

State of Hawaii
Department of the Attorney General



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

For Fiscal Year 2012 - 2013

*Submitted to
The Twenty-Seventh State Legislature
Regular Session of 2014*

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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) 2012-2013, the following significant transactions occurred in the trust fund:

REVENUES:

1. In Hawaii v. Barclays Bank Delaware (Barclays) the State alleged that Barclays committed unfair and deceptive business practices in violation of Hawaii law by charging customers for Payment Protection Plans, who either did not want them or were not entitled to benefits from them. The case was resolved in lieu of litigation. As a result of the settlement, Barclays paid the State \$395,000.
2. In Hawaii v. Carello the Department received settlement payments of \$7,840 for alleged improper towing vehicles.

EXPENDITURES:

1. \$90,850 of the Barclays Bank Delaware and Juniper Bank Settlement check and was paid to Cronin, Fried, Sekiya, Kekina & Fairbanks for services as consultants/expert witness.
2. \$7,840 of the Carello settlement was paid to forty-eight payees/claimants for improper towing.

Financial Data for Fiscal Years 2011-2012 and 2012-2013:

	FY 2011-2012	FY 2012-2013	FY 2013-2014
Beginning Cash Balance	\$7,294.75	\$7,331.32	\$311,503.20
Beginning Encumbrances		0.00	0.00
Revenues	36.57	402,861.88	
Expenditures	0.00	98,690.00	
Transfers			

Below are the details of the revenue and expenditure for this account for FY 2012-2013

Revenue by Source Code:

T13-909-N

Source Code	Description	Revenue
0288	INVESTMENT POOL ACCOUNT	21.88
787	MISCELLANEOUS CLAIMS	395,000.00
1492	SALE OF SERVICES - UTILITIES	7,840.00
Total Revenue:		402,861.88

Expenditure by Object Code:

Object Code	Description	Expenditure
6800	JUDGEMENTS AND CLAIMS	98,690.00
Total Expenditure:		98,690.00

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 2012-2013 is as follows:

<u>Department/Agency</u>	<u>Collected Amount</u>	<u>Number of Transactions</u>
Child Support Enforcement Agency	\$275,737	149
Department of Human Services	7,753,880	1,380
Department of Transportation	875,536	146
Hawaii Health System Corporation	1,726,868	7,987
Dept. of Transportation insurance settlement	19,000,000	1
Miscellaneous (Departments of Accounting and General Services, Attorney General, Education, Health and Public Safety, University of Hawaii, Department of Human Resources Development)	318,109	309
TOTAL	<u>\$29,950,130</u>	<u>9,972</u>