

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "JUSTICE WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

**Nicole Galloway, CPA**

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**Missouri State Auditor**

**Office of Attorney General**

Report No. 2020-045

August 2020

[auditor.mo.gov](http://auditor.mo.gov)



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Office of Attorney General

Travel and Relocation Costs	The Attorney General's Office (AGO) did not ensure lodging costs associated with attending an out-of-state conference were reasonable as required by state travel policy and did not always follow state travel policies and regulations requiring employees select the most cost-effective method of travel. The AGO did not comply with state policies and laws regarding relocation expenses.
Vehicle Usage Logs	The AGO did not maintain complete and accurate vehicle usage logs.
FSS Accounts Receivable	The Financial Services Section (FSS) has not established policies and procedures over accounts receivable collections and records. Our review of 47 open cases identified 11 cases (23 percent) with remaining balances totaling approximately \$79,000 for which collection efforts had not been performed for at least a year.
Fiscal Office User Access, Identifications, and Passwords	Computer logon credentials are shared among users in the fiscal office.
Capital Assets	The AGO had inadequate records and procedures over unaccounted for and/or missing assets identified in annual physical inventories and office personnel wrote off some items without proper approval. Completed offboarding checklists did not document the assets returned by terminated employees.
Outside Counsel and Experts	The AGO did not prepare written engagement letters for some outside counsel and expert witness services.
Payroll	Payroll procedures over final paychecks were not adequate and 2 terminated employees were overpaid.
Additional Comments	To address a complaint regarding the potential use of state resources for political purposes, we performed additional work related to certain transactions and procedures of the AGO. Findings and recommendations related to this additional work are addressed in a separate report, No. 2020-006, <i>Review of Whether State Resources Were Used for Political Purposes</i> .

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Office of Attorney General

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## **NICOLE GALLOWAY, CPA**

### **Missouri State Auditor**

Honorable Josh Hawley  
and  
Honorable Eric Schmitt, Attorney General  
Jefferson City, Missouri

We have audited certain operations of the Office of Attorney General, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period January 9, 2017, to January 3, 2019. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

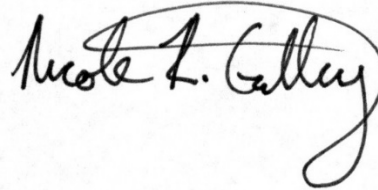
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Attorney General.

To address a complaint regarding the potential use of state resources for political purposes, we performed additional work related to certain transactions and procedures of the Attorney General's Office. Findings and recommendations related to this additional work are addressed in a separate report, No. 2020-006, *Review of Whether State Resources Were Used for Political Purposes*.



Nicole R. Galloway, CPA  
State Auditor

The following auditors participated in the preparation of this report:

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# Office of Attorney General

## Management Advisory Report

### State Auditor's Findings

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## 1. Travel and Relocation Costs

The Attorney General's Office (AGO) did not take adequate measures to minimize travel costs or follow state travel and relocation policies.

### 1.1 Lodging

AGO personnel did not ensure lodging costs associated with attending an out-of-state conference were reasonable as required by state travel policy.

We reviewed 7 trips that included 1 to 3 employees, covering 24 lodging nights. Lodging costs for 6 trips were less than or equal to Continental United States (CONUS) lodging rates (federal employee per diem maximums, established by the U.S. General Services Administration) or conference room rates. However, for one trip, for 3 employees to attend a conference in Portland, Oregon, in June 2018, lodging costs for 9 nights exceeded the conference rate by \$1,840, or an average of \$204 per night. The AGO paid lodging costs ranging from \$359 to \$450 per employee per night for 3 nights. Personnel of the hotel where the conference was held told us the conference lodging rate was \$209 per night for reservations made by May 22, 2018. Trip documentation showed AGO personnel reserved the rooms after the deadline. AGO personnel could not provide documentation explaining why the higher lodging costs were necessary and reasonable.

State of Missouri Administrative Policy SP-6, Article III, Section C, indicates, "[i]n areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher price lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons and ensuring rates do not exceed CONUS and/or conference room rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses exceeding CONUS and/or conference room rates.

We noted a similar condition in our two prior audit reports.

### 1.2 Vehicular travel

The AGO did not always follow state travel policies and regulations requiring employees select the most cost-effective method of travel.

AGO personnel have various options for vehicular travel. The AGO maintains a fleet of pool vehicles at various locations throughout the state and available for employee travel (see MAR finding number 2). In addition, for travel considerations of state agencies, the Office of Administration (OA) maintains a fleet of vehicles in Jefferson City, and has contracts with rental car companies throughout the state. The OA maintains a Trip Optimizer website for state employees to determine the most cost-effective method of



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travel. The calculation is based on the employee's location, the trip destination, and the number of travel days and considers the cost of using a rental vehicle, an OA state fleet vehicle, or reimbursing an employee for use of a personal vehicle. During Attorney General Hawley's term, the AGO paid approximately \$389,200 for in-state vehicular travel, including \$174,600 for rental vehicles, \$134,000 for personal mileage reimbursement, \$54,900 for OA state fleet vehicles, and \$25,700 for maintaining the AGO fleet.

We reviewed 10 trips, of which 8 trips required completion of a Trip Optimizer report or another equivalent method to determine the most cost-effective method of travel. AGO personnel did not prepare a Trip Optimizer report or other cost calculation for any of these trips. We generated a Trip Optimizer report for each of the trips. The reports indicated 3 trips should have used a lower-cost option than the selected one (rental vehicle). The potential cost savings for these 3 trips totaled about \$100. The AGO did not maintain documentation explaining why personnel did not use the lower-cost option or AGO pool vehicles for these trips.

State of Missouri Administrative Policies SP-6 and SP-12, and Code of State Regulations, 1 CSR 10-11.030, require officials and employees select the most cost-effective travel method, retain documentation to justify any exceptions to the requirement, and use the Trip Optimizer or another equivalent method to calculate travel costs.<sup>1</sup>

### 1.3 Relocation expenses

The AGO did not comply with state policies and laws regarding relocation expenses. During Attorney General Hawley's term, the AGO reimbursed 5 employees for relocation expenses totaling \$33,328.

The AGO could not provide documentation to support the prior approval of these expense reimbursements. In addition, our review noted reimbursements to one employee for temporary lodging expenses included state sales tax totaling \$229, including \$31 not actually paid because the hotel removed the costs.

State of Missouri Administrative Policy B-4, Article II, Section A, requires all offers to reimburse relocation and recruitment expenses be approved in writing prior to the offer being made to an employee or perspective employee. Additionally, state sales tax should not be paid when traveling on state business in Missouri since the agency is tax exempt per Section 144.030.1, RSMo. State of Missouri Administrative Policy SP-6, Article III, Section C, states "[w]hen traveling on state business in Missouri, your lodging is exempt

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<sup>1</sup> In May 2019, these provisions were incorporated into 1 CSR 10-11.010 and 1 CSR 10-11.030 was rescinded.



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from state sales tax. At the time of check-in, provide a copy of your agency's Missouri Sales and Use Tax Exemption Certificate."

We noted a similar condition regarding state sales tax paid on in-state lodging costs in our prior audit report.

## Recommendations

The AGO:

- 1.1 Require employees perform price comparisons and ensure rates do not exceed CONUS and/or conference room rates when making lodging arrangements. If it is necessary to exceed CONUS rates, the AGO should ensure adequate documentation of the justification and reasoning is prepared and retained.
- 1.2 Follow state travel policies and regulations requiring employees use the most cost-effective method of travel. If circumstances require a higher-cost travel method, documentation should be maintained for the justification.
- 1.3 Ensure reimbursements for relocation expenses comply with state policies and state law. Reimbursements should be supported by written approval prior to the offer being made to an employee or perspective employee and should not include state sales tax.

## Auditee's Response

*Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.*

*Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.*

## 2. Vehicle Usage Logs

The AGO did not maintain complete and accurate vehicle usage logs.

At January 3, 2019, the AGO maintained a fleet of 19 pool vehicles in Jefferson City and at satellite offices.<sup>2</sup> On a quarterly basis, the satellite offices and sections submit to the fiscal office (1) vehicle usage logs listing the date(s), driver initials, odometer readings, and destination/purpose of each trip; (2) repair costs; and (3) fuel costs for each pool vehicle.

Our review of usage logs for 144 trips for 7 pool vehicles during Attorney General Hawley's term noted incomplete and/or inaccurate records for 28 trips (19 percent).

<sup>2</sup> Cape Girardeau (2), Jefferson City (3), Jefferson City - Medicaid Fraud Control Section (4), Kansas City (3), Springfield (4), and St. Louis (3).





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- Mileage for 19 trips was excessive when compared to actual miles between the recorded trip origin and destination. For example, beginning and ending odometer readings recorded for a round trip from Jefferson City to Lebanon indicate the vehicle was driven 526 miles, while the actual round trip mileage between these cities is approximately 180 miles.
- Odometer readings were omitted for 4 trips and inaccurate for another 4 trips. For example, for a February 2018 trip, the beginning odometer reading recorded (106,382) was greater than the ending odometer reading recorded (106,332).
- Trip destination/purpose recorded was not complete or accurate for several trips. For example, for an April 2018 trip, totaling 598 miles, the destination/purpose was recorded as "lots of places." For 2 trips listed in the previous bullet, the destination/ purpose was not legible.

State of Missouri Administrative Policy SP-4, Article III, Section A, Subsection 3, requires vehicle usage logs be maintained for each state vehicle and include the following information: name of driver, date(s) used, beginning and ending odometer readings, destination, and purpose of use. Complete and accurate vehicle usage logs are necessary to document the appropriate use of vehicles and to support fuel purchases and maintenance expenses. To ensure accuracy, the logs should be periodically reviewed for completeness and reasonableness.

A similar condition was noted in our report No. 2020-006, *Review of Whether State Resources Were Used for Political Purposes*.

## Recommendation

The AGO maintain complete and accurate vehicle usage logs, and periodically review the logs for completeness and reasonableness.

## Auditee's Response

*Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.*

*Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.*

## 3. FSS Accounts Receivable

The Financial Services Section (FSS) has not established policies and procedures over accounts receivable collections and records. The FSS did not properly monitor accounts receivable cases; and as a result, cases needing additional collection efforts or closure may not have been identified timely. In addition, some records in the accounts receivable database were inaccurate.

The FSS in Jefferson City handles most AGO collection efforts to recoup monies owed to the state, or its officers and agencies. The FSS maintains a database to track collections and monitor accounts receivable.



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Our review of 47 open cases noted 11 cases (23 percent) with remaining balances totaling approximately \$79,000 for which adequate collection efforts were not performed, and 8 cases (17 percent) that should have been closed.

- For the 11 cases, collection efforts were not performed for more than a year for 2 cases, 2 years for 1 case, 3 years for 4 cases, 4 years for 1 case, and 5 years for 3 cases. Although the FSS sent demand letters to the debtors reflecting a deadline and said other collection efforts will be pursued, section personnel could not provide documentation that additional action took place when the debtors did not respond. In addition, the FSS established promissory notes and payment plans for 3 of these cases, but did not timely monitor or pursue collection when payments ceased.
- For the 8 cases, the database inaccurately showed the case as open when it should have been closed. We noted 4 cases where the obligation was satisfied or dismissed, 2 cases with bankruptcy orders discharging the debt, 1 case deemed uncollectible, and 1 case duplicated in the database.

Policies and procedures over accounts receivable are necessary to help ensure collection efforts are adequate and records are accurate. Such policies should outline when and how collection efforts should be performed, provide for timely monitoring of amounts due and payments received, and ensure database records are accurate and cases are closed timely.

## Recommendation

The AGO establish policies and procedures over accounts receivable to ensure periodic monitoring of amounts due and payments received, proper and timely collection efforts, and database records are accurate.

## Auditee's Response

*Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.*

*Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.*

## 4. Fiscal Office User Access, Identifications, and Passwords

Computer logon credentials are shared among users in the fiscal office. The Fiscal Officer, Accounting Analyst, and Accounting Clerk share their user identifications and passwords to the accounting and purchasing systems, including the Statewide Advantage for Missouri (SAM II) system, with each other.

The Accounting Analyst and the Accounting Clerk are primarily responsible for entering payment information into SAM II and the Fiscal Officer is responsible for approving those entries. The Fiscal Officer indicated they



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share logon credentials so transactions can be processed and approved during their absences.

While a user identification and passwords are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Allowing users to share logon credentials increases the risk of unsupported or unauthorized transactions being made and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. System controls would be improved by ensuring all employees maintain confidential passwords and limiting user access in the accounting and purchases systems to only those functions necessary to perform their duties.

## Recommendation

The AGO require employees maintain confidential passwords and ensure access to accounting and purchasing systems is limited to only what is needed for users to perform their job duties and responsibilities. If necessary, the AGO should establish procedures for processing and approving transactions during employee absences.

## Auditee's Response

*Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.*

*Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.*

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## 5. Capital Assets

The AGO's procedures to account for capital assets need improvement. As of January 3, 2019, the AGO had about \$5.9 million in assets recorded in the SAM II system capital asset records.

### 5.1 Inventory records and procedures

The AGO had inadequate records and procedures over unaccounted for and/or missing assets identified in annual physical inventories and office personnel wrote off some items without proper approval.

AGO personnel perform annual physical inventories of assets. The fiscal office provides an exception listing of assets that could not be located during annual inventories to the Information Technology Section (ITS). The ITS is responsible for attempting to locate the missing items and reporting to the fiscal office regarding those items. The Fiscal Officer prepares a reconciled exception listing and provides the listing along with a memorandum to the Deputy Chief of Staff for review and approval. In the memorandum, the Fiscal Officer typically recommends those items still missing since the prior year's inventory be written off and items missing solely in current year's inventory remain in the inventory records and be investigated again during the next inventory.



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We reviewed the records supporting the year ended June 30, 2018, physical inventory. The physical inventory records showed 18 unaccounted for items (total cost of \$51,245), the initial exception listing included 15 missing items, and the reconciled exception listing included 12 missing items. The reconciled exception listing and memorandum were submitted to the Deputy Chief of Staff on August 21, 2018. Since all 12 items were only missing in the current year, the memorandum did not recommend any items for write-off. We noted the following concerns:

- Six unaccounted for items, costing approximately \$3,100, were omitted from the reconciled exception listing and three of these items were also omitted from the initial exception listing.
- The three items identified as missing in the initial exception listing and omitted from the reconciled exception listing were subsequently written-off as lost on September 25, 2018, without approval. These items included a laptop computer, a cloud device, and an iPad (#13853). In response to our inquiries, AGO personnel located this iPad on May 7, 2019.
- The three unaccounted for items omitted from both exception listings included two iPads (#14748 and #15016) and a printer. AGO personnel could not explain why these items were not accounted for during the physical inventory.
- ITS records indicated 3 missing assets included in both the initial and reconciled exception listings were assigned to former employees. These individuals terminated in 2014, 2015, and January 2018.
- Another iPad (#15019) was included on the initial exception listing, and documented as located in June 2018. However, AGO personnel could not locate this iPad in response to our inquiries on May 7, 2019.
- Exception listings were not always complete or accurate. For example, the reconciled exception listing does not include the cost of each missing item. While most items in the year ended June 30, 2018, reconciled exception listing cost less than \$1,400; one item, a video conferencing system, cost approximately \$42,000.

The AGO's Internal Control Plan requires assets be inventoried annually and states controls and procedures over capital assets are consistent with state regulations. Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items that cost \$1,000 or more, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of



acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition. An annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory. In addition, departments are required to establish controls over sensitive items that cost less than \$1,000.

The inability to maintain complete and accurate capital asset records, properly account for all items, and document and follow up on all missing items identified during physical inventories reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. All discrepancies noted during annual inventories should be promptly investigated, necessary adjustments made to the capital asset records, and write-offs approved.

## 5.2 Offboarding checklists

Completed offboarding checklists did not document the assets returned by terminated employees.

The AGO developed an offboarding checklist form to help ensure the ITS collects all AGO equipment and disables user access to computer systems, e-mail, and online accounts when an employee leaves the AGO. This checklist includes a section to record each item returned by the employee and the corresponding asset identification number.

We reviewed the completed checklists for the 20 terminated employees during the 7-week period ended February 1, 2019. While ITS personnel initialed they had completed all steps on each checklist (e.g. collected equipment, disabled access/accounts, updated inventory sheet), they did not record the assets returned on any of the 20 checklists. As a result, there is no documentation of the returned assets.

Proper recording of items returned by terminated employees on offboarding checklists is necessary to ensure all AGO issued equipment is properly returned, and can serve as a useful tool to ensure capital asset records are updated timely.

## Recommendations

The AGO:

- 5.1 Ensure all discrepancies noted in annual inventories are documented on exception listings and promptly investigated, capital assets records are properly adjusted, and documented approvals are maintained for all items disposed of or written off. In addition, the AGO should ensure capital asset records, including exception listings, are complete and accurate.



5.2 Ensure returned assets and their corresponding asset identification numbers are properly recorded on offboarding checklists and use this information to promptly update capital assets records.

## Auditee's Response

*Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.*

*Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.*

## 6. Outside Counsel and Experts

The AGO did not prepare written engagement letters for some outside counsel and expert witness services.

The AGO engages outside counsel (private attorneys) to provide representation for certain cases, primarily cases requiring specialized attorneys or for cases involving a conflict of interest. In addition, the AGO engages various expert witnesses. Services performed by outside counsel and expert witnesses are paid from both AGO appropriations and the State Legal Expense Fund (LEF). When the AGO is the plaintiff, expenses are paid from AGO appropriations; and when the AGO is the defendant, expenses are paid from the LEF. The AGO uses an engagement letter to document arrangements and compensation for these services.

Payments for outside counsel and expert witness services during Attorney General Hawley's term (January 9, 2017, to January 3, 2019) totaled approximately \$4.5 million from AGO appropriations and the LEF.

### AGO Appropriations:

Legal services	\$	31,217
Expert witnesses		831,863
<b>Total</b>	<b>\$</b>	<b>863,080</b>

### LEF:

Legal services	\$	550,064
Expert witnesses <sup>1</sup>		3,118,962
<b>Total</b>	<b>\$</b>	<b>3,669,026</b>

<sup>1</sup> Includes payments to plaintiffs' expert witnesses.

The AGO pays predetermined hourly rates (\$160 for medical malpractice cases and \$140 for conflict cases) for outside counsel paid from the LEF. The AGO negotiates rates for outside counsel and expert witnesses paid from AGO appropriations and some expert witnesses paid from the LEF. During Attorney General Hawley's term, the AGO paid 5 outside counsels for legal services from AGO appropriations and 146 vendors for expert witness services from both sources. Our review of payments for 22 engagements



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noted negotiated rates paid to outside counsel ranging from \$150 to \$595 per hour and to expert witnesses ranging from \$70 to \$1600 per hour.

We identified the AGO did not prepare a written engagement letter for 2 of the 22 (9 percent) engagements. Payments on those engagements totaled approximately \$10,600 for services billed at rates of \$300 per hour for outside counsel and \$250 per hour for expert witness.

Without written engagement letters, it is difficult to determine whether all charges billed are proper. In addition, written engagement letters are necessary to ensure all parties are aware of their duties and to clarify compensation allowed. Engagement letters should be prepared prior to services being provided, cover all pertinent arrangements, and be signed by both parties.

## Recommendation

The AGO ensure all outside legal counsel and expert witness services are supported by engagement letters.

## Auditee's Response

*Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.*

*Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.*

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## 7. Payroll

Payroll procedures over final paychecks were not adequate and 2 terminated employees were overpaid.

We reviewed the final payroll checks for the 20 terminated employees during the 7-week period ended February 1, 2019, and noted 2 (10 percent) received final payouts in excess of total hours worked. One employee received payment for 43 hours when time records indicated the employee only worked 32 hours and another received payment for 8 hours when the employee only worked 4 hours. These errors occurred because AGO personnel did not properly enter the final payout information from the time keeping system into the SAM II system and no one identified the errors during the payroll review and approval process.

Controls and procedures over final paychecks are necessary to ensure terminated employees are properly compensated. The AGO should ensure final paycheck information is properly entered into the SAM II system and reviewed for accuracy prior to approving the payouts.

## Recommendation

The AGO establish procedures to ensure final paychecks to terminated employees are calculated properly.



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## Auditee's Response

*Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.*

*Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.*



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# Office of Attorney General

## Organization and Statistical Information

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The Office of Attorney General was created in 1806, when Missouri was still a territory. The Missouri Constitution of 1820 provided for an appointed attorney general. It remained an appointed position until 1865, when a new constitution provided for an attorney general elected by the people.

The Attorney General's Office is located in Jefferson City. There are branch offices in Kansas City, St. Louis, Springfield, and Cape Girardeau. The AGO is organized into eight sections: Consumer Protection, Criminal, Financial Services, Governmental Affairs, Labor, Litigation, Medicaid Fraud Control, and Public Safety. Each section is headed by a section leader who is responsible for the operations of the section.

Consumer Protection Section: This section handles fraud investigations and litigation. Attorneys in this section represent Missouri consumers as a group in cases of consumer fraud, securities fraud, and antitrust matters. Also, these attorneys are active in discovering businesses that commit merchandising practices fraud in connection with the sale and advertising of products or services. This section includes an investigative staff that assists attorneys in investigations involving violations of the state's Merchandising Practices Act. The No Call program, to reduce telemarketing calls, is also under this section.

Criminal Section: This section represents the state in every felony case appealed to the Supreme Court of Missouri and Missouri Court of Appeals. The attorneys in this section also defend the state in all habeas corpus actions filed by prison inmates in state and federal court and assist with extraditions to and from Missouri of those charged in criminal cases.

Financial Services Section: This section pursues recoveries of monies due the AGO and other state agencies/departments, including amounts due on defaults on student loans and economic development loans, delinquent audit and lottery commission fees, penalties owed the Missouri Ethics Commission, estate recovery cases, money owned by inmates to reimburse the state for the costs of their care, and collections in bankruptcy court. Also, the attorneys in this section provide legal assistance to the Department of Social Services by establishing and enforcing child support obligations.

Governmental Affairs Section: This section represents the governor and other statewide elected officials, the Office of Administration, various state departments, and more than 30 professional licensing boards. Section attorneys defend constitutional challenges to state laws and ballot issues and enforce compliance with state laws by trusts, foundations, and nonprofit corporations. The attorneys in this section are also responsible for enforcing the state ethics and campaign finance laws, enforcing state laws requiring tobacco manufacturers to establish escrow accounts, and addressing questions about the state's open meeting and records law, commonly known as the Sunshine Law.



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In addition, this section protects Missouri's natural resources and agricultural productivity, and represents the Department of Natural Resources including its constituent boards and commissions that regulate the use of Missouri's air, land, and waters, as well as the Department of Agriculture. Attorneys take legal action to stop pollution of the state's air, water, and soil and penalize polluters through fines, penalties, and in the most serious cases, incarceration. This section also works to protect and enhance agriculture and the quality of life for rural Missourians by enforcing the law and advocating responsible public policy. Enforcement litigation is filed primarily in state courts to seek preliminary and permanent injunctions to assure compliance with state environment laws. This section also obtains civil penalties and recovers costs and damages for the state.

Labor Section: This section provides general counsel and litigation services for the Missouri Department of Labor and Industrial Relations and its officers and agencies. This section also represents the state in prevailing wage disputes, crime victims' claims, and workers' compensation cases of state employees, including claims involving the Second Injury Fund.

Litigation Section: This section is responsible for representing all state agencies, officers, and employees in civil litigation matters in state and federal courts. Cases include damage claims, contract cases, civil rights cases, personal injury lawsuits, employment issues, and constitutional law issues. This section also defends the state in lawsuits brought by inmates of Missouri's correctional facilities.

Medicaid Fraud Control Section: This section prosecutes cases involving fraud of the state Medicaid program by health professionals, or abuse or neglect of Medicaid recipients by caregivers. This section does not investigate allegations of fraud committed by Medicaid participants or fraud perpetrated against the Medicare program.

Public Safety Section: This section handles criminal prosecutions at the trial level. The Special Prosecution Unit assists local prosecuting attorneys in serious or difficult trials, including homicide cases and grand jury proceedings. The Methamphetamine Prosecuting Unit specializes in handling criminal cases involving the manufacture, sale, or possession of methamphetamine and other illegal drugs. The Workers' Compensation Fraud Unit prosecutes fraud or misconduct involving workers' compensation. The High Technology and Computer Crime Unit assists local law enforcement with investigations and prosecutions of computer and Internet crime cases, and the Sexually Violent Predator Unit enforces the sexual violent predator law. In addition, attorneys in the section also serve as legal counsel for the Department of Public Safety, Highway Patrol, and other state law enforcement agencies, and represent those agencies in all civil litigation in which they are a party.



Office of Attorney General  
Organization and Statistical Information

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On January 9, 2017, Josh Hawley was inaugurated as the forty-second Attorney General. His term ended on January 3, 2019, when he was sworn into the United States Senate. On that date, Eric Schmitt was sworn in as the state's forty-third Attorney General.



Appendix A  
Office of Attorney General  
Former Attorney General Hawley's Response

**Cooper & Kirk**

Lawyers  
A Professional Limited Liability Company  
1523 New Hampshire Avenue, N.W.  
Washington, D.C. 20036

Brian W. Barnes  
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bbarnes@cooperkirk.com

(202) 220-9600  
Fax (202) 220-9601

June 30, 2020

Deborah Whitis  
Audit Manager  
Missouri State Auditor's Office  
Deborah.Whitis@auditor.mo.gov

Dear Ms. Whitis:

Every penny counts, which is why Josh Hawley did so much as Attorney General to save taxpayers millions of dollars a year. In 2015, before Mr. Hawley was elected Attorney General, the office's total budget was almost \$27.5M. By 2018, Attorney General Hawley's last year running the office, the total budget had declined to just over \$24.1M. Attorney General Hawley was able to achieve these savings while accomplishing more for the State, including achieving record levels of restitution, over \$33 million, for Missouri consumers; winning a record amount of money in Medicare fraud cases; securing over 100 criminal convictions; suing multiple opioids manufacturers; and launching investigations of Google and Facebook for antitrust and consumer privacy violations that now involve all 50 state Attorneys General.

The audit report's recommendations could have saved taxpayers at most about one half of one percent of the office's annual budget – a fraction of the sum Attorney General Hawley was able to save through responsible stewardship of the office's resources. Even that estimate of the potential savings from the report's recommendations requires indulging some unrealistic assumptions, including that more dogged collection efforts would have resulted in a 100% payment rate on several bad debts owned by the state. The audit uncovered no evidence of mismanagement or fraud or illegal activity, and the report's bottom line is that the office was responsibly managed during Attorney General Hawley's tenure. Although the Auditor has been inexcusably dilatory in concluding this report, 18 full months after Attorney General Hawley left the office, the result is proof yet again of a promise kept to Missouri's taxpayers.

Sincerely,

A handwritten signature in black ink that reads "B. W. Barnes".

Brian W. Barnes  
Counsel for Former Missouri  
Attorney General Josh Hawley

Appendix B

Office of Attorney General  
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2018	2017
<b>FEDERAL AND OTHER FUND</b>		
Receipts	\$ 3,981,167	3,933,062
Disbursements	2,673,929	2,833,918
Receipts Over (Under) Disbursements	<u>1,307,238</u>	<u>1,099,144</u>
Transfers In <sup>1</sup>	90	0
Transfers Out <sup>2</sup>	(1,195,396)	(1,116,404)
Receipts Over (Under) Disbursements and Transfers	<u>111,932</u>	<u>(17,260)</u>
Cash and Investments, July 1	219,515	236,775
Cash and Investments, June 30	<u>\$ 331,447</u>	<u>219,515</u>
<b>HEALTH SPA REGULATORY FUND</b>		
Receipts	\$ 17,250	18,650
Disbursements	5,000	5,000
Receipts Over (Under) Disbursements	<u>12,250</u>	<u>13,650</u>
Transfers In	0	0
Transfers Out <sup>2</sup>	(814)	0
Receipts Over (Under) Disbursements and Transfers	<u>11,436</u>	<u>13,650</u>
Cash and Investments, July 1	298,268	284,618
Cash and Investments, June 30	<u>\$ 309,704</u>	<u>298,268</u>
<b>COURT COSTS FUND</b>		
Receipts	\$ 655	920
Disbursements	121,834	132,058
Receipts Over (Under) Disbursements	<u>(121,179)</u>	<u>(131,138)</u>
Transfers In <sup>1</sup>	165,600	165,600
Transfers Out	0	0
Receipts Over (Under) Disbursements and Transfers	<u>44,421</u>	<u>34,462</u>
Cash and Investments, July 1	478,973	444,511
Cash and Investments, June 30	<u>\$ 523,394</u>	<u>478,973</u>
<b>MERCHANDISING PRACTICES REVOLVING FUND</b>		
Receipts	\$ 1,120,278	4,006,603
Disbursements	2,344,819	2,438,917
Receipts Over (Under) Disbursements	<u>(1,224,541)</u>	<u>1,567,686</u>
Transfers In <sup>1</sup>	182	0
Transfers Out <sup>2</sup>	(867,284)	(825,027)
Receipts Over (Under) Disbursements and Transfers	<u>(2,091,643)</u>	<u>742,659</u>
Cash and Investments, July 1	12,704,195	11,961,536
Cash and Investments, June 30	<u>\$ 10,612,552</u>	<u>12,704,195</u>
<b>MERCHANDISING PRACTICES RESTITUTION ACCOUNT</b>		
Receipts	\$ 474,937	397,895
Disbursements	457,784	537,267
Receipts Over (Under) Disbursements	<u>17,153</u>	<u>(139,372)</u>
Transfers In	0	0

Appendix B

Office of Attorney General

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2018	2017
Transfers Out <sup>2</sup>	(61,785)	(32,417)
Receipts Over (Under) Disbursements and Transfers	(44,632)	(171,789)
Cash and Investments, July 1	205,417	377,206
Cash and Investments, June 30	\$ 160,785	205,417
<b>ANTI-TRUST REVOLVING FUND</b>		
Receipts	\$ 792,764	157,156
Disbursements	300,606	270,433
Receipts Over (Under) Disbursements	492,158	(113,277)
Transfers In <sup>1</sup>	69,000	69,000
Transfers Out <sup>2</sup>	(299,212)	(117,043)
Receipts Over (Under) Disbursements and Transfers	261,946	(161,320)
Cash and Investments, July 1	1,807,893	1,969,213
Cash and Investments, June 30	\$ 2,069,839	1,807,893
<b>TRUST FUND</b>		
Receipts	\$ 264,928	362,574
Disbursements	271,634	371,090
Receipts Over (Under) Disbursements	(6,706)	(8,516)
Transfers In	0	0
Transfers Out	0	0
Receipts Over (Under) Disbursements and Transfers	(6,706)	(8,516)
Cash and Investments, July 1	142,682	151,198
Cash and Investments, June 30	\$ 135,976	142,682
Total Cash and Investments, June 30, All Funds	\$ 14,143,697	15,856,943

<sup>1</sup> Transfers In are for court costs and expenses incurred by the AGO for investigations, prosecution, or enforcement of law.

<sup>2</sup> Transfers Out generally include payments for fringe benefits, unemployment benefits, and the state's cost allocation plan.

Appendix C

Office of Attorney General  
Comparative Statement of Receipts - Other Funds

	Year Ended June 30,	
	<u>2018</u>	<u>2017</u>
General Revenue Fund	\$ 2,048,687	18,774,210
Missouri Healthnet Fraud Prosecution Revolving Fund	8,500	53,588
Tort Victims Compensation Fund	8,646,386	490,737
Healthy Families Trust Fund	68,733,648	108,445,851
Second Injury Fund	1,623	1,417
Life Sciences Research Trust Fund	34,577,882	47,815,284
Inmate Incarceration Reimbursement Act Revolving Fund	64,332	82,997
Total Receipts - Other Funds	<u>\$ 114,081,058</u>	<u>175,664,084</u>

Appendix D-1

Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
<b>GENERAL REVENUE FUND</b>				
Personal Service	\$ 12,006,812	5,608,754	463,814	5,934,244
Expense and Equipment	1,564,154	813,453	101,556	649,145
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	412,578	187,061	156,490	69,027
Medicaid Fraud Unit - Personal Service	334,124	94,682	0	239,442
Medicaid Fraud Unit - Expense and Equipment	393,949	130,442	12,196	251,311
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	480,777	240,803	86,454	153,520
Total General Revenue Fund	<u>15,192,394</u>	<u>7,075,195</u>	<u>820,510</u>	<u>7,296,689</u>
<b>FEDERAL AND OTHER FUND</b>				
Personal Service	1,924,508	567,648	49,032	1,307,828
Expense and Equipment	761,011	152,035	30,897	578,079
Law enforcement, domestic violence, and victims' services - Expense and Equipment	3,100,000	0	0	3,100,000
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	129,979	67,260	54,918	7,801
Medicaid Fraud Unit - Personal Service	1,008,312	476,571	44,993	486,748
Medicaid Fraud Unit - Expense and Equipment	1,082,276	0	0	1,082,276
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	144,299	72,352	26,021	45,926
Total Federal and Other Fund	<u>8,150,385</u>	<u>1,335,866</u>	<u>205,861</u>	<u>6,608,658</u>
<b>GAMING COMMISSION FUND</b>				
Personal Service	115,626	59,281	4,940	51,405
Expense and Equipment	30,747	29,467	1,107	173
Total Gaming Commission Fund	<u>146,373</u>	<u>88,748</u>	<u>6,047</u>	<u>51,578</u>
<b>NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND</b>				
Personal Service	39,130	39,130	0	0
Expense and Equipment	4,715	3,192	0	1,523
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,770	4,852	1,713	3,205
Total Natural Resource Protection- Water Pollution Permit Fee Subaccount Fund	<u>53,615</u>	<u>47,174</u>	<u>1,713</u>	<u>4,728</u>
<b>SOLID WASTE MANAGEMENT FUND</b>				
Personal Service	39,130	20,440	4,342	14,348
Expense and Equipment	5,215	2,345	2,834	36
Total Solid Waste Management Fund	<u>44,345</u>	<u>22,785</u>	<u>7,176</u>	<u>14,384</u>



Appendix D-1

Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
<b>PETROLEUM STORAGE TANK INS FUND</b>				
Personal Service	27,887	18,660	1,555	7,672
Total Petroleum Storage Tank Ins Fund	27,887	18,660	1,555	7,672
<b>MOTOR VEHICLE COMMISSION FUND</b>				
Personal Service	40,602	12,307	901	27,394
Expense and Equipment	11,300	10,857	443	0
Total Motor Vehicle Commission Fund	51,902	23,164	1,344	27,394
<b>HEALTH SPA REGULATORY FUND</b>				
Expense and Equipment	5,000	4,779	221	0
Total Health Spa Regulatory Fund	5,000	4,779	221	0
<b>NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE FUND SUBACCOUNT FUND</b>				
Personal Service	39,095	15,300	1,275	22,520
Expense and Equipment	4,715	3,439	1,269	7
Total Natural Resources Protection- Air Pollution Permit Fee Subaccount Fund	43,810	18,739	2,544	22,527
<b>COURT COSTS FUND</b>				
Expense and Equipment	187,000	45,547	0	141,453
Total Court Costs Fund	187,000	45,547	0	141,453
<b>SOIL AND WATER SALES TAX FUND</b>				
Personal Service	13,036	0	0	13,036
Expense and Equipment	2,267	1,570	0	697
Total Soil And Water Sales Tax Fund	15,303	1,570	0	13,733
<b>MERCHANDISING PRACTICES REVOLVING FUND</b>				
Personal Service	1,710,172	814,694	61,611	833,867
Expense and Equipment	2,098,787	255,135	47,918	1,795,734
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	95,134	54,558	39,500	1,076
Total Merchandising Practices Revolving Fund	3,904,093	1,124,387	149,029	2,630,677
<b>WORKERS COMPENSATION FUND</b>				
Personal Service	282,070	36,041	3,146	242,883
Expense and Equipment	204,053	35,163	3,742	165,148
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	83,544	43,887	34,701	4,956
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	31,272	15,636	5,593	10,043
Total Workers Compensation Fund	600,939	130,727	47,182	423,030

Appendix D-1

Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
<b>SECOND INJURY FUND</b>				
Personal Service	2,090,199	1,038,559	86,413	965,227
Expense and Equipment	1,068,526	384,477	26,042	658,007
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	83,544	43,887	34,701	4,956
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	31,272	15,636	5,593	10,043
Total Second Injury Fund	<u>3,273,541</u>	<u>1,482,559</u>	<u>152,749</u>	<u>1,638,233</u>
<b>LOTTERY ENTERPRISE FUND</b>				
Personal Service	58,501	25,714	2,011	30,776
Total Lottery Enterprise Fund	<u>58,501</u>	<u>25,714</u>	<u>2,011</u>	<u>30,776</u>
<b>ANTI-TRUST REVOLVING FUND</b>				
Personal Service	394,676	124,355	10,517	259,804
Expense and Equipment	254,400	40,336	6,553	207,511
Total Antitrust Revolving Fund	<u>649,076</u>	<u>164,691</u>	<u>17,070</u>	<u>467,315</u>
<b>HAZARDOUS WASTE FUND</b>				
Personal Service	300,882	136,096	7,550	157,236
Expense and Equipment	14,880	14,880	0	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	7,248	3,171	3,171	906
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,770	4,852	1,713	3,205
Total Hazardous Waste Fund	<u>332,780</u>	<u>158,999</u>	<u>12,434</u>	<u>161,347</u>
<b>SAFE DRINKING WATER FUND</b>				
Personal Service	13,071	0	0	13,071
Expense and Equipment	2,265	1,924	340	1
Total Safe Drinking Water Fund	<u>15,336</u>	<u>1,924</u>	<u>340</u>	<u>13,072</u>
<b>TRUST FUND</b>				
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	4,000,000	237,696	0	3,762,304
Total Trust Fund	<u>4,000,000</u>	<u>237,696</u>	<u>0</u>	<u>3,762,304</u>

Appendix D-1

Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
<b>INMATE INCARCERATION REIMBURSEMENT</b>				
<b>ACT REVOLVING FUND</b>				
Personal Service	99,212	2,626	0	96,586
Expense and Equipment	45,640	0	0	45,640
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,770	4,852	1,712	3,206
Total Inmate Incarceration Reimbursement Act Revolving Fund	154,622	7,478	1,712	145,432
<b>MINED LAND RECLAMATION FUND</b>				
Personal Service	13,036	0	0	13,036
Expense and Equipment	2,262	2,262	0	0
Total Mined Land Reclamation Fund	15,298	2,262	0	13,036
Total All Funds	\$ 36,922,200	12,018,664	1,429,498	23,474,038

Appendix D-2

Office of Attorney General  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>			
Personal Service	\$ 11,171,630	10,959,046	212,584
Expense and Equipment	2,414,154	2,337,914	76,240
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	358,713	348,053	10,660
Medicaid Fraud Unit - Personal Service	331,900	202,566	129,334
Medicaid Fraud Unit - Expense and Equipment	393,949	178,216	215,733
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	466,107	453,323	12,784
Total General Revenue Fund	<u>15,136,453</u>	<u>14,479,118</u>	<u>657,335</u>
<b>FEDERAL AND OTHER FUND</b>			
Personal Service	1,909,034	1,170,920	738,114
Expense and Equipment	761,011	286,067	474,944
Law enforcement, domestic violence, and victims' services - Expense and Equipment	100,000	0	100,000
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	125,875	125,136	739
Medicaid Fraud Unit - Personal Service	1,000,114	956,453	43,661
Medicaid Fraud Unit - Expense and Equipment	1,082,276	0	1,082,276
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	135,041	135,040	1
Total Federal and Other Fund	<u>5,113,351</u>	<u>2,673,616</u>	<u>2,439,735</u>
<b>GAMING COMMISSION FUND</b>			
Personal Service	114,640	114,640	0
Expense and Equipment	30,747	27,761	2,986
Total Gaming Commission Fund	<u>145,387</u>	<u>142,401</u>	<u>2,986</u>
<b>NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND</b>			
Personal Service	38,864	38,864	0
Expense and Equipment	4,715	4,715	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	8,977	8,977	0
Total Natural Resource Protection- Water Pollution Permit Fee Subaccount Fund	<u>52,556</u>	<u>52,556</u>	<u>0</u>
<b>SOLID WASTE MANAGEMENT FUND</b>			
Personal Service	38,864	38,864	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	<u>44,079</u>	<u>44,079</u>	<u>0</u>

Appendix D-2

Office of Attorney General  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
<b>PETROLEUM STORAGE TANK INSURANCE FUND</b>			
Personal Service	27,712	27,712	0
Total Petroleum Storage Tank Insurance Fund	<u>27,712</u>	<u>27,712</u>	<u>0</u>
<b>MOTOR VEHICLE COMMISSION FUND</b>			
Personal Service	40,252	34,875	5,377
Expense and Equipment	11,300	10,887	413
Total Motor Vehicle Commission Fund	<u>51,552</u>	<u>45,762</u>	<u>5,790</u>
<b>HEALTH SPA REGULATORY FUND</b>			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<b>NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE FUND SUBACCOUNT FUND</b>			
Personal Service	38,832	38,832	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection- Air Pollution Permit Fee Subaccount Fund	<u>43,547</u>	<u>43,547</u>	<u>0</u>
<b>COURT COSTS FUND</b>			
Expense and Equipment	187,000	121,834	65,166
Total Court Costs Fund	<u>187,000</u>	<u>121,834</u>	<u>65,166</u>
<b>SOIL AND WATER SALES TAX FUND</b>			
Personal Service	12,948	12,948	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	<u>15,215</u>	<u>15,215</u>	<u>0</u>
<b>MERCHANDISING PRACTICES REVOLVING FUND</b>			
Personal Service	1,729,253	1,696,037	33,216
Expense and Equipment	2,157,176	647,628	1,509,548
Total Merchandising Practices Revolving Fund	<u>3,886,429</u>	<u>2,343,665</u>	<u>1,542,764</u>
<b>WORKERS COMPENSATION FUND</b>			
Personal Service	279,687	64,787	214,900
Expense and Equipment	204,053	31,329	172,724
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	81,085	81,047	38
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	29,929	29,929	0
Total Workers Compensation Fund	<u>594,754</u>	<u>207,092</u>	<u>387,662</u>

Appendix D-2

Office of Attorney General  
Statement of Appropriations and Expenditures  
Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
<b>SECOND INJURY FUND</b>			
Personal Service	2,072,901	2,003,395	69,506
Expense and Equipment	1,068,526	736,138	332,388
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	81,085	81,046	39
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	29,929	29,929	0
Total Second Injury Fund	<u>3,252,441</u>	<u>2,850,508</u>	<u>401,933</u>
<b>LOTTERY ENTERPRISE FUND</b>			
Personal Service	58,085	58,085	0
Total Lottery Enterprise Fund	<u>58,085</u>	<u>58,085</u>	<u>0</u>
<b>ANTI-TRUST REVOLVING FUND</b>			
Personal Service	392,226	239,488	152,738
Expense and Equipment	254,400	61,118	193,282
Total Anti-trust Revolving Fund	<u>646,626</u>	<u>300,606</u>	<u>346,020</u>
<b>HAZARDOUS WASTE FUND</b>			
Personal Service	299,104	299,104	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	7,017	6,314	703
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	8,977	8,977	0
Total Hazardous Waste Fund	<u>329,978</u>	<u>329,275</u>	<u>703</u>
<b>SAFE DRINKING WATER FUND</b>			
Personal Service	12,980	12,980	0
Expense and Equipment	2,265	2,265	0
Total Safe Drinking Water Fund	<u>15,245</u>	<u>15,245</u>	<u>0</u>
<b>TRUST FUND</b>			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	4,000,000	271,633	3,728,367
Total Trust Fund	<u>4,000,000</u>	<u>271,633</u>	<u>3,728,367</u>

Appendix D-2

Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
<b>INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND</b>			
Personal Service	98,162	59,901	38,261
Expense and Equipment	45,640	8,860	36,780
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	8,977	8,977	0
<b>Total Inmate Incarceration Reimbursement Act Revolving Fund</b>	<b>152,779</b>	<b>77,738</b>	<b>75,041</b>
<b>MINED LAND RECLAMATION FUND</b>			
Personal Service	12,948	12,948	0
Expense and Equipment	2,262	2,262	0
<b>Total Mined Land Reclamation Fund</b>	<b>15,210</b>	<b>15,210</b>	<b>0</b>
<b>Total All Funds</b>	<b>\$ 33,773,399</b>	<b>24,119,897</b>	<b>9,653,502</b>

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Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>				
Personal Service	\$ 6,156,053	(1,205,000)	4,842,683	108,370
Expense and Equipment	814,277	1,205,000	1,997,203	22,074
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	12,645	6,025	8,489	10,181
Medicaid Fraud Unit - Personal Service	249,473	0	140,944	108,529
Medicaid Fraud Unit - Expense and Equipment	290,241	0	95,749	194,492
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	133,455	0	120,946	12,509
Total General Revenue Fund	<u>7,656,144</u>	<u>6,025</u>	<u>7,206,014</u>	<u>456,155</u>
<b>FEDERAL AND OTHER FUND</b>				
Personal Service	1,248,837	0	543,080	705,757
Expense and Equipment	613,399	0	126,368	487,031
Law enforcement, domestic violence, and victims' services - Expense and Equipment	100,000	0	0	100,000
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	8,340	100	8,300	140
Medicaid Fraud Unit - Personal Service	388,536	0	388,536	0
Medicaid Fraud Unit - Expense and Equipment	1,082,276	0	108,006	974,270
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	41,808		41,432	376
Total Federal and Other Fund	<u>3,483,196</u>	<u>100</u>	<u>1,215,722</u>	<u>2,267,574</u>
<b>GAMING COMMISSION FUND</b>				
Personal Service	39,671	0	39,671	0
Expense and Equipment	9,920	0	9,920	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	1,341	0	1,341	0
Total Gaming Commission Fund	<u>50,932</u>	<u>0</u>	<u>50,932</u>	<u>0</u>
<b>NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND</b>				
Personal Service	0	0	0	0
Expense and Equipment	33	0	33	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	2,669	0	2,669	0
Total Natural Resource Protection- Water Pollution Permit Fee Subaccount Fund	<u>2,702</u>	<u>0</u>	<u>2,702</u>	<u>0</u>



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Office of Attorney General  
Statement of Appropriations and Expenditures  
Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
<b>SOLID WASTE MANAGEMENT FUND</b>				
Personal Service	29,569	0	29,569	0
Expense and Equipment	239	0	239	0
Total Solid Waste Management Fund	<u>29,808</u>	<u>0</u>	<u>29,808</u>	<u>0</u>
<b>PETROLEUM STORAGE TANK INSURANCE FUND</b>				
Personal Service	42,934	0	24,825	18,109
Total Petroleum Storage Tank Insurance Fund	<u>42,934</u>	<u>0</u>	<u>24,825</u>	<u>18,109</u>
<b>MOTOR VEHICLE COMMISSION FUND</b>				
Personal Service	13,633	0	13,633	0
Expense and Equipment	3,779	0	3,779	0
Total Motor Vehicle Commission Fund	<u>17,412</u>	<u>0</u>	<u>17,412</u>	<u>0</u>
<b>HEALTH SPA REGULATORY FUND</b>				
Expense and Equipment	1,582	0	1,582	0
Total Health Spa Regulatory Fund	<u>1,582</u>	<u>0</u>	<u>1,582</u>	<u>0</u>
<b>NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE FUND SUBACCOUNT FUND</b>				
Personal Service	38,832	(30,000)	4,003	4,829
Expense and Equipment	459	30,000	24,594	5,865
Total Natural Resources Protection- Air Pollution Permit Fee Subaccount Fund	<u>39,291</u>	<u>0</u>	<u>28,597</u>	<u>10,694</u>
<b>COURT COSTS FUND</b>				
Expense and Equipment	115,234	0	60,292	54,942
Total Court Costs Fund	<u>115,234</u>	<u>0</u>	<u>60,292</u>	<u>54,942</u>
<b>SOIL AND WATER SALES TAX FUND</b>				
Personal Service	4,712	0	4,712	0
Expense and Equipment	72	0	72	0
Total Soil And Water Sales Tax Fund	<u>4,784</u>	<u>0</u>	<u>4,784</u>	<u>0</u>
<b>MERCHANDISING PRACTICES REVOLVING FUND</b>				
Personal Service	801,728	0	744,593	57,135
Expense and Equipment	1,740,191	0	349,300	1,390,891
Total Merchandising Practices Revolving Fund	<u>2,541,919</u>	<u>0</u>	<u>1,093,893</u>	<u>1,448,026</u>
<b>WORKERS COMPENSATION FUND</b>				
Personal Service	167,138	0	52,568	114,570
Expense and Equipment	200,217	0	2,000	198,217
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	4,377	1,170	5,433	114
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,688	0	9,397	291
Total Workers Compensation Fund	<u>381,420</u>	<u>1,170</u>	<u>69,398</u>	<u>313,192</u>

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Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
<b>SECOND INJURY FUND</b>				
Personal Service	1,014,070	0	841,834	172,236
Expense and Equipment	629,447	0	477,877	151,570
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	4,377	1,170	5,434	113
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,688	0	9,397	291
Total Second Injury Fund	1,657,582	1,170	1,334,542	324,210
<b>LOTTERY ENTERPRISE FUND</b>				
Personal Service	21,031	0	21,031	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	1,341	0	1,341	0
Total Lottery Enterprise Fund	22,372	0	22,372	0
<b>ANTI-TRUST REVOLVING FUND</b>				
Personal Service	261,781	0	81,750	180,031
Expense and Equipment	204,443	0	8,281	196,162
Total Anti-trust Revolving Fund	466,224	0	90,031	376,193
<b>HAZARDOUS WASTE FUND</b>				
Personal Service	126,702	0	126,702	0
Expense and Equipment	63	0	63	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	545	0	0	545
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	2,441	0	2,441	0
Total Hazardous Waste Fund	129,751	0	129,206	545
<b>SAFE DRINKING WATER FUND</b>				
Personal Service	12,980	0	2,967	10,013
Expense and Equipment	575	0	575	0
Total Safe Drinking Water Fund	13,555	0	3,542	10,013
<b>TRUST FUND</b>				
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	3,851,270	0	222,360	3,628,910
Total Trust Fund	3,851,270	0	222,360	3,628,910

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Office of Attorney General  
 Statement of Appropriations and Expenditures  
 Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
<b>INMATE INCARCERATION REIMBURSEMENT</b>				
<b>ACT REVOLVING FUND</b>				
Personal Service	45,343	0	42,875	2,468
Expense and Equipment	24,395	0	1	24,394
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	2,895	0	2,895	0
Total Inmate Incarceration Reimbursement Act Revolving Fund	<u>72,633</u>	<u>0</u>	<u>45,771</u>	<u>26,862</u>
<b>MINED LAND RECLAMATION FUND</b>				
Personal Service	12,948	0	11,897	1,051
Expense and Equipment	0	0	0	0
Total Mined Land Reclamation Fund	<u>12,948</u>	<u>0</u>	<u>11,897</u>	<u>1,051</u>
Total All Funds	<u>\$ 20,593,693</u>	<u>8,465</u>	<u>11,665,682</u>	<u>8,936,476</u>

The lapsed balances include the following withholdings made at the Governor's request:

<b>General Revenue Fund</b>	
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	\$ 10,178
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	12,509
Total General Revenue Fund	<u>\$ 22,687</u>

Appendix E

Office of Attorney General  
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Salaries and wages	\$ 18,042,444	17,832,538	17,963,212	18,234,377	17,902,584
Travel, in-state	408,393	399,857	489,417	501,376	549,061
Travel, out-of-state	135,177	86,312	96,913	80,076	86,897
Fuel and utilities	5,076	6,272	6,130	6,017	5,773
Supplies	671,997	594,745	701,383	614,172	675,453
Professional development	201,005	269,832	169,684	183,148	188,006
Communication services and supplies	343,916	403,025	425,659	544,486	420,903
Services:					
Professional	1,190,772	1,101,463	1,950,414	1,358,565	1,443,956
Housekeeping and janitorial	18,851	17,920	20,904	16,335	18,310
Maintenance and repair	656,551	895,764	539,948	485,343	510,968
Equipment:					
Computer	444,195	1,261,556	560,985	769,634	414,632
Motorized	121,073	40,594	33,875	32,002	21,811
Office	118,911	41,433	98,481	129,403	105,459
Other	2,171	2,390	9,762	10,616	8,518
Property and improvements	0	24,508	232,291	3,037,429	162,255
Building lease payments	1,410,528	1,347,553	1,387,856	1,209,932	1,302,394
Equipment rental and leases	13,969	8,786	8,458	9,300	8,552
Miscellaneous expenses	62,522	108,796	54,921	66,195	29,162
Refunds	0	0	0	14,046	8
Program distributions	272,346	371,840	92,289	177,014	113,128
Total Expenditures	\$ <u>24,119,897</u>	<u>24,815,184</u>	<u>24,842,582</u>	<u>27,479,466</u>	<u>23,967,830</u>