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**STATE OF MINNESOTA  
OFFICE OF THE ATTORNEY GENERAL**

**ANNUAL REPORT REQUIRED BY**

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**Fiscal Year 2021**

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## SOLICITOR GENERAL SECTION

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### CROSS-DIVISIONAL WORK ON COVID-19

The pandemic has presented challenges that do not fit neatly in just one division. In March 2020, the Solicitor created a cross-divisional group of attorneys to support the State's response to COVID-19 by advising on and defending executive orders. Each of the emergency executive orders issued by the Governor were carefully reviewed in advance by the Solicitor's cohort to ensure they were clear and within the Governor's authority.

The cohort has also defended constitutional officers from 25 lawsuits challenging the constitutionality of the executive orders in FY20 and 21. State and federal courts have repeatedly upheld the authority of the Governor and Executive Council to take action under Chapter 12 (the Minnesota Emergency Management Act) to protect the public health of Minnesotans. This work underscores the Governor's authority to act during an emergency and helps establish clear precedent for the State of Minnesota.

### EMPLOYMENT, TORTS, AND PUBLIC UTILITIES COMMISSION DIVISION

The Employment, Torts, and Public Utilities Commission Division ("ETP") defends the duly enacted laws of the State of Minnesota; represents the State in employment and tort claims brought against the State; and provides legal representation to the Public Utilities Commission ("PUC").

In each of these three areas, a *representative sample of some but not all* the major current and future legal issues that the Division has addressed in FY 2021 include:

#### DEFENDING THE DULY ENACTED LAWS OF THE STATE

- **Protecting Voter Rights: *DSCC v. Simon*.** ETP helped the Secretary of State ensure every eligible voter in Minnesota had equal and fair access to the ballot box. In *DSCC v. Simon*, 950 N.W.2d 280 (Minn. 2020), the Minnesota Supreme Court accepted ETP's position that the federal Voting Rights Act ("VRA") preempts a Minnesota law limiting who a voter may choose to assist them in marking a ballot. Some voters need such assistance due to a physical impairment or the inability to read English. Minnesota law provided that a person could not assist more than three voters in an election. In a consent decree and Attorney General opinion, ETP explained that the three-person limit is preempted by the VRA. The Supreme Court agreed.
- **Defending the Eviction Moratorium: *Heights Apartments v. Walz, et al & Doran 610, et al. v. Walz, et al.*** ETP worked to ensure the executive orders forbidding most evictions in Minnesota during the COVID-19 pandemic were upheld in both federal and state court. In *Heights Apartments v. Walz*, landlords sued in federal court to enjoin enforcement of eviction-related executive orders, which were issued to combat the spread of COVID-19. The court denied the request for an injunction and dismissed all claims.

In *Doran 610 v Walz*, landlords sued in state court, seeking a writ of mandamus or declaratory judgment that eviction-related executive orders had “commandeered” landlords’ properties, which would have entitled them to compensation under the Minnesota Emergency Management Act. All claims were dismissed with prejudice.

## EMPLOYMENT AND TORT CLAIMS

Employment litigation often includes claims under the Minnesota Whistleblower statute, Family and Medical Leave Act, Fair Labor Standards, and claims of discrimination and harassment under federal and state anti-discrimination statutes. The Division also provides legal representation to the State in lawsuits involving labor issues.

Tort claims against the State, its agencies, and employees typically arise in the form of personal-injury and property-damage lawsuits. Claims include negligence, medical malpractice, defamation, infliction of emotional distress, assault and battery, excessive use of force, and violations of federal civil rights.

- ***Walsh v. State.*** In Walsh, ETP represented the State to ensure it is not required to defend and indemnify county prosecutors on tort claims, which saved millions of dollars in likely defense costs. The Legislature provided two separate frameworks for lawsuits against public officials, one for county employees and one for State employees. Plaintiffs (a county attorney and sheriff who were sued in federal court), attempted to shift the burden and expense of their lawsuit from the county to the State. They argued that the State is responsible for defending and indemnifying all 87 county attorneys and their staff, all city attorneys and their staff, and over 10,000 sheriffs and city police officers. The district court dismissed the case. The Court of Appeals affirmed, and the Supreme Court recently granted review.
- ***Greg King v. Minnesota Guardian ad Litem Board.*** Mr. King was terminated from the Guardian ad Litem Board after an employee came forward with complaints indicating that King promised her career opportunities in exchange for sexual favors. An investigation substantiated the allegations. Mr. King thereafter filed a lawsuit alleging his termination was based on race, age, and whistleblowing. The district court granted summary judgment in favor of the Guardian ad Litem Board. Mr. King appealed to the 8th Circuit.
- ***Shawn Callagan v. Bemidji State University.*** This matter was a Veterans Preference Act arbitration. Mr. Callagan was terminated after an investigation substantiated that he had made disrespectful and harassing comments to a coworker related to their race. ETP represented the employer, Bemidji State University, in defending the decision to terminate based on this improper conduct. The arbitrator issued a decision on June 30, 2021, affirming the discharge.

## PUBLIC UTILITIES COMMISSION

The Division provides counsel to and defends the PUC when its decisions are challenged in the courts.

- ***In re Application of Enbridge Energy, Limited Partnership, for a Certificate of Need and a Routing Permit for the Proposed Line 3 Replacement Project in Minnesota from North Dakota Border to the Wisconsin Border.*** Enbridge Energy proposed building a 300+-mile, part-replacement, part-reroute pipeline for crude oil that extends from the North Dakota-Minnesota border to the Minnesota-Wisconsin border. The Public Utilities Commission has twice approved environmental review and granted a certificate of need. The Line 3 proceedings have been highly controversial and generated significant public interest and attention. There have been 67 public meetings, 12 days of evidentiary hearings, and more than 20 PUC meetings for Line 3. Thousands of Minnesotans have attended these meetings and thousands of public comments have been filed. Numerous stakeholders have participated in the case, including tribes, environmental groups, labor unions, government agencies, and private companies. ETP successfully defended the PUC's decisions in multiple appeals, and also advises the agency regarding Enbridge's compliance with permit terms as construction continues.
- ***In the Matter of Freeborn Wind Energy LLC's Application for a Large Wind Energy Conversion System Site Permit.*** ETP successfully defended the issuance of a site permit by the Public Utilities Commission for a 50 MW wind farm in Freeborn County, Minnesota. The Minnesota Court of Appeals found the agency complied with the Minnesota Environmental Policy Act and satisfied all environmental review requirements. The result allowed the additional wind power generation to move forward, helping to meet the state's renewable energy goals.

## TAX LITIGATION DIVISION

The Tax Litigation Division provides legal representation to the Minnesota Department of Revenue ("DOR") in the Minnesota Tax Court and at the Minnesota Supreme Court, as well as the State and federal district courts and federal bankruptcy courts. The Division handles all tax types, including multimillion-dollar corporate franchise-tax claims and a high volume of complex sales-and use-tax cases. The Division also provides legal representation and assistance to DOR and other state agencies filing claims in bankruptcy court. Lawyers in the Division also review and respond to dozens of foreclosure proceedings, quiet title actions, and other cases involving State interests.

Below is a *representative sample of some but not all* legal work performed by the Tax Litigation Division in FY 2021.

### CASES RELATED TO PIPELINE VALUATION

The personal property of utility companies is centrally assessed by the Commissioner of Revenue for county property-tax purposes, rather than being assessed by the county assessors for

the multiple counties in which the pipeline is located. These cases pertain to the department's unitary valuation of gas-distribution pipelines located in Minnesota. Unitary valuation cases involve extremely complex appraisal concepts and competing appraisals from experts retained by both sides. In utility-valuation cases, these taxpayers typically seek an approximate 30% reduction in taxable value. Any decrease in the department's valuation will result in the affected counties refunding taxes.

- ***CenterPoint Energy Resources Corp. v. Commissioner of Revenue (2018-2020).*** CenterPoint Energy challenges the Commissioner's 2018, 2019, and 2020 valuations of its natural-gas distribution pipeline operating property. CenterPoint Energy alleges the property's estimated market value is too high and that the property has been unequally assessed. The trial on the 2018 and 2019 values is scheduled to begin on September 21, 2021.

#### **CASES RELATED TO CORPORATE FRANCHISE TAX**

- ***E. I. du Pont de Nemours and Company & Subsidiaries v. Commissioner of Revenue.*** This case involves a corporate franchise tax assessment of the DuPont chemical company in the amount of approximately \$11 million. At issue is the treatment of forward exchange contracts ("FECs") involved in currency trading, as well as the treatment of gains from the sale of a business and certain asserted royalty income when determining the amount of DuPont's income apportionable to Minnesota. The taxpayer filed its appeal in tax court on June 25, 2021, and the case is in very early stages of litigation.
- ***Alaska Airlines v. Commissioner of Revenue.*** The Commissioner assessed Alaska Airlines \$31,881 for Minnesota Minimum Fee tax for years 2012 to 2016. Alaska Airlines appealed the assessment to tax court arguing that the Federal Anti-Head Act preempts Minnesota's ability to impose a minimum fee tax against commercial airline companies. Although the amount of this assessment is low, the outcome of this case impacts the method used by Minnesota Statutes to compute the Minimum Fee Tax as applied to all airlines that operate in the State. The parties are working towards cross motions for summary judgment that are likely to be heard in late winter 2021.

#### **EDUCATION DIVISION**

The Education Division provides legal representation to the State's complex and varied educational system, handling most student- and some faculty- and staff-related matters for the Minnesota State Colleges and Universities ("Minnesota State") system of 37 separate colleges and universities. In addition to providing legal representation to the numerous Minnesota State campuses, the Division also provides legal representation to the Minnesota Department of Education, the Office of Higher Education, the Perpich Center for Arts Education, the State Academies and the three public pension boards.

Below is a ***representative sample of some but not all*** legal work performed by the Education Division in FY 2021.

- ***Alejandro Cruz-Guzman, et al. v. State of Minnesota, et al. and Higher Ground Academy, et al.*** This is a class-action lawsuit brought in November 2015 against the State, the Minnesota Senate, the Minnesota House of Representatives, the Minnesota Department of Education, and its Commissioner alleging that the education that the school children in the Minneapolis and Saint Paul Public Schools receive is inadequate and discriminatory on the basis of race and socioeconomic status (poverty and free lunch). Certain charter schools have intervened as defendants. The case has been remanded to the district court following an appeal to the Minnesota Supreme Court. Trial is currently scheduled to take place during the court’s October 31, 2022 to November 25, 2022 trial block.
- ***Portz, et al. v. St. Cloud State University/Minnesota State.*** Five members of the women’s tennis team filed a class action complaint in federal court alleging Title IX and Equal Protection violations in the wake of the University’s decision to eliminate six (four men’s and two women’s) sports teams. Subsequently, the second women’s team (Nordic skiing) joined the lawsuit. Following a trial, the Court found St. Cloud State in violation of Title IX, entered a permanent injunction, and awarded attorneys fees. St. Cloud State must submit reports to the Court every six months. St. Cloud State appealed the decision to the 8th Circuit and oral argument was held on October 20, 2020. After the receipt of the opinion from the 8<sup>th</sup> Circuit, St. Cloud State plans to move to end the ongoing jurisdiction and demonstrate full compliance.
- ***St. Cloud Educational Rights Advocacy Council v. Governor Walz, Commissioner Mary Cathryn Ricker, Minnesota Department of Education, Minnesota Senate, and Minnesota House of Representatives.*** In February 2019, the St. Cloud Educational Rights Advocacy Council (“SCERAC”), a nonprofit association of interested persons, sued contending the State is underfunding St. Cloud area schools. On September 4, 2019, the district court denied Plaintiff’s motion for preliminary injunction and granted State Defendants’ motion to dismiss on all five grounds. SCERAC appealed to the Court of Appeals and on November 9, 2020, the Court of Appeals affirmed in part, denied in part, and remanded the case back to district court. Since then, the parties have been involved in settlement discussions.

## **ENVIRONMENTAL & NATURAL RESOURCES DIVISION**

Attorneys in the Environmental & Natural Resources Division (“ENR”) provide legal representation to various state agencies, including the Minnesota Pollution Control Agency (“MPCA”), Minnesota Department of Natural Resources (“DNR”), Minnesota Department of Agriculture (“MDA”), Environmental Quality Board (“EQB”), Board of Water and Soil Resources (“BWSR”), and the Board of Animal Health (“BAH”).

ENR attorneys provide legal representation in matters arising out of the agencies’ and boards’ enforcement programs. The Division provides legal representation to the agencies and boards in the State and federal district and appellate courts and at the Office of Administrative Hearings. ENR attorneys also defend the agencies and boards in state and federal district,

appellate, and administrative courts when parties bring actions challenging their programs or actions.

Below is a *representative sample of some but not all* legal work performed by ENR for the agencies and boards during FY 2021.

- **Fargo-Moorhead Flood Diversion Board of Authority.** The now pending Fargo-Moorhead flood diversion project generated a long-running set of related cases in federal district court and the Minnesota Office of Administrative Hearings (“OAH”) concerning the form the project will take. Throughout this litigation, ENR assisted the DNR in securing significant improvements to the project that reduced adverse impacts on Minnesota and its residents, while protecting important separation-of-powers principles and preserving the State’s jurisdiction to regulate dam projects that impact Minnesota. Large parts of the matter have now been favorably resolved through negotiations after an extensive evidentiary hearing at OAH.
- **3M.** In 2018, as part of the State’s settlement of a natural resources damages lawsuit with 3M for Per- and Polyfluoroalkyl Substances (“PFAS”) contamination of the groundwater in the East Metro region, the Office obtained an \$850 million settlement to be used towards long-term remediation projects, and an additional \$40 million for short-term efforts while the long-term plan is formulated. As the plans of the communities in the East Metro have progressed under the guidance of MPCA, ENR attorneys have actively represented the State and local communities in mediation proceedings to ensure a full recovery for the State.
- **State Ground Water Quality Challenges.** ENR represented MPCA in defending the application of the State’s water quality laws for drinking water to groundwater sources in a permit challenge brought by U.S. Steel. The matter involves novel issues of the application of the Clean Water Act to groundwater, and the preservation of groundwater for use as drinking water. ENR’s representation resulted in establishing an important Minnesota Supreme Court precedent. The litigation continues in the Minnesota Court of Appeals on remand.

ENR also provides legal representation to the Department of Administration, Land Exchange Board, BWSR, DNR, MPCA, Department of Revenue, and the Department of Transportation on various real-estate matters, including various real-estate acquisition, title, and land-use matters, ownership of submerged lands, tax forfeitures, easements (including easements for wetland and habitat protection and wetland banking), probate proceedings, trusts, life estates, adverse possession, bankruptcy, boundary agreements, indemnification, deed restrictions, land registration, quiet title, road vacation, condemnation, declarations, protective covenants, local government fees charged against state-owned lands, and use of state bond-financed property.

# GOVERNMENT SUPPORT SECTION

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## ADMINISTRATIVE LAW DIVISION

The Administrative Law Division provides legal representation to the Departments of Administration, Commerce, Employment and Economic Development, Minnesota Management and Budget, Labor and Industry (“DLI”), and the Minnesota Housing Finance Agency, the Iron Range Resources and Rehabilitation Board, Minnesota State Board of Investment, the Secretary of State, and many other boards, agencies, councils, and commissions. The Division also provides legal representation to the Minnesota State Colleges and Universities System and other state agencies in contract, lease, and transactional matters.

Below is a *representative sample of some but not all* legal work performed by the Division in FY 2021.

### LITIGATION

- The Division settled litigation to recover \$81 million for past-due obligations under the 1998 tobacco settlement agreement and secured an agreement for future payments that were in dispute.
- Division staff defended the constitutionality of the Alec Smith Insulin Affordability Act, which allowed more than 450 residents to receive life-saving insulin in the first seven months after the law took effect in 2020.
- Division staff also led a bipartisan coalition of 35 attorneys general in an amicus brief to the Eighth Circuit to support North Dakota and defend states’ authority to regulate pharmacy benefit managers.
- In addition to representing the State in a multistate action that enjoined the U.S. Postal Service from continuing changes that threatened to interfere with the 2020 election, the Division represented the Secretary of State in defending the constitutionality of numerous election-related laws, in defending an action that sought to prevent certification of the election results, and in defending the integrity of the election in multiple election contests that challenged the election of sixteen candidates to Congress and the Minnesota Legislature.

### COMMERCE AND LABOR ENFORCEMENT

The Division represents the Departments of Commerce and Labor and Industry in numerous enforcement actions against individuals and businesses that act in regulated industries and violate state laws. For example, Division staff represented DLI to revoke a building contractor’s license after it presented more than 20 forged lien waivers to a non-profit housing organization and claimed to be owed more than \$1 million. In another case, Division staff assisted the Department of Commerce in revoking the real estate salesperson license of a licensee who had failed to disclose to the Department numerous criminal convictions and civil judgments and a prior administrative action by another agency.

## **ENERGY AND TELECOM**

The Division represents the Department of Commerce in proceedings before the Public Utilities Commission and federal regulatory agencies, and in related court cases. Through this representation, Division staff help the Department secure safe, reliable, and affordable electric, gas, and telephone service for Minnesota customers. For example, Division staff assisted the Department in securing an administrative law judge's recommendation that Minnesota Power refund \$4.48 million plus interest in overcharges to customers. In the coming months, the Commission will make a final decision in the case. Division staff also represented the Department before the Commission and on appeal in opposing Enbridge Energy's request for a certificate of need to replace the Line 3 pipeline.

## **LICENSING BOARDS**

The Division represents numerous non-health-related licensing boards, routinely giving advice to boards and separately assisting complaint and ethics committees in reviewing complaints against licensees and pursuing administrative action against licensees who violate applicable laws and rules. For example, the Division represented the State Archaeologist in a proceeding that resulted in the denial of a license to an archaeologist who had violated state law and professional ethical standards in handling Native American burial soil and data derived from it.

## **TRANSACTIONAL WORK**

Division staff routinely provide legal advice and representation to all agencies in contract and financial-investment matters. For example, Division staff assisted with various contracts related to COVID-19, including those related to establishing testing and vaccine clinics, establishing a mass storage and dispensing site for vaccines, and allowing several state campus cafeterias to continue feeding students during the pandemic. On the finance side, in the last fiscal year, staff also assisted the State Board of Investment in investing more than \$3.1 billion; Minnesota Management and Budget in issuing and refunding more than \$1.2 billion in general obligation, trunk highway, appropriation, and revenue bonds; and Minnesota Housing Finance in issuing and refunding more than \$950 million in revenue and state-supported bonds.

## **HUMAN SERVICES DIVISION**

The Human Services Division provides litigation services and legal counsel to the Minnesota Department of Human Services ("DHS"), the State's largest agency. Division attorneys provide legal services to DHS in the four broad areas of Health Care, Children and Family Services, Mental Health, and Licensing.

Below is a *representative sample of some but not all legal* work performed by the Division in FY 2021.

## **HEALTH CARE**

Division attorneys in the health care area handle matters concerning Minnesota Health Care Programs (“MHCP”), continuing and long-term care, health care compliance, and benefit recovery. MHCP includes Medical Assistance and MinnesotaCare, which together cover approximately 1.1 million Minnesotans. The Division is currently defending a class action related to disability services in *Murphy, et al. v Harpstead*. The Division also represented DHS when it assessed an overpayment of approximately \$29 million against two tribes.

## **CHILDREN AND FAMILY SERVICES**

Division attorneys in the children and family services area handle legal issues relating to public-assistance programs, child support, and child-protection matters. Public-assistance programs include the Minnesota Family Investment Program, the General Assistance program, the Minnesota Supplemental Aid program, the Federal Supplemental Nutrition Assistance Program (“SNAP,” formerly called Food Stamps) and Group Residential Housing. Division attorneys represented the agency in appeals from agency actions related to public assistance programs. The Division also obtained a dismissal order in federal litigation against the DHS Commissioner arising out of a county child protection matter.

## **MENTAL HEALTH**

Division attorneys in the mental-health area provide legal representation to DHS’s adult and children’s mental-health programs, chemical-dependency programs, state-operated treatment facilities and forensic services, which include regional treatment centers, state-operated community facilities, children’s and adolescent behavioral-health centers, the Minnesota Security Hospital (“MSH”), and the Minnesota Sex Offender Program (“MSOP”). Division attorneys represent DHS’s interests in a broad spectrum of litigation. Division attorneys represented DHS in *Jensen, et al. v. DHS, et al.*, a federal class action, and successfully obtained a dismissal this year, more than ten years after the case was originally filed. This year presented Division attorneys with various lawsuits arising out of the COVID-19 pandemic, including petitions seeking release by individuals civilly committed to MSOP.

## **LICENSING**

Division attorneys provide legal representation to the DHS Licensing division in maltreatment cases (abuse, neglect, and financial exploitation) involving personal-care provider organizations and programs licensed to provide adult daycare, adult foster care, child foster care, childcare, and services for mental health, developmental disabilities, and chemical health. Division attorneys are presently defending DHS in *Hussein v. DHS, et al.*, a case that alleges race and national origin discrimination relating to a childcare center.

## STATE AGENCIES DIVISION

The State Agencies Division provides legal representation to the Departments of Corrections, Employment and Economic Development, Health, Human Rights, Labor and Industry, Veterans Affairs, the Client Security Board, and the Bureau of Mediation Services.

Below is a *representative sample of some but not all* legal work performed by the State Agencies Division in FY 2021.

### LITIGATION

The Division defends statutes from constitutional challenges. For instance, in *Jewell v. Herke*, the Division is defending a federal court lawsuit where plaintiffs allege that Minnesota Statute sections 197.6091 and 196.05, subd. 1(12) violate the U.S. Constitution. The statutes require fee-charging providers of veterans' benefits services to disclose that the services are available at no cost from some other organizations. The federal district court granted a motion to dismiss the plaintiffs' claims under the Equal Protection Clause, the Commerce Clause, and the Contracts Clause, but ruled that the plaintiffs sufficiently pled claims that the statutes are preempted and violate the First Amendment, so those claims survived an initial motion to dismiss the complaint. The Division also brings cases on behalf of agencies to enforce statutes. For instance, the Division successfully represented the Department of Human Rights ("MDHR") in a lawsuit, *N.H. v. Anoka-Hennepin Sch. Dist. No. 11*, advocating for a student's rights under the Minnesota Human Rights Act, arguing that the student's sexual-orientation discrimination claim could go forward. The Division then successfully represented MDHR in obtaining a settlement that required the school district to make changes regarding future access to school facilities.

### DEFENSE OF STATE EMPLOYEES AND PROGRAMS

The Division provided legal representation to defend the Department of Corrections ("DOC") in a high volume of lawsuits brought by incarcerated persons involving complex constitutional issues in state and federal court. Some lawsuits involved incarcerated individuals seeking early release from prison due to the COVID-19 pandemic. In *Jayapathy v. Schnell*, an incarcerated individual argued that the DOC Commissioner's decision denying her early release for medical reasons violated her due-process rights. The Ramsey County District Court granted the DOC's motion to dismiss. In *Foster v. Minn. Dep't of Corrections*, incarcerated persons at the Moose Lake correctional facility sued the DOC on behalf of a purported class, seeking release and other injunctive relief regarding facility conditions in light of the COVID-19 pandemic. The court of appeals affirmed the district court's denial of habeas and mandamus relief.

### APPELLATE ADVOCACY

The Division represented the DOC in cases challenging a DOC-imposed condition of release requiring predatory sex offenders to obtain agent-approved housing after release from prison, while they continue to serve their criminal sentences in the community on supervised or

conditional release. The Minnesota Court of Appeals issued a precedential decision in the DOC's favor in *State, ex rel. Browneagle v. Schnell*, rejecting offender's habeas corpus claim and finding no due process violation. In another case, *State, ex rel. Young v. Schnell*, the DOC had revoked a sex offender's release and returned him to prison multiple times because his community placements could not accommodate him, he lost his housing, and he had no other residence available to him. The offender filed a habeas corpus petition arguing that the DOC unlawfully revoked his release and reimprisoned him due to his medical condition. The Minnesota Supreme Court rejected the offender's arguments and decided that the DOC's decision to revoke his release and re-imprison him was lawful.

#### **ADMINISTRATIVE ENFORCEMENT**

The Division represents state agencies that bring enforcement proceedings in a variety of legal forums. For instance, the Division represents the Department of Labor and Industry in proceedings to enforce occupational safety and health ("OSHA") standards, including cases regarding workplace fatalities, employers' retaliation against employees who raised workplace-safety issues, and enforcement actions related to COVID-19, including citations against meat-processing facilities for failing to implement adequate precautions to prevent transmission in the workplace. The Division also represents the Department of Health ("MDH") when individuals or health care facilities have violated the Vulnerable Adults Act by neglecting, abusing, or financially exploiting vulnerable adults. For instance, the division defended MDH's determination that a facility neglected a vulnerable adult by failing to properly assess, monitor, and care for the vulnerable adult's wounds and by failing to administer the vulnerable adult's prescribed blood thinning medication. The division also brought a successful enforcement proceeding on MDH's behalf at the Office of Administrative Hearings against a funeral home that failed to properly supervise staff.

#### **INJUNCTIVE RELIEF TO PROTECT THE PUBLIC**

The Office assists state agencies in seeking court orders to protect the public. For instance, the Division appeared in probate court on behalf of MDH under the Tuberculosis Health Threat Act, obtaining a court order that will require an individual with contagious tuberculosis to be brought to a hospital for care and treatment. In addition, when Minnesota was experiencing record numbers of COVID-19 cases and COVID-19-related deaths in late 2020, the Division obtained temporary injunctions on behalf of MDH to prevent some restaurants from violating Emergency Executive Orders related to bars and restaurants. For instance, the Ramsey County District Court granted a temporary injunction in *State v. Sw. Sch. of Dance, LLC* after a restaurant failed to comply with MDH's order requiring the restaurant to cease and desist from operating in violation of an Executive Order. The Minnesota Court of Appeals upheld the injunction on appeal, holding the Executive Order did not violate equal protection. The Division also represented MDH in enforcement actions at the Office of Administrative Hearings involving restaurants that violated Minnesota's licensing statutes, including cases related to the COVID-19 pandemic.

## HEALTH AND TEACHER LICENSING DIVISION

The Health and Teacher Licensing Division represents Minnesota's 16 health-related licensing boards, the Emergency Medical Services Regulatory Board, the Health Professionals Services Program, and the Professional Educator Licensing and Standards Board in litigation and administrative actions related to their licensure and regulatory oversight of healthcare providers and educators. The Division also investigates complaints received by the boards alleging licensee misconduct, and it provides legal advice to the boards.

Below is a *representative sample of some but not all* legal work performed by the Health and Teacher Licensing Division in FY 2021.

### UNPROFESSIONAL CONDUCT

The Health and Teacher Licensing Division investigated and took action on complaints received by the boards against healthcare providers and educators who engaged in unprofessional conduct. The misconduct at issue in some of these cases involved healthcare providers or educators who violated professional boundaries, engaged in financial exploitation, used unreasonable force or discipline, and engaged in discriminatory conduct based on race, national origin, gender, or sexual orientation. These cases resulted in board orders for discipline under rules and statutes that govern licensees, which are enforced by the Division and its clients to protect the public. For example, in *In the Matter of the Teaching Licenses of Christopher J. Lysaker*, the Division represented the Professional Educator Licensing and Standards Board in a matter involving a teacher who publicly stated at a county meeting that he opposed refugee resettlement and indicated that he would treat students in a discriminatory manner. The Board suspended the teacher's license and required the teacher to complete racial bias counseling to continue teaching in Minnesota.

### SEXUAL MISCONDUCT

The Health and Teacher Licensing Division investigated and took action on complaints received by the boards against healthcare providers and educators who engaged in sexual misconduct. The misconduct at issue in these cases involved healthcare providers or educators who abused their position of authority to engage in inappropriate sexual relationships with patients or students. For example, in *In the Matter of Steven E. Clarke, M.D.*, the Division represented the Board of Medical Practice in investigating and resolving a complaint received by the Board alleging that a psychiatrist provided a patient with alcohol, improperly prescribed controlled substances to the patient, asked the patient to disrobe during psychotherapy sessions, and watched the patient perform sex acts during psychotherapy sessions. The Board ordered the psychiatrist to surrender his license to practice medicine and surgery in Minnesota.

### UNAUTHORIZED PRACTICE

The Health and Teacher Licensing Division investigated and took action on complaints received by the health-related licensing boards involving the unauthorized practice of healthcare. The misconduct at issue in these cases involved individuals who practiced outside of the scope of

their licensure, engaged in the unlicensed practice of healthcare, or aided and abetted the unlicensed practice of healthcare. For example, in *In the Matter of Thomas Lee Elton, O.D.*, the Division represented the Board of Optometry in an investigation and a contested case at the Office of Administrative Hearings involving an optometrist who hired an unlicensed individual to practice optometry at one of his clinics, while the optometrist practiced at another clinic. The Board ordered the optometrist to pay a civil penalty, notify affected patients that they were seen by an unlicensed individual, and notify affected insurance providers that they were billed for services provided by an unlicensed individual.

## HEALTH & SAFETY SECTION

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### MEDICAID FRAUD DIVISION

The Medicaid Fraud Division is a federally certified Medicaid Fraud Control Unit (“MFCU”) that prosecutes health care providers that commit fraud in the delivery of the Medical Assistance (“Medicaid”) program. Upon referral from a Minnesota County Attorney, the division also has authority to investigate and prosecute abuse, neglect, and financial-exploitation cases that occur in certain Medicaid-funded facilities, or against certain Medicaid recipients.

The Minnesota Department of Human Services (“DHS”) administers the Medicaid program in Minnesota. DHS’s Surveillance and Integrity Review Section (“SIRS”) is responsible for investigating fraud in the Medicaid program. SIRS can then refer cases to the Division for prosecution.

The Division prosecutes health-care providers who participate in the State’s Medicaid program and submit false claims for reimbursement. Typical fraud schemes include billing for services not provided, billing for authorized units rather than actual units of care provided, providing group care but billing as if one-on-one care is provided, and billing for services provided by individuals who are not qualified due to a lack of credentials or failure to pass background checks. Some fraud cases have a criminal neglect component because the recipient’s condition is compromised due to lack of care.

The Medicaid Fraud Division also intervenes in civil lawsuits under the Minnesota False Claims Act.

Below is a *representative sample of some but not all* cases prosecuted by the Medicaid Fraud Division in FY 2021.

- ***State of Minnesota v. Victor Nenghimobo Clement.*** The Division prosecuted Clement for racketeering for his role in a scheme that defrauded the Medical Assistance program out of over \$4 million and obtained a guilty plea. Clement, originally charged in 2018 along with six other co-defendants, operated four separate Personal Care Assistance agencies in the Saint Paul area despite his previous conviction for Medical Assistance fraud and his federal exclusion from participating as a provider in any government funded health programs, including Minnesota Medical Assistance. Clement and his co-conspirators agencies defrauded the program by billing for services not provided and by billing for services allegedly rendered after Clement’s federal exclusion. Clement will be sentenced in Ramsey County district court on October 11.
- ***State of Minnesota v. Remona Lysa Brown.*** The Division obtained guilty verdicts against Brown, who stole over \$1.8 million from the Medical Assistance program. The Nobles County jury found that Caring and Compassionate Health Care Agency in Worthington, which Brown’s mother owned while Brown served as the documented managing employee, billed for home care nursing (HCN) services when the services were

not actually performed by nurses, billed for services not provided at all, and billed for services despite lacking any documentation to support the services being provided. The district court judge sentenced Brown to serve 93 months in prison and ordered her to pay \$1.8 million in restitution to the Department of Human Services.

- ***State of Minnesota v. Trenea Davis, et al.*** In January 2021, the Division charged a network of 8 people in Hennepin County with a total of 46 felony theft counts for their participation in a years-long scheme that defrauded the Minnesota Medical Assistance program out of over \$860,000.00. Davis, the admitted ringleader of the scheme, acknowledged recruiting family and friends to feign or exaggerate medical conditions to qualify themselves for personal care assistant (PCA) services. Davis then enlisted others to report providing services that never occurred and coordinated check splitting arrangements among PCAs, recipients, and herself. Some members of Davis’s fraud ring were living and/or receiving public assistance in Louisiana, where Davis is originally from, during times that Medicaid paid for care reportedly occurring in Minnesota. Davis herself reported working more than 7,000 hours between December 2014 and May 2018, before switching to the role of a patient who allegedly needed 12 hours of care per day. Davis’s case is set for trial in January 2022. Three of the defendants have pled guilty. The remaining four have upcoming omnibus hearings.
- ***State of Minnesota v. Kristine Ann Hollund and Brittany Ann Lindner.*** In February 2021, the Division charged Hollund and Lindner in Winona County with six felony counts each for swindling the Medical Assistance program out of over \$192,000 through their Winona clinic, Athena Counseling. Hollund, formerly a Licensed Professional Clinical Counselor and Athena’s owner, and Lindner, Hollund’s daughter and Athena’s biller, defrauded the Medical Assistance program by billing for services ineligible for payment because:
  - the services were not provided,
  - the services were provided by Hollund after Hollund’s license was suspended,
  - the services were billed under the provider number of a psychologist who never worked at Athena and did not provide any services,
  - the services were billed under the provider number of a therapist who was not approved to provide services with a particular insurance company, or
  - the services were not supported by any documentation showing that the services actually occurred.

Hollund and Lindner are set for omnibus hearings in the fall.

## **PUBLIC SAFETY DIVISION**

The Public Safety Division provides legal representation to the Minnesota Department of Public Safety (“DPS”) at thousands of implied consent hearings each year in which drivers contest the revocation of their driver’s license due to an arrest for driving while impaired by alcohol or controlled substances. In FY 2021, the Division successfully handled district court actions resulting in the recovery of nearly a half-million dollars in driver license reinstatement fees to state government.

The Division provides legal services to DPS and its various divisions, including the Minnesota State Patrol, the Alcohol and Gambling Enforcement Division, the Driver and Vehicle Services Division, the Minnesota Bureau of Criminal Apprehension, the State Fire Marshal's Office, the Office of Pipeline Safety, the Office of Homeland Security and Emergency Management, and the Office of Traffic Safety.

In addition, the Division provides legal representation to state boards and commissions, including the Gambling Control Board and the Minnesota Racing Commission. These entities issue thousands of licenses and conduct numerous investigations each year. The Division provides legal representation to the Minnesota Racing Commission in appeals from commission licensing decisions and disciplinary action taken against horse owners, trainers, and jockeys, and has also provided legal representation to the commission at the Minnesota Court of Appeals. The Division also provides legal representation to the Gambling Control Board in appeals from the board's licensing decisions and disciplinary actions.

Below is a *representative sample of some but not all* legal work performed by the Public Safety Division in FY 2021.

- The Division defended the State against nearly two dozen constitutional and statutory challenges in Minnesota appellate courts. In a published case decided by the Court of Appeals, *Soucie v. Comm'r of Pub. Safety*, Division attorneys responded to a driver's claim that his license was improperly revoked because the officer who stopped him for a traffic violation was mistaken about the law. The Court of Appeals affirmed the district court's decision to sustain the revocation. The Supreme Court denied the driver's petition for further review.
- Division attorneys handled over 3,000 district court proceedings and associated appeals challenging the revocation, cancellation, withdrawal, and disqualification of driving privileges under various provisions of Minnesota law. Attorneys also represented the Driver and Vehicle Services Division in title matters and the Minnesota State Patrol in forfeiture proceedings in the district courts.
- The Division represented the Alcohol and Gambling Enforcement Division in enforcement actions at the Office of Administrative Hearings involving food and beverage establishments that were alleged to have violated Minnesota statutes in cases related to the COVID-19 pandemic.

## **TRANSPORTATION DIVISION**

The Transportation Division provides legal representation to the Minnesota Department of Transportation (MnDOT). A large part of the Division's work involves eminent-domain litigation. In addition, the Division provides legal advice to MnDOT, other state agencies, and the National Guard involved in construction projects and provides legal representation to those entities when contractors, subcontractors, or third parties sue on construction-related matters. The Division also protects taxpayers by filing claims on behalf of MnDOT and other State

agencies against entities that make false claims, perform defective work, fail to pay employees legally mandated wages, or otherwise fail to comply with contractual requirements.

The Division advises client agencies on the legal ramifications of proposed activities and development projects, assists State agencies in real estate transactions, and evaluates and attempts to resolve claims before litigation arises. The Division also advocates in the appellate courts on behalf of its client agencies.

Below is a *representative sample of some but not all* legal work performed by the Transportation Division in FY 2021.

- ***Mark Sand & Gravel Co. v. Minnesota Dep't. of Transportation.*** The Division defended MnDOT against claims of breach of warranty and contract in a lawsuit filed by a contractor for work on a highway construction project. Thereafter, the United States and State of Minnesota notified the contractor about their contentions regarding certain claims against the contractor under the federal False Claims Act, the Minnesota False Claims Act, and the common law arising from the contractor's failure to follow contract specifications, use of unauthorized materials, and associated false statements concerning quality of materials. The Division successfully negotiated a settlement that resulted in the contractor's payment of over \$420,000 to the State and dismissal of the contractor's breach claims totaling more than \$1 million against the State.
- ***County of Hennepin v. Laechelt.*** The Division filed an amicus brief on behalf of the Department of Transportation at the Minnesota Supreme Court in a case concerning just compensation, property valuation, and evidentiary standards governing partial takings in eminent domain cases. The decision settled an open question providing guidance for future claims in eminent domain proceedings. *See County of Hennepin v. Laechelt*, 949 N.W.2d 288 (Minn. 2020).
- ***Central Specialties, Inc. v. Minnesota Dep't. of Transportation.*** The Division defended MnDOT against two separate lawsuits commenced by a contractor seeking additional contract payments on the projects totaling nearly \$875,000. The contractor made various claims that changes to the project plans and to the nature of the work increased its costs. The Division successfully negotiated a settlement that led to the contractor dismissing approximately \$435,000 of its initial demands, which resulted in significant savings to the State in litigation costs and additional payments.

## CRIMINAL DIVISION

The Criminal Division provides prosecutorial assistance to county attorneys and local law-enforcement agencies in prosecuting serious crimes and in the civil commitment of dangerous sex offenders. The Division assists counties in the prosecution of serious crimes in trial courts throughout Minnesota when requested by a county attorney. Division attorneys also provide assistance to county attorneys in civil-commitment hearings involving dangerous sexual predators, upon the request of the county attorney.

The Division's attorneys also assist the Department of Corrections in administrative hearings required by the Community Notification Act when a registered sex offender challenges the Department of Correction's assessment of the offender's level of danger upon release from incarceration. The Division also advises the Bureau of Criminal Apprehension ("BCA") in registration and DNA collection issues, and the Department of Corrections on community-notification issues, and provides legal assistance to the Advisory Committee on the Rules of Civil Commitment.

The Division provides assistance to county attorneys in felony appeals. The cases handled in FY 2021 involved, among other crimes, murder, sexual assault, drug distribution and manufacturing, child sexual abuse, and felony assault.

Below is a *representative sample of some but not all* cases prosecuted by the Criminal Division in FY 2021.

- ***State of Minnesota v. Chauvin, Kueng, Lane, and Thao.*** (Hennepin County) On May 25, 2020, four Minneapolis police officers killed George Floyd by using excessive force while arresting him for a misdemeanor. The officers used an unauthorized restraint technique in which Chauvin pressed his knee into George Floyd's neck for nine minutes while the others restrained him on his stomach with his hands cuffed behind his back. Bystanders pleaded with the officers to stop the assault as George Floyd fell unconscious, while some filmed it and posted it to social media. During a period of major social unrest and turbulent protests following the release of the video, at the request of Hennepin County and the Governor, the Office assumed the prosecution of the former officers on murder charges. The prosecution team consists of veteran prosecutors in the Criminal Division and appointed expert litigators from outside the office as Special Assistant Attorneys General to supplement the team.

In early February 2021, the district court severed Chauvin's case from the other three co-defendants' cases and Chauvin's trial commenced on March 8, 2021. After three weeks of jury selection and three weeks of testimony, the jury returned guilty verdicts on all counts on April 20, 2021. The district court also found, based on the evidence at trial, the presence of aggravating factors, including that Chauvin abused his position of authority and trust, Mr. Floyd was particularly vulnerable, and Mr. Floyd was treated with particular cruelty. At sentencing on June 26, 2021, the district court sentenced Chauvin to 270 months in prison, a 120-month increase from the presumptive sentence which the court based on the aggravating factors. The trial of the three co-defendants is now scheduled for March 7, 2022.

- ***State of Minnesota v. Devon Pulczinski.*** (Pennington County) On March 27, 2019, Pulczinski strangled Alexandra Ellingson to death in his home in Thief River Falls. He then lit the apartment on fire in an attempt to conceal the murder, which caused four family members (including three young children) to flee the lower apartment. A jury found Pulczinski guilty of first-degree premeditated murder and the court sentenced him to life in prison.

- ***State of Minnesota v. Morris Dodd.*** (Becker County) On November 10, 2018, Dodd was hunting on public land in rural Becker County when he fired his rifle to scare a deer. The bullet struck and killed Jay Nelson, a retired sheriff's deputy, who was driving on a logging road in the distance. Dodd was prohibited from possessing a gun or ammunition because of a prior sexual assault conviction, and he pled guilty to being a prohibited person in possession of a firearm and ammunition. After a trial, the jury convicted Dodd of second-degree manslaughter and sentenced him to 78 months in prison.

# CONSUMER PROTECTION SECTION

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## CHARITIES DIVISION

The Charities Division serves a number of functions. First, it maintains a public registry of charities, charitable trusts, and professional fundraisers that operate in the State. Second, it oversees and regulates charities, charitable trusts, and nonprofits active in Minnesota. Third, it enforces state charitable solicitation, charitable trust, and nonprofit laws.

With respect to the Division's registration function, Minnesota law requires charitable trusts, charitable organizations, and professional fundraisers to register and file annual reports with the Attorney General's Office ("AGO"). In the last fiscal year, the Division deposited \$699,751 in registration-related fees into the State's general fund. The Division currently has more than 13,000 soliciting charitable organizations, more than 2,800 charitable trusts, and more than 500 professional fundraisers registered. These entities collectively held more than \$772 billion in assets and had \$337 billion in total revenue last year. Registration information on the Attorney General's website permits the donating public to review a charitable organization's financial information allowing for greater transparency and more informed giving.

With respect to its oversight role, the Charities Division reviews for compliance multiple filings and notices concerning charities, charitable trusts, and nonprofits. For charitable trusts, the Division receives notice of certain trust and estate actions so it can act to protect charitable beneficiaries that might otherwise be unable to represent themselves. The Division received notice of hundreds of such matters in fiscal year 2021. For nonprofits, the Division receives statutory notice when a corporation seeks to dissolve, merge, or otherwise change its status, so it can ensure that assets are used for nonprofit purposes. The Division received and reviewed 108 such notices last fiscal year. For charities and professional fundraisers, the Division reviews numerous tax returns, financial statements, and other registration documents for financial misuse, solicitation fraud, and other violations.

For its enforcement role, the Charities Division conducts informal and formal investigations into complaints and other allegations of fraud, misuse of funds, breaches of fiduciary duties, and other wrongdoing by regulated entities. Depending on the circumstances, investigations are resolved with a spectrum of remedies, from formal enforcement actions to voluntary education and compliance efforts. Through the enforcement of laws governing nonprofit and charitable organizations, the Charities Division helps combat fraudulent solicitations, deter fraud in the nonprofit sector, educate the public about charitable giving, and hold nonprofit organizations accountable for how they raise, manage, and spend charitable assets. At the same time, the Division works proactively with donors, charities, and nonprofit boards to provide education, outreach, technical assistance, and other support to strengthen the charitable giving sector and help prevent future violations.

The following is a *representative sample of some but not all* legal work performed, including investigations and lawsuits brought or resolved, by the Charities Division in FY 2021.

- ***In the Matter of the Otto Bremer Trust.*** In fiscal year 2021, the AGO continued its removal proceedings instituted against the trustees of the Otto Bremer Trust. The AGO asserted that trustees should be removed for breaching their fiduciary duties, failing to administer the trust effectively, and violating state laws governing charitable trusts—culminating in a hostile takeover attempt of OBT’s primary asset, Bremer Financial Corporation, in October 2019. The Office brought the action under the Attorney General’s authority as the chief law officer of the State, the supervisor of charitable trusts in Minnesota, and the sole representative of the beneficiaries of the OBT—the public at large. The case went to a bench trial on September 27, 2021.
- ***In the Matter of Hutchinson Health.*** In October 2020, the AGO secured an Assurance of Discontinuance with Hutchinson Health. The AGO launched an investigation under Minnesota law and the Hospital Agreement the AGO holds with all nonprofit hospitals in Minnesota. The Hospital Agreement protects patients against aggressive billing and debt collection practices and requires that hospitals meet certain standards of conduct imposed by their charitable missions. The AGO’s investigation revealed that Hutchinson unilaterally modified the terms of its payment plan policy, thereby raising the monthly payments due for some patients who were fully compliant with previously-agreed-upon payment plans. Under the Assurance, Hutchinson agreed to restore patients’ lowest available monthly payments and refrain from future misconduct. The Assurance further prevents Hutchinson from establishing a new payment plan policy that has the effect of increasing the monthly payments of then-existing payment plans and prohibited Hutchinson from erroneously threatening patients with collections for failing to pay their medical bills. In June 2021, the AGO’s settlement with Hutchinson resulted in \$184,000 in medical debt forgiveness and the opportunity for certain patients to receive a 40% discount on outstanding bills.
- ***State v. Pamela Fergus, aka Philando Feeds the Children.*** In June 2021, the AGO filed a lawsuit alleging that Pamela Fergus, a college professor, misused charitable funds that she raised in the name of Philando Castile. Ms. Fergus used crowdfunding web sites to solicit contributions in Mr. Castile’s name for the stated purpose of relieving student school lunch debt. The AGO’s investigation revealed that of the approximately \$200,000 raised, only about \$80,000 was donated to Saint Paul Public Schools, leaving approximately \$120,000 in charitable funds unaccounted for. The AGO’s lawsuit seeks, among other things, restitution to help ensure charitable assets are used consistently with donors’ intent. The case is currently in litigation.
- ***State v. PNW C2C Marketing, LLC (a/k/a Contributing 2 Combatants (“C2C”)).*** In March 2021, the AGO sued C2C, a Minnesota for-profit limited liability company, and its owner Jacob Choinski. C2C went door-to-door posing as a nonprofit organization and solicited donations for the stated purpose of sending care packages to troops serving overseas. Choinski spent the funds collected for his personal use. In August 2021, the AGO obtained a judgment of \$954,966 against C2C and Choinski. The State also obtained a permanent injunction against C2C from doing business in Minnesota and Choinski is permanently enjoined from having any involvement with Minnesota’s nonprofit sector.

## CONSUMER ACTION DIVISION

The Consumer Action Division serves two primary functions. First, it answers calls, correspondence, and on-line complaints from people, businesses, and other organizations who contact the consumer assistance division. Division staff are often able to answer questions and provide information over the phone, talk through consumer-related problems, and assist people in locating other government agencies that may be able to help address their concerns. In FY 2021, we answered more than 67,000 calls from the public. Some of the consumer topics people most commonly call about include health care, housing, credit reports, utilities, and transportation. The Division also answered calls on high-profile national and international issues, such as the murder of George Floyd and subsequent trial, the killing of Daunte Wright, the Enbridge Line 3 project, and callers with concerns about the enforcement of executive orders.

Second, the Consumer Action Division helps Minnesota residents informally mediate and resolve thousands of complaints with businesses and other organizations each year. We handled more than 13,000 files and arrived at settlements of more than \$7.8 million for Minnesota consumers. This figure represents a nearly 40% increase in settlements over the prior fiscal year, likely due to the financial impact of the pandemic on our constituents. This division also sent more than 450 letters to landlords who were in violation of the executive orders regarding eviction, assisted our wage theft unit with cases involving Spanish speakers, helped investigate executive order violations involving public safety, and participated in multiple consumer protection lawsuits by taking affidavits and doing other legal assistance work. Through its efforts to assist Minnesotans in these matters, the Division regularly eliminated the need for costly and time-consuming litigation for all parties.

Below is a *representative sample of some but not all* work performed by the Consumer Action Division in FY 2021.

- A consumer had close to \$13,000 of her wages garnished for an active judgement. Following the start of a new job, the consumer broke her ankle and underwent multiple surgical treatments, incurring more than \$40,000 in medical bills. Now on a fixed income, weekly post-treatment physical therapy expenses left the consumer next to nothing for disposable income. As the garnishment took effect, the consumer struggled to maintain payments on other medical debts. With an active wage garnishment taking nearly \$300 each paycheck, the resident was unable to afford to continue their post-treatment physical therapy. Through mediation, the Office established a bi-weekly voluntary wage assignment of \$75. With approximately \$225 back in their paycheck, the consumer was able to afford to continue physical therapy and to pay their other medical debts.
- In the wake of the pandemic, the Division received hundreds of complaints about travel costs through airlines, hotels, and other accommodations that would not provide refunds to consumers. Division staff reached working arrangements with several airlines that resulted in hundreds of thousands of dollars in refunds to consumers who were unable to take trips that they paid for due to the pandemic.

- A consumer contacted the Office because her power provider had shut electricity off to their multi-generational home that included children, adults, and an elderly grandmother. Residents had lost income due to the COVID-19 pandemic and one resident had a large bill carried over from a previous address to the family's shared address. One child had medical concerns which required specialized equipment. Division staff were able to negotiate to restore service, establish an affordable payment arraignment, and lead the consumer to assistance resources to address this and other financial crises.
- A constituent contacted the Division on behalf of her elderly uncle. Their uncle had been receiving treatment in a long-term care facility after his doctor determined that he was suffering from severe cognitive impairment. His insurance company determined, after an examination from their doctor, that her uncle did not qualify for benefits because his level of cognitive impairment did not meet the standards required under the policy, which resulted in out-of-pocket charges to the uncle in the amount of \$900 each week. After mediation, we were able to secure ongoing payments from the insurance company, as well as back payments amounting to nearly \$40,000.
- An elderly consumer applied for a line of credit to assist with long-term care expenses but was denied due to inaccurate information listed by a creditor on her credit report in the amount of nearly \$6,000. She contacted the creditor, who was not willing to remove the information. After Division staff reached out to the creditor on her behalf and provided evidence that the consumer did not accrue the debt, the creditor removed the information from her credit report and the consumer was able to qualify for the line of credit.
- While there is not enough space to provide details of all of the actions we undertook for Minnesota residents, here are additional representative examples: mediated for refunds for cancelled concerts and other entertainment, documented anti-Asian sentiment related to the pandemic, documented public sentiment on George Floyd and Daunte Wright killings, assisted with utility shutoffs, assisted with mortgage modifications, handled healthcare billing disputes, mediated student debt concerns, and many others.

## **CONSUMER, WAGE, AND ANTITRUST DIVISION**

The Consumer, Wage, and Antitrust Division investigates violations of and enforces State laws, including Minnesota's laws prohibiting consumer fraud, deceptive trade practices, false advertising, and wage theft. The Division also investigates potential violations of state and federal antitrust laws and enforces these laws when it uncovers evidence of anticompetitive conduct.

The Division conducts investigations and acts where appropriate to stop and deter fraud, anticompetitive conduct, and other unlawful practices in business, commerce, or trade and to protect consumers and workers. The Division also participates in numerous coordinated investigations of potential fraudulent or anticompetitive conduct by multiple state and federal enforcers of consumer protection, worker protection, and antitrust laws, including other state

attorneys general, the U.S. Department of Justice, and the Federal Trade Commission (“FTC”) and the Consumer Financial Protection Bureau (“CFPB”).

Below is a *representative sample of some but not all* investigations and suits brought or resolved by the Consumer, Wage, and Antitrust Division in FY 2021.

### **COVID-19-RELATED CONSUMER PROTECTION ENFORCEMENT ACTIVITIES**

The Division played a critical role in protecting Minnesotans from a number of harms that have resulted from the ongoing COVID-19 pandemic. This work has included reviewing and enforcing executive orders related to price-gouging and the evictions moratorium, as well as working to stop COVID-19-related scams and wage theft. In addition, the Division has acted to protect the health and safety of Minnesotans and help stop the community spread of COVID-19 by enforcing public health protective executive orders that restricted the operations of restaurants, bars and other places of public accommodation.

- **Pandemic Price-Gouging.** The Division proactively enforced Executive Order 20-10, which prohibited pandemic profiteering of essential items—such as face masks, gloves, hand sanitizer, toilet paper, and eggs—during the COVID-19 peacetime emergency. During the peacetime emergency, the Division received and investigated more than 2,600 price-gouging complaints.

Where appropriate, the Division has also taken legal action to put an end to COVID-19 price-gouging. For example, the Division sued egg producer Sparboe Farms in September 2021 related to price increases it implemented during the peacetime emergency in violation of Executive Order 20-10. The lawsuit alleges that Sparboe Farms increased the prices of its eggs by more than 200% in March and April 2020 and made about \$2.1 million as a direct result of these violative increases. The action asks the court to award disgorgement, restitution, civil penalties, and reimbursement of the costs and expenses of the Office in investigating and bringing the lawsuit.

- **Evictions and Lease Termination Moratorium.** During the Peacetime Emergency, the Division enforced the Governor’s Executive Orders that restricted certain eviction actions and lease terminations, including Orders 20-14 and 20-79. The Executive Order regarding landlords and tenants ended on June 29, 2021, when phaseout legislation passed by the Legislature took effect.

During the Peacetime Emergency, more than 3,200 tenants reported to the Office that their landlord may have violated these Executive Orders, and many of them reported that they feared they would be removed from their home with no place to shelter during the pandemic. Some individual reports detailed violations that affected multiple individuals, or multiple units of a large building. The Office’s attorneys and investigators quickly responded to these reports by calling and educating the landlords on the relevant law as well as to obtain the landlords’ compliance with the Executive Orders. Most landlords agreed to cease their efforts to evict after such calls. In some cases, however, landlords refused to comply with the law. When this happened, the Division swiftly filed

enforcement actions in court and obtained temporary restraining orders to protect the health and safety of tenants during the pandemic.

The Division filed nine such enforcement actions. All but one has settled favorably, with one lawsuit still pending. This important enforcement work remains ongoing, as the Office continues to receive reports of landlords who violated the Executive Orders when the Peacetime Emergency was in effect.

- **COVID-19-Related Consumer Protection Actions.** The Division has taken action to protect consumers from scams and other consumer-protection violations that have emerged because of the COVID-19 pandemic. For example, following an investigation, the Division obtained refunds for harmed residents of an Edina assisted-living facility that was charging for advertised monthly “Wellness Visits” that it was not providing due to the pandemic. As another example, the Division obtained full refunds totaling approximately \$665,000 for Minnesota high school students and their families whose European “Ambassadors of Music” tour was cancelled as a result of the pandemic. The students’ travel company, Voyageurs International, had deceptively retained a \$1,900 “cancellation fee” for each participant.
- **Businesses’ Compliance with COVID-19 Safety Requirements, including Bars and Restaurants and Other Places of Public Accommodation.** Since the beginning of the pandemic, the Division investigated approximately 700 complaints regarding businesses’ noncompliance with Executive Orders that temporarily restricted the operations of bars, restaurants, gyms, and other places of public accommodation. As appropriate, the Division contacted the businesses, investigated the complaints, and referred the complaints to other relevant agencies that also have enforcement authority related to the subject of the complaint. Although most businesses were compliant with the emergency Executive Orders, violations did occur, and litigation was sometimes necessary as a last resort. During the Peacetime Emergency, the Division filed 13 such enforcement actions. Four of these actions are ongoing, and the rest have been resolved on terms favorable to the State.

## CONSUMER PROTECTION

### FRAUDULENT MARKETING PRACTICES OF OPIOID MANUFACTURERS AND DISTRIBUTORS

The national opioid epidemic continues to ravage the nation, including in Minnesota where 654 Minnesotans died from opioid-related overdoses in 2020, a 59% increase from 2019. The actions the Office has taken against manufacturers and distributors that have caused this damage include:

- ***State of Minnesota v. Purdue Pharma L.P., et al.*** In July 2018, the Office filed suit against OxyContin manufacturer Purdue Pharma, alleging that Purdue misrepresented the risks of opioid addiction and the benefits of long-term opioid use. In August 2019, the Office filed an amended complaint adding members of the Sackler family, the owners of Purdue Pharma, as co-defendants. Purdue filed for bankruptcy in September 2019 and,

over the objections of the Office and many other states, convinced the bankruptcy judge to halt all litigation against the company and the Sacklers. The Office pursued Minnesota's interests within the bankruptcy by working to maximize the value of the state's recovery from Purdue and the Sackler family. In July 2021, this Office reached a multistate settlement with Purdue and the Sackler family for payments of more than \$4.3 billion over 10 years. Minnesota's share of those payments is expected to exceed \$50 million, much of which will be put into Minnesota's opioid abatement fund overseen by the Opioid Epidemic Response Advisory Council and paid to local units of government. These funds will be used to address the harm of the opioid crisis in Minnesota. The settlement also provides for unprecedented public disclosure of more than 30 million documents, including attorney-client privileged documents, which will ensure that Purdue and the Sackler family are held accountable by allowing the public to directly view the evidence of their misconduct. The settlement agreement is subject to approval by the bankruptcy court and resolution of appeals.

- **Distributors and Johnson & Johnson Settlements.** In August 2021, this Office joined historic \$26 billion multistate settlement agreements with pharmaceutical distributors McKesson, Cardinal Health, and Amerisource Bergen, and opioid manufacturer Johnson & Johnson. The settlement agreements resolve investigations into the companies' roles in distributing and marketing opioids. Minnesota's share of the settlements depends on the participation of Minnesota cities and counties in the settlement. The spending of State of Minnesota funds from the agreement will be overseen by the Opioid Epidemic Response Advisory Council and other funds will be paid directly to local governments. These settlements remain subject to sign-on by local governments and final approval by the companies. The Attorney General has convened an advisory panel of local public-health officials, first responders, and service providers from around Minnesota, as well as representatives of State agencies, local-government associations, and legislators to make a recommendation about how best to allocate and distribute money from this settlement so that it can serve the most Minnesotans in the greatest need the fastest.
- ***State of Minnesota v. McKinsey & Company, Inc.*** In February 2021, the Office joined a multistate coalition of attorneys general in reaching a \$573 million settlement with McKinsey & Company, one of the world's largest consulting firms. The settlement resolved investigations into the company's role in working for opioid companies, helping those companies promote their drugs, and profiting from the opioid epidemic. Minnesota's share of the settlement is nearly \$8 million, \$6.6 million of which has already been paid. The remainder will be paid over four years. The entire settlement sum will be placed into the opioid abatement fund and used to abate the opioid crisis in the state.
- ***Mallinckrodt Bankruptcy.*** In October 2020, the Office joined a \$1.6 billion multistate settlement with opioid manufacturer Mallinckrodt. As part of the settlement, the company entered bankruptcy and will pay Minnesota and other states after final approval of the bankruptcy plan. Minnesota's share of those payments, which will total approximately \$20 million, will be put into Minnesota's opioid abatement fund overseen by the Opioid Epidemic Response Advisory Council. As part of the settlement,

Mallinckrodt disclosed about 1.4 million documents to this Office, which will be published in a document repository established by the University of California San Francisco and Johns Hopkins University. The settlement and bankruptcy plan remain subject to creditor voting and confirmation by the bankruptcy judge.

## **PROTECTING THE RIGHTS OF RESIDENTIAL TENANTS**

The Office has and continues investigating violations of the consumer-protection laws in the residential rental marketplace.

- ***State of Minnesota v. Stephen Meldahl, et al.*** The Office filed suit against North Minneapolis landlord Steven Meldahl for including numerous misleading and deceptive provisions in his leases with tenants. Among other things, the complaint alleges these fraudulent lease provisions misrepresent tenants' legal rights to habitable housing, unlawfully shift the burden of making normal housing repairs onto tenants, misrepresent that tenants cannot have their homes inspected by local authorities without Meldahl's permission, and charge unlawful late fees. The Office secured a temporary injunction requiring Meldahl to seek inspections of all his rental properties, inform his tenants of their right to request inspections from local authorities, and to stop charging unlawful late fees by increasing his tenants' rent. Trial in the matter concluded and a final judgment is expected in November 2021.
- ***State v. Schierholz and Associates, Inc. d/b/a Broadmoor Valley.*** In August 2021, the Office filed suit alleging that Schierholz failed to maintain the Broadmoor Valley manufactured home park in Marshall and its roads to the standards required by Minnesota law. The complaint alleges that Schierholz inserted misleading and deceptive provisions in its leases, and that residents were charged late fees above the legal limit and other fees prohibited by law. The complaint also alleges that Schierholz retaliated against residents and interfered with the resident association's protected right to freedom of expression within the park. As part of the lawsuit, the Office is seeking, among other things, to permanently stop Schierholz's deceptive conduct, illegal fees, and retaliatory acts, obtain monetary relief for residents who were charged illegal fees, and to abate the substandard conditions of the park and its roads. Litigation in this matter is ongoing.

## **PROTECTING THE RIGHTS OF STUDENTS AND TAX DEBTORS**

- ***State v. Minnesota School of Business, Inc. & Globe University, Inc.*** The Office brought an enforcement action for fraud and illegal lending against Minnesota School of Business ("MSB") and Globe University ("Globe") in 2014, which was litigated through trial in 2016. The court found in favor of the State, ordered partial refunds for borrowers on illegal loans, and instituted a process for students harmed by fraud to claim restitution. Appeals over those rulings were completed in 2019, including a final ruling by the Minnesota Supreme Court in September 2019 upholding the district court's order for restitution in favor of the State.

Following those appeals, the schools filed for Chapter 11 bankruptcy in November 2019, though the state court proceedings continued to resolve remaining issues. The State successfully moved to appoint a Chapter 11 trustee in March 2020. The State also completed the notice-and-claims process ordered for the students affected by MSB/Globe's fraudulent marketing of its criminal-justice program and a dispute resolution process with the schools and their owners through 2020. The State, the Chapter 11 Trustee, the U.S. Department of Education, and MSB/Globe's equity ownership reached a global resolution of that claims process and the schools' objection to the State's creditor claim in 2021. The resolution involves \$23 million in federal student loan debt relief and nearly \$16 million in additional restitution in favor of Minnesota consumers affected by the schools' misconduct. Restitution checks began to be distributed to claimants of the former "criminal justice" program on September 30. Restitution checks for borrowers of the schools' illegal loans will soon follow. The State expects the process to be completed by the end of 2021. The total amount of financial relief secured for former students from the Attorney General's litigation against MSB and Globe, including debt forgiveness and restitution, exceeds \$46.3 million.

#### **STUDENT-LOAN AND TAX-DEBT SETTLEMENT SCAMS**

The Division has ongoing investigations and litigation against numerous debt-settlement companies, which charge consumers hundreds or thousands of dollars of illegal upfront fees in exchange for deceptive promises of debt forgiveness that never materialize. In addition to violations of Minnesota's consumer-fraud laws, these companies fail to register as debt-settlement service companies in violation of the Debt Settlement Services Act. The Attorney General's Office has achieved the following results against these scams:

- ***CFPB v. Consumer Advocacy Center, Inc., et al.*** The Office's joint lawsuit with the CFPB, North Carolina, and City of Los Angeles continues against numerous related southern California companies and their owners and officers for running a fraudulent student-loan debt-settlement scam. Minnesota, along with the other plaintiffs, have reached settlement with several of the defendants for significant injunctive relief, millions of dollars in redress to consumers nationwide, and civil penalties. Litigation continues with the remaining defendants.
- **Assurances of Discontinuance.** The Office secured Assurances of Discontinuance from two student-loan debt-settlement companies—Document Assist Center and Capital Student Loan Center—requiring them to cease doing business in Minnesota and provide full refunds of the fees they collected from Minnesota consumers, totaling almost \$30,000.
- ***State of Minnesota v. Wall & Associates, Inc.*** The Office filed suit against a Virginia-based tax-debt-settlement company that falsely claimed to have local offices in Minnesota. The company further deceived consumers into paying thousands of dollars in upfront fees based on misrepresentations that it would settle their outstanding tax debt for 10% of what they owed. The Office has prevailed in numerous discovery motions and litigation is ongoing.

## WAGE THEFT

The Minnesota Attorney General's Office Wage Theft Unit was created in June 2019. The Wage Theft Unit's goal is to protect and advance the economic rights of all Minnesotans by investigating and litigating cases involving unlawful patterns and practices affecting economic rights, and other persistent issues that cause workers in Minnesota not to receive the wages they have earned. The Unit monitors emerging labor and employment issues and engages in dialogue with other governmental entities, community groups, labor, and the business community to increase awareness of economic-rights issues and to identify unlawful practices. The Unit is deepening partnerships with local, state, and federal agencies to strategically enforce the law to achieve maximum compliance. In doing so, the Unit benefits both workers whose rights have been violated and employers who respect workers and follow the law. The Unit is engaged in numerous non-public investigations related to violations of Minnesota's wage and hour laws, as well as the following:

- ***In the Matter of Biltwell Restaurant, LLC and Related Bartmann Companies.*** As the result of an investigation conducted by the Wage Theft Unit, the Bartmann Companies, a Minnesota-based restaurant group that consists of numerous restaurants in the Twin Cities area, will pay its workers more than \$230,000 to compensate them for its failure to pay owed back wages and overtime wages. The settlement provides affected workers with the full back wages and overtime wages they are owed as well as overtime liquidated damages. The settlement also requires the Bartmann Companies to establish a written overtime policy that specifically addresses sharing workers between companies.
- ***In the Matter of Loving Care Home Services, Inc.*** The Wage Theft Unit investigated a home health and nanny company, Loving Care Home Services, Inc., for failure to pay back wages and overtime wages to its low-wage home health and nanny employees. Loving Care agreed to a settlement with the Division providing full back wages, overtime wages, and liquidated damages, totaling approximately \$40,000 to 60 employees. The settlement also requires Loving Care to put a written overtime policy in place and to comply with Minnesota's recordkeeping requirements for employers.
- ***New York, et al. v. Scalia, et al.*** On February 26, 2020, Minnesota joined with sixteen states and the District of Columbia in filing a lawsuit seeking to strike down a new rule issued by the U.S. Department of Labor ("U.S. DOL") that would have substantially weakened the ability of employees to hold affiliated businesses jointly liable for their unpaid minimum and overtime wages, through the longstanding "joint employer doctrine." The proposed U.S. DOL rule would have substantially weakened and narrowed this doctrine to the detriment of workers by making it significantly more difficult to hold a parent company responsible where it has multiple affiliate companies operating under one umbrella. The States argued that the rule was contrary to the language and purpose of the federal Fair Labor Standards Act and that the promulgation of the rule was arbitrary and capricious in violation of the Administrative Procedure Act. On summary judgment, the district court ruled in favor of the States and struck down

U.S. DOL's rule. Subsequently, U.S. DOL issued a new rule rescinding its attempted changes to the joint employer doctrine and in alignment with the position of the states.

## ANTITRUST

- **Generic Drug Price Manufacturers.** Minnesota and a coalition of states and territories have filed three complaints in federal court against a variety of generic-drug manufacturers and executives. The first complaint is against 18 pharmaceutical companies and 2 individuals. Two former executives from Heritage Pharmaceuticals have entered into settlement agreements and are cooperating with the attorneys general in that case. The second complaint is against 20 pharmaceutical companies and 15 individuals. The third complaint was filed in June 2020 and is against 26 pharmaceutical companies and 10 individuals. The states are preparing for trial in this case. All three of the complaints allege that the defendants violated state and federal antitrust laws by conspiring to fix prices and allocate markets for more than 180 generic drugs. The lawsuits seek injunctive relief, civil penalties, damages, and disgorgement. Litigation is ongoing.
- **Google Lawsuits.** Minnesota has joined with a large coalition of attorneys general offices from across the country in filing two separate lawsuits against Google. The first lawsuit deals with Google's monopoly in "general search" and the second lawsuit involves the Google Play Store, which is the only practical way to acquire new apps on Android-powered mobile devices. Litigation in these cases is ongoing.
- **Facebook Lawsuit.** Minnesota also joined with a large coalition of attorneys general offices in filing a lawsuit against Facebook, alleging that Facebook engaged in several illegal, anticompetitive behaviors to acquire and maintain its current monopoly in personal social networking. This lawsuit is on appeal of a dismissal ruling.
- **Deceptive Insulin Pricing.** *State of Minnesota v. Sanofi-Aventis U.S., LLC, et al.* The Office filed a lawsuit against the nation's three major manufacturers of insulin, which is used to treat diabetes. The lawsuit alleges that these insulin manufacturers fraudulently set an artificially high "list" price for their insulin products, but then negotiated a much lower, secret actual price by paying rebates to pharmacy benefit managers. The lawsuit alleges that this deceptive conduct resulted in the manufacturers' life-saving insulin products being far more expensive for uninsured patients, patients in high-deductible health plans, and senior citizens on Medicare. The lawsuit was filed in the United States District Court for the District of New Jersey and seeks injunctive and monetary relief for Minnesotans who paid out-of-pocket for their insulin. Minnesota's claims of consumer fraud and deceptive trade practices survived the defendants' first and second motions to dismiss. The case remains in the discovery phase. Litigation is ongoing.
- **Agricultural and Food Industry Practices and Pricing.** The Division continues to focus its resources on issues of particular importance to farmers, the agricultural and food sectors, and rural Minnesotans. Although details of the Division's investigations remain confidential and non-public, the matters involve important aspects of the livestock and

other protein production, food supply chain, and other agricultural and food products of importance in Minnesota. The Division will continue to keep this focus over the upcoming year.

- **Other Multi-Jurisdictional Activity.** The Division actively partners with state and federal antitrust enforcement authorities on a variety of advocacy and enforcement matters. While details of ongoing investigations remain non-public, this work has allowed the Division to expand its capacity to review the competitive effects of mergers in many industries, including health care and technology, and investigate suspected collusive conduct among competitors. Additionally, the Division has partnered with other states to file amicus briefs arguing in support of jurisprudence that protects consumers from competitive harm and corresponding with Congress to advocate for legislation that would lead to more robust antitrust enforcement.

## RESIDENTIAL UTILITIES DIVISION

The division represents the interests of residential and small-business utility consumers in the complex and changing electric, natural gas, and telecommunications industries, particularly with regard to utility rates, reliability of service, and service-quality issues. The Division's work supports Minnesota's economy and quality of life by making sure that utilities' rates are reasonable, their expenses are prudent, and that customers receive high quality service. This is essential to ensure that the state's citizens and small businesses are not burdened by excessive costs or poor reliability for these necessary services.

Below is a *representative sample of some but not all* legal work performed by the Division in FY 2021.

- **Utility Rate Cases.** Utility rate cases are the primary means for the Public Utilities Commission ("PUC") to establish the amount that utility customers pay. The PUC decides how much utilities should recover for providing electric or natural gas service, the amount that different ratepayer groups pay (i.e. residential customers, industrial customers, commercial customers etc.), and how much of these costs will be "fixed" or vary with the amount of energy consumed. This past year, two utilities sought to increase the cost of electricity. They also sought to apply these increases disproportionately on residential customers and to increase the amount of fixed charges that residential customers must pay to simply access utility service. These utilities serve customers in large swaths of the Metro area and Greater Minnesota. The RUD intervened in these cases. In one rate case, involving Xcel Energy, the RUD successfully advocated for a "stay out" in which the utility agreed to withdraw its rate case for one year. The stay out, which was approved by the PUC, ensured that residential customers would not receive a rate increase during 2021. The second rate case, involving Otter Tail Power, is ongoing. The RUD's advocacy in that case has focused on reducing the amount of the increase on all customers, and ensuring that any rate increase is shared proportionally, so that residents and small businesses were not subjected to large price hikes. The RUD anticipates that up to up to four more Minnesota utilities will file requests to increase

rates in the next fiscal year. These utilities jointly serve millions of Minnesotans all over the state.

- **Natural Gas Price Spike.** In February 2021, Winter Storm Uri caused extreme cold across the entire mid-continent of the United States. This resulted in disruptions to the wholesale natural gas markets that serve natural gas utilities. During a period of approximately one week, Minnesota’s natural gas utilities spent an additional \$800 million on natural gas. The utilities then sought to pass these costs along to their customers. The PUC opened an investigation to determine whether these increased costs were prudent, and how any prudent costs should be recovered. The RUD conducted an examination and filed a report to the PUC recommending that approximately \$380 million of the utilities’ claimed increased costs were not prudent, could have been avoided, and should not be recovered from ratepayers. In addition, the RUD supported a mechanism that would extend recovery of any prudently-incurred costs over a two-year time period, and shield low-income customers from incurring higher costs. The PUC’s investigation is ongoing, and we anticipate a decision in the next fiscal year.
- **Minnesota Power’s Attempt to Recover “Lost Revenue.”** In November 2020, Minnesota Power asked the PUC to allow it to track \$32 million in reduced revenues that resulted from decreased electric usage caused by the economic slowdown. If Minnesota Power could track these reduced revenues, it could later seek to recover them from all ratepayers. At the time, the utility had just received a \$36 million rate increase, and committed not to seek another increase before November 2021. The RUD opposed this request for four reasons: (1) the utility’s request undermined its commitment to not seek a rate increase before November 2021; (2) utility rates include a return that compensates shareholders for the risk of reduced sales; (3) Minnesota Power routinely experiences the cyclical nature of its large customers and the greater economy, and; (4) the utility focused on only two customers that reduced operations, while ignoring any customers who may have increased their sales. The PUC denied Minnesota Power’s petition, saving ratepayers \$32 million.

**APPENDIX A: SERVICE HOURS**

**By Agency or Political Subdivision for FY 2021**

<b>Agency/Political Subdivision</b>	<b>Estimated Service Hours (1)</b>	<b>Actual Service Hours</b>	<b>Estimated Expenditures</b>	<b>Actual Expenditures (2)</b>
<b>Partner Agencies</b>				
Administration--Risk Management		445.0		\$ 56,823.40
AURI		0.0		\$ -
Corrections (3)		2,581.7	\$ 399,600.00	\$ 343,370.54
Education Department		3,527.7		\$ 469,126.50
Environmental Quality Board		91.9		\$ 12,222.70
Gambling Control Board		76.5		\$ 10,174.50
Health		5,939.4		\$ 774,975.20
Housing Finance Authority		172.5		\$ 22,942.50
Human Services		25,134.4		\$ 3,257,560.00
Iron Range Resources & Rehabilitation		10.2		\$ 1,356.60
Labor and Industry Department (3)		6,320.1		\$ 711,937.40
Lottery		28.9		\$ 3,843.70
Medical Practices Board	6,437.0	6,430.5	\$ 635,321.00	\$ 726,294.90
Minnesota Racing Commission		53.9		\$ 7,168.70
Minnesota State Retirement System		577.2		\$ 76,767.60
Minnesota State		4,541.2		\$ 596,150.80
MNsure		189.1		\$ 25,150.30
Natural Resources		3,756.0		\$ 490,373.90
Petroleum Tank Release Compensation Board		30.7		\$ 4,083.10
Pollution Control		6,115.8		\$ 754,243.30
Public Employees Retirement Association		63.2		\$ 8,405.60
Public Safety (3)		10,120.4		\$ 1,166,565.20
Revenue (3)	4,300.0	4,300.0		\$ 571,900.00
Teachers Retirement Association		146.8		\$ 19,524.40
Transportation		7,952.0		\$ 1,050,663.90
<b>TOTAL PARTNER AGENCIES</b>	<b>10,737.0</b>	<b>88,605.1</b>	<b>\$ 1,034,921.00</b>	<b>\$ 11,161,624.74</b>
<b>Health Boards/Offices</b>				
Behavioral Health & Therapy Board		1,624.9		\$ 164,804.50
Board of Executives for Long Term Services & Supports		52.7		\$ 5,785.10
Chiropractic Board		1,613.2		\$ 180,394.00
Dentistry Board		1,014.0		\$ 117,265.20
Dietetics & Nutrition Practice Board		41.7		\$ 5,546.10
Emergency Medical Services Regulatory Board		670.7		\$ 77,553.50
Health Professionals Services Program		58.4		\$ 7,767.20
Licensed Drug & Alcohol Counselor Program		1,698.8		\$ 165,647.60
Marriage & Family Therapy Board		370.9		\$ 38,438.50
Nursing Board		5,977.5		\$ 687,468.30
Occupational Therapy Board		33.4		\$ 4,442.20
Optometry Board		104.9		\$ 13,951.70
Pharmacy Board		1,622.4		\$ 207,076.80
Physical Therapy Board		534.6		\$ 65,452.20
Podiatry Board		44.9		\$ 5,971.70
Psychology Board		1,257.6		\$ 132,600.00
Social Work Board		1,508.1		\$ 148,022.10
Veterinary Medicine Board		375.7		\$ 42,772.90
<b>SUBTOTAL</b>		<b>18,604.4</b>		<b>\$ 2,070,959.60</b>
<b>Other State Agencies/Political Subdivisions</b>				

911 Public Safety Program		13.1	\$	1,742.30
Accountancy Board		216.0	\$	28,728.00
Administration Department		832.8	\$	110,426.40
Administrative Hearings Office		73.6	\$	9,788.80
Agriculture Department		281.1	\$	37,386.30
Agriculture Chemical Response Compensation Board		20.1	\$	2,673.30
Amateur Sports Commission		0.8	\$	106.40
Animal Health Board		213.2	\$	28,355.60
Architecture Board		323.2	\$	42,625.60
Barber Board		186.0	\$	24,738.00
Board on Aging		44.5	\$	5,918.50
Campaign Finance Board		169.9	\$	20,580.70
Capitol Area Architectural Planning Board		36.8	\$	4,894.40
Center for Arts Education		76.2	\$	10,134.60
Client Security Board		164.7	\$	18,017.10
Commerce Department		5,536.6	\$	735,940.30
Commission Serving Deaf and Hard of Hearing		6.5	\$	864.50
Corrections Department (3)		4,616.0	\$	584,657.96
Corrections Department/Community Notification		1,692.7	\$	198,513.10
Cosmetology Examiners Board		317.5	\$	42,227.50
Council for Minnesotans of African Heritage		2.3	\$	305.90
Council on Latino Affairs		1.8	\$	239.40
Crime Victims Reparations Board		162.9	\$	20,777.70
Disability Council		85.9	\$	11,415.10
Employment & Economic Development Department		614.4	\$	80,121.60
Executive Council		10.8	\$	1,436.40
Explore Minnesota Tourism		26.3	\$	3,497.90
Firefighter Training & Education Board		22.8	\$	3,032.40
Governor's Office		2,496.4	\$	326,333.20
Higher Education Facilities Authority		1.7	\$	226.10
Human Rights Department		1,449.3	\$	187,443.30
Indian Affairs Council		3.7	\$	492.10
Judiciary Courts		428.0	\$	56,588.00
Labor and Industry Department (3)		5,391.2	\$	588,467.20
Land Exchange Board		1.5	\$	199.50
Law Examiner's Board		241.5	\$	32,119.50
Lawyers Professional Responsibility Board		51.4	\$	6,764.20
Legislature		34.8	\$	4,364.40
Legislature Auditor's Office		0.7	\$	93.10
Mediation Services Bureau		55.3	\$	7,354.90
Military Affairs Department		46.9	\$	6,237.70
Minnesota Management & Budget		1,077.3	\$	138,581.70
Minnesota State Academies		44.7	\$	5,906.70
MN.IT Services Office		226.0	\$	29,885.20
Office of Higher Education		161.8	\$	21,519.40
Ombudsman for Long Term Care		2.8	\$	372.40
Ombudsman for Mental Health & Developmental Disabilities		11.4	\$	1,516.20
Ombudsperson for Corrections		9.2	\$	1,223.60
Ombudsperson for Families		19.6	\$	2,606.80
Peace Officers Standards and Training Board		320.4	\$	42,613.20
Private Detective Board		231.9	\$	30,842.70
Professional Educator Licensing & Standards Board		1,305.4	\$	173,128.60
Public Defender, Local		273.2	\$	35,015.60
Public Defender, State		46.6	\$	6,097.00
Public Facilities Authority		11.7	\$	1,556.10
Public Safety Department (3)		21,850.7	\$	2,631,765.50
Public Utilities Commission		3,467.4	\$	458,705.20
Revenue Department (3)		3,132.5	\$	410,574.50
Rural Finance Authority		4.5	\$	598.50
School Administrators Board		86.2	\$	11,464.60
Secretary of State		4,117.0	\$	542,185.00

State Arts Board		3.7	\$	492.10
State Fair Board		5.1	\$	678.30
State Guardian Ad Litem Board		477.3	\$	62,559.30
State Historical Society		16.1	\$	1,781.30
State Investment Board		168.8	\$	22,378.40
Tax Court		12.2	\$	1,622.60
Veterans Affairs Department		254.2	\$	32,445.40
Veterans Homes		100.2	\$	13,326.60
Water & Soil Resources Board		1,029.0	\$	136,857.00
Workers Comp Court of Appeals		3.8	\$	467.00
Zoological Board		40.1	\$	5,011.70
<b>SUBTOTAL</b>		<b>64,461.7</b>	<b>\$</b>	<b>8,069,607.16</b>
<b>Medicaid Fraud Control Unit Investigations and Prosecutions</b>				
Aitkin County Attorney		464.3	\$	57,887.90
Anoka County Attorney		836.6	\$	83,077.40
Carlton County Attorney		45.5	\$	4,371.50
Chisago County Attorney		204.7	\$	22,377.10
Cottonwood County Attorney		191.6	\$	19,554.80
Crow Wing County Attorney		272.1	\$	26,402.10
Dakota County Attorney		442.6	\$	39,013.00
Hennepin County Attorney		20,920.2	\$	2,025,911.40
Isanti County Attorney		68.0	\$	6,212.00
Nobles County Attorney		687.5	\$	82,879.10
Olmsted County Attorney		87.6	\$	8,929.20
Otter Tail County Attorney		19.8	\$	1,961.40
Polk County Attorney		178.4	\$	16,959.20
Ramsey County Attorney		4,771.4	\$	454,385.00
Rice County Attorney		1,995.3	\$	179,118.90
Sherburne County Attorney		7.7	\$	808.10
St. Louis County Attorney		36.4	\$	4,558.00
Stearns County Attorney		7.5	\$	637.50
Steele County Attorney		38.0	\$	3,230.00
Traverse County Attorney		56.8	\$	6,575.20
Winona County Attorney		317.4	\$	29,715.00
Wright County Attorney		0.5	\$	42.50
<b>SUBTOTAL</b>		<b>31,649.9</b>	<b>\$</b>	<b>3,074,606.30</b>
<b>Other Local Government Assistance</b>				
Aitkin County Attorney		421.5	\$	50,553.90
Becker County Attorney		1,653.5	\$	194,941.10
Benton County Attorney		244.0	\$	29,956.00
Big Stone County Attorney		2.8	\$	372.40
Blue Earth County Attorney		86.2	\$	11,416.60
Brown County Attorney		215.1	\$	24,768.30
Carlton County Attorney		569.5	\$	70,703.50
Carver County Attorney		7.5	\$	637.50
Cass County Attorney		213.0	\$	26,241.00
Chippewa County Attorney		226.9	\$	29,865.70
Chisago County Attorney		245.2	\$	25,747.60
Clay County Attorney		409.8	\$	50,495.40
Clearwater County Attorney		1,006.8	\$	118,856.40
Cottonwood County Attorney		283.6	\$	34,982.80
Dakota County Attorney		1.0	\$	133.00
Dodge County Attorney		34.4	\$	4,071.20
Douglas County Attorney		187.1	\$	24,836.30
Faribault County Attorney		111.8	\$	14,461.40
Freeborn County Attorney		363.4	\$	37,445.80
Grant County Attorney		214.2	\$	27,005.40
Hennepin County Attorney		7,311.4	\$	894,205.00
Houston County Attorney		4.0	\$	532.00

Hubbard County Attorney		206.3		\$ 22,853.90
Isanti County Attorney		364.2		\$ 45,966.60
Itasca County Attorney		3.5		\$ 417.50
Jackson County Attorney		170.0		\$ 22,490.00
Kanabec County Attorney		24.0		\$ 3,192.00
Kandiyohi County Attorney		66.8		\$ 8,812.40
Le Sueur County Attorney		557.1		\$ 58,863.90
Lincoln County Attorney		180.5		\$ 19,926.50
Lyon County Attorney		208.5		\$ 27,634.50
Martin County Attorney		322.7		\$ 38,503.10
Meeker County Attorney		76.5		\$ 9,814.50
Mille Lacs County Attorney		259.9		\$ 34,317.10
Morrison County Attorney		326.8		\$ 36,850.00
Mower County Attorney		0.5		\$ 66.50
Nicollet County Attorney		419.5		\$ 47,033.50
Nobles County Attorney		54.6		\$ 7,261.80
Otter Tail County Attorney		889.3		\$ 108,868.90
Pennington County Attorney		900.0		\$ 105,540.00
Pipestone County Attorney		157.2		\$ 19,323.60
Ramsey County Attorney		58.0		\$ 6,739.60
Renville County Attorney		833.7		\$ 106,946.10
Roseau County Attorney		0.1		\$ 13.30
Scott County Attorney		190.0		\$ 19,966.00
Sibley County Attorney		169.0		\$ 20,653.00
St. Louis County Attorney		878.8		\$ 116,491.60
Stearns County Attorney		292.9		\$ 38,874.10
Steele County Attorney		294.2		\$ 36,296.60
Stevens County Attorney		63.5		\$ 6,285.50
Swift County Attorney		126.3		\$ 16,797.90
Todd County Attorney		440.7		\$ 47,587.50
Traverse County Attorney		29.2		\$ 3,859.60
Wabasha County Attorney		202.2		\$ 23,844.60
Wadena County Attorney		368.5		\$ 38,594.50
Waseca County Attorney		47.4		\$ 6,304.20
Wilkin County Attorney		2.0		\$ 266.00
Winona County Attorney		230.4		\$ 27,715.20
Association of County Attorneys		32.6		\$ 4,335.80
Various Local Governments		172.2		\$ 22,350.60
<b>SUBTOTAL</b>		<b>23,432.3</b>		<b>\$ 2,833,886.30</b>
<b>TOTAL PARTNER/SEMI-PARTNER AGENCIES (from page A-1)</b>		<b>88,605.1</b>		<b>\$ 11,161,624.74</b>
<b>TOTAL NON-PARTNER AGENCIES SUBDIVISIONS</b>		<b>138,148.3</b>		<b>\$ 16,049,059.36</b>
<b>GRAND TOTAL HOURS/EXPENDITURES</b>		<b>226,753.4</b>		<b>\$ 27,210,684.10</b>
Notes:				
(1) The projected hours of service were agreed upon mutually by the partner agencies and the AGO. Actual hours may reflect a different mix of attorney and legal assistant hours than projected originally.				
(2) Billing rates: Attorney \$133.00, Attorney Fellowship1 \$56.00, Attorney Fellowship2 \$68.00 and Legal Assistant \$85.00				
(3) A number of agencies signed agreements for a portion of their legal services.				

**APPENDIX B: SPECIAL ATTORNEY EXPENDITURES  
FOR FY 2021, BY AGENCY/POLITICAL SUBDIVISION**

<b>AGENCY/POLITICAL SUBDIVISION</b>	<b>Amount</b>
Administration	\$ 827,739.91
Attorney General	\$ 271,667.54
Education	\$ 86,756.65
Labor and Industry	\$ 1,472.40
Lottery	\$ 4,285.00
Minnesota Management & Budget	\$ 32,739.00
Minnesota State	\$ 5,391.45
Minnesota State Retirement System	\$ 3,960.00
Public Employees Retirement Association	\$ 13,828.50
Teachers Retirement Association	\$ 24,634.52

Notes:

(1) A portion of certain Attorney General costs were reimbursed by Hennepin County.

**APPENDIX B: SPECIAL ATTORNEY EXPENDITURES  
BOND COUNSEL FOR FY 2021, BY AGENCY/POLITICAL SUBDIVISION**

<b>AGENCY/POLITICAL SUBDIVISION</b>	<b>Amount</b>
Higher Education Facilities Authority	\$ 133,364.37
Higher Education, Office of	\$ 76,632.09
Housing Finance Agency	\$ 280,151.70
Minnesota Management & Budget	\$ 99,586.67
Minnesota State	\$ 3,645.00

Note: Certain bond fund counsel are paid from proceeds.