CONSUMER PROTECTION REPORT, OCTOBER 14 –NOVEMBER 18, 2013

The National State Attorneys General Program at Columbia Law School is a legal research, education, and policy center that examines the implications of the jurisprudence of state attorneys general. Working closely with attorneys general, academics, and other members of the legal community, the program is active in the development and dissemination of legal information used by state prosecutors in carrying out their civil and criminal responsibilities.

This newsletter is the first of a monthly circulation that will highlight consumer protection activity across the country. While not exhaustive, this information was gathered solely from attorney general press releases and focuses on cases brought by those offices. The following press releases are organized by state and multistate activity. In addition, certain Medicaid fraud cases that touch on consumer protection and advocacy initiatives have been included.

If an office would like their activity to be included in subsequent newsletters, please notify attorneygeneral@law.columbia.edu.

For more information about the National State Attorneys General Program and resources, please visit our website www.stateag.org.
CONSUMER PROTECTION CASES AND SETTLEMENTS

ALABAMA:

11/7/13
Ag Announces Final Order Against Sports Performance Company For Unsupported, Dangerous Health Claims
Attorney General Luther Strange said today’s court order granting permanent injunctive relief against SWATS Edge Performance Chips LLC is an important victory to protect the consumers of Alabama from unsupported and dangerous health claims made by the Birmingham-area sports performance company.
http://www.ago.state.al.us/News-405

ALASKA:

11/13
Affordable Care Act Fraud and Scams
Under the Affordable Care Act (or ACA, sometimes called “Obamacare”), Alaskans can now sign up for health insurance through an insurance marketplace, commonly referred to as an “exchange.” Unfortunately, fraudsters will take advantage of the new program by attempting to trick consumers into providing personal or financial information, or purchasing products they do not need.
http://www.law.state.ak.us/press/consumer_alerts/2013/1113-ACAfraud.html

ARIZONA:

11/6/13
Attorney General Tom Horne Obtains $470,000 Judgment In Consumer Fraud Case
Attorney General Tom Horne is announcing the settlement of a consumer fraud case against Stan Nii-Addo Allotey, Jr., owner of Mortgage Relief Group, d.b.a. Mortgage Assistance Group, for engaging in deceptive loan modification services. Mr. Allotey and his company are now barred from conducting any foreclosure consulting business and engaging in telephone solicitation sales.
COLORADO:

11/18/13
Attorney General Indicts Fraud Scheme Targeting Distressed Homeowners

The Statewide Grand Jury indicted nine individuals for targeting distressed homeowners as part of a fraudulent short-sale scheme that allowed the defendants to ultimately defraud the banks and lenders who held the mortgages for the distressed homeowners. The announcement was made today by Colorado Attorney General John Suthers; Ronald Sloan, Director of Colorado Bureau of Investigation (CBI); Inspector General David Montoya of the U.S. Department of Housing and Urban Development-Office of Inspector General (U.S. HUD-OIG); Acting Inspector General Michael P. Stephens of the U.S. Federal Housing Finance Agency-Office of Inspector General (U.S. FHFA-OIG), and Marcia Waters, Division Director of the Colorado Division of Real Estate. Eight of the nine named defendants are being charged under the Colorado Organized Crime Control Act (COCCA) for a pattern of manipulating homeowners who were facing foreclosure, creating and processing forged and fraudulent documents relating to the properties, and ultimately using these forged documents and other actions to defraud the lenders and subsequent buyers.


CALIFORNIA:

11/14/13
Attorney General Kamala D. Harris Shuts Down Imitation ‘Covered California’ Websites, Provides Tips for Consumers

Attorney General Kamala D. Harris today announced the removal of ten private health insurance websites that misled Californians by imitating Covered California, the state's official insurance marketplace for the Patient Protection and Affordable Care Act (ACA). Attorney General Harris also released tips to help consumers avoid insurance scams.

DELAWARE:

11/5/2013

Attorney General’s Office announces agreement with Odessa National developer to resolve complaints it failed to timely construct amenities

Attorney General Beau Biden today announced that his office has resolved a lawsuit against a Delaware developer for failing to timely complete certain amenities at the Odessa National residential community. Under the terms of a settlement reached last week, the parties will pay $139,900 to the Attorney General’s Consumer Protection Fund. 

FLORIDA:

11/1/13

Attorney General Pam Bondi Announces $28 Million Settlement with Bank of New York Mellon

Attorney General Pam Bondi has reached a $28 million settlement with the State of Florida’s custodian bank, the Bank of New York Mellon, resolving allegations that the bank overcharged the Florida Retirement System Trust Fund by millions of dollars in its handling of foreign currency transactions. 
http://www.myfloridalegal.com/newsrel.nsf/newsreleases/B342E613410013CA85257C160065FCDB

10/16/13

Attorney General Bondi Obtains Asset Freeze and Stops Nationwide Pools from Conducting Business During Ongoing Litigation

Attorney General Pam Bondi’s office sued Nationwide Pools, Inc. for deceptive and unfair trade practices related to the company’s sale and construction of pools. However, according to an amended complaint filed by the Attorney General’s Office, Nationwide Pools transferred its assets to National Construction Group and continued its unfair and deceptive sales and marketing practices during this period of active litigation. During the time that it was transferring assets to the new company, Nationwide Pools was continuing to take payments and new deposits from consumers. 
http://www.myfloridalegal.com/newsrel.nsf/newsreleases/03C8F7FE6F50C0F885257C06006C10FB
GEORGIA:

10/23/13
Attorney General Olens Announces Settlement with Kmart Over Drug Billing Allegations

Attorney General Sam Olens has announced that Georgia has joined with other states, territories, and the federal government to reach an agreement with Kmart Corporation (“Kmart”) to settle allegations that Kmart submitted false claims and false statements through its Kmart Pharmacy Centers to the federal government, state governments, and territories for payments relating to partial fills of prescriptions. [http://law.ga.gov/press-releases/2013-10-23/attorney-general-olens-announces-settlement-kmart-over-drug-billing](http://law.ga.gov/press-releases/2013-10-23/attorney-general-olens-announces-settlement-kmart-over-drug-billing)

10/18/13
Former DeKalb Investigator Charged in Investment Fraud Scheme

A former investigator in the DeKalb County Solicitor General’s Office, was scheduled for arraignment in Carroll County Superior Court and pled not guilty to charges involving investment fraud. He is accused of stealing $204,000 from 14 victims. The indictment alleges that Potts solicited co-workers to purchase unregistered securities in the form of investment agreements while employed by the Solicitor General’s Office. He was not and had never been a securities dealer. Each investment agreement promised high rates of return in short amounts of time. He allegedly told each victim that the amount of his or her initial investment was safe and would be returned in the event the venture was to fail. [http://law.ga.gov/press-releases/2013-10-18/former-dekalb-investigator-charged-investment-fraud-scheme](http://law.ga.gov/press-releases/2013-10-18/former-dekalb-investigator-charged-investment-fraud-scheme)

IDAHO:

10/30/13
White Hat Group Must Pay Restitution for Unlicensed Law Practice

Former customers of the Boise-based White Hat Group may receive restitution payments under terms of a legal settlement with the Idaho Attorney General’s Office, Attorney General Lawrence Wasden said today. Wasden said White Hat Group and its owner, Mark Wicklund, entered into a consent judgment, resolving allegations that the company and Wicklund engaged in the unauthorized practice of law. In addition to requiring payment of restitution to former customers, the settlement prohibits White Hat Group and Wicklund from providing legal advice and performing other acts that constitute the practice of law in Idaho. [http://www.ag.idaho.gov/media/newsReleases/2013/nr_10302013.html](http://www.ag.idaho.gov/media/newsReleases/2013/nr_10302013.html)
ILLINOIS:

11/14/13
Madigan Sues Bloomington Auto Parts Site For Defrauding Consumers

Attorney General Lisa Madigan today announced a lawsuit against an online used auto parts company based in Bloomington for cheating consumers out of thousands of dollars. Madigan’s lawsuit alleges consumers never received their orders from www.partznow.com, or in some cases, received the wrong part and were not refunded. [http://www.illinoisattorneygeneral.gov/pressroom/2013_11/20131114.html](http://www.illinoisattorneygeneral.gov/pressroom/2013_11/20131114.html)

11/12/13
Madigan Warns Of Scams Related To Temporary Driver’s Licenses

Attorney General Lisa Madigan today advised Illinois residents to be on the lookout for scams related to the rollout of the Temporary Visitor’s Driver’s License (TVDL) program by the Illinois Secretary of State. Starting today, non-U.S. citizens who are ineligible to obtain Social Security cards may apply for Illinois driver’s licenses under the new program. Madigan indicated her office already had received reports of driving schools soliciting more than $1,000 from undocumented immigrants for so-called “universal licenses” that are supposedly recognized in most states. Madigan’s office also received report of a scam targeting Illinois residents for hundreds of dollars supposedly to expedite a TVDL application. [http://www.illinoisattorneygeneral.gov/pressroom/2013_11/20131112.html](http://www.illinoisattorneygeneral.gov/pressroom/2013_11/20131112.html)

INDIANA:

11/15/13
Health insurance agent faces state lawsuit for robocalling Hoosiers

Indiana Attorney General Greg Zoeller said while Indiana residents welcome lower health insurance rates, agents using robocalls to solicit Hoosiers is illegal and their sales pitches may backfire. Nearly 50 consumers filed complaints earlier this year after receiving robocalls or prerecorded phone messages offering affordable health insurance. Zoeller’s office determined the calls stemmed from Andrew D. Ross, a Nevada agent, who has a non-resident license in Indiana to sell insurance. [http://www.in.gov/activecalendar/EventList.aspx?view=EventDetails&eventidn=144832&information_id=190732&type=&syndicate=syndicate](http://www.in.gov/activecalendar/EventList.aspx?view=EventDetails&eventidn=144832&information_id=190732&type=&syndicate=syndicate)
10/9/2013
State adds more consumers, violations to its lawsuit against Mister Quik

Attorney General Greg Zoeller’s office submitted to the court an amended complaint detailing further allegations against Indianapolis-based Mister Quik.  

IOWA:

10/29/13
Iowans Eligible for Money through MoneyGram Scam Fund

10/23/13
Judge Bars Arizona Company from Calling Iowans

A Polk County judge Tuesday ordered a Phoenix-based telemarketing company and its principals to permanently cease telephone sales to Iowans. The company’s telemarketers sold household products claiming the sales helped veterans and disabled workers. Polk County Judge Douglas F. Staskal issued the order against Advanced Employment Solutions, LLC (AES), as well as its owner, Ann Marie Scott, and its general manager, Mila D. Sprague, both of Phoenix, Arizona. The order, through a consent judgment, covers both telemarketing calls and charitable solicitations to Iowa residents. The order resolves a consumer fraud lawsuit that Attorney General Tom Miller filed in September.  
http://www.state.ia.us/government/ag/latest_news/releases/oct_2013/ArizonaTelemarketer.html

10/21/13
Judge Bans Massachusetts Fundraiser from Soliciting to Iowans

A Polk County judge today barred a Massachusetts professional fundraising company from seeking charitable solicitations from Iowa residents for a minimum of five years. District Court Judge Michael D. Huppert ordered Integral Resources, Inc., a Massachusetts professional fundraiser, to pay $30,000 to the state, and pay an additional $70,000 if the company intends to resume charitable fundraising after the ban expires.  
Miller said that his consumer fraud allegations against Integral were based primarily on three calls the Consumer Protection Division received on an undercover phone line, and another twelve recordings obtained from the company itself. According to Miller, all fifteen recordings, made on behalf of various established charitable organizations, contained misleading or outright false statements.
A Polk County judge Thursday ordered two companies affiliated with JCPenney to pay more than $2.7 million in refunds to Iowa customers who were enrolled in buying club memberships. District Court Judge Richard G. Blane II approved a consent judgment against JCPenney Direct Marketing Services, LLC (“JCPenney”) and Stonebridge Benefit Services, Inc. (“Stonebridge”), both of Plano, Texas. The judgment resolves a consumer fraud lawsuit that Attorney General Tom Miller filed in August of 2011 against Stonebridge, an AEGON company. JCPenney was added as a Defendant in March of 2013.

KANSAS:

11/12/13
AG Schmidt: Missouri company to pay $10,000 fine for violating No-Call Act

A Missouri lawn service company will pay a $10,000 fine for violating the Kansas No-Call Act, Kansas Attorney General Derek Schmidt said today. Pro Turf Lawn Service, Inc., Belton, Mo., agreed to a consent judgment ordering it to pay $10,000 in civil penalties and fees. Beginning in October 2012, the Kansas Attorney General’s Office received complaints from four residents of Johnson County that the company called them to solicit the sale of lawn and landscaping products and services, although the consumers were on the Do Not Call list.

10/22/13
AG’s office sues asphalt pavers

Kansas Attorney General Derek Schmidt today announced that his office has filed a lawsuit against a door-to-door asphalt paving operating in Northeast Kansas and is asking consumers who have interacted with them for assistance in the investigation. Two individuals, George H. Swartz and James J. Swartz, are being investigated for alleged violations of the Kansas Consumer Protection Act in a door-to-door driveway paving operation.
10/14/13

AG Schmidt: Wichita company fined for No-Call Act violations

A Wichita company will pay $10,000 in penalties and fees for violating the No-Call Act, Kansas Attorney General Derek Schmidt announced today. Moore Water Treatment LLC, doing business as EcoWater Systems of Wichita, agreed to a consent judgment ordering them to pay $10,000 in investigative fees and civil penalties. The judgment was approved by Judge Rebecca Crotty in Shawnee County District Court. In addition, Moore Water was enjoined from further violations of the No-Call Act.

LOUISIANA:

11/01/2013

Louisiana Attorney General Warns Farmers of Settlement Scam

The Louisiana Attorney General’s Consumer Protection Section is urging farmers to be wary of individuals or organizations offering assistance in filing claims in the Black Farmers Discrimination Litigation involving the US Department of Agriculture (USDA).

10/24/2013

Kenner doctor pleads guilty to 35 counts of Medicaid fraud

A Kenner doctor pleaded guilty today to 35 counts of Medicaid fraud for running a scheme out of his medical practice aimed at defrauding the state’s Medicaid program.

10/23/2013

Three women arrested in Medicaid fraud scheme

Three members of a Kenner personal care agency have been arrested for defrauding the state’s Medicaid program, announced the Louisiana Attorney General’s Medicaid Fraud Control Unit.
MASSACHUSETTS:

11/19/13

Lawrence Financial Company Ordered to Pay More Than $240,000 for Continuing Predatory Loan Practices

A judge ordered a Lawrence financial company and its owner to pay more than $240,000 after persistently violating court orders, including continuing to solicit consumers and receive payments for loan modification services, Attorney General Martha Coakley announced today.

Suffolk Superior Court Judge Elizabeth Fahey found Pinnacle Financial Consulting, LLC (Pinnacle) and its owner Robert Burton in contempt of court for failing to follow the terms of several injunction orders obtained by the AG’s Office in a lawsuit filed in March. The lawsuit alleged that Burton and Pinnacle used the foreclosure crisis for their profit, allegedly targeting minority and non-native English speakers desperate to save their homes from foreclosure.


11/18/13

Former Personal Care Manager Pleads Guilty in Connection with Billing MassHealth for Services Not Provided

A Holyoke woman charged with managing personal care assistance has pleaded guilty to billing the state’s Medicaid program (MassHealth) for services provided by her brother who was in jail at the time, and for a MassHealth member who was deceased, Attorney General Martha Coakley announced today.

Amarilis Pirela, age 34, pleaded guilty today in Hampden Superior Court on charges of False Claims (4 counts), and Larceny Over $250 (4 counts). After the pleas were entered, Judge Edward J. McDonough, Jr. sentenced Pirela to 2 years in the House of Correction, suspended with probation for 5 years. Judge McDonough ordered Pirela to pay $20,000 in restitution.

Pfizer and Mylan to Pay Massachusetts $625,000 Over TV Advertisement for EpiPen

The manufacturer and marketer for EpiPen, a mobile device used to treat acute allergic reactions, will pay Massachusetts a total of $625,000 to settle allegations of running a deceptive television advertisement overstating the effectiveness of the product, Attorney General Martha Coakley announced today.

In separate consent judgments, filed today in Suffolk Superior Court, Pfizer Inc. (Pfizer), and Mylan Specialty, L.P. (Mylan), are required to submit new ad campaigns for EpiPen and EpiPen Jr. auto-injectors to the U.S. Food and Drug Administration (FDA) for pre-review. Pfizer manufactures EpiPen and Mylan markets EpiPen under a license agreement with Pfizer.

Owner of Chinatown Travel Agency Pleads Guilty, Sentenced to Jail in Connection with Citizenship, Airline Ticket Schemes

BOSTON – A Chinatown travel agency owner has pleaded guilty and been sentenced to jail in connection with stealing more than $88,000 from multiple clients in schemes involving U.S. citizenship applications and airline tickets, Attorney General Martha Coakley announced today. She was also ordered to pay $88,555 in restitution to victims.

Brockton For-Profit School to Repay Students $425,000 Following Claims of Misleading Ads, Inflated Job Placement Rates

PLYMOUTH – A Brockton-based for-profit school must reimburse students $425,000 and change its advertising practices following allegations that it misrepresented job placement numbers and made other misleading statements about its medical field training programs, Attorney General Martha Coakley announced today.

Housing Companies Resolve Disability Discrimination Claims

An Arlington property management company and a real estate firm in Boston have recently agreed to pay a total of $11,200 and implement new policies to avoid future fair housing violations, resolving allegations of discrimination against disabled individuals, Attorney General Martha Coakley announced today.
10/17/13
Premium Finance Company to Pay $160,000 for Prematurely Canceling Auto Insurance Policies

BOSTON – A New York-based premium financing provider has agreed to pay $160,000 to resolve allegations that it illegally cancelled certain financed auto insurance policies affecting close to 100 Massachusetts customers, Attorney General Martha Coakley announced today.

10/15/13
AG Coakley Sues Alleged Foreclosure Relief Groups for Soliciting Illegal Fees, Taking More Than $350,000 From Homeowners

A group of businesses that advertised themselves as non-profit foreclosure prevention organizations was sued for allegedly soliciting and spending more than $350,000 in illegal advance fees from distressed homeowners, Attorney General Martha Coakley announced today.

MICHIGAN:

11/04/13
Schuette Secures $100K in Restitution for Victims Scammed by Phony Stock Scheme Peddler

Michigan Attorney General Bill Schuette today announced the Attorney General’s Corporate Oversight Division has secured approximately $100,000 in restitution for the victims of Hiep The Trinh, 45, of Fullerton, California who targeted Michigan's Vietnamese community with extravagant investment scams.

10/31/13
Schuette, Arwood Move to Suspend License for South Lyon Pharmacy After Tainted Drugs Discovered

Attorney General Bill Schuette and Department of Licensing and Regulatory Affairs Director Steve Arwood today announced that an administrative complaint has been filed
with an Order of Summary Suspension for the immediate suspension of the pharmacy licenses for Specialty Medicine Compounding Pharmacy, a South Lyon pharmacy recently linked to the distribution of tainted dextrose injections. Schuette also moved to suspend the individual pharmacist and controlled substance licenses held by the pharmacist-owner of Specialty Medicine Compounding Pharmacy, Kenny R. Walkup, Jr., of South Lyon. Schuette's office has launched a formal investigation in coordination with the Department of Community Health and the Department of Licensing and Regulatory Affairs to determine whether further legal action is warranted.

http://www.michigan.gov/ag/0,4534,7-164-46849-47203-315684--,00.html

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**MINNESOTA:**

10/31/13
Attorney General Lori Swanson Sues Florida Company for Creating Manufactured Affidavits to Aid in Collection of Overdraft Debt Purchased from Large Banks

Minnesota Attorney General Lori Swanson today filed a lawsuit against a Florida company that purchased millions of charged-off customer accounts from large banks, and then manufactured affidavits to aid in the collection of those accounts from individuals and businesses.

http://www.ag.state.mn.us/Consumer/PressRelease/131030FloridaManufacturedAffidavits.asp

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**MISSISSIPPI:**

11/8/13
Tip Leads to one Arrest at Senatobia Business for Sale of Counterfeit Goods

A multi-agency investigation through the Attorney General’s Operation Knock Out Knock Off Task Force has resulted in the arrest of a

http://www.ago.state.ms.us/releases/tip-leads-to-one-arrest-at-senatobia-business-for-sale-of-counterfeit-goods/

10/31/13
AG Charges Seven for Illegal Sale of Contact Lenses

An undercover operation has resulted in several arrests and numerous businesses facing allegations of unauthorized dispensing of contact lenses, announced Attorney.

http://www.ago.state.ms.us/releases/ag-charges-seven-for-illegal-sale-of-contact-lenses/
11/18/13  Attorney General Koster reaches settlement in telephone bill “cramming” case involving Odyssey Streaming Radio

Attorney General Chris Koster today announced a settlement with a New Jersey company for causing unauthorized charges on customers' telephone bills. The Attorney General sued V&T Communications, doing business as Odyssey Communication Services, in March 2012 for charging some Missouri consumers $14.95 per month for a commercial-free streaming internet radio service consumers did not consent to purchase, a practice known as "cramming." Under today's settlement, and a separate class action settlement involving AT&T customers, Missouri consumers can receive full refunds.

http://ago.mo.gov/newsreleases/2013/AG_Koster_reaches_settlement_Odyssey_Streami
ng_Radio/

11/18/13  Attorney General Koster files suit against Ohio-based telemarketer for harassing robo-calls

Attorney General Chris Koster today announced he has filed suit against Ohio-based M.A. Infinity Marketing, Inc., and its owner Mark Adams, for harassing telemarketing calls in violation of Missouri's No Call Law.

http://ago.mo.gov/newsreleases/2013/AG_Koster_files_suit_Ohio-
based_telemarketer_robocalls/

10/18/13  Attorney General Koster announces recovery fund for victims of MoneyGram wire transfer scams

Missouri Attorney General Chris Koster today announced the establishment of a national fund to help consumers who were the victims of scams involving Moneygram wire transfers between January 2004 and August 2009.

http://ago.mo.gov/newsreleases/2013/AG_Koster_announces_recovery_fund_MoneyGra
m_scams/

10/16/13  Attorney General Koster announces settlement in lawsuit to return funds to Honor Flight --company will release $38,000 to national Honor Flight office for Kansas City-area veterans--
Attorney General Chris Koster today said that his office has reached an agreement with Kendallwood Hospice Company to send funds held for Honor Flight Network of Kansas City to the national Honor Flight office. Koster filed a lawsuit against Kendallwood Hospice Company on October 3 for its refusal to return donations belonging to Honor Flight Network of Kansas City, Inc.

http://ago.mo.gov/newsreleases/2013/AG_Koster_announces_settlement_in_lawsuit_Honor_Flight/

NEVADA:

11/14/2013
Attorney General Masto: State Wins Whistleblower Lawsuit Regarding Inferior PVC Pipe Used in Nevada Water and Sewer Systems

Attorney General Masto announced that a federal jury unanimously agreed that J-M Manufacturing knowingly manufactured and sold to the State of Nevada and other Nev. Municipalities and local water districts substandard plastic polyvinyl chloride pipe (PVC) used in water and sewer systems.


10/24/2013
Las Vegas Vehicle Registration Service Owner Arrested

Joint investigation between state DMV, Metro Police and Attorney General results in multiple felony charges of owner of company who falsified documents that enabled two illegal transfers of vehicle ownership.

http://ag.nv.gov/News/PR/2013_PR/ (no direct link to story)

10/17/2013
Attorney General Masto Secures Agreement With Securitizer Regarding Lending Issues

Attorney General Masto announced that DB Structured Products, Inc. will pay the State $11.5 million as part of an agreement, called an assurance of discontinuance, to resolve an investigation into the firm’s role in purchasing and securitizing subprime and Alt-A mortgage loans in Nevada.

http://ag.nv.gov/News/PR/2013/Mortgage/Attorney_General_Masto_Secures_Agreement_With_Securitizer_Regarding_Lending_Issues/
10/16/2013  
**Attorney General Masto Announces Indictment of Father and Son In Connection With Mortgage Lending Fraud**

Attorney General Masto announced that two Las Vegas men were indicted by a Clark County grand jury on several felonies in connection with their operation of a mortgage lending fraud scam.

[http://ag.nv.gov/News/PR/2013/Mortgage/Attorney_General_Masto_Announces_Indictment_of_Father_and_Son_in_Connection_With_Mortgage_Lending_Fraud/](http://ag.nv.gov/News/PR/2013/Mortgage/Attorney_General_Masto_Announces_Indictment_of_Father_and_Son_in_Connection_With_Mortgage_Lending_Fraud/)

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**NEW HAMPSHIRE:**

11/15/2013  
**Coastal Management/Saver Express Assurance of Discontinuance**

Attorney General Foster announced today that his office has entered into an Assurance of Discontinuance with two discount travel-related organizations that have been doing business in New Hampshire. The Assurance of Discontinuance states that Coastal Management and Consolidators and Saver Express, LLC, offered discounts on travel and vacations to New Hampshire consumers, but that those discounts appeared to be illusory.


10/25/2013  
**New Hampshire Sues Online Travel Companies for Failing to Properly Remit Meals and Rooms Tax:**

Attorney General Foster and NH Dept. of Revenue Administration Commissioner John T. Beardmore announce that the State has filed suit against Priceline, Orbitz, Expedia, Travelocity and other online travel companies. The complaint alleges that the companies failed to properly remit the full amount of Meals and Rooms Taxes due on overnight accommodations and vehicle rentals.


10/22/2013  
**Empire Automotive Group, Inc. of Manchester, NH Pleads Guilty to Criminal Violations of the Consumer Protection Act:**

Attorney General Joseph A. Foster announces that Empire Automotive Group, Inc., of Manchester, New Hampshire plead guilty in Hillsborough County Superior Court, Northern District, to two criminal violations of the Consumer Protection Act. The State alleged that in the course of selling used automobiles to consumers Empire Automotive Group used what are known as "ghost" or "phantom" vehicles during motor vehicle inspections to falsely represent that other vehicles had passed the on-board diagnostic
emissions test required by the Division of Motor Vehicles of the New Hampshire Department of Safety.

NEW JERSEY:

11/18/2013
Three N.J. Pharmacists Surrender Their Licenses Amid Pending Criminal Charges In Interstate Prescription Drug Distribution Ring

The State Board of Pharmacy within the Division of Consumer Affairs has suspended the licenses of three pharmacists for their alleged participation in an illegal prescription drug distribution ring involving a pharmacy in Plainfield.
http://nj.gov/oag/newsreleases13/pr20131118b.html

11/7/2013
Lawyer and Two Other Individuals Indicted on Charges They Used Stolen Identities to Defraud Mortgage Lender of $873,520

Acting Attorney General John J. Hoffman announced that three people, including a lawyer from Essex County, were indicted today on charges that they conspired to steal approximately $873,520 from a lender by using stolen identities to file fraudulent mortgage loan applications for two real estate transactions, falsifying settlement statements and diverting loan proceeds.
http://nj.gov/oag/newsreleases13/pr20131107a.html

10/31/2013
Title Company Owner Pleads Guilty to Stealing $5.3 Million Entrusted to Him to Pay Off Mortgages:

Acting Attorney General Hoffman announced that a title company owner has pleaded guilty to criminal charges for stealing a total of $5.3 million entrusted to him as a settlement agent to pay off multiple mortgage loans in connection with real estate closings he handled.
http://nj.gov/oag/newsreleases13/pr20131031b.html

10/30/2013
Alleged Price Gougers Will Pay Over $430,000 to Settle State Lawsuits Filed Following Superstorm Sandy; Total Recoveries in Sandy Gouging Cases Top $800,000

The Office of the Attorney General and its Divisions of Consumer Affairs and Law have reached settlements with another nine companies alleged to have price-
gouged customers following Superstorm Sandy, Acting Attorney General Hoffman announced today. Under terms of these settlements, the State will obtain $437,538 in penalties, fees and consumer restitution.  
http://nj.gov/oag/newsreleases13/pr20131030c.html

10/30/2013  
**Division of Consumer Affairs Reaches $66,000 Settlement with Paterson Used Car Dealership**

The Division of Consumer Affairs has settled its lawsuit against Lencore Leasing, Inc., with the Paterson-based used car dealership agreeing to pay $66,000 in civil penalties and investigative and legal cost reimbursements to the State. Lencore Leasing also has agreed to resolve existing and future consumer complaints for a period of one year by means of binding arbitration through the Division’s Alternative Dispute Resolution (ADR) Unit.  
http://nj.gov/oag/newsreleases13/pr20131030b.html

10/24/2013  
**Former Assemblyman Albert Coutinho Sentenced for Stealing Funds from Charitable Foundation and Filing False Disclosure Forms**

Acting Attorney General John J. Hoffman announced that former New Jersey Assemblyman Albert Coutinho was sentenced today for stealing funds from his family’s charitable foundation and filing false financial disclosure forms with the Legislature. The investigation revealed that between January 2008 and December 2012, Coutinho personally cashed numerous checks, representing approximately $32,500 in donations and contributions to the family’s foundation, at a check cashing business.  
http://nj.gov/oag/newsreleases13/pr20131024a.html

10/18/2013  
**Former Camden County Construction Company Employee Sentenced to State Prison for Damaging Homes in South Jersey in order to Collect Insurance Monies**

Acting Attorney General Hoffman announced that a former employee for a now-defunct Camden County construction company was sentenced to state prison today for his role in an insurance fraud scheme that targeted homes purportedly damaged by hail.  
http://nj.gov/oag/newsreleases13/pr20131018a.html

10/15/2013  
**Operator of Maplewood Debt Adjustment Firm Arrested for Allegedly Defrauding Clients Who Paid Him to Reduce Their Bills:**

Acting Attorney General Hoffman announced that the operator of a Maplewood debt adjustment firm called TGC Movement was arrested for allegedly defrauding customers by promising them big reductions in their monthly bills in return for upfront fees, but never delivering any debt relief.  
http://nj.gov/oag/newsreleases13/pr20131015b.html
NEW MEXICO:

10/17/2013
Illegal & Deceptive Practices Lead to Lawsuit: Restitution and Fines Sought from Universal Water Systems:

Attorney General King announced that his office is suing a water filter company for violating New Mexico’s Unfair Practices Act and for illegally placing liens on customers’ homes.
http://www.nmag.gov/News

NEW YORK:

11/13/2013
A.G. Schneiderman Announces $135k Settlement With Westchester Auto Dealer Over Bogus Fee To Customers

Attorney General Schneiderman announced that his office has reached a settlement with Westchester County auto dealer N.R. Automotive, Inc., d/b/a New Rochelle Toyota, which was adding a bogus $499 “administrative fee” to the purchase price of used vehicles. New Rochelle Toyota will repay a total of $86,826 to 174 customers who were charged the bogus administrative fee. The dealership has also agreed to reform its advertising practices and to pay $50,000 in costs and penalties to the state.

10/31/2013
A.G. Schneiderman Wins Sandy Gas Gouging Case Against Long Island Station:

Attorney General Schneiderman announced a ruling issued by a Suffolk County that holds AGIP Gas, LLC., responsible for having gouged consumers by illegally increasing its pump prices in the wake of the storm. The judge ordered the company, operating as USA Petroleum, to pay a penalty of $10,000 and $2,000 in costs. http://www.ag.ny.gov/press-release/ag-schneiderman-wins-sandy-gas-gouging-case-against-long-island-station
0/31/2013
A.G. Schneiderman Announces $40,000 Penalty In Long Island Company Bid To Scam Hurricane Victims


10/24/2013
A.G. Schneiderman Announces $40k Settlement With Brooklyn Hotel For Price Gouging In Wake Of Hurricane Sandy

As part of his ongoing probe of high consumer prices in the wake of Hurricane Sandy, Attorney General Eric T. Schneiderman today announced a settlement of more than $40,000 with MMG Butler Street LLC, a Delaware-based corporation that operates the Holiday Inn Express hotel located at 279 Butler Street in Brooklyn.

10/24/2013
A.G. Schneiderman Reaches Agreement With Four Charities To Provide Nearly $10 Million For Sandy Recovery Efforts

As part of his ongoing probe of high consumer prices in the wake of Hurricane Sandy, Attorney General Schneiderman announced a settlement of more than $40,000 with MMG Butler Street LLC, a Delaware-based corporation that operates the Holiday Inn Express hotel located at 279 Butler Street in Brooklyn. After receiving a consumer complaint, the Attorney General’s Office found that the hotel charged guests excessive rates for last-minute room reservations in the wake of the deadly storm, and in violation of New York State’s price gouging law. [http://www.ag.ny.gov/press-release/ag-schneiderman-announces-40k-settlement-brooklyn-hotel-price-gouging-wake-hurricane](http://www.ag.ny.gov/press-release/ag-schneiderman-announces-40k-settlement-brooklyn-hotel-price-gouging-wake-hurricane)

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NORTH CAROLINA:

10/28/2013
Consumers Who Paid for "Free" Vacation Offers to Get Refunds

North Carolina consumers who were misled into paying deposits for supposedly free vacations will be able to get their money back. Under a consent judgment signed by a Wake County Superior Court, Millennium Travel and Promotions, Inc. and its owners are barred from engaging in any travel related business in North Carolina for the next ten years. The Florida-based defendants will pay approximately $21,000 in restitution to
around 200 consumers and $10,000 to the NC Department of Justice to be used for consumer protection efforts in the state.

10/24/2013
AG Cooper Will Appeal 7.2 Percent Duke Energy Rate Hike

Attorney General Cooper will appeal a decision announced late yesterday by the North Carolina Utilities Commission approving higher power bills for Duke Energy customers, a rate hike that was struck down by the state Supreme Court earlier this year.

10/23/2013
AG Cooper Targets Robocaller As Do Not Call Registry Turns 10

Attorney General Cooper filed suit against an alarm system company that made illegal robocalls to numbers listed on the Do Not Call Registry. The case comes ten years after the Registry first began protecting consumers from unwanted telemarketing calls.

10/10/2013
Consumers Tricked Into Joining Discount Clubs To Get $30 Million Back

Company that tricked consumers into signing up and paying for discount clubs and other memberships they didn’t really want will pay $30 million in consumer refunds and penalties.

NORTH DAKOTA:

11/14/2013
Cease & Desist Order Issued Against Bogus “Union Labor Guide” – Investigators Determine Andrew Austin Shaw of Wisconsin Was Operating a “Business Invoice” Scam

Andrew Austin Shaw of Wisconsin, doing business as Union Labor Guide, Dakota Union Labor Guide, Saint Louis Union Labor Guide, LLC, and Wisconsin Union Labor Guide, has been banned from doing business in North Dakota after consumer fraud investigators determined he was engaging in deceptive practices.
10/31/2013
Three Unlicensed Contractors Banned in ND

Attorney General Stenehjem today issued Cease and Desist Orders against three unlicensed contractors for violations of North Dakota’s consumer fraud laws. The businesses are banned from doing business in North Dakota. The Attorney General’s Consumer Protection Division initiated investigations after receiving complaints from consumers regarding the contractors’ failure to properly complete home improvement projects. None of the contractors cooperated with the investigators.

OHIO:

11/14/2013
Attorney General DeWine Announces Lawsuits Against Northeast Ohio Contractors:

Attorney General DeWine announced lawsuits against two Northeast Ohio home improvement contractors. The lawsuits accuse the contractors of failure to deliver and performing shoddy work.
http://www.ohioattorneygeneral.gov/Media/News-Releases/November-2013/Attorney-General-DeWine-Announces-Lawsuits-Against

11/13/2013
Attorney General DeWine Seeks Restitution from Address-Changing Service

Ohio Attorney General DeWine announced a lawsuit against Form Giant LLC, the Cincinnati-based business that operates Change-My-Address.com. Consumers across the country mistakenly believed the website was associated with the United States Postal Service (USPS). The lawsuit charges the business and its CEO with violations of Ohio’s Consumer Sales Practices Act, including misrepresentation and failure to clearly disclose exclusions and limitations. In the lawsuit, Attorney General DeWine seeks consumer restitution, injunctive relief, civil penalties, and other costs. Washington Attorney General Bob Ferguson also filed a lawsuit against the business.
http://www.ohioattorneygeneral.gov/Media/News-Releases/November-2013/Attorney-General-DeWine-Seeks-Restitution-from-Add

11/6/2013
Attorney General DeWine Seeks Consumer Restitution from Vacation Business

Attorney General DeWine filed suit charging Cleveland-area business with failing to deliver vacation tour packages to consumers and failing to provide refunds.
http://www.ohioattorneygeneral.gov/Media/News-Releases/November-2013/Attorney-General-DeWine-Seeks-Consumer-Restitution
11/5/2013
Attorney General DeWine Seeks $11,803 Reimbursement from Used Car Dealership

Attorney General DeWine announced a lawsuit against M&E Partners LLC, doing business
as Second Chance Auto, and manager David J. Ellis, Jr. The lawsuit seeks
reimbursement to
the state’s Title Defect Recision Fund and charges the business with failing to deliver
motor vehicle titles to purchasers as required by law.
http://www.ohioattorneygeneral.gov/Media/News-Releases/November-2013/Attorney-
General-DeWine-Seeks-$11-803-Reimbursement

10/29/2013
Attorney General DeWine Seeks Restitution for Consumers of Ohio Optical Stores

Ohio Attorney General DeWine filed a lawsuit against two Florida companies that operate
Stanton Optical, which has three stores in Ohio — in Toledo, Miamisburg, and
Beavercreek. The lawsuit charges the businesses with multiple violations of Ohio’s
consumer laws.
http://www.ohioattorneygeneral.gov/Media/News-Releases/October-2013/Attorney-
General-DeWine-Seeks-Restitution-for-Cons

10/25/2013
8,658 Pounds of Pills Discarded in Drop Box Program’s First Year

Ohio Attorney General DeWine announced today that residents in southern Ohio disposed
of more than 8,600 pounds of unwanted prescription drugs by using drop boxes provided
by the Attorney General’s Office, Ohio Department of Health, and Drug Free Action
Alliance.
http://www.ohioattorneygeneral.gov/Media/News-Releases/October-2013/8-658-
Pounds-of-Pills-Discarded-in-Drop-Box-Progra

OREGON:

11/7/2013
Misleading Epipen Advertisements Lead to Settlement

Attorney General Ellen F. Rosenblum announced today that pharmaceutical company
Mylan Specialty L.P. has agreed to submit any new television commercials for EpiPen and
EpiPen Jr. to the Food and Drug Administration before airing them to consumers. Mylan
further agrees to address any material FDA comments about the submitted
advertisements, and to provide notice to the Oregon Department of Justice if FDA does not
comment on the materials. Today’s agreement also requires Mylan to pay $250,000 to the
State of Oregon.
http://www.doj.state.or.us/releases/Pages/2013/rel110713.aspx
**TENNESSEE:**

10/30/13

Attorney General Announces Agreement to Resolve Allegations Auto Dealer Deceptively Promoted "Vehicle Clearance Event"

A Nashville auto dealer will have to change its marketing practices as a result of an agreement reached with the State of Tennessee to resolve deceptive marketing allegations, Attorney General Bob Cooper announced today.


**TEXAS:**

10/16/13

Attorney General Seeks to Stop Sale of Online Private Customer Information

Citing privacy concerns, Texas Attorney General Greg Abbott objected in federal bankruptcy court to the sale of online dating service True.com's 43 million-member database. The database and web site are owned by Plano-based True Beginnings, which filed for Chapter 11 bankruptcy protection more than a year ago and is in the process of selling its assets.


**UTAH:**

10/7/13

St. George Contractor Sentenced To Prison For Fraud

A St. George contractor has been ordered to serve up to 15 years in prison for keeping nearly $800,000 that was supposed to be used to build homes in St. George and Mesquite. Aaron Needham, 45, was convicted last January of eight second-degree counts of communications fraud and one second-degree felony count of pattern of unlawful activity.

VERMONT:

11/8/13
Attorney General Announces Two Settlements For Lead Law Violations
Two Vermont landlords have agreed to bring their rental properties in Springfield and Poultney into compliance with the Vermont Lead in Housing law. Landlords Allyn Bruce and Betty Battles have each entered into a settlement with the Vermont Attorney General for failure to perform lead compliance checks and to perform essential maintenance practices required by the law.

11/4/13
Attorney General Settles Consumer Protection Claims Against Amerigas Propane For $545,000
AmeriGas Propane, LP, America’s largest propane retailer, has agreed to pay $254,986 to Vermont consumers, $190,000 to LIHEAP -- the Low Income Home Energy Assistance Program -- and $100,000 in civil penalties to the State of Vermont, to settle claims that the company violated Vermont consumer protection laws. The Attorney General found that for many Vermonters, AmeriGas delayed in removing propane storage tanks or issuing refund checks after consumers terminated propane service, and charged a fee for reading propane meters without proper disclosure.

WASHINGTON:

11/13/13
Washington Attorney General sues Ohio Internet company for deceptive business practices
The Washington State Attorney General’s Office (AGO) has filed suit against an Ohio-based Internet business for failing to disclose its service charge and not fully refunding customers.
http://www.atg.wa.gov/pressrelease.aspx?id=31481#UoUfMBqsgyo
WEST VIRGINIA:

11/19/13
Attorney General Morrisey Announces Nearly $4 Million In Settlements In Payment Protection Lawsuit
West Virginia Attorney General Patrick Morrisey today announced that Discover Financial Services and HSBC Finance Corporation will pay the state $1.95 million each (or $3.90 million total) to settle lawsuits alleging the companies’ credit card protection programs violated West Virginia law.
http://www.wvago.gov/press.cfm?ID=743&fx=more

DISTRICT OF COLUMBIA:

10/15/13
Attorney General Suit over Energy Summit Promoter's Misrepresentations Results in Promoter's Agreement to Stop Doing Business in DC
The Florida-based promoter of “United States Leadership Forum” conferences has agreed to a preliminary injunction stopping him from promoting or collecting money for conferences in D.C., Attorney General Irvin B. Nathan announced.
http://oag.dc.gov/release/attorney-general-suit-over-energy-summit-promoters-misrepresentations-results-promoters
MEDICAID FRAUD CASES AND SETTLEMENTS

ALASKA:

10/17/13
Anchorage Based Personal Care Attendant Charged for Fraudulently Billing Medicaid $94,339 over 29 Months

The Medicaid Fraud Control Unit (MFCU) in the Alaska Department of Law announced the filing of criminal charges against personal care attendant (PCA) Barbara J. Kanehailua, age 60. The charges filed against Kanehailua are the result of an ongoing state and federal investigation into medical assistance fraud by employees of Good Faith Services, LLC (Good Faith), PCAs and Medicaid recipients receiving services from Good Faith.

http://www.law.state.ak.us/press/releases/2013/101713-MFCU.html

ARKANSAS:

10/28/13
Attorney General Announces Two Arrests

Attorney General Dustin McDaniel announced today that health-care workers in Baxter County and Crittenden County were arrested last week following separate investigations by the Attorney General’s Medicaid Fraud Control Unit. Courtney Lynn Goodwin, 23, of Mountain Home was arrested Thursday and is accused of obtaining a controlled substance by fraud, a Class D felony. Goodwin, a licensed practical nurse, is accused of stealing pain medication that had been prescribed to residents at the long-term care facility where she had been employed. In a separate case, Elaina Brewer, 34, of Marion was arrested for Medicaid Fraud, a Class C felony. Brewer is accused of billing the Arkansas Medicaid Program for attendant-care services that she did not provide.


FLORIDA:

11/8/13
Medicaid Fraud
Attorney General Bondi’s Office Prosecutes Miami-Dade County Billing Agent for Defrauding Medicaid Out of Nearly $300,000
Attorney General Pam Bondi’s Office of Statewide Prosecution successfully prosecuted Miami-Dade County billing agent Gregory Campbell for defrauding Florida’s Medicaid program out of nearly $300,000. According to an investigation by the Attorney General’s Medicaid Fraud Control Unit, Campbell billed the Medicaid program for services never rendered. This case was based on a referral from the Agency for Health Care Administration.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/E005C81339245DC585257C1D0071C9C1
10/17/13

**Miami-Dade Nursing Home Owner Arrested for $395,000 in Medicaid Fraud**

Miami-Dade nursing home owner Julius Ast was arrested today by the Attorney General’s Medicaid Fraud Control Unit and the Miami-Dade Police Department for allegedly using the billing names of four non-existent businesses to submit fraudulent invoices to his business, Pines Nursing Home, which were then paid with Medicaid funds.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/F652FC98C9E1BA0C85257C0700530C42

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**NEVADA:**

10/29/2013
**Attorney General Masto Announced Sentencing of Husband and Wife Involved With Group Home**

Nevada Attorney General Catherine Cortez Masto announced today the sentencing of a husband and wife involved with a group home facility in Las Vegas.

http://ag.nv.gov/News/PR/2013/Medicaid_Fraud/Attorney_General_Masto_Announces_Sentencing_of_Husband_and_Wife_Involved_With_Group/Home/

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**NEW YORK:**

10/24/2013
**A.G. Schneiderman Announces Sentencing And $300k Settlement In The Case Of Michigan Man Who Fraudulently Obtained Medicaid Payments In New York:**

Sentencing and a $300,000 settlement in the case of Fitzgerald A. Hudson, who illegally billed Medicaid for physician’s services after obtaining enrollment as a Medicaid provider by using a fraudulently obtained New York medical license.
10/23/2013
A.G. Schneiderman Announces Sentencing Of Former Disabled-Services Employee For Fraudulent Billing:

Attorney General Eric T. Schneiderman today announced the sentencing of Akin Ross, a former Medicaid service coordinator at Continuing Developmental Services Monarch (CDS), for causing $24,798.75 in fraudulent billings to the New York State Medicaid program after using a phony college diploma to obtain his job.


MASSACHUSETTS:

10/30/13
Owner of In-Home Care Business Sentenced to Jail, Company to Pay $3.3 Million for Billing MassHealth for Services not Provided

The owner of an in-home care company for elderly and disabled individuals pleaded guilty and was sentenced to two-and-a-half years in jail in connection with billing the state’s Medicaid program for services that were not provided, Attorney General Martha Coakley announced today. During a hearing today in Middlesex Superior Court, Adlife Healthcare, LLC (Adlife) was ordered to pay $3.3 million in restitution.


NORTH CAROLINA:

10/31/2013
Raleigh Woman Pleads Guilty to Defrauding Medicaid of Nearly $500,000

A Raleigh woman who ripped off North Carolina’s Medicaid program will no serve time behind bars and have to repay nearly $500,000...The investigation revealed that Sawyer’s company did not provide many of the services for which she was paid, or that the services were provided to patients who did not have HIV.

TEXAS:

11/5/13
Houston Woman Sentenced to Prison for Health Care Fraud in Case Investigated by State and Federal Officials
Comfort Gates, 48, was sentenced this afternoon, by U.S District Judge David C. Godbey, to 72 months in federal prison and ordered to pay $830,000 in restitution following her conviction at trial in April 2013 on charges stemming from her involvement in the operation of Euless Healthcare Corporation (EHC) and Medic Healthcare Incorporated (Medic). Gates is one six defendants convicted in the conspiracy. Judge Godbey ordered that Gates, a current resident of Houston, surrender to the Bureau of Prisons on January 13, 2014.
https://www.oag.state.tx.us/oagNews/release.php?id=4572

10/25/13
North Texas Doctor Sentenced to Prison for Health Care Fraud in Case Investigated by State and Federal Officials
Dr. Daniel K. Leong, 59, who owned South Dallas Community Medical Center (SDCMC) on Martin Luther King Blvd., in Dallas, was sentenced yesterday by U.S. District Judge Ed Kinkeade to 48 months in federal prison and ordered to pay $865,163 in restitution for his role in a conspiracy to defraud Medicare and Medicaid.

10/22/13
Houston-area Doctor Sentenced to Prison for Health Care Fraud Conspiracy in Case Probed by State and Federal Officials
Donald Gibson II, 57, of Sugar Land, is headed to prison following his conviction for conspiracy to commit health care fraud relating to medically unnecessary diagnostic testing and physical therapy, United States Attorney Kenneth Magidson announced today. Gibson entered a plea of guilty to conspiracy to commit health care fraud on April 1, 2013.
https://www.oag.state.tx.us/oagNews/release.php?id=4563
MULTISTATE CASES AND SETTLEMENTS

11/12/13

**CA Technologies, Inc:** Florida, California, Hawaii, Illinois, Massachusetts, Nevada, New York, and Virginia along with the District of Columbia.

Software Giant CA Technologies Agrees to Pays $11 million to Settle Federal and Multi-State False Claims Act Whistleblower Lawsuit for Billing Fraud

CA Technologies, a Fortune 500 company headquartered in Islandia, NY, has agreed to pay $11 million to settle whistleblower allegations that the software giant violated the federal False Claims Act and similar state and local statutes through the fraudulent billing of hundreds of public agencies on software maintenance renewal contracts from 2001 through 2009, according to court documents unsealed today.

Out of the $11 million, the federal government will receive $8 million and the remainder will be divided among the District of Columbia and eight states: California, Florida, Hawaii, Illinois, Massachusetts, New York, Nevada and Virginia.

The allegations settled were first asserted by former CA Technologies employee Ann Marie Shaw in a whistleblower qui tam lawsuit filed on July 18, 2006, in the US District Court for the Eastern District of New York.


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11/4/13

**Janssen Pharmaceuticals, Inc:** 45 States

Johnson & Johnson and its Subsidiaries, Janssen Pharmaceuticals, Inc. and Scios Inc., Conclude Previously Disclosed Settlement Agreements with U.S. Department of Justice and 45 States

New Brunswick, NJ (November 4, 2013) – Johnson & Johnson and its subsidiaries, Janssen Pharmaceuticals, Inc. and Scios Inc., today announced they have finalized previously disclosed settlement agreements with the U.S. Department of Justice (DOJ) and 45 states resolving federal investigations and state Medicaid claims related to past promotional practices of RISPERDAL® from 1999 through 2005, and other matters. The resolution includes total settlement amounts of approximately $2 billion to the federal government and state Medicaid programs, an amount previously accrued, and no additional charge to the company’s earnings will be recorded in connection with this settlement.
As part of the resolution, Janssen will plead guilty to a single misdemeanor violation of the Food, Drug and Cosmetic Act for past promotional practices of RISPERDAL, subject to approval by the U.S. District Court. The agreement also resolves allegations related to the sales and marketing of INVEGA®, NATRECOR® by Scios Inc., and allegations related to Janssen’s interactions with Omnicare, Inc. The Company has cooperated with the government since the separate investigations began nearly a decade ago, and today’s agreements resolve all related federal criminal and federal civil liabilities on these matters. Janssen accepts accountability for the actions described in the misdemeanor plea. The settlement of the civil allegations is not an admission of any liability or wrongdoing, and the Company expressly denies the government’s civil allegations.


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**RBC Capital Markets**: Delaware, Colorado, Missouri, New Hampshire, New Jersey, Texas, and Vermont.

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**UBS Financial Services**: 50 states, District of Columbia, Puerto Rico and the U.S. Virgin Islands

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11/19/13

**JP Morgan Chase**: California, Delaware, Illinois, Massachusetts and New York

**Justice Department, Federal and State Partners Secure Record $13 Billion Global Settlement with JPMorgan for Misleading Investors About Securities Containing Toxic Mortgages**

The Justice Department, along with federal and state partners, today announced a $13 billion settlement with JPMorgan - the largest settlement with a single entity in American history - to resolve federal and state civil claims arising out of the packaging, marketing, sale and issuance of residential mortgage-backed securities (RMBS) by JPMorgan, Bear Stearns and Washington Mutual prior to Jan. 1, 2009. As part of the settlement, JPMorgan acknowledged it made serious misrepresentations to the public - including the investing public - about numerous RMBS transactions. The resolution also requires JPMorgan to provide much needed relief to underwater homeowners and potential homebuyers, including those in distressed areas of the country. The settlement does not absolve JPMorgan or its employees from facing any possible criminal charges.
The settlement includes a statement of facts, in which JPMorgan acknowledges that it regularly represented to RMBS investors that the mortgage loans in various securities complied with underwriting guidelines. Contrary to those representations, as the statement of facts explains, on a number of different occasions, JPMorgan employees knew that the loans in question did not comply with those guidelines and were not otherwise appropriate for securitization, but they allowed the loans to be securitized – and those securities to be sold – without disclosing this information to investors. This conduct, along with similar conduct by other banks that bundled toxic loans into securities and misled investors who purchased those securities, contributed to the financial crisis.


10/21/13


**Kmart Corporation to Pay U.S. More Than $2.5 Million to Settle False Claims Act Allegations for Partially Filled Prescriptions**

Kmart Corporation has agreed to pay the United States and 32 participating states a total of $2,550,000 to settle allegations of false prescription claims by its national pharmacy centers to government health insurance programs, U.S. Attorney Barbara L. McQuade announced today.

Kmart is alleged to have violated the False Claims Act by billing government health care programs (Medicaid, Tricare, and the Federal Employee Health Benefits Program) for all drugs included in a prescription when, for many prescriptions, it dispensed only a portion of the prescribed drugs. Although billed in full to the government health care programs, the remaining portion of the prescriptions were never dispensed to beneficiaries and were later returned to stock.

In addition to the state of Michigan, the participating states and territories that will receive funds attributable to their Medicaid Programs are Alabama, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Puerto Rico, and the Virgin Islands. The settlement covers the time period from January 1, 2004 to October 17, 2005, before Kmart was purchased by Sears Holding Corporation in November 2005.

**Statement by FTC Bureau of Consumer Protection Director David Vladeck Regarding Judge’s Approval of Google Safari Settlement** [Google settlement with the FTC November 12, 2013]

Federal Trade Commission Bureau of Consumer Protection Director David Vladeck issued the following statement regarding a federal judge’s approval of the FTC proposed order and $22.5 million civil penalty settling charges that Google misrepresented privacy assurances to users of Apple’s Safari Internet browser in violation of a previous FTC settlement Order:

“The court’s approval of the Commission’s record setting $22.5 million fine against Google is a clear victory for consumers and privacy. As this case and many others demonstrate, the Commission will continue to ensure that its orders are obeyed, and that consumers’ privacy is protected.”

[Google settlement with the FTC November 12, 2013](http://www.ftc.gov/opa/2012/11/google.shtm)

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**Environmental Protection Agency: New York, Connecticut, Maryland, Massachusetts, Oregon, Rhode Island and Vermont**

http://www.epa.gov/ogc/NOIdocuments/AttorneyGeneralStatesNOI_08012013.pdf#page=1&zoom=auto,1,800
CONSUMER ADVOCACY

KANSAS:

10/25/13
AG Schmidt to host national consumer protection conference in Wichita

Wichita will be the site of next week’s National Association of Attorneys General Fall Consumer Protection Seminar, Kansas Attorney General Derek Schmidt announced today. The conference will bring staff from the consumer protection offices of 46 states and territories to the Hyatt Regency in Wichita for a three-day seminar.

MINNESOTA:

10/18/13
Attorney General Swanson Asks Federal Agency to Investigate Complaints Against Humana by Medicare Patients

Minnesota Attorney General Lori Swanson today asked the federal agency responsible for regulating private Medicare insurance policies to investigate and remedy complaints by Minnesota senior citizens about improper claims handling by Humana, which sells private Medicare policies in Minnesota.

In a letter containing over 25 sworn affidavits from Minnesota patients and medical providers, Attorney General Swanson called on the federal Centers for Medicare & Medicaid Services (“CMS”), which regulates private Medicare plans, to investigate and remedy any violations of federal regulations arising from Humana’s improper claims handling in Minnesota. The United States Congress has determined that states are preempted from regulating benefit determinations of private Medicare Advantage plans and has vested jurisdiction to regulate such plans with CMS.
http://www.ag.state.mn.us/Consumer/PressRelease/20131018HumanaMedicare.asp
MISSISSIPPI:

10/22/13
Attorney General Hood Warns Mississippians of Recent Lottery Scams

Attorney General Jim Hood is warning Mississippi residents to be cautious of phoney phone marketers promising lottery winnings or bogus checks.
http://www.ago.state.ms.us/releases/attorney-general-hood-warns-mississippians-of-recent-lottery-scams/

MONTANA:

10/24/2013
Attorney General Fox Encourages Montanans to Participate in National Prescription Drug Take-Back Day

On October 26 - Montana Department of Justice, local law enforcement agencies, and the Drug Enforcement Administration (DEA) will give the public an opportunity to prevent pill abuse and theft by ridding their homes of potentially dangerous expired, unused, and unwanted prescription drugs. Montanans are invited to bring their unwanted medications for free, anonymous disposal at one of over 20 participating sites across the state. 

NEBRASKA:

10/31/2013
More than 35,000 Pounds of Unwanted Prescription Drugs Collected in Nebraska at Take-Back Events to Date

Attorney General Bruning announced more than 7,000lbs of unwanted medication was collected at take-back sites across the state.
http://www.ago.ne.gov/resources/dyn/files/1118229z93209b9f/_fn/RXDrugsCollected.pdf
NEW YORK:

11/5/2013
Op-Ed: Seniors, don't get scammed

Op-Ed piece by Attorney General Schneiderman regarding investment fraud and the seniors.

NORTH CAROLINA:

11/1/2013
Operation Medicine Drop Collects 9.5 Million Pills Across NC

North Carolinians turned in approximately 9.5 million doses of old prescription and over-the-counter drugs during fall Operation Medicine Drop events.

NORTH DAKOTA:

10/23/2013
Prescription Drug Take Back Day

North Dakotans can dispose of unused or expired medications in the Take Back containers serving their local community.

OREGON

10/11/2013
Portland “Scam Jam” Event Will Help Consumers Protect Themselves From Frauds and Scams

Scam Jam is an educational and entertaining program and is designed to allow the audience to learn about today’s scams and schemes, such as Medicare fraud, insurance and investment fraud, online and door-to-door scams, identity theft and other scams that target older consumers.
http://www.doj.state.or.us/releases/Pages/2013/rel101113.aspx