

2013 ANNUAL REPORT



OFFICE OF ATTORNEY GENERAL BOB FERGUSON



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INDEPENDENTLY SERVING THE PEOPLE AND STATE OF WASHINGTON

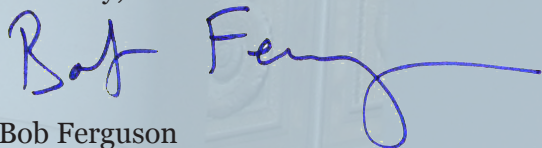
The Office of the Attorney General protects consumers, defends the will of voters, promotes open government, fights for equality, supports local law enforcement, works to keep dangerous predators out of our communities and takes on powerful interests that don't play by the rules.

Over the past year, we've launched several new initiatives to better serve residents, including consumers and our state's veterans and military families. We've been at the center of major state and national issues, including marriage equality, marijuana legalization and the ongoing fight to hold the federal government accountable for the Hanford cleanup.

With a team of highly-skilled attorneys and professional staff, the legal services we deliver are a value for taxpayers. Over the past fiscal year, we saved and recovered more than \$174 million for consumers and taxpayers. The office also successfully defended more than \$374 million in lawsuits against the state.

As a fourth-generation Washingtonian, a husband and father of young twins, I am proud to serve the public and our state clients, and honored to lead the dedicated public servants who work each day for you.

Sincerely,



Bob Ferguson
Attorney General



In 2013, we adopted a new Mission, Vision, and set of Values:

MISSION

The Office of the Attorney General will provide excellent, independent and ethical legal services to the State of Washington and protect the rights of its people.

VISION

The Office of the Attorney General will be the best public law office in the United States.

VALUES

All staff in the Office of the Attorney General are guided by the following core values:

1. We will deliver high quality legal services and remember that we serve the people of Washington.
2. We will conduct ourselves with integrity, professionalism, civility and transparency.
3. We will promote a collegial and diverse workplace that values, respects and supports our employees.

OFFICE OF ATTORNEY GENERAL BOB FERGUSON



From top:

1. Attorney General Ferguson with other AGO employees at the office's Memorial Day Presentation
2. Attorney General Ferguson addresses the 364th Expeditionary Sustainment Command, head quartered in Marysville, Wash.
3. Attorney General Ferguson joins office Assistant Attorneys General at the Washington State Bar Association's Diversity Conference.



BY THE NUMBERS

RETURN ON INVESTMENT IN FISCAL YEAR (FY) 2013*

The Attorney General's Office saves and recovers hundreds of millions of dollars each year for taxpayers and consumers.

SAVINGS AND RECOVERIES FOR TAXPAYERS

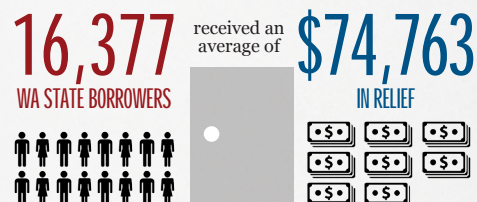
Antitrust Cost and Fee Recoveries.....	\$290,959
Consumer Protection Results and Recoveries.....	\$16,926,258
DSHS Financial Recoveries.....	\$811,164
Medicaid Fraud Control Unit.....	\$44,285,081
Bankruptcy & Collections.....	\$5,158,793
Tobacco Settlement Payments.....	\$106,647,785
TOTAL SAVED OR RECOVERED.....	\$174,120,040



*July 1, 2012 - June 30, 2013

In August 2013, the U.S. Office of Mortgage Settlement Oversight issued its final progress report on the historic National Mortgage Settlement between the five largest banks, and 49 state AGOs. Washington was a leader on this effort. By June 2013, the National Mortgage Settlement provided more than:

\$1.2 BILLION IN CONSUMER RELIEF TO WASHINGTON HOME OWNERS



Each year, the Attorney General's Office handles many complex cases that require the review of the Washington State Supreme Court. In 2013, the office argued 11 cases before the Court. Most cases that are accepted by the Court for review involve an important constitutional issue or a question of significant public importance.



Solicitor General Noah Purcell

WINTER DOCKET

Raven v. DSHS (87483-2)

AGO Advocate: Assistant Attorney General Cathy Hoover

Summary: Ms. Raven appealed a decision of the Court of Appeals, Division II, holding that she perpetrated "neglect" of a "vulnerable adult," as those terms are defined in RCW 74.34.020 (Abuse of Vulnerable Adults Act).

Outcome: On July 8, 2013, the Supreme Court held that Ms. Raven had not committed neglect under the statute, but that DSHS's actions were substantially justified, so Ms. Raven was not entitled to attorney's fees.

Freeman v. State (87267-8)

AGO Advocate: Senior Assistant Attorney General Bryce Brown

Summary: Plaintiffs sought to bar the State from leasing or otherwise allowing Sound Transit to use any portion of I-90 for light rail. On March 5, 2012, Judge Pro Tem Michael Cooper of Kittitas County granted summary judgment in favor of the State.

Outcome: On September 12, 2013, the Supreme Court ruled in favor of the State. The Court held that leasing the center lanes of I-90 to Sound Transit does not violate the 10th Amendment and was not arbitrary, allowing construction of light rail across I-90 to go forward.

King Cnty. Public Hospital District v. DOH (87574-0)

AGO Advocate: Deputy Solicitor General Rebecca Glasgow

Summary: Whether a DOH health law judge may consider new evidence of need in a certificate of need proceeding; whether competitors are entitled to a full adjudicative proceeding to contest settlement in light of RCW 70.38.115(10)(c); and whether DOH's grant of a hospice certificate was arbitrary.

Outcome: On September 5, 2013, the State prevailed. The Supreme Court held that the Department of Health had complied with state law in evaluating a hospice agency's certificate of need application, allowing an increase in available hospice care in King County.

In re PRP of Lain (87109-4)

AGO Advocate: Solicitor General Noah Purcell (*left*)

Summary: When the Indeterminate Sentence Review Board grants parole, does the governor have authority to cancel parole prior to an inmate's release? Did the parole cancellation deprive Lain of a constitutionally protected interest?

Outcome: On November 7, 2013, the Supreme Court unanimously ruled in favor of the State, holding that the governor has authority to cancel an inmate's parole prior to the inmate's release and that the governor had done nothing improper in cancelling Lain's parole.



SPRING DOCKET

Rekhter v. DSHS (87350-0)

AGO Advocate: Deputy Solicitor General Jay Geck

Summary: Whether persons who provided in-home care recover on a claim that DSHS's use of a rule to calculate hours, which was later invalidated, violated an implied covenant of good faith and fair dealing? Are plaintiffs entitled to prejudgment interest of \$38 million?

Outcome: On April 3, 2014, the Supreme Court held that the providers were entitled to damages, but reversed the trial court's award of \$38 million in prejudgment interest.

PT Airwatchers v. ECY (88208-8)

AGO Advocate: Deputy Solicitor General Peter Gonick

Summary: (1) Whether Ecology adequately considered the environmental impacts of carbon dioxide emissions and woody biomass withdrawals from northwest forests expected from this project; (2) whether this facility is an "energy recovery facility" required to prepare an environmental impact statement under RCW 70.95.700.

Outcome: On February 27, 2014, the Court unanimously ruled in favor of the State, upholding Ecology's determination that an Environmental Impact Statement was not required for a proposed project by a paper company to convert an existing boiler to one that primarily burns forest waste.

Cornelius v. ECY (88317-3)

AGO Advocate: Assistant Attorney General Alan Reichman

Summary: (1) Whether the Municipal Water Law is constitutional as applied; (2) whether Ecology's approval of WSU's water right change application complied with relevant statutes including SEPA; (3) whether WSU's water rights are exempt from relinquishment under the Municipal Water Law.

Outcome: Argued 5-21-13 awaiting decision.

Friends of Columbia River Gorge v. EFSEC (88089-1)

AGO Advocate: Assistant Attorney General Ann Essko

Summary: Whether State Energy Facility Site Evaluation Council properly approved the siting of 35 wind turbines in an area adjacent to the Columbia River Gorge Scenic Area.

Outcome: On August 29, 2013, the Court unanimously ruled in favor of the State, upholding the governor's approval of the site certification agreement for this wind energy project.

FALL DOCKET

In re Detention of Morgan (86234-6)

AGO Advocate: Deputy Solicitor General Anne Egeler

Summary: Whether due process was violated when trial was held while the defendant was incompetent and medicated involuntarily; whether the right to public trial was violated when a pretrial hearing was held regarding medication without the defendant present.

Outcome: On May 8, 2014, the Supreme Court ruled in favor of the State and upheld Morgan's commitment as a sexually violent predator, finding that neither his due process rights nor his right to a public trial had been violated.

WEA v. DRS / WEA v. UCOLA (88546-0)

AGO Advocate: Solicitor General Noah Purcell

Summary: Whether the legislature violated the Washington Constitution's Contracts Clause when it canceled public employee gain-sharing where it expressly did not create a contractual right to gain-sharing and reserved the right to repeal; whether the legislature was estopped from repealing gain-sharing; and how replacement benefits apply.

Outcome: Argued 10-24-13 awaiting decision.

In re Peterson (Guardianship Board) (88513-3)

AGO Advocate: Deputy Solicitor General Jeff Even

Summary: (1) The proper standard of proof at guardian discipline hearings; (2) whether substantial evidence supports the Board's discipline; and (3) whether the Board violated the appearance of fairness when a Board member who did not participate in the decision initially referred the matter to the Board in the capacity of Court Commissioner.

Outcome: Argued 11-12-13 awaiting decision.

FOR THE PEOPLE

PROTECTING THE PEOPLE OF WASHINGTON STATE

As the state's chief legal officer, the Attorney General holds powerful interests accountable when they don't play by the rules. The office assists residents with consumer complaints, fraud and scams, and utility costs. The office also supports businesses by enforcing laws that promote a fair and competitive marketplace.

The office plays an important role in public safety by working with law enforcement and prosecutors, and keeping dangerous sex predators out of our communities.

In 2013, Attorney General Ferguson launched new statewide programs and initiatives to expand and improve services to the people of Washington, including veterans and military personnel.

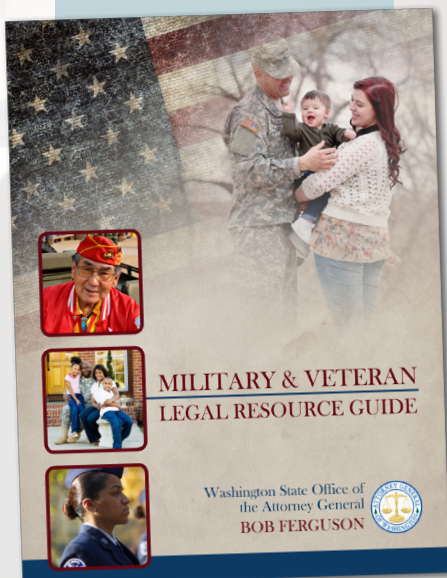


HIGHLIGHTS

VETERANS INITIATIVE

The launch of Attorney General Ferguson's Veterans Initiative marked the first time that serving the legal needs of Washington's veterans and military families is a key focus of the Attorney General's Office.

ENFORCE:
RESOLVED
1,240
VETERAN'S COMPLAINTS
RECOUPING
\$399,690
•\$• •\$•
•\$• •\$•



MILITARY VETERANS ASSISTANCE TEAM (MVAT)

Attorney General Bob Ferguson created the Military Veterans Assistance Team to spearhead the AGO's Veterans Initiative. Collaborating with federal, state and local partners, MVAT supports Washington's veterans, military personnel and their families by protecting their legal rights and access to their service benefits.

Led by Veterans Outreach Specialist Travis Alley, the Team has four strategic goals:

1. **ENGAGE** veteran and military communities,
2. **EDUCATE** veterans and military families about legal rights and protections,
3. **ENFORCE** legal rights of veterans and military families,
4. **ENCOURAGE** the development of new policies that benefit veterans and military families.

EDUCATE: NEW WEBSITE & RESOURCE GUIDE

In its first year, the MVAT team published a *Military & Veteran Legal Resource Guide* and launched a new veterans resource website. These new educational resources provide vets with information about their legal rights and benefits, and where to find assistance.



ENGAGE & ENCOURAGE: OUTREACH AND ADVOCACY

Attorney General Ferguson joined 12 other attorneys general to urge the U.S. Department of Defense to strengthen laws that protect military service men and women from predatory lending. The AGO also supported Senate Bill 5797 to encourage the development of veterans treatment courts.

The Attorney General's Office participates in a variety of military and veterans events and ceremonies. In 2013, the MVAT attended 25 military and veteran-specific events including veteran "Stand Downs" and resource fairs, community meetings, and public ceremonies. The events were in 11 different counties: Chelan, Cowlitz, Grant, King, Kitsap, Lewis, Pierce, Skagit, Snohomish, Thurston and Yakima.

Attorney General Ferguson visited Camp Murray, Washington's National Guard Headquarters, to sign a State of Support, committing the office to honoring and enforcing the employment rights of all staff who are members of the Guard and Reserve.



PUBLIC SAFETY

The Attorney General's Office works closely with law enforcement and prosecutors. We investigate and prosecute crimes at the request of a country prosecutor or the governor.

THE HITS UNIT HAS COLLECTED DATA COVERING
12,000+
MURDER
INVESTIGATIONS



8,800+
SEXUAL ASSAULT
INVESTIGATIONS



In 2013, HITS responded to **1958** requests for assistance or information.

HUMAN TRAFFICKING

The Attorney General's Office continues its ongoing efforts to end human trafficking by leading federal, state and local collaboration. In 2013, efforts included:

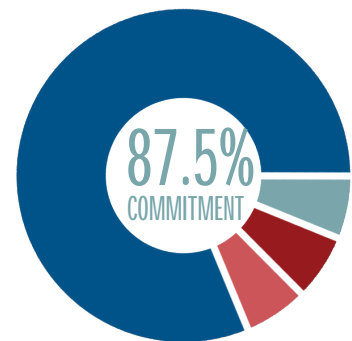
- Leading the Commercially Sexually Exploited Children Statewide Coordinating Committee (CSEC) to increase protections for exploited youth.
- Co-chairing the National Association of Attorneys General Standing Committee on Human Trafficking, created to address victim services, demand reduction strategies and policy changes to fight labor and sex trafficking.
- Leading 49 attorneys general asking Congress to modernize federal laws to enable prosecutors to combat online crimes.
- Joining 34 states in filing of a "Friend of the Court" brief in the U.S. Supreme Court supporting full restitution for victims of child pornography.

HOMICIDE INVESTIGATION TRACKING SYSTEM (HITS)

The Attorney General's HITS Unit maintains a statewide violent crimes database to assist law enforcement agencies. HITS investigators have assisted in many major crime investigations. (see box for 2013 results)

SEXUALLY VIOLENT PREDATOR (SVP) UNIT

The AGO's SVP Unit, established in 1990, works to have sexually violent predators civilly committed after they serve their criminal sentences. The unit is responsible for prosecuting sex predator cases for 38 of Washington's 39 counties.



IN 2013, THE SVP UNIT TRIED 16 CASES

13 Commitments	1 Criteria not met
1 Recommitment	1 Hung jury

COURTHOUSE PROTECTION LEGISLATION

To increase public safety in our state's courthouses, Attorney General Ferguson proposed legislation to expand protections for all victims, lawyers, witnesses, and the public doing business in our courthouses. Senate Bill 5484 received wide support from law enforcement and prosecutors. Sen. Adam Kline, Sen. Joe Fain, and Rep. Roger Goodman shepherded the bill through the Legislature. Governor Jay Inslee signed the bill on May 15, 2013.



PROTECTING CONSUMERS & BUSINESSES

Every Washington consumer and business benefits from the vital role our office plays in ensuring fair market competition by enforcing consumer protection and antitrust laws. The office also provides a range of complaint resolution, education and outreach services designed to protect the rights of consumers, and support a level playing field for Washington businesses.



(top) Attorney General Ferguson fields calls at the Fraud Watch Call Center; (bottom) employees from the AGO's Consumer Resource Center.

In 2013, the office enhanced its consumer services through consumer education tools, including:

NEW SCAM ALERT WEBSITE

The new site, dedicated to fighting fraud in Washington, offers consumers and businesses easy access to the latest information on scams.

CONSUMER RESOURCE CENTER

Our Consumer Resource Center offers informal complaint resolution services to assist Washington consumers and businesses in resolving more than 21,000 consumer complaints each year.

FRAUD FIGHTERS NETWORK

The AGO announced a partnership with AARP to develop and publicize the Fraud Watch Network. The AGO and AARP will recruit and train volunteers to warn about fraud and scams, send direct mail to vulnerable populations, conduct training sessions and tele-town halls, staff the Fraud Watch Call Center (left) and conduct an extensive media campaign in English and Spanish. This project aims to reach 230,000 people directly and millions more through media across the state.

ENFORCING CONSUMER PROTECTION AND ANTITRUST LAWS

The Attorney General's Office prosecutes hundreds of cases of fraud and other illegal business practices. In 2013, these cases involved a range of consumer products and services, including.

- Auto safety defects
- Consumer privacy and cyber security
- Credit card processors
- Discount clubs
- Fake fundraisers and charity scams
- Going out of business sales
- Mobile phone contracts
- Prescription medications
- Software piracy
- Vehicle service contracts

FILING A CONSUMER COMPLAINT

If you have a complaint you would like to file with our office, there are three easy ways to do so:



ONLINE

<http://www.atg.wa.gov/FileAComplaint.aspx>



MAIL

800 5th Ave. Suite 2000
Seattle, WA 98104



TELEPHONE

1-800-551-4636 (Wash. only)
or 1-206-464-6684

The AGO prosecutes important cases every year. Here is a sample from 2013:

CONSUMER DISCRIMINATION

When a Tri-Cities flower shop refused to provide wedding flowers to a long-time customer based on his sexual orientation, Attorney General Ferguson took action. He first sent a letter to the business owner, requesting that she comply with state consumer protection laws. Under the state's Consumer Protection Act, it is unlawful to discriminate against customers on the basis of sexual orientation. When she refused, he filed a consumer protection lawsuit. Senior Counsel Todd Bowers of the Consumer Protection Division is handling the case.

HOLDING WALL STREET ACCOUNTABLE - LAWSUIT AGAINST STANDARD AND POOR'S

Attorney General Ferguson, with the assistance of Consumer Protection Division Chief Shannon Smith, filed a lawsuit against Standard and Poor's alleging that, for over a decade, the national credit rating agency deceived investors by inflating credit ratings on the sub-prime assets packaged and sold by Wall Street investment banks. The deceptive ratings played a role in the national financial crisis.

WASHINGTON ATTORNEY
GENERAL JOINS \$5B
LAWSUIT AGAINST
STANDARD & POOR'S
-PUGET SOUND
BUSINESS JOURNAL

\$2.1 BILLION MORTGAGE FRAUD RESOLUTION

Under an agreement with Washington, 48 other states, and the federal Consumer Financial Protection Bureau, national sub-prime loan servicer Ocwen paid \$2.1 billion to resolve allegations that the company violated homeowners' rights, resulting in premature and unauthorized foreclosures.

Senior Counsel Dave Huey (*right*) handled the case that led to \$49 million in mortgage principal reductions for troubled Washington homeowners, and cash payments for thousands of state residents who lost their homes to foreclosures serviced by Ocwen.

\$120 MILLION "ROBO-SIGNING" RESOLUTION

As part of the ongoing effort to address the national foreclosure crisis and improve lending and foreclosure practices, Attorney General Ferguson and 44 other Attorneys General reached a \$120 million multi-state resolution with Lender Processing Services, Inc. and its subsidiaries.

The legal action resolved allegations that the Florida-based company, which provides technological support to banks and mortgage loan servicers, "robo-signed" documents and engaged in other improper conduct related to mortgage loan default servicing. Senior Counsel Dave Huey (*below*) was Washington's representative on the legal team.





Attorney General Ferguson is joined by Senior Counsel Lisa Erwin in announcing the \$1.2 million Gibbs timeshare scam.

\$1.2 MILLION TIMESHARE SCAM

The Attorney General's Office secured \$1.2 million from Jonathan and Christine Gibbs, an Olympia couple who operated a nationwide scam stealing timeshares from owners hoping to sell their properties. The Gibbs made more than 30,000 timeshare transfers and victimized at least 1,500 Washington consumers. The legal action, coordinated by Senior Counsel Lisa Erwin (*above*), included full restitution for all victims.

FINANCIAL PLANNING SCAM AIMED AT SENIOR VETERANS

With a new focus on veterans, the Attorney General's Office ended the illegal practices of four companies who were specifically targeting veterans. Kansas attorney Scott Sexton and his company American Benefits Advocates collaborated with three northwest companies in violation of state law, by offering unauthorized financial advice and planning, and promising untapped benefits to seniors who were veterans or veterans' spouses. The AGO secured restitution for victims and a court order prohibiting the companies from targeting veterans in the future. Assistant Attorney General Brooks Clemmons led the case.

**ATTORNEY GENERAL
BOB FERGUSON CRACKS
DOWN ON SCHEMES
TARGETING VETERANS //**
-THE ENUMCLAW
COURIER-HERALD

LARGEST EMBEZZLEMENT CASE IN STATE HISTORY

The Attorney General's Office successfully prosecuted the largest public sector embezzlement case in state history. The scheme involved Franklin County Public Works employee Dennis Merle Huston of Pasco. Charged with theft and money laundering for stealing more than \$2.8 million in public funds, the employee was sentenced to 16 years in prison. Assistant Attorney General Scott Marlow and Senior Investigator Gregg Mixsell handled the case.

PROSECUTING ENVIRONMENTAL CRIMES

Attorney General Ferguson made environmental crime prosecution a top priority and successfully prosecuted the first such case in 10 years. Over the course of a two-month period in 2012, Ronald Stansberry, operator of Camano Septic Service, dumped 6,000 gallons of sewage on private property. The business owner pleaded guilty to several charges, received a suspended sentence of 364 days in jail, and paid full restitution to the property owner. Assistant Attorney General John Hillman handled the case.

SUPPORTING LOCAL PROSECUTORS - FERRY COUNTY HOMICIDE

The Criminal Justice Division successfully prosecuted a murder in Ferry County. Due to limited county resources, the Ferry County Prosecutor requested assistance prosecuting Morgan Eugene Christensen, accused of strangling his stepfather. Assistant Attorneys General Tienney Milnor and John Hillman prosecuted the case.

FOR THE PEOPLE

KEY DIVISIONS

SAFEGUARDING CONSUMERS

ANTITRUST

DIVISION CHIEF: AAG Jonathan Mark

OVERVIEW: The Antitrust Division enforces state and federal antitrust laws that protect consumers and businesses from price-fixing, bid rigging, monopolization, anticompetitive mergers and other conduct that interferes with fair competition.

LEGAL HIGHLIGHTS: The division handled high-profile price-fixing matters including major cases against electronics manufacturers who conspired to raise prices on technology used in TVs, computer monitors and other devices. In the first, AU Optronics, Chi Mei, Epson, LG, Samsung, Sharp and Toshiba conspired to fix the price of their LCD panels. In the second, LG, Philips, Samsung, Toshiba, Panasonic, Matsushita and Hitachi fixed the prices of their cathode ray tubes. Both cases are ongoing.

CONSUMER PROTECTION

DIVISION CHIEF: Senior Counsel Shannon Smith

OVERVIEW: The Consumer Protection Division enforces consumer protection laws to keep the Washington marketplace free from unfair and deceptive practices. The division investigates and files enforcement actions to stop illegal practices, recovers refunds for consumers, and imposes penalties on offending businesses. The Division also supports consumers through its Consumer Resource Center, the Automobile Lemon Law Unit, and the Manufactured Housing Dispute Resolution Program.

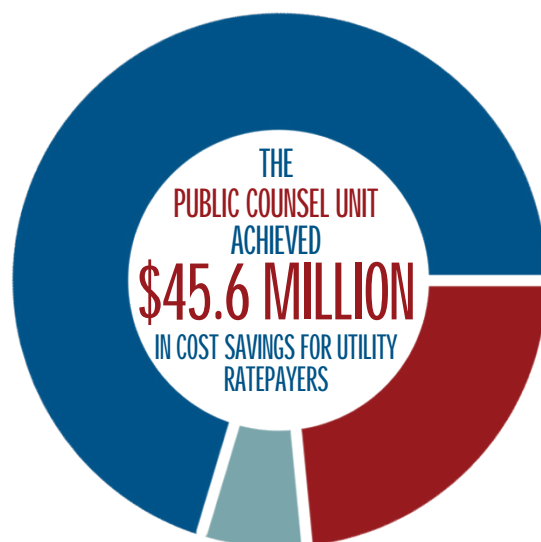
LEGAL HIGHLIGHTS: Along with the Consumer Discrimination case brought against Arlene's Flowers, the Gibbs Timeshare case, and the Standard and Poor's case, all covered in more detail in the major cases section on pages 8 and 9 of this report, the CP Division also sued three pharmaceutical companies (Janssen Pharmaceuticals, Inc, GlaxoSmithKline, and Pfizer Inc.) recovering more than \$10 million for Washington state.

PUBLIC COUNSEL

DIVISION CHIEF: Senior AAG Simon ffitich

OVERVIEW: The Public Counsel Division represents the customers of Washington's investor-owned electric, natural gas and telecommunications utilities regulated by the state Utilities and Transportation Commission (UTC). Public Counsel advocates for consumers by presenting evidence, legal arguments and policy recommendations in major rate cases, mergers and other cases and rulemakings before the UTC.

LEGAL HIGHLIGHTS: The Public Counsel Unit obtained substantial savings for Puget Sound Energy (PSE) customers in a "Coal Transition Power" Equity Incentive case. Public Counsel challenged the size of the incentive payment requested by PSE to buy Centralia coal, arguing it was excessive, and proposed an amount more than \$30 million lower that was later approved by the UTC.



\$32 MILLION: PUGET SOUND ENERGY CENTRALIA PPA
\$10.7 MILLION: PACIFICORP RATE CASE
\$2.9 MILLION: AVISTA GRC



KEEPING COMMUNITIES SAFE

CRIMINAL JUSTICE

DIVISION CHIEF: Senior AAG Lana Weinmann

OVERVIEW: Upon request from the governor, local law enforcement and local prosecutors, The Criminal Justice Division (CRJ) investigates and prosecutes criminal cases and provides support in homicide cases, sexual assaults, white-collar crime, and crimes involving official misconduct or public corruption. The CRJ Division civilly prosecutes convicted sexually violent predators who served their criminal sentence but still pose a serious threat to re-offend. The division also provides state and nationwide investigative expertise and assistance through the Homicide Investigation and Tracking System (HITS) Unit.

LEGAL HIGHLIGHTS: The Criminal Justice Division handled a wide range of cases from the Ferry County Homicide and Illegal Sewage Dumping Cases detailed on pages 8 and 9 of this report, to the commitment of high-profile sexually violent predators including Darnell McGary and Jerrod Stoudmire in Pierce County.

MEDICAID FRAUD CONTROL UNIT

SECTION CHIEF: Senior Counsel Doug Walsh

OVERVIEW: The Medicaid Fraud Control Unit (MFCU) (*below*) investigates, and criminally and civilly prosecutes theft and fraudulent use of Medicaid money by health care providers. With direct civil enforcement authority, the MFCU recovers losses to the Medicaid program caused by fraud and assesses civil penalties against the perpetrators of fraud. The MFCU also works with local prosecutors to investigate and prosecute abuse and neglect of vulnerable residents of Medicaid funded facilities.

LEGAL HIGHLIGHTS: The MFCU obtained guilty pleas from two employees of the Eatonville Manor senior living home. Former owner of the business Jodi D. Becker, and nurse practitioner Joanne G. Hardtke, were found guilty of criminal mistreatment of bedsores to a Manor resident that ultimately led to her death.

PROMOTING TRANSPARENCY

In November, Attorney General Ferguson selected Olympia attorney Nancy Krier to serve full time as the office's Open Government Assistant Attorney General.

Created in 2005, the position facilitates public access to government information by answering questions from the public, media and government staff, and resolving disputes. The position was reduced to halftime in July 2011 due to budget restrictions.

By restoring the position to full-time, Attorney General Ferguson intends to improve government transparency, and reduce costly lawsuits due to non-compliance.



FOR THE STATE

SERVING THE AGENCIES OF WASHINGTON STATE

As the chief legal officer for the state of Washington, the Attorney General is working behind the scenes providing legal services to state agencies on a broad and ever changing range of issues that impact how the state serves its residents.

At the highest level, our responsibilities involve protecting and preserving our state and its resources, as well as the health, safety and individual rights of all who call Washington home. The work of our office improves the quality of life of our people and helps ensure a bright and prosperous future for Washington.

In meeting these responsibilities, our day-to-day work plays out in schools, courthouses, hospitals, nursing homes, parks, shorelines, waterways, highways and in virtually every community across Washington.



HIGHLIGHTS

Two votes in 2012 placed us at the forefront of historic legal issues. In defending the will of voters, we successfully navigated the uncharted legal territories of marriage equality and marijuana legalization.

MARRIAGE EQUALITY

Since Washington became the 9th state in the nation to legalize same-sex marriage in 2012, marriage equality has been a major legal issue of the office. The Attorney General's Office provides legal advice and assistance to state agencies involved in this issue, including the Secretary of State and the Public Disclosure Commission.

In early 2013, Washington joined two amicus curiae, or "Friend of the Court" briefs before the U.S. Supreme Court in support of marriage equality.

In a 5-4 ruling in *U.S. v. Windsor*, the Court ruled in favor of same-sex marriage and declared section 3 of the federal Defense of Marriage Act (DOMA) unconstitutional, clearing the way for same-sex couples legally married under Washington law to gain access to the same federal benefits received by other married couples.

The Court also issued a 5-4 ruling in *Hollingsworth v. Perry*, stating proponents of California's Proposition 8 who appealed the case lacked standing — or the ability to bring the case to trial — and that the Ninth Circuit should have never ruled on the case.

I-502 MARIJUANA LEGALIZATION

The passage of Initiative 502 presents a range of complex legal issues for state agencies, law enforcement, and local communities in Washington, as each seek to implement legalization of recreational marijuana. The Attorney General's Office played a key role in advising client agencies on these issues.

- Attorney General Ferguson immediately made legal implementation of I-502 a top priority and assembled a legal team to defend the will of the voters.
- Ferguson and Governor Jay Inslee met with U.S. Attorney General Eric Holder.
- Federal government announced it will not pre-empt Washington as the state implements a highly regulated legalized market for marijuana.



AGO OPINIONS

We provide legal opinions, upon request, to state officers as a duty of the office. While not binding, AGO Opinions are given "great respect" and "great weight" by the courts.

Six AGO Opinions were issued in 2013. One opinion addressed:

"Whether A Public Hospital District Violates RCW 9.02 If It Contracts With A Provider Of Health Care Services That Declines To Provide Certain Services"

In response, the Solicitor General's Office issued **2013 AGO Opinion No. 3**, stating:

A public hospital district that provides, directly or by contract, maternity care benefits, services, or information to women, through any program administered or funded in whole or in part by the district, must also provide the substantially equivalent benefits, services, or information required by RCW 9.02.160 and .100.

The five other AGO opinions issued in 2013 addressed legal questions involving:

- High Capacity Transportation System Plan
- Irrigation Districts
- Emergency Medical Services Levy
- Timber Excise Tax Revenues
- Consumer-Owned Utilities

The AGO prosecutes important cases every year. Here is a sample from 2013:

STANDING UP AGAINST BIG TOBACCO - \$14.8 MILLION VICTORY FOR WASHINGTON

By successfully defending Washington in tobacco enforcement arbitration, the Attorney General's Office thwarted efforts by tobacco companies to withhold millions in state tobacco resolution payments. The year-long "diligent enforcement" case involved payments owed by tobacco companies to Washington under the 1998 Master Settlement Agreement (MSA).

The tobacco companies withheld millions claiming Washington was not complying with all MSA requirements. The arbitration decision granted Washington full payment of the withheld money, resulting in tens of millions of dollars in payments and savings for the state. Senior Counsel Rene Tomisser was lead counsel. Senior Counsels Rusty Fallis, David Hankins, and the entire Diligent Enforcement Team (*below*) also played integral roles in the case. Washington was one of a handful of states to handle the case in-house. Other states paid for outside counsel.



The Diligent Enforcement team (L to R): Rene Tomisser, David Hankins, Diane Hoosier, Twyla Williams, Rusty Fallis, and Cam Comfort.

PRESERVING THE INTEGRITY OF WASHINGTON ELECTIONS

In the largest campaign finance concealment case in state history, Attorney General Ferguson sued the Washington D.C.-based Grocery Manufacturers Association (GMA) for concealing millions of dollars in campaign contributions. The GMA, a trade association representing more than 300 food, beverage and consumer product companies, contributed more than \$11 million to defeat Initiative 522. The measure, rejected by voters, sought to require labeling of genetically engineered foods.

Concealing the identity of campaign donors violates state laws that protect the integrity of elections. The state filed suit against GMA, who in turn disclosed the information, revealing additional concealed funds. The case is ongoing because the Attorney General's Office is asking the court to impose a significant penalty. Our office is represented by Senior Assistant Attorney General Linda Dalton.

GROCERY MANUFACTURERS HIDING MILLIONS IN FOOD-LABELING CAMPAIGN
-SEATTLE PI

FIGHTING WAGE THEFT

Concerned about the growing problem of wage theft in Washington, Attorney General Ferguson announced "zero tolerance" for businesses who fail to pay their employees what they earned.

In June, the AGO brought legal action against the general contractor for a public works project in the Port of Port Townsend who was violating state law and underpaying its workers. The Attorney General's Office, led by LNI Assistant Attorney General Eric Peterson (*right*), collected more than \$89,000 from the Caicos Corporation, to compensate 14 workers who were owed prevailing wages.



YUCCA MOUNTAIN RULING - IMPORTANT VICTORY FOR WASHINGTON

In 2002, Congress designated Yucca Mountain as the nation's sole repository site for high-level radioactive waste and spent nuclear fuel. Litigation, opposition and funding problems have continually delayed the project. By 2010, the federal licensing application process to build the repository had stalled, prompting Washington and others to take legal action against the federal government.

In August, the U.S. District Court of Appeals ruled in favor of Washington state and directed the federal government to restart the stalled licensing process at the Yucca Mountain nuclear waste repository in Nevada. The ruling is an important win for Washington residents, because Yucca is the designated repository for the nuclear waste at Hanford. Washington State Senior Counsel Andy Fitz (pictured above, with Attorney General Ferguson at the Hanford site in Richland) presented the lead argument that led to this ruling.

Fortunately, the court agreed with Washington state, that the licensing process must move forward. To date \$10 billion has already been spent pursuing development of the national repository, and billions more have been spent in Washington to prepare for disposal at Yucca.



UPHOLDING THE GOVERNOR'S AUTHORITY

In November, the Washington State Supreme Court ruled 9-0 in favor of upholding the governor's authority to cancel parole for dangerous criminals in Washington — even if the state's parole board recommends otherwise.

The case involved the violent shooting of Richland police officer Mike Fitzpatrick by Jerry Dean Lain in September 1982. In 2010, the Washington State Parole Board recommended Lain be released on parole. Governor Chris Gregoire canceled Lain's parole, citing concerns that he was at risk to commit violent crimes again should he be released. The Washington State Supreme Court upheld the constitutionality of state law that gives the governor power to grant or cancel parole.

DEFENDING THE WILL OF VOTERS - CHARTER SCHOOLS

The Attorney General's Education Division successfully defended the will of voters to allow charter schools in Washington. In 2012, voters passed Initiative 1240, authorizing the establishment of 40 charter schools. Opponents filed a lawsuit seeking to have the new law declared unconstitutional.

In December, a King County Superior Court Judge upheld the charter schools law against multiple constitutional arguments. The ruling allowed the will of voters to stand, and the implementation of charter schools to move forward. Education Division Chief David Stoller presented the state's argument.

FOR THE STATE

KEY DIVISIONS

PROTECTING THE ENVIRONMENT

AGRICULTURE AND HEALTH

DIVISION CHIEF:
Senior AAG Joyce Roper

OVERVIEW: The division provides legal advice and support to state agencies that oversee the safety and regulation of food production and human health in Washington. Attorneys and professional staff assist client agencies with legal matters related to oversight of health care practitioners and facilities, the regulation of agricultural activities, threats to human health, food processing, public drinking water, the eradication of pests, funding of innovative life sciences research, historic artifact preservation, and low-level radioactive waste disposal. The division also advises the Department of Commerce on legal issues related to programs designed to improve the state's infrastructure, communities and the economy.

LEGAL HIGHLIGHTS: The division represented the Department of Health in *Stormans, et al. v. Wiesman, et al.*, defending the state pharmacy board's requirement that pharmacies dispense contraceptives when requested by a customer. The case is ongoing.

ECOLOGY

DIVISION CHIEF: Senior AAG Mary Sue Wilson

OVERVIEW: The Ecology Division represents the Department of Ecology, the Puget Sound Partnership, the Pollution Liability Insurance Agency, and the State Conservation Commission. The division resolves environmental disputes, provides advice, and represents the state before courts and administrative tribunals on permitting, legislation, rule-making, and enforcement matters. The largest areas of practice are water resource allocation and management issues and cleanup of contaminated sites. The division also assists the Department of Ecology in oversight of the U.S. Department of Energy's cleanup of the radioactive and hazardous waste at the Hanford Nuclear Reservation.

LEGAL HIGHLIGHTS: The division represented the Department of Ecology in cases involving the state's duty to set water quality standards (*Northwest Sportfishing v. Ecology* - resolved in favor of Ecology in the Division II Court of Appeals), the adjudication of water rights (*Yakama Nation v. Ecology* - case is ongoing), and liability for the cleanup of Lake Roosevelt, which was contaminated when a Canadian company dumped waste into the Columbia River (*Pakootas v. Teck Cominco Metals Ltd* - case is ongoing).

FISH, WILDLIFE AND PARKS

DIVISION CHIEF: Senior AAG Joseph Shorin

OVERVIEW: The Fish, Wildlife and Parks (FWP) Division represents the Department of Fish and Wildlife and the State Parks and Recreation Commission. The division also represents the state in certain complex natural resource litigation and assists local prosecutors in the criminal enforcement of fish and wildlife laws. Legal services include advice and litigation, typically relating to fish and wildlife resource management, endangered species, habitat protection, tribal issues, hydropower licensing, law enforcement, civil forfeiture, land acquisition and management, land use, contracts, regulatory permitting and administrative procedure.

LEGAL HIGHLIGHTS: Major cases included the Teanaway Land Purchase, a landmark land acquisition in central Washington; *Washington Off Highway Vehicle Alliance v. State Parks*, involving a state park's funding issue; *Squaxin Island Tribe v. WDFW*, challenging the Fish and Wildlife Department's authority to issue general Hydraulic Project Approval (HPA) permits; *HSUS v. Bryson*, challenging the lethal removal of California sea lions preying on endangered salmon, and Phase Two of the Boldt case, *United States v. Washington, Subproceeding 01-1*, involving fish passage and state culverts.



NATURAL RESOURCES

DIVISION CHIEF:

Senior AAG Patricia O'Brien

OVERVIEW: The Natural Resources Division represents the Commissioner of Public Lands, Department of Natural Resources (DNR), Board of Natural Resources, Forest Practices Board and other related boards and commissions that manage state natural resources and land. The division provides a broad spectrum of client advice, dispute resolution and litigation services to DNR, which manages more than 5.6 million acres of forest, range, commercial, agricultural, conservation and aquatic lands, including 3 million acres of state trust land. It supports DNR's role in regulating surface mine reclamation, suppressing fires on forestland, and removing derelict vessels from state-owned aquatic lands. The division also provides legal services to the Forest Practices Board, which adopts rules and standards for forest practices such as timber harvest.

LEGAL HIGHLIGHTS: *Derelict Vessel Cases:* Represented DNR in several derelict vessel cases, involving abandoned vessels that put public safety and the health of the state's waters at risk. *Fire Cost Recovery Cases:* Assisted the state in recovering fire suppression costs from responsible parties that negligently caused several fires. *Simmons v. DNR:* Obtained a dismissal of a federal civil rights lawsuit seeking damages from DNR's 2009 emergency order to suspend surface mining at the Simmons and Son mine in the aftermath of the Nile Valley Landslide, which destroyed a quarter mile of State Route 410.

STANDING UP FOR THE MOST VULNERABLE

SOCIAL AND HEALTH SERVICES

OLYMPIA DIVISION

DIVISION CHIEF: Senior AAG Rochelle Tillett

OVERVIEW: The Olympia SHS Division (*above*) provides legal services to the Department of Social and Health Services, which administers the state's programs to protect the general public and those who are unable to provide for themselves. The division supports programs including income assistance, children's services, child support, mental health services, developmental disabilities, juvenile rehabilitation, alcohol and drug rehabilitation, vocational rehabilitation, nursing home licensing and regulation, adult protective services, and home and community services for elderly and disabled individuals. The division also provides legal services to the Health Care Authority, which plays a key role in the purchase and delivery of health care services in Washington state. It also provides legal support to the Department of Veterans Affairs and the Department of Services for the Blind.

LEGAL HIGHLIGHTS: *Child Welfare Litigation:* By the end of June 2013, the attorneys representing the Department of Social and Health Services had 5,900 open dependency cases, protecting more than 9,500 children from abuse or neglect in their home environments.

SEATTLE DIVISION

DIVISION CHIEF: Senior AAG Mary Li

OVERVIEW: The SHS/Seattle Division represents DSHS in King County. Their work primarily involves abused, neglected, and at-risk children, vulnerable adults, and licensed facilities including child care, foster homes, adult family homes and boarding homes. Our team represents the state in dependency cases where it has been determined that a child is in dangerous circumstances and/or has no parent capable of caring for him or her. The goal of dependency cases is to safely and timely return children home, by addressing issues involving drug and alcohol abuse, domestic violence, mental illness and poverty.

LEGAL HIGHLIGHTS: *Protecting Vulnerable Adults* - While nearly 80 percent of the Seattle Division's work is in the juvenile arena, we also represent Adult Protective Services in cases involving elderly or disabled vulnerable adults who are alleged to be abused, neglected or financially exploited, and are in need of care or protection through guardianships.

FOR THE STATE

KEY DIVISIONS

PROMOTING EDUCATION

EDUCATION

DIVISION CHIEF: Senior AAG David Stoler

OVERVIEW: The Education Division (*below*) provides a full range of legal services to the state's education agencies, boards, commissions, community and technical colleges and universities. Division attorneys advise on conflict resolution, business transactions and compliance with state and federal laws. Education attorneys also prosecute professional misconduct cases related to teacher licensing, help enforce consumer protection regulations for private vocational schools and appear in a variety of student discipline, and labor and employment proceedings on behalf of the colleges and universities.

LEGAL HIGHLIGHTS: Major legal issues included ongoing representation of the state in *McCleary v. State*, which examined whether the state was making ample provision for education in Washington; advising the State Board for Community and Technical Colleges contract procurement for a statewide IT enterprise solution for the college system; and defending the will of the voters in Initiative 1240, which passed in November 2012, authorizing the establishment of charter schools in Washington.



UNIVERSITY OF WASHINGTON

DIVISION CHIEF: AAG Gary Ikeda

OVERVIEW: The University of Washington Division provides legal services to the University of Washington (UW), which includes campuses in Seattle, Bothell and Tacoma, more than 48,000 students, 29,000 employees and the region's major academic medical center.

The division provides legal advice and representation across many specialized areas of the UW's academic, research and medical programs, including employment and labor relations, student relations, real estate, business transactions, intercollegiate athletics, public finance, intellectual property, taxes, benefits, constitutional law, gifts and trusts, international operations and health care law.

WASHINGTON STATE UNIVERSITY

DIVISION CHIEF: Senior AAG Danielle Hess

OVERVIEW: The Washington State University Division provides a full range of legal services to the state's land grant university, including its four urban campuses. The division provides advice on a wide variety of legal issues, many of which are unique to an academic environment, including issues related to: risk management and compliance, research and intellectual property, health and veterinary sciences, public records and open meeting, the university's statewide Extension Program (including 4-H programs), athletics, students, personnel, university fundraising and development, public contracting, constitutional rights, real estate and construction, and international programs and operations.



SPANNING THE STATE

REGIONAL SERVICES

DIVISION CHIEF: Senior AAG Michael Shinn

OVERVIEW: The Regional Services Division has offices in Yakima, Wenatchee, Vancouver, Port Angeles (*above*), Kennewick, Everett and Bellingham that serve the state agencies and institutions in the communities surrounding each office. By locating attorneys and legal support staff in the communities where these state agencies operate, the AGO is able to conserve costs and deliver excellent legal services with expertise and knowledge in the local communities and court systems. Attorneys in these offices represent multiple agencies and are adept in a wide variety of practice areas. Regional Services represents several agencies, including the Department of Social and Health Services, Department of Labor and Industries, Employment Security Department, Department of Early Learning, Department of Licensing and 15 state educational institutions.

LEGAL HIGHLIGHTS: The Division successfully argued *In re K.D.S.* before the Washington State Supreme Court, which upheld the termination of the rights of a parent after continued negative contacts with a child diminished the prospects that she would be able to integrate into a stable and permanent home.

SPOKANE

DIVISION CHIEF: Senior AAG Toni Ursich

OVERVIEW: The Spokane Division provides a wide range of legal services in Eastern Washington to many agencies and institutions of state government, including the departments of Social and Health Services, Labor and Industries, Transportation, Licensing, Employment Security, Corrections, Eastern Washington State Historical Society, Innovate Washington and various institutions of higher education, including Eastern Washington University, Big Bend Community College

and the Community Colleges of Spokane. Employees in the division also handle Medicaid fraud criminal cases, provide consumer protection services, provide local state agencies with advice and representation on labor and personnel matters, and defend lawsuits filed against the state.

LEGAL HIGHLIGHTS: A mother and son pleaded guilty to stealing \$17,696 from state healthcare programs after leaving an elderly Washington in-home patient without proper healthcare services for several months while claiming payments in North Carolina. Additionally, a Spokane area woman was charged with \$30,000 in Medicaid fraud for allegedly billing Medicaid nearly \$30,000 for care not actually provided.

TACOMA

DIVISION CHIEF: Senior AAG Gretchen Leanderson

OVERVIEW: The Tacoma Division provides a wide range of legal services in matters arising out of Pierce and Kitsap counties to many state agencies, including the departments of Labor and Industries, Licensing, Employment Security, and Social and Health Services (DSHS). The DSHS cases involve child abuse and neglect, licensing of care providers and protection of vulnerable adults. Tacoma also handles consumer protection functions including enforcement, mediation, community outreach and education. The Tacoma Division's attorneys defend personal injury lawsuits filed against the state in Pierce and Kitsap counties.

2013 LEGAL HIGHLIGHTS: The Tacoma Division has been a leader in the Methamphetamine Family Treatment Court in Pierce County and in the promotion of effective therapeutic courts in Pierce and Kitsap counties. The division's DSHS caseload remains the highest in the state for juvenile dependencies and termination of parental rights cases.

FOR THE STATE

KEY DIVISIONS

MANAGING STATE FUNDS

BANKRUPTCY AND COLLECTIONS

DIVISION CHIEF: Senior Counsel Daniel Radin

OVERVIEW: The Bankruptcy and Collections Unit encourages compliance with the state's tax laws by supporting the efforts of state agencies to aggressively pursue money owed to the state. The unit litigates bankruptcy cases under chapter 11 and chapter 13 of the Federal Bankruptcy Code and fights to ensure the state's priority in the recovering of claims in superior court. The unit also handles a significant number of collection actions against the bonds of contractors who are delinquent in tax payments. Client advice is provided on a daily basis to the revenue agents as they work to collect unpaid taxes.

LEGAL HIGHLIGHTS: *Contractor Bond Cases:* The BCU opened 564 contractor bond files during this period and recovered \$2,225,368.29. Significant cases where the AGO was victorious include: *SI Construction*, involving the collection of a more than \$104,000 in taxes owed to the Department of Revenue. *Ebenal General*, involving the collection of \$87,434.19 taxes due the state, and *Nesbitt Lynnwood Properties, Inc.*, involving a payment of \$275,017 to the state for sales taxes due.

REVENUE

DIVISION CHIEF: Senior AAG Cam Comfort

OVERVIEW: The Revenue Division, which includes the Bankruptcy and Collections Unit, provides legal services to the Department of Revenue (DOR), which administers and collects the state's major excise taxes. The unit provides legal services related to DOR's administration of the state's property tax system, valuation of operating property owned by public utilities, and administration of the state's estate tax and unclaimed property laws. In addition, the Revenue Division plays an important role in implementing the historic tobacco litigation master settlement agreement (MSA) by enforcing the escrow

statute adopted by the Legislature. The statute requires cigarette manufacturers that sell tobacco products within the state, but have not joined the MSA, to make payments to the state.

LEGAL HIGHLIGHTS: *Estate Tax:* The Washington Supreme Court held that certain marital trust property is not subject to the state's estate tax. *Escrow Obligation of Tribal Cigarette Manufacturer:* The Federal District Court granted summary judgment in favor of the state in a dispute involving whether King Mountain, a tribal cigarette manufacturer, must continue to deposit monies into an escrow fund as a nonparticipating manufacturer under the Master Settlement Agreement.

TORTS

DIVISION CHIEF: Senior Counsel Pamela Anderson

OVERVIEW: The Torts Division defends tort claims and lawsuits against all state agencies, officers and employees. These claims and cases are based upon various theories of liability, including highway design, supervision of inmates and parolees, injuries on state property, medical malpractice, employment, child care and custody, auto accidents and maritime injuries. The division has an annual caseload of more than 300 claims and 450 lawsuits. The division resolves over 50 percent of its cases with a zero payout, uses early evaluation and early resolution processes to resolve appropriate claims and cases, and mediates a significant number of cases. The Division's Complex Litigation Unit assists other AGO divisions with complex litigation such as class actions, multi-party lawsuits, multi-claim lawsuits, and lawsuits against elected officials. Torts attorneys also provide legal and risk management advice to the state Office of Risk Management and other state agencies on torts matters.

LEGAL HIGHLIGHTS: *Tobacco Diligent Enforcement Lawsuit* – The Complex Litigation Unit successfully defended the state in the diligent enforcement arbitration (highlighted on page 14) with major tobacco manufacturers, resulting in nearly a \$100 million payout to Washington.

SUPPORTING INFRASTRUCTURE

TRANSPORTATION AND PUBLIC CONSTRUCTION

DIVISION CHIEF: Senior Counsel Bryce Brown

OVERVIEW: The Transportation and Public Construction Division (TPC) represents and advises the Washington State Department of Transportation (WSDOT) as it designs, constructs, operates and maintains Washington's highway system and other multi-modal transportation operations, including ferries, buses and rail. TPC's workload includes a mix of litigation and client advice on a wide range of issues, including condemnation, bid protests, construction claims, environmental litigation, regulatory compliance, hazardous waste claims, and land use issues that arise from state construction projects and the operation of state facilities. Division attorneys also handle a number of tort cases seeking recovery for property damage allegedly caused by floods, erosion and landslides.

LEGAL HIGHLIGHTS: *Freeman v. State of Washington* found the AGO victorious in a case involving WSDOT's decision to lease a portion of Interstate 90 to Sound Transit to use for light rail. The Division provides legal advice and services to WSDOT on a wide range of legal issues relating to the Alaskan Way Viaduct Bored Tunnel Project, SR 520 Bridge Replacement and the state's Tolling program.

UTILITIES AND TRANSPORTATION

DIVISION CHIEF: Senior AAG Sally Brown

OVERVIEW: 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 goods movers, private ferries and bus companies. New market conditions, technology, federal and state laws, and consumer expectations make for an ever-changing policy and legal landscape.

LEGAL HIGHLIGHTS: *Ensuring Fair & Reasonable Costs for Companies & Ratepayers:* The Division's work focuses primarily on regulatory litigation, including rate cases, merger proceedings, conservation and energy efficiency proceedings. In recent years the division has advised and represented the commission in energy rate cases brought by Puget Sound Energy (Western Washington), PacifiCorp (Central Washington), and Avista Corporation (Eastern Washington).



FOR THE STATE

KEY DIVISIONS

RUNNING GOVERNMENT SMOOTHLY

CORRECTIONS

DIVISION CHIEF: Senior AAG Timothy Lang

OVERVIEW: The Corrections Division advises and represents the Department of Corrections, the Indeterminate Sentence Review Board, and the governor's Clemency and Pardons Board. The work of the division includes defending the lawfulness of criminal convictions and sentences, including death sentences in habeas corpus and personal restraint proceedings. It also provides legal advice and defends the state in litigation concerning prison operations and other aspects of the corrections system.

LEGAL HIGHLIGHTS: In a significant victory for public safety, the Division successfully defended the governor's authority to cancel or revoke parole (detailed on page 15 of this report). May 2013 also marked the end of more than a decade of litigation over inmate Jonathan Gentry's death sentence, imposed in 1991 for the murder of 12-year-old Cassie Holden.

GOVERNMENT COMPLIANCE AND ENFORCEMENT

DIVISION CHIEF: Senior AAG Linda Dalton

OVERVIEW: The Government Compliance and Enforcement Division prosecutes licensing, enforcement and forfeiture violations for a number of agencies, boards and commissions. Additionally, the Division provides representation and legal advice to the State Auditor, State Insurance Commissioner and seven other agencies. The division also acts as the statutory Counsel for the Environment and provides the Attorney General representation on the state and local records committees.

LEGAL HIGHLIGHTS: Major cases included: *WSMA v. Kreidler*, involving the Insurance Commissioner's interpretation and application of the state Insurance Code as it applies to the payment of emergency room physicians and *Many Cultures, One Message v. Clements*, involving the state's grassroots lobbying disclosure statutes.

GOVERNMENT OPERATIONS

DIVISION CHIEF: Senior AAG Mary Ellen Combo

OVERVIEW: The Government Operations Division (*below*) handles litigation and legal advice for more than 40 state agencies, boards and commissions, and elected officials. The division's range of legal work is broad and complex, encompassing every aspect of state government operations. Examples include public pensions and deferred compensation, purchasing of goods and services, technology brokering and leasing, construction, real estate, utility computing, National Guard, emergency preparedness and response and E-911 system, investment of state trust funds, public finance, state budgeting and accounting, siting and regulation of energy facilities, corporations, archives, and library and grant money for recreation and conservation.

LEGAL HIGHLIGHTS: The division successfully defended a challenge brought by Friends of the Columbia River Gorge and by Save our Scenic Area against the governor's decision to approve the siting of a 35-turbine wind farm project proposed to be located in Skamania County. The Energy Facility Site Evaluation Council (EFSEC) unanimously recommended approval of the project after a lengthy environmental review and adjudicative hearing.





LABOR AND INDUSTRIES

DIVISION CHIEF: Senior AAG Evelyn Fielding Lopez

OVERVIEW: The Labor and Industries Division represents and advises the Department of Labor and Industries regarding the state's industrial insurance program, workers' compensation benefits, questions about fair wages and prevailing wage requirements, workplace conditions, safe work environments, contractor and building issues, crime victim claims and other issues for workers and employers.

LEGAL HIGHLIGHTS: In *Stone v. Dept of Labor & Industries*, the division successfully defended on appeal a case that ensures that a worker who is disabled by a combination of injuries will not receive more compensation than a worker who has one totally disabling injury.

LABOR AND PERSONNEL

DIVISION CHIEF: Senior AAG Paige Dietrich

OVERVIEW: The Labor and Personnel Division provides advice and representation in the specialized area of labor and employment law to nearly every Washington state agency, board, commission, and institution of higher education. Our attorneys have expertise in a variety of employment issues, including labor relations, wage and hour laws, disability and reasonable accommodation, employee misconduct and discipline, and the prevention of discrimination and sexual harassment. The division also provides legal representation in a variety of settings, including hearings before independent arbitrators, administrative personnel boards, labor commissions and superior and appellate courts.

LEGAL HIGHLIGHTS: *USDOL (Perez) v. DSHS*: The division continues to defend an enforcement action brought by the U.S. Department of Labor against the Department of Social and Health Services for uncompensated overtime, in which the USDOL claims damages in excess of \$80 million. *Teamsters Local Union No.117 v. DOC*: The division is defending the Department of Corrections against allegations of sex discrimination regarding certain correctional officer positions at the state's two correctional facilities for women being designated as female-only.

LICENSING AND ADMINISTRATIVE LAW

DIVISION CHIEF: Senior AAG Diane McDaniel

OVERVIEW: The Licensing and Administrative Law Division (*above*) prosecutes administrative actions against individuals and businesses under the state's licensing and regulatory laws governing approximately 45 professions, businesses and occupations. It provides legal advice and representation to clients including: Departments of Licensing and Employment Security, Boards of Accountancy, Liquor Control, Executive Ethics, Pollution Control Hearings, Shorelines Hearings, and Growth Management Hearings. Other clients include the Lottery, Judicial Conduct and Columbia River Gorge Commissions, the Environmental and Land Use Hearings Office, and the Public Records Exemption Accountability (Sunshine) Committee.

LEGAL HIGHLIGHTS: Several division attorneys have been providing litigation and advice support to the Liquor Control Board regarding implementation of voter initiatives I-502 (state legalization of production and sale of marijuana) and I-1183 (privatization of liquor sales).

SOLICITOR GENERAL'S OFFICE

SOLICITOR GENERAL: Noah Purcell

OVERVIEW: The Solicitor General Division oversees the state's participation in appellate cases before the U.S. and State Supreme Courts, and other federal and state courts. It prepares and issues Attorney General Opinions in response to legal inquiries from state officials, and coordinates the state's involvement with amicus curiae, or "Friend of the Court," briefs in all courts. The division coordinates legal advice on issues of statewide significance, and carries out the Attorney General's duties in preparing ballot measure materials and represents the state in litigation involving voter initiative and referendum. The division also serves as legal counsel to the Secretary of State, Lieutenant Governor, Administrative Office of the Courts and Office of Public Defense.

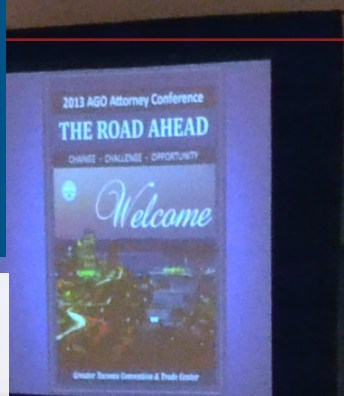
LEGAL HIGHLIGHTS: In *Defense of Two-Thirds Majority Vote for Tax Increases; League of Education Voters v. State*, the Solicitor General's Division defended the constitutionality of voter-approved Initiative 1053. The initiative provided that no tax increase could take effect unless it was either passed by a two-thirds vote of the legislature or approved by the voters.

FOR THE EMPLOYEE

SUPPORTING OUR EMPLOYEES

Every AGO employee plays a vital role in making the Washington State Attorney General's Office the best public law office in the country.

Recognizing employees as its most valuable asset, the Attorney General's Office is committed to promoting diversity, investing in employee training, fostering wellness, ensuring workplace safety and cultivating a culture of integrity, professionalism, civility and transparency.



KEYNOTE JORGE BARON

INVESTING IN OUR EMPLOYEES

AG ACADEMY

The AG Academy is a comprehensive attorney training and orientation program designed to acquaint new hires with the practice of law in the Attorney General's Office. The three-day course covers:

- Case and witness preparation
- Client interaction
- Depositions
- Media relations
- Public records
- Professionalism
- Solicitor General programs and functions

In addition to acquiring new legal skills and knowledge, attorneys also gain an appreciation for the values that are central to our office.

ATTORNEY GENERAL CONFERENCE

In 2013, Attorney General Ferguson reinstated the annual AG Conference. The event is a long-time tradition, started by Attorney General Ken Eikenberry in 1980, to preserve the "small law office" collegiality of the AGO even as the agency expanded. The conference grew into a successful statewide training event and opportunity for attendees to earn mandatory Continuing Legal Education credits.

Jorge Baron (*left*), the Executive Director of the Northwest Immigrant Rights Project gave an inspiring keynote. Breakout sessions featured expert panels and speakers covering emerging legal issues, including:

- Human Trafficking
- Legal issues raised by the Affordable Care Act
- Legal Ethics in the Digital Age
- Marijuana Legalization



Attorney General Ferguson addresses new attorneys at the AG Academy.



Diversity Advisory Committee Coordinator Milt Ruffins at the AGO's Veterans Day Presentation.

DIVERSITY

Promoting diversity is a core value of the Attorney General's Office. As the largest public law office in the state, the AGO recognizes that the residents of Washington are best served by a legal community that reflects the great diversity of the state's population.

Our Diversity Advisory Committee is dedicated to educating and training employees and managers on diversity issues and supporting the office's diversity recruitment and retention efforts.

The office sponsors agency-wide programs and celebrations involving a broad range of diverse topics including:

- Black History
- Domestic Violence
- LGBT Pride
- Religious Freedom
- Native American History
- Veterans Day
- Women's History

WELLNESS

Our Wellness Committee and employee website dedicated to health and wellness issues, information, education and resources empowers all employees to pursue wellness, through monthly challenges, blog posts, healthy worksite initiatives, activities and other programs designed to promote employee wellness. In partnership with the Washington State Health Care Authority, the AGO launched the first-ever Diabetes Prevention Program to help state employees understand and prevent Type 2 diabetes in 2013.

FOR THE EMPLOYEE

AWARDS AND HONORS

BMW AWARD

Zachary Mosner received the 2013 “BMW” award from the States’ Association of Bankruptcy Attorneys for energizing state attorneys to intervene in cases that negatively affect states’ interests.

PROFESSIONALISM IN PRACTICE AWARD

Assistant Attorney General Miriam Rosenbaum received the 2013 Professionalism in Practice Award from the Washington State Bar Association’s Professionalism Committee. As the award highlighted, Miriam’s “understated and simple dedication is unlikely to ever garner media attention, but is the true measure of professionalism.”

CONSUMER PROTECTION AWARD

The Gibbs Timeshare Scam Litigation Team (*below*), including Senior Counsel Lisa Erwin, Investigator Chris Welch, and Paralegal Jennifer Sasser, received the National Timeshare Association’s 2013 Consumer Protection Award. The award recognizes the team’s exceptional work in shuttering a complex fraudulent timeshare transfer scheme.



PEACE BUILDER AWARD

Program Specialist Ruth Holbrook was recognized by the Whatcom County Dispute Resolution Center with their 2013 Peace Builder Award for her work in “build[ing] peace through the Regional Consumer Resource Center in Whatcom County by mediating complaints between consumers and businesses.”

STEWARD OF JUSTICE AWARD

The Steward of Justice award recognizes Assistant Attorneys General who further the cause of justice through exceptional legal work and extraordinary contributions to the people of Washington. Attorney General Christine Gregoire created the award in 1998, and Attorney General Ferguson re-established it in 2013.

The office honored Senior Counsel Andy Fitz (*below*) for advocating on behalf of Washington’s residents in his work involving Hanford and the high-level radioactive waste repository proposed to be located at Yucca Mountain, Nevada.





WILLIAM V. TANNER AWARD

Attorney General Ferguson established the William V. Tanner Award in 2013 to recognize outstanding achievements of assistant attorneys general early in their career. Ferguson presented the award, named in honor of the youngest Attorney General in state history, to six AAGs (pictured above, L to R) in its inaugural year:

- **Zeb Madison**, Tacoma Division
- **Jonathan Mark**, Seattle Antitrust Division
- **Annika Scharosch**, Spokane Division
- **Lionel Greaves**, Tacoma Division
- **Chris Lanese**, Olympia Torts Division
- **Dionne Padilla-Huddleston**, Seattle Licensing and Administrative Law Division

SENIOR EMPLOYEE DESIGNATIONS

The Attorney General's Office awards Senior staff designations upon employees who, in addition to outstanding day-to-day performance, demonstrate a commitment to the core values of the AGO. Their creativity, innovative thinking and problem-solving, paired with a tenure of ten or more years gave these employees Senior designations in 2013:

Senior Counsel: Pat DeMarco, Sherry Gordon, Amanda Goss, Richard McCartan, Mike Rollinger, Greg Rosen, Mary Tennyson, Erika Uhl, Bill VanHook, Jim Yockey and Tom Young.

Senior Professional Staff: Brooke Badger, Patrick Colvin, Beate Dill, Elaine Ganga, Julie Gilchrist, Diana MacDonald, Jenny Singleton, Jessica Stillwell and Cathy Trodahl.

LEE ANN MILLER AWARD

Senior Counsel Cheryl Wolfe received the 2013 Lee Ann Miller Award by the Children's Justice Conference. The award is bestowed upon an individual who made the greatest impact and/or contribution to furthering the goals of the Children's Justice Act.

U.S. DEPARTMENT OF JUSTICE AWARD FOR DISTINGUISHED SERVICE

Senior Counsel Dave Huey received the U.S. Department of Justice's Distinguished Service Award for his work on the \$25 billion mortgage servicing agreement between the United States and 49 state attorneys general, and the nation's five largest mortgage servicers. The Distinguished Service Award is the Justice Department's second highest award for employee performance.

AGO EXCELLENCE AWARDS

The Attorney General's Office recognizes employees who sustain high performance, demonstrate all competencies and perform all job duties in a manner that demonstrates remarkably high quality, adds extraordinary value to the AGO, has a continually positive effect in the work group, and exhibits the highest ethics. In 2013, the AGO recognized:

Ivy Anderson, Debbie Anderson, Andrea Armstrong, Kathryn Balzer, Kristie Barham, Kristi Basic, Julian Bray, Vivian Burks, Shaunna Carter, Diana Cartwright, Callie Castillo, Katie Claghorn, Michael Collins, Brian Considine, Natalie Cooper, Dawn Cortez, Allison Croft, Candie Dibbl, Nanette Dornquast, Dale Eastman, Jeff Even, Sherry Gordon, Timothy Hall, Susan Hanes, David Hankins, Stacia Hollar, Diane Hoosier, Dorothy Jaffe, Kristin Jensen, Julie Johnson, Ursula, Konschak-Grover, Lisa LaGuardia, Rachel Lighthill, William Long, Michael Lynch, Jan Manberg, Meghann McCann, Sheri Meigs, Mary Metz, Aileen Miller, Gerald Neumann, Martha Neumann, Lantz Newberry, Hang Nguyen-Le, Patricia Prosser, Terry Pruitt, Alan Reichman, Tracy Robinson, Tad Robinson-O'Neill, Theresa Salo, Corie Skau, Karen Small, Danisha Tekuelve, Ameer Tilger, Cindy Tilley, Rene Tomisser, Hoang Truong, Bruce Turcott, Carrie Hoon Wayno, Michael Webb, Stephen Weeks, Paul Weideman, Thomas Wendel, Kaylynn What, Carrie Wies, and Nicholas Williamson.

FOR THE EMPLOYEE

OFFICE LEADERSHIP

The Core Leadership Team consists of top level managers who advise the Attorney General and other executives on a wide range of legal, administrative and operation issues. The team also supervises the legal divisions of the agency, and is responsible for providing model leadership to all agency managers and lead staff.

DAVID HORN CHIEF DEPUTY

The Chief Deputy is our highest ranking legal position, overseeing more than 500 attorneys in 27 legal divisions. David began as an Assistant Attorney General in 1986. He left the office in 2005 to join the Federal Trade Commission. Attorney General Ferguson appointed Dave as Chief Deputy in 2013.



SHIRLEY BATTAN DEPUTY ATTORNEY GENERAL

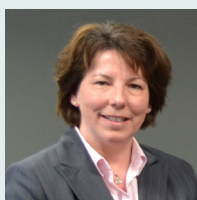
Joined the office in 1979 (left in 1983 and returned in 1985); Appointed Deputy AG in 1994



Division Assignments: Agriculture and Health, Labor and Industries, Labor and Personnel, Licensing and Administrative Law, Regional Services, Seattle Social and Health Services, and Tacoma Division. Other: Attorney Recruitment and Training, Diversity Advisory Committee.

CHRISTINA BEUSCH DEPUTY ATTORNEY GENERAL

Joined the office as an Assistant Attorney General in 2002; Appointed Deputy AG in 2009



Division Assignments: Corrections, Government Compliance and Enforcement, Government Operations, Medicaid Fraud Unit, Public Records and Constituent Correspondence Unit, Olympia Social and Health Services, and Utilities and Transportation Commission.

ROB COSTELLO DEPUTY ATTORNEY GENERAL

Joined the office as an Assistant Attorney General in 1982; Appointed Deputy AG in 2001



Division Assignments: Complex Litigation, Ecology, Fish, Wildlife and Parks, Natural Resources, Torts and Transportation and Public Construction. Other: Tribal Issues Liaison and Coordinator Tobacco Unit.

TINA KONDO DEPUTY ATTORNEY GENERAL

Joined the office as an Assistant Attorney General in 1981; Appointed Deputy Attorney General in 2009



Division Assignments: Consumer Protection, Revenue, Antitrust, Public Counsel Unit and Research Center.



MAMIE MARCUSS

CHIEF OF STAFF

The Chief of Staff is the highest ranking non-legal position in our Office, overseeing more than 600 professional staff supporting the office's operations, communications, policy and government affairs functions. Attorney General Ferguson appointed Mamie as Chief of Staff in 2012.

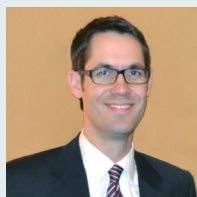


DARWIN ROBERTS

DEPUTY ATTORNEY GENERAL

Appointed by Attorney General Ferguson in September 2013.

Division Assignment: Criminal Justice



MARK MELROY

CHIEF FINANCIAL OFFICER

Appointed by Attorney General Ferguson in September 2013.

Oversees the office's Financial Services Division: budget, accounting, payroll, supplies and purchasing



NOAH PURCELL

SOLICITOR GENERAL

Appointed by Attorney General Ferguson in January 2013.

Oversees the Solicitor General's Unit, including eight attorneys and three professional staff



JANELLE GUTHRIE

DIRECTOR OF COMMUNICATIONS

Joined the Attorney General's Office in 2005 as the agency's Media Relation's Manager.

Oversees the Public Affairs Unit, managing a team of communications and graphic design professionals responsible for the agency's media relations, internal and external communications, website, social media, speaking events, and graphic design and publications



FACILITIES AND OFFICE SERVICES

DIRECTOR: Cami Feek

OVERVIEW: Facility Services oversees the management of AGO facility needs as well as archiving, surplus property and vehicles. The division develops and implements the agency's six-year facility plan, manages the agency's leases and janitorial contracts, monitors prevailing wage documentation and payments, supports inner-office moves and office design, and performs office repair projects. Additionally, the Division delivers document services statewide, including scanning, imaging, printing, copying, and audio/video recording, mastering and copying. The unit also provides mail and delivery services, reception and other office management in Thurston County.

GENERAL SERVICES

DIRECTOR:
Office Manager Karen Cowan

OVERVIEW: The Seattle office General Services Unit manages a fleet of 28 vehicles, provides facility and office support, including copying, scanning, and preparation of trial exhibits and manuals, reception, centralized mail services and security access for the Seattle office. The unit maintains the Seattle law libraries and manages the agency's Commute Trip Reduction Program.

FINANCIAL SERVICES

DIRECTOR:
Chief Financial Officer Mark Melroy

OVERVIEW: The Financial Services Division provides accountability for agency financial and budgetary accounting practices. The division ensures that the integrity and transmission of agency financial data are complete, accurate and timely for state and federal compliance.

HUMAN RESOURCES

DIRECTOR: Pamela Skinner

OVERVIEW: The Human Resources Office provides comprehensive human resources-related programs and services to managers, employees and candidates for employment. The office's goal is to promote effective and efficient human resource management throughout the AGO by assisting managers in recruiting, developing and retaining a well qualified and highly competent workforce.

The office also conducts accommodation studies for candidates and employees with disabilities, monitors employee injuries and Labor and Industries claims, investigates complaints, and implements training and development opportunities for employees.

INFORMATION SERVICES

DIRECTOR: Jon White

OVERVIEW: The Information Services Division manages the delivery of all AGO computer and telephone network infrastructures and the operation of all network hardware and software platforms. The division ensures data security and disaster recovery for the AGO's voice and data systems. The division ensures compliance with state governance policies and standards to assure that all electronic services delivered function properly and securely.

POLICY AND LEGISLATIVE AFFAIRS

OVERVIEW: The Policy and Legislative Affairs team is responsible for supporting the Attorney General's policy priorities through outreach, policy action and legislative work. The team coordinates with state lawmakers, supports AGO request legislation from inception to enactment into law, and directs external relations.

PUBLIC AFFAIRS

DIRECTOR: Janelle Guthrie

OVERVIEW: The Public Affairs Unit develops and implements agency-wide internal and external communications strategies. The unit conducts proactive and responsive media relations, provides AGO media training, staffs internal and



external committees and task forces, and drafts and designs AGO publications for the public, internal audiences and the Legislature. The unit also publicizes the work of the AGO both internally and externally through news releases, guest columns, audio and video, the AGO intranet, external web site, social media, blogs, presentations, newsletters and the annual report.

PUBLIC RECORDS AND CONSTITUENT SERVICES

DIRECTOR: LaDona Jensen

OVERVIEW: The Public Records and Constituent Services Unit processes and responds to all public records requests made to the AGO, reviews and distributes constituent mail, as well as all garnishments served by statute on the AGO, guides state agency payroll staff through wage withholding procedures, and assists with the process of assigning cases.

OFFICE LOCATIONS



BELLINGHAM

103 E Holly St, #310
Bellingham, WA 98225
(360) 676-2037

EVERETT

3501 Colby Ave, #200
Everett, WA 98201
(425) 257-2170

KENNEWICK

8127 W Klamath Ct
Kennewick, WA 99336
(509) 734-7285

OLYMPIA

1125 Washington St SE
Olympia, WA 98504
(360) 753-6200

PORT ANGELES

115 E Railroad, #306
Pt. Angeles, WA 98362
(360) 457-2711

PULLMAN

332 French Admin Bldg
Pullman, WA 99164
(509) 335-2636

SEATTLE

800 Fifth Ave, #2000
Seattle, WA 98104
(206) 464-7744

SPOKANE

1116 W Riverside Ave
Spokane, WA 99201
(509) 456-3123

TACOMA

1250 Pacific Ave, #105
Tacoma, WA 98401
(253) 593-5243

TUMWATER

7141 Cleanwater Ln SW
Tumwater, WA 98504
(360) 586-7777

VANCOUVER

1220 Main St, #510
Vancouver, WA 98660
(360) 759-2100

WENATCHEE

18 S Mission, #300
Wenatchee, WA 98801
(509) 664-6385

YAKIMA

1433 Lakeside Ct, #102
Yakima, WA 98902
(509) 575-2468

"DYNAMIC, DIVERSE, DEDICATED"

Interested in working for the AGO?

The Attorney General's Office has many opportunities:

- Attorneys
- Professional staff
- Law clerks
- Interns
- Volunteers

VISIT:

www.atg.wa.gov/Employment.aspx



OFFICE OF ATTORNEY GENERAL BOB FERGUSON



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