



# **ANTITRUST TRUST FUND**

**Report on Receipts and Expenditures**

**Pursuant to Act 97, Session Laws of Hawaii 2001,  
to be codified as  
Section 28-13, Hawaii Revised Statutes**

**December 27, 2001**

**Submitted by the Department of the Attorney General**

# OVERVIEW OF THE ANTITRUST TRUST FUND

Pursuant to Act 97, 2001 Session Laws of Hawaii, 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 will be to provide a means for promoting and facilitating the State’s participation in multistate antitrust lawsuits and investigations. The fund will also be used to cover other expenses relating to antitrust enforcement such as training, equipment purchases, educational resources.

<b>FUND NAME:</b>	Antitrust Trust Fund
<b>AUTHORITY:</b>	Act 97, SLH 2001, to be codified as Hawaii Revised Statutes § 28-13.
<b>APPROPRIATION SYMBOL:</b>	T-908-N
<b>ADMINISTERED BY:</b>	Department of the Attorney General
<b>FUND PURPOSE:</b>	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.
<b>INITIAL BALANCE AS OF JULY, 1 2001:</b>	\$150,000 via a deposit from the Department’s fiscal year 2000-2001 general fund appropriation.
<b>RECEIPTS SINCE JULY 1, 2001:</b>	\$38,335.00
<b>EXPENDITURES SINCE JULY 1, 2001:</b>	\$7,158.89
<b>BALANCE AS OF NOVEMBER 1, 2001:</b>	\$181,176.11, of which \$34,501.50 will be transferred to the general fund in accordance with Act 97, leaving a balance of \$146,674.61.

# **ANTITRUST TRUST FUND**

## **Report on Receipts and Expenditures**

### **I. BACKGROUND ON THE ANTITRUST TRUST FUND.**

#### **A. Legal Authority for the Fund.**

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

#### **B. Creation of Fund and Initial Funding.**

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

Act 97 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, sec. 3 of Act 97, 2001 Hawaii Session Laws 180. In accordance with this authorization, effective June 30, 2001, \$150,000 was credited to the fund.

#### **C. Receipts and Expenditures, Generally.**

##### **1. Receipts.**

Act 97 permits the Department to deposit the following amounts into the fund:

- (1) Ten per cent 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.

Hawaii Revised Statutes § 28-13(a).

##### **2. Expenditures.**

The Department is authorized 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.” Hawaii Revised Statutes § 28-13(b).

**II. FUND ACTIVITY FROM JULY 1, 2001 UP TO AND INCLUDING NOVEMBER 30, 2001.**

**A. Receipt - \$38,335.00.**

The Department deposited \$38,335.00 received in connection with its participation in a multistate antitrust lawsuit challenging the merger of Chevron Corporation and Texaco Inc. The action was filed in the United States District Court for the Central District of California, State of California, et al., v. Chevron Corporation and Texaco Inc., Case No. 01-07746.

The merging parties and the litigating states agreed to the entry of a Final Judgment. On September 13, 2001, the Final Judgment was entered by the Court whereby the merger was approved subject to certain divestiture requirements, and other conditions and obligations. In the Final Judgment, the litigating states were awarded attorney's fees and costs. With respect to the State of Hawaii's portion of the attorney's fees and costs, the Final Judgment provided in part as follows:

Hawaii's portion of the fees and costs award shall be deposited into the Hawaii Attorney General Antitrust Trust Fund for use consistent with the laws governing that fund.

Hawaii's portion of the attorney's fees and costs of \$38,335.00 was deposited into the fund. However, only 10% or \$3,833.50 will be retained in the fund; the remaining 90% or \$34,501.90 will be transferred to the General Fund by way of a journal voucher.

**B. Expenditures - \$7,158.89.**

The following table shows all expenditures from July 1, 2001 up to and including November 30, 2001:

<b>DATE</b>	<b>PAYEE</b>	<b>AMOUNT</b>	<b>PURPOSE OF THE EXPENDITURE</b>
Aug. 3, 2001	Rodney Kimura	\$565.60	Per diem costs, ground transportation costs, and other costs incurred while attending a National Association of Attorneys General meeting on antitrust enforcement held at the Maryland Attorney General's Office.
Sept. 1, 2001	Panda Travel	834.00	Travel costs for attending a National Association of Attorneys General meeting on antitrust enforcement held at the Maryland Attorney General's Office.
Oct. 1, 2001	Federal Express	40.84	Delivery of documents needed for participation in <u>State of California, et al., v. Chevron Corporation and Texaco Inc.</u> , Case No. 01-07746, filed in the United

			States District Court for the Central District of California.
Oct. 22, 2001	State of Arizona	5,718.45	Cost share payment for participation in an antitrust litigation, <u>In Re Cardizem CD Antitrust Litigation</u> , Master File No. 99-MD-1278, MDL No. 1278, filed in the United States District Court for the Eastern District of Michigan.
<b>Expenditures as of 11/30/2001</b>		<b>\$7,158.89</b>	

**C. Balance as of November 30, 2001.**

The balance in the fund as of November 30, 2001 was \$181,176.11. As noted above, in accordance with act 97, \$34,501.90 will be transferred to the General Fund by way of a journal voucher. With the transfer, the balance in the fund will be \$146,674.61.