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# Year in Review



Office of Attorney General  
Charlie Crist

# Attorney General Contact Numbers

<b>TALLAHASSEE (area code 850)</b>	<b>TELEPHONE NUMBER</b>
Attorney General Main Number . . . . .	414-3300
Fraud Hotline (toll free in Florida) . . . . .	866-966-7226
Capitol Office . . . . .	245-0140
Cabinet Affairs . . . . .	245-0145
External Affairs . . . . .	245-0155
Citizen Services . . . . .	414-3990
Communications . . . . .	245-0150
General Counsel/Open Government Programs. . . . .	245-0157
Legal and Administrative Services. . . . .	414-3300
Administrative Law . . . . .	414-3300
Administrative Services . . . . .	414-3300
Antitrust . . . . .	414-3600
Capital Litigation . . . . .	414-3300
Civil Litigation . . . . .	414-3300
Criminal Appeals . . . . .	414-3300
Criminal Justice Programs . . . . .	414-3360
Economic Crimes. . . . .	414-3600
Eminent Domain . . . . .	414-3300
Ethics. . . . .	414-3300
General Legal . . . . .	414-3300
Inspector General . . . . .	414-3300
Child Support Enforcement . . . . .	414-3400
Legislative Affairs . . . . .	245-0155
Lemon Law . . . . .	414-3500
Medicaid Fraud Control Unit. . . . .	414-3600
Opinions . . . . .	245-0158
Revenue Litigation (Tax) . . . . .	414-3300
Solicitor General . . . . .	414-3300
Statewide Prosecutor . . . . .	414-3700
Victim Advocacy/Grants Management . . . . .	414-3300
Victim Compensation . . . . .	414-3300
Fort Lauderdale Office . . . . .	954/712-4600
Orlando Office . . . . .	407/999-5588
Tampa Office . . . . .	813/287-7900
West Palm Beach Office . . . . .	561/837-5000

May, 2005

To the people of Florida:

Florida experienced a year like no other in 2004. Our state was confronted with four catastrophic hurricanes during August and September. Sadly, lives were lost and communities were nearly destroyed, but state government responded and I am especially proud of the contributions from the employees of the Office of the Attorney General.

Storm victims flooded our Price Gouging Hotline with thousands of complaints. Agency lawyers and investigators were immediately dispatched to help these people in need. A total of 13 cases were filed covering different enterprises with some reaching settlement by year's end. Our aggressive actions had a deterrent effect with the number of complaints showing an 80% reduction over the last two hurricanes - - a positive conclusion to these tragedies.

During 2004, we were pleased to work with the Florida Legislature to pass some key bills that will help our citizens. One provides significant penalties for those who traffic in prescription drugs paid for by the Medicaid program. The other defines Spam and contains a \$500 penalty per message for those who illegally send these unwanted emails.

This office tackled some important issues in 2004 including the recovery of more than \$125 million for taxpayers through litigation filed on their behalf. Under authority granted by the Legislature in 2003, we filed a lawsuit against a Perry, FL motel owner for discrimination against African-American customers. The Florida Supreme Court is considering our case that seeks to reverse unprecedented telephone rate hikes imposed by three major telephone companies. In a separate matter, we sued AT&T for improperly billing non-customers and then pressuring these individuals to sign up for company services before the charges would be removed. That case was successfully settled in early 2005.

Important initiatives were also part of our efforts. "Cut Out Domestic Violence" is continually training hair professionals to recognize tell-tale signs of abuse and provide information to their clients on sources for help. "Safe at Work" provided important information to the public, employers and employees on the safety and financial aspects of crime in the workplace. "Escape School", with the cooperation of Florida school districts, provided life-saving information to parents and children throughout the state by conducting programs on ways to avoid abduction.

Many other highlights are contained within these pages and I encourage you to browse through them. I am proud of the more than 1,100 public servants who work for the people at the Attorney General's Office. Their efforts are making a difference in the lives of everyday citizens. It is their work that fills the pages of the Year in Review 2004.

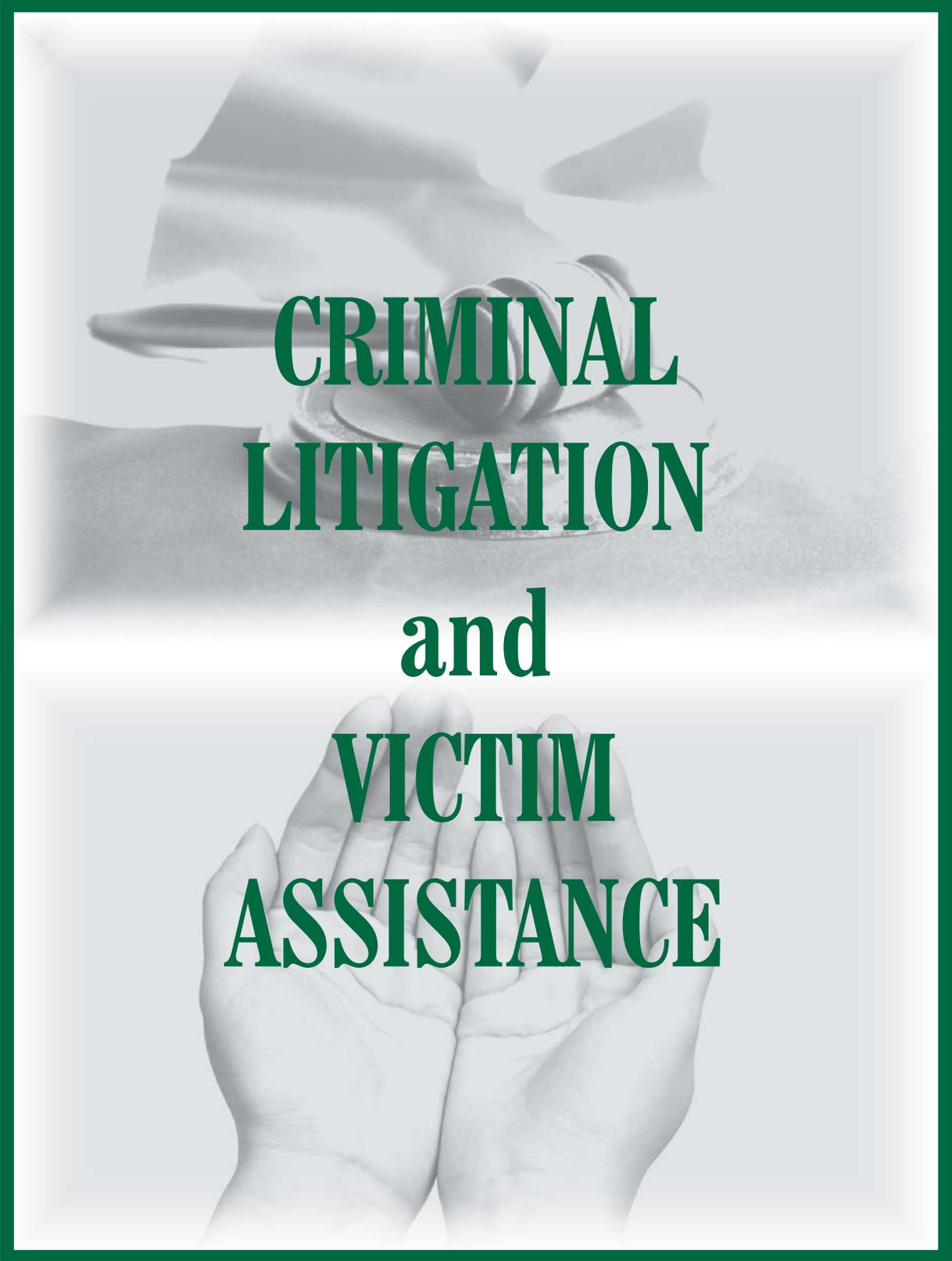
Sincerely,

A handwritten signature in black ink that reads "Charlie Crist". The signature is written in a cursive, flowing style.

Charlie Crist  
Attorney General

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**CRIMINAL  
LITIGATION  
and  
VICTIM  
ASSISTANCE**



## Criminal Appeals Division

The Attorney General is the chief legal officer for the State of Florida and represents the prosecution in criminal appeals in state and federal courts. The most complex of these criminal appeals is the capital murder case where defendants have committed first degree murder and the death sentence is imposed. A separate, statewide Capital Appeals Bureau exists to handle these special cases. All capital murder cases are appealed to the Florida Supreme Court. On average, Florida houses more than 370 inmates on Death Row.

In all other cases, the Attorney General handles felony appeals from basic sentencing guidelines cases, to other non-capital murder cases in the District Courts of Appeal and habeas corpus litigation in the federal trial and appellate courts. There are more than 10,000 of these appeals litigated per year.



In 2004, a total of 254 capital criminal cases were active in the Criminal Appeals Division while there were 17,906 active non-capital cases. The Office of the Attorney General also handled a total of 120 active sexual predator commitment appeals during the same period.



## Office of Statewide Prosecution

The Office of Statewide Prosecution was created by a constitutional amendment passed by Florida voters in 1986. The office was established to pursue organized criminal activity that crosses judicial circuit boundaries. The Statewide Prosecutor is appointed by the Attorney General for a four-year term that coincides with that of the Attorney General.

The mission of the Statewide Prosecutor is to investigate and prosecute multi-circuit organized crime and to assist other law enforcement officials in their efforts against these

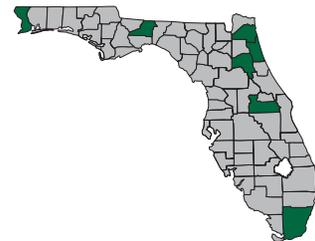
crimes, which include, among others, health care fraud, bribery, burglary, extortion, kidnaping, theft, murder, robbery, car-jacking, racketeering, and conspiracy to commit these crimes. Cases handled by the Office generally fall into three categories: 1) fraud against the government; 2) large scale consumer fraud; and 3) violent offenses. The Statewide Prosecutor and assistants also serve as legal advisors to the Statewide Grand Jury.

## 2004 Highlights

- Based upon recommendations from the 17<sup>th</sup> Statewide Grand Jury, the Florida Legislature passed a new law that criminalizes the sale or purchase of Medicaid drugs by recipients; criminalizes the trafficking in goods or services paid for by Medicaid, making it a 1<sup>st</sup> degree felony if over \$100,000; authorizes the Agency for Health Care Administration (AHCA) to require second opinions; authorizes AHCA to deny eligibility to recipients that defraud Medicaid and authorizes Medicaid to deny reimbursement to non-Medicaid doctors. The 17<sup>th</sup> Statewide Grand Jury reports can be found at <http://www.myfloridalegal.com/swp>.



- White Construction Company, a road construction company based in Chiefland, Florida, and its principals were charged with defrauding the Florida Department of Transportation by filing claims for non-existent extra work and for inflating claims for extra work actually performed. The Company and main principal pled guilty to multiple counts of grand theft. They were sentenced to 30 years probation, and were barred from doing business with the State of Florida for 30 years (with limited exceptions). At sentencing, they paid approximately \$1,500,000 in fines, restitution, costs of investigation, and costs of prosecution.
- A sophisticated organization operating in Duval, Clay, Leon, Escambia, and Miami-Dade counties was involved in the distribution of cocaine, heroin, and MDMA/ecstasy. The investigation led to the arrest and prosecution of 44 defendants in Duval and Clay Counties. During the



execution of search warrants, 11 kilos of Cocaine, 2.5 kilos of Heroin and over \$50,000 in cash were seized. In a similar case, State v. James Allen Crookshank, a long standing and sophisticated organization operating in St. Johns, Putnam and Orange Counties as well as outside Florida was involved in the distribution of cocaine and marijuana. The investigation led to the arrest and prosecution of ten defendants in St. Johns County. During the execution of search warrants, 5 kilos of cocaine, over \$200,000 in cash, and several vehicles were seized. These cases are currently being prosecuted by the Jacksonville Office of Statewide Prosecution.

- Anthony Hollis used fraudulent business names to obtain credit reports on victims. He used the credit cards to make purchases of retail items, hotel rooms, airline tickets, and to make cash withdrawals from automatic teller machines. Hollis masterminded a complex criminal operation and stole the identities of more than 200 people across the country, making illegal credit card charges approaching \$260,000. This was considered one of the State's largest ID Theft cases. Moments before jury selection, Hollis, of Gotha, Florida, plead guilty to racketeering, conspiracy to commit racketeering and organized fraud of more than \$50,000. Hollis has been sentenced to serve 10 years in prison followed by 15 years probation, and has been ordered to make restitution to victims as well as pay court and prosecutions costs in excess of \$266,000.
- Employees of Stone Cold Chemicals in Ponce Inlet, Florida, were selling chemicals to State agencies throughout Florida at grossly inflated prices and paying kickbacks to State employees. After issuing search warrants in Georgia and Florida, it was discovered that Stone Cold kept specific records of the kickbacks and often times tailored the kickbacks to the interests of the State employee, such as giving fishing equipment to the State employee whose favorite pastime is fishing. Twenty defendants were prosecuted for paying unlawful compensation to government employees. Two defendants were convicted by a jury and two more defendants were convicted in a non-jury trial. They were sentenced to prison and forfeited \$1.2 million.



During 2004, Statewide Prosecution opened a total of 479 complex criminal investigations, including 242 filed cases. Total amount of victim restitution for the year was \$7,327,832.00. Additional fines and costs assessed amounted to \$10,304,318.00. The conviction rate was 95%. Through December, 2004, the office had 699 active cases.



## Seniors vs. Crime Project

The Seniors vs. Crime Project was established in 1989 as a direct result of a legislative task force report on crimes against the elderly. Seniors vs. Crime was incorporated as a non-profit organization to help prevent victimization of senior citizens through education and the creative involvement of seniors in their own protection. A key component of the Project is the group of volunteers known as “Senior Sleuths”, who assist law enforcement and the Attorney General by acting as “eyes and ears” to report new scams or unethical sales tactics, participating in covert investigations of unfair or illegal business practices, or by volunteering to staff offices known as Storefronts. More than 2,100 of Florida’s senior citizens are enrolled in the Senior Sleuth program.

A storefront is a Seniors vs. Crime office where complainants may come in and discuss their problem with a senior volunteer, called Senior Sleuth. The number of Storefronts increased from 10 in 2003 to 23 in 2004.

### THE FIRST-EVER ID THEFT SUMMIT

The Attorney General has targeted identity theft as a serious problem in Florida, and has taken special measures to educate and protect the state’s consumers. In December, Attorney General Crist hosted Florida’s first Identity Theft Summit in Miami. The event focused on strategies for prevention as well as legislation that would increase the punishment for such crimes and deter prospective thieves.

Representatives of the federal government, state government and the private sector brought different perspectives to this crime. The growing scope of the problem was brought into focus by Federal Trade Commission figures revealing that more than 14,000 Floridians had reported identity theft in 2003.

Two big cases served as dramatic “bookends” to the summit, highlighting the seriousness of identity theft. Just weeks before the summit, a Georgia woman was arrested and charged with using identify theft to steal more than \$2.5 million from a Florida victim. On the final day of the summit, Attorney General Crist announced that an Orange County man who had committed ID theft was sentenced to 10 years in prison and ordered to pay more than \$265,000 in restitution and fines. The man had used the personal information of more than 200 victims to fraudulently apply for credit reports and credit cards and to obtain goods and money from their credit accounts. The defendant will have to serve 15 years on probation once he completes his prison sentence.

Storefronts received 1,592 complaints in 2004. Workable cases totaled 1,237. A total of 527 were resolved by a recovery of money, 443 were Resolved to Satisfaction, and 145 were referred for criminal investigation resulting in 36 arrests. Storefront Senior Sleuths resolved approximately 78% of all workable cases in 2004 by either getting a recovery or resolving the issue to the complainant's satisfaction.

Storefront Sleuths recovered \$815,328 for seniors and showed a "realized gain" of \$1,080,611. Realized gain is the value of services rendered to seniors that would not have occurred without Seniors vs. Crime intervention. A common example would be a contractor returning and finishing a job properly.



In 2004, Seniors vs. Crime improved its web site allowing complainants to file complaints or become a Senior Sleuth on line was improved in 2004 and can be accessed at [www.seniorsvscrime.com](http://www.seniorsvscrime.com).

A "Shopping Buddy" program was also instituted. This program gives seniors who have been identified as being susceptible to high pressure sales techniques or who need help in deciding on major purchases a friendly, knowledgeable person to talk to prior to entering into any sales agreements. Many senior victims have been taken advantage of strictly because they had no support network available to them. This program will prevent the re-victimization of identified seniors who participate in the program.



## Victim Services

The Victim Services Division serves as an advocate for victims and victims' rights. It also administers a compensation program to provide financial assistance to victims of crime. The Division also notifies victims of the status of any appellate decisions regarding their cases. Injured crime victims may be eligible to receive assistance for medical care,

lost income, mental health services, funeral expenses and other out-of-pocket expenditures directly related to injuries received from criminal acts. Within the Division is the Bureau of Advocacy and Grants Management as well as the Bureau of Criminal Justice Programs.

## 2004 Highlights

- The Office partnered with a corporate sponsor to address child abduction prevention techniques with a target audience of children in the first through sixth grades, as well as their parents. The primary message that children should be smart, not scared, is reinforced by demonstrating how children can identify a bad stranger by the person's actions, rather than their appearance. Once children understand the concept of a bad stranger, Escape School teaches them some of the common techniques used by predators to lure children away from a place of safety. If a child is abducted, the program teaches some ways the child can escape or draw attention to their plight. Parents are encouraged to talk with their children about this subject, and reinforce the skills presented. The Office hosted 18 presentations of Escape School in 11 school districts, reaching over 2,246 parents and students.
- Advocacy and Grants Management awarded 228 grants totaling \$17.9 million to victim assistance agencies throughout the state. In 2004, services were provided to 186,563 individual victims of crime.
- Criminal Justice Programs conducted 78 training courses through the Florida Crime Prevention Training Institute, which were attended by 6,081 participants representing law enforcement, school resource officers, victim advocates, allied professionals and interested citizens.
- The Office awarded \$3.8 million to 26 Crime Stopper organizations serving 47 Florida counties in the year 2004. The primary objective of the Crime Stoppers program is to provide a mechanism for the public to provide information relating to unsolved crimes and remain anonymous.

### **CUT OUT DOMESTIC VIOLENCE**

**For many victims of domestic violence, the hair salon is a place they can go to be free from the eye of their watchful abuser. In addition, salon professionals often have a special relationship with their clients, which places these workers in a unique position to help.**

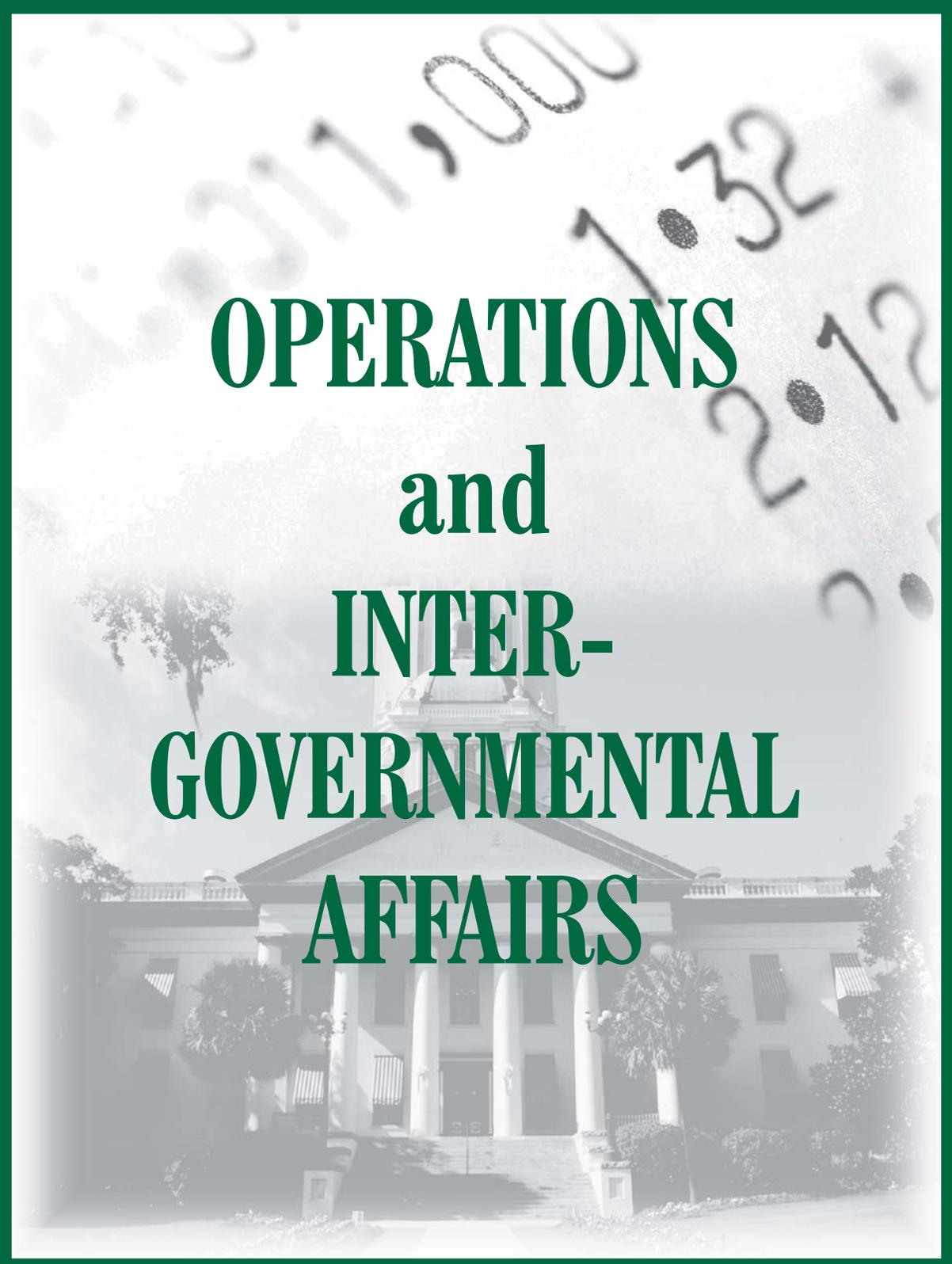
**Cut Out Domestic Violence is an initiative sponsored by the Attorney General's Office in conjunction with the Florida Coalition Against Domestic Violence to provide awareness training for salon professionals. This training helps the professionals identify signs of domestic violence, listen to victims and connect victims with appropriate resources and authorities. In 2004, more than 800 salon professionals received this training.**

**In November, the Attorney General's Office presented the Florida Coalition Against Domestic Violence with \$350,000 to support efforts against domestic violence, with \$100,000 designated to fund more training sessions through the Cut Out Domestic Violence initiative. The remaining \$250,000 was earmarked for the purchase of generators to keep abuse shelters open during hurricanes and other emergency power losses, so battered women do not have to risk exposure in public evacuation centers.**

- Florida co-sponsored the 19th Annual National Conference on Preventing Crime in the Black Community held in Orlando, Florida in June. Attorney General Crist was the co-sponsor of the event along with Georgia Attorney General Thurbert Baker. Approximately 1,800 attended the event to exchange ideas and successful strategies.
- The Attorney General's Office also provides immediate crisis response for traumatic events that are natural, accidental or deliberate. The Crisis Response program provided immediate assistance for 17 community crisis incidents (e.g. traumatic events that are natural, accidental or deliberate) using 340 volunteer responders. During the 2004 hurricane season, the director worked 742 hours providing direct services to affected individuals, in addition

to the 458 hours worked by regional victim advocates providing crisis response to targeted populations. Another featured program, the Cut Out Domestic Violence program, was an Office-sponsored initiative that provided 71 training sessions to 897 salon professionals.

- Florida is actively involved with several Criminal Justice programs. During the year 2004, the Florida Crime Prevention Training Institute (FCPTI) conducted 78 training courses with 4,646 participants. The Identity Theft Training, provided by the FCPTI, ran four training workshops that focused on why Florida is such a target-rich environment, who falls prey, and why. There were 204 participants from law enforcement agencies and victim advocacy agencies.



**OPERATIONS  
and  
INTER-  
GOVERNMENTAL  
AFFAIRS**



## Administration and Technology Division

The Division of Administration and Technology provides support to all divisions of the Attorney General's Office including policy, budget, finance and accounting, leasing, records management, telecommunications, purchasing, contracts, print operations, personnel, information technology and litigation support.

### 2004 Highlights

- The culture of saving taxpayer dollars continued in the second full year of Attorney General Crist's administration with responsible stewardship over public funds from new initiatives that resulted in even greater savings and efficiencies. Savings and cost avoidance strategies negotiated this year approximated \$2.4 million.
- In conjunction with the Governor's initiative to better utilize state leased office space, the agency embarked on an analysis of space needs in the South Fl. Region with an eye toward consolidation and better utilization. This initiative resulted in a reduction of approximately 9,000 square feet and saved \$1.4 million over the remainder of a six year lease.
- Contemporaneous with this initiative, a lease in the central business district in Miami was nearing expiration. The agency issued an Invitation To Negotiate (ITN) to prospective landlords in this area. From the rates originally offered in this ITN from the prevailing bidder, the agency was able to negotiate substantially lesser rates that over eight years resulted in a cost avoidance of almost \$800,000 for the taxpayers of Florida.



- As a private sector lease expired in the Central Fl. Area, the agency negotiated a more favorable rate structure that saved the State an additional **\$41,000** over 5 years.
- In the technology area, the agency moved from planning to implementation of electronic imaging of records. The Central Records unit, in conjunction with the staff from Information Technology, implemented an electronic imaging system that allows for the transfer of large amounts of paper files to an electronic database. Case files, including criminal, civil, grants and administrative files are being scanned into this database. Instead of boxes of files stored and archived at the State Records Center for up to 25 years, high-speed scanners are now converting paper files to indexed images and storing them for easy access by attorneys on the OAG network. Public records E-Mails are also being archived directly from employee's desktops, into the imaging database. In only 6 months of operation, approximately 3 million images have been electronically archived, resulting in savings of **\$34,258**. These savings were realized by reducing storage, shipping and paper costs.
- Further, due to the success of this initiative, other units of the Agency have begun using electronic imaging for active, open cases. This is being accomplished at this time in the Victims Services Division; and for criminal investigations in the Medicaid Fraud Division.
- Finally, additional programming using this same technology has enabled litigation units in the department to scan and automatically Bates stamp court documents, greatly reducing the manual labor normally associated with this process. Savings, in terms of better utilization of staff, results from not having to request additional staff as the workload continues to expand.
- The department began emailing a monthly consumer newsletter to subscribers in August. The monthly newsletter, Consumer Bulletin, was designed to keep consumers informed of new trends and tips as well as cases that are currently under investigation.

- A new complaint form was developed to allow users to report suspected incidents of Spam. Over 1,100 complaints were received and the Economic Crimes Division unit is now investigating the reports.
- Agency administration continued the monitoring and scrutiny of all expenses and costs with the goal of seeking efficiencies and reductions. Travel was reduced by an additional \$135,000 from the already reduced levels achieved in 2003. Economies from the South Florida Regional Office mergers referenced above, beyond the actual savings in rent, topped \$10,000 by virtue of fewer offices, phone lines, and support items that are more efficiently shared. As new positions are added throughout the state via legislative action, no longer does the department automatically order new furniture and equipment. Current protocol stipulates that department personnel attempt to purchase or acquire used items from private or state vendors – savings to the taxpayer this year was \$21,000.



## Office of Cabinet Affairs

In addition to his duties as the state's chief legal officer, the Attorney General serves as a member of the Florida Cabinet. Cabinet Affairs staff advised the Attorney General on all matters pertaining to his constitutional and statutory role as a member of the Cabinet. These roles include his membership on the:

- State Board of Executive Clemency
- State Board of Administration
- Division of Bond Finance



- Department of Veterans' Affairs
  - Department of Highway Safety and Motor Vehicles
  - Department of Law Enforcement
  - Department of Revenue
  - Administration Commission
  - Florida Land and Water Adjudicatory Commission
  - Electrical Power Plant and Transmission Line Siting Board
- Board of Trustees of the Internal Improvement Fund
  - Financial Services Commission

## 2004 Highlights

- The Governor and Cabinet, in the role as the Board of Trustees of the Internal Improvement Fund, voted to approve the acquisition of 21,037 acres at a cost of \$70,210,382. It also approved the acquisition of conservation easements over 21,066 acres at a cost of \$27,326,333. The Board of Trustees purchased 66,677 acres at a cost of \$206,839,480 in both full fee and less than fee transactions approved in 2003 and some in 2004.
- 
- One acquisition of note is the world-renowned Cypress Gardens. The Governor and Cabinet, Polk County and a private citizen saved Cypress Gardens in 2004 from imminent development. The Governor and Cabinet purchased a conservation easement totaling more than 149 acres to ensure that all development undertaken by the new owner would be compatible with the historic and environmental attributes of Cypress Gardens.

- The Governor and Cabinet, in their capacity as the Administration Commission, made two very significant growth management decisions this year. First, it adopted a final order finding an amendment to the Wakulla County Comprehensive Plan that



would have increased the density and intensity of local development, to not be in compliance with the comprehensive plan. Second, it agreed that a proposed commercial development in Jacksonville would be inconsistent with the residential character of the neighborhood where the project was proposed.

- The Board of Trustees approved easements over sovereignty submerged lands for the installation of natural gas pipelines from the Bahamas to Florida. Two competing companies received authorization for the pipeline easements. This was

a complex issue due to the potential impacts from the project on near shore reefs, the uncertainty of approval for the land-based facilities by the Bahamian government, and concerns as to whether the market could only sustain the construction of one of the pipelines. Ultimately, the easements were approved in April of 2004 after significant concessions were made to minimize impacts.



## Office of External Affairs

The Office of External Affairs was created on January 7, 2003 and charged with responsibility for the Communications Office, the Office of Citizen Services and the content of the Attorney General's World Wide Web site.

External Affairs was created to ensure that the public and news media receive accurate and prompt service and information. This was an important advance judging from the dramatic rise in the number of consumer complaints.

## 2004 Highlights

The Fraud Hotline completed its second year of operation. Created as a tool for consumers to report possible scams or other examples of Fraud, it has become a popular and useful resource for consumers. In 2004, the number of calls received jumped from 26,184 in 2003 to 64,234 in 2004. Through tips and complaints received on the Hotline, investigations were opened and eventually civil cases were filed. During the height of hurricanes disasters of 2004, analysts were fielding calls between 12 and 14 hours per day, seven days per week. A total of 8,891 calls were received through the Price Gouging Hotline during this period.



The Office of Citizen Services is responsible for the Fraud Hotline, the Attorney General's Office switchboard and incoming and outgoing correspondence. In addition to the calls, more than 48,162 pieces of postal and email complaints were processed for response. This represents a 40% increase of non-spam internet email complaints over 2003 and a 28% rise in postal mail.

The Communications Office worked with other state agencies to provide consumers with important information during the 2004 hurricanes. Consumer tips, locations of available resources and information for law enforcement were widely disseminated to the public, who benefitted from this cooperation.

At year's end, the Attorney General's web site was updated to provide a new look that maintained, or even improved access for consumers. In addition to resources available through the Attorney General's Office, important links to other state and federal government agencies is available.



A monthly consumer newsletter detailing the Attorney General's activities in this area was launched mid-year. The "Consumer Bulletin" joined the Attorney General's weekly "News Briefs" as publications designed to keep the public advised on the efforts by this office. Both are available by electronic subscription through the Attorney General's Homepage at <http://myfloridalegal.com>.



## Legal Opinions Division

Through the Opinions Division, the Attorney General, upon written request, provides written opinions to public officials on questions of law relating to the requesting officer's official duties. The Division is also responsible for the preparation of the petitions to the Florida Supreme Court for advisory opinions regarding the legal sufficiency of citizens' initiatives to amend the Florida Constitution.

Attorney General Opinions may also serve to provide legal advice in writing on questions of statutory interpretation and can provide guidance to public bodies as an alternative to costly litigation. Staff is also available as a resource to state and local government for research and counsel in resolving complex legal issues. Formal opinions are published in the Annual Report of the Attorney General. Formal opinions since 1974 are available online at <http://myfloridalegal.com/opinions>.

## 2004 Highlights

- This office presented nine citizen initiative petitions to amend the Florida Constitution to the Florida Supreme Court. Of the nine initiatives, five were placed on the November 2004 ballot and passed; two initiatives were removed from the ballot by the Florida Supreme Court; and two are still active, with sponsors collecting signatures.



- A significant number of opinions issued by this office in 2004 addressed the issues of access to government records and meetings. This office continues to provide assistance to state and local officials regarding the interpretation of the Government in the Sunshine and Public Records Laws through the issuance of formal and informal opinions. In addition, Opinions Division staff presented several educational seminars on the requirements of these laws to various governmental officials and organizations.
- Due to the war in Iraq and Afghanistan and the number of state employees serving in those conflicts, the issue of military leave for public employees was a major concern. Attorney General Opinion 04-02 addressed a number of questions for the Auditor General regarding military leave under state law for state employees.
- Recent federal and state legislation regarding firearms raised a number of questions regarding the implementation of such legislation. The division provided assistance to the Florida Department of Law Enforcement and local law enforcement agencies regarding the interpretation of these laws. The federal legislation addressed the authority of active and retired law enforcement officers to carry concealed weapons across state lines while the state legislation concerned the keeping of lists or registries reflecting gun ownership.



## Office of Legislative Affairs

The Legislative Affairs office works with each division of the agency, the Florida Legislature, the Office of the Governor and the private sector to insure legislation is adopted that will benefit the public and assist the Attorney General in the execution of his duties as chief legal officer for the State of Florida.

## 2004 Highlights

During the 2004 legislative session, two of the Attorney General's priorities became law.

- For the second consecutive year, legislation designed to protect the Florida Medicaid Program was proposed and passed. Senate Bill 1064, and its companion House Bill



1811, was sponsored by Senators Burt Saunders, Mike Fasano and Dave Aronberg and Representatives Gus Bilirakis and Frank Farkas.

The legislation targeted corrupt doctors, pharmacies, clinics and Medicaid recipients. The Office of Legislative Affairs and Attorney General

Crist worked with the members to pass a bill that would significantly increase the penalties for those who traffic in prescriptions drugs paid for by the Medicaid Program.

Prescription drug fraud has become an ever-increasing contributor to drug addiction and drug deaths and the increasing cost in human life and taxpayer dollars made 2004 the right time to target this crime. A statewide grand jury revealed that thousands of dollars worth of prescription drugs were being sold to third parties. In one instance, \$300,000 worth of medication was illegally sold in just one transaction. Under the new law, this would qualify as a first-degree felony. Drugs valued between \$20,000 and \$100,000 represent a second-degree felony, while drugs valued at less than \$20,000 would result in a third-degree felony.



- Another target of Attorney General-proposed legislation was the growing annoyance of spam. Much of spam is clutter landing in citizens' email inboxes, but some is truly offensive. On some occasions, children are sent offensive messages by spammers, or spammers seek to defraud consumers through misleading email advertisements. The Anti-Spam law defines spam and authorizes the state to seek fines of as much as

\$500 for each piece of spam email sent by a company. It also allows the state to use its “long arm jurisdiction” to prosecute out-of-state companies that are found to have sent spam to Florida residents.

Leading the effort for passage of this consumer protection law was Senator Rudy Garcia and Representative Holly Benson. Senate Bill 2574 and its companion House Bill 1363 garnered widespread support and was resoundingly approved by both chambers.



## Office of Multi-State Litigation and Intergovernmental Affairs

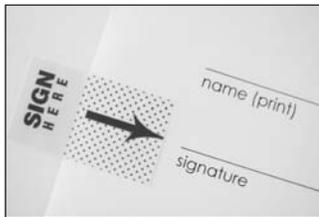
The Office of Multi-State Litigation and Intergovernmental Affairs is responsible for Florida’s cooperative enforcement and policy efforts with other state attorneys general, the U.S. Department of Justice and other state and federal government entities. The Office represents the Attorney General’s views on complex enforcement issues and advocates state and local perspectives with the federal government. Additionally, the Office coordinates multi-state litigation, policy, and investigation activities among all units of the Florida Attorney General’s Office. In the year 2004, the Office of Multi-State Litigation participated in 155 cases with the total amount damages (fees and costs) recovered exceeding \$1.3 million and consumer restitution on a national level exceeding \$55.9 million.

### 2004 Highlights

- The Office of Multi-State Litigation in conjunction with the Medicaid Fraud Control Unit assisted in representing Florida consumers in a 50-state settlement negotiation with Parke-Davis. Parke-Davis – a subsidiary of Pfizer, Inc. – illegally promoted the prescription drug Neurontin for various “off-label” uses, potentially endangering the health and safety of patients who took this medication for uses not approved by the FDA. The State of Florida received several benefits from the settlement, including \$2

million to the Florida Agency for Health Care Administration, \$2 million to the Medicaid Fraud Control Unit in penalties, \$678,000 in attorneys' fees and costs, and participation in a \$28 million national advertising campaign and remediation program.

- Florida reached settlement agreements with Merck-Medco, one of the world's largest



pharmaceutical benefits management companies. The \$2.5 million settlement was in the form of prescription drug card distributions to needy elderly citizens and was made in partnership with the Florida Department of Elder Affairs. Medco was encouraging prescribers to switch patients to different prescription drugs, often at

higher costs to the consumers. The settlement requires them to change their business practices to inform patients of the option to decline a drug switch as well as the opportunity to receive reimbursement for the costs of drug-related switches.

- In August, the Office began an investigation in conjunction with the Complex Litigation Section into twelve different leasing companies, asserting that the companies were demanding unfair payments for contracts they purchased from the bankrupt telecommunications company, NorVergence. Hundreds of Floridians complained to the Attorney General's Office. Settlement negotiations are underway with some of the leasing companies with agreements reached with some of the companies in early 2005. Litigation will continue against those choosing not to settle.



## Open Government Programs

Florida's reputation as the "Sunshine State" is characterized by strong open government laws. The Florida Constitution and statutes establish the public's right of access to governmental proceedings and records. The Attorney General's Office provides voluntary open



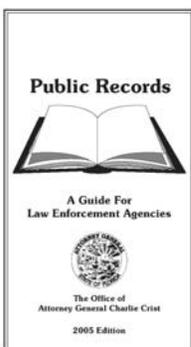
government dispute mediation service intended to be useful to both the public and private sectors. Among the benefits of this service is saving tax dollars that may have otherwise been used to pay expensive legal fees and costs. The public interest is served through the preservation of the right to public access.

Since the program's creation in the mid-1990s, hundreds of disputes between citizens and public agencies over access to governmental records or meetings have been settled without resorting to lawsuits. Each fiscal year, the Attorney General's Office provides statistics indicating the total number of mediated cases, cases resolved, cases resolved in three weeks or less and the total number of cases exceeding the three-week goal.

Statistics for the period of January 1, 2004 to December 30, 2004 include:

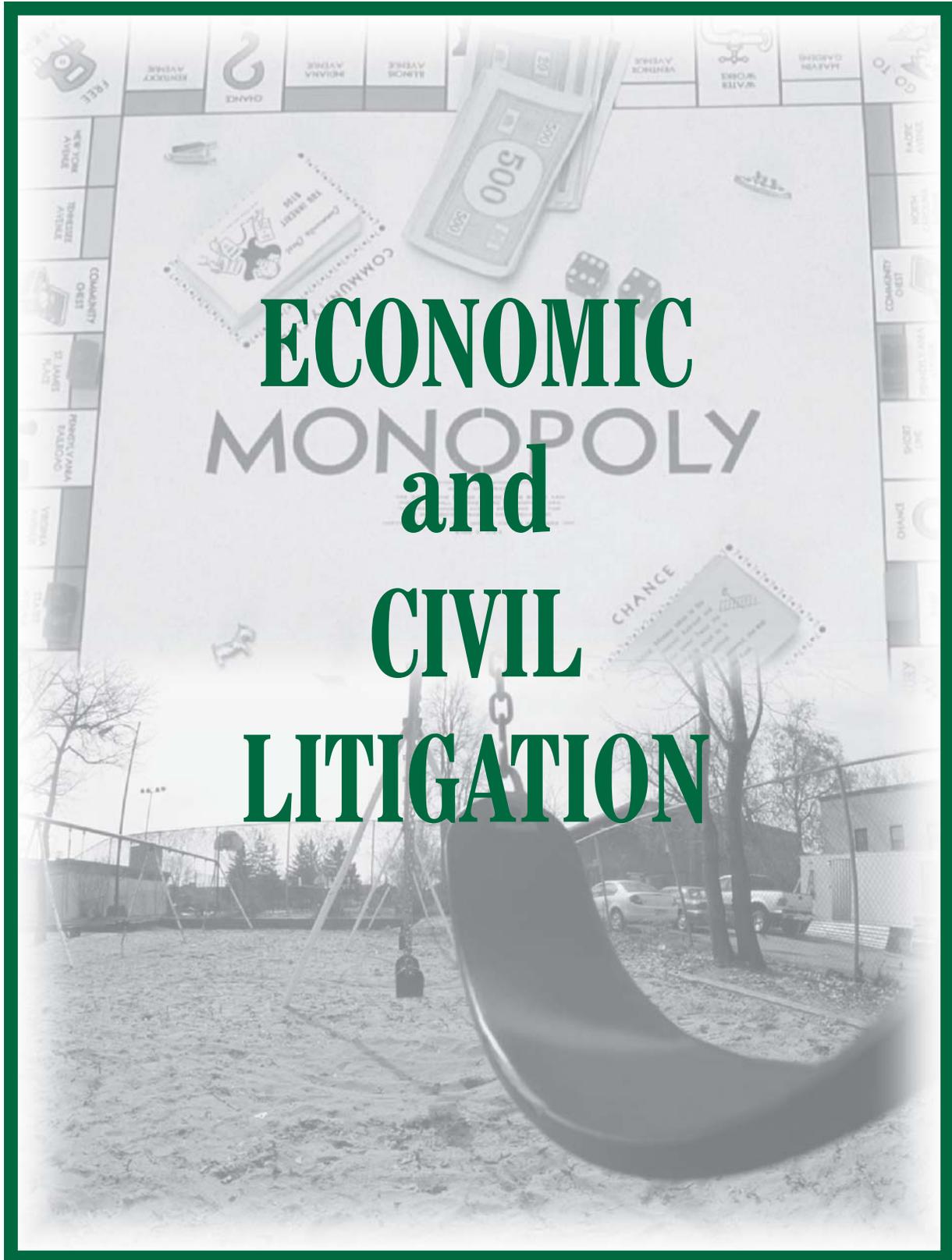
- Total number of mediation cases 97
- Total number of cases resolved 71 (73%)
- Total number resolved in 3 weeks or less 50 (70% resolved in 3 weeks or less)

The Attorney General's Office publishes several manuals and guides for the public and governmental agencies, and also participates in numerous open government seminars and educational programs. Florida's strong open government laws – known as Sunshine Laws – are among the country's best. These laws provide the public with a high degree of access. This message is carried and explained through various publications and outreach efforts.



- The Government in the Sunshine Manual is published each year to serve as a guide for those seeking information about the requirements of open meetings and open records statutes. The manual is prepared by the Attorney General's Office and published by the First Amendment Foundation.
- The Law Enforcement Public Records Guide is published annually to address the particular public records issues that involve law enforcement and prosecutorial agencies.

- A 2001 act of the Legislature requires the Commission on Ethics and the Attorney General's Office to provide training in ethics and open government laws for elected public officials and persons appointed to hold public office. Over 500 public officials have taken this course. Online course materials covering Florida's code of Ethics, Sunshine Law and Public Records Act is prepared by the Attorney General's Office and administered by the Florida State University Institute of Government.
- The Attorney General's Office conducts numerous presentations on open government. Some are part of continuing legal education courses offered by the Florida Bar, while others involve briefings for newly appointed board members. Associations and government attorneys at the state and local level also request open government presentations as part of their educational programs. Media organizations have also asked the Attorney General's Office to assist with educational programs on open government issues.





## Antitrust Division

The Antitrust Division is responsible for enforcing state and federal antitrust laws. The division focuses on potential violations that harm competition and adversely impact our citizens, our public entities or the public interest. Among the areas monitored include bid-rigging, price-fixing, monopolization or attempts and conspiracies to monopolize. In the past two decades, the Office of the Attorney General has recovered more than \$200 million on behalf of consumers and state and local public entities.

During 2004, the Antitrust Division effected \$16.2 million in recoveries. In addition, the Division continued working with the Federal Trade Commission and the U.S. Department of Energy in an effort to determine the basis for rapid spikes in gasoline prices on two different occasions.

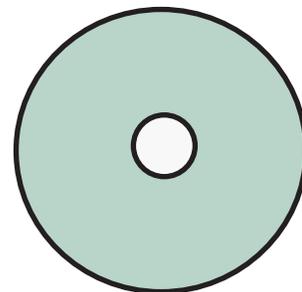
### 2004 Highlights

The Division continued to focus its efforts on antitrust violations arising from patent misuse in the pharmaceutical industry settling two more cases against pharmaceutical companies:

- Remeron. Florida and Texas took the lead in obtaining a nationwide \$36 million settlement against Organon USA, Inc. resolving allegations that the drug company improperly extended its patent for the antidepressant Remeron, delaying the entry of lower-cost generic substitutes. Floridians and public entities that overpaid for the drug during the relevant period will be eligible to obtain restitution under the settlement once the settlement is finally approved by the court.



- Children’s Motrin. Florida, Maryland, and Colorado were the lead states in this \$8 million 50-state settlement against pharmaceutical companies Alpharma and Perrigo. The settlement resolved allegations that the two companies entered into an agreement to allocate the market for the sales of generic substitutes for the over-the-counter drug Motrin.
- In 2004, the Division commenced the distributions to consumers and public entities in three other antitrust cases involving pharmaceutical companies preliminarily settled in 2003. So far, consumers in Florida have received over \$5 million in consumer restitution, the highest of any of the 50 states, in three pharmaceutical cases, involving the drugs Bupropion (an anti-anxiety drug) Cardizem CD (a heart drug) and Taxol (a breast cancer drug). Likewise, over \$2 million was distributed in 2004 to public entities in the Cardizem and Taxol cases with the BuSpar distribution still to come in 2005.
- The Division oversaw the distribution of nearly \$3 million in consumer checks and over \$4 million in compact discs to Florida’s schools and libraries as a result of its 2002 settlement of a price-fixing case against the major distributors of compact discs.
- The Division began a comprehensive antitrust review of the oil industry in an attempt to understand why gasoline retail prices rose to all-time highs in 2004. The Office sent out 19 investigative subpoenas to the major U.S. oil companies. By year’s end, 106 boxes of documents as well as documents on 157 CDs were being reviewed.
- The Division commenced a major review of the impact on Florida public entities and Floridians stemming from allegations that major insurance brokers, including Marsh McLennan Companies, steered unsuspecting clients to insurance companies with whom it had lucrative pay-off agreements. This conduct appeared to facilitate bid-rigging by obtaining bids from insurers who would otherwise normally compete for the client’s business. To date, the Division has served 24 investigative subpoenas on various brokers and insurance companies known to do business in Florida.





## Office of Civil Rights

Complaints of discriminatory behavior are investigated by personnel from the Office of Civil Rights. The Office of Civil Rights works with the Florida Commission on Human Relations and other housing advocacy groups to enforce the provisions of the Florida Fair Housing Act.

For nearly a decade the Office has conducted hate crime training for law enforcement officers throughout the state and prepared the State's Annual Hate Crime Report. The Office of Civil Rights has also developed hate crimes training programs for presentation at the elementary, middle and high school levels. The programs are designed to teach students how to recognize hate crimes, explain the laws that protect victims of hate crimes, and to demonstrate how such crimes affect their community. A total of 1,355 law enforcement officers and agencies, a record number, have now been trained in how to detect, investigate and prosecute hate crimes.

### 2004 Highlights

- A settlement of the Office's first employment case involved Destin Water Users. The case involved allegations of an extremely hostile work environment at a north Florida utility company which included the frequent use of racial slurs and the display of a noose. The case was settled for permanent injunctive relief and nearly \$400,000 for damages, attorneys fees and costs.
- The first lawsuit involving the Marvin Davies Civil Rights Act expanding the Attorney General's authority to address civil rights cases was filed in Taylor County. The Complaint alleges that the owner of the Southern Inn Motel in Perry, Florida intentionally segregated African American patrons to the least desirable rooms in the motel and denied and/or limited access to the pool and other facilities.

- In December, 2004, Attorney General Crist announced that the Office of Civil Rights would lead a thorough review of the unsolved murders of civil rights pioneer Harry T.



Moore and his wife Harriette. The Moores were killed on Christmas night, 1951 when a bomb destroyed much of their Mims, Florida home.

- The Office developed two new education and outreach programs as a result of the 2003 amendments to Florida's Civil Rights Act. The first program specifically targeted private and public agencies involved in civil rights issues.

Attorneys for the Office conducted numerous educational sessions about the new legislation. A second phase of this program involved collecting data from various agencies to assess whether complaints received raised issues of a pattern or practice of discrimination or great public interest. The second outreach program focused on restaurants, hotels, motels, theaters, stadiums, gasoline stations, places of entertainment, and other places of public accommodations. The purpose was to inform the business community affected by the Act as to their rights and responsibilities concerning discriminatory practices.

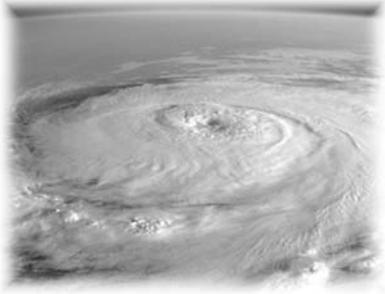


## Economic Crimes Division

The Economic Crimes Division is charged with protecting Florida's citizens and visitors from consumer fraud and other financial exploitation. It is charged with enforcement of the Florida Deceptive and Unfair Trade Practices Act and the Racketeer Influenced and Corrupt Organizations Act (RICO). The Division investigates cases both independently and in coordination with other state and federal agencies. Currently the Division has more than 400 active cases.

The Division conducted 328 investigations, 155 of which resulted in opened cases during 2004 with \$80,662,149 in recoveries through settlements and judgments, including restitution of more than \$66,996,568.

## 2004 Highlights

- The division handled over 8,700 complaints of price gouging as a result of the four hurricanes that struck Florida this year. Thirteen lawsuits were filed alleging price gouging and Unfair and Deceptive Trade Practices violations in Florida courts. Of those, seven are against hotels, two tree trimming services, three generator sales and one carpet cleaning and restoration service. Of the thirteen cases two have settled as of December 31, 2004. From settlements as well as the informal resolution of complaints, the division has recovered \$241,634.75. Of that \$124,415.75 is restitution to Florida consumers.
- 
- In June 2004, the division settled a nationwide investigation into Ford Motor Credit involving the packing of early termination charges in automobile leases. Florida led 39 states that resulted in a total recovery of \$21,885,500 of which \$15,500,000 is the anticipated national restitution. Restitution to as many as 125,000 Florida consumers reached nearly \$1,700,000. The Office of Multi-State Litigation and Intergovernmental Affairs coordinated the case with other states.
  - In October 2004, the Attorney General's Office sued ASAP MEDS, Inc. known as MEDS-STAT for the sale of fluzone at unconscionable prices during the national shortage of the vaccine. That lawsuit resulted in an interim settlement adopted by the court wherein MEDS-STAT agreed to cease any further purchase/sale of flu vaccine and return any unsold vaccine to the Department of Health pending the resolution of the case.
  - In June 2004, the division settled its investigation of Fairbanks Capital, a mortgage service company, for failure to perform services and the improper imposition of late and other fees. The total recovery was for \$1,900,000 of which \$1,650,000 was consumer restitution.



## General Legal Division

The General Legal Division provides statewide representation on behalf of the state, its agencies, officers, employees and agents at the trial and appellate level. The Division handles cases involving constitutional challenges to statutes, civil rights, employment discrimination, torts, contract disputes, prisoner litigation, declaratory judgment, child dependency, charitable trusts, admiralty, and class action suits. The Division spends 75 percent of its time on defense litigation, 15 percent on plaintiff litigation (including child support enforcement) and 10 percent on administrative law litigation. Clients include constitutional agencies from all three branches of state government. The Division consists of the following units: Administrative Law, Child Support Enforcement, Children's Legal Services, Corrections Litigation, Eminent Domain, Ethics, General Civil, Revenue Litigation, State Programs and Tort.

### **Administrative Law**

The Administrative Law Bureau serves as general counsel to licensing regulatory boards and other regulatory agencies, prosecutes licensees for disciplinary violations, represents state agencies in rule challenge proceedings and bid protest proceedings, represents the Department of Children and Families in Medicaid waiver hearings, and offers litigation support in state and federal cases against agencies. The Bureau also serves as general counsel to the State Retirement Commission and several appointed commissions.

During 2004, Administrative Law was responsible for the filing of 687 rule notices and attended 700 scheduled public meetings of the Boards, Committee and Commissions and Councils. The Bureau prepared and issued Final Orders on 24 Petitions for Declaratory Statement. In addition, Administrative law drafted over 2,000 orders for the various Boards and Commissions represented. A total of 581 new cases were opened on behalf of the Department of Children and Families in Medicaid Waiver Hearings. The Bureau

represented various Boards in rule challenges and licensure issues before the Division of Administrative Hearings and reviewed and responded to 139 letters of comment on proposed rules from the Joint Administrative Procedures Committee.

## Child Support Enforcement

The Child Support Enforcement Section's primary function is to represent the Department of Revenue in proceedings relating to the establishment and enforcement of paternity and support orders in 20 counties. This includes the collection of child support from deadbeat parents. The Section also serves as appellate counsel in Florida's five district courts of appeal, the Florida Supreme Court and in the federal appellate court system.



The Section enjoyed several highlights during the year 2004. It received recognition for participating in the federal certification process for Florida's Child Support Enforcement Program requirements. Participation in the newly implemented Child Support Administrative Hearing process also began in 2004. Regions 1 and 5 transitioned to the new model contract in February 2004. In 2004, a total of 57,049 cases were opened, with 45,636 cases filed. During 2004, there were 40,356 court hearings with 29,385 active cases referred resulting in a concluding order.

## Children's Legal Services

The Children's Legal Services Section is responsible for litigating abuse, abandonment and neglect cases. CLS represents the Department of Children and Families, Camelot Community Care, ChildNet, Children's Home Society, Kids in Distress, Manatee Sheriff's Office, Neighbors to Families and The Safe Children's Coalition in their respective counties.

Highlights from the year 2004 included the recognition of CLS as a model for Child Welfare Legal Services throughout the state, resulting in the Office of the Attorney General providing the Department of Children and Families with case tracking software essential to the Children's Legal Services operations. The hurricane season elicited special efforts from the Section as well. Eight attorneys were assigned to an emergency response team in a case involving medical treatment for children affected by the storms. Fortunately, the children survived the storms without incident. In the year 2004, a total of 1,666 cases were opened, every case was actively investigated, and the majority of cases resolved resulted in a successful settlement or judgement.

## Corrections Litigation

The Corrections Litigation Unit is primarily responsible for defending the Florida Department of Corrections and its employees who are sued in their official and individual capacities by inmates incarcerated in the state prison system. Between January and December, 2004, the Unit opened 673 cases, filed 1 case, and recovered \$97,000 in damages; 870 cases remain currently open.

## Eminent Domain

The Eminent Domain Section's primary function is to provide legal advice to governmental agencies on the legal requirements for the proper exercise of their eminent domain authority and legal strategies for minimizing the cost of the acquisition. The Section represents the university board of trustees, the Department of Corrections and the Department of Transportation in the acquisition of land for specific purposes. Also represented are the Board of Trustees of the Internal Improvement Trust Fund in the acquisition of conservation land, and the South Florida Water Management District in acquiring land used for the Everglades Restoration Project.



In 2004, Eminent Domain won important cases which allowed taxpayers to save \$49.8 million while another case saw a jury side with the state's offer of \$35,000 as opposed to a claim of \$1 billion. During the year 2004, 231 cases were opened, and 866 cases remained active at year's end.

## Employment Bureau

The Employment Bureau represents state agencies against employment claims and lawsuits. Their primary function is defense litigation in situations where employees, both current and former, of state agencies bring claims dealing with employment issues against the agencies. The Bureau also serves the Office of the Attorney General in an advisory capacity in Preventative Law, ensuring that all employees are treated equally and fairly. During the year 2004, the Bureau initiated detailed training for all supervisors regarding employment laws and management issues. Employee handbook policies were carefully examined, and key policies were revised. The Bureau enjoyed a 100% success rate in all litigation, with no judgement entered against a state agency. A total of 91 cases were opened, 86 were investigated, and 36 remain active.

### SAFE AT WORK

Florida employers have new tools to combat workplace crime thanks to the Safe at Work initiative, launched in part by the Attorney General's Office in conjunction with coalition partners. The initiative breaks down workplace crime prevention into phases, beginning with the identification of the costs of workplace crime and the consequences of failing to implement strategies to prevent these crimes.

Workplace crime – including burglary, fraud and violence, even murder – costs far more than residential crime. Of the various types of workplace crime, white-collar crime is the most common and costly. Safe At Work works to educate employers on the extent of the workplace crime problem and tips on how to prevent it in their businesses. Employers can visit the program's website ([www.safeatwork.org](http://www.safeatwork.org)) for information on how to do background checks on future employees and how to create and implement a workplace crime prevention policy.

## Ethics

The Attorney General's Office assists the Florida Commission on Ethics by providing attorneys who serve as the Commission's prosecutors or "Advocates." Most state and local government employees, as well as elected and appointed officials, are subject to the

Commission's jurisdiction. The types of violations investigated range from erroneous financial disclosure filings to misuse of office. During 2004, 37 new cases were opened, 108 were investigated and 74 cases remained open.

## **General Civil Litigation**

The General Civil Litigation Unit provides legal services in the defense of state agencies, state officials and judges in the following areas of litigation: corrections, employment, tort, and state programs. The Unit also defends the constitutionality of state statutes and handles administrative law matters, such as representing the Department of Children and Families in fair hearings and waiver cases involving reduction or termination of services to developmentally disabled clients. Civil appeals work is also conducted.

In 2004, General Civil opened 1,078 new cases. During the calendar year, Civil Litigation, South Florida conducted 2 federal jury trials in which defense verdicts were returned.

## **Revenue Litigation**

The Revenue Litigation Section primarily enforces and defends tax assessments issued by the Department of Revenue. In addition, the Section represents the Department of Revenue in litigation involving refunds of all taxes. The Section's representation also includes ad valorem tax cases in conjunction with county property appraisers and tax collectors. The Section is also involved in representing other state agencies in litigation connected with taxes or other related matters and advises the Attorney General on questions involving revenue.

During the year 2004, 418 new cases were opened. Cases that went to trial had a 83% success rate, with \$54 million recovered.

## State Programs

The State Programs Branch is charged with defending a wide variety of actions in both state and federal court, at both the trial and appellate levels. The clients of this branch are state departments and agencies from all three branches of government, including individual officials and employees. Cases routinely handled include suits which challenge the constitutionality of the general laws of the state; defense of judges and state attorneys in lawsuits; specialized administrative litigation before the Division of Administrative Hearings, including bid protests; and the initiation of litigation as plaintiffs on behalf of our state clients.



In 2004, a total of 573 new cases were opened. During that same period, 620 cases were closed.

## Tort

The Tort Branch provides defense to state agencies and employees in insurance-related litigation. The types of suits typically handled included wrongful death, automobile accidents, slip and falls, defamation and various other negligence claims. This litigation regularly involved the interpretation of Florida's limited waiver of sovereign immunity statutes.

In 2004, the Tort Branch closed 62 cases, handled 14 mediations and participated in one trial. Total damages sought amounted to more than \$5.5 million. The State of Florida ultimately paid only \$483,500, representing a \$5 million savings (91%) for the state.



## Lemon Law

The Lemon Law Arbitration Program provides a forum, via the New Motor Vehicle Arbitration Board, for the resolution of disputes arising between new vehicle consumers and motor vehicle manufacturers under Florida's "Lemon Law". The Arbitration Program monitors and enforces manufacturer and dealer compliance with the Lemon Law and educates the public and the industry regarding their rights and responsibilities under the law. During the year 2004, the Program investigated over 1,000 claims under the Lemon Law and recovered \$16.2 million in consumer restitution. Total recoveries have exceeded \$300 million since the program's inception in 1989.



The Program publishes an annual report of arbitration cases outcomes per manufacturer. The most current report is available by contacting the Lemon Law Arbitration Program, Office of the Attorney General, The Capitol, Tallahassee, FL 32399, or by visiting the Attorney General's web site at <http://myfloridalegal.com>.



## Medicaid Fraud Control Unit

The Florida Medicaid Fraud Control Unit (MFCU) investigates and prosecutes fraud involving physicians, pharmacists, hospitals, durable medical equipment suppliers and others suspected of intentionally defrauding the State's Medicaid program. The Florida MFCU also investigates abuse, neglect and exploitation of patients residing in long-term care facilities within the State of Florida.

MFCU investigations and prosecutions involve a wide range of misconduct, from common schemes to defraud the Medicaid program through phantom billing (where the medical provider bills for services not rendered) or up-coding (where a medical provider bills for

#### **DRUG DEALERS IN WHITE COATS**

**Medicaid fraud is a problem that continues to afflict the state of Florida, and the Attorney General's Medicaid Fraud Control Unit cracks down on individuals who defraud the state's Medicaid program. In December, Attorney General Crist joined with the United States Attorney for the Southern District to announce the arrest of Florida's leading prescriber of OxyContin, who was accused of illegally distributing that prescription painkiller and other controlled substances to Medicaid patients in Florida.**

**Miami physician Dr. Armando Solis prepared and issued prescriptions for the controlled substances without properly determining the medical necessity. In the past two years, prescriptions for more than \$9.8 million in Medicaid drug costs were written using Solis' Medicaid provider number. Solis was charged with one count of Medicaid fraud and 13 counts of distributing controlled substances.**

**"This operation not only put the patients at risk, but defrauded taxpayers as well," Attorney General Crist said at the time. "We believe the evidence will show that Dr. Solis was nothing more than a drug dealer in a white coat."**

providing a costly medical service when only a less expensive procedure was performed), to very complex conspiracies to commit health care fraud (such as attempts by pharmaceutical manufacturers to illegally manipulate pharmaceutical prices throughout the United States). On a more personal level, the MFCU also investigates crimes of abuse, neglect and exploitation of elder citizens confined to long-term care facilities.

Complaints of Medicaid fraud come from a variety of sources, including Florida's Agency for Health Care Administration (AHCA), the single state agency responsible for administering Florida's Medicaid program, citizen complaints received through the Attorney General's "Fraud Hotline" and from law suits filed primarily by "whistleblowers" seeking to bring actions for civil fraud on behalf of the State of Florida.

During the year 2004, MFCU opened 457 cases, investigated 712 cases, and referred 40 cases for prosecution. Recoveries for the Florida Medicaid Program totaled \$22.7 million, while MFCU recovered \$6.5 million for fines, forfeitures, and judgements.

## **2004 Highlights**

- Throughout 2004 the combined efforts of the Miami drug Diversion Response Teams has resulted in a series of sweeps leading to interviews of the most prominent recipients of Oxycontin from the doctors who are among the most prolific prescribers

of that medication. These interviews have led to discovery of patterns in which the doctors will deliver prescriptions for anywhere from two to 20 Medicaid recipients in a group who do not actually see the doctor. The investigation resulted in an arrest warrant being issued in the 11th Judicial Circuit for the arrest of Dr. Armando Angulo. Dr. Angulo was a fugitive as of December 31, 2004.

- Additionally, from a sweep of Medicaid recipients receiving Oxycontin prescriptions from Dr. Armando Solis, a federal Indictment was returned in the Southern District of Florida charging Dr. Solis and his office manager, Harold Fox, with engaging in a



conspiracy to defraud the Medicaid system and to dispense and distribute controlled substances outside the proper scope of the doctor's professional practice and without any demonstrable medical need.

- On October 1, 2004, Robert David, an Iowa physician who operated an internet web site as the "Wholeness MD," was arrested and charged with racketeering and theft from the Florida Medicaid Program. Also arrested

on related racketeering charges were Lawrence A. Boudreaux, 57, his spouse, Debbie L. Boudreaux, 43, both of Boca Raton, Florida, and Gladys L. Washington, 55, of Pembroke Pines, Florida.

The investigation established that the defendants were involved in a scheme that illegally billed the Florida Medicaid Program more than \$5.8 million. The Unit also intercepted more than \$900,000 in Medicaid payments to the accused and seized more than \$1.6 million in illegally obtained assets, such as a boat, a condominium and a Sport Utility Vehicle.

- On February 13<sup>th</sup>, 2004, Doctor Arthur Paraiso was arrested for one count of Medicaid Fraud and four counts of Prescription Fraud. The arrest took place after an investigation by the MFCU revealed that Dr. Paraiso made false entries in medical records to justify prescribing pain medication to his patients, when no medical need existed. He also billed Medicaid for allegedly providing services which he did not provide.



- On October 15<sup>th</sup>, 2004, Doctor Lehel Kadosa was arrested for one count of knowingly assisting a patient or other person in obtaining a controlled substance through deceptive, untrue, or fraudulent representations and Medicaid Provider Fraud. The arrest took place after a joint investigation by the US Drug Enforcement Administration (DEA) and the MFCU revealed that Dr. Kadosa made false entries in medical records to justify prescribing pain medication to his patients, when no medical need existed. He also billed Medicaid for providing services for which he had already billed Medicare and been reimbursed.
- Thomas J. Armbruster is a physician specializing in obstetrics and gynecology and is the sole owner of West Pasco Obstetrics and Gynecology Center, P.A.. Armbruster operated out of two different offices located in Pasco and Hernando Counties, respectively, and employed three Advanced Registered Nurse Practitioners (“ARNPs”) who were certified as ARNP-midwives.

A MFCU investigation revealed that Dr. Armbruster improperly billed Medicaid by using improper physician numbers in violation of Medicaid guidelines and Florida law, by billing Medicaid for services that employees of the hospital (or some other entity, e.g., ambulance service) actually performed and billing for other services not actually performed or not otherwise reimbursable by Medicaid.

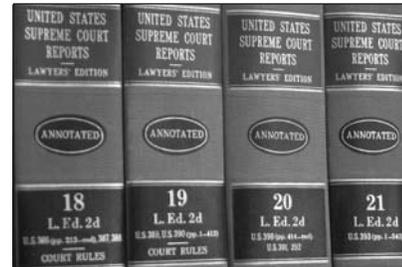


After settlement negotiations failed, on May 20, 2004, MFCU filed a civil action under the Florida False Claims Act, the civil theft statute, and principles of common law to recover damages, fines and penalties from Armbruster and West Pasco Obstetrics & Gynecology for causing false claims to be submitted to the State of Florida’s Medicaid program. MFCU entered into a settlement with Dr. Armbruster and West Pasco Obstetrics & Gynecology, for \$577,618.74, which was treble the actual damages of \$192,539.58. Cost of investigation was \$55,862.01.



## Solicitor General

The primary responsibility of the Office of the Solicitor General is to represent the State of Florida in significant civil litigation affecting the powers, duties, and responsibilities of all branches of state government. The Solicitor General directs, coordinates, and represents the State of Florida in cases of constitutional importance



before the United States Supreme Court and the Florida Supreme Court, preparing amicus curiae briefs in support of State policy goals in state and federal appellate court cases, and advising the Attorney General on legal and policy issues affecting the State. In 2004, the Solicitor General reviewed or supervised 347 Amicus, Appellate, and Constitutional Challenge cases.

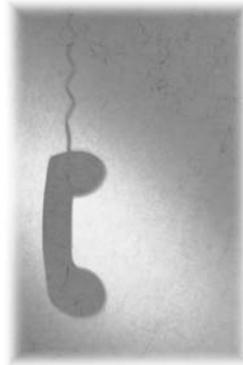
The Civil Appeals Section of the Solicitor General's Office represents the State of Florida and its agencies and officers in civil cases at the appellate level in both state and federal court. Attorneys in this branch directly handle, review, or manage cases encompassing a wide range of subject areas, including torts, revenue recovery, land use, employment discrimination, and other equitable damage or monetary claims, as well as cases involving significant state and federal constitutional issues.

The Complex Litigation Section leads Agency efforts in civil litigation involving complex issues of significant fiscal, constitutional, or statutory importance to the State of Florida.

### 2004 Highlights

- After the Public Service Commission approved approximately \$350 million in rate hikes requested by several telephone companies, the Attorney General sought reconsideration with the PSC and also appealed to the Supreme Court of Florida. The Attorney General's appeal to the Florida Supreme Court invoked an automatic stay of the rate hikes until the appeal is resolved.

- The Attorney General filed suit against AT&T, alleging that AT&T engaged in false and deceptive trade practices. Under a settlement agreement, announced early in 2005, AT&T provided 8,000 prepaid phone cards for Floridians serving in Iraq, Afghanistan and Kuwait, and paid the state \$250,000 for the costs of the investigation and litigation.



- The Attorney General's Office won a \$20-million appeals court victory on behalf of the State of Florida, persuading the Florida 1st District Court of Appeal (DCA) to overturn a jury award that would have required the state to pay that amount to a nursing home company. The company claimed it made numerous business decisions based on "material misrepresentations" by AHCA and that the agency had breached the Medicaid Provider Agreement. Based on legal arguments by the Office of the Solicitor General, the DCA entered a unanimous decision that the company's breach of contract theories "fail as a matter of law" and should not have been presented to a jury. Furthermore, the appellate court ordered the trial court to enter judgment in favor of the State of Florida.

- The Attorney General's Office of the Solicitor General won a \$20-million-plus appeals court decision for the State of Florida in two consolidated cases. Although the appellate court did rule that the companies in this case should receive minimal refunds attributable to brokerage fees and commissions, the District Court of Appeal, at the urging of the Solicitor General's Office, rejected RISCORP Insurance Company's request for more than \$22.4 million in refunds and Florida Hospitality Mutual Insurance Company's request for \$1.6 million.



- A challenge to the constitutionality of the Florida Statute regulating provisional ballots was filed in 2004. Appellants claimed the law violated the provisions of the state constitution setting forth the exclusive qualifications for voting. Florida law allows voters to vote by provisional ballot at their assigned precinct polling place

even though officials have no record of them being registered. That ballot is not tallied until officials determine if the person was entitled to vote at that precinct and has not already voted. The requirement that Florida voters go to a particular polling site has been in place for more than a century. Following oral argument, the Supreme Court issued its unanimous decision October 18, 2004, agreeing with the Attorney General's position.

- On July 21, 2004, a federal appeals court issued an opinion holding that the State of Florida could prosecute two pilots under Florida law for operating an aircraft while intoxicated. The district court had ruled that Florida's criminal prosecution of the pilots was preempted by federal regulations governing the qualifications and conduct of pilots; the Eleventh Circuit in Atlanta reversed the district court's decision.

#### **CALLING HOME FROM THE FRONT LINES**

**On April 30, Attorney General Crist sued AT&T in an action that ultimately benefitted Floridians fighting overseas in the war on terror. The Attorney General sued amid allegations that AT&T billed consumers for services they neither requested nor received. In some cases, consumers were required to sign up for AT&T services before refunds would be approved. Three weeks after the Attorney General filed suit, a court ordered AT&T to refund the improper charges and provide restitution to the state. Litigation continued over the next several months as AT&T sought to halt the lawsuit and failed to honor the court's ruling for restitution.**

**In January 2005, the Attorney General's Office reached a settlement with AT&T, which documented that affected consumers received their refunds. AT&T also agreed to provide more than 8,000 calling cards for Floridians currently serving in Afghanistan, Kuwait and Iraq. The cards, good for 60 minutes of free calling time, were distributed to each member from Florida or whose family lives in Florida. Maj. General John Castellaw, Chief of Staff of the United States Central Command in Tampa, praised the settlement and said the phone cards would go a long way to boost morale for service men and women overseas.**

**Under the settlement, AT&T was also required to reimburse the taxpayers \$250,000 for the costs of litigation.**





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