



Oregon Department of Justice

Ellen F. Rosenblum, Attorney General

## 2015 Joint Committee on Ways & Means Public Safety Subcommittee Presentation – Phase 1

March 24 – 26, 2015

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## Mission & Values

To serve state government and to support safe and healthy communities throughout Oregon by providing essential justice services.

We are dedicated to:

- Providing ethical, independent and high quality legal services to state government;
- Safeguarding consumers from fraud and unfair business practices;
- Fighting crime and helping crime victims;
- Advocating for vulnerable children;
- Supporting families through the collection of child support;
- Enforcing environmental protections;
- Defending the civil rights of all Oregonians; and
- Pursuing justice and upholding the rule of law.



# Budget Priorities for the 2015-17 Biennium

## Included in Governor's Budget:

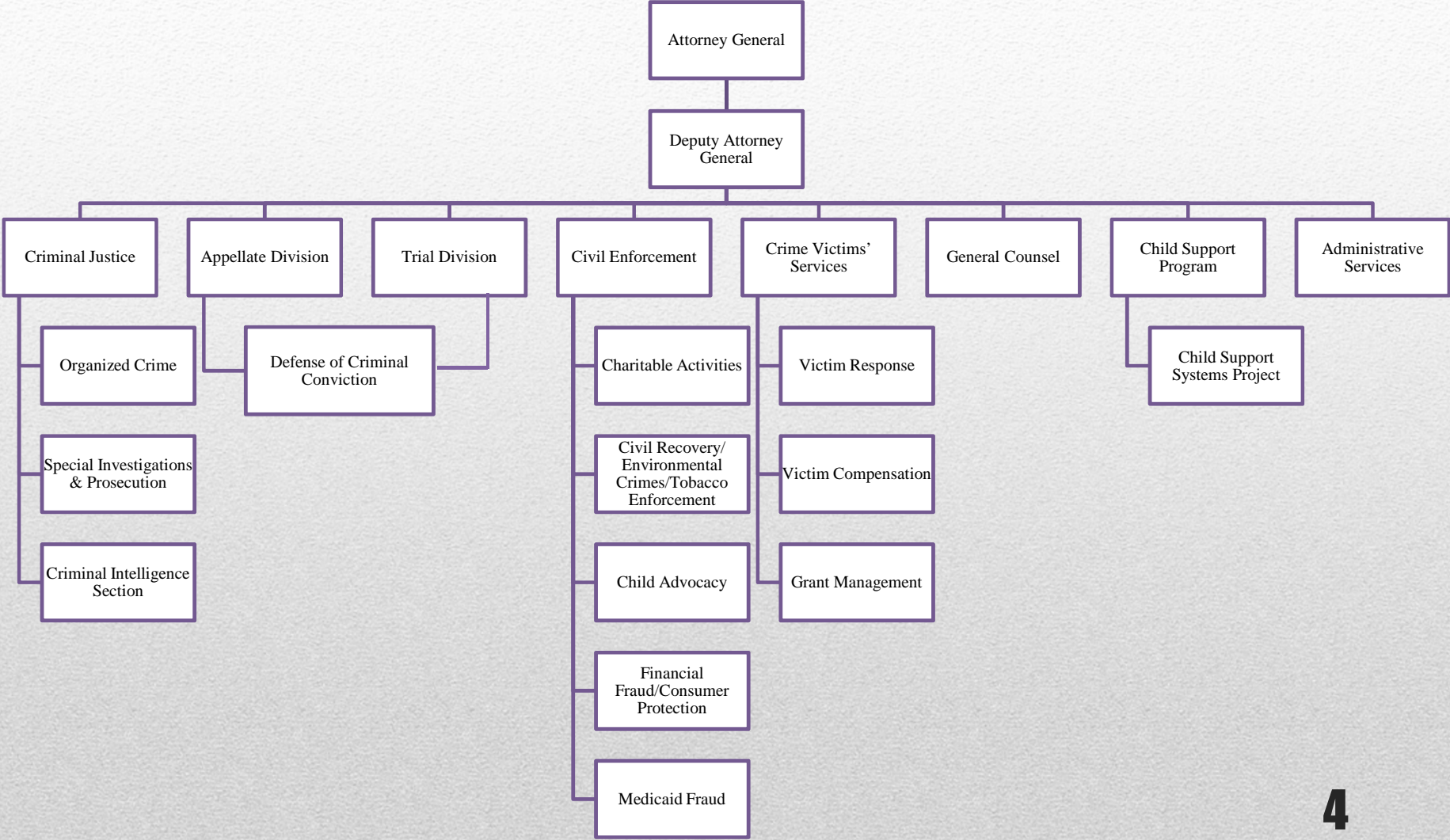
- Child Support System
- Crime Victims' Services – Criminal Injuries Compensation Account
- Consumer Protection/Financial Fraud Enforcement
- Enhanced Litigation and Case Management Support

## Additional Requests:

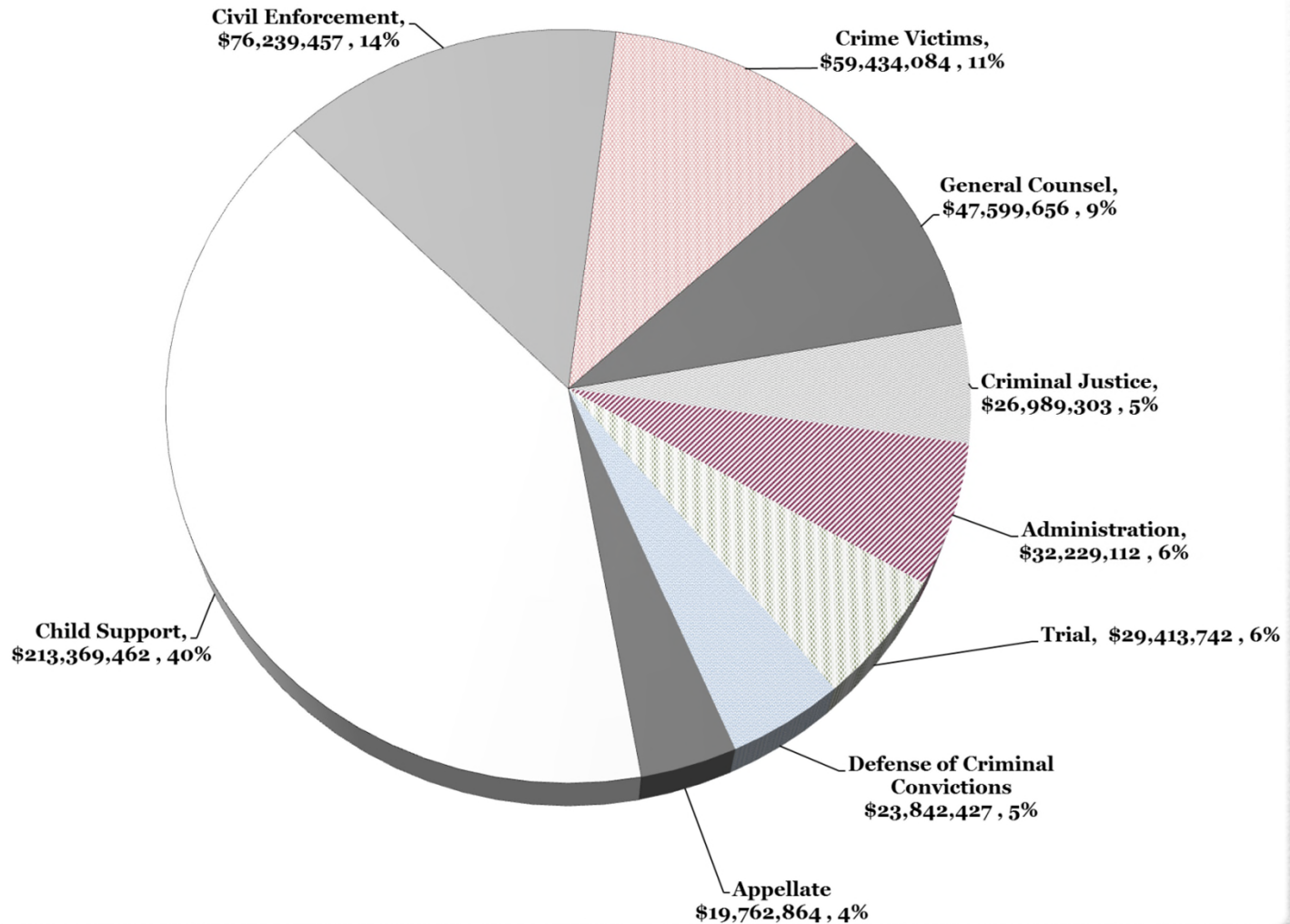
- Elder Abuse Prosecution
- Fusion Center
- Child Welfare/DHS Representation



# Organization

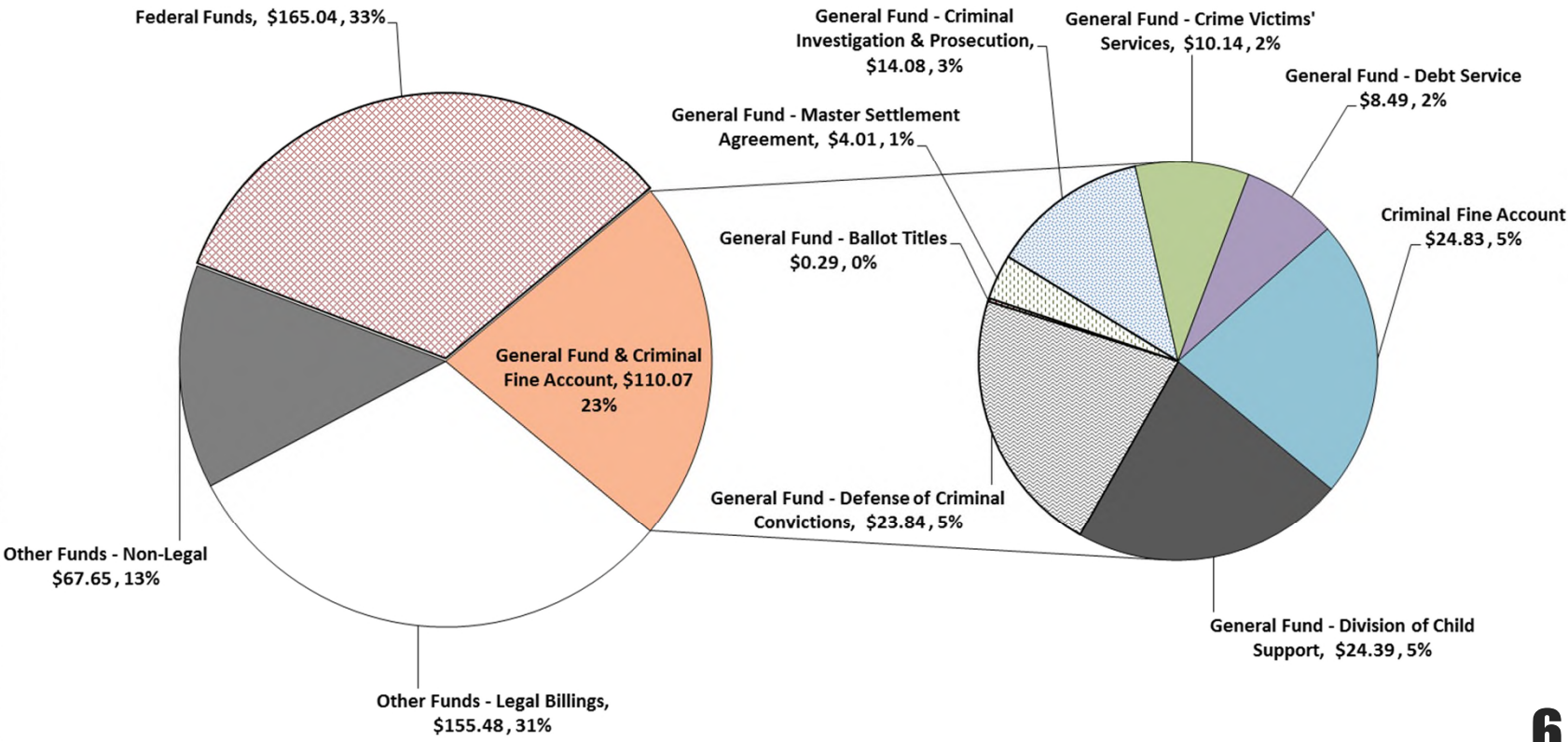


# 2015-17 Modified Agency Budget Expenditures by Division \$528.88 (\$ millions)



# 2015-17 Modified Agency Budget

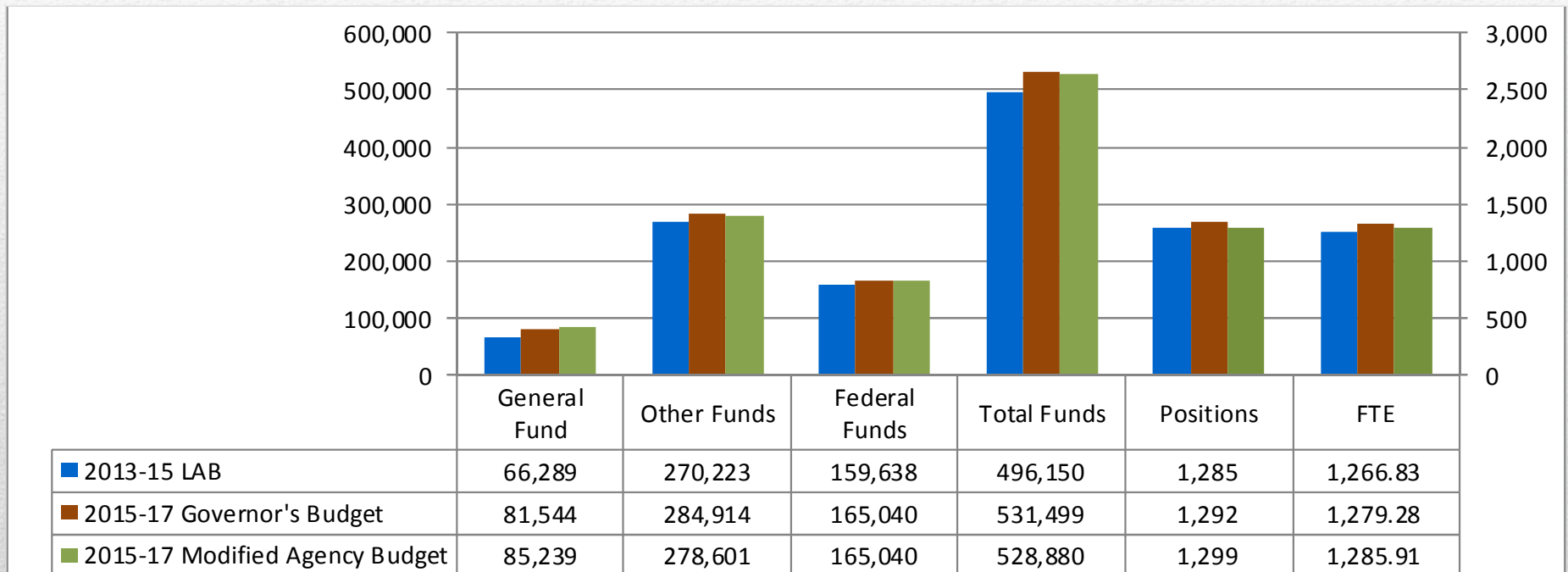
## Program Revenue\* \$498.25 (\$ millions)



\*Intra-agency charges excluded. Also corrected to reflect the impact of the billing rate and packages included in Modified Agency Budget



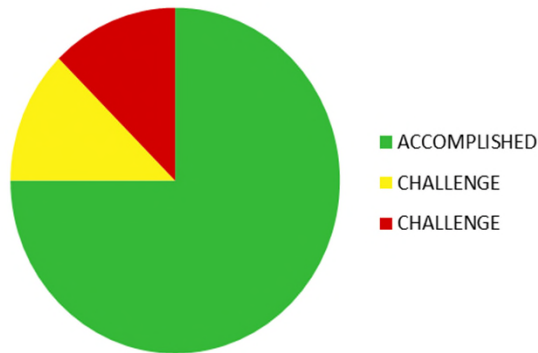
# Program Funding \$ Thousands



# Performance Measures

Agency Performance Measure

2014 APPR



Data presented is from 2014 State Fiscal Year & Federal Fiscal Year

Status	Status Description	Performance Measures
<u>GREEN</u> (Accomplished)	Within 5% of approved target	<p>KPM #1 - Legal cases in which the state's position is upheld</p> <p>KPM #2 - Appropriate litigation resolved through settlement</p> <p>KPM #4 - Working days from receipt of contracting document to first substantive response to agency.</p> <p>KPM #6 - Timely and complete charities' reports submitted relative to total charities registered</p> <p>KPM #7 - Customers rating their satisfaction with the agency's customer service</p> <p>KPM #8 - Criminal Justice Division cases resolved successfully</p> <p>KPM #9 - Crime victims' compensation orders issued within 90 days of claim receipt</p> <p>KPM #10 - Support collected by the Child Support Program that is distributed to families</p> <p>KPM #11 - Current child support collected relative to total child support owed</p> <p>KPM #13 - Child Support Program cases with support orders relative to total Program cases</p> <p>KPM #14 - Adult victims leaving domestic violence shelters with a safety plan after a stay of five days or more</p> <p>KPM #16 - Defense of Criminal Convictions (DCC) cases briefed within 210 days.</p>
<u>Yellow</u> (Challenge, but making progress)	Within 6% - 15% of approved target	<p>KPM #5 - Legal billings receivables collected within 30 days</p> <p>KPM #12 - Child Support Program cases paying towards arrears relative to total Program cases with arrears due</p>
<u>RED</u> (Challenge)	Greater than 15% from approved target	<p>KPM #3 - Monies recovered for the state divided by the cost of recovery</p> <p>KPM #15 - Sexual assault exams conducted by specially trained Sexual Assault Nurse Examiners (SANE)</p>







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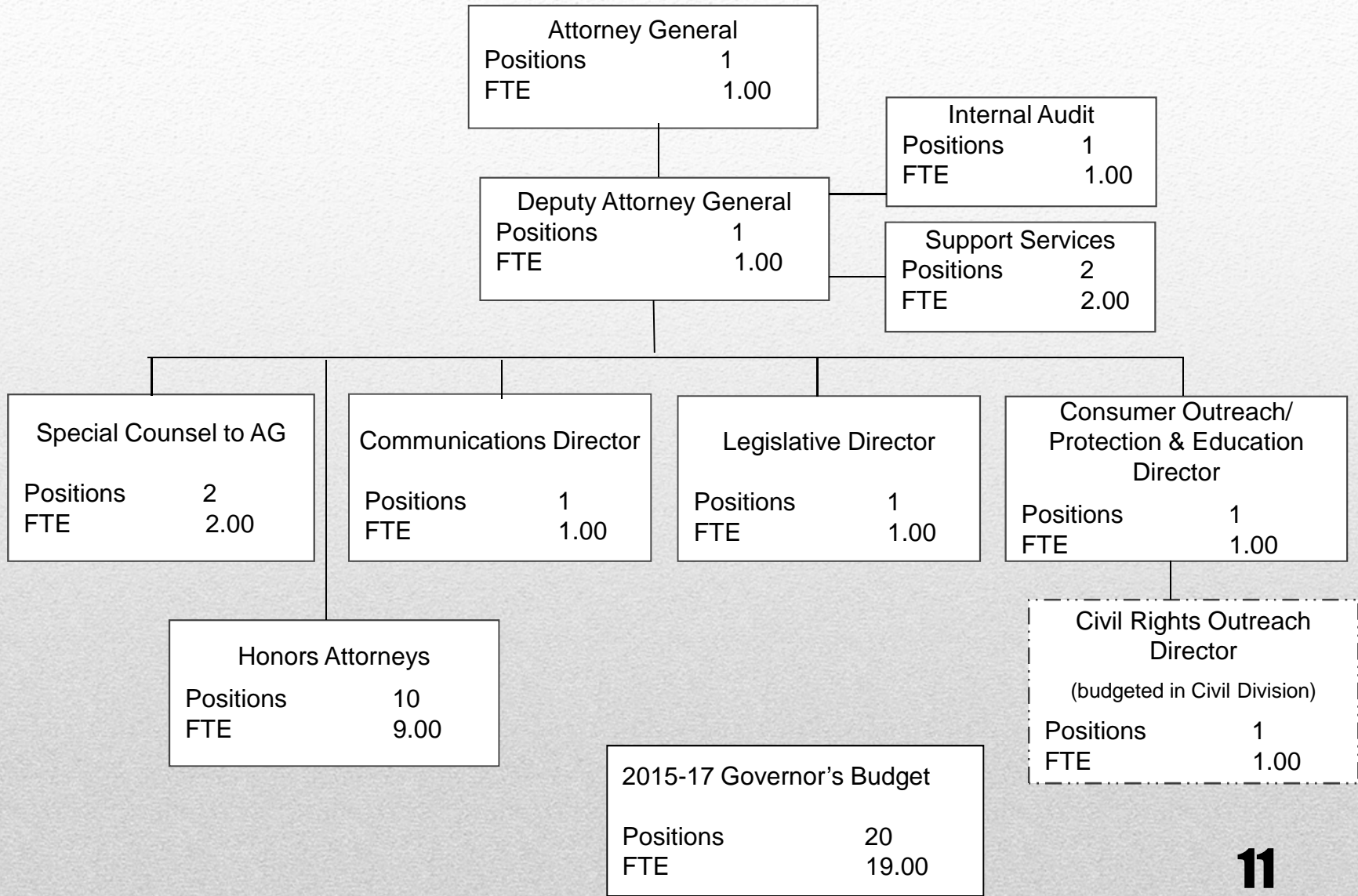
Ellen F. Rosenblum, Attorney General

# Office of the Attorney General

# Office of the Attorney General

- Oversees the operations of the Department of Justice
- Establishes the State's legal policy
- Manages all legislative, media and constituent activities
- Oversees consumer education and civil rights outreach to all Oregonians
- Chairs the internal audit function





# Enterprise Initiatives

- Internal Audit
  - Risk Assessment
  - Financial Services Review
- Facilities Planning
- Billing Alternatives
  - Flat Fee (average) for 16 state agencies
  - Pilot project with Public Safety Agencies
  - DHS Budget Note
- Legal Case Management Tools

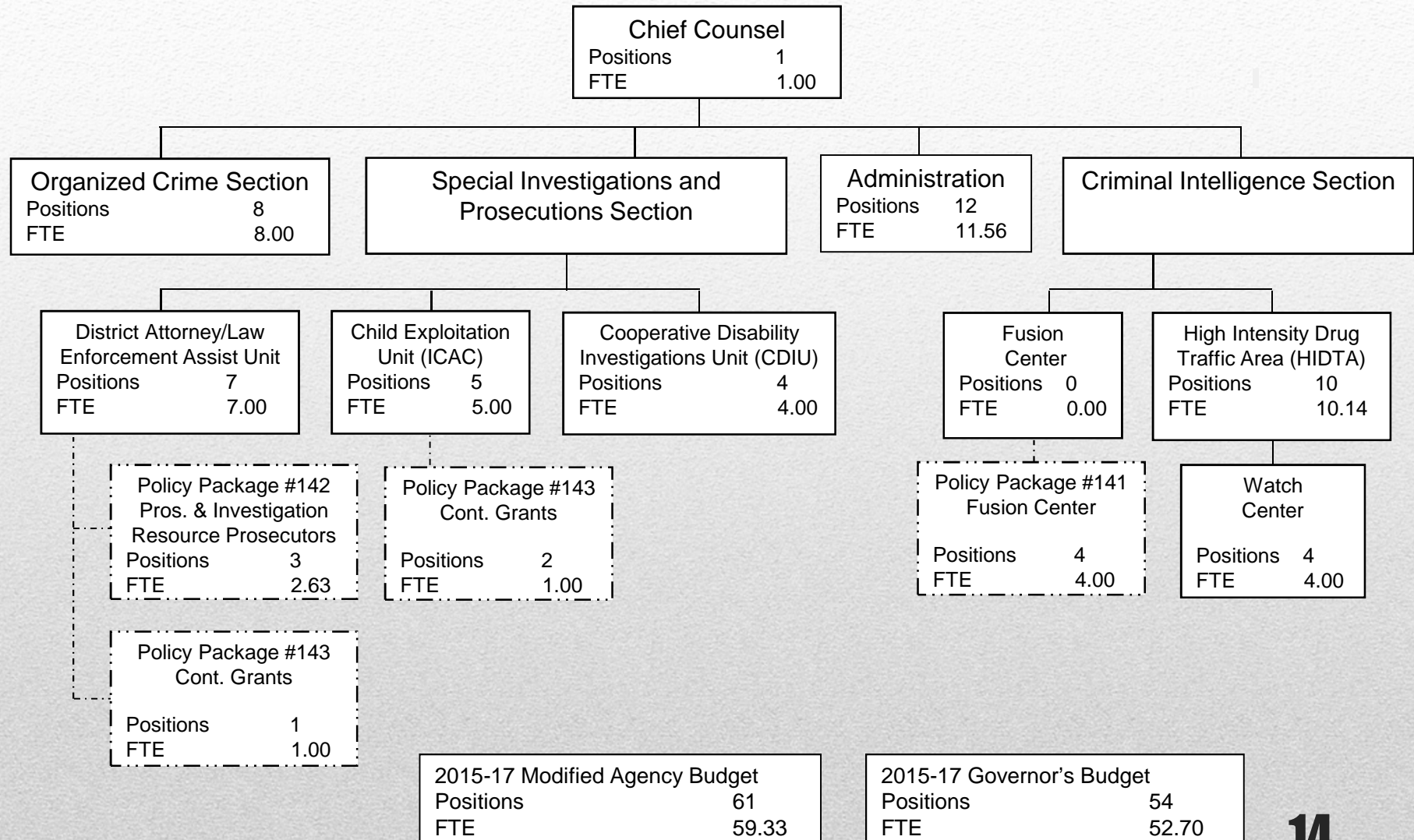




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# Criminal Justice Division



# Oregon Criminal Justice Challenges

- **Proliferation of child-exploitation cases.**
- **Organized crime**
  - Investigating long-term cases involving multiple counties.
  - Limited local resources for complex financial crimes; cybercrimes.
  - Ensuring critical public-safety information is shared in a timely and informative manner.
- **Rapidly evolving case law affecting work of law enforcement and prosecutors.**



# Responding to Public Safety Challenges

- **Law Enforcement/District Attorney Support**
- **Internet Crimes Against Children (ICAC)**
- **Organized Crime**
  - Public Corruption/Malfeasance
  - Drug Trafficking Organizations (DTOs)
  - Complex Financial Crimes
- **Criminal Intelligence**





# District Attorney/Law Enforcement Assistance Section

- 1,857 Service Assists (July 1, 2013 to February 26, 2015).
- Conducted 225 trainings. Over 2,100 training hours to more than 10,000 law enforcement and prosecutors (July 1, 2013 to January 1, 2015).
- Acted as District Attorney of Lincoln County.
- 634 cases worked from July 1, 2013 to February 26, 2015. At least one case in every county.
- 32 murder/aggravated murder cases from July 1, 2013 to March 12, 2015.
- 18 open murder/aggravated murder cases (as of March 12, 2015).

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## State v. Browning

- Complex elder abuse case from Washington County.
- Defendant was a municipal court judge who embezzled money from his elderly mother and mother-in-law, both of whom had dementia.
- 2½ years of prosecution.
- Convicted of 14 counts of Criminal Mistreatment I.
- Sentenced to 44 months prison and \$103,000 restitution.



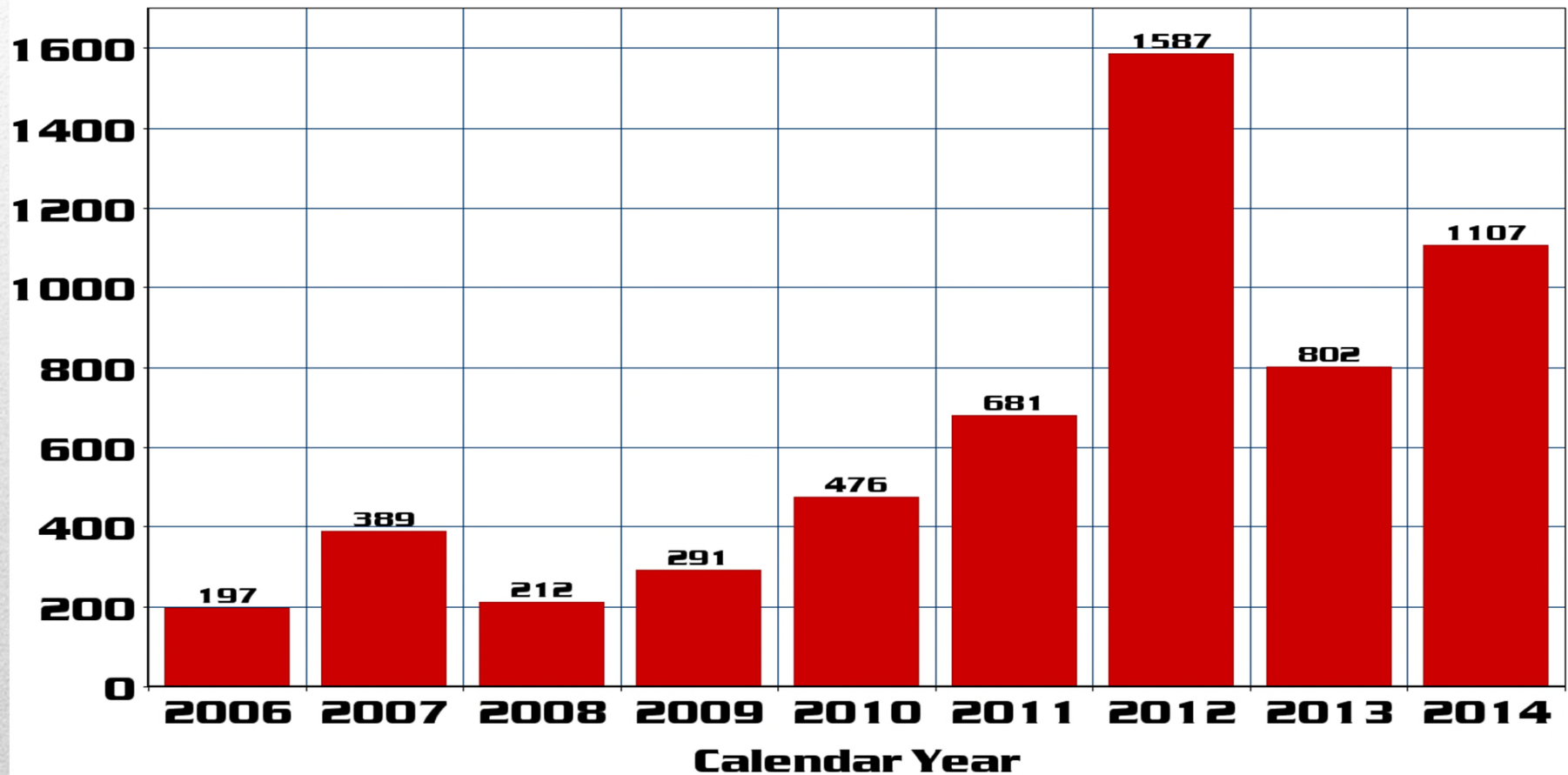
# Internet Crimes Against Children (ICAC)

From July 1, 2013, through January 30, 2015, ICAC was responsible for:

- 1,489 cybertips
- 14 arrests
- 12 convictions in cases prosecuted by Criminal Justice
- 53 search warrants
- 266 forensic exams
- Training 453 parents, educators and law-enforcement officers about how to protect children on the internet



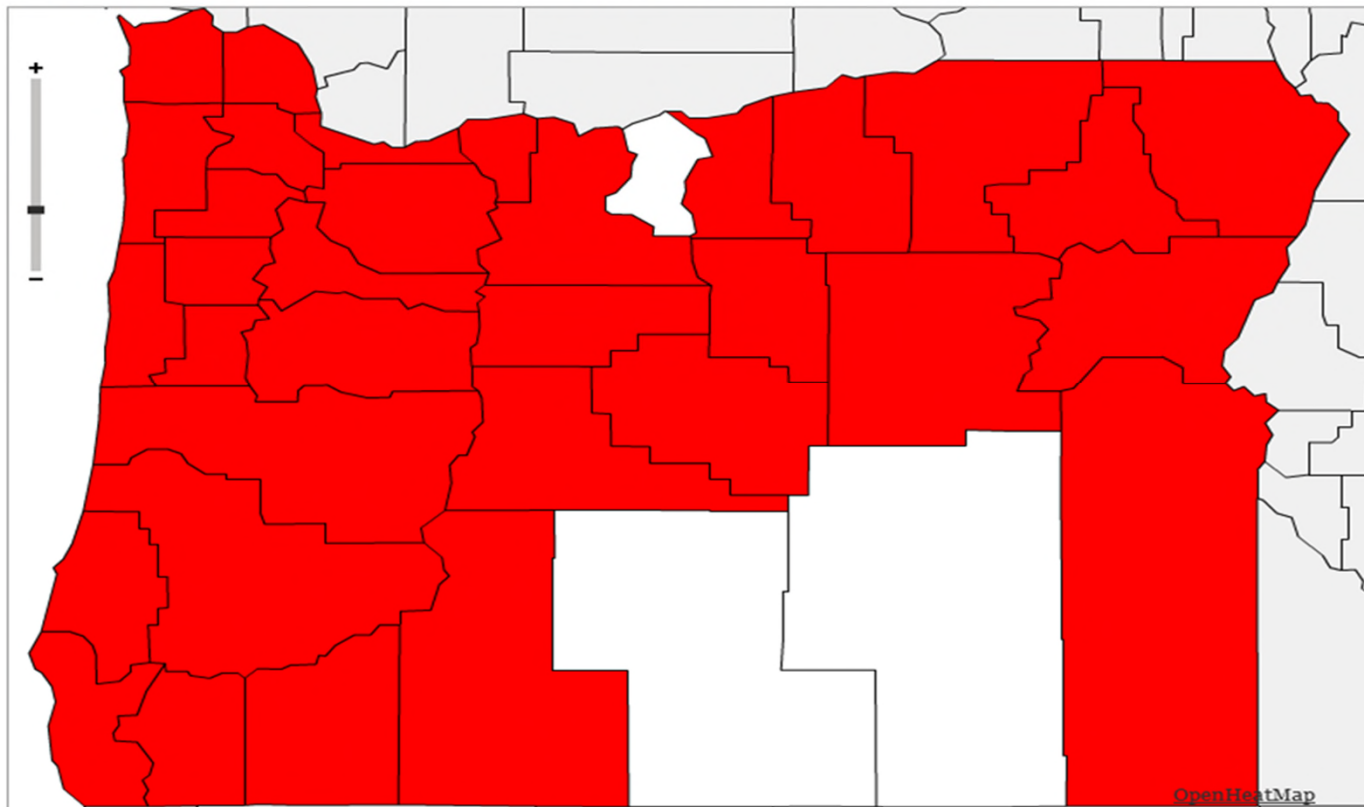
# Internet Crimes Against Children (ICAC)



# Child Exploitation Section: Internet Crimes Against Children (ICAC)

CyberTips - Nov 2013 To Dec 2014

OPENHEATMAP

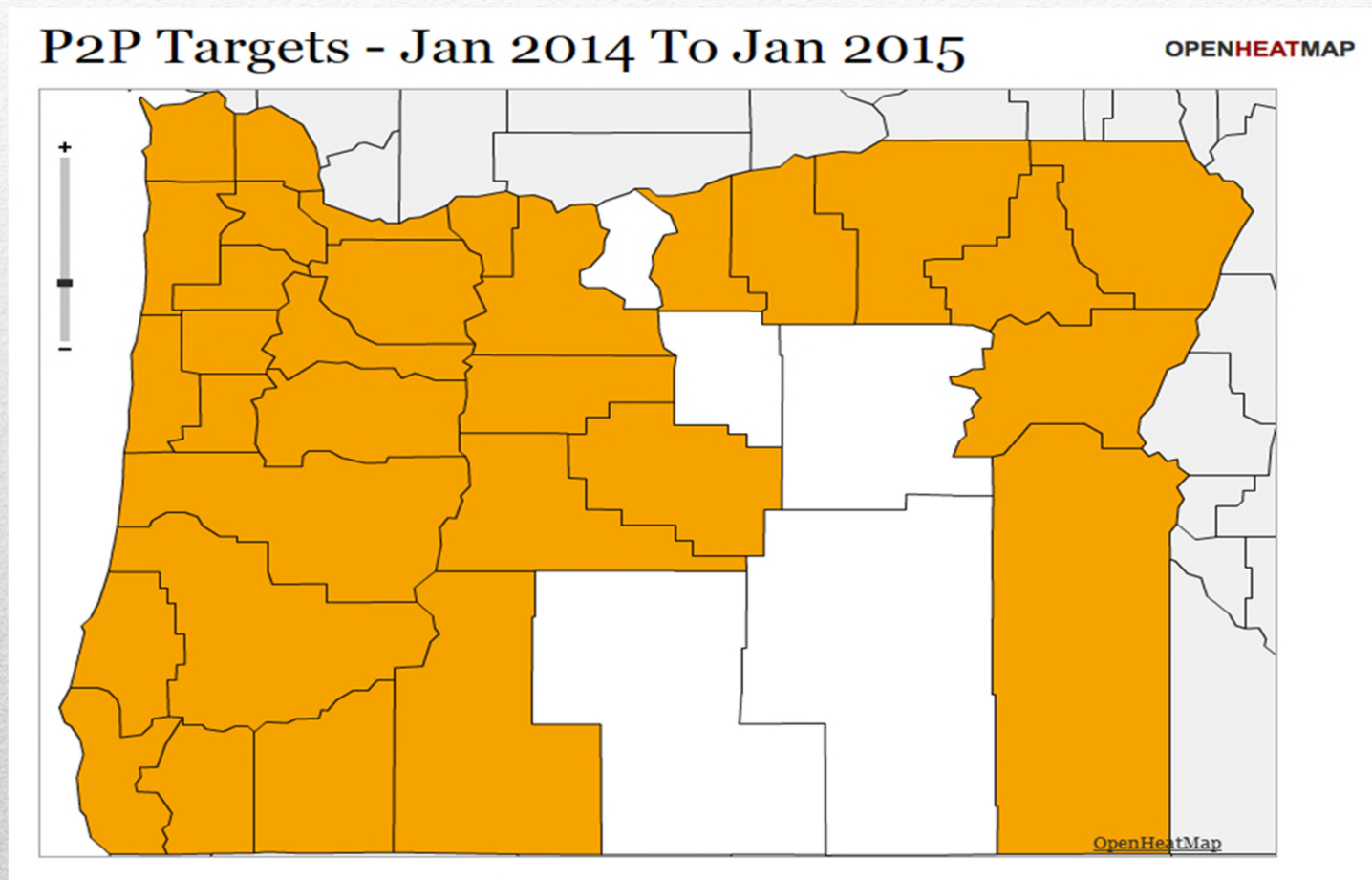


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Department of Justice – Criminal Justice Division

# Child Exploitation Section: Internet Crimes Against Children (ICAC)



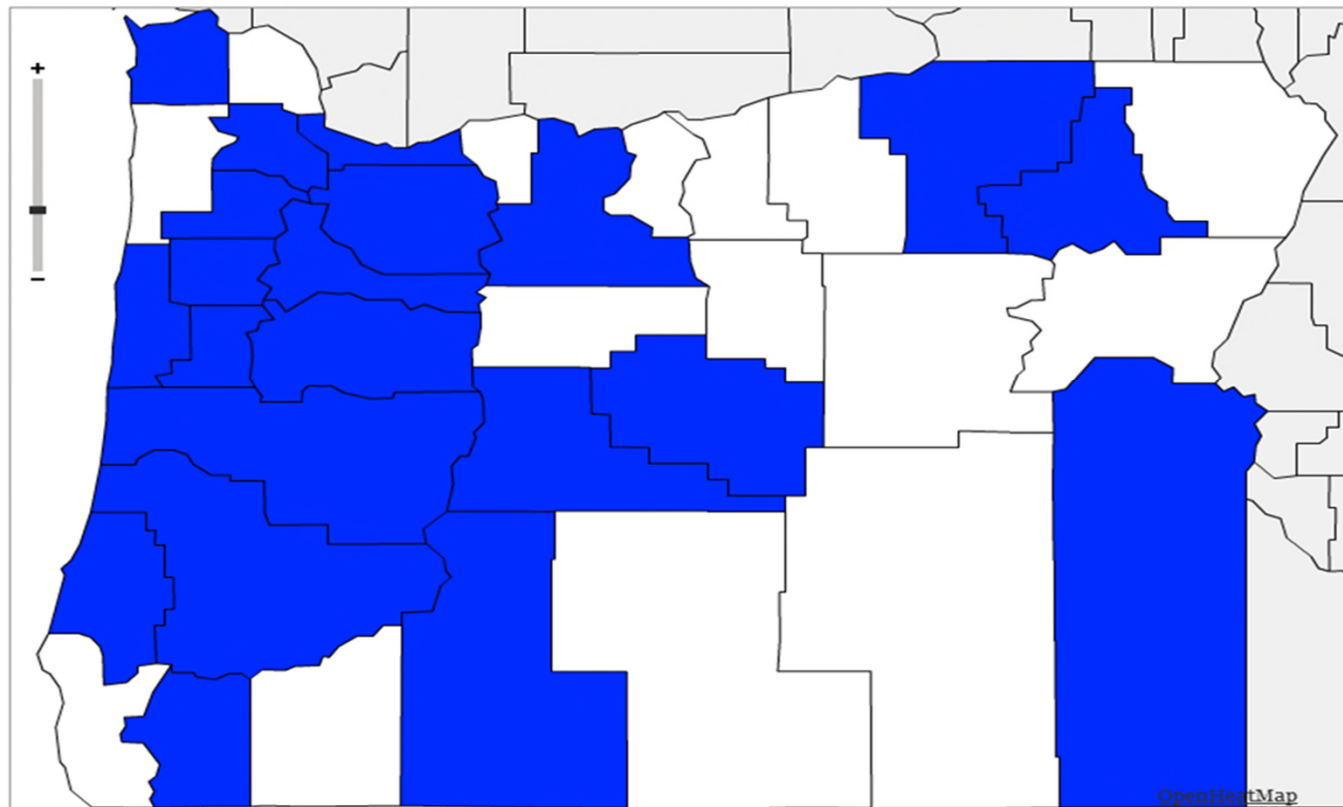
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# Child Exploitation Section: Internet Crimes Against Children (ICAC)

DOJ Cases - Nov 2013 To Dec 2014

OPENHEATMAP



## Organized Crime Section:

- Conducts wiretap, undercover and public corruption investigations.
- Assists with complex, multi-county investigations
- Provides technical support to law enforcement agencies (e.g. video surveillance, data analysis, interception equipment).
- 115 drug trafficking cases (July 1, 2013, to January 31, 2015).
- 44 people convicted of Racketeering.





# Organized Crime Section: Drug Trafficking Organizations

## Southern Oregon Street Gang Investigation

- November, 2013, to July, 2014.
- State wiretap investigation of violent gang activity in Southern Oregon.
- Two homicides thwarted, a bank robbery solved and gang dismantled.
- Indictments of over 40 people
- Partners: ATF, DEA, Jackson S.O., Klamath Falls PD, Medford PD and OSP.

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# Organized Crime Section: Complicated Investigations

## Multnomah County Organized Crime Investigation

- Joint wiretap investigation with Portland Police Bureau and Multnomah County DA's Office into sales of stolen cars to two scrap metal businesses.
- Identified and charged more than 20 car thieves, two businesses and their owners.
- Nine people charged with Racketeering.

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# Criminal Intelligence Unit (CIU)

## CIU supports law enforcement agencies by:

- Facilitating criminal information sharing among local, state and federal law enforcement agencies.
- Disseminating officer safety bulletins
- Preparing threat assessments
- Sharing terrorism related information
- Providing analytical case support
- Deconflicting law enforcement operations



# **Criminal Intelligence Unit (CIU): Fusion Center**

**From July 1, 2013 to February 26, 2015:**

- Created 25 threat assessments
- Disseminated 2,228 publications (law enforcement bulletins, threat assessments, officer safety alerts)
- Created 158 case related charts and graphs
- 304 intelligence profiles (packets containing research on suspects)
- Processed 139 terrorism related tips and leads

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# Major Budgetary Issues

**The Division has lost 29 positions since 2009.**

- The Division's personnel resources have been stretched to the point that any unplanned major case causes massive disruption and can lead to:
  - Division wide investigative delays on current cases
  - An inability to investigate or prosecute other unplanned major cases
- Fusion Center will close if General Fund request is not approved.

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# Major Budgetary Issues

- Extremely limited in the number of large, complex cases CJ can investigate and prosecute:
  - Two long term drug trafficking cases per year.
    - Dependent on forfeited assets, which are used to repay costs of investigations.
  - Two large financial crimes cases at one time.
  - One large public corruption case at a time.



# Policy Packages

	<u>Modified</u> <u>Agency Budget</u>	<u>Governor's</u> <u>Budget</u>
• Package 141 – Fusion Center	\$1.21M GF	\$0.00M GF
• Package 142 – Prosecution & Investigation	\$0.88M GF	\$0.00M GF
• Package 143 – Continuing Grants	\$0.47M OF \$0.38M FF	\$0.47M OF \$0.38M FF
• Package 144 – Rate Restructure	\$1.60M GF (\$7.70M) OF	\$0.00M GF \$0.00M OF
• Package 147 – Position Reclassification	\$0.04M FF	\$0.04M FF



# 10% General Fund/Criminal Fine Account Reductions

Program	CSL Budget (in millions)	Source	1st 5%	2nd 5%	Total
Crime Victims Law Center	\$ 0.08	GF	(0.004)	(0.004)	(0.01)
Address Confidentiality Program	\$ 0.11	GF	(0.11)	-	(0.11)
Appellate	\$ 0.29	GF	(0.01)	(0.01)	(0.03)
Civil Legal	\$ 0.66	GF	(0.03)	(0.03)	(0.07)
Child Abuse Multidisciplinary Intervention Program	\$ 1.29	GF	(0.06)	(0.06)	(0.13)
Tobacco - NPM Fund/Diligent Defense of the Master Settlement /	\$ 3.10	GF	(0.15)	(0.15)	(0.31)
Oregon Domestic and Sexual Violence Services	\$ 8.66	GF	(0.33)	(0.44)	(0.77)
<b>District Attorney Assistance/Organized Crime Program</b>	<b>\$ 10.38</b>	<b>GF</b>	<b>(0.52)</b>	<b>(0.52)</b>	<b>(1.04)</b>
Defense of Criminal Convictions	\$ 23.84	GF	(1.19)	(1.19)	(2.38)
Division of Child Support	\$ 24.39	GF	(1.22)	(1.22)	(2.44)
<b>Total</b>	<b>\$ 72.81</b>	<b>GF</b>	<b>(3.64)</b>	<b>(3.64)</b>	<b>(7.28)</b>
Child Abuse Multidisciplinary Intervention	\$ 11.10	CFA	(0.55)	(0.55)	(1.11)
Crime Victims Assitance (DA VAP)	\$ 5.18	CFA	(0.20)	(0.20)	(0.39)
Crime Victims Compensation Program	\$ 4.26	CFA	(0.28)	(0.28)	(0.55)
<b>Total</b>	<b>\$ 20.54</b>	<b>CFA</b>	<b>(1.03)</b>	<b>(1.03)</b>	<b>(2.05)</b>
<b>Combined Budget</b>	<b>\$ 93.35</b>		<b>(4.67)</b>	<b>(4.67)</b>	<b>(9.33)</b>







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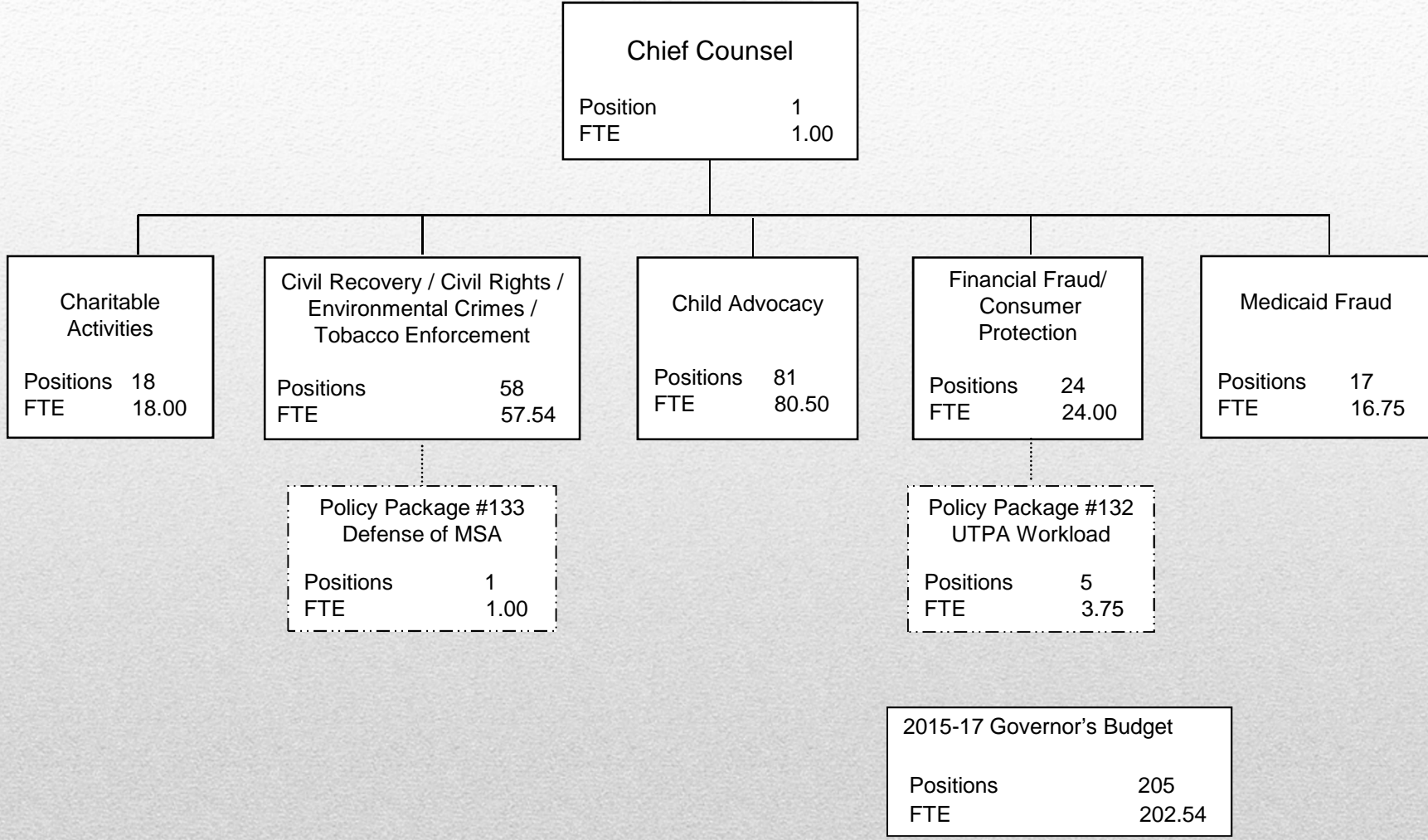
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# Civil Enforcement Division

## Civil Enforcement Division Overview

- Preserve state resources
- Advocate for children and families
- Assist Oregonians by providing education, enforcement, and regulation relating to:
  - Consumer Transactions
  - Charitable Giving
  - Medicaid Programs







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# Financial Fraud/Consumer Protection Section

# Consumer Protection

## Protect and Assist Oregon Consumers:

- Educate businesses and consumers
- Assist consumers to resolve disputes
- Ensure businesses treat consumers fairly
- Enforce/litigate when necessary
- Promote competition



# Consumer Protection

- Fully self-funded through:
  - Penalties
  - Settlements
- Increasing workload
  - Changes in marketplace (e.g. Internet)
  - Increasing complexity of cases
  - Costs related to electronic discovery and document exchange
  - Addition of new types of enforcement





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# Medicaid Fraud Control Unit

# Medicaid Fraud

Federally-mandated program to address:

- Fraudulent practices in Medicaid Program/Oregon Health Plan
- Physical or financial abuse and neglect of:
  - Persons by Medicaid/OHP providers
  - Residents of long-term care facilities
- Provide training and education





# Medicaid Fraud

- Funding:
  - Federal Funding (75% Federal Match)
  - Penalties/Settlements (fund State's 25%)
- Budget Challenges:
  - Increasing sophistication of fraud
  - More referrals of neglect cases/financial abuse





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# Charitable Activities Section

# Charitable Activities

## Protecting Charities and Charitable Giving:

- Licensing/Regulation
  - Charities (currently 19,000 registered charities)
  - Professional Fundraising Firms
  - Non-Profit Gaming
- Education
- Enforcement



# Charitable Activities

- Funding:
  - Completely fee supported; no General Fund dollars
  - Fee schedules tied to organizational revenues
- Fee Increase:
  - Increasing number of charities
  - Increasing complexity of non-profit activities
  - Abuse of corporate form/structure





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# Civil Recovery Section

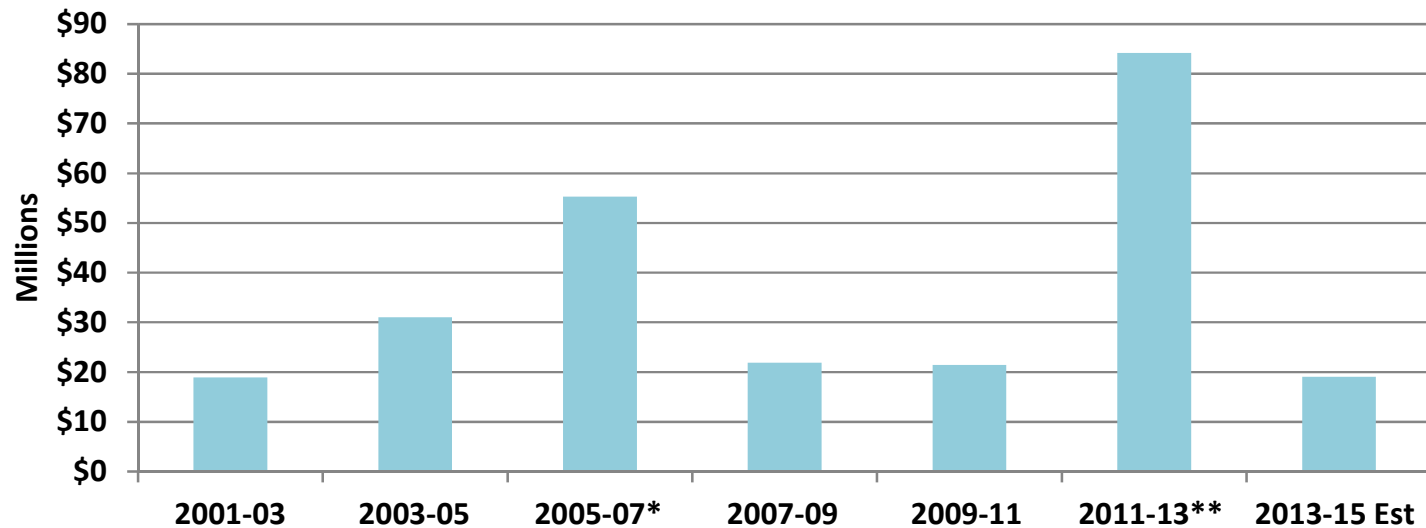
# Civil Recovery

- Protect and recover money for the State of Oregon
  - Plaintiff lawyers for the State
  - Litigate all claims for money/property owed to state agency, or where agency seeking relief
  - Protect state's interest in bankruptcy/lien foreclosure
  - Enforce Tobacco Statutes/Master Settlement Agreement



# Civil Recovery Amount Recovered

## Biennial Recoveries for the General Fund (excluding MSA payments)



**\*2005-07 – This sum reflects \$22 million recovered in the M/V New Carissa litigation.**

**\*\*2011-13 – This sum reflects unusually large recoveries in the Williams v. Philip Morris and Strawn v. Farmers Insurance litigation.**



# Civil Recovery

- Assist Oregon families and children by representing Division of Child Support
- Protect Oregon's natural resources through criminal prosecutions and civil actions and by providing assistance to DA's and agencies







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# Protection of Tobacco Master Settlement Agreement Funds

## Protection of MSA Income Stream

- Payment: \$160 million per biennium to State Treasury
  - \$80 million per year
  - Payment into perpetuity
- Payment Dispute
  - Tobacco companies withholding funds (\$10+million per year)
  - Entire payment at risk



# Protection of MSA Income Stream

## “Diligent Enforcement” Requirement

- Regulation of nonparticipating manufacturers
  - Escrow Requirements
  - Reporting Requirements
- Regulation of cigarette sales in Oregon
  - Certification
  - Auditing



# Protection of MSA Income Stream

## Nationwide Arbitration

- Question: Did Oregon “diligently enforce” its escrow statutes during calendar year 2003?
- Panel of 3 retired federal judges
- Prevailed for calendar year 2003
- Currently engaged for calendar year 2004





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# Child Advocacy Section

## Child Advocacy

Protects Oregon's children and families by providing legal representation to Department of Human Services Child Welfare Program (DHS)

- Represent DHS in juvenile dependency, termination of parental rights, and administrative hearings
- Provide general legal advice to ensure compliance with relevant law
- Assist with policy formulation



# Child Advocacy

## Factors affecting work:

- Short timelines: Federal Adoption & Safe Families Act
  - Strict federal timelines on placement of children
  - Failure to comply results in loss of funds
- End of Sunset – SB 222
  - Requires “full representation” of DHS caseworker
  - Will require FTE for DOJ/budget for DHS



# Policy Packages

	<u>Modified</u> <u>Agency Budget</u>	<u>Governor's</u> <u>Budget</u>
• Package 131 – Juvenile Dependency Proceedings	\$0.00M OF*	\$0.00M OF
• Package 132 – Financial Fraud Enforcement Workload	\$0.79M OF	\$0.79M OF
• Package 133 – Defense of Master Settlement Agreement (MSA)	\$0.24M GF	\$0.24M GF
• Package 135 – Charitable Activities Fee Increase	\$0.14M OF	\$0.14M OF

\* Pending SB 222 decision (2015 session)





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