

State of Hawaii
Department of the Attorney General



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

For Fiscal Year 2006-2007

*Submitted to
The Twenty-Fourth State Legislature
Regular Session of 2008*

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.

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| 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, 2006: | \$291,620.03 ¹ |
| RECEIPTS FROM JULY 1, 2006 TO JUNE 30, 2007: | \$217,464.75 |
| TRANSFERS FROM JULY 1, 2006 TO JUNE 30, 2007: | (\$76,331.83) |
| EXPENDITURES FROM JULY 1, 2006 TO JUNE 30, 2007: | (\$8,402.20) |
| BALANCE AS OF JUNE 30, 2007: | \$424,350.75 ² |

¹ The balance included \$73,879.37 (plus interest) that was awaiting distribution in accordance with court-approved settlements, leaving a balance of \$217,740.66 (less interest to be disbursed).

² The balance includes \$204,353.67 that was awaiting distribution in accordance with court-approved settlements, leaving an unencumbered balance of \$219,997.08.

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, 2006 UP TO AND INCLUDING JUNE 30, 2007.

A. Total Receipts - \$217,464.75

| DATE | DESCRIPTION OF RECEIPT | AMOUNT |
|-----------------------|--|---------------------|
| August 29, 2006 | Investment Pool Interest | \$838.83 |
| September 26, 2006 | Investment Pool Interest | 991.47 |
| October 18, 2006 | Investment Pool Interest | 912.89 |
| November 27, 2006 | Investment Pool Interest | 1,046.25 |
| December 28, 2006 | Investment Pool Interest | 928.54 |
| January 23, 2007 | Investment Pool Interest | 763.93 |
| February 15, 2007 | Investment Pool Interest | 682.59 |
| February 27, 2007 | Zurich Antitrust Settlement * | 185,979.59 |
| March 20, 2007 | Investment Pool Interest | 870.66 |
| April 5, 2007 | Remeron Antitrust Settlement * | 18,374.08 |
| April 13, 2007 | Partial Reimbursement of Cost Share- Compact Disc MAP Antitrust Litigation | 1,557.60 |
| April 19, 2007 | Investment Pool Interest | 826.41 |
| May 21, 2007 | Investment Pool Interest | 937.90 |
| June 19, 2007 | Investment Pool Interest | 1,376.82 |
| June 30, 2007 | Investment Pool Interest | 1,377.19 |
| Total Receipts | | \$217,464.75 |

* \$204,353.67 to be distributed distribution in accordance with court-approved settlements.

B. Transfers by Journal Memoranda - \$76,331.83

| DATE | PAYEE | DESCRIPTION OF THE TRANSFER | AMOUNT |
|-------------------|--|--|--------------------|
| August 22, 2006 | B&F/EUTF | Distribution of share of Taxol settlement (\$32,184.00 + interest of \$2,205.27) | 34,389.27 |
| August 29, 2006 | DOH/Breast & Cervical Cander Assistance Fund | Distribution of share of Taxol settlement | 20,025.30 |
| August 29, 2006 | DHS/MedQuest | Distribution of share of Augmentin settlement (\$2,346.28 + interest of \$17.03) | 2,363.31 |
| August 29, 2006 | DHS/MedQuest | Distribution of share of Paxil settlement (\$18,203.71 + interest of \$216.93) | 18,420.65 |
| October 26, 2006 | Hawaii Health Systems Corporation | Distribution of share of Paxil settlement (\$730.44 + interest of \$9.25) | 739.69 |
| October 26, 2006 | Hawaii Health Systems Corporation | Distribution of share of Augmentin settlement (\$325.35 + interest of \$2.50) | 327.85 |
| November 20, 2006 | State Treasury | Distribution of share of BuSpar settlement for Halawa Correctional Facility | 12.51 |
| January 25, 2007 | Department of Health | Distribution of share of Augmentin and Paxil settlement | 23.99 |
| January 26, 2007 | University of Hawaii | Distribution of share of Augmentin and Paxil settlement | 29.26 |
| TOTAL | | | \$76,331.83 |

C. Total Expenditures - \$8,402.20.

| DATE | PAYEE | PURPOSE OF THE EXPENDITURE | AMOUNT |
|--------------------|--------------------------------|---|-------------------|
| May 26, 2006 | Bureau of National Affairs | Subscription fee | \$2,083.00 |
| September 15, 2006 | NAAG 2006 Antitrust Seminar | Registration fee for NAAG 2006 Antitrust Meeting-Seminar-Training | 400.00 |
| September 20, 2006 | Rodney I. Kimura | Advance per diem to Deputy Attorney General to attend NAAG Seminar 10/4/06 to 10/6/06 | 682.50 |
| October 4, 2006 | FHB - Panda travel | Round trip air fare for Deputy Attorney General to attend NAAG Antitrust Meeting-Seminar-Training in Philadelphia, PA 10/2/06-10/7/06 | 572.95 |
| October 13, 2006 | Rodney I. Kimura | Reimbursement of travel-related expenses for travel to Philadelphia, PA | 541.24 |
| January 24, 2007 | Rodney I. Kimura | Advance per diem to Deputy Attorney General to attend court hearing in San Francisco, CA | 357.50 |
| February 27, 2007 | Rodney I. Kimura | Reimbursement of travel-related expenses for travel to San Francisco, CA | 101.84 |
| March 8, 2007 | FHB - Panda Travel | Service charge for air fare to attend court hearing in San Francisco | 26.24 |
| March 8, 2007 | FHB - Panda Travel | Air fare to attend court hearing in San Francisco | 462.22 |
| June 1, 2007 | Attorney General Of New Mexico | Cost share allocation for multistate investigation | 2,408.28 |
| June 29, 2007 | Attorney General Of New Mexico | Survey cost share allocation for multistate investigation | 766.43 |
| TOTAL | | | \$8,402.20 |

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.

As of June 30, 2007, the Trust Fund included \$204,353.67 awaiting distribution in accordance with court-approved settlements, leaving an unencumbered balance in the Trust Fund of \$219,997.08.