought and obtained compensation for their time and costs in defending the claims,

The department has also saved the state considerable expense by obtaining judgments in the state's favor on claims brought by employees of contractors who were injured and were awarded worker's compensation from their employers, based on the argument that the state required such coverage and factored it into the cost of the contract.

TRANSPORTATION DEPARTMENT

The Transportation Department (“Department”) of the Office of the Attorney General provides representation for the following state agencies: Department of Transportation ("DOT"), Department of Construction Services("DCS"), Department of Administrative Services ("DAS"), Department of Motor Vehicles ("DMV"), Bureau of Enterprise Systems and Technology ("BEST") a division of DAS, Department of Housing ("DOH"), Department of Energy and Environmental Protection (“DEEP”) for real property matters, and the State Historic Preservation Office. In addition, the Transportation Department provides representation for various occupational licensing boards within the Department of Consumer Protection ("DCP"). The representation of the foregoing state agencies/boards includes, but is not limited to, counseling and advice on legal issues, the prosecution or defense of lawsuits or claims in both federal and Connecticut courts and before various administrative entities, including the defense of claims filed with the Office of the Claims Commissioner pursuant to Chapter 53 of the Connecticut General Statutes.

Contracting matters

As a result of the large number of public works projects undertaken by the State during any given year, and the broad scope and complexity of many of these projects, there is a continuing need for the attorneys in the Transportation Department to provide legal assistance to the DOT, DCS, DAS, DMV, Housing and other state agencies, such as the General Assembly’s Joint Committee on Legislative Management (“JCLM”). The Department also provides counsel on and drafting of many of the state’s significant transactional matters. In conjunction with agency staff, the department has been assisting with the development of various master contracts for use in all areas of contracting at the DOT, DAS, DCS and DOH with the goal of streamlining the State’s contracting process.

During this past year, the department reviewed contracts for substance and form and provided substantive advice in connection with the negotiation of a number of significant State transactions, including:

- Drafting a master lease agreement for DEEP and the Treasurer's Office to realize energy efficiencies in State and municipal facilities;
- Drafting a contract for DOT for the repair and overhaul of state-owned locomotives;
- Contracting for the management of the State bus transit system;
- Reviewing and negotiating an amendment for DCF to an agreement for the operation of the energy center at the Connecticut Juvenile Training School in Middletown;
- Contracting with the Commonwealth of Massachusetts for the use of a computer date center in Springfield, MA;
- Reviewing contracts related to ticket vending machines and fare technology for the CTFastrak program;
- Review of documents for transit oriented development projects in Meriden and Stamford;
- Reviewing and negotiating a contract for ticket vending machines for the CT Rail project.
- Contracting for establishment of an electronic health records management system for state inmates for DAS and DOC
- Procuring IT consulting services contract with multiple vendors.
- Contract for a fully integrated offender/case management system to support all Department of Correction institutions, jails and prisons, State Board of Paroles and Pardons and the State Division of Community Supervision.

Other legal assistance involving contracts is provided in resolving public contracting bid protests, interpreting and drafting contract language, and addressing problems that arise during the course of large construction and statewide procurement projects.

Litigation Matters and Construction Claims

In addition to prosecuting and defending lawsuits in court, the department continues to regularly assist agency personnel with early analysis and settlement negotiations in an attempt to avoid litigation, with the goal of quickly resolving disputes to avoid or minimize the potential adverse financial impact of such claims on the public treasury.

During the past year, department staff has been involved in the prosecution and defense of several major lawsuits and appeals, including a suit seeking damages for construction defects at the York Women’s Prison in Niantic. This year, the department also handled litigation and claims involving important state construction projects, including projects at the New Haven Railyard and the A.I. Prince Regional Technical Vocational High School.

The department defended construction claims on file with DCS this past year that totaled $4,350,519 and were resolved for $1,573,461, a total savings to the State of $2,777,058.

During the past year the department defended DOT in claims with a total claimed value of $1,510,126 and which were resolved for $700,000, a total savings to the State of $810,126. The department is representing DOT in several other pending claims that seek amounts in excess of $31 million against the State. The department handled 919 Highway Liability claims and 563 Auto Liability claims.

Property Matters

In its representation of the DOT, the department also provided legal services and advice relating to: eminent domain; rights-of-way; surplus property divestitures; service plazas and other properties and facilities along I-95 and the Merritt Parkway; Transit Oriented Development projects in various towns; ports; public transit and rails; the State Traffic Commission; and environmental matters involving permitting, salt shed and maintenance facilities located throughout the State. The department attorneys also counseled the DOT regarding the divestiture of 37 surplus properties representing $795,165 in sales of state property.

The department resolved 5 eminent domain appeals filed against DOT by trial and 10 by stipulated judgment. There are currently 30 eminent domain appeals in litigation, including 21 new appeals filed during the last fiscal year. The litigation outcomes of the concluded eminent domain appeals resulted in savings to the State of $1,588,705.00.

The department provided assistance to DOT regarding the condemnation of Certificates of Public Convenience and Necessity for various bus companies. The bus companies challenged DOT's authority to take the Certificates and the department received a favorable decision from the Superior Court that affirmed DOT's authority to condemn the Certificates. The case is currently on appeal to the Appellate Court. The litigation threatened to impede the operational efficiencies implemented by the DOT as part of the new CTFastrak service.

The Transportation Department represented DEEP in real property matters. Of particular significance was the department’s work in connection with the procurement of conservation easements, resulting in the dedication of thousands of acres to public recreation. These conservation easements equal the value of the grants that DEEP provided for land purchases by other entities, specifically municipalities and land trusts. There were 32 conservation easements and 17 deeds for purchase of land that DEEP bought directly for the State for a total of $6,151,001 and cover a total of 4,778.45 acres of land. The department also regularly provides legal advice to DEEP on complex property law issues.

During the past year, the department also provided DAS and DCS with legal counsel and review of 39 leases, 8 agreements, 139 contracts and 1 deed.

Housing Matters

The Transportation Department is also responsible for representing the newly-formed Department of Housing ("DOH"). These matters include representing the DOH at the Commission of Human Rights and Opportunities for housing discrimination complaints, administrative appeals, disputes with residents of state-owned residential properties and

foreclosures involving real property in which the state has an interest in the property. A total of thirty-nine (39) foreclosure matters were filed this past year naming the state as a defendant.

State Historic Preservation Office

The department represents the State Historic Preservation Office and is occasionally called upon to seek the court's protection of historic properties on the National Register of Historic Places. These properties face destruction by owners or developers.

Department of Motor Vehicles

The department handles a variety of matters for DMV, including appeals of administrative suspensions or revocations of driving licenses of impaired drivers. The department also provides legal support to the DMV in connection with dealers and repairer complaints, registration matters, the emissions program and safety inspections.

Environmental Matters

In addition, the department is deeply involved in various environmental matters associated with public works projects, roads and bridges projects, and other activities of its client agencies. Staff continues to provide legal assistance and guidance to those agencies to ensure that there is compliance with applicable federal and state environmental laws in the planning of projects and the operation of state facilities. In particular, the department assists these agencies in complying with the requirements of the National Environmental Policy Act ("NEPA"), the Connecticut Environmental Policy Act ("CEPA") and other federal and Connecticut regulations that have been enacted to balance the need to develop our state economy and governmental services with the need to protect the air, water and other natural resources of the state. In this regard, the Department assists the agencies in preparing and obtaining required environmental permits from both Connecticut and federal regulatory agencies, including the DEEP and the United States Army Corps of Engineers. The department also defends client agencies in court when environmental challenges are brought.

WORKERS' COMPENSATION & LABOR RELATIONS DEPARTMENT

The Workers' Compensation and Labor Relations Department represents the State Treasurer as the Custodian of the Second Injury Fund, the Workers' Compensation Commission and the Department of Administrative Services ("DAS") in their capacity as the administrator of the state employees' workers' compensation program, as well as DAS Personnel, the Labor Department, the Office of Labor Relations, the Office of the Claims Commissioner, the State Employees Retirement Commission, the Teachers' Retirement Board.

The department's workers' compensation attorneys and paralegals represent the Second Injury Fund ("the Fund") in cases involving potential liability of the Fund for workers' compensation benefits and the State of Connecticut in contested workers' compensation claims filed by state employees. The department's labor attorneys represent the Department of Labor in unemployment compensation appeals to the Superior Court. The department also represents the

Department of Labor's Wage Enforcement Division, collecting unpaid wages owed to Connecticut employees in the private sector. The department's workers' compensation attorneys and paralegals also devote significant time to third party personal injury and other tort cases that result in the recovery of money for the State and the Fund, as well as handling a large number of appeals to the Compensation Review Board and the Appellate and Supreme Courts.

During the past year, department attorneys and paralegals appeared for the Fund and the State in 3,122 hearings before workers' compensation commissioners and in 226 new unemployment compensation cases in the Superior Court.

Department attorneys and paralegals were responsible for recouping $852,752.55 for the State of Connecticut and $115,378.82 for the Second Injury Fund through third party interventions in Superior Court. This money represents reimbursements to the State or the Fund of money which has been paid out in workers' compensation benefits for injuries caused by third parties. Finally, department attorneys were responsible for the collection of $139,828.88 in unpaid wages and civil penalties for Connecticut citizens whose employers failed to pay them in accordance with Connecticut's labor laws.

During this past year, the Workers' Compensation & Labor Relations Department was involved in the following significant cases, including AFSCME, Council 4, Local 2663 v. State of Connecticut, Department of Children and Families, 317 Conn. 238 (2015). In that case, the plaintiff union challenged the dismissal of union member (L), a DCF social worker and foster parent, due to the death of a 7 month old foster child entrusted to her care when the state medical examiner determined that the infant died as a result of "shaken baby syndrome." The arbitrator agreed that there was just cause to terminate the employment based on L's negligence. On appeal, the trial court vacated the award as violative of due process insofar as the arbitrator upheld the firing without sufficient notice to L of the legal theory underlying the dismissal. On appeal, the Appellate Court reversed the trial court and, on certification to the Supreme Court, it affirmed the judgment upholding the dismissal. In its opinion, the Supreme Court held that an unrestricted submission to arbitration grants the arbitrator authority to answer the submission, based on the evidence, on a theory (negligence) even if it is at variance with a theory first asserted by the employer for the dismissal.

A number of significant settlements were reached in wage enforcement matters saving the state thousands of dollars. In a prevailing wage claim referred by the Labor Commissioner against Jarosz Welding Company, a company currently in bankruptcy, a federal bankruptcy court-approved agreement was reached to settle the claim for the sum of $192,000 which sum represents the payment of all wages due. A settlement in the amount of $65,000 was reached prior to initiating suit in a wage claim referred by the Labor Commissioner against Hedgeye Risk Management, LLC for bonuses due Hedgeye employees. A settlement in the amount of $30,000 was reached prior to initiating suit in a wage claim against Nova Merchant Services for sales commissions due its employees.

AFFIRMATIVE ACTION

The Office of the Attorney General is firmly committed to equal employment opportunity. Nearly **54.7% o**f the full-time attorney workforce consisted of women and minorities. Women and minorities comprised **67.2%** of entry level attorneys and **48.6%** of middle and high level attorneys.

INTERNSHIP & VOLUNTEER PROGRAMS

The Office of the Attorney General welcomes the assistance of volunteers who provide valuable service to the Office and its work on behalf of the State.

Students are offered opportunities to learn about the law inside the state's largest public interest law firm though unpaid internships, and in cooperation with their sponsoring school, externships for course credit, work-study or legal fellowship positions. While the Office's greatest need is for law students, positions are open to graduate, undergraduate, paralegal and highly motivated high-school students. Through an arrangement with West Hartford Public Schools, the Office also provides work experience for several special needs students.

The work performed by student volunteers varies by department, but all assignments require critical thinking, research and writing. Law students also gain practical experience in drafting legal documents and trial work.

Non-students and adults have opportunities to serve as volunteer advocates in the Consumer Protection Department's Consumer Assistance Unit, where, under staff supervision, they provide informal mediation services to resolve consumer complaints.

In limited cases, the Office may accept the assistance of volunteer professionals -- licensed attorneys, law school graduates awaiting admission to the bar, or paralegals, who wish to supplement their legal training or practical experience by volunteering in the Office. Volunteers may be assigned to a department for up to a year to provide legal research and drafting assistance to a supervising assistant attorney general.

During fiscal 2014-15, 144 students participated in internship, externship, work-study or legal fellowship programs. The Office also received assistance from eight volunteer advocates, two volunteer professionals and six special needs students.

The internship and volunteer programs are coordinated by OAG staff and applications and communications are handled electronically. Expenses associated with the program include staff time and limited copying and mailing.