

**State of Hawaii**  
**Department of the Attorney General**



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**REPORT ON  
LITIGATION DEPOSITS TRUST FUND TRANSACTIONS  
AND  
COLLECTIONS MADE ON BEHALF OF OTHER  
DEPARTMENTS AND AGENCIES**

**For Fiscal Year 2005 - 2006**

*Submitted to  
The Twenty-Fourth State Legislature  
Regular Session of 2007*

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## Overview of the Litigation Deposits Trust Fund

The Litigation Deposits Trust Fund, appropriation number T-909-N, was established pursuant to Act 178, Session Laws of Hawaii 2002, to account for moneys received through any civil action in which the State is a party where the settlement amount is \$100,000 or higher. Pursuant to section 28-16, Hawaii Revised Statutes, the trust fund is administered by the Department of the Attorney General, which must annually report to the Legislature (1) the transactions, by subsidiary account, that take place in the fund for each fiscal year, and (2) a summary of the collections made in any amount on behalf of other departments and agencies specifying the appropriate number of transactions and amount collected for each department and agency.

During Fiscal Year (FY) 2005-2006, the following significant transaction occurred in the trust fund:

- The Department received \$1,250,000 from the St. Paul Fire and Marine Insurance Company in the State's declaratory judgment action against its excess insurer. The State sought a declaratory judgment to the effect that the excess insurer owed the State excess insurance coverage on the Delos Reyes v. State of Hawaii. That action arose out of the Kakaako Improvement Project when the Department of Transportation failed to turn off the electricity and a worker, employed by the general contractor for the project, was seriously burned. The State paid \$1,500,000 to settle the suit, but the excess carrier refused to provide any settlement moneys. The State sued the insurer, and the insurer settled with the State for \$1,250,000. Part of the funds (\$72,012.37) was used in FY 2005-2006 to reimburse the Department's Legal Services program for expenses that were incurred on this case. The remaining funds of \$1,177,987.63 will be transferred to the state general fund in FY 2006-2007.

### Financial Data for Fiscal Years 2004-2005 and 2005-2006:

	FY 2004-2005	FY 2005-2006	FY 2006-2007
<b>Beginning Cash Balance</b>	\$2,909,579.42	\$1,322,626.64	\$2,369,240.04
<b>Beginning Encumbrances</b>	0.00	0.00	0.00
<b>Revenues</b>	1,244,475.46	1,222,285.73	
<b>Expenditures</b>	2,831,428.24	175,672.33	
<b>Transfers</b>			
<b>Ending Cash Balance</b>	\$1,322,626.64	\$2,369,240.04	

See following page for the details of the revenue and expenditure for this account for FY 2005-2006.

Department of the Attorney General  
 Status of Appropriation Account  
 By Source Code and Object Code  
 as of 06/30/2006

Appropriation: T-909-N  
 Account Title: LITIGATION DEPOSITS TRUST FUND

Revenue by Source Code:

T-04-909-N

T-06-909-N

Source Code	Description	Cumulative Revenue	Revenue	Revenue
0288	INVESTMENT POOL ACCOUNT	44,298.10	-	44,298.10
0787	MISCELLANEOUS INCOME	1,177,987.63	-	1,177,987.63
<b>Total Revenue:</b>		<u>1,222,285.73</u>	<u>-</u>	<u>1,222,285.73</u>

Expenditure by Object Code:

Object Code	Description	Cumulative Expenditures	Expenditure	Expenditure
9200	AGENCY AND CLEARING ACCOUNTS	175,672.33	-	175,672.33
<b>Total Expenditure:</b>		<u>175,672.33</u>	<u>-</u>	<u>175,672.33</u>

## Collections Made on Behalf of Other Departments and Agencies

Section 28-16(e)(2), Hawaii Revised Statutes, requires the Department to prepare a report on “summary of the collections made in any amount on behalf of other departments and agencies specifying the appropriate number of transactions and amount collected for each department and agency.” This report for fiscal year 2005-2006 is as follows:

<u>Department/Agency</u>	<u>Collected Amount</u>	<u>Number of Transactions</u>
Child Support Enforcement Agency	\$1,282,885	518
Department of Agriculture	20,361	40
Department of the Attorney General	893,107	26
Department of Business, Economic Development, & Tourism	85,497	38
Department of Human Resources Development	50,073	4
Department of Human Services	7,059,949	588
Department of Transportation	2,450,279	156
Hawaii Health System Corporation	2,501,067	1330
Department of Taxation	496,416	252
Miscellaneous (Departments of Accounting and General Services, Education, Health and Public Safety, and the University of Hawaii)	187,102	357
TOTAL	<u>\$15,026,736</u>	<u>3309</u>