

C81C
Office of the Attorney General

Operating Budget Data

(\$ in Thousands)

| | <u>FY 09</u> <u>Actual</u> | <u>FY 10</u> <u>Working</u> | <u>FY 11</u> <u>Allowance</u> | <u>FY 10-11</u> <u>Change</u> | <u>% Change</u> <u>Prior Year</u> |
|--------------------------------------|-------------------------------|--------------------------------|----------------------------------|----------------------------------|--------------------------------------|
| General Fund | \$18,261 | \$17,192 | \$17,828 | \$636 | 3.7% |
| Contingent & Back of Bill Reductions | 0 | 0 | -470 | -470 | |
| Adjusted General Fund | \$18,261 | \$17,192 | \$17,358 | \$167 | 1.0% |
| Special Fund | 4,887 | 5,577 | 6,134 | 557 | 10.0% |
| Contingent & Back of Bill Reductions | 0 | 0 | -135 | -135 | |
| Adjusted Special Fund | \$4,887 | \$5,577 | \$5,999 | \$422 | 7.6% |
| Federal Fund | 1,617 | 2,046 | 1,896 | -150 | -7.3% |
| Contingent & Back of Bill Reductions | 0 | 0 | -47 | -47 | |
| Adjusted Federal Fund | \$1,617 | \$2,046 | \$1,849 | -\$197 | -9.6% |
| Reimbursable Fund | 2,023 | 2,480 | 2,413 | -67 | -2.7% |
| Contingent & Back of Bill Reductions | 0 | 0 | -65 | -65 | |
| Adjusted Reimbursable Fund | \$2,023 | \$2,480 | \$2,348 | -\$131 | -5.3% |
| Adjusted Grand Total | \$26,788 | \$27,294 | \$27,554 | \$260 | 1.0% |

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- When adjusted for Back of the Bill reductions, the fiscal 2011 allowance increases \$260,000, or 1%, above the fiscal 2010 working appropriation. This is primarily due to personnel related expenditures including a reduction in salaries to reflect an increase in the turnover rate (\$729,000); an increase to the employee retirement system (\$239,000); and increases in health insurance (\$147,000).

Note: Numbers may not sum to total due to rounding.

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Personnel Data

| | <u>FY 09</u> <u>Actual</u> | <u>FY 10</u> <u>Working</u> | <u>FY 11</u> <u>Allowance</u> | <u>FY 10-11</u> <u>Change</u> |
|------------------------|---|--|--|--|
| Regular Positions | 246.50 | 241.50 | 241.50 | 0.00 |
| Contractual FTEs | <u>11.00</u> | <u>7.50</u> | <u>7.10</u> | <u>-0.40</u> |
| Total Personnel | 257.50 | 249.00 | 248.60 | -0.40 |

Vacancy Data: Regular Positions

| | | |
|---|-------|-------|
| Turnover and Necessary Vacancies, Excluding New Positions | 16.88 | 6.99% |
| Positions and Percentage Vacant as of 12/31/09 | 15.60 | 6.46% |

- The fiscal 2011 allowance includes a reduction of 0.4 contractual full-time equivalent.
- As of December 31, 2009, the vacancy rate for regular employees was 6.46%, or 15.6 positions.
- The turnover rate of 6.99% requires an average of 16.88 vacant positions to achieve the desired savings.

Analysis in Brief

Major Trends

Managing for Results Indicate Continued Success: The Office of the Attorney General (OAG) exceeds projected recovery amounts in its Securities and Consumer Protection divisions.

Recommended Actions

1. Add language reducing general funds for Legal Counsel and Advice division and requiring a report estimating the indirect cost recovery.

Updates

Statewide Allocation of Staff and Assistant Attorneys General: The 2009 *Joint Chairmen's Report* requested a report on the statewide allocation of all staff attorneys and assistant attorneys general by agency. The report listed 335 attorneys budgeted within various agencies that report to OAG.

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Office of the Attorney General

Operating Budget Analysis

Program Description

The Attorney General acts as legal counsel to the Governor; General Assembly; Judiciary; and all departments, boards, and commissions (except the Commission on Human Relations, Public Service Commission, and State Ethics Commission). The Office of the Attorney General (OAG) represents the State in all matters of interest to the State, including civil litigation and criminal appeals in all State and federal courts. The office also reviews legislation passed by the General Assembly prior to consideration by the Governor. The office is currently supported by 13 divisions: Legal Counsel and Advice; Securities; Consumer Protection; Anti-trust; Medicaid Fraud Control; Civil Litigation; Criminal Appeals; Criminal Investigations; Educational Affairs; Correctional Litigation; Contract Litigation; People's Insurance Counsel; and the Juvenile Justice Monitor Unit.

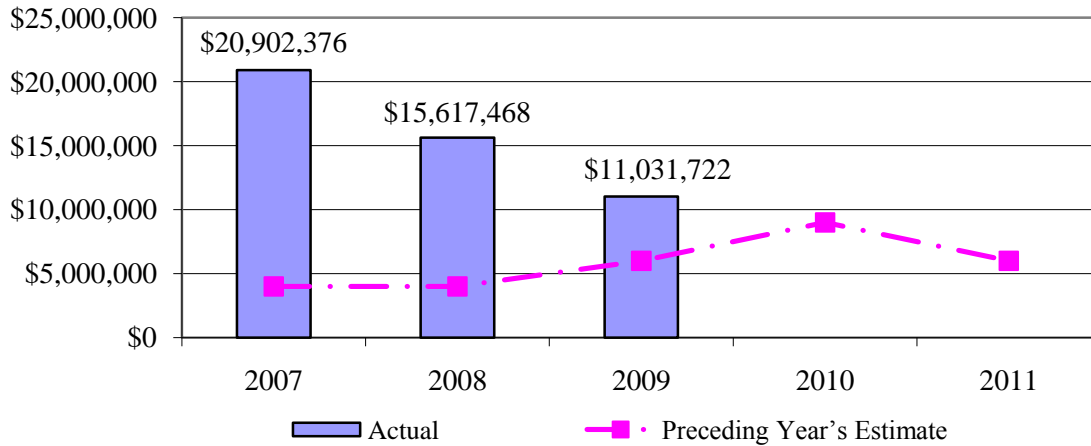
In addition to the aforementioned duties, OAG also provides assistant attorneys general and staff attorneys to State agencies. These positions are located within each of the respective agencies' budgets. **Appendix 4** provides a list of significant civil litigation currently being handled by OAG.

Performance Analysis: Managing for Results

Overall, OAG's Managing for Results (MFR) data shows continued success within its Security, Consumer Protection, and Medicaid divisions. **Exhibit 1** illustrates the actual amount of money collected by OAG's Securities Division compared to the preceding year's MFR estimate. The primary mission of the Securities Division is to protect Maryland investors from investment fraud and misrepresentation. In fiscal 2009, OAG collected approximately \$11 million in fines and restitution, a \$5 million, or 84%, increase above its preceding year's estimate. OAG notes that recoveries vary from year to year depending on the type of cases and time of settlement.

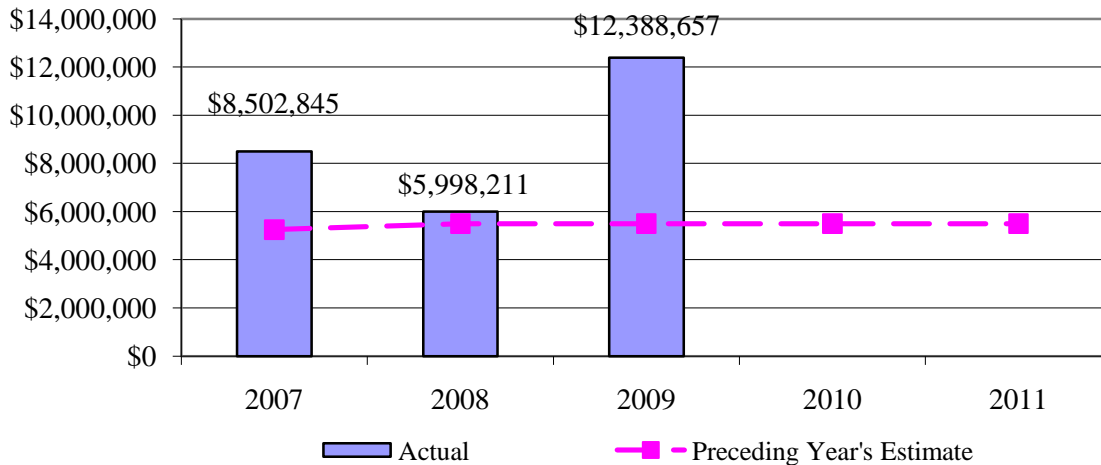
Exhibit 2 displays the actual amount of money recovered for consumers via OAG's Consumer Protection Division compared to the preceding year's MFR estimate. The Consumer Protection Division provides mediation and arbitration service to consumers to help resolve complaints against businesses and health insurance carriers. In fiscal 2009, OAG collected approximately \$12.4 million in consumer recoveries, more than double the prior year's estimate. OAG once again notes the variations in recoveries resulting from case types and timing of settlements.

Exhibit 1
Securities Division Fines and Restitution Collected
Fiscal 2007-2011



Source: Office of the Attorney General

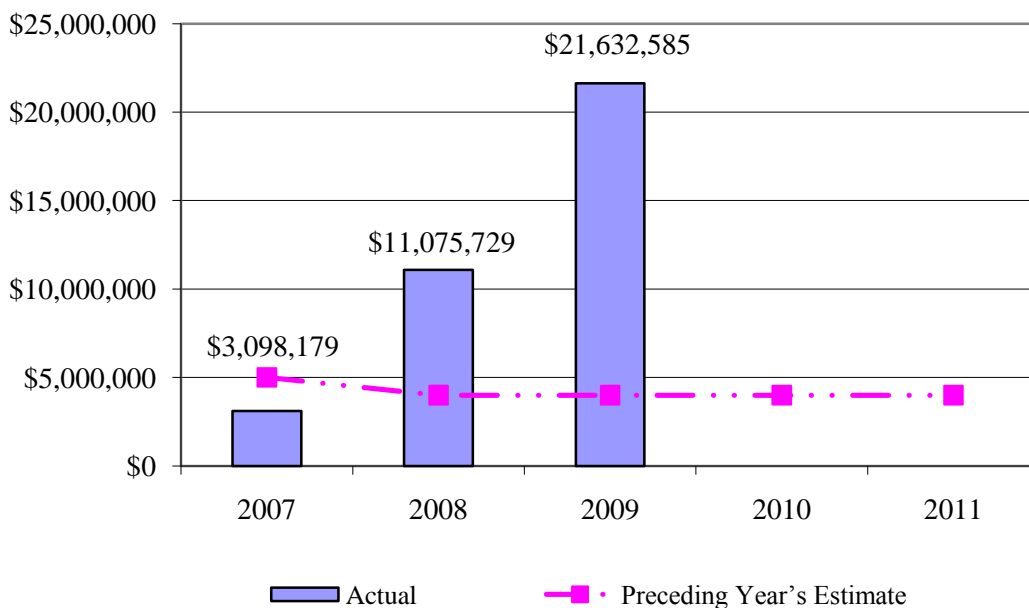
Exhibit 2
Consumer Protection Division Recoveries for Consumers
Fiscal 2007-2011



Source: Office of the Attorney General

Exhibit 3 shows the actual amount of money collected by OAG’s Medicaid Fraud Unit compared to the preceding year’s MFR estimate. The Medicaid Fraud program investigates and prosecutes provider fraud in statewide Medicaid programs. In fiscal 2009, this unit collected \$21.6 million in fines, a \$17.6 million, or 441%, increase from its preceding year’s estimate. OAG reports that there were three very large global settlement cases in 2009 that contributed to the sharp increase.

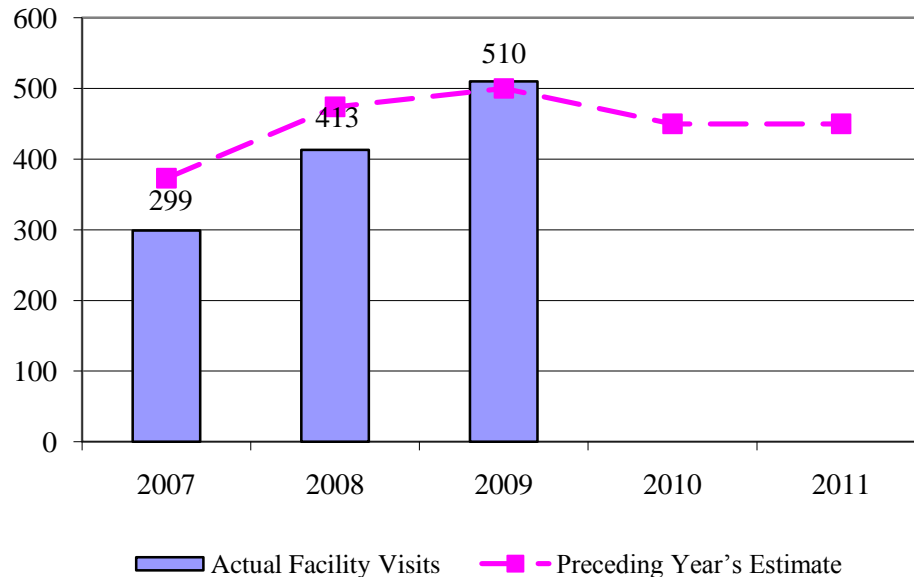
Exhibit 3
Medicaid Fraud Control Unit – Fines Collections
Fiscal 2007-2011



Source: Office of the Attorney General

Exhibit 4 shows the actual number of facility visits made by the Juvenile Justice Monitoring Unit (JJMU) compared to the preceding year’s MFR estimate. JJMU made 510 facility visits in fiscal 2009, a 2% increase from its preceding year’s estimate, or 97 more visits than fiscal 2008. Chapter 499 of 2007 expanded the jurisdiction of JJMU to include the monitoring of any residential facility licensed by the Department of Juvenile Services. The estimate for fiscal 2010 drops to 450 visits because six facilities were closed in fiscal 2009.

Exhibit 4
Juvenile Justice Monitoring Program
Fiscal 2007-2011



Source: Office of the Attorney General

Fiscal 2010 Actions

Impact of Cost Containment

In July, August, and November of 2009, the Governor proposed and the Board of Public Works (BPW) adopted reductions to the fiscal 2010 appropriation. \$1.7 million in cost containment actions specific to the OAG include:

- \$518,014 in general funds and \$39,939 in special funds for the statewide furlough;
- \$417,230 in general funds to delay the hiring of 7 positions;
- \$410,000 in general funds for across-the-board reductions such as rent, electricity, and the reversion of general fund encumbrances;
- \$234,000 for position transfers to other agencies;

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- \$62,000 to eliminate 2 filled positions; and
- \$44,000 to swap 1 position from general to special funds.

Additionally, OAG anticipates collecting \$6.0 million in multi-state settlements related to the sales of Auction Rate Securities in violation of the Maryland Securities Act and \$500,000 in a settlement with Outdoor World, both of which will revert to the general fund in fiscal 2010.

Proposed Budget

As shown in **Exhibit 5**, the OAG budget increases by \$260,000, or 1%. A decrease of \$729,000 reflects a change in the turnover rate. The fiscal 2010 turnover rate was 3.58%; however, the fiscal 2011 turnover rate nearly doubles to 6.99% which will result in a higher number of vacancies in the agency. That is offset by the restoration of cost containment activities, for a total adjustment of \$129,000. Increases in personnel reflect \$239,000 for the employee retirement system and \$147,000 for health insurance. The budget also includes an additional \$151,000 for administrative hearings, as the Office of Administrative Hearings anticipates an increase in the number of consumer protection and securities cases handled by its offices. The OAG loses a 0.4 contractual full-time equivalent in the fiscal 2011 allowance.

Impact of Cost Containment

The fiscal 2011 budget reflects several across-the-board actions to be allocated by the Administration. This includes a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; streamlining of State operations; hiring freeze and attrition savings; a change in the injured workers' settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected actions relating to employee furloughs, health insurance, and the Injured Workers' Insurance Fund cost savings.

Exhibit 5
Proposed Budget
Office of the Attorney General
(\$ in Thousands)

| How Much It Grows: | General Fund | Special Fund | Federal Fund | Reimb. Fund | Total |
|----------------------------|-------------------------|-------------------------|-------------------------|------------------------|---------------|
| 2010 Working Appropriation | \$17,192 | \$5,577 | \$2,046 | \$2,480 | \$27,294 |
| 2011 Allowance | <u>17,828</u> | <u>6,134</u> | <u>1,896</u> | <u>2,413</u> | <u>28,271</u> |
| Amount Change | \$636 | \$557 | -\$150 | -\$67 | \$977 |
| Percent Change | 3.7% | 10.0% | -7.3% | -2.7% | 3.6% |
| Contingent Reduction | -\$470 | -\$135 | -\$47 | -\$65 | -\$716 |
| Adjusted Change | \$167 | \$422 | -\$197 | -\$131 | \$260 |
| Adjusted Percent Change | 1.0% | 7.6% | -9.6% | -5.3% | 1.0% |

Where It Goes:

Personnel Expenses

| | |
|--|-------|
| Employee retirement system..... | \$239 |
| Employee and retiree health insurance | 147 |
| Personnel adjustments for turnover and cost containment..... | -129 |
| Net impact of 2010 and 2011 furlough | -32 |

Other Changes

| | |
|--|-----|
| Administrative hearings | 151 |
| Travel..... | -52 |
| Communication expenses | -44 |
| Abolition of 0.4 contractual full-time equivalent..... | -18 |
| Other | -2 |

Total **\$260**

Note: Numbers may not sum to total due to rounding.

Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that this appropriation is reduced by \$150,000. The Governor is authorized to process a special fund budget amendment for \$150,000 to make use of the available balance in the Consumer Protection Recoveries Account.

, further provided that the Office of the Attorney General shall provide estimates for indirect cost recoveries to the division of Legal Counsel and Advice associated with the oversight of its programs. The report shall be submitted to the budget committees by November 1, 2010.

Explanation: This action would reduce general funds in the division of Legal Counsel and Advice. The Governor is authorized to process a budget amendment transferring special funds in the amount of \$150,000 from the Consumer Protection Recoveries Account to the division of Legal Counsel and Advice. This action would also require a report estimating the indirect cost recovery to the division for personnel, training, information technology, financial management and administrative support to other divisions within the Office of the Attorney General (OAG). The division of Legal Counsel and Advice provides administrative support to all the divisions within the OAG, so it is appropriate to estimate the expenses related to the operation and oversight of each division.

| Information Request | Author | Due Date |
|--|---------------|------------------|
| Estimates of indirect cost recovery of other divisions to the division of Legal Counsel and Advice | OAG | November 1, 2010 |

Updates

1. Statewide Allocation of Staff and Assistant Attorneys General

The 2009 *Joint Chairmen's Report* requested a report from the OAG on the statewide allocation of all staff attorneys and assistant attorneys general by agency. Although hundreds of these attorneys serve various agencies and are budgeted within those respective agencies, they report to the Attorney General. The report was submitted to the committees on November 1, 2009, and provides a full representation of the OAG resources made available statewide. The report listed 335 attorneys budgeted within various agencies that report to the OAG. The vast majority of those attorneys were found in 21 agencies, and the remaining agencies had 5 or fewer attorneys, as shown in **Exhibit 6**.

Exhibit 6 Agency Allocation of OAG Attorneys Fiscal 2010

| <u>Agency</u> | <u>Attorneys</u> |
|--|------------------|
| Department of Health and Mental Hygiene | |
| Regulatory Services | 20 |
| Secretary's Office | 17 |
| Medicaid | 6 |
| Total Health | 43 |
| Transportation | |
| MD. Department of Transportation – State Highway Administration | 18 |
| MD. Department of Transportation – Secretary's Office | 6 |
| Maryland Transportation Authority | 7 |
| Total Transportation | 31 |
| Department of the Environment | 26 |
| Department of Labor, Licensing, and Regulation – Secretary's Office | 21 |
| Department of Human Resources – Secretary's Office | 17 |
| Maryland Insurance Administration | 13 |
| Department of Public Safety and Correctional Services – Secretary's Office | 13 |
| Department of Budget and Management | 11 |
| Maryland State Department of Education – Headquarters | 10 |
| Department of Housing and Community Development | 10 |
| Department of Natural Resources | 10 |
| Department of Business and Economic Development | 8 |
| Retirement and Pensions | 7 |
| University of Maryland at Baltimore | 7 |

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| <u>Agency</u> | <u>Attorneys</u> |
|------------------------|------------------|
| Subsequent Injury Fund | 6 |
| Treasurers' Office | 6 |
| Comptroller | 6 |
| Other | 90 |
| Total | 335 |

OAG: Office of the Attorney General

Source: Office of the Attorney General

Current and Prior Year Budgets

Current and Prior Year Budgets Office of the Attorney General (\$ in Thousands)

| | <u>General Fund</u> | <u>Special Fund</u> | <u>Federal Fund</u> | <u>Reimb. Fund</u> | <u>Total</u> |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------|
| Fiscal 2009 | | | | | |
| Legislative Appropriation | \$19,470 | \$3,768 | \$1,941 | \$2,489 | \$27,668 |
| Deficiency Appropriation | 0 | 1,304 | 0 | 0 | 1,304 |
| Budget Amendments | 444 | 459 | 0 | 0 | 903 |
| Cost Containment | -1,653 | -81 | -8 | 0 | -1,742 |
| Reversions and Cancellations | 0 | -563 | -316 | -466 | -1,345 |
| Actual Expenditures | \$18,261 | \$4,887 | \$1,617 | \$2,023 | \$26,788 |
| Fiscal 2010 | | | | | |
| Legislative Appropriation | \$18,877 | \$4,772 | \$2,046 | \$2,480 | \$28,175 |
| Cost Containment | -1,685 | -40 | 0 | 0 | -1,725 |
| Budget Amendments | 0 | 844 | 0 | 0 | 844 |
| Working Appropriation | \$17,192 | \$5,576 | \$2,046 | \$2,480 | \$27,294 |

Note: Numbers may not sum to total due to rounding.

Fiscal 2009

OAG completed fiscal 2009 \$880,000 below its legislative appropriation.

General Funds: Actual fiscal 2009 general fund expenditures were \$1.2 million below the legislative appropriation. This was primarily due to three cost containment actions approved by BPW totaling \$1.7 million. Those reductions were offset only slightly by a \$257,758 cost-of-living adjustment (COLA), \$175,000 for legal services in connection with Magna Entertainment Corporation bankruptcy proceedings, and \$10,701 for annual salary reviews.

Special Funds: Actual fiscal 2009 special fund expenditures were \$1.1 million above the legislative appropriation. Deficiency appropriations provided \$1.1 million in operational expenses for the Home Builder Guaranty Fund and \$216,987 to replace general funds in the Securities Division. In addition, budget amendments provided \$400,000 from consumer protection recoveries to replace general funds, \$55,291 for a COLA, and \$3,617 for annual salary reviews. BPW cost containment actions totaled \$81,296 in reductions. OAG cancelled \$563,000 at the end of the year because it did not spend its full appropriation in the Division of Consumer Protection.

Federal Funds: Actual fiscal 2009 special fund expenditures were \$324,000 below the legislative appropriation. This was due to \$8,221 in BPW reductions and \$316,000 in unspent federal funds.

Reimbursable Funds: Actual fiscal 2009 reimbursable fund expenditures were \$466,000 below the legislative appropriation due to anticipated funds that were not realized.

Fiscal 2010

In fiscal 2010, the working appropriation for OAG is \$881,000 lower than the legislative appropriation. This is primarily due to \$1.7 million in cost containment actions implemented in July, August, and November 2009 by BPW. However, the reductions were partially offset by a budget amendment to increase the special fund appropriation by \$844,000. During the 2009 legislative session, the General Assembly reduced the OAG's general fund allowance by \$844,496. The legislature also added budget bill language authorizing the Governor to process a budget amendment to transfer special funds from the Consumer Protection Recoveries Account to replace the general funds.

**Object/Fund Difference Report
Office of the Attorney General**

| <u>Object/Fund</u> | <u>FY09 Actual</u> | <u>FY10 Working Appropriation</u> | <u>FY11 Allowance</u> | <u>FY10 - FY11 Amount Change</u> | <u>Percent Change</u> |
|---|------------------------|---|---------------------------|--------------------------------------|---------------------------|
| Positions | | | | | |
| 01 Regular | 246.50 | 241.50 | 241.50 | 0 | 0% |
| 02 Contractual | 11.00 | 7.50 | 7.10 | -0.40 | -5.3% |
| Total Positions | 257.50 | 249.00 | 248.60 | -0.40 | -0.2% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 21,385,842 | \$ 21,182,366 | \$ 22,199,102 | \$ 1,016,736 | 4.8% |
| 02 Technical and Spec. Fees | 431,703 | 530,363 | 512,841 | -17,522 | -3.3% |
| 03 Communication | 325,419 | 394,227 | 350,035 | -44,192 | -11.2% |
| 04 Travel | 144,580 | 125,365 | 73,565 | -51,800 | -41.3% |
| 07 Motor Vehicles | 229,307 | 232,297 | 217,803 | -14,494 | -6.2% |
| 08 Contractual Services | 997,328 | 1,707,901 | 1,808,614 | 100,713 | 5.9% |
| 09 Supplies and Materials | 427,666 | 366,000 | 375,263 | 9,263 | 2.5% |
| 11 Equipment – Additional | 160,739 | 69,803 | 69,303 | -500 | -0.7% |
| 12 Grants, Subsidies, and Contributions | 313,417 | 411,754 | 386,520 | -25,234 | -6.1% |
| 13 Fixed Charges | 2,371,792 | 2,274,019 | 2,277,671 | 3,652 | 0.2% |
| Total Objects | \$ 26,787,793 | \$ 27,294,095 | \$ 28,270,717 | \$ 976,622 | 3.6% |
| Funds | | | | | |
| 01 General Fund | \$ 18,260,761 | \$ 17,191,805 | \$ 17,828,107 | \$ 636,302 | 3.7% |
| 03 Special Fund | 4,886,901 | 5,576,577 | 6,133,544 | 556,967 | 10.0% |
| 05 Federal Fund | 1,616,958 | 2,045,848 | 1,896,017 | -149,831 | -7.3% |
| 09 Reimbursable Fund | 2,023,173 | 2,479,865 | 2,413,049 | -66,816 | -2.7% |
| Total Funds | \$ 26,787,793 | \$ 27,294,095 | \$ 28,270,717 | \$ 976,622 | 3.6% |

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary
Office of the Attorney General**

| <u>Program/Unit</u> | <u>FY09 Actual</u> | <u>FY10 Wrk Approp</u> | <u>FY11 Allowance</u> | <u>Change</u> | <u>FY10 - FY11 % Change</u> |
|--|------------------------|----------------------------|---------------------------|---------------------|---------------------------------|
| 01 Legal Counsel and Advice | \$ 6,736,610 | \$ 6,238,021 | \$ 6,529,058 | \$ 291,037 | 4.7% |
| 04 Securities Division | 2,437,645 | 2,353,176 | 2,445,943 | 92,767 | 3.9% |
| 05 Consumer Protection Division | 4,207,372 | 4,641,241 | 5,058,821 | 417,580 | 9.0% |
| 06 Anti-trust Division | 939,310 | 952,758 | 957,033 | 4,275 | 0.4% |
| 09 Medicaid Fraud Control Unit | 2,235,496 | 2,693,792 | 2,528,756 | -165,036 | -6.1% |
| 10 People's Insurance Counsel Division | 468,249 | 489,194 | 547,486 | 58,292 | 11.9% |
| 12 Juvenile Justice Monitoring Program | 688,991 | 598,020 | 740,788 | 142,768 | 23.9% |
| 14 Civil Litigation Division | 2,688,147 | 2,533,845 | 2,575,464 | 41,619 | 1.6% |
| 15 Criminal Appeals Division | 2,414,369 | 2,439,634 | 2,491,223 | 51,589 | 2.1% |
| 16 Criminal Investigation Division | 1,643,642 | 1,707,534 | 1,708,676 | 1,142 | 0.1% |
| 17 Educational Affairs Division | 488,398 | 453,005 | 520,167 | 67,162 | 14.8% |
| 18 Correctional Litigation Division | 317,800 | 319,582 | 372,236 | 52,654 | 16.5% |
| 20 Contract Litigation Division | 1,521,764 | 1,874,293 | 1,795,066 | -79,227 | -4.2% |
| Total Expenditures | \$ 26,787,793 | \$ 27,294,095 | \$ 28,270,717 | \$ 976,622 | 3.6% |
| General Fund | \$ 18,260,761 | \$ 17,191,805 | \$ 17,828,107 | \$ 636,302 | 3.7% |
| Special Fund | 4,886,901 | 5,576,577 | 6,133,544 | 556,967 | 10.0% |
| Federal Fund | 1,616,958 | 2,045,848 | 1,896,017 | -149,831 | -7.3% |
| Total Appropriations | \$ 24,764,620 | \$ 24,814,230 | \$ 25,857,668 | \$ 1,043,438 | 4.2% |
| Reimbursable Fund | \$ 2,023,173 | \$ 2,479,865 | \$ 2,413,049 | -\$ 66,816 | -2.7% |
| Total Funds | \$ 26,787,793 | \$ 27,294,095 | \$ 28,270,717 | \$ 976,622 | 3.6% |

Note: The fiscal 2010 appropriation does not include deficiencies.

**Office of the Attorney General
Significant Litigation – Fiscal 2009 and 2010
Civil Litigation: Claims of \$2 Million or More**

| <u>Case and Nature of Claim Alleged</u> | <u>Amount Claimed (\$ in Millions)</u> |
|--|---|
| <p><i>In the Appeal of Barton Mallow Construction (Contract Litigation)</i> Claim for additional costs from contractor that built University of Maryland building.</p> | \$4.1+ |
| <p><i>Becker, et al. v. Maryland Transit Administration (MTA) (Maryland Department of Transportation/MTA)</i> Plaintiff was northbound on I-795 in lane 2 just south of McDonough Road and alleges his vehicle was struck by a MTA third rail collector shoe. The collector shoe went through the driver's side windshield striking Becker in the neck and throat area.</p> | \$23 |
| <p><i>Baltimore Gas & Electric Company (BGE) v. State Department of Assessments and Taxation (SDAT) (SDAT)</i> Application of franchise tax to BGE electricity charges.</p> | \$6.4+ |
| <p><i>Braverman v. State of Maryland (Civil)</i> Owners of residential ground rent leases in Maryland brought a punitive class action against the State, asserting that Senate Bill 396 (nonpayment of ground rent), effects an unconstitutional taking of their property.</p> | \$400+ |
| <p><i>Butler v. Pullen, et al. (Educational Affairs)</i> Multicount complaint alleging abuse of process and malicious prosecution, etc.</p> | \$2.6 |
| <p><i>Carroll County Commissioners v. Maryland State Retirement Pension System (MSRPS) (MSRPS)</i> “Withdrawal liability” of Carroll County for members who remained in the System after the County’s withdrawal in 1985.</p> | \$12 |
| <p><i>Chase Brexton Health Serv. v. Department of Health and Mental Hygiene (DHMH) (DHMH)</i> Challenge to DHMH calculation of prospective payment rate applicable to Federally Qualified Health Centers.</p> | \$7 |

| <u>Case and Nature of Claim Alleged</u> | <u>Amount Claimed (\$ in Millions)</u> |
|---|---|
| <p><i>Coalition for Equity and Excellence in Maryland Higher Education v. Ehrlich (Maryland Higher Education Commission)</i> Complaint alleges that Maryland maintains a racially segregated system of higher education and has engaged in a pattern and practice of racial discrimination that has prevented historically black institutions from achieving parity with traditionally white institutions.</p> | \$2 |
| <p><i>Duncan v. State (Department of Public Safety and Correctional Services)</i> Arises from parole retake warrant, where parole retake agent forced entry into Plaintiff’s home through locked window.</p> | \$50 |
| <p><i>Ferguson v. Hames, et al. (Maryland Transportation Authority)</i> Plaintiff Mandy Ferguson filed suit against Maryland Transportation Authority Police Officers Sean Hames and Scott Ritzes and the State of Maryland; Plaintiff alleges assault and battery, violations of Maryland Articles 24 and 26 of the Maryland Constitution, gross negligence and negligence based on her arrest at the BWI Thurgood Marshall Airport on November 6, 2006.</p> | \$2.2 |
| <p><i>In the Appeal of Hess Construction (Contract Litigation)</i> Defective steel design specifications caused delay and increased steel costs and extended overhead.</p> | \$8.6+ |
| <p><i>Harding v. University of Maryland Baltimore (UMB)</i> Claims of age discrimination, harassment, retaliation, discipline, and violation of the Title VII Civil Rights Act of 1964.</p> | \$40 |
| <p><i>Hess Construction Company, Inc. v. Morgan State University (Contract Litigation)</i> Claims by contractor on the New Library project at the University for additional costs associated with delay in completion of the project.</p> | \$5+ |
| <p><i>Hill/Adams v. Mayor of Balto., et al. (Department of General Services)</i> 10 plaintiffs suing in tort for wrongful death due to mold in building. State not listed as a Def., but State leases the building and lease states State will indemnify.</p> | \$600 |
| <p><i>Iko v. Galley (Correctional Litigation)</i> Family of inmate claims decedent was subject to excessive force in cell extraction and subsequently denied medical care.</p> | \$28 |

| <u>Case and Nature of Claim Alleged</u> | <u>Amount Claimed (\$ in Millions)</u> |
|--|---|
| <p><i>Jones v. Marks, et al. (DPSCS)</i> Claim alleges that detainees upon entering central booking were illegally strip-searched</p> | \$2+ |
| <p><i>Leech v. Maryland State Police (MSP) (MSP)</i> Mr. Leech was shot and killed following high speed chase and was firing his weapon upon Maryland State Police troopers.</p> | \$2 |
| <p><i>McReady, Edward C. v. University of Maryland University College, et al. (Educational Affairs)</i> Plaintiff seeks compensation and punitive damages under 42 USC §1983 and 1st Amendment for defamation arising in employment from non-renewal decision.</p> | \$17 |
| <p><i>Maryland v. Centers for Medicare & Medicaid (DHMH)</i> Disallowance of Medicaid FFP for Medicaid school based services claim during fiscal 2000.</p> | \$20+ |
| <p><i>MDE v. Honeywell International, Inc. and Maryland Port Administration (MDOT/MPA)</i> MDE filed a complaint seeking preliminary and permanent injunctive relief related to presence of chromium at the Dundalk Marine Terminal.</p> | \$17 |
| <p><i>Nofi v. Cornell (Educational Affairs)</i> Negligence/strict liability case brought against UM School of Medicine for its distribution of defective Human Growth Hormone in the 1970s and 1980s. Plaintiff died after contracting Cruetzfeld Jakob Syndrome from the hormone.</p> | \$3 |
| <p><i>Orff et al. v. MDTA, et al. (MDTA)</i> The suit has nine claims in the amount of two million dollars each. Plaintiffs allege negligence and wrongful death arising from a multi-vehicle, triple fatality collision that occurred on the Bay Bridge on May 10, 2007.</p> | \$18 |
| <p><i>Okoh, Bilky v. UMES (Educational Affairs)</i> Civil action filed pursuant to the Civil Rights Act of 1964, the Federal Fair Labor Standards Act and Maryland common law based on race/color, national origin, equal pay and compensation, non-selection, sex, and gender discrimination in employment.</p> | \$10 |

| <u>Case and Nature of Claim Alleged</u> | <u>Amount Claimed (\$ in Millions)</u> |
|---|---|
| <p><i>Powell, et al. v. State of Maryland, et al. (Civil)</i> Suit against State with 35 other Defendants alleging negligence and violation of Consumer Protection Act in connection with allegedly lead-paint contaminated properties.</p> | \$4+ |
| <p><i>Rodriguez v. State (Correctional Litigation)</i> Inmate was murdered on bus while traveling from Baltimore City CC, §1983 claims, State Const. and other State law claims.</p> | \$51 |
| <p><i>Self Pride v. Kronmiller, et al. (DHMH)</i> Claims that Dept. treated licensee in discriminatory fashion.</p> | \$12+ |
| <p><i>Estate of John Short v. Candy Baldwin, et al. (MDTA)</i> Defendant Baldwin was operating a vehicle eastbound on the westbound span of the Bay Bridge during two-way traffic on August 10, 2008 when she fell asleep behind the wheel, and drifted into oncoming traffic. John Short was operating a tractor trailer truck for Mountaire Corporation westbound. In an attempt to avoid a collision with her vehicle, he swerved across the bridge. The truck slid down and then through the jersey wall into the Bay below. The driver of the truck was killed. Mountaire Farms claims damages for the loss of its truck, workman’s compensation paid to the estate of the deceased driver John Short, loss of the truck contents, removal, towing and storage costs for the truck, etc.</p> | \$7.3+ |
| <p><i>Estate of Sherwood v. State (DNR)</i> Section 1983 and constitutional torts claimed in USDC for DNR police excessive force when they shot Sherwood while taking him into custody.</p> | \$30 |
| <p><i>Smith v. McCann and DHMH/ DHMH v. CMS (DHMH)</i> Class action challenging DHMH policies regarding Medicaid deductions for nursing home cost incurred prior to eligibility. DHMH disputes CMS interpretation of Medicaid deduction policy.</p> | \$21+ |
| <p><i>Tollenger v. Connor. (MDTA/Civil)</i> Survivor action by father claiming road design defects.</p> | \$3 |
| <p><i>Trigen Cinergy Sys. v. Md Economic Development Corp. (Contract Litigation)</i> Contract claim arising out of UMCP power plant construction based on delay in issuance of notice to proceed.</p> | \$9.3+ |

| <u>Case and Nature of Claim Alleged</u> | <u>Amount Claimed (\$ in Millions)</u> |
|--|---|
| <p><i>Turner v. Knight (Courts/Sheriffs)</i> US and MD constitution and tort claims arising from shooting plaintiff who resisted when deputy intended to tase.</p> | \$15 |
| <p><i>US, ex rel. Allen Hindin v. New York Lutheran Medical Center, et al. (Educational Affairs)</i> False Claim Act case regarding dental residency education funds.</p> | \$5 |
| <p><i>Victors, et al. v. Kronmiller, et al. (DHMH)</i> Claims that Dept. treated licensee in discriminatory fashion.</p> | \$13+ |
| <p><i>Walker v. MTA (MDOT/MTA)</i> Complaint for declaratory judgment, negligence and intentional infliction of emotional distress, discrimination and breach of contract.</p> | \$3+ |
| <p><i>Warfle, Merle v. DHMH, et al. (DHMH)</i> Suit filed pursuant to Title II of ADA; Title VII of the Civil Rights Act; and 4th Amendment - named Defendants are DHMH, Eastern Shore Hospital Center and Maryland Sheltered Workshop, as well as several current and former employees.</p> | \$3.4 |
| <p><i>Washington County Board of Commissioners v. Maryland Environmental Service (MES) (MES)</i> County claims MES breached agreement to properly design a landfill closure cap. County also alleges tortious interference.</p> | \$7.7+ |
| <p><i>Williams v. PG County (Courts/Sheriffs)</i> Tort claims alleging malice for excessive force in arrest.</p> | \$7 |
| <p><i>Williamson v. Grant, et al. (MDOT/MDTA)</i> State constitutional violations, false arrest, battery and malicious prosecution arising out of arrest of Mr. Williamson at BWI airport after he became unruly after flight was canceled.</p> | \$4 |

| <u>Case and Nature of Claim Alleged</u> | <u>Amount Claimed (\$ in Millions)</u> |
|---|---|
| <u>OTHER SIGNIFICANT CASES</u> | |
| <i>Philip Morris (Tobacco Litigation)</i> The State initiated a proceeding in the Circuit Court for Baltimore City to obtain a ruling that the State has "diligently enforced" state law on cigarette sales by tobacco companies that are not participants to the Master Settlement Agreement, in order to avoid liability for a major downward adjustment to its 2003 MSA payment. Related proceedings are underway for 2004 and 2005. | Up to \$144 (up to \$150,000 per year of adjustment) |
| <i>Bradford v. MSDE (MSDE)</i> Complaint filed by ACLU challenging the adequacy of education provided to students in Baltimore City schools. | \$1 + |