December 26, 2019

The Honorable Ronald D. Kouchi
President of the Senate
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki
Speaker and Members of the House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi and Speaker Saiki:

For your information and consideration, I am transmitting a copy of the Department of the Attorney General’s Annual Report on Litigation Deposits Trust Fund Transactions and Collections Made on Behalf of Other Departments and Agencies as required by section 28-16(e), Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, I am also informing you that the report may be viewed electronically at http://ag.hawaii.gov/publications/reports/reports-to-the-legislature/.

If you have any questions or concerns, please feel free to call me at 586-1282.

Sincerely,

Clare E. Connors
Attorney General

Enclosure
State of Hawai‘i
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 2018 - 2019

Submitted to
The Thirtieth State Legislature
Regular Session of 2020
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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 monies 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) 2018-2019, the following significant transactions occurred in the trust fund:

REVENUES:

1. The Litigation Deposits Trust Fund earned $57.67 from the State’s Investment Pool.

2. The fund received $19,472.31 from the Law Offices of Ian L. Mattoch for the settlement of the case Matsuda v. State of Hawaii (SOH), regarding a personal injury claim; received a court order of $25,266.92 from Scott E. Kubota – Attorney at Law, LLLC regarding the case Silva v. Alana regarding another personal injury claim; received a settlement of $629,674.31 from Western Union Company regarding the case Tenniellev. The Western Union Co., a consumer class action alleging unfair and deceptive practices that resulted in a settlement for consumers and the distribution of the unclaimed funds to the states; and received $2,320,695.94 from the dissolution and liquidation of the Cancer Fund of America group of sham charitable organizations.

EXPENDITURES:

Services to the store electronic documents: $1,509.55
Paid to Epiq and Encore related to tobacco settlement

Cancer Fund: $989,609.62
Distribution to States for attorney time and expenses.
Transfer $5,316.44 to Attorney General – Tax Division

Professional Fees:
Paid to Chong, Nishimoto, Sia for services related to the tobacco settlement.

**Financial Data for Fiscal Years 2017-2018 and 2018-2019:**
*Below are the details of the revenue and expenditure for this account for FY 2017-2018 and FY 2018-2019*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash Balance</strong></td>
<td>3,063,527.78</td>
<td>2,033,938.26</td>
<td>4,031,515.33</td>
</tr>
<tr>
<td><strong>Beginning Encumbrances</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>430,090.12</td>
<td>2,995,167.45</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>1,459,679.64</td>
<td>986,273.94</td>
<td></td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
<td>5,316.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ending Cash Balance</strong></td>
<td>2,033,938.26</td>
<td>4,037,515.33</td>
<td></td>
</tr>
</tbody>
</table>

**Revenue by Source Code – Fiscal Year 2018-2019:**
*T-19-909-N*

<table>
<thead>
<tr>
<th>Source Code</th>
<th>Description</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>0288</td>
<td>INVESTMENT POOL ACCOUNT</td>
<td>57.67</td>
</tr>
<tr>
<td>0787</td>
<td>JUDGMENTS AND SETTLEMENTS</td>
<td>2,995,109.76</td>
</tr>
</tbody>
</table>

Total Revenue: 2,995,167.45

**Expenditure by Object Code - Fiscal Year 2018-2019:**

<table>
<thead>
<tr>
<th>Object Code</th>
<th>Description</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>7100 - 7199</td>
<td>SERVICES AND FEES</td>
<td>1,980.76</td>
</tr>
<tr>
<td>7212</td>
<td>ASSESSMENTS</td>
<td>984,293.18</td>
</tr>
<tr>
<td>7111 - 7112</td>
<td>TRANSFER TO SPECIAL REVENUE</td>
<td>5,316.44</td>
</tr>
</tbody>
</table>

Total Expenditure: 991,590.38
### Collections Made on Behalf of Other Departments and Agencies

Section 28-16(e)(2), Hawaii Revised Statutes, requires the Department to prepare 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.” This report is for fiscal year 2018-2019 as follows:

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>Collected Amount</th>
<th>Number of Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of the Attorney General Asset Forfeiture</td>
<td>874,309.00</td>
<td>152</td>
</tr>
<tr>
<td>Department of Human Services</td>
<td>8,014,242.74</td>
<td>2,253</td>
</tr>
<tr>
<td>Department of Labor and Industrial Relations</td>
<td>59,932.88</td>
<td>61</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>2,536,706.08</td>
<td>162</td>
</tr>
<tr>
<td>Department of Taxation</td>
<td>1,267,811.84</td>
<td>405</td>
</tr>
<tr>
<td>Hawaii Health System Corporation</td>
<td>1,552,711.60</td>
<td>5,281</td>
</tr>
<tr>
<td>Miscellaneous (Departments of Accounting and General Services, Attorney General, Education, Health and Public Safety, Human Resources Development, University of Hawaii, etc.) –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breakdown below:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campaign Spending Commission</td>
<td>500.00</td>
<td>2</td>
</tr>
<tr>
<td>DAGS Risk Management</td>
<td>5,200.00</td>
<td>2</td>
</tr>
<tr>
<td>DAGS Subrogation</td>
<td>518.00</td>
<td>7</td>
</tr>
<tr>
<td>DOE Salary Overpayment</td>
<td>16,352.49</td>
<td>47</td>
</tr>
<tr>
<td>DOE UH Stipend</td>
<td>16,190.35</td>
<td>50</td>
</tr>
<tr>
<td>DHRD Worker’s Compensation</td>
<td>87,775.75</td>
<td>17</td>
</tr>
<tr>
<td>DOH Dishonored Check</td>
<td>34,520.82</td>
<td>11</td>
</tr>
<tr>
<td>DOH Salary Overpayment</td>
<td>8,328.76</td>
<td>6</td>
</tr>
<tr>
<td>DLNR Salary Overpayment</td>
<td>278.98</td>
<td>2</td>
</tr>
<tr>
<td>DLNR Restitution</td>
<td>3,184.00</td>
<td>9</td>
</tr>
<tr>
<td>OAG Labor Division</td>
<td>3,983.02</td>
<td>12</td>
</tr>
<tr>
<td>PSD Salary Overpayment</td>
<td>11,819.07</td>
<td>7</td>
</tr>
<tr>
<td>Judiciary (Bail Bond Forfeitures)</td>
<td>696,362.00</td>
<td>203</td>
</tr>
<tr>
<td>Miscellaneous Total</td>
<td>885,013.24</td>
<td>375</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15,190,727.38</td>
<td>8,689</td>
</tr>
</tbody>
</table>