In addition to providing intangible benefits to the citizens of Washington such as defending state law, educating and safeguarding consumers, improving public safety and the environment, and protecting children from abuse and neglect, the Attorney General’s Office saves or recovers millions of dollars each year for taxpayers and consumers. Some examples are:

**AGO Cost/Benefit Analysis for Fiscal Year 2006**

<table>
<thead>
<tr>
<th>Division</th>
<th>Amount Recovered for Taxpayers or Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Antitrust</strong></td>
<td></td>
</tr>
<tr>
<td>Litigation Results</td>
<td>$7,984,493</td>
</tr>
<tr>
<td>Cost and Fee Recoveries</td>
<td>$822,672</td>
</tr>
<tr>
<td><strong>Consumer Protection Recoveries</strong></td>
<td></td>
</tr>
<tr>
<td>Consumer Resource Center “Mediation” Results</td>
<td>$5,436,461</td>
</tr>
<tr>
<td>Litigation Results</td>
<td>$2,296,866</td>
</tr>
<tr>
<td>Lemon Law Results</td>
<td>$4,766,592</td>
</tr>
<tr>
<td>Cost &amp; Fee Recoveries</td>
<td>$1,139,448</td>
</tr>
<tr>
<td><strong>DSHS Office of Financial Recovery</strong></td>
<td>$3,316,642</td>
</tr>
<tr>
<td>Medicaid Fraud Control Unit fines and recoveries</td>
<td>$4,817,102</td>
</tr>
<tr>
<td>Bankruptcy &amp; Collections</td>
<td>$5,918,957</td>
</tr>
<tr>
<td>Tobacco Settlement Payments</td>
<td>$84,960,436</td>
</tr>
<tr>
<td><strong>Total saved or recovered</strong></td>
<td>$121,459,669</td>
</tr>
<tr>
<td>AGO Annual Budget</td>
<td>$95,353,968</td>
</tr>
</tbody>
</table>

* July 1, 2005 – June 30, 2006
Dear Fellow Washingtonians,

I am proud to present the first Fiscal Year Report from the Attorney General’s Office. Always looking for ways to be more efficient, the office has streamlined the reporting process to once a year based on the fiscal rather than calendar year.

During Fiscal Year 2006 (July 1, 2005 - June 30, 2006), the office made great strides in strengthening laws to protect our children, introduced new laws to help reduce the use and production of methamphetamine and published the Public Disclosure Act model rules to help create a culture of compliance among agencies and a culture of cooperation among requestors.

This report summarizes the progress the AGO has made on many top public policy priorities, as well as highlights some of our legal accomplishments from Fiscal Year 2006.

It is truly my pleasure to serve as Washington’s Attorney General. I have the privilege of leading a high-performing public office with dedicated employees committed to excellence. Together, we are realizing our vision to be the best public law office in the United States, proudly contributing to the greatness of Washington.

Sincerely,

Rob McKenna
Attorney General

Notable Achievements of FY 2006

Established a Medicaid Fraud Control Unit in Spokane to better fight Medicaid fraud in Eastern Washington.

Won methamphetamine legislation to rescue drug-endangered children, reduce property crime, get addicts into treatment, and clean up contaminated properties.

Succeeded in civilly committing 22 sexually violent predators.

Published the Public Disclosure Act model rules to streamline compliance, standardize best practices and reduce litigation.

Prevailed in a federal case requiring a Canadian company to abide by U.S. Superfund laws and clean-up the upper Columbia River - the first reported decision on transboundary pollution.
Methamphetamine is taking a devastating toll on communities in Washington. It is like no other drug we have seen, more powerful, addictive and destructive. There has been a rise in property crimes, domestic violence and environmental destruction associated with meth abuse.

Even worse, however, is almost everyday there are new reports of the increasing number of children in state custody because their parents’ use meth. Meth-using parents have helped drive a 62-percent increase in the foster care population over the past decade.

In response to this crisis, the Attorney General’s Office launched “Operation: Allied Against Meth” in 2005. This three-pronged statewide anti-methamphetamine program is designed to assist local communities in fighting the production, sale and use of meth.

In the last year, the AGO has made great strides in the three areas within Operation: Allied Against Meth – education, prosecution and legislation.

**Education**

The AGO partners with Lead on America, a Snohomish County community-based anti-drug organization, and a 21-year-old recovering meth addict to talk to students in high schools and middle schools around the state about the dangers of meth and what it can do to their bodies, lives and communities. In Fiscal Year 2006, the Attorney General personally visited 15 schools and distributed more than 9,500 red “Don’t Meth Around” bracelets to students.

At many of the presentations, students have come up afterwards to talk about the addiction of a friend, parent, family member, or their own problem with meth. These stories are heartbreaking, but make it clear that the school visits are important and effective. The best defense against meth is to keep people from trying it in the first place.
Attorney General McKenna streamlined agency resources to free up the funds to hire two new assistant attorneys general to assist counties in the enforcement and prosecution of meth-related crimes.

At the request of local prosecutors, the attorneys help charge and prosecute complex local cases, such as those involving conspiracy, RICO, property forfeiture, and economic crimes.

Part of the three-pronged approach was the creation of the “Operation: Allied Against Meth” Task Force. The task force, made up of state and local law enforcement officials, prosecutors, business and community representatives, treatment providers, and elected officials, met several times and developed a final report containing their recommendations to help local communities fight the battle against meth.

Based on those recommendations, the Attorney General worked with legislators on the task force to introduce the “Operation: Allied Against Meth” omnibus bill to the 2006 Legislature. The bill was unanimously approved.

The bill replaced lost federal funding for county meth action teams and created a pilot project for three new multi-county meth action teams in rural areas that lacked one. It also outlined strategies in public education, clean-up and governance and sentencing to reduce the number of people addicted to meth, increase treatment and make sentencing and incarceration more effective for meth addicts.
Washington has enacted some of the strongest sex offender registration and notification laws in the nation and was the first state to implement involuntary civil commitment for the most dangerous sexual predators.

Every year about 800 sex offenders return to the community upon completion of their criminal sentences – including about 200 Level 3 sex offenders. Before their release, these offenders undergo a review to determine whether or not they should be referred for possible civil commitment to the McNeil Island Special Commitment Center (SCC) as a sexually violent predator. Washington law defines a Sexually Violent Predator as any person who has been convicted of or charged with a crime of sexual violence and who suffers from a mental abnormality or personality disorder which makes the person likely to engage in predatory acts of sexual violence if not confined in a secure facility. If a judge or jury finds offenders meet these criteria, they are held indefinitely at the SCC until their mental condition improves such that they may be released into society. There are now roughly 220 offenders at the Special Commitment Center on McNeil Island.

The AGO’s Sexually Violent Predator Unit was created following the enactment of this law, and is responsible for prosecuting sex predator cases for 38 of Washington’s 39 counties (King County being the exception). The expertise of the unit permits it to handle all aspects of sex predator cases, including pre-filing investigations, pre-trial motion practice, trial, post-commitment proceedings, and appeals.

Even with these tough laws, there has been room for improvement. The expert attorneys in the AGO’s Sexually Violent Predator Unit, in their work with prosecutors across the state, discovered some inadequacies in Washington’s sex offender laws – particularly in the area of protecting children.

The AGO, working with victim advocates, law enforcement and prosecutors, drafted a comprehensive package of bills to protect children from sex predators. All eight bills were passed by the 2006 Legislature.

**SEXUALLY VIOLENT PREDATORS**

**SEX OFFENDERS IN WASHINGTON**

As of January 2006, there were 18,963 total registered sex and kidnapping offenders:

- 12,636 level one sex offenders (least likely to reoffend)
- 2,908 level two sex offenders
- 1,392 level three sex offenders (most likely to reoffend)
- 124 kidnap offenders
- 1,903 not classified for various reasons (i.e. registered before classification became mandatory)

**PROTECTING OUR CHILDREN**

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The AGO, working with victim advocates, law enforcement and prosecutors, drafted a comprehensive package of bills to protect children from sex predators. All eight bills were passed by the 2006 Legislature.
The AGO’s Sexually Violent Predator Unit successfully civilly committed 22 sexually violent predators in Fiscal Year 2006. Their hard work keeps the state’s worst sexually violent predators out of our communities and away from our families.

-Attorney General Rob McKenna

One of the new laws established the crime of Criminal Trespass Against a Child. It is the first law in the nation which gives employees at facilities where children congregate the authority to order out certain registered sex offenders. Offenders who refuse to obey such orders can be charged with a felony crime punishable by a maximum five years in prison and a $10,000 fine.

Sex predators are called predators for a reason. They find new prey by hanging out in areas where children gather together. This unique law provides facility managers a much-needed tool to protect children from predators who intentionally target community centers, swimming pools, parks, and playgrounds in search of new victims.

The AGO’s Sexually Violent Predator Unit continues to work tirelessly to keep the children of Washington safe from sexually violent predators.

The New Child Protection Laws

• Create mandatory prison terms for crimes committed with sexual motivation, including a minimum one-year sentence for Class C felonies, double enhancements for second-time offenders and a clarification that enhancements can be added to misdemeanors as well.

• Make second-degree assault of a child with sexual motivation a “strike” under the state’s “Two Strikes, You’re Out” law for sex offenders.

• Increase the penalty for possession of child pornography from an unranked felony to a Level VI, with a minimum one year of prison time.

• Strengthen the sex offender registration statute.

• Extend the statute of limitations in cases where a suspect is identified through DNA testing.

• Make permanent statewide residency restrictions approved by the Legislature in 2005, which prohibit sex offenders from living within 880 feet of a public or private school.

• Make the Special Sex Offender Sentencing Alternative (SSOSA)/Special Sex Offender Disposition Act (SSODA) sentencing alternatives for otherwise qualifying sex offenders only available if the offender affirmatively admits he or she committed the crime charged. SSOSA/SSODA is not available if the offender enters an Alford plea, which is the same effect as a guilty plea, but all the offender admits is that the state has sufficient evidence to convict him or her with no admission of guilt.

• Allow personnel at places where children congregate to bar level two and level three child sex offenders from coming onto the property.

Office Initiatives
Washington citizens should be proud of the state’s history of having one of the most comprehensive public records laws in the country. Proposed and approved by the people through an initiative more than three decades ago, the Public Disclosure Act preserves the cornerstone of our democracy – government accountability.

To ensure government remains open to the public, Attorney General McKenna hired Greg Overstreet, one of the state’s foremost public records experts, as a Special Assistant Attorney General for Government Accountability.

In early 2006, Overstreet drafted the Public Disclosure Act model rules. The rules were developed at the direction of the Legislature as part of legislation proposed by AG McKenna to strengthen the Public Disclosure Act that was approved during the 2005 session. In late summer and fall of 2005, AG McKenna and Overstreet conducted a 13-city Open Government Tour to gather input from citizens, the media and government officials regarding their experiences with public records and to explain the new law.

Once the model rules were drafted, the AGO exposed them to intensive internal scrutiny before filing them for public comment. They were then widely distributed to a group of nearly 1,100 stakeholders, including local government, state agencies, legislators, community activists, the media, and others in November 2005. The AGO also accepted comments through its Web site. A public hearing on the rules was held in January 2006.

Later that month, the Attorney General’s Office filed the rules with the Code Reviser’s Office, and they have now been adopted and published in the Washington Administrative Code.

The anticipated effect of the rules is to streamline compliance, standardize best practices and reduce litigation by establishing a culture of compliance among agencies and a culture of cooperation among requestors. The rules will help agencies and requestors successfully apply our state’s open public records law by providing many practical solutions to recurring public records issues.

Open, Accountable Government

AGO Public Records Requests (FY 2006)

The AGO’s role as author of the PDA rules is fitting, only as long as the office remains a model agency itself for Public Disclosure Act compliance. The AGO’s Public Records Unit, among many other duties, processes public records requests filed with the office.

- 315 public records requests received
- 190,481 pages reviewed
- 90,496 pages produced
- 5 days average time to complete request with less than 250 pages
- 15.7 days average time to complete request with more than 250 pages
One of Overstreet’s roles is also to serve as a public records ombudsman. He works daily with agencies and requestors to provide information on the model rules and occasionally, when requested, mediates problems that might otherwise wind up in litigation.

Washington has consistently been on the cutting edge when it comes to access to information and technology. With that technology constantly changing and improving, the AGO’s next step is to develop special rules regarding electronic records requests.

“\textbf{The state Attorney General’s Office under Rob McKenna has been very helpful in reviewing files and redacting information where necessary. ‘The AG’s Public-Disclosure unit is fabulous,’ said reporter Jonathan Martin.}”

- Michael R. Fancher
Seattle Times Editor at large

\textbf{Model Rules Highlights}

The model rules provide information on:

- How to post public records request information and appropriate contact information;
- How to handle records requests, including hours available for inspection and various forms of requests;
- How to process records requests, including how to handle exemptions, how long an agency can take to respond, how to deal with large requests, and how to balance the right to privacy against the public’s right to records;
- How to handle electronic requests;
- How to determine charges for copies and electronic records, and how to handle payment;
- How to appeal a denied records request; and
- Exemptions provided under state law.
Saving Money for Taxpayers

Mirant Corporation
In this Chapter 11 bankruptcy case filed in Texas, the debtor sought to exempt its $17.2 million sale of a partially constructed energy generation plant in Longview from the state sales tax. The AGO Bankruptcy and Collections Unit objected and the debtor agreed that Washington’s sales tax would apply to the sale. While the debtor had insisted that the state’s objection would have a “chilling effect” on bids, the initial top bidder was substantially exceeded and the successful bid was for more than $26 million, resulting in a payment to the Department of Revenue of $563,101.

DPR Construction v. The Evergreen State College
In this case, attorneys from the AGO Transportation and Public Construction (TPC) division worked with the college to defend against six delay/acceleration claims totaling an excess of $10.2 million filed by the general contractor and a number of subcontractors on the college’s new Seminar II Project. The Seminar II Project was a $30 million project involving the construction of five new buildings located near the central campus core of the college. TPC’s attorneys assisted in negotiating a settlement that resulted in an effective settlement payment by the college in the amount of $3.8 million.

State v. Columbia Rural Electric Association
The AGO Natural Resources Division filed this lawsuit against a utility and its tree maintenance contractor to recover the Department of Fish and Wildlife’s damages resulting from the 2005 School Fire. The fire started when a tree struck a power line operated by the utility. The tree was previously identified as a hazard, but was not removed by the utility. The fire destroyed 13,000 acres of the Wooten Wildlife area, as well as 30 miles of boundary fence and more than 14 miles of special fencing designed to keep elk from damaging adjacent private lands.

Said Aba Sheikh v. Choe
In February 2006, the AGO Torts division secured a reversal of the trial verdict in the Aba Sheikh case from the Washington Supreme Court, saving state taxpayers more than $10 million. Said Aba Sheikh was assaulted by four youths in March 1999, one of whom was placed in a dependency guardianship by DSHS and another who was in foster care. The division successfully argued that the purpose of foster care and dependencies is to protect the children who are being cared for, not to make taxpayers liable for misconduct of those children.

If the Supreme Court had ruled for the plaintiff, the resulting massive expansion of liability exposure would have undermined child welfare in the same way that community supervision of offenders has been undercut by exploding third-party liability claims.
Safeguarding Consumers

Energy Overcharges
In 2006, the AGO Antitrust Division recovered approximately $7.4 million from energy companies accused of manipulating the energy market in 2000-2001. The Enron bankruptcy estate paid $3.9 million and Reliant Energy paid $3.5 million. The money will be distributed to programs benefiting residential, commercial and industrial customers.

Pharmaceutical Business Practices
The Antitrust Division filed a lawsuit against Glaxo Smith Kline/Smith Kline Beecham (GSK), the maker of the antianxiety drug Paxil. The suit alleged that GSK engaged in various anticompetitive acts meant to keep generic competition off the market, thereby enabling GSK to maintain high prices. State agencies received damages of approximately $332,762.

In a similar case brought by the division, DSHS, UW Medical Center and the Department of Labor and Industries will receive approximately $50,485 from the makers of the antibiotic drug Augmentin. This suit alleged that GSK tried to keep generic competition off the market.

Ameriquest Mortgage Company
The AGO Consumer Protection Division and the state Department of Financial Institutions, along with 48 other states, achieved the second-largest state or federal consumer protection settlement in history, when a $325 million nationwide settlement with Ameriquest Mortgage Company was announced in January 2006. Washington was one of six states that led negotiations. The agreement resolved allegations of widespread fraud and predatory lending practices by the company as part of a high-pressure scheme to sell mortgages that trapped consumers in debt and put them at risk of losing their homes.

As a result, thousands of Washington homeowners will share more than $7 million in restitution. Ameriquest is the nation’s largest privately held retail mortgage lender. The company has 26 branches in Washington. Ameriquest-operated businesses in Washington include Ameriquest Mortgage Company, Town & Country Corporation and AMC Mortgage Service (also known as Bedford Home Loans).
**Secure Computer et al.**
The Consumer Protection Division’s High-Tech Fraud Unit filed its first case under the state’s new Computer Spyware Act in January 2006. The lawsuit brought charges against Secure Computer LLC, based in White Plains, N.Y. and a number of company executives and agents. The state alleged that Secure Computer, and its president, advertised an anti-spyware product by misrepresenting the extent to which the product was necessary for security or privacy reasons. The state also alleged that the anti-spyware product, once downloaded on the user’s computer, erased the computer’s Hosts file, a feature on the operating system that can be used to block a computer from going to dangerous Web sites. The state reached settlements with three of the individual defendants. Litigation continues with the company and its principal.

**SoftwareOnline.com**
The High-Tech Fraud Unit settled another important case with Sammamish-based SoftwareOnline.com, Inc., a software company marketing and selling digital products over the Internet. The settlement, which was announced in April 2006, resolved allegations that SoftwareOnline.com used deceptive and intrusive advertising for their products, InternetShield and Registry Cleaner, by misrepresenting, through means of repeated pop-ups, the extent to which the products were necessary to prevent attacks from malicious Web sites and protect computers from crashes.

In a Stipulated Judgment and Order, SoftwareOnline agreed to broad injunctive relief, consumer restitution, attorneys’ fees and costs, and a civil penalty in the amount of $400,000. SoftwareOnline is also prohibited from inducing computer users to install software by misrepresenting that the user’s computer is at risk for crashes or privacy and security invasions; using “buttons” in its advertisements that do not function as the user would expect them; installing software on a user’s computer that causes multiple pop-up advertisements when the user tries to close out of advertisements; failing to provide a functional uninstall option for removing all software files; and failing to obtain a consumer’s explicit consent to purchase a product or service.

**LA Weight Loss**
The Spokane Consumer Protection Division settled an important case in the area of consumer health and fitness with the operators of LA Weight Loss diet centers in Washington. The settlement resolved allegations that LA Weight Loss misrepresented program costs to get consumers to enroll and pressured them to buy expensive protein bars and supplements after signing a contract.

The state reached agreements with three businesses: LA Weight Loss Centers, Inc. and LA Weight Loss Franchise Company, both of Horsham, Penn., and NWM Inc., of Lake Oswego, Ore. Combined, they operate 19 diet centers in Washington. The agreements require the businesses to reimburse up to $800,000 to LA Weight Loss customers who claim they were misled and who purchased certain products. In addition, they must pay the state a settlement to be used for consumer education and a total of $75,000 for attorneys’ fees and costs. The agreements prohibit the centers from claiming that their supplements have any health or weight loss benefit unless they first have competent and reliable scientific evidence to substantiate their claims.
Improving Public Health and the Environment

Dee Creek Farms

To protect people in Washington from unsafe milk, the Washington State Department of Agriculture (WSDA) took an enforcement action against Dee Creek Farms in Woodland, Washington. Dee Creek Farms was not a licensed dairy and instead sold “cow shares,” which entitled the purchasers to receive raw milk. The raw milk from the dairy was produced in unsanitary conditions and 18 people in Clark and Cowlitz counties, most of them children, were sickened by E. coli. The Cowlitz Health Department obtained orders immediately prohibiting the distribution of any raw milk from Dee Creek Farms. With the assistance of attorneys from the AGO Agriculture and Health Division, WSDA prepared and issued a Notice of Intent to Assess a Penalty. The E. coli outbreak received considerable public attention and as a result, some legislators wanted to strengthen WSDA's enforcement authority. In consultation with WSDA, division attorneys assisted in drafting a bill, which passed in the 2006 Legislative Session, allowing WSDA to take earlier and stronger enforcement action against unlicensed dairies to protect Washington consumers.

Licensure of Puget Sound Hospital

The Department of Health (DOH) summarily suspended the license of Puget Sound Behavior Health to operate as a hospital, based on concerns about patient safety due to low staffing levels, inadequate nutrition and other risks to the patients and staff. Puget Sound Behavioral Health is a psychiatric hospital located in Tacoma, owned and operated by Pierce County. The Agriculture and Health Division obtained a summary suspension requiring the relocation of the in-patients at the hospital. DOH worked with Puget Sound Hospital in relocating the patients.

Teck Cominco

The upper Columbia River, including Lake Roosevelt, is contaminated with mining slag that a Canadian company, Teck Cominco, released into the river for almost 100 years from its facility 10 miles north of Washington's border with Canada. The AGO Ecology Division, representing the state, joined a lawsuit filed by members of the Colville Confederated Tribes to require Teck Cominco to comply with a cleanup order the Environmental Protection Agency issued to the company under the federal Superfund law. The company argued that the order did not apply to it because the pollution was released in Canada, not the U.S. The state and tribal members prevailed in federal district court, and the 9th Circuit Court of Appeals agreed, the U.S. Superfund law does apply to Teck Cominco. This is the first reported decision on transboundary pollution, and protects human health and the environment in Washington.
**Florentino Barajas**

Barajas was convicted of two counts of attempted murder in the first degree and one count of unlawful possession of a firearm by a felon for trying to kill two police officers in Grant County. He was high on methamphetamine when he opened fire on two police officers. The defendant was sentenced to 330 months in prison. The AGO Criminal Justice Division assisted the elected prosecutor in the trial of this case.

**State v. Sophia Sanders**

Sanders assumed the identity of her juvenile wards’ in-home care provider and billed DSHS for over five years using the provider’s identity. In addition to falsifying several documents to obtain the money, Sanders obtained two Washington I.D. cards issued in the provider’s name with her photograph. During this time-frame, Sanders received $90,000 from the state that she was not entitled to.

In February 2006, the AGO Medicaid Fraud Control Unit secured a guilty plea from the defendant on two counts of first degree identity theft, one count of first degree theft and six counts of second degree theft. Sanders received 24 months probation, court-ordered drug and alcohol treatment, restitution of $90,491.55 to the Medicaid program, other restitution of $1,869.74, and $710 in fees.

**Insyxiengmay v. Morgan**

This is a federal habeas corpus case challenging the petitioner’s first degree murder conviction (and 73-year prison sentence) stemming from a gang-related shooting in 1994. The 9th Circuit Court of Appeals previously ruled that the petitioner’s exclusion from a pretrial hearing on the identity of a confidential informant violated his constitutional rights and remanded the case to district court for an evidentiary hearing to determine whether the petitioner suffered prejudice as a result of the error.

The district court ruled in favor of the AGO Criminal Justice Division, that the petitioner was not prejudiced and dismissed the petition without prejudice.

**Homicide Investigative Tracking System**

Members of the AGO HITS Unit, in conjunction with the University of North Texas Health Science and other agencies throughout the state, worked together to enhance the collection and submission of personal and relative reference samples of missing persons, and samples from unidentified remains for DNA analysis. HITS Unit investigators have contacted agencies in their regions to encourage and assist them in the proper collection and submission of these samples. Related to this issue, unit members worked with a committee designated by House Bill 2805 to develop suggested policies and protocols for the investigation of missing person cases in Washington. The goal is to increase the number of identifications of unidentified remains and the success of missing persons investigations.
Office Overview
AGO MISSION
As an independent constitutional office, and legal counsel to state government, we serve the citizens of Washington with the highest standards of excellence, ethics and effectiveness.

AGO VISION
The Office of the Attorney General will be the best public law office in the United States, proudly contributing to the greatness of Washington.

AGO VALUES
Excellence and effectiveness through:
• Transparency
• Honesty
• Respect
• Innovation
• Competition
• Ethics

WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
The Washington State Attorney General’s Office is made up of 26 legal divisions located in 12 different cities across the state. The office consists of 500 over attorneys and more than 600 other employees providing legal services to more than 230 state agencies, boards and commissions.

According to state law, the Office of the Attorney General is responsible for representing the state of Washington, its officials, departments, boards, commissions, and agencies. Its specific duties include:

• Representing the State of Washington before the Supreme Court, the Court of Appeals and trial courts in all cases that involve the state’s interest.

• Advising the Governor, members of the Legislature and other state officers on legal issues, and, when requested, giving written opinions on constitutional or legal questions.

• Protecting the public by upholding the Consumer Protection Act, enforcing laws against anti-competitive business practices, representing the public interest in utility matters, and protecting the environment as Counsel for the Environment in the siting of energy facilities.

• Investigating and prosecuting persons accused of crimes if requested to do so by the Governor or a county prosecutor.
AGRICULTURE AND HEALTH
The Agriculture and Health Division provides legal advice and litigation services to:

- Department of Agriculture
- Department of Health and its associated boards, commissions and committees
- State Board of Health
- Health Care Authority
- 24 commodity commissions
- Department of Community, Trade and Economic Development
- Department of Archeology and Historic Preservation
- Northwest Compact on Low-Level Radioactive Waste Management
- Home Care Quality Authority
- Life Sciences Discovery Fund Authority

The division oversees health care practitioners and facilities, as well as the regulation of activities posing threats to human health, such as food processing, the safety of public drinking water and the disposal of low-level radioactive materials.

The division advises the Health Care Authority and Public Employees Benefits Board with respect to state employees’ health care benefits, the Basic Health Plan and a program for reducing prescription drug costs for qualified seniors and low-income individuals.

ANTITRUST
The Antitrust Division enforces state and federal antitrust laws. The majority of the division’s work focuses on representing consumers and state agencies in litigation seeking compensation for violations of antitrust laws. The division also provides legal counsel to state agencies concerning antitrust-related matters.

BANKRUPTCY AND COLLECTIONS
The Bankruptcy and Collections Unit encourages voluntary compliance with the state’s tax laws by supporting the efforts of state agencies to aggressively pursue money owed to the state. Most of the money is owed for delinquent sales and business and occupation taxes, industrial insurance premiums and unemployment fund contributions.

The unit primarily represents the departments of Revenue, Labor and Industries and Employment Security. The vast majority of the unit’s work consists of handling bankruptcy litigation in cases under Chapter 11 and Chapter 13 of the federal Bankruptcy Code. The unit also handles a significant number of collection actions against the bonds of contractors who are delinquent in tax payments.

In conjunction with representing various state agencies in bankruptcy and collection actions, the unit devotes substantial resources to training tax agency personnel who handle bankruptcy and collections claims.
**Complex Litigation**

The Complex Litigation Unit assists AGO divisions with litigation that requires unique resources because of complexity or sensitivity. The work is hands-on and collaborative, and typically includes class actions, multi-party lawsuits and multi-claim lawsuits. The unit has assisted in cases covering issues such as Medicaid funding, employment, the environment, elections, foster care, unfunded mandates, pensions, and school funding. These complex and costly cases represent significant exposure for state agencies.

**Consumer Protection**

The Consumer Protection Division enforces consumer protection laws to help keep the Washington marketplace free from unfair and deceptive practices. The division investigates and files legal actions to stop these practices, recovers refunds for consumers and imposes penalties on offending businesses.

The division also facilitates the informal resolution of consumer problems by notifying businesses of written complaints and mediating them. It provides information and education to businesses and to the public on consumer rights and issues, and sends out alerts and press releases when consumers or businesses are targets of fraudulent or predatory activities.

The division is also responsible for the administration of Washington’s Lemon Law for new motor vehicle warranty enforcement. The services include arbitration to resolve consumer and manufacturer warranty disputes, consumer and industry education and enforcement of manufacturer and dealer obligations.

**Criminal Justice**

The Criminal Justice Division advises and represents the Washington State Patrol, the Department of Corrections, the Indeterminate Sentence Review Board, the Criminal Justice Training Commission, the Sentencing Guidelines Commission, the Governor’s Clemency and Pardons Board, and the Governor in all extraditions and detainers.

The division investigates and prosecutes significant crimes when requested by local authorities or the Governor. Division staff maintain the Homicide Investigation and Tracking System (HITS), an immense and searchable data “warehouse” of information about violent crime and offenders that is used to solve crimes and apprehend criminals. The division also represents the state in the Sexually Violent Predator Civil Commitment proceedings in 38 of 39 Washington counties.

Finally, the Medicaid Fraud Control Unit, an investigative and prosecutorial unit within the division, investigates and prosecutes both health care provider fraud and the criminal abuse and neglect of residents in Medicaid-funded facilities. The unit maintains and updates a statewide vulnerable adult contact network to assure that resident abuse referrals and support resources go to the appropriate law enforcement agency.

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**FY 2006 Consumer Protection Highlights:**

- Fielded more than 135,000 phone calls.
- Greeted nearly 1,500 “walk-ins.”
- Processed 21,300 complaints, resulting in more than $5.4 million in restitution to Washington consumers.
- The Lemon Law program handled more than 14,000 phone calls.
- Provided nearly 3,600 arbitration packets.
- Handled 216 requests for arbitration, resulting in nearly $5 million in refunds and vehicle replacements to Washington consumers.
ECOLOGY
The Ecology Division represents the Department of Ecology, the Puget Sound Action Team, the Pollution Liability Insurance Agency, the State Conservation Commission, and the Oil Spills Advisory Council. The division works to resolve environmental problems and disputes and provides advice on permitting, legislation, rule-making, and enforcement matters.

Much of the division’s practice is focused on water allocation and management and cleanup of contaminated sites. The division also assists the Department of Ecology in oversight of the United States Department of Energy’s cleanup of the radioactive and hazardous waste at the Hanford Nuclear Reservation.

EDUCATION
The Education Division serves the Office of the Superintendent of Public Instruction, nine area-wide educational service districts, the State Board of Education, and Professional Educator Standards Board.

In addition, the division provides a full range of legal services to more than 40 higher education clients, including three regional universities, The Evergreen State College, 28 community colleges, five technical colleges, the Higher Education Coordinating Board, the State Board for Community and Technical Colleges, the Council of Presidents, and the Center for Information Services.

FISH, WILDLIFE & PARKS
The Fish, Wildlife and Parks Division represents and advises the Washington Department of Fish and Wildlife and the State Parks and Recreation Commission in civil and criminal matters. The division also represents the state in certain complex natural resource litigation and sometimes assists local prosecutors in the prosecution of fish and wildlife-related crimes.

Legal services typically relate to fish and wildlife resource management, habitat protection, land use, tribal issues, hydropower licensing, law enforcement, land acquisition and management, endangered species, water rights, and public works.

GOVERNMENT COMPLIANCE & ENFORCEMENT
The Government Compliance and Enforcement Division provides representation and legal advice to:

- State Auditor
- State Insurance Commissioner
- Department of Financial Institutions
- Gambling Commission
- Horse Racing Commission
- Human Rights Commission
- Office of Minority and Women's Business Enterprises
- Joint Legislative Audit and Review Committee
The division also prosecutes enforcement and forfeiture violations for the Washington State Patrol, the Public Disclosure Commission, the State Lottery, the Liquor Control Board, the State Executive Ethics Board, the Legislative Ethics Board and the Professional Guardian Board of the Administrator for the Courts. It also prosecutes professional licensing actions for the Department of Health.

GOVERNMENT OPERATIONS
The Government Operations Division handles the litigation for, and provides legal advice to, more than 40 state agencies and elected officials. Some of the division’s larger clients include:

- State Treasurer
- Department of Retirement Systems
- General Administration
- Department of Information Services
- Department of Personnel
- Military Department
- State Investment Board
- Energy Facility Site Evaluation Council
- Office of Financial Management
- Washington State Convention and Trade Center
- Some divisions and programs of the Secretary of State

LABOR & INDUSTRIES

On average, the L&I Division handles more than 500 disputed appeals on industrial insurance claims per month. Approximately 35 percent of those appeals are resolved by paralegals through a mediation process.

In FY 2006, the average attorney caseload represented $358,007,559 in exposure to the state’s industrial insurance funds. Those cases present complex medical, vocational and legal issues.

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LABOR & PERSONNEL

The Labor and Personnel Division provides centralized employment and personnel-related legal services and expertise to Washington state agencies, boards, commissions, and institutions of higher education. The attorneys in the division provide substantial client advice on a variety of employment issues, including wage and hour laws, disability and reasonable accommodation, employee misconduct and discipline, workplace safety, and labor relations.

The division also provides legal representation before a number of administrative personnel boards, labor commissions and superior and appellate courts.
Licensing & Administrative Law

The Licensing and Administrative Law Division advises and represents a wide variety of smaller state agencies, such as the Liquor Control Board, the Public Disclosure Commission, the Washington State Lottery, and the Executive Ethics Board. The division also represents two large state agencies, the Department of Licensing and the Employment Security Department.

The division's legal practice has developed expertise for the AGO in Public Records law, Open Public Meetings law, the Administrative Procedure Act, due process, and regulatory law issues.

Natural Resources

The Natural Resources Division represents the Commissioner of Public Lands, the Department of Natural Resources, the Board of Natural Resources, the Forest Practices Board, and other related boards and committees.

The division provides a broad spectrum of client advice, dispute resolution and litigation services to an agency that manages more than 5 million acres of forest, range, commercial, agricultural, and aquatic lands. It has fire protection and public resource protection responsibilities on 12 million acres of state and private forest lands. The division also supports the agency in its efforts to regulate surface mining, provide technical assistance for forestry and mining and administer several programs designed to protect riparian areas, Natural Resource Conservation Areas and Natural Area Preserves.

Public Counsel

The Public Counsel Unit represents consumers who would not otherwise have an effective voice regarding the rates, services and business practices of the investor-owned telephone, electric and natural gas utilities operating in the state – such as Qwest, Verizon Northwest, Puget Sound Energy, and Avista.

Public Counsel advocates for the interests of consumers in major rate cases, mergers and other cases and rulemakings before the Washington Utilities and Transportation Commission, as well as through technical study groups, in court appeals and before the Legislature and other policy makers.

The office maintains contact with the public through a citizen advisory committee, community organizations, public hearings, and personal contact with consumers in major cases.

Regional Services

The Regional Services Division consists of seven offices that are the “face of the AGO” in Bellingham, Everett, Kennewick, Port Angeles, Vancouver, Wenatchee, and Yakima. These offices provide a variety of legal services for a number of client agencies, such as the Department of Social and Health Services, the Department of Labor and Industries, the Employment Security Department, and the Department of Licensing.

The Regional Services Division also represents and advises educational institutions and several Educational Service Districts, as well as the School for the Deaf and the School for the Blind.
REVENUE
The Revenue Division provides legal services to the Department of Revenue (DOR), which administers and collects the state’s excise taxes. The division also provides legal services related to DOR’s administration of the state’s property tax system, its assessment of operating property owned by public utilities and its administration of the state’s estate tax and unclaimed property law. The division principally defends DOR against excise tax refund claims.

The division also handles property and miscellaneous tax litigation and advises DOR on tax and general governmental matters.

SOCIAL & HEALTH SERVICES - OLYMPIA
The Social and Health Services Division in Olympia provides legal services to the Department of Social and Health Services, which administers a variety of federally and state-funded programs to protect the general public and assist those who are unable to provide for themselves. Programs include:

• Income and medical assistance
• Children's services
• Child support
• Mental health services
• Developmental disabilities
• Juvenile rehabilitation
• Alcohol and drug rehabilitation
• Vocational rehabilitation
• Nursing home surveys
• Adult protective services
• Home and community care services
• Other related community social service program activities

The Social and Health Services Division also provides legal support to the Department of Veterans Affairs and the Department of Services for the Blind.

SOCIAL & HEALTH SERVICES - SEATTLE
The Social and Health Services Division in Seattle provides legal representation to the Department of Social and Health Services in King County. The division primarily handles litigation at the administrative, superior court and appellate court levels.

Most of the cases involve juvenile dependency or termination of parental rights cases. The remaining cases include foster care, day care and adult family home licensing and adult protective services guardianships and protection orders. Approximately one-third of the juvenile appeals statewide are handled by the division.

SHS HIGHLIGHTS:
In fiscal year 2006, the Social and Health Services Division brought to conclusion 1,457 terminations and 3,037 dependencies protecting children in Washington from abuse and neglect.
The Solicitor General’s Office provides the following services within the Attorney General’s Office:

- Coordinates the office’s involvement with cases in the United States Supreme Court.
- Assists AGO attorneys in preparing and presenting appellate cases in state and federal court, and directly handles select appeals.
- Prepares and issues Attorney General Opinions.
- Coordinates the office’s involvement with amicus curiae “Friend of the Court” briefs in all courts.
- Carries out the Attorney General’s duties with respect to the preparation of ballot titles and explanatory statements, and represents the state in litigation involving the powers of initiative and referendum.
- Coordinates legal advice on issues of statewide significance.
- Serves as legal counsel to the Secretary of State, Lieutenant Governor and Administrative Office of the Courts.

The Spokane Division provides a wide range of legal services in Eastern Washington to many agencies and institutions of state government, such as the Department of Social and Health Services, the Department of Labor and Industries, the Department of Licensing, and various institutions of higher education. Nearly all consumer protection functions for the eastern half of the state are located in the Spokane office.

The office also handles Medicaid fraud criminal cases in Eastern Washington, while other investigators assist local jurisdictions in investigating homicide and other major crimes.

The Tacoma Division provides a wide range of legal services in matters arising out of Pierce and Kitsap counties to many agencies of state government, including the departments of Social and Health Services and Labor and Industries, as well as Licensing and Administrative Law work.

TORTS

The Torts Division defends tort claims and lawsuits against all state agencies, officers and employees. The majority of cases are based on actions brought under theories of liability for state actions such as highway design, release of inmates, injuries on state property, medical malpractice, employment, child care and custody, auto accidents, maritime injuries, false arrests and unreasonable force. In fiscal year 2005, the division resolved 65 percent of its cases with zero payout.

Torts attorneys also provide legal and risk management advice to the Office of Financial Management and state agencies on tort matters.
Transportation & Public Construction
The Transportation and Public Construction Division represents the Washington State Department of Transportation as it designs, constructs, operates, and maintains Washington's highway system and other transportation operations, including ferries, rail, aviation, freight transport, and public transportation. Other client agencies include the Washington Transportation Commission, the Board of Pilotage Commissioners, the County Road Administration Board, the Transportation Improvement Board, the Washington Traffic Safety Commission, and the Freight Mobility Strategic Investment Board.

Division attorneys also use their experience in eminent domain, contracts, construction, land use, and environmental law to support the construction activities of other state agencies, including the Department of Corrections and colleges and universities.

University of Washington
The University of Washington Division provides legal services to the University of Washington, which includes campuses in Seattle, Bothell and Tacoma, more than 35,000 students, 15,000 employees, and two major medical centers.

The division provides legal advice and representation across a broad spectrum, including employment law, labor relations, student affairs, real estate, business law, intercollegiate athletics, public finance, bonds, intellectual property, tax, benefits, constitutional law, gifts and trusts, and health care law. The division's mission is to serve the university — and the students, patients and citizens who benefit from its teaching, healthcare and research — by assuring that the university receives legal advice and representation that meet the highest professional standards.

Utilities & Transportation
The Utilities and Transportation Division provides legal services to the Washington Utilities and Transportation Commission. The commission regulates the rates, services and practices of a wide range of services, including:

- Telecommunications (excluding wireless, Internet and cable companies)
- Electricity and natural gas
- Solid waste collection
- Water
- Pipelines

- Railroad carriers and facilities
- In-state household movers
- Private ferries
- Bus companies

New market conditions, technology, federal and state laws, and consumer expectations make for an ever-changing policy and legal landscape.

Washington State University
The Washington State University Division provides a full range of legal services to the state's land grant university. The division provides advice on a host of legal issues, many of which are unique to an academic environment.

Attorneys provide assistance relating to:

- University research and intellectual property
- The university's statewide Extension Program (including 4-H programs)
- Athletics and NCAA compliance
- Various student rights and programs
- State residency for tuition purposes
- All aspects of personnel/employment law, including faculty tenure and promotion
- University development
- Environmental health and safety
- Public contracting
- Constitutional rights
- Veterinary training and services
- Real estate and other transactions
- Capital planning and development
Along with the 26 legal divisions, there are several administrative units that make up the Attorney General’s Office. These units provide non-legal services to the office.

**Fiscal**

The Fiscal Unit provides centralized financial services for the agency including:

- Accounting
- Payroll
- Budgeting
- Purchasing
- Contracting
- Facilities Management

Accounting services comprise of receipt of payments for legal services by client agencies, payments to vendors, travel voucher processing, case management, and all other reconciliations and financial reporting for the AGO.

**General Services**

The General Services Unit coordinates the AGO motor pool, conference rooms, equipment reservations, centralized reception, mail services, and maintains security access for the Tumwater location. The unit also provides ID badges for all AGO employees.

**Human Resources**

The Human Resources Unit provides comprehensive personnel-related programs and services to managers, employees and candidates for employment. The unit’s goal is to assist managers in hiring and retaining the best and brightest in the legal field.

Some of the programs and services offered by the unit include:

- Strategic planning
- Policy development and compliance
- Mediation
- Recruitment
- Retention
- Compensation
- Personnel records
- Performance management
- Training and development
INFORMATION SERVICES
The Information Services Unit manages the delivery of all AGO computer and telephone network infrastructures and the operation of all network hardware and software platforms to provide AGO staff access to their work products and communications. Data security and disaster recovery are key to the maintenance and operations of the AGO’s voice and data systems. The unit ensures compliance with state governance policies and standards, and ensures that all electronic services function properly and securely.

OFFICE SUPPORT SERVICES
Office Support Services is a central unit that oversees the management of AGO archiving, surplus, fleet, and copy center services. The unit provides a broad array of assistance that includes:
- Support for the preparation and reproduction of files for litigation work
- Scanning and creating a variety of print and electronic materials used internally and outside the agency
- Comprehensive audio and video services

PUBLIC AFFAIRS
The Public Affairs Unit is an award-winning group of communications and graphic design professionals who develop and implement agency-wide internal and external communications strategies. The unit conducts proactive and responsive media relations, provides AGO media training and researches, drafts and schedules AG McKenna’s speeches and presentations. They also publicize the work of the AGO both internally and externally through news releases, guest columns, radio feeds, the AGO intranet, the AGO Web site, presentations, and newsletters.

PUBLIC RECORDS
The Public Records Unit oversees four major functions for the office:
- Processing and responding to all public records requests made to the AGO
- Processing all garnishments served by statute on the AGO and answering any questions that arise out of the process
- Assignment, entry and distribution of all mail addressed to the Attorney General, as well as e-mail sent from the AGO Web site
- Accepting service of process, and entry and assignment of the cases served at their location to the proper division for handling.

RESEARCH CENTER
The AGO Research Center assists AGO staff with their reference and research needs. This includes reference and research support, specialized legal research training, system administration, acquiring and recording research materials, tracking expense data, generating reports, and contract negotiations for online research services.
Awards and Honors

Marvin Award
Assistant Attorney General David Huey received the National Association of Attorneys General’s prestigious Marvin Award for his work on consumer protection issues, including nationwide settlements with Household and Ameriquest, resulting in two of the largest consumer protection settlements in history.

Jim Jones Award
The Conference of Western Attorneys General (CWAG) recognized Deputy Attorney General Rob Costello with the Jim Jones Award for his years of dedicated service. The award honors contributions to CWAG made in the spirit of collaboration and excellence.

Myra Bradwell Award
The Gonzaga University Law School Women’s Law Caucus presented its 14th Annual Myra Bradwell Award to Gonzaga Law School alumna Senior Counsel Cheryl Wolfe.

The award is presented annually to an outstanding alumna of Gonzaga Law School in honor of Bradwell, who was denied the right to practice law on the basis of gender in 1872.

LACP Vision Award
The Attorney General’s Office 2005 Annual Report, produced by Public Information Officer Sarah Frost and Graphic Designer Scott Peterson, won the Bronze Vision Award in the government category from the League of American Communications Professionals.

The 2005 Vision Awards Annual Report Competition drew an unprecedented number of submissions representing a broad range of industries and organizational sizes. More than 1,900 entries representing 16 countries were received, so competition was exceptionally tough.

Angelo Petrucci Award
Assistant Attorney General Penny Allen received the 2006 Angelo Petrucci Award for Lawyers in Public Service from the Washington State Bar Association Board of Governors. This award is given to a lawyer in government service who has made a significant contribution to the legal profession, the justice system and the public.

Washington Super Lawyer
Deputy Solicitor General Bill Collins was honored by Washington Law & Politics as a 2006 “Super Lawyer” in Washington.

Washington Law & Politics recognizes Washington lawyers who have attained a high degree of peer recognition and professional achievement. Only five percent of the lawyers in Washington are named “Super Lawyers.”

Diamond Award
The AGO’s Commute Trip Reduction program, administered by Office Support Supervisor Vonetta Mangaoang and Administrative Assistant Cynthia Jordan, was honored with a Commuter Challenge Diamond Award. This award recognizes businesses and their employees’ commitment to reducing the number of single occupancy trips to the work place.

Joel Palmer Award
Senior Counsel Fronda Woods received the Joel Palmer Award Honorable Mention for her article in the Oregon Historical Quarterly, “Who’s in Charge of Fishing?” Each year, the Oregon Historical Quarterly presents the Joel Palmer Award to the author of the best article published in the journal during the previous year and two honorable mentions.

Meritorious Service Award
King County Sheriff Sue Rahr selected AGO Investigator Marv Skeen as the recipient of the Meritorious Service Award. This award recognizes Marv’s participation in the Washington Violent Crime Investigators Association and the training he helped coordinate and facilitate for violent crime investigators in Washington.

Star Award
Assistant Attorney General Terry Pruitt received the Department of Natural Resources Star Award for outstanding support and guidance on a multitude of issues by the Shoreline District of the Aquatics Region.

Chapter President
Administrative Assistant Evelyn Dunagan was elected as the president of the Puget Sound Chapter of the Association of Legal Administrators.

Summit Award
Office Assistant Coral Nappo received the Summit Award from Pierce Transit. The Summit Award recognizes Pierce County Employee Transportation Coordinators that reach the pinnacle of achievement in their efforts to reduce traffic on our roads.

New Market Vocational Skills Center Award
The Attorney General’s Office received a recognition award from the New Market Vocational Skills Center for training and hiring co-op students from the skills center.