

State of Hawaii
Department of the Attorney General



**REPORT ON RECEIPTS AND
EXPENDITURES OF THE ANTITRUST
TRUST FUND**

For Fiscal Year 2005-2006

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

OVERVIEW OF THE ANTITRUST TRUST FUND

Pursuant to section 28-13, Hawaii Revised Statutes, the “Antitrust Trust Fund” was established to provide a measure of resources to facilitate the enforcement of the antitrust laws. One of most important functions of the trust fund is to provide a means for promoting and facilitating the State’s participation in multistate antitrust lawsuits and investigations. The fund is also used to cover other expenses relating to antitrust enforcement such as training, equipment purchases, and educational resources.

FUND NAME:	Antitrust Trust Fund
AUTHORITY:	Section 28-13, Hawaii Revised Statutes
APPROPRIATION SYMBOL:	T-908-N
ADMINISTERED BY:	Department of the Attorney General
FUND PURPOSE:	Expenditures relating to the enforcement of the antitrust laws, including but not limited to expenditures for training, equipment purchases, educational resources, and facilitating participation in antitrust lawsuits and investigations initiated by other states.
BALANCE AS OF JUNE 30, 2005:	\$373,995.13 ¹
RECEIPTS FROM JULY 1, 2005 TO JUNE 30, 2006:	\$165,653.66
TRANSFERS FROM JULY 1, 2005 TO JUNE 30, 2006:	\$203,709.25
EXPENDITURES FROM JULY 1, 2005 TO JUNE 30, 2006:	\$44,319.51
BALANCE AS OF JUNE 30, 2006:	\$291,620.03 ²

¹ The balance included the sum of \$131,839.27 which was awaiting distribution in accordance with court-approved settlements.

² The balance includes \$73,879.37 (plus interest) which was awaiting distribution in accordance with court-approved settlements, leaving a balance of \$217,740.66 (less interest to be disbursed).

ANTITRUST TRUST FUND

Report on Receipts and Expenditures

I. BACKGROUND ON THE ANTITRUST TRUST FUND.

A. Legal Authority for the Fund.

Act 97, Session Laws of Hawaii 2001, authorized the creation of the “Antitrust Trust Fund” in the State treasury. The Act took effect on June 29, 2001, and is codified as section 28-13, Hawaii Revised Statutes.

B. Creation of Fund and Initial Funding.

The Department of Accounting and General Services established the appropriation number for the fund as T-908-N.

Section 28-13 authorized the Department of the Attorney General (“Department”) to deposit not more than \$150,000 from the Department’s general fund appropriation for fiscal year 2000-2001 to the credit of the fund. See, section 3 of Act 97, Session Laws of Hawaii 2001. In accordance with this authorization, effective June 30, 2001, \$150,000 was credited to the fund.

C. Receipts and Expenditures, Generally.

1. Receipts.

Section 28-13 permits the Department to deposit the following amounts into the fund:

- (1) Ten percent of any antitrust judgment or settlement received by the State except where the deposit is inconsistent with the court order or settlement agreement relating to the amount; and
- (2) Appropriations made by the Legislature.

2. Expenditures.

Section 28-13(b) authorizes the Department to use the fund for “expenditures relating to the enforcement of antitrust laws, including but not limited to expenditures for training, equipment purchases, educational resources, and facilitating participation in antitrust lawsuits and investigations initiated by other states.”

II. FUND ACTIVITY FROM JULY 1, 2005 UP TO AND INCLUDING JUNE 30, 2006.

A. Total Receipts - \$165,653.46

DATE	DESCRIPTION OF RECEIPT	AMOUNT
August 3, 2005	Relafen Settlement	1,264.00
August 3, 2005	Taxol State Purchaser Antitrust Settlement- Consumer Claims	20,025.30
August 3, 2005	First Databank Antitrust Settlement	10,000.00
August 15, 2005	Share of Investment Pool Interest	877.99
September 15, 2005	Share of Investment Pool Interest	1,138.80
October 17, 2005	Share of Investment Pool Interest	1,112.09
November 21, 2005	Share of Investment Pool Interest	1,142.95
December 9, 2005	Cardizem Antitrust Case Settlement	102,320.21
December 20, 2005	Share of Investment Pool Interest	1,118.55
January 27, 2006	Share of Investment Pool Interest	1,214.12
February 14, 2006	Share of Investment Pool Interest	941.24
March 23, 2006	Share of Investment Pool Interest	187.14
April 21, 2006	Share of Investment Pool Interest	331.84
April 26, 2006	Paxil Antitrust Case Settlement	18,980.00
May 11, 2006	Share of Investment Pool Interest	654.88
June 15, 2006	Augmentin Antitrust Case Settlement	2,690.07
June 19, 2006	Share of Investment Pool Interest	880.14
June 30, 2006	Share of Investment Pool Interest	774.34
Total Receipts		\$165,653.66

B. Transfers by Journal Memoranda - \$203,709.25

DATE	PAYEE	DESCRIPTION OF THE TRANSFER	AMOUNT
December 14, 2005	State Treasury	Transfer of the reimbursement for attorney fees for the Cardizem Antitrust Case to the State Treasury	22,000.00
January 13, 2006	DHS/ Medicaid Division	Transfer BuSpar, Cardizem, and Relafen settlements plus interest	174,489.63
January 17, 2006	DHS/ Medicaid Division	Transfer First Databank Settlement to Medquest	7,219.62
TOTAL			\$203,709.25

C. Total Expenditures - \$44,319.51.

DATE	PAYEE	PURPOSE OF THE EXPENDITURE	AMOUNT
August 15, 2005	For The Record, Inc.	Copying charges for documents produced in investigation	4,807.05
August 29, 2005	ASAP Software Express, Inc.	Microsoft VLA Office Pro 2003 Software	614.33
September 9, 2005	Bureau of National Affairs	Renewal of subscription to Antitrust and Trade Regulation Report	1,955.00
September 9, 2005	FHB- New Tech Imaging, Inc.	Copying charges for documents produced in investigation	8,575.31
September 15, 2005	Dell Marketing L.P.	Purchase of two Dell Optiplex GX280 computers for paralegals	2,737.42
September 20, 2005	Rodney Kimura	Per Diem- advanced to attend the 2005 NAAG Antitrust Seminar in Denver, Colorado, 9/28/05-9/30-05	682.50
September 20, 2005	National Association of Attorneys General	Registration fee for Rodney Kimura to attend the 2005 NAAG Antitrust Seminar in Denver, Colorado, 9/28/05-9/30-05	400.00
October 7, 2005	Rodney Kimura	Payment of completed travel statement for trip to attend the 2005 NAAG Antitrust Seminar in Denver, Colorado, 9/28/05-9/30-05	286.05
October 7, 2005	FHB- Powers & Associates	Deposition charges- FTC v Aloha	1,170.41
October 7, 2005	FHB- For the Record, Inc.	Deposition charges- FTC v Aloha	857.65
October 7, 2005	FHB- Powers & Associates	Deposition charges- FTC v Aloha	998.95
October 7, 2005	FHB- FedEx	Charges to deliver documents for Compact Disc Map Litigation and FTC v Aloha	60.09
October 7, 2005	FHB- Panda Travel	Ticket charge for travel to attend the 2005 NAAG Antitrust Seminar in Denver, Colorado, 9/28/05-9/30-05	23.00
November 9, 2005	FHB- For the Record, Inc.	Deposition charges - FTC v Aloha	2,841.75
November 29, 2005	Attorney General of New Mexico	Hawaii cost share for multistate antitrust investigation	4,585.09
December 8, 2005	FHB- New Tech Imaging, Inc.	Copying charges for documents produced in investigation	3,671.83
December 14, 2005	Hawaii Health Systems Corporation	Distribution of Cardizem Antitrust Settlement	2,923.90
January 17, 2006	Hawaii Health Systems Corporation	Distribution of Relafen Antitrust Settlement	209.63
January 23, 2006	Hawaii Health Systems Corporation	Distribution of First Databank Antitrust Settlement	2,930.27
February 6, 2006	Rodney Kimura	Reimbursement for travel expenses to Chicago, IL on 1/22/06 to 1/26/06 for investigation meeting.	845.82
March 6, 2006	FHB- Panda Travel	Airfare for Rodney Kimura for travel to Chicago, IL on 1/22-1/26/06 for investigation meeting.	596.02
March 15, 2006	Pacific Reporting Services	Expenses for investigative deposition	1,636.34
March 15, 2006	Hawaii Health Systems Corporation	Distribution of BuSpar Antitrust Settlement	382.81
April 28, 2006	American Bar Association	ABA antitrust resource materials	501.95
June 5, 2006	FHB- FedEx	Delivery charges to New York for Compact Disc Map Litigation	26.34
		TOTAL	\$44,319.51

C. Balance in the Trust Fund.

Section 28-13(c) provides that all unencumbered and unexpended moneys in excess of \$250,000 remaining on balance in the antitrust trust fund at the close of June 30 of each year shall lapse to the credit of the general fund.

The balance in the fund as of June 30, 2006, was \$291,620.03. Of this amount, the sum of \$73,879.37 (plus interest) was awaiting distribution in accordance with court-approved settlements, leaving a balance in the fund of \$217,740.66 (less interest to be disbursed).