



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Law
OFFICE OF THE ATTORNEY GENERAL

1031 West 4th Avenue, Suite 200
Anchorage, Alaska 99501
Main: 907.269.5100
Fax: 907.276.3697

February 14, 2019

Senator Donald Olson, Chair
Senate Finance Subcommittee, Law
Senate District T
Alaska State Capitol, Room 514
Juneau, AK 99801-1182

Dear Senator Olson:

Thank you for the opportunity to have the Department of Law provide a departmental overview on February 7, to the Senate Finance Subcommittee. Please find our responses to questions that were asked during our meeting.

1. On the 10-Year History Tab, Appropriations within the Department of Law graph, Slide 4, why is the Civil Division higher than the Criminal Division?

The graph on Slide 4 shows all funds, rather than just UGF. The Criminal Division is primarily UGF-funded whereas the Civil Division has other funding sources, primarily inter-agency receipts, included in all funds and this is why Civil has the higher line on the graph. Slide 8 in the 10-Year History tab provides an overview of the department's fund sources. More information is provided on the Civil Division's workload below.

2. How much did the State of Alaska spend on the Sturgeon case?

We handled that case in-house and absorbed the costs as part of our regular work. The case began in 2011, and involved two trips to the Ninth Circuit Court of Appeals, and two trips to the U.S. Supreme Court. The internal cost for handling that was approximately \$733,655.00.

3. Can you tell us the number of attorneys in the Civil Division and the amount of work the Civil Division performs comparing the cost of doing work, versus dollars collected or returned to the State, versus money it saved the state.

In the Civil Division, there are 145 budgeted attorney positions in the FY19 Management Plan budget, and some of those attorneys have very high caseloads. For example, our child protection attorneys average 90 cases each. Other attorneys might work on a single case for months, like the TAPS litigation, or BP corrosion case. It's difficult to assess how busy we are by looking at the number of cases we handle. Still, at any given time, the division has about 12,271 open matters—approximately 2,500 of which are child protection matters. In terms of revenues collected, see attached examples covering natural resource litigation, Medicaid recoveries, and consumer protection collection. Please note these are just examples of the most readily available numbers on recoveries. The amount the department has saved the State is difficult to quantify, as deterrence or potential cost avoidance cannot be ascertained in many cases.

4. What is the total number of attorneys in the Criminal Division?

In the Criminal Division there are 120 budgeted attorney positions in the FY19 Management Plan budget. The division continues to prioritize cases based on violent versus non-violent crime and felonies over misdemeanors.

5. How much has been spent on outside counsel contracts overseen by the Civil Division, and why?

From FY15 to FY18, outside counsel expenditures were approximately \$21.5 million dollars total. Thus far, FY19 outside counsel contracts total approximately \$2 million. The vast majority of these contracts (approximately \$19.3 million) are related to outside counsel providing advice to AGDC, DNR or DOR on the gasline project between FY15 and FY19. Aside from the appropriations for outside counsel on the gasline, we have substantially reduced the use of outside counsel.

Sincerely,



for

Kevin G. Clarkson
Attorney General

The Honorable Donald Olson, Chair
Senate Finance Subcommittee
Re: Departmental Overview

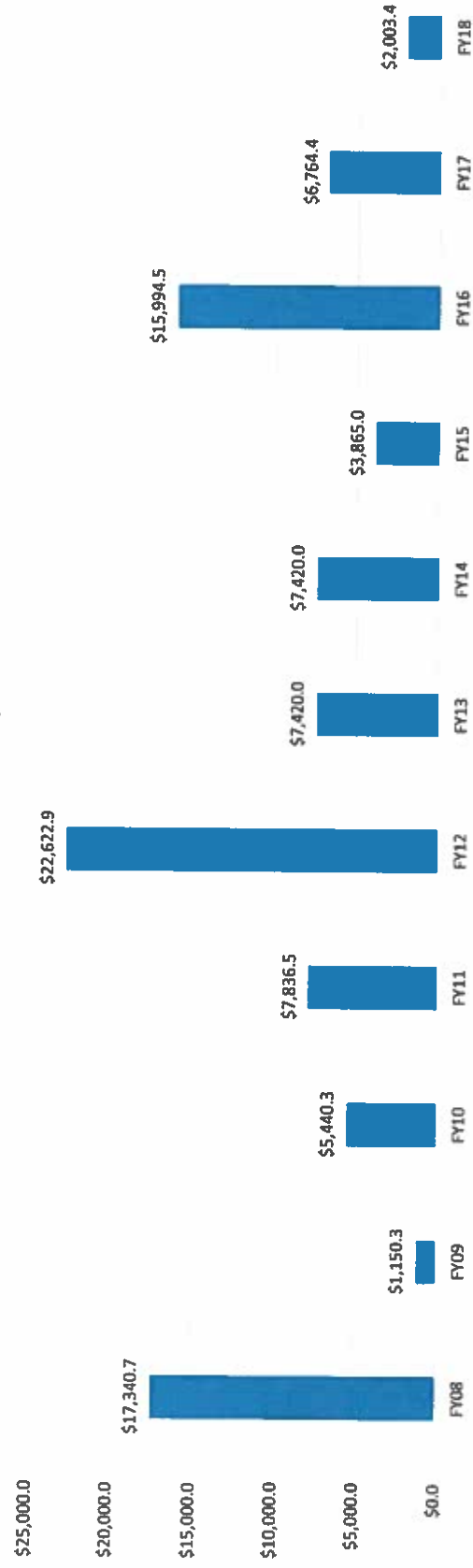
February 14, 2019

Page 3 of 3

Attachments:

- 1. Department of Law Consumer Protection Recoveries, FY07-FY18*
- 2. Summary of Total Revenue and Recent Savings from Natural Resource Litigation*
- 3. Department of Law FY17-Present Medicaid Reform and Fraud Collections*
- 4. Summary of Outside Counsel Contracts, FY15-Present*

Department of Law Consumer Protection Recoveries, FY07-FY18
(in thousands)



**Department of Law
Fiscal Year Totals of Revenue from Natural Resources Litigation**

Year	Total	O&G Property, Production Tax	Royalty	Corporate Income Tax (D&G)	Corporate Income Tax (Other)	Mining Tax	Wildfire Settlement and Other	Tariffs	Attorneys Fees & Costs	Credit applicants Paid by SOA
1982	848,000		848,000							
1984	38,094,846		38,094,846							
1985	9,412,000		9,412,000							
1986	244,568,000	243,000,000	1,568,000							
1988	172,588,000	172,288,000	300,000							
1989	318,824		318,824							
1990	354,761,000	67,430,000	287,331,000							
1991	240,958,827	41,777,535	199,181,292							
1992	338,221,711	188,535,862	149,685,849							
1993	1,012,706,942	894,994,390	117,712,552							
FY1994	332,861,136	328,781,135	3,900,000							
FY1995	2,131,008,638	2,000,008,638	131,000,000							
FY1996	137,706,122	135,981,122	1,725,000							
FY1997	180,352,816	178,452,815	900,000							
FY1998	342,853,248	275,946,125	66,107,123							
FY1999	\$63,632,549.00	\$62,032,549.00	\$1,500,000.00							
FY2000	\$447,579,583.00	\$433,079,583.00	\$14,500,000.00							
FY2001	\$80,488,896.00	\$38,470,447.00	\$42,018,249.00							
FY2002	\$93,982,749.00	\$71,093,847.00	\$22,888,902.00							
FY2003	\$24,081,433.00	\$15,593,552.00	\$8,487,881.00							
FY2004	\$10,115,745.00		\$10,115,745.00							
FY2005	\$10,635,808.00	\$10,635,000.00								
FY2006	\$93,038,374.00	\$71,538,374.00	\$21,500,000.00							
FY2007	\$390,000,000.00	\$390,000,000.00								
FY2008	\$68,367,589.24	\$27,354,504.82	\$38,787,821.87	\$2,225,272.55		\$0.00				
FY2009	\$688,166,539.31	\$2,225,272.55	\$57,487,821.87	\$0.00	\$2,994,078.89	\$0.00	\$0.00	\$605,459,366.00	\$0.00	NA
FY2010	\$36,786,239.74	\$7,348,833.77	\$0.00	\$0.00	\$8,010,816.58	\$28,789.39	\$0.00	\$20,400,000.00	\$0.00	NA
FY2011	\$110,144,393.27	\$47,882,444.82	\$47,525,882.19	\$280,021.37	\$5,397,179.09	\$99,066.00	\$0.00	\$9,000,000.00	\$0.00	NA
FY2012	\$916,446.72	\$0.00	\$0.00	\$232,669.64	\$0.00	\$0.00	\$0.00	\$0.00	\$683,776.08	NA
FY2013	\$66,831,188.63	\$0.00	\$12,466,286.00	\$42,589,483.59	\$0.00	\$10,048.25	\$0.00	\$0.00	\$765,384.89	NA
FY2014	\$707,639.38	\$0.00	\$0.00	\$0.00	\$691,714.88	\$0.00	\$0.00	\$0.00	\$15,924.50	NA
FY2015	\$57,125,433.95	\$55,280,193.00	\$1,300,000.00	\$524,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,140.95	NA
FY2016	\$72,315,077.66	\$69,891,899.00	\$0.00	\$2,400,000.00	\$0.00	\$0.00	\$11,125.00	\$0.00	\$12,053.66	NA
FY2017	\$283,745,274.83	\$0.00	\$0.00	\$28,500,000.00	\$15,000.00	\$0.00	\$10,750.00	\$234,387,556.00	\$831,968.83	NA
FY2018	\$48,382,824.54	\$38,800,000.00	\$0.00	\$11,584,871.10	\$38,000.00	\$0.00	\$10,375.00	\$0.00	\$64,778.44	(\$4,115,000.00)
FY2019	\$72,100,000.00	\$72,335,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$225,000.00	(\$460,000.00)
GRAND TOTAL	\$8,199,322,485.17	\$6,941,734,921.78	\$1,284,662,674.93	\$88,316,198.25	\$17,146,589.44		\$32,250.00	\$869,248,922.00	\$2,620,027.15	(\$4,675,000.00)

Calculable Savings Due to Natural Resources Litigation, FY2017-Present

FY2017: \$500,000.00
 FY2018: \$8,338,629.00
 FY2019 (YTD): \$20,635,000.00
Total: \$29,471,629.00

**Medicaid Reform: Total Collections by the Department of Law, Civil
Division for FY2017-Present**

FY2017

Subrogations:	\$1,814,833.79
Estates:	\$780,963.49
Annuities:	\$54,695.43
Trusts:	\$45,028.72
Audit Judgments:	\$23,000.00
Total:	\$2,718,521.43

FY2018

Subrogations:	\$2,074,413.88
Estates:	\$326,186.32
Annuities:	\$6,708.24
Trusts:	\$525,780.13
Audit Judgments:	\$2,091,134.15
Total:	\$5,024,222.72

FY2019

(YTD)

Subrogations:	\$1,806,234.48
Estates:	\$151,332.27
Annuities:	\$3,913.14
Trusts:	\$0.00
Audit Judgments:	\$1,054,073.89
Total:	\$3,015,553.78

**Medicaid Fraud Control: Total Collections by the Department of
Law, Criminal Division for FY2017-Present**

FY2017

Restitutions:	\$409,444.00
Recoveries:	\$33,260.00
Fines:	\$7,500.00
Total:	\$450,204.00

FY2018

Restitutions:	\$121,817.18
Recoveries:	\$568,637.52
Fines:	\$13,500.00
Civil settlement restitutions:	\$2,299,392.08
Total:	\$3,003,346.78

FY2019 Approximately \$300,000.00 for matters that have been settled;
(YTD) additional matters nearly finalized worth approximately
\$1,000,000.00 more.

NOTE: Additional information regarding Medicaid-related recoveries, collections and
cost avoidance can be found at:

<http://dhss.alaska.gov/HealthyAlaska/Pages/Initiatives/Initiative-11.aspx>

Department of Law Outside Counsel Contracts: FY15 through FY19 (to date)

Fiscal Year	AIDEA/AEA Legal & Bond		AHFC Legal & Bond		OGM (other)	AGDC/AKING	ESA	Other Bond	R&B	Spec Litigation	Other
	TOTAL	Bond	TOTAL	Bond							
FY15	\$ 7,971,781.65	\$ 1,040,733.77	\$ 4,266,969.02	\$ 353,803.70	\$ 959,878.88	\$ 359,163.00	\$ 142,123.05	\$ 275,388.45	\$ 194,548.67	\$ 379,173.11	
FY16	\$ 8,858,292.95	\$ 394,675.00	\$ 3,818,465.24	\$ 272,656.49	\$ 3,375,306.77	\$ 168,384.31	\$ 286,621.08	\$ 240,632.26	\$ 301,551.80	\$ 224,324.45	
FY17	\$ 3,777,053.45	\$ 597,066.27	\$ 2,064,970.77	\$ 224,514.32	\$ 243,012.29	\$ 300,149.00	\$ 144,662.96	\$ 123,016.35	\$ 283,157.51	\$ 145,843.91	
FY18	\$ 4,323,536.35	\$ 360,010.66	\$ 2,922,537.19	\$ 385,339.74	\$ 227,828.29	\$ 189,746.55	\$ -	\$ -	\$ -	\$ -	
FY19	\$ 1,970,960.84	\$ 282,843.56	\$ 1,218,627.47	\$ -	\$ 189,746.55	\$ -	\$ -	\$ -	\$ -	\$ -	

Total Outside Counsel Contracts, FY15-FY19

