

DAVID Y. IGE  
GOVERNOR



**DEPT. COMM. NO. 112**

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December 9, 2021

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

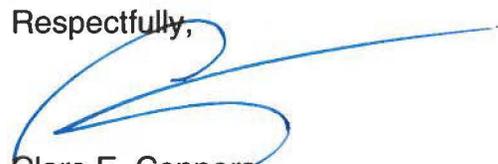
The Honorable Scott K. Saiki  
Speaker and Members of the House of  
Representatives  
Thirty-First State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

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

If you have any questions or concerns, please feel free to call me at 586-1500.

Respectfully,



Clare E. Connors  
Attorney General

c: David Y. Ige, Governor  
Josh Green, Lieutenant Governor  
Legislative Reference Bureau (Attn.: Karen Mau)  
Leslie H. Kondo, State Auditor  
Craig K. Hirai, Director of Finance, Department of Budget and Finance  
Stacey A. Aldrich, State Librarian, Hawaii State Public Library System  
David Lassner, PhD., President, University of Hawaii

Enclosure

**State of Hawai‘i**  
**Department of the Attorney General**



**REPORT ON  
LITIGATION DEPOSITS TRUST ACCOUNT TRANSACTIONS  
AND  
COLLECTIONS MADE ON BEHALF OF OTHER  
DEPARTMENTS AND AGENCIES**

**Pursuant to Section 28-16(e),  
Hawaii Revised Statutes**

**For Fiscal Year 2020 - 2021**

**Submitted to  
The Thirty-First State Legislature  
Regular Session of 2022**

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## **Overview of the Litigation Deposits Trust Account**

The Litigation Deposits Trust Account (name changed on July 1, 2021, from "Litigation Deposits Trust Fund" pursuant to Act 9, Special Session Laws of Hawaii 2021), appropriation number T-909-N, was established pursuant to Act 178, Session Laws of Hawaii 2002, to account for moneys received through any civil action in which the State is a party where the settlement amount is \$100,000 or higher. Pursuant to section 28-16, Hawaii Revised Statutes (HRS), the trust fund is administered by the Department of the Attorney General, which must annually report to the Legislature (1) the transactions, by subsidiary account, that take place in the litigation deposits trust account for each fiscal year, and (2) a summary of the collections made in any amount on behalf of other departments and agencies, specifying the appropriate number of transactions and amount collected for each department and agency.

During Fiscal Year (FY) 2020-2021, the following significant transactions occurred in the trust account:

### **REVENUES:**

1. The account earned \$2,009.81 from the State's Investment Pool.
2. The account received a settlement of \$1,657,688.47 from McKinsey & Company, Inc. Case: McKinsey & Co., Inc. v State of Hawaii regarding unfair deceptive acts or practices regarding opioids.
3. The account received a judgment to reimburse the State's cost incurred of \$333.48 from Roxanne Kamalu. Case: Roxanne Kamalu v. Alicyn Tasaka, et al., Civil No. 1CC181001925 BIA, regarding a defamation and intentional infliction of emotional distress lawsuit.

### **EXPENDITURES:**

Settlement of \$143,990.00 to the Treasury of the United States pursuant to a Consent Agreement and Final Order between the United States Environmental Protection Agency, Region 9 and the State of Hawaii, Board of Education, Hawaii State Public Library System: Docket No. UIC-09-2020-0057. Refer to section 10 of part X of Act 11, Session Laws of Hawaii (SLH) 2020 for legislative authorization.

Lapse \$1,150,000.00 to the State Treasury pursuant to section 28-16(c) and (d), HRS:

- 1) Investment Pool: \$77,974.57
- 2) Case: CA Technologies Settlement: \$20,587.92
- 3) Case: David Garner, et al. v State of Hawaii: \$418,205.80
- 4) Case: Tennille v 77 Western Union Co.: \$629,674.61
- 5) Case: Cancer Trust Fund: \$3,557.10

**Financial Data for Fiscal Years 2019-2020 and 2020-2021:**

Below are the details of the revenue and expenditure for this account  
for FY 2019-2020 and FY 2020-2021

	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>
Beginning Cash Balance	4,037,515.33	1,523,400.83
Beginning Encumbrances	0.00	0.00
Revenues	143,990.00	1,660,031.76
Expenditures	2,658,104.50	1,293,990.00
Transfers	0.00	0.00
Ending Cash Balance	1,523,400.83	1,889,442.59

**Revenue by Source Code – Fiscal Year 2020-2021:**

**T-21-909-N**

<b>Source Code</b>	<b>Description</b>	<b>Revenue</b>
0288	INVESTMENT POOL ACCOUNT	2,009.81
0787	JUDGMENTS AND SETTLEMENTS	1,658,021.95
<b>Total Revenue:</b>		<u>1,660,031.76</u>

**Expenditure by Object Code - Fiscal Year 2020-2021:**

<b>Object Code</b>	<b>Description</b>	<b>Expenditure</b>
6800	JUDGMENT AND CLAIMS	143,990.00
9991	TRANSFER TO GENERAL FUND	1,150,000.00
<b>Total Expenditure:</b>		<u>1,293,990.00</u>

**Collections Made on Behalf of Other Departments and Agencies**

Section 28-16(e)(2), HRS, requires the Department to prepare a summary of the collections made in any amount on behalf of other departments and agencies specifying the appropriate number of transactions and amount collected for each department and agency. This report is for fiscal year 2020-2021 as follows:

<u>Department/Agency</u>	<u>Collected Amount</u>	<u>Number of Transactions</u>
Department of Attorney General Asset Forfeiture	313,405.00	74
Department of Human Services	10,014,228.45	1,871
Department of Labor and Industrial Relations	610,328.12	333
Department of Transportation	1,210,881.10	151
Department of Taxation	1,309,219.74	464
Hawaii Health System Corporation	1,217,609.46	7,040
Miscellaneous Departments (Department of Accounting and General Services (DAGS), Attorney General (ATG), Education (DOE), Health (DOE), Public Safety (PSD), Human Resources Development (DHRD), Land and Natural Resources (DLNR), University of Hawaii (UH)) -- Breakdown below:		
Campaign Spending Commission	350.00	1
DAGS Risk Management	3,591.14	12
DAGS Subrogation	6,576.27	8
DAGS Salary Overpayment	152.00	1
DOE Salary Overpayment	8,471.23	39
DOE Criminal Restitution	1,320.00	7
DOE UH Stipend	25,034.70	54
DOE Worker's Compensation	10,000.00	1
DHRD Worker's Compensation	81,902.88	12
DOH Dishonored Check	566.00	9
DOH Salary Overpayment	819.81	4
DOH Hawaii State Hospital	110.00	1
DLNR Salary Overpayment	1,204.68	5
DLNR Restitution	2,420.00	12
ATG Labor Division	7,865.08	22
PSD Salary Overpayment	7,625.63	13
Judiciary (Bail Bond Forfeitures)	216,788.00	120
Attorney General	60,218.54	1
MISC	428.00	1
Miscellaneous Departments Total	435,443.96	323
<b>TOTAL</b>	<b>15,111,115.83</b>	<b>10,256</b>