

## Attorney General Quarterly Report Pursuant to Act 273 of 2012

### Case Name of Court Order or Settlement Agreement and the amount of funds received by the Office of the Attorney General for each Court order or Settlement Agreement during the first quarter:

*State of Arkansas ex rel., Dustin McDaniel v. National Credit Adjusters*, Case No. 60-CV-2012-3396 (Pulaski County, Arkansas-2<sup>nd</sup> Division). \$44,444.44 recovered this quarter. Counsel for the Attorney General's Office negotiated and jointly drafted this agreement with opposing counsel. Once both sides agreed to specific language in the document it was submitted to the Court for review and approval.

*State of Arkansas ex rel., Dustin McDaniel v. GYS Investments, Inc.*, Case No. CV-12-2889-6 (Washington County, Arkansas-6<sup>th</sup> Division). \$1,000 recovered this quarter. Counsel for the Attorney General's Office negotiated and jointly drafted this agreement with opposing counsel. Once both sides agreed to specific language in the document it was submitted to the Court for review and approval.

*State of Arkansas ex rel., Dustin McDaniel v. Consumer Telcom, Inc.* Case No. 60-CV-10-4142 (Pulaski County, Arkansas-9<sup>th</sup> Division). \$28,000 recovered this quarter. Counsel for the Attorney General's Office negotiated and jointly drafted this agreement with opposing counsel. Once both sides agreed to specific language in the document it was submitted to the Court for review and approval.

### Rationale for Expenditures

-The distributions that relate to "Got Your Back Arkansas" have been expended pursuant to the authority and obligation of the Consumer Protection Division to "promote consumer education" and "enforce" the provisions of the Arkansas Deceptive Trade Practices Act (Ark. Code Ann. §4-88-101 et seq.). The funds that were used to support these cases were from recoveries obtained in other consumer protection cases. There is no specific mention of "Got Your Back Arkansas" in the relevant orders.

-The distribution that relates to the Consumer Complaint Tracking System Development was made to assist the Attorney General's Office to modernize the way consumer complaints are received and mediated. Currently, consumer complaints are primarily received in hard copy paper form. This new system will allow the Attorney General's Office to go "paperless" which will allow the complaints to be handled with greater efficiency and at lower cost to the Office. The funds used to support this award came from the Pfizer litigation involving the prescription drugs, Lyrica and Zyvox. This case focused on unapproved uses of those drugs, which caused significant public harm. There is no specific mention of the Consumer Complaint Tracking System in the relevant orders.

-The distribution for "office renovation expenses" relates to the Attorney General's lease obligation and renovations pursuant to that lease obligation. The funds used to support this expenditure came from the Pfizer litigation involving the prescription drugs, Lyrica and Zyvox and the

GlaxoSmithKline case involving the drug, Avandia. Both of these cases focused on unapproved uses of those drugs, which caused significant public harm. There is no specific mention of the Attorney General's lease obligation in the relevant orders.

-The distribution to the University of Arkansas-Ft. Smith came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purpose of the distribution was to support nursing programs at the university. There is no specific mention of the University of Arkansas-Ft. Smith in the relevant order.

-The distribution to the Criminal Justice Institute came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purpose of the distribution was law enforcement education and training related to school safety. There is no specific mention of the Criminal Justice Institute in the relevant order.

-The distribution to the Commission on Law Enforcement Standards and Training came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purpose of the distribution was law enforcement education and training related to school safety. There is no specific mention of the Commission on Law Enforcement Standards and Training in the relevant order.

-The distributions to the Arkansas Department of Education came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purposes of the distributions were to support early childhood and K-12 education programs currently offered by the Arkansas Department of Education. There is no specific mention of the Arkansas Department of Education in the relevant order.

-The distribution to the Arkansas Department of Heritage came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purpose of the distribution was arts education programs. There is no specific mention of the Arkansas Department of Heritage in the relevant order.

-The distribution to the Arkansas Department of Human Services came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purposes of the distribution were to support programs that relate to consumer education for military veterans, hunger relief and youth services related to after school programs for children. There is no specific mention of the Arkansas Department of Human Services in the relevant order.

-The distribution to North Arkansas College came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purpose of the distribution was to support education programs offered by North Arkansas College. There is no specific mention of North Arkansas College in the relevant order.

-The distributions to DHS-Youth Services came from the GlaxoSmithKline case involving the drug, Avandia and the Toyota Motor Corporation case. The GSK case focused on the unapproved use of this drug, which caused significant public harm while the Toyota Motor Corporation case focused on automobile safety measures designed to protect consumers. The purpose of the distributions was statewide prevention, intervention and youth development services. There is no specific mention of DHS-Youth Services in the relevant orders.

-The distribution to the Arkansas School for the Blind came from the GlaxoSmithKline case involving the drug, Avandia. This case focused on the unapproved use of this drug, which caused significant public harm. The purpose of the distribution was to assist the School for the Blind demolish an asbestos laden building. There is no specific mention of the Arkansas School for the Blind in the relevant order.

-The rationale for other distributions is contained in the attached Excel spreadsheet.

**Report of current balances of all unappropriated cash funds as of 10/15/13**

**General Cash Fund - \$33,843.46**

**Consumer Education and Enforcement - \$215,233.67**

**Clearing - \$1,942,016.66**

**Consumer Reimbursement - \$6,130.50**

**Petty Cash - \$2,370.36**

**OFFICE OF THE ATTORNEY GENERAL**  
**CASH ACCOUNT INFORMATION**  
**July 01, 2013 thru September 30, 2013**

**RECEIPTS**

CASE	AMOUNT	USES
National Credit Adjusters, LLC	\$ 44,444.44	CE&E
GYS Investments, LLC	1,000.00	CE&E
Consumer Telecom, Inc.	28,000.00	CE&E
	<u>\$ 73,444.44</u>	

**DISBURSEMENTS**

CASE	AMOUNT	PURPOSES	
Abbotts Labs	\$ 3,150.00	Cyber Crimes	enforcement activity
Abbotts Labs	52,568.68	Got Your Back Arkansas Initiative	consumer education
Abbotts Labs	200,000.00	Renovation Expense	see attached report
GSK/Avandia	416,684.56	Renovation Expense	see attached report
GSK/Avandia	50,000.00	University of Arkansas - Fort Smith	see attached report
GSK/Avandia	12,571.15	Mayflower Oil Spill	enforcement activity
GSK/Avandia	147,431.32	Got Your Back Arkansas Initiative	consumer education
GSK/Avandia	25,000.00	Criminal Justice Institute	see attached report
GSK/Avandia	25,000.00	Commission on Law Enforcement Standards & Training	see attached report
GSK/Avandia	125,000.00	Arkansas Department of Education	see attached report
GSK/Avandia	50,000.00	Arkansas Department of Heritage	see attached report
GSK/Avandia	130,000.00	Department of Human Services	see attached report
GSK/Avandia	50,000.00	North Arkansas College	see attached report
GSK/Avandia	38,482.94	AR Dept. of Human Services-Youth Services	see attached report
Pfizer, Inc Lyrica Zybox	1,622.00	Consumer Tracking System Development	enforcement activity
Pfizer, Inc Lyrica Zybox	13,050.81	Cyber Crimes	enforcement activity
Pfizer, Inc Lyrica Zybox	48,500.00	Got Your Back Arkansas Initiative	consumer education
Pfizer, Inc Lyrica Zybox	31,363.71	Mayflower Oil Spill	enforcement activity
Pfizer, Inc Lyrica Zybox	100.00	Booth Rental HWOA	consumer education
Pfizer, Inc Lyrica Zybox	8,272.06	Professional Fees and Services	enforcement activity
Pfizer, Inc Lyrica Zybox	21,968.73	Prescription Drug Abuse Summit	consumer education
Pfizer, Inc Lyrica Zybox	205,117.72	Renovation Expense	see attached report
Pfizer, Inc Lyrica Zybox	250,000.00	Arkansas School for the Blind	see attached report
Toyota Motor Corporation	1,517.06	AR Dept. of Human Services-Youth Services	see attached report

**TOTAL DISBURSEMENTS     \$    1,907,400.74**