

**California Department of Justice
Office of the Attorney General**

**Biennial Report
Major Activities in 2015-2016**



**Kamala D. Harris
Attorney General**

ROLE OF THE ATTORNEY GENERAL

As chief law officer of California, the Attorney General is responsible for ensuring that state laws are uniformly and adequately enforced. The Attorney General carries out this constitutional responsibility through the programs of the Department of Justice. The Attorney General's specific charges are threefold: to provide legal representation, to support common law enforcement, and to protect consumers and the environment.



KAMALA D. HARRIS
ATTORNEY GENERAL

The Attorney General represents the People of California in criminal and civil matters; serves as legal counsel to state officers, boards, commissions and departments; and assists district attorneys in the administration of justice.

To support California's local law enforcement community, the Attorney General coordinates statewide narcotics enforcement efforts, participates in criminal investigations, and provides identification and information services and digital telecommunication support.

In addition, the Attorney General establishes and operates projects and programs that protect Californians from fraudulent, unfair and illegal activities that victimize consumers or threaten public safety, and enforces the laws that safeguard the environment and natural resources.

TABLE OF CONTENTS

Executive Summary – Highlights of 2015-2016.....	4
Department Overview	11
Organization Chart.....	12
Division of Administrative Support	13
Division of Law Enforcement.....	19
Legal Services Division	
Public Rights Division	39
Division of Civil Law	61
Division of Criminal Law	79
California Justice Information Services Division.....	91
Executive Programs.....	100

EXECUTIVE SUMMARY – HIGHLIGHTS OF 2015-2016

The biennial period of 2015-2016 was marked with an impassioned national debate about the relationship between law enforcement and the public, following high-profile shootings of people of color by police in places like Ferguson, Savannah, Baton Rouge, Minneapolis, and right here in California. In the midst of this crisis of confidence, the Attorney General led a much-needed conversation about how to restore trust between law enforcement and the communities they serve. That conversation started with OpenJustice, an unprecedented initiative that released troves of criminal justice data, including data about deaths in police custody and peace officer deaths. This data allows policymakers and the public to have an honest, data-informed discussion about the way that law enforcement interacts with all Californians. Piloting law enforcement training, proven to help law enforcement recognize and address any implicit biases that may impact how they do their job, is another foray into this important conversation.

And while the state and nation engaged in a challenging conversation about repairing a broken relationship between law enforcement and the communities they serve, the nation also grieved the deaths of too many following the tragic terrorist attacks in San Bernardino, California and Orlando, Florida and countless other shootings across the nation. The Attorney General continued her efforts to push for common-sense policies to reduce gun violence and California Department of Justice agents made major strides in removing weapons from people who are prohibited by law from owning them, because of the danger they pose to themselves or others.

In 2015-2016, the California Department of Justice (DOJ) continued its mission to protect California consumers and businesses. The Attorney General challenged mergers that would undercut competition and drive prices up, reformed the Proposition 65 rules so that they were less burdensome for business while still informing consumers and protecting the environment, and secured a landmark settlement with a foreign garment manufacturer that had gained an unfair business advantage over California apparel companies by using pirated software. Finally, the Attorney General helped ensure that California businesses would have access to a dynamic, educated work force by standing up for students who were preyed on by for-profit colleges and protecting the rights of immigrants.

The Attorney General also fought for patients' access to high-quality health care and accurate information about their health and well-being, including reproductive health care. In addition, the Attorney General helped tackle one of the most significant threats to public health, climate change, by defending in court both California and the U.S.'s groundbreaking climate legislation and Clean Power Plan. The Attorney General also aggressively pursued companies that were skirting California's environmental laws - the California DOJ, along with the California Air Resources Board and the U.S. government, negotiated a historic settlement with Volkswagen for installing "defeat devices" meant to dupe emission testing. This settlement, in addition to securing relief for consumers who were lied to about the emissions of Volkswagen vehicles, brought over \$1 billion for environmental projects to California.

Finally, the Attorney General has carried out a long-standing commitment to stand up for the voiceless and vulnerable while pioneering new and innovative ways of safeguarding California and its people. The California Department of Justice was the first law enforcement agency to criminally prosecute operators of cyber exploitation websites and the Attorney General created the Bureau of Children's Justice, with a sole focus on protecting the rights of children.

Below are highlights from the biennial period:

Restoring Relationship of Trust between Law Enforcement & the Community

Trust between law enforcement and the communities they serve must be based upon transparency and honesty. The Attorney General's Office is facilitating an honest, data-based conversation by releasing an unprecedented amount of criminal justice data through **OpenJustice**, a new open data initiative making data on deaths in law enforcement custody and use of force by law enforcement, as well as deaths of peace officers, available to the public in a user-friendly, accessible way.

Attorney General Harris also convened law enforcement leaders from across the state as part of a **21st Century Policing Working Group** and created the first-ever law enforcement training bringing together the concepts of procedural justice and implicit bias.

In addition, DOJ unveiled its first-ever implicit bias policy and equipped its special agents with body cameras.

Finally, Attorney General Harris announced the members of the **Racial and Identity Profiling Advisory Board**, following passage of Assembly Bill 953, and released a bulletin to law enforcement regarding the collection of data around citizen complaints.

Countering Cyber Exploitation & Convicting Perpetrators

The Attorney General led the nation in securing the first-ever criminal convictions of cyber exploitation website operators, commonly referred to as "revenge porn" websites. In ***People v. Bollaert***, Kevin Bollaert was convicted on felony charges and sentenced to 18 years for running a website that allowed the non-consensual posting of nude photographs and extorting victims seeking to have their images removed from the site. In a similar case (***People v. Meyering***), Casey Meyering, the operator of cyber exploitation website WinByState.com, was sentenced to three years in jail after pleading no contest to counts of extortion and conspiracy. In ***People v. Evens***, the operator of a cyber exploitation hacking scheme, Charles Evens, who coordinated the hacking of over 300 email accounts and then stole and sold intimate images, pled guilty to disruption of computer access.

The Attorney General also convened a working group of technology companies, law firms, law enforcement, victims' rights advocates, and other stakeholders to develop a **first-of-its-kind online resource hub** for law enforcement investigating and prosecuting these crimes and tools

for victims of cyber exploitation seeking to have their image removed from social media sites and online search engines.

Renewing Focus on Voiceless and Vulnerable, Especially Children

The Attorney General continued her longstanding commitment to protecting children from harm and helping them reach their full potential, launching a new **Bureau of Children’s Justice** in February 2015 to enforce California’s civil and criminal laws that uphold the rights of children and pursuing policies that improve outcomes for children. In June 2016, BCJ announced **five active civil rights investigations** from Humboldt to San Diego, touching on issues of juvenile justice, education, and the child welfare system.

In addition, BCJ secured a \$168.5 million settlement with **K12 Inc.**, a for-profit online charter school operator and the schools it manages in California, over allegations that the company misled parents and students and inflated attendance numbers to collect state funds.

The Attorney General’s Office also released the Fourth Annual “**In School + On Track**” report to highlight the impact of elementary school absenteeism and suspensions on the achievement gap. Partnering with the Ad Council and the California Endowment, the office conducted a study and launched a **public education campaign** to help educators and community leaders communicate more effectively with parents on the importance of children being in school, on time, every day.

Holding Predatory For-Profit Colleges Accountable & Defending Every Californian’s Right to An Equal Education

In addition to protecting children’s rights and addressing gaps in the systems designed to serve California’s children, the Attorney General stood up for the rights of Californians pursuing a higher education. The Attorney General obtained a landmark \$1.1 billion judgment against Corinthian Colleges, which operated predatory for-profit colleges in California that preyed on vulnerable individuals trying to invest in their futures by misleading students and investors about its job placement rates; advertising programs its schools didn’t offer; unlawfully using military seals in advertisements; and misrepresenting the transferability of academic credit (**People v. Heald College**). In addition, the Attorney General’s Office worked with the U.S. Department of Education to make tens of thousands of students eligible for hundreds of millions of dollars in **federal student loan relief**.

Also, in the high-profile U.S. Supreme Court affirmative-action case, **Fisher v. University of Texas**, the Attorney General filed a friend-of-the-court brief encouraging the Court to continue to recognize that states have a compelling interest in the educational benefits that derive from a diverse student body and that public colleges ought to be able to consider race, among other factors, in its admissions decision, which the Court upheld in its June 2016 decision.

Protecting the Health and Wellbeing of Californians

The Attorney General joined the U.S. Department of Justice to file a lawsuit blocking the proposed merger of two of the largest health insurers in the nation, **Anthem and Cigna**, citing antitrust concerns and arguing that the merger would drive up costs and drive down quality of health care for Californians. The Attorney General also granted conditional approval of the proposed transaction between the **Daughters of Charity Health System and BlueMountain Capital Management, LLC**, imposing strong conditions to ensure the continuity of essential healthcare services for vulnerable communities at the six health facilities.

In addition, the Attorney General signed onto friend-of-the-court briefs on cases before the U.S. Supreme Court, urging the Court to protect reproductive rights and uphold the Affordable Care Act (*Whole Woman's Health v. Cole*, *Zubik v. Burwell*) and defended the constitutionality of the state Reproductive FACT Act, which ensures women are provided comprehensive reproductive health care and are able to make informed choices about their health.

Standing Up for Workers' Rights

The Attorney General sent **letters to major retailers to voice concern with the practice of "on-call shifts,"** which pose serious hardships to employees who also have to juggle child-care arrangements, other work, schooling, or long commutes. The Attorney General's Office also signed a **memorandum of understanding with the U.S. Department of Labor** to share information and collaborate to better **crack down on employer wage theft.**

Educating and Informing Immigrants, Fighting For Their Rights

The Attorney General took a number of steps to defend President Obama's deferred action programs—which shield immigrants who meet certain criteria from deportation and allows them to obtain a work permit—by filing multiple amicus briefs in *United States v. Texas* and speaking out about the economic and societal contributions immigrants make to California.

In October 2015, the Attorney General also issued an information bulletin to California law enforcement agencies outlining their responsibilities to assist immigrant crime victims in applying for **U-visas**. And, in the summer of 2015, the Attorney General's Office partnered with Service Employees International Union of California and Univision to host **forums across the state to provide information about deferred action programs** and help protect immigrants from fraud and wage theft.

Following the wave of children traveling alone to the U.S. in search of refuge – a phenomenon that peaked in the summer of 2014 – the Attorney General convened law firms and other stakeholders to secure legal representation for children facing an immigration judge. And, in March 2016, the Attorney General filed an amicus brief in *J.E.F.M. v. Loretta Lynch*, which argued that the due-process clause and the Immigration and Nationality Act require that children have attorneys appointed to represent them in immigration removal proceedings.

Protecting Consumers, Veterans, and Seniors

The Attorney General's Office secured major settlements against companies who violated California's consumer protection laws. The Attorney General secured a \$28.4 million stipulated judgment against **Aaron's Inc.**, the second largest rent-to-own business in the nation, which overcharged customers and failed to provide important contract disclosures. In addition, the Attorney General reached agreements with **privatized military housing contractors** and **JPMorganChase** for violating the Servicemembers Civil Relief Act and other laws protecting members of the military from illegal evictions and credit card debt collection. The Attorney General's Office also **partnered with AARP** to conduct teletownhalls and provide educational materials to protect seniors from scams.

Countering Data Breaches & Protecting Californians' Privacy

With high-profile data breaches in the headlines from Sony to University of California and Cal State University, the Attorney General's Office released a **February 2016 data breach report**, which detailed the nature of data breaches reported to the office over the past four years. The report found that between 2012 and 2015, there were 657 data breaches, which compromised over 49 million records of Californians' personal information.

In addition, the Attorney General reached a \$33 million settlement with **Comcast** in September 2015, requiring Comcast to pay \$25 million in civil penalties and \$8 million in restitution to consumers who had paid Comcast for unlisted phone service and whose personal information was posted online. The Attorney General's Office also obtained a stipulated judgment against **Houzz**, which had secretly recorded telephone calls without notifying its customers, employees or call recipients, requiring the company to pay \$175,000 and appoint a Chief Privacy Officer.

Defending the Environment & Holding Polluters Accountable

The Attorney General made major strides in protecting our environment and holding polluters accountable during the biennial period. The Attorney General's Office negotiated an unprecedented \$14.7 billion settlement with **Volkswagen** (with \$1.18 billion coming to California), alongside the federal government and the California Air Resources Board, over the "defeat devices" the company programmed in its diesel cars to appear significantly more eco-friendly than they actually were. The Attorney General also secured an additional \$86 million in civil penalties and injunctive relief.

In another major and ongoing criminal case, the Attorney General secured criminal indictments of both the company at fault and an individual employee following the major May 2015 **Plains All American oil spill** near Santa Barbara.

The Attorney General is also working to ensure legal accountability following the October 2015 **Aliso Canyon gas leak** and **defending the U.S. Environmental Protection Agency's new standards** to curb greenhouse-gas emissions from the natural-gas industry and power plants. In addition, the Attorney General's Office reached a settlement with **Mondelēz**, a cookie manufacturer, under the state's Proposition 65 for dangerously high levels of lead in Nabisco

ginger snap cookies. The Attorney General also has continued to **defend the state's landmark Global Warming Solutions Act of 2006** (AB 32).

Enabling California Businesses to Innovate and Thrive

The Attorney General continued to pursue cases and policies that allow businesses to thrive in California, while holding accountable companies who undercut competitors unfairly or violate antitrust laws. In September 2015, the Attorney General announced **changes to regulations implementing Proposition 65 to curb private party lawsuit abuses**, strengthening the requirement that a private party demonstrate that its case will result in a substantial public benefit before it can obtain attorneys' fees. The Attorney General's Office reached an agreement in *California v. Pratibha* over allegations that the company gained an unfair competitive advantage over California companies by using pirated software, requiring Pratibha to pay \$100,000 in restitution and establishing an international enforcement mechanism that can be used as a model for future efforts.

Rooting Out Corruption and Mortgage Fraud

The Attorney General's Office tirelessly pursued perpetrators of elaborate mortgage fraud scams and rooted out public corruption. Among other cases, the Attorney General prosecuted *People v. Tuig*, where Lambert Vander Tuig bilked hundreds of investors of more than \$50 million through his Carolina Development Company (CDC), which ostensibly was building luxury homes on golf courses. Tuig and an associate were convicted of 85 counts of securities fraud and grand theft, sentenced to 20 and 12 years in prison and ordered to pay \$50 million in restitution.

In another mortgage fraud case, *United States v. Tikal*, Alan Tikal operated an extensive mortgage rescue scheme targeting distressed homeowners throughout California, collecting over \$5.8 million from more than 1,000 victims. He was found guilty of 11 counts of mail fraud and one count of money laundering and sentenced to 24 years in federal prison. In a similar case, *People v. Wolfe*, eleven defendants were indicted for conspiracy, grand theft, mortgage fraud, filing false documents, forgery, perjury, criminal threats, preparing false evidence, tax evasion, bribery, intimidating a witness, and burglary. The lead defendants pled guilty to 22 and 20 felonies respectively and were sentenced to over 16 years and 10 years in prison. In *People v. Lester and Laferte*, Phillip Lester and Susan Laferte, CEO and CFO of Gold Country Lenders, were convicted of 57 and 35 felony counts of securities fraud and defrauding elders.

In addition, California DOJ agents helped uncover several **multimillion recycling fraud schemes** and conducted an investigation leading to the arrest of a **California Department of Transportation employee on bribery charges**. The Attorney General's Office also obtained a \$20 million judgment against former placement agent Alfred Villalobos' and his company, ARVCO Capital Research, LLC, over a "pay-to-play" scheme involving state pension fund investments (*People v. Villalobos*).

Tackling Human Trafficking

The Attorney General issued extensive educational materials around the **Transparency in Supply Chains Act**, legislation that went into effect in January 2012 to help consumers use their purchasing decisions to help combat human trafficking, and sent letters to over 1000 companies informing them of the requirements of the law. The Attorney General's Office also partnered with other law enforcement agencies to investigate human trafficking case and prosecuted cases including *People v. Lee and Loi*, in which defendants who were operating a brothel and trafficking young women for sex were charged with conspiracy, pimping, pandering, bribery, and tax fraud.

Dismantling Criminal Operations, Taking Down Gangs, Removing Firearms from Prohibited People

California DOJ agents led 15 task forces, training, supervising, and leading local law enforcement in major investigations throughout California. Highlights include **seizing \$1.6 million and making 52 arrests of members of the Corona Varrio Locos and "La Eme" Gangs** in June 2016, **seizing 89 pounds of methamphetamine in San Jacinto** and **83 pounds of cocaine in Wilmington**, both in May 2016, and a **tax evasion criminal conspiracy investigation** into suspects evading California sales tax via used auto dealerships in South Gate. The Attorney General's Office is also prosecuting high-profile cases around gang activity, including the indictment of 32 members of the **Baby Insane Crips gang who filed false tax returns** using stolen social security numbers.

The Attorney General's Office took guns off the streets and removed weapons from those barred under law from owning them because of mental illness or a felony charge. Currently, there are fewer than 11,000 subjects in the **Armed Prohibited Persons System** database; a reduction of 47 percent, even while 12,000 subjects were added to the database, effectively removing nearly 25,000 prohibited individuals.

Solving Crime through Innovation

The Attorney General's Office's Bureau of Forensic Services aided local law enforcement in solving major cases including using the familial DNA that the office pioneered to help identify famed serial killer, the "**Grim Sleeper**."

Department Overview

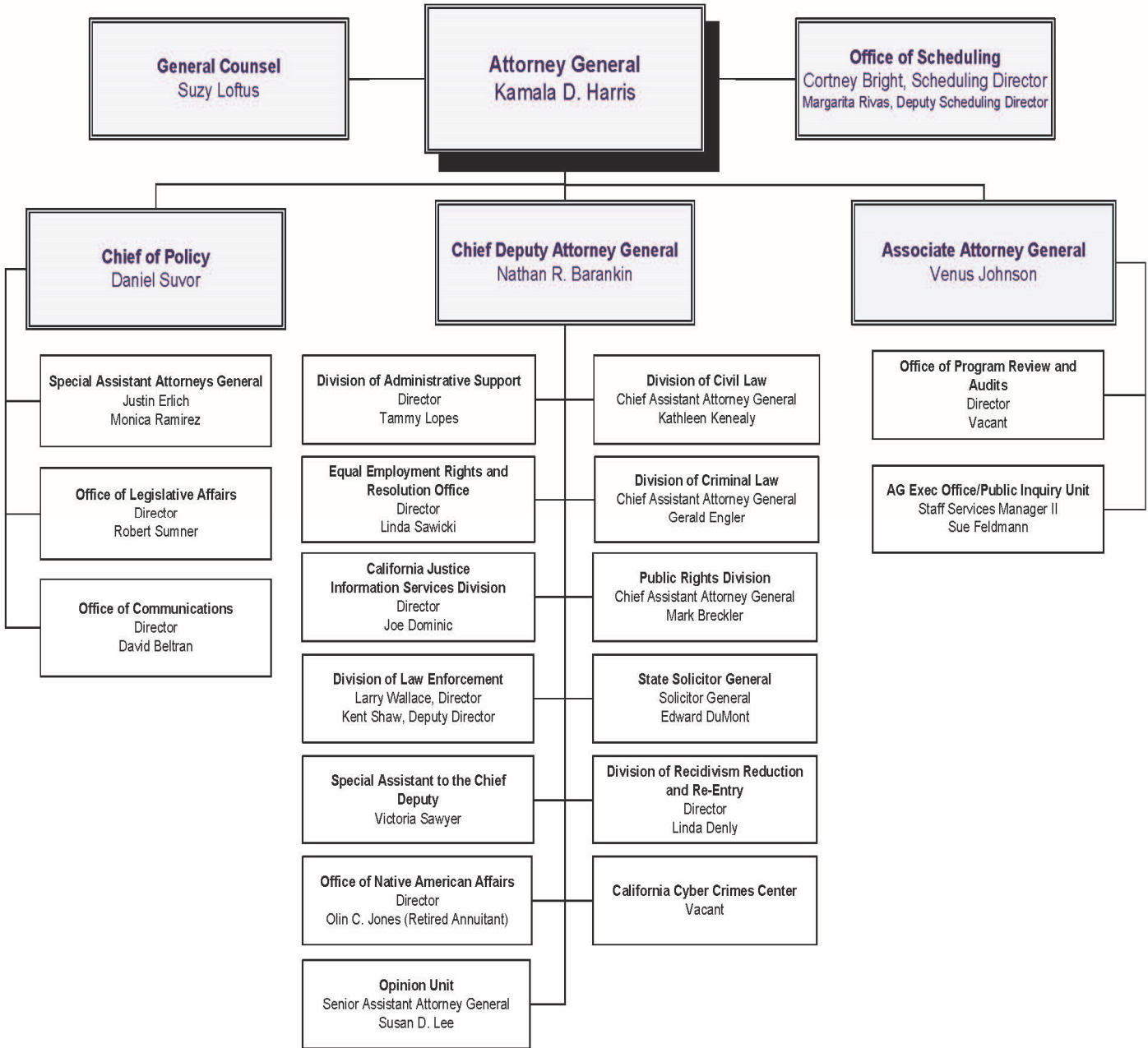
The Attorney General’s responsibilities are fulfilled through the diverse programs of the Department of Justice, which has approximately 4,800 employees, four divisions, and an annual operating budget of over \$830 million.

Division	Authorized Positions	Budget
Legal Services Division	1,674	\$436,571,000
Division of Law Enforcement	1,067	\$215,835,000
California Justice Information Services	1,097	\$180,920,000
Directorate and Administration	972	(\$105,799,000)
Total	4,810 positions	\$833,326,000

Through its dedicated employees, the Department represents the People in matters before the appellate and Supreme Courts of California and the United States, serves as legal counsel to state agencies, coordinates efforts to fight crime, provides identification and information services to criminal justice agencies, and pursues projects designed to protect the People of California from fraudulent, unfair and illegal activities.

Major issues, significant cases, and improvements in the Department’s operations are highlighted on the following pages.

DEPARTMENT OF JUSTICE



August 26, 2016

DIVISION OF ADMINISTRATIVE SUPPORT

The Division of Administrative Support (DAS), through its nearly 900 employees, supports the day-to-day operations of the department and assists programs in administrative and technical areas such as accounting, budgeting, human resources, asset management, facilities, procurement, contracting, conferencing, recycling, training, law library services, legal case management, time reporting, litigation support, legal support services, and special projects.

The Division of Administrative Support consists of the following sections and programs:

- Accounting Office
- Budget Office
- Case Management Section
- Legal Support Operations
- Litigation Support Section
- Office of Departmental Services
- Office of Human Resources
- Office of Professional Development
- Statewide Operational Services Unit

Significant achievements for the division includes:

FISCAL. The Accounting Office, Budget Office, Contracts and Purchasing Units, the California Justice Information Services Division's IT Contracts and Procurement Unit and Statewide Operational Services Unit are actively preparing for implementation of FISCAL. This multi-year project, sponsored by the Department of Finance and other control agencies, will standardize fiscal reporting among state agencies. Our office is involved in advisory work groups, system integration and interface, data cleansing and conversion, and business process workshops. The FISCAL system will replace DOJ's accounting system in July 2017, and is projected to be implemented by all state agencies in 2018.

Accounting Office

The Accounting Office provides oversight and monitors the department's resources by maintaining centralized records through processing and reconciling of appropriations, expenditures, revenues, federal grants, reimbursements and legal billing. The Accounting Office also serves as liaison between the department and state control agencies, namely the Controller's Office and Treasurer's Office. It also provides cash flow analysis and prepares the year-end financial statements for the department's 50+ funding sources.

Budget Office

The Budget Office is responsible for DOJ's annual financial plan and provides technical direction and support to program managers in preparation, negotiation and management of the department's annual budget.

Case Management Section

The Case Management Section is responsible for development, implementation and maintenance of the department's case management and time reporting system (ProLaw) used by legal staff. The section works closely with Accounting staff, attorneys and executive staff to manage legal staff billable hours and produces client agency reports for reimbursement of our legal work.

Legal Support Operations

Legal Support Operations provides administrative support and law library services for our law offices in Sacramento, Oakland, San Francisco, Fresno, Los Angeles and San Diego. Services are provided to our 1,375 attorney and paralegal staff in 30 law practice areas. The administrative services include legal secretarial and clerical support, business and office services, digital printing and reprographics, docketing and records management, procurement and facilities management.

Attorney General Offices Restacking. Working with the Department of General Services, the legal office in San Diego relocated to a different office building, reducing its real estate footprint and establishing a cost savings of more than \$300,000 per year in rent. The new location is in a Gold Leed building and in the immediate vicinity of bus, trolley, and train transportation.

Law Library Services. The section provides research services and manages the law libraries in the legal offices statewide. The libraries maintain codes, statutes, court procedures, practice and treatise materials, including historical codes dating back to the founding of California and legislative histories.

Significant achievements include:

Expansion of Online Resources. Hundreds of electronic resources were added to the library catalog through Westlaw Next, Lexis Advance, Accurint, HeinOnLine and Courtlink.

Legal Research. Research services were expanded through a combination of print and online resources, and new research tools for legal staff, such as Westlaw Next and Lexis Advance, Courtlink, various legal research courses, webinars, one-on-one training sessions and personalized research assistance with digitized, searchable legislative histories. The library also expanded its continuing legal education offerings with courses offered in all locations.

Fiscal Management. The section consolidated its law collections by eliminating duplicate hard copies to “green” the offices and reduce paperback and hardbound coded books, including pocket part updates for a number of California Annotated Codes.

Litigation Support Section

Litigation Support Section provides attorneys with services and applications to manage data for cases. The section manages large-scale litigation, and designs and implements databases to manage, sort, index and abstract large volumes of data produced in litigation. The section works with legal teams and client agencies to collect, preserve and produce electronically stored information. Additionally, the section develops data management strategies, assists with technology in the courtroom, provides user support for litigation software, and coordinates with technology vendors.

Significant achievements include:

New Review Platform. In 2016, the section implemented a new review platform, Relativity. Relativity provides analytics and predictive coding by filtering large amounts of data into a more manageable and relevant amount of documents and significantly decreasing the review time by attorneys. The section provides Relativity training to legal staff and is also addressing legal issues related to information stored electronically.

eDiscovery Committee. Working with staff from the three legal divisions and the DOJ Hawkins Data Center, Litigation Support oversees a committee to develop eDiscovery procedures and policies for the department and provide ongoing training to legal staff.

Office of Departmental Services

The Office of Departmental Services provides a wide range of business support services throughout the DOJ, including facilities management, telecommunications services, contracting, purchasing, warehousing, printing, publication and media production, and mail and delivery operations.

Facilities Planning and Management and Telecommunications Section. The Facilities Planning and Management team manages more than 1.5 million square feet of DOJ facilities statewide, including legal offices, forensic crime laboratories, regional law enforcement offices, anti-crime task force offices, aircraft hanger space, the Hawkins Data Center, and field offices and radio sites. Two significant projects include roof restorations at our forensic labs and several sustainability projects mandated by the Governor’s Office. The Telecommunications Unit manages the communications system for the department, which includes over 5,200 phone lines. The Telecommunications Unit is currently working on a significant project to replace the aging DOJ phone network with a voice over Internet protocol system.

Business Services Section. The section is comprised of three units: Contracts, Purchasing and Central Services. The Contracts Unit prepares non-IT contracts for expert witnesses, outside attorney services, forensic services, law enforcement training and maintenance and

repair of equipment. The Purchasing Unit oversees the ordering and purchasing of non-IT equipment, furniture and supplies. The Central Services Unit provides mail and warehouse services to DOJ, including shipments and document archive storage.

Significant achievements include:

FISCAL Purchasing. With the upcoming implementation of FISCAL, the DOJ has made changes to its business process to centralize the department-wide purchasing functions. In July 2014, the department centralized the purchasing of goods and services, creating the Contracts and Purchasing Unit responsible for non-IT goods and services, and IT Contracts and Procurement Unit responsible for IT goods and services. The centralized process allows the department to focus its efforts to utilize small and DVBE businesses, as well as leverage better pricing of supplies through bulk purchasing. The department anticipates full implementation of FISCAL in July 2017.

Communications and Imaging Resource Center. The Communications and Imaging Resource Center (CIRC) offers imaging and media production services to the department. In-house services include printing, creating signage and court exhibits, publishing, graphic and web design, photography, video production, audio recording and live-streaming of press conferences and public events.

CIRC assists with publications, including reports on truancy, recidivism, and data breaches. CIRC also produces video projects for key DOJ initiatives including Back on Track-LA, campus sexual assault, 21st century principled policing, and immigration. CIRC provides full support of video capture and edits for press conferences and provides on-site audio and video services for the Attorney General's law enforcement zone meetings.

Office of Human Resources

The Office of Human Resources (OHR) is responsible for all facets of employment for DOJ's 4,800 authorized positions. The section is comprised of five programs:

- Classification, Performance and Labor Relations
- Risk Management
- Testing and Selection
- Position Control
- Payroll and Benefit Services

Significant achievements include:

Personnel Focus. OHR re-vamped Personnel Focus, a monthly newsletter for OHR staff, program liaisons, managers and supervisors covering a wide-range of topics on hiring, performance management, leadership and data analysis. The newsletter also covers information on recruiting and workforce planning.

Statewide Training. OHR staff provide statewide, multi-departmental training in the field of testing and selection through the California Department of Human Resources (CalHR). With the assistance of the Office of Professional Development, our office established a consolidated agreement with CalHR to receive free classes in return for OHR's teaching efforts.

Personnel Liaison Meetings. OHR holds quarterly meetings with divisional personnel liaisons to foster communication and establish deeper relationships. Several units with OHR participate in these meetings to provide training and answer questions.

Recruiting. In 2016, OHR expanded its outreach by establishing partnerships with state and local organizations as well as professional associations. The unit engaged in conversations with the DOJ Employee Action Committees to address diversity issues within the department. Our Testing and Selection Unit worked with the bar associations statewide to identify contacts to disseminate employment opportunities with its members. In addition, OHR expanded its advertisement, examinations, and job opportunities by utilizing various social media platforms to reach a wider audience.

Establishment of a Deputy Attorney General V Classification. On November 5, 2015, the State Personnel Board approved the establishment of the Deputy Attorney General V classification.

Civil Service Improvement. In support of statewide Civil Service Improvement (CSI), our office is actively participating in workgroups on classification consolidation for information technology, education, generalist, and attorney classifications; adverse action reform; civil service recruitment; job analysis; and administering multi-departmental examinations among CSI workgroups.

In support of classification consolidation, in late 2015, OHR successfully sought approval from CalHR to reallocate its Comma CEA classifications (Senior Assistant Attorney General - CEA, Chief Assistant Attorney General - CEA, Chief Deputy Attorney General - CEA, and Director, Division of Law Enforcement) to Banded CEA positions. The Comma CEA positions were abolished, although incumbents retained their working titles.

Examination and Certification Online System (ECOS) 3A Implementation. In February 2016, CalHR implemented ECOS to streamline the state's job posting and application process. The new process has made a significant impact on DOJ's hiring processes by changing the way job postings are distributed and applications are received.

Approval of JusticeHR Project. The DOJ received approval from the Department of Technology to purchase and implement an automated time and attendance solution and Learning Management System. This new system will increase efficiencies by replacing several labor-intensive manual systems and is projected to be implemented in 2018.

Office of Professional Development

The Office of Professional Development (OPD) provides training and learning opportunities to DOJ employees. Courses include new employee orientation and basic supervision, desktop applications, professional development and mandated classes. OPD also serves as video conference coordinators in the legal offices and provides technical support on DOJ supported desktop applications. OPD is advancing the development and delivery of computer-based/online training and also assists department programs with delivering large-scale training through webinars.

Significant achievements include:

OPD conducted a department training needs survey to DOJ employees and followed up with focus groups to identify training needs. OPD also researched various video conferencing services and recommended Blue Jeans, and in conjunction with HDC, established standards for DOJ's video conferencing systems, webcams and headsets. OPD also created resources and tools for the Governor's civil service improvement projects for leadership, onboarding and workforce planning committees.

Statewide Operational Services Unit

The Statewide Operational Services Unit provides analysis and assistance to DOJ in a variety of areas including fleet management, regulations, legislation, mandated reporting, asset and records management, parking, merit awards, forms, conference services, wireless devices and recycling.

Significant achievements include:

Privacy Notice on Forms. The unit was tasked with working with DOJ programs to revise public and internal forms that require a privacy notice pursuant to Civil Code section 1798.17.

Employee Alert System. The unit worked with DOJ's Hawkins Data Center to secure a vendor for a reverse notification system that pushes alerts out to employees through various means (text, email, voice). The new system will run concurrently with the existing DOJ emergency notification system in which staff call in for notifications. The new system is expected to be operational in 2017.

DIVISION OF LAW ENFORCEMENT

The California Department of Justice's Division of Law Enforcement (DLE) is one of the largest statewide investigative law enforcement agencies in the United States. The DLE is comprised of 1,067 sworn law enforcement officers, criminalists/forensic scientists, and professional personnel. The division is comprised of the following five departments:

- **Office of the Director:** Provides support functions to the four bureaus within DLE and training opportunities and surveillance services for local, state, and federal law enforcement agencies.
- **Bureau of Firearms:** Enforces laws relating to the unlawful possession of firearms and the possession of illicit firearms.
- **Bureau of Forensic Services:** Conducts scientific analyses of evidence for investigations conducted by state and local law enforcement agencies within California.
- **Bureau of Gambling Control:** Conducts investigations into violations of laws associated with all card rooms and Indian gaming facilities within California.
- **Bureau of Investigation:** Performs investigations into a wide range of criminal activities including mortgage fraud, identity theft, recycling fraud, Internet crimes, transnational gangs, human trafficking and online privacy laws.

The overall purpose of the division is to enhance the effectiveness of state and local law enforcement agencies throughout California. Specifically, DLE special agents contribute unique technical expertise to criminal investigations and work together to provide investigative law enforcement services throughout California. Together, the Office of the Director and the four bureaus are dedicated to enhancing public safety and protecting Californians.

Bureau of Firearms

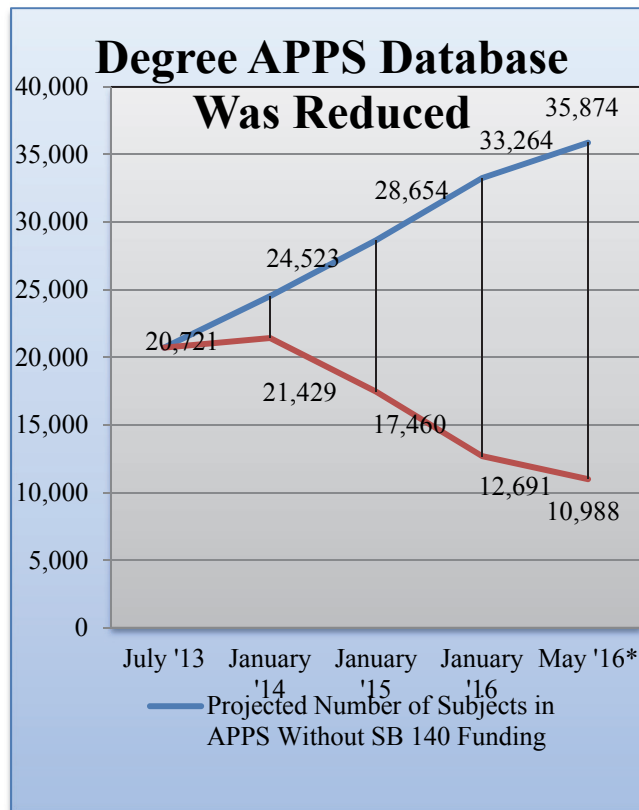
The California Department of Justice Bureau of Firearms (BF) ensures the state's firearms laws are understood uniformly, administered fairly, and enforced consistently throughout California. The Bureau of Firearms is a leader in innovation and collaboration by providing firearms expertise and information to law enforcement, legislators, and the general public. It administers a comprehensive program designed to promote responsible firearms possession and use within California. Law enforcement and program services extend to all 58 counties within the state through four field offices, two regional offices, one program office, and one headquarters office.

Armed Prohibited Persons System (APPS) Database. In 2006, California became the first and only state in the nation to establish an automated system for tracking handgun and assault weapon owners who might fall into a prohibited status because they were convicted of a felony or a violent misdemeanor, placed under a domestic violence restraining order, or suffer from serious mental illness. At the inception of the program, one million historical records were uploaded and 21,000 persons were added to the database.

The APPS team has worked diligently to eliminate the historical records backlog despite limited personnel resources and increased workload due to increased gun sales, new legislation impacting long gun sale retention, and newly created prohibitions increasing the number of subjects in the database. In addition, in 2013, Senate Bill 140 appropriated \$24 million to the DOJ from the Dealer Record of Sale (DROS) fund to enable additional investigations of APPS subjects and reduce the backlog.

Currently, there are fewer than 11,000 subjects in the database; a reduction of 47 percent, even while 12,000 subjects were added to the database, effectively removing nearly 25,000 prohibited individuals. Over the last three years, the California Department of Justice has also doubled the average number of guns seized annually and increased the number of investigations per month by nearly 300 percent.

The following chart depicts the number of subjects in the database in May 2016 and the projected number of subjects in the database had the Bureau of Firearms not increased its enforcement activities.



In 2016, the Bureau of Firearms projects over 9,000 APPS investigations. In 2015, the bureau investigated 8,574 APPS subjects and seized 5,038 firearms and over 300,000 rounds of ammunition. The graph highlights the number of cases investigated over the past 36 months. The higher number of firearms seized in November 2015 is due to the seizure of a large quantity of firearms from a firearms dealer who was a prohibited person.

Firearm Safety Certificates (FSC) Program. The FSC program, formerly known as the Handgun Safety Certificate (HSC) Program, was specific to handguns only and its work processes were manual. In 2013, the state Legislature passed Senate Bill 683 to expand handgun safety certificate laws to all firearms, creating the Firearms Safety Certificate Program. In light of this new legislation, as well as feedback from stakeholders, the Bureau of Firearms moved forward with automating processes associated with the program and created the Firearm Certification System (FCS). In January 2015, SB 683 became law and the FCS was launched, streamlining the program processes and establishing an electronic method of receiving payment and issuing certificates. In July 2015, the FCS was further enhanced by automating the submission of the DOJ Certified Instructor (CI) application. Once approved, a CI can purchase, issue and generate FSCs and access CI resources. Due to the online application allowing immediate purchase and printing of the FSC, the program has generated over \$7.5 million in public savings since its implementation. The Customer Support Center, which fields calls for assistance from the CIs, handled 15,345 FSC program-related calls through June 30, 2016.

Dealer of Records Sale Unit (DROS). From January to May 2016, the unit received and processed 409,911 DROS applications and denied 4,154 applicants due to existing prohibitions. The unit also processed 26,167 DROS-related DMV mismatched transactions and 11,177 other firearms-related applications and documents. In 2015, the DROS Unit received and processed 880,603 DROS applications, and denied 9,669 applicants due to existing prohibitions. The unit also processed 56,653 DROS-related DMV mismatched transactions in 2015, in which the name supplied on the DROS application did not match the applicant's DMV issued driver license or identification card thus resulting in rejection of the transaction. The DROS Unit also processed 31,762 other firearms-related applications and documents in 2015.

Dealer's Record of Sale (DROS) Entry System Customer Support Center. The DROS Entry System (DES) is a web-based application used by California Firearm Dealers (CFDs) to report the sale, loan, transfer, redemption, and/or acquisition of handguns and long guns to the DOJ. The system also added new functionality on the retention of long gun information pursuant to Assembly Bill 809. If an invoice is not paid within 30 days, CFDs are restricted from submitting additional transactions until outstanding invoices are paid. Prior to 2014, DOJ only accepted payment by check. The improved DES system now accepts payment of invoices by credit cards. This new business rule has reduced outstanding debt to less than a tenth of one percent. The Customer Support Center provides regulatory and technical support to CFDs on transactions, application issues, compliance-related questions, and billing inquiries. From January 1 to May 31, 2016, CSC responded to 7,061 phone calls and emails. In 2015, the CSC responded to 14,509 DES related phone calls and emails.

The Mental Health Reporting System. The Mental Health Reporting System (MHRS) enhances public safety through improved reporting of firearm prohibition. MHRS provides authorized users the ability to electronically report to the DOJ those individuals who are prohibited from possessing firearms. MHRS was enhanced to allow authorized superior courts, juvenile courts and law enforcement users to electronically report prohibitions to the department pursuant to Assembly Bill 1131 and Senate Bill 127.

Phone Resolution Unit (PRU). PRU is responsible for obtaining and clarifying firearms prohibition information received from courts, district attorneys, and law enforcement agencies throughout the nation. From January to May 2016, the unit processed 3,945 requests and in 2015, processed 8,331 requests.

Employment and Subsequent Notification Unit (ESU). ESU processes applications received from individuals applying to be peace officers, armed security guards, or participate in Peace Officer Standards and Training (POST) certification training courses. From January to May 2016, ESU processed 20,938 applications, of which 542 were denied; 9,989 subsequent notifications, of which 1,011 were denied; and 1,343 firearm record reviews. In 2015, ESU processed 66,469 applications, of which 1,545 were denied. In addition to processing original applications, ESU provides subsequent notification to employers when employees are prohibited from owning or possessing firearms. ESU processed 22,926 subsequent notifications of which 2,784 were denied, and conducted 2,459 firearm record reviews in 2015.

Law Enforcement Gun Release Unit (LEGR). Prior to returning a confiscated firearm to the person claiming ownership of any firearm in the custody or control of a court or law enforcement agency, the person must submit a LEGR application to the DOJ. The court or law enforcement agency with custody of the firearm cannot return the firearm to any person until a clearance certificate is obtained from the DOJ indicating the person is eligible to possess the firearm(s). From January to May 2016, 6,285 applications were processed, of which 225 of were denied. In 2015, LEGR processed 20,761 applications, of which 531 were denied.

New Public Firearm Reporting System. In February 2016, the Bureau of Firearms unveiled the California Reporting Information System (CRIS) on the Attorney General's website. CRIS is a web-based system that allows Californians to report ownership of firearms as authorized by state firearms laws and regulations to the DOJ. Firearms reports are submitted electronically and fees can be paid with a major credit card. Users also have the option to create an account, view transaction histories, receive status notifications, and submit questions.

California Firearms Application Reporting System (CFARS). Deployed in January 2016 in partnership with the DOJ Information Support Bureau, the California Firearms Application Reporting System provides a web-based interface for Californians to submit various firearms ownership reports/applications that previously were submitted in paper form. The streamlined online submission and payment process combined with instant feedback makes it easy for Californians to report firearms to the DOJ. The online forms also significantly reduce the amount of errors in the data collection process.

California Firearms Information Gateway (CFIG) Upgrade. The DOJ Information Support Bureaus conducted a major software revision of the California Firearms Information Gateway to bring its legacy code up-to-date, simplify its architecture, and enhance its performance in terms of the number of background checks processed per minute. Prior to the revision released in July 2015, CFIG processed 10 background checks simultaneously per minute. The latest build of CFIG processes 100 background checks simultaneously per minute.

Significant cases and achievements include:

APPS Subject Arrested after Purchasing Ammunition at a Gun Show. DOJ agents witnessed a person prohibited from owning a firearm purchase .308 and .223 caliber ammunition at a gun show in the City of Ontario. The subject stated he purchased the ammunition for his AR-15 rifle which was at his residence. Agents obtained a search warrant and found one Heckler and Koch 91, .308 caliber assault rifle (which is a Category One California banned assault weapon); one American Spirit Arms AR-15 .223 caliber rifle; one Remington Sportsman 12 gauge shotgun; one Beretta 92FS, 9mm pistol; one Charter Arms .38 caliber revolver; numerous magazines; and 700 rounds of ammunition. The subject was arrested and following a trial, received three years formal probation.

APPS Subject and Girlfriend Arrested in Banning for Leaving Loaded Firearm Accessible to Children. At the Del Mar Gun Show in San Diego County, an APPS subject was seeking to manufacture an assault weapon. A search warrant of his residence found an unsecured and loaded handgun on top of a nightstand and an unloaded assault rifle leaning against the wall of the bedroom. Both weapons were accessible to the children, and the subject and his girlfriend were arrested. The APPS subject was convicted and sentenced to six months in jail, 36 months probation, and ordered to pay a fine.

Cathedral City Resident Arrested and Charged for Firearms Violations. A search of a home of an APPS subject in Cathedral City found nine rifles, one shotgun, four handguns, and six pounds of Tannerite, a binary exploding target. A seized rifle and handgun were found to be assault weapons. The Riverside Sheriff's Department - Hazardous Response Team collected the Tannerite. The APPS subject was arrested and his trial is pending.

Pomona Resident with Military Grade Artillery Shell with Live Primer in his Bedroom Sentenced to Jail. Agents conducted an APPS investigation in the City of Pomona involving a prohibited subject due to a mental health condition, and a subsequent search of his home found a military grade artillery shell. The Los Angeles Sheriff's Department Bomb Squad removed the artillery shell that had a live primer and was detonated for further study. Agents also seized five handguns, 13 rifles, eight shotguns, and 10,000 rounds of handgun, rifle and shotgun ammunition. The APPS subject was arrested and the subject was sentenced to 180 days in jail and three years probation.

Richmond APPS Subject Arrested for Illegal Firearms Possession and Prescription Drug Sales. A search warrant of the residence of an APPS subject in the City of Richmond found one loaded .45 caliber semi-auto pistol, ammunition, 28 grams of marijuana, 200 Oxycontin, Xanax, and Hydrocodone pills, scales, and \$2,902 in U.S. currency. The APPS subject was arrested, pled guilty, and was sentenced to six months in jail and three years felony probation.

Vallejo APPS Subject Faces Drug and Firearms Charges Following Warrant Service at his Residence. After receiving information that the resident, a felon, was selling firearms illegally, a search warrant was served at his residence in the City of Vallejo, with assistance from the Walnut Creek Police Department. A search found one .22 caliber short-barreled lever action rifle; one .22 caliber revolver; 391 rounds of ammunition; one large capacity Beretta pistol magazine; 10 grams of methamphetamine; 9 grams of heroin; 10 grams of marijuana; 70

Oxycodone, Clonazepam and Alprazolam pills; scales, and packaging materials. The subject was arrested and his trial is pending.

Agents Seize 500 Firearms from APPS Subject in Clovis. Agents arrested an APPS subject in Clovis and seized more than 500 firearms and over 100,000 rounds of ammunition.

Store Owner Arrested Twice in Two Months for Illegal Gun Sale. Agents assisted the Training and Compliance Section with an inspection of a firearms dealership in Rowland Heights, Los Angeles County. The inspection resulted in the seizure of 23 firearms, including 20 Category III unregistered assault weapons, one machine gun lower receiver, two "non-rostered" handguns, one short-barreled rifle, and 22 ammunition magazines. The owner was arrested and charged with ten felonies. Two months later, while out on bail for the felony charges, the subject was arrested again following the seizure of five additional Category III unregistered assault weapons, three detachable ammunition magazines, and one silencer component seized from the business and his residence pursuant to the execution of search warrants.

Joint APPS Operation with Chula Vista Police Department Nets Seizure of 45 Guns. With assistance from the Chula Vista Police Department, an APPS sweep was conducted in the City of Chula Vista, resulting in the arrest of a subject and yielding 45 firearms, 12 magazines, and 2,000 rounds of ammunition from a safe in a garage.

GVRO Enforced on Subject In Hacienda Heights Leading to Arrest. A Gun Violence Retraining Order (GVRO) was issued based on the court finding reasonable grounds to believe the subject would cause personal injury to his wife. DOJ agents served the order and the subject released two semi-automatic rifles at his residence. When questioned about eight firearms registered to him, the subject explained he had sold the firearms years ago and only kept the two mentioned. The subject refused to a consent search of his residence. The agents obtained a search warrant of the subject's home, and seized 14 firearms (three assault weapons, three rifles, two shotguns, and six handguns), 11 high-cap magazines, three standard magazines, and 2,177 rounds of ammunition. The subject was arrested.

Assault Weapons and Other Firearms Seized from Man in Torrance. An APPS investigation in the City of Torrance resulted in the arrest of the resident and owner of 16 firearms seized, including, four assault weapons, four rifles, eight handguns, 4,343 rounds of ammunition, and 69 firearm magazines.

Bureau of Forensic Services

The Bureau of Forensic Services (BFS) provides services to state and local law enforcement, district attorneys and the courts. Laboratory staff conduct forensic examinations across a broad range of physical evidence and maintain several specialized programs, including forensic toxicology, digital evidence, and latent prints. The BFS also provides forensic science training for DOJ scientists and local government crime laboratory staff through the California Criminalistics Institute. During the biennial period, the DOJ completed over 80,000 requests for analysis from client agencies. The BFS continues to seek sources of funding to provide timely services while increasing efficiency.

Rapid Analysis DNA Service (RADS). The Rapid Analysis DNA Service provides expedited processing and DNA typing from body swabs collected from victims and standard rape kits submitted to the DOJ Jan Bashinski DNA laboratory in Richmond. Within 15 working days, DNA evidence is uploaded into the CAL-DNA Data Bank and compared to over 2.3 million offenders in California and 10 million offenders nationwide. Since the last biennial report, 17 counties are participating in the program and the DOJ has expanded RADS from its Richmond lab to additional laboratories in Sacramento, Fresno and Redding.

Riverside DNA Program. The Riverside laboratory recently increased its capacity, efficiency, and quality of casework by validating and establishing the PrepFiler DNA extraction procedure with the Tecan robot. Once it is fully implemented, analysts will spend significantly less time processing each sample and the number of samples processed will greatly increase.

Sexual Assault Forensic Evidence Kit Tracking (SAFE-T). In April 2015, the DOJ Richmond lab launched the Sexual Assault Forensic Evidence Kit Tracking (SAFE-T) system to assist local crime laboratories, law enforcement agencies, and district attorneys offices in tracking sexual assault evidence kits. SAFE-T provides statistical data information, such as the number of kits collected and submitted to a DNA laboratory for analysis. The SAFE-T system also identifies when probative DNA profiles are generated and the reason for not testing a sample. The SAFE-T System was developed in response to the passage of the Sexual Assault Victims' DNA Bill of Rights (Pen. Code §680) and a 2014 state audit that found California lacked a mechanism for tracking all sexual assault kits collected around the state. SAFE-T is housed on the Western States Information Network's Regional Information Sharing Systems (RISS) Net website and can be used in conjunction with the CODIS Hit Outcome Project (CHOP) database, allowing users to easily move between both applications. In 2015, DOJ was awarded \$1.6 million over two years from the Manhattan District Attorney to assist local law enforcement agencies in clearing their backlogs of untested rape kits using SAFE-T.

Toxicology Laboratory. The BFS Toxicology Laboratory successfully reduced a 5,000 case backlog to 1,000 cases and significantly reduced the number of days from receipt of a case to the final report for client agencies from 90 days to 23 days. The laboratory also purchased a liquid chromatograph/mass spectrometer with grant funds from the Office of Traffic Safety. The new instrument offers a significant reduction in time required to extract and analyze substances in blood and urine related to driving under the influence.

Management Training. In April 2016, using grant funds, BFS management participated in a two-day workshop with Dr. Itiel Dror, a prominent scientist in the field of cognition and bias as it relates to decision-making in the field of forensic science. Dr. Dror will present future workshops for BFS's technical staff.

Significant cases and achievements include:

Using Innovative Familial DNA Search to Help Identify the "Grim Sleeper." The "Grim Sleeper" case was closed on June 7, 2016, when Lonnie Franklin Jr. was sentenced to death after being convicted of ten murders and one attempted murder that occurred in Los Angeles over a 20-year period from 1985 to 2007. Several of the cases had been linked by DNA evidence from the victims, but no direct hits to an offender were made in CODIS. Franklin was identified in

2010 through the California DOJ's DNA familial search, which succeeded only after a relative (a convicted felon) was added to the Cal-DNA database. The follow-up investigation by the Los Angeles Police Department confirmed the DNA identification. Photographs seized during the search of Franklin's residence suggest that there may be many more unidentified victims.

Assisting with Santa Barbara Triple Homicide Investigation. In March 2016, DOJ criminalists from Santa Barbara assisted with the investigation of a triple homicide. A family had been found shot to death in their Goleta home, and their bodies had been wrapped in plastic and duct tape. Bloodstains and other physical evidence, including an attempted clean-up with bleach, indicated the victims were killed at other locations inside their three story home before being moved to the garage. A suspect was identified and evidence associating him to the crime scene was found in his vehicle. Additional evidence linked the subject to the crime scene. Forensic investigators from the Santa Barbara County Sheriff's Office and DOJ Santa Barbara and Fresno laboratories collaborated on the investigation.

Eureka Field Response to Incidents Involving Law Enforcement. On January 26, 2016, two investigators from the Humboldt District Attorney's Office were investigating a lead on a missing suspect at a Eureka residence when they were fired upon by an AK-type rifle. The investigators were not injured and returned fire, wounding the suspect. The Eureka laboratory responded to the crime scene and performed trajectory analysis to assist in determining the orientation of the two investigators and the suspect during the exchange of gunfire.

DNA Hit in Santa Barbara Sexual Assault Case. In January 2016, the Santa Barbara lab received a DNA hit on a violent gang rape and assault case that occurred on the UC Santa Barbara campus in February 2014. The profile hit resulted when the defendant's DNA was entered into CODIS (the Combined DNA Index System) on a felony marijuana charge.

Assisting in Investigation of 8-Year-Old Girl's Murder. In 2015, DOJ criminalists assisted with the crime scene investigation of a sexual assault and murder of an eight-year-old girl in Santa Cruz. The victim had been missing for 26 hours before her body was found in a recycling bin in the garage of her apartment building. Surveillance footage identified a 16-year-old neighbor as the lead suspect. DOJ Freedom and Fresno labs processed the crime scene and the suspect's apartment and analyzed many items of evidence in support of the investigation. The defendant was charged as an adult and is facing life in prison.

Eureka Field Response to Incidents Involving Law Enforcement. In November 2015, the California Highway Patrol stopped a vehicle on Highway 101 as it passed through Eureka. The driver hesitated to exit the vehicle, and when he did, he fired, wounding the CHP officer. The officer held the driver and remaining four occupants of the vehicle at gunpoint until help arrived. Due to the timely response of the DOJ Eureka laboratory, the heavily trafficked Highway 101 through town was closed for a minimal amount of time.

Bureau of Gambling Control

The Bureau of Gambling Control (BGC) ensures that gambling is conducted honestly, competitively and free from criminal and corruptive elements and works in cooperatively with the California Gambling Control Commission to regulate the gambling industry in California. BGC is responsible for investigating license applicant backgrounds, monitoring regulatory compliance, investigating suspected gaming-related criminal activity, coordinating the statewide exchange of criminal intelligence data among gambling establishments and law enforcement agencies, registering and regulating fundraisers that use “controlled games” and administering the Statewide Exclusion Program.

Card Room and Tribal Licensing Investigation. During the biennial period, the BGC completed 6,004 background investigations for applicants seeking new or renewed licenses, permits or findings of suitability; completed 4,096 new and renewal registrations for third-party providers of proposition player services applicants; approved 304 new or modified games or gaming activities; reviewed 16 local ordinances; and approved 72 contracts and contract amendments for California card rooms and third-party providers of proposition player services.

Additional Staff Resources for Investigation Backlog. As of July 1, 2015, the BGC received 12 analyst positions through a budget change proposal to assist with the backlog of background investigations required for applicants of California card rooms and third-party providers of proposition player services.

Remote Caller Bingo Program. During the biennial period, the BGC completed review of 56 applications from companies, non-profit organizations, and individuals associated with remote caller bingo games.

Audits and Compact Compliance Section (ACCS). The Audits and Compact Compliance Section is responsible for conducting audits of card room and tribal casinos to verify contributions to the Special Distribution Fund and Gambling Control Fund. Within ACCS, the Technical Services Program conducts technical inspections to ensure appropriate software is being used on gaming floors. During the biennial period, auditors conducted 41 adequate financing evaluations and 21 quality review inspections in card rooms. They also conducted audits for one general fund, 11 revenue sharing trust funds, 13 minimum internal control standards reviews, and two special distribution funds. The Technical Services Program also conducted 49 technical inspections of gaming devices and software. Additionally, ACCS assisted sworn special agents with investigations involving embezzlement, fraud, and civil accusations and aided the BGC’s Licensing Section in 37 financial evaluations and 72 risk assessments on applicants for licensure.

Responsible Gambling, Self-Exclusion, and Charitable Gambling Programs. The BGC’s Responsible Gambling Program operates the Exclusion Management System (EMS) and provides training on the system for licensed gambling establishments. The EMS is a web-based database that allows problem gamblers, certain government and law enforcement agencies, licensed gambling establishments, and the BGC to upload statewide exclusions. Qualified nonprofit organizations also utilize EMS to register for charitable gambling events. Records maintained in this database include Charitable Gambling Registration and Statewide Exclusion

forms, a list of California licensed gambling establishments, and user registration applications. Sixty-four of California's 89 operating card rooms actively use EMS that includes self-exclusions, self-restrictions and involuntary exclusions. During the biennial period, the BGC enrolled 900 self-exclusions, and registered 860 charitable organizations and 135 suppliers for charitable gambling events.

Criminal Intelligence Unit. The Criminal Intelligence Unit coordinates the statewide exchange of criminal intelligence data among gambling establishments and law enforcement agencies. The unit receives reports on specific crimes that occur in gambling establishments and analyzes the information to detect emerging crime trends or involvement of organized crime or street gangs. Since January 2015, the unit has received and analyzed 2,606 incident reports from gambling establishments and issued 17 intelligence bulletins.

Regulations Unit. The Regulations Unit is responsible for promulgating regulations according to state law when new laws or programs are implemented. The process requires input from the public, legal and enforcement personnel on regulations submitted for review and approval from the Office of Administrative Law. Since January 2015, the Regulations Unit has been involved in two regulation packages: 1) the Major League Sports Raffle Programs implemented in April 2016 with another regulation still pending; and 2) the California Gambling Control Commission involving eight regulation topics, two of which have been completed.

Compliance and Enforcement. The BGC conducted 227 criminal investigations and 158 regulatory compliance inspections of licensed card rooms and tribal casinos. As a result of these criminal investigations, 88 individuals have been arrested. Additionally, illegal gaming devices and other contraband have been seized.

Significant cases and achievements include:

California Gambling Investigators Course. The BGC worked collaboratively with the Commission on California Peace Officers Standards and Training to develop a California Gambling Investigators training course with the goal of offering 32 hours of training on gambling laws, regulations, policies and gaming issues specific to California. In May 2016, the BGC presented its first California Gambling Investigators course to local, state, federal and tribal law enforcement personnel as well as licensed California card room employees and tribal gaming agencies.

Illegal Gambling Operation. The BGC's Los Angeles Regional Office is a member of the High Intensity Financial Crimes Area (HIFCA)/Financial Arrest Seizure Task Force (FAST), in conjunction with Homeland Security Investigations. In November 2015, FAST served two gambling-related federal arrest warrants in the Los Angeles area as a result of an investigation into an illegal gambling operation in Falfurrias, Texas. The organization operated multiple illegal gambling establishments and both suspects were arrested for operating illegal gambling businesses.

Counterfeit Currency Investigation. In July 2015, DOJ agents, in conjunction with the U.S. Secret Service, investigated a highly organized and sophisticated criminal organization that was manufacturing and distributing high-quality counterfeit \$100 bills resembling U.S. currency in

the San Francisco Bay Area. Agents used phone tolls, global positioning system trackers, fixed/mobile surveillance and undercover operations and obtained seven search warrants. Several subjects were arrested for counterfeit currency, weapons violations, and counterfeit traveler's checks. This investigation involved extensive efforts by multiple law enforcement agencies.

Federal Identity Theft Documents and Illegal Narcotics Investigation. In February 2015, DOJ agents, while working in conjunction with the Coloma Police Department, conducted a probation search in Concord, California. The subject was on probation and waiting for issuance of an electronic monitoring device. During the search, a second resident was identified as a suspect. The search found a large quantity of access/debit cards; personal account information from multiple citizens; forgery equipment; numerous identification cards from multiple states in the suspects' names; numerous U.S. Uniformed Services ID cards in multiple names with the suspects' pictures; an embossment machine; negative image of the California DMV logo and rubber DMV logo stamp; counterfeit U.S. currency; card reader; multiple laptop computers, notebooks and cellular telephones; 3.2 grams of methamphetamine; multiple boxes of blank check cardstock; 136 rounds of .40 caliber ammunition; Green Dot prepaid debit cards; and finishing kits for counterfeiting. Both suspects were booked at the Contra Costa Jail. Due to the fraudulent federal military ID cards seized in this investigation, Department of Defense agents filed federal charges against the suspects.

Illegal Bookmaking and Money Laundering Investigation. In November 2013, BGC received information about an illegal bookmaking operation and money laundering occurring in a California card room. The DOJ coordinated with the FBI, IRS, Homeland Security Investigations, and the San Diego Sheriff's Department to enter into a joint investigative partnership. The multi-agency team obtained evidence of various crimes, including evidence developed from Title 31, Bank Secrecy Act requirements. The investigation led to the arrest of individuals in California, Pennsylvania, New Jersey and Nevada on federal charges of running an illegal bookmaking, poker and blackjack business as well as money laundering and transporting individuals from Mexico to California with the intent to engage in prostitution. In December 2015, the U.S. Attorney's Office obtained federal grand jury indictments against 25 individuals, including the owners of two California card rooms. The BGC issued emergency closure orders of both card rooms. In May 2016, the DOJ agent who initiated the case was named "Investigator of the Year" by the California Financial Crimes Investigator's Association.

Bureau of Investigation

The Bureau of Investigation (BI) works to enhance public safety by focusing law enforcement efforts in the area of organized crime, violent crime, narcotic enforcement, consumer fraud protection, cyber crimes, and any criminal or civil action of statewide importance to the Attorney General. The BI provides expert investigative resources to legal divisions within the DOJ as well as to any agency or governmental entity or upon the specific request of the Attorney General. The mission of the BI is carried out through its 16 specialized programs, 15 multi-agency task forces, six regional offices, two intelligence units and headquarters. The Bureau of Investigation employs 90 sworn and 62 non-sworn employees.

Foreign Prosecution and Law Enforcement Unit. The Foreign Prosecution and Law Enforcement Unit (FPLEU) provides international law enforcement liaison services to California law enforcement agencies and is the Attorney General’s lead contact for interactions with foreign governments. In 2015, 52 documents were translated for California law enforcement and Mexican government officials. The FPLEU received 13 requests for child abduction assistance under the Hague Treaty and attended five associated hearings. FPLEU facilitates formal requests for assistance from Mexico and California under the Mutual Legal Assistance and Cooperation Treaty, as well as informal requests for assistance between the two countries. The FPLEU is also responsible for filing criminal complaints and Article IV cases in Mexico for crimes committed in California by Mexican nationals so that Mexican federal prosecutors can prosecute them in Mexico. The DOJ remains the point of contact in cases arising under the Hague Convention on the civil aspects of international child abduction. The Child Abduction Unit ensures compliance of California’s obligation arising under the Hague Convention. The Child Abduction Unit has designated FPLEU as the law enforcement point of contact for Hague cases, responsible for handling child recoveries and returns.

Los Angeles Regional Criminal Information Clearinghouse. As part of a nationally recognized Intelligence Service System, the Los Angeles Regional Criminal Information Clearinghouse (LA CLEAR) represents a unified effort in delivering an information management system to support local, state and federal law enforcement operations. This “all crimes” approach includes narcotics, gangs and homicides within the Los Angeles high-intensity drug trafficking area. The system uses advanced technology and skilled professionals to maximize the ability of law enforcement to manage and share critical information. In 2015, LA CLEAR conducted 296,440 target inquiries, provided technical support on 800 electronic interception investigations and provided analytical support to 260 investigations.

Recycle Fraud Team. The Recycle Fraud Team investigates and prosecutes organized fraud against the Beverage Container Recycling Fund on behalf of the California Department of Resources Recycling and Recovery. Only designated beverages sold in aluminum, glass, plastic and bimetal beverage containers or offered for sale in California, for which the redemption payment has been paid to the Recycle Fund, are eligible for California Redemption Value (CRV) funds from a certified recycling center. Cal Recycle and the DOJ combat attempts by organized criminal rings, as well as business entities and individuals, to illegally redeem ineligible beverage containers, such as, out-of-state, out-of-country, or previously redeemed recycling material to collect the CRV.

San Diego Human Trafficking Task Force. The San Diego Human Trafficking Task Force (SD HTTF) was formed in January 2015 with the goal of rescuing victims, holding their captors accountable, and promoting community awareness. The task force takes a collaborative and regional approach to effectively meet the threat posed by domestic and transnational human traffickers who are increasingly organized and sophisticated and to expand the exchange of information by creating a mechanism for statewide strategic operations. The task force is composed of 19 local, state and federal agencies, including the California DOJ.

Special Investigations Team (SIT) Program. The program supports the legal divisions in a vertical prosecution model on complex investigations involving allegations of civil rights violations, public corruption, underground economy, environment contamination, federal and state habeas litigation involving capital and non-capital cases, homicides, consumer fraud, money laundering, mortgage fraud, conflict of interest, bribery, tax evasion, race discrimination, death in custody evaluations, misappropriation of public funds, suspected criminal activity involving elected public officials, and any investigation of statewide importance to the Attorney General.

Special Operations Unit. The Special Operations Unit (SOU) is a collaborative investigative effort between the DOJ and the California Highway Patrol (CHP) that provides statewide enforcement for combating violent career criminals, gangs and organized crime groups, including intrastate drug traffickers. In 2014, the Attorney General and CHP Commissioner worked with the Legislature and Governor's Office to secure \$9.4 million to fund these unique teams. The funding supports using the latest technology and advanced investigative techniques to work alongside local law enforcement to enhance investigations into violent criminals and organized crime throughout the state.

In 2015, 329 individuals were arrested and the following seized: \$249,000 in cash, eight stolen vehicles, 146 pounds of methamphetamine, 20 pounds of heroin, 12 pounds of cocaine, 131 pounds of marijuana and 196 firearms (126 handguns, 38 rifles, 15 shotguns, and 17 assault weapons).

Task Force Program. The Task Force Program maintains partnerships with local, state and federal law enforcement agencies to coordinate and concentrate efforts against drug trafficking, major crimes, underground economy and human trafficking. The 15 task forces, led by experienced commanders from the BI, are responsible for training, supervising and leading local law enforcement in major investigations throughout California. The task force acts as a force multiplier, aiding agencies in crime suppression efforts. In 2015, the task force Program (excluding CAMP) seized 2,787 pounds of cocaine HCL, 49 pounds of cocaine base, 304 pounds of heroin powder, 183 pounds of heroin tar, 283 pounds of powdered methamphetamine, 3,566 pounds of ice methamphetamine, four pounds of ketamine, 12 gallons of PCP, 136,416 dosage units of pharmaceutical drugs, 71,653 pounds of processed marijuana, 489,908 marijuana plants, 516 pounds of butane honey oil, and 402 pounds of concentrated cannabis. The task forces also seized 683 guns and 4,061 rounds of ammunitions, made 2,004 felony arrests, arrested 184 validated gang members, disrupted or dismantled 119 transnational criminal marijuana organizations, rescued 73 endangered children, and dismantled 79 clandestine laboratories incidence (53 honey oil, seven ice methamphetamine conversion, 10 PCP, one MDMA and eight others).

Campaign Against Marijuana Planting (CAMP). Since its inception in 1983, the Campaign Against Marijuana Planting has enlisted the support of more than 110 local, state, tribal, and federal agencies, making it one of the largest and longest-running law enforcement task forces in the nation. Its multi-jurisdictional model successfully leverages the resources of diverse law enforcement agencies to confront illegal marijuana cultivation on a statewide scale. While enforcement actions are planned primarily during the summer-fall outdoor harvest season,

CAMP operates throughout the year to identify and confirm locations of illegal grow sites and coordinate and schedule eradication operations.

During the 2015 harvest season, four CAMP teams conducted eradication and reclamation operations of illicit marijuana grows in 28 counties across California. Entries were made into 408 illegal marijuana grow sites, in which 67 percent of sites were located on public lands, designated forests, county parks, wildlife refuges, and conservation or preserve areas. A total of 956,898 marijuana plants were eradicated and 5.34 metric tons of processed marijuana was seized. Law enforcement arrested 86 individuals and confiscated 56 weapons.

In 2015, CAMP reclamation efforts totaled over 24 metric tons of illegal marijuana cultivation infrastructure, 11 metric tons of fertilizer, 65 miles of water line, 205 propane tanks and 63 car batteries. Additionally, 135 dams and illegally constructed reservoirs and/or water diversions were destroyed or reduced to allow natural flow back to the watershed. Reclamation operations also removed 23 gallons of extremely hazardous poisons, along with 198 pounds of pesticides. The poisons kill wildlife indiscriminately and may leach into the soil and eventually the water table, causing potentially irreversible damage.

Tax Recovery And Criminal Enforcement Task Force. This task force is facilitated by Assembly Bill 576, Revenue Recovery and Collaboration Enforcement Team Act (TRaCE). TRaCE joins existing state and federal resources to collaboratively combat illegal business activities that rob California of public funds and its citizens of public services. TRaCE is comprised of personnel from multiple agencies working together to investigate, prosecute and recover revenue lost to the underground economy. These agencies include the DOJ, Board of Equalization, Franchise Tax Board, Department of Alcoholic Control, Employment Development Department, Federal Bureau of Investigation, Homeland Security Investigations, Department of Motor Vehicles, and the Internal Revenue Service.

Western States Information Network (WSIN). The Western States Information Network was established as one of six RISS projects funded by the U.S. Congress through the U.S. DOJ, Office of Justice Programs. RISS provides criminal intelligence information and case and event deconfliction for law enforcement investigations conducted in Alaska, California, Hawaii, Oregon and Washington and responds to intelligence needs of 1,500 law enforcement agencies in those states. Over 30,000 officers, analysts, and other key law enforcement personnel access WSIN's services.

WSIN Watch Center. WSIN's 24-hour Watch Center identifies and monitors law enforcement activities, such as service of search warrants, surveillance, and undercover activities, with the goal of alerting affected agencies and officers to potential conflicts. Nearly 210,000 law enforcement operations were posted and monitored in 2015.

WSIN Criminal Intelligence Database. The WSIN Criminal Intelligence Database contains nearly 1.1 million records and maintains a seamless search capacity with 39 other state and regional intelligence databases nationwide. In 2015, member agencies made 391,030 database inquiries and submitted 195,307 records for inclusion in the database, including subjects, vehicles, locations, gangs, weapons and phone numbers.

RISS Master Telephone Index (MTI). The RISS Master Telephone Index (MTI) is an analytical database designed to compare and match telephone numbers from law enforcement investigations across the nation. When telephone numbers are queried or uploaded into the MTI, matches from existing cases generate a hit report. This technology uncovers possible links between suspects that otherwise would not have been identified. The MTI database includes more than 20 million call records and 270,000 subscribers.

Significant cases and achievements include:

Investigating Fraud and Grand Theft at Cisco Systems. In June 2016, felony charges were filed against multiple suspects for charges stemming from an investigation into a fraud and grand theft case involving Cisco Systems. The suspects engaged in a scheme to defraud Cisco Systems of information technology hardware by bypassing Cisco System's internal controls and submitting fraudulent warrant replacement requests. Over a period of two years, the suspects ordered \$4.5 million worth of Cisco Systems hardware and had the equipment delivered to various locations, which included FedEx locations and fictitious businesses. The suspects then resold the stolen items to third-party purchasers.

Bust of Corona Varrio Locos and “La Eme” Gangs Operating in Riverside County. In June 2016, a joint investigation with Corona Police Department, the Riverside Sheriff’s Gang Task Force, the California Department of Corrections and Rehabilitation and the DOJ targeted the criminal street gang Corona Varrio Locos and the Mexican Mafia prison gang Le Eme, resulting in the arrest of 52 individuals and seizure of 67 firearms, including assault rifles and semi-automatic weapons, \$95,700 in currency, and methamphetamine, cocaine, and marijuana with a street value of \$1.6 million.

Recycle Fraud Team Dismantles Two Criminal Organizations. The Recycle Fraud Team observed used beverage containers being transported from Phoenix, Arizona, to multiple storage facilities throughout California and then transported to recycling centers to be redeemed for California Redemption Value (CRV). Search warrants were executed on May 4, 2016, and determined that two groups were operating this recycling fraud ring. A second suspect was identified as organizing, importing and redeeming out-of-state material for this group. In total, 35,479 pounds of aluminum used beverage containers with a CRV value of \$70,958, and 9,125 pounds of plastic used beverage containers with a value of \$11,406, were seized from both locations.

Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (LA IMPACT) Seizes 89 Pounds Methamphetamine in San Jacinto. On May 4, 2016, LA IMPACT executed a search warrant for a residence and associated vehicles at the residence in San Jacinto, recovering 89 pounds of methamphetamine, large quantities of U.S. currency, and items consistent with the sales of narcotics. The suspect was importing methamphetamine from Mexico and selling it in bulk quantities (40-50 pounds) to customers who would distribute throughout the state and country. The suspect was arrested for narcotics violations. Riverside Child Protective Services also responded to the scene related to two minors living in the home. The Riverside District Attorney’s Office is prosecuting the case.

LA IMPACT Seizes 83 Pounds of Cocaine from Tour Bus. In May 2016, LA IMPACT established surveillances at a business in Wilmington, California, awaiting the arrival of a 60-passenger tour bus that had crossed the San Ysidro Port of Entry earlier in the day, equipped with a hidden compartment that contained 83 kilograms of cocaine. The suspects were arrested for various drug violations and are facing federal cocaine charges.

Takedown of Stockton Criminal Street Gangs Westside Bloods and Taliban. On April 21, 2016, a joint investigation involving the DOJ and the Stockton Police Department's Gang Violence Suppression Unit resulted in the seizure of 22 illegal firearms, \$12,000 in currency, and 41 pounds of marijuana, and the arrests of 52 individuals on felony crimes. The investigation found that Westside Bloods and Taliban gangs were illegally purchasing firearms and responsible for numerous armed robberies and shootings in the Stockton area, including a recent triple homicide.

Takedown of Fresno Gang, "Dog Pound Gangsters." On April 21, 2016, a joint investigation with the DOJ and the Fresno Police Department resulted in the arrest of 28 individuals charged with a range of federal crimes, including conspiracy to commit murder, human trafficking and fraud. The investigation found that the Fresno "Dog Pound Gangsters" transported human trafficking victims across state lines, in violation of the federal Mann Act, victimizing women to generate funds to support other criminal activities. Those arrested are expected to be prosecuted by the U.S. Attorney's Office.

LA IMPACT Uncovers Large Methamphetamine Conversion Lab in Victorville. On April 7, 2016, investigators from LA IMPACT served a search warrant at a residence in Victorville. The search revealed a clandestine methamphetamine laboratory, 10 gallons of methamphetamine in solution, 40 pounds of crystal methamphetamine, and two handguns. The San Bernardino Sheriff's Department CAL-MET team processed the scene, collected evidence, and dismantled the laboratory. The suspects were arrested for various narcotic violations. The San Bernardino District Attorney's Office is prosecuting the case.

Central Valley Marijuana Investigation Team Investigates Sinaloa Cartel-Related Crimes. On April 3, 2016, the team concluded its investigation into a major Central Valley drug trafficking organization (DTO). The investigation revealed a suspect was being supplied by what agents believed was the Sinaloa Cartel. The suspect coordinated with his Mexico drug source for methamphetamine to be smuggled into the U.S. and then transported to the suspect in Tulare for distribution in Tulare and Kings Counties. Agents identified and arrested several suspects involved in the conspiracy to distribute methamphetamine and seized a total of 34 pounds of methamphetamine. The suspects are charged with various charges including conspiracy, possession for sale of a controlled substance and sales of a controlled substance.

Assisting in Case to Reunite Abducted Child with his Mother after 22 Years. In April 2016, the San Bernardino District Attorney's Office, Child Abduction Unit, requested assistance in a cold case investigation. The DA's Office requested a voluntary DNA sample from an individual, who was a possible victim of a parental abduction in 1995, when he was one year old. The individual was residing in Puebla, Mexico. In May 2016, agents contacted the individual and confirmed his willingness to provide a voluntary sample of his DNA to compare against his remaining living

parent and coordinated with the State Attorney General's Office of Puebla, Mexico. DOJ lab analysis confirmed the DNA matched the living parent. In June 2016, agents facilitated the international transportation of the individual to the San Ysidro Port of Entry. The individual was turned over to the San Bernardino District Attorney's Office who reunited him with his mother after 22 years.

Tax Recovery And Criminal Enforcement Task Force (TRaCE) Sales Tax Evasion

Investigations. In March 2016, Tax Recovery and Criminal Enforcement Task Force (TRaCE) agents served search warrants on nine locations and 11 financial institutions related to a tax evasion criminal conspiracy investigation. As a result of the search warrant, 246 boxes of documents/records, 35 computers, two hard drives, nine cell phones, and one iPod were seized and two computers were imaged on the scene. \$105,000 in U.S. currency was seized at the residence and an additional \$42,130 in currency was seized at a second location. The TRaCE Task Force, with assistance from the Board of Equalization (BOE), also initiated an investigation involving sales tax evasion and conspiracy. The suspects conspired to evade California sales tax for a number of years, utilizing three corporations to operate four used auto dealerships in the City of South Gate. A preliminary investigation revealed that from July 2009 to December 2014, the three corporations sold and registered 5,248 motor vehicles valued at over \$78.2 million in vehicle sales, and only reported \$51.4 million in taxable sales to BOE. The failure to report \$26,798,493 in vehicle sales resulted in a tax loss to California of \$2,545,856.

Uncovering Money Laundering Sales Tax Evasion Scheme. In November 2014, the CHP Cargo Theft Interdiction program requested assistance from TRaCE regarding potential tax evasion and/or money laundering charges against a suspect. TRaCE located numerous bank accounts under the control of the suspect and identified money laundering and tax related schemes, including \$250,000 given to the suspect by a sheik in Saudi Arabia. With this information, a federal grand jury investigation was opened. In March 2016, TRaCE and CHP executed seven federal search warrants in connection with the investigation at three residences, two liquor stores, a warehouse, and a big rig truck. As a result of the search warrants, the following was seized: financial and tax-related documents, numerous computers and cellphones, and 250 gold and silver coins worth more than \$200,000. Additionally, 61 pallets of stolen products were seized, including but not limited, to Starbucks coffee, Levi's jeans, North Face jackets, Arizona iced tea, Glad plastic bags, concrete mix, tennis shoes, and pet food. Agents with the Department of Alcoholic Beverage Control administratively seized 192 bottles of prescription Ibuprofen tablets from the liquor store. Indictments for tax evasion, money laundering, and conspiracy charges are forthcoming. The U.S. Attorney's Office is prosecuting the case.

CAMP Receives High Intensity Drug Trafficking Area National Award from the Office Of National Drug Control Policy for Outstanding Marijuana Eradication Effort. In February 2016, the National HIDTA conference in Washington D.C. recognized CAMP for its accomplishments and new techniques to address the issue of environmental damage. Some CAMP teams are embedded with environmental scientists tasked with assessing and documenting damage to wildlife and the environment at trespass grow sites. After grow sites are declared safe by law enforcement, public and private sector biologists conduct soil, water, and plant chemical testing, document deforestation and other environment and physical damage, and

assess damage to the watershed from illegal diversions. The wild lands where marijuana is illegally grown are home to species listed as threatened or endangered under the Endangered Species Act (or candidates for listing) such as the Northern Spotted Owl, Chinook salmon, and Pacific Fisher. Testing for the presence of toxins in the soil, food sources, and water in and around the marijuana grow sites provides information on the extent to which cultivation practices adversely affect these species, possibly leading to new policies and procedures to ensure their survival. Meticulously documented environment damage is recorded by scientists to provide evidence to prosecute growers on resource depredation charges and/or enhance sentences for drug trafficking. When the analysis is complete, the results are used to inform policymakers and general public on the significant environmental harm caused by marijuana cultivation and health concerns associated with consuming marijuana tainted with pesticides and toxic chemicals. The information also assists with developing contamination protocols to enhance the safety of officers who eradicate potentially toxic marijuana grow sites.

Arrest of CalTRANS Employee on Bribery Charges. In December 2015, after a nine-month investigation, an employee at the California Department of Transportation (Caltrans) was arrested on bribery charges. The suspect allegedly received bribes in the form of money and a vehicle in return for ensuring that Americans with Disabilities Act (ADA) contracts were awarded to the person or company providing the bribe. The suspect is an ADA Statewide Coordinator for Caltrans, a role which involves making Caltrans systems, including bridges and public walkways, ADA compliant. The felony complaint documented the suspect accepted numerous bribes totaling at least \$100,000 over the course of four years. The bribes were presented in monthly cash payments ranging from \$1,800 to \$12,000 and also through a bribe in the form of a new white Ford sports utility vehicle.

Bust of Violent Norteno Gang in Tulare County. In October 2015, a joint investigation with the Tulare County Area Gang Enforcement Team, the Tulare County Sheriff's Department, the Visalia Police Department, the Tulare County District Attorney's Office and the DOJ resulted in the arrest of 52 individuals as part of an ongoing investigation into violent Norteno gang activity in Tulare County following a rash of homicides in the region. The multi-agency gang takedown also led to the arrest of a Norteno leader in charge of running the gang's illicit day-to-day operations. Over the course of the investigation, an additional 38 individuals were arrested. Those arrested face felony charges ranging from conspiracy to commit homicide, attempted homicide, robbery, assault with a deadly weapon, extortion, home invasion, weapon possession and narcotic sales.

Suspect Arrested For Assaulting Prostitutes. The SD HTTF investigated the assault of female victims, who were working as prostitutes and had placed ads on the website www.backpage.com. In the case of an October 2015 attack, the suspect responded to the ads, arranging to meet the victim and pay for sexual acts, then attacked the victim and severely injured her. Evidence revealed that the suspect was victimizing and brutally assaulting female prostitutes in the San Diego County area. A search warrant of the suspect's vehicle found electrical tape and latex gloves, and the back seat had been lined with a trash bag. Through the identification cards found on the suspect, the SD HTTF identified and contacted female victims. The suspect was arrested and booked on multiple charges. The suspect was sentenced to fourteen years in state prison for

assault with a deadly weapon, robbery, receiving stolen property, burglary, assault on a peace officer, and battery with serious bodily injury.

Inland Crackdown Allied Task Force (INCA) Arrests Four Suspects and Seizes Drugs Worth over \$4.7 Million. In January and September 2015, INCA investigated illicit activities of a transnational criminal drug trafficking organizations associated with the Sinaloa Cartel based out of Tijuana, Baja California, Mexico. In three separate transactions, large quantities of methamphetamine and black tar heroin were negotiated by an undercover agent. The negotiations were made by phone with suspected cartel members in Mexico and in person with representatives in California. Four suspects were arrested and agents seized more than 83.5 pounds of methamphetamine and 11 pounds of black tar heroin with an estimated street value of over \$4.7 million.

Inland Crackdown Allied Task Force (INCA) Arrests Sinaloa Cartel-Related Suspects and Seizes \$2 Million in Drugs. In July 2015, a joint investigation with INCA, the U.S. Drug Enforcement Administration's Los Angeles Cartel Strike Force, and the Riverside Police Department led to the arrests of five individuals suspected of being associated with the Sinaloa Cartel and trafficking 55 pounds of methamphetamine with a street value of \$2 million.

Takedown Operation of Violent Merced Street Gang. In May 2015, a joint investigation involving multiple agencies and the DOJ resulted in the arrest of 75 individuals and seizure of \$85,000 in cash, 5,000 pirated DVDs, 11 firearms and narcotics. The suspects were charged with homicide, attempted homicide, accessory to murder or attempted murder, conspiracy to commit assault with a deadly weapon and assault likely to produce great bodily injury, weapon possession, and sales of narcotics or counterfeit items. The investigation began after a series of gang-related homicides in Merced County that started in 2013.

Fresno Methamphetamine Task Force Investigation in Tulare County. In February 2015, the task force received information from San Diego Homeland Security Investigations that a suspect was involved in the large-scale distribution of narcotics in Tulare County. The task force then initiated an investigation, conducting surveillance operations on the suspect and identifying other members of the organization. Agents learned that the suspect was in daily contact with subjects in Mexico who arranged for the smuggling of narcotics into the U.S. The suspect was responsible for transporting narcotics to Oregon, Nevada, Colorado and Michigan and also hired individuals from Tulare, Tracy and Avenal to assist with the distribution. In October 2015, agents concluded the investigation with the service of federal search and arrest warrants at various locations for multiple suspects. The suspects were charged with conspiracy to distribute a controlled substance. Agents seized 7.6 pounds of heroin, one kilo of cocaine and \$42,700 in currency. The U.S. Attorney's Office is prosecuting the case.

South Alameda County Major Crimes Task Force Uncover Multiple Semi-Automatic Weapons and Arrest Suspects. In January 2015, the task force learned that a suspect was traveling from Fresno to Hayward, in an attempt to sell methamphetamine, marijuana and two assault rifles. Based on this information, the task force agents conducted surveillance in the parking lot of a business in Hayward. K-9 was deployed and a search of the vehicle found a semi-automatic 7.62 mm caliber AK-47 assault rifle, a semi-automatic .223 caliber AR-15

assault rifle, two high capacity thirty round magazines for the AK-47 assault rifle, 29 grams of suspected methamphetamine, 25 grams of suspected marijuana and a digital scale. The AK-47 assault rifle was modified with no bullet button and the AR-15 had a fluted barrel that had the appearance of a sound suppressor. Both suspects were arrested and booked at the Fremont Jail.

LA IMPACT Receives HIDTA National Award for Outstanding Marijuana Investigation from the Office Of National Drug Control Policy. A recent trend involving large-scale manufacturing of concentrated cannabis has had a dramatic affect on local communities. On the West Coast, especially Los Angeles County, manufacturing concentrated cannabis has emerged as both a significant criminal enterprise and a serious threat to local communities. In recent years, the use of butane to make “honey oil” has emerged as the common method of marijuana conversion. In 2014 and 2015, LA IMPACT responded to 59 butane honey oil reports, 16 of which resulted in fires and/or explosions. Of those, 15 caused serious injury and significant property damage. Because of this yearlong response to BHO investigations, LA IMPACT, specifically Group 12, has established itself as both a state and nationally recognized expert in the response, investigation, and prosecution of criminal BHO organizations. LA IMPACT Group 12 has conducted 66 independent BHO investigations, averaging more than one new investigation per week. The team conducted surveillance on a regional store selling bulk butane and followed a butane purchaser to seven laboratories. The identification of these seven laboratories prevented potential explosions and injuries. Group 12 has arrested 59 suspects and filed 39 cases for prosecution, with 11 more cases pending complaint filings. Their investigations have resulted in the seizure of 12 weapons, including an assault rifle, and the rescue of 14 children from dangerous environments. The BHO investigations have resulted in the seizure of 10,385 pounds of marijuana, 628 pounds of finished concentrated cannabis, and identification of 21 marijuana grow sites. The street value of these seizures is in excess of \$33 million.

LEGAL SERVICES DIVISION

The Legal Services Division, through its 1,674 attorneys and professional staff in six legal offices, is comprised of the Public Rights Division, Civil Law Division and Criminal Law Division. The three legal divisions are comprised of nearly 30 practice areas of law, and represent the People in civil and criminal matters before trial courts, appellate courts and supreme courts of California and the United States, state and federal courts, and also serve as legal counsel to state officers, and with few exceptions, to state agencies, boards, and commissions. Significant cases and activities follow.

PUBLIC RIGHTS DIVISION

The Public Rights Division serves Californians by safeguarding the state's environment and natural resources, protecting state lands, maintaining competitive markets, preventing fraudulent business practices, protecting consumers against misleading advertising claims, preserving charitable assets and protecting civil rights.

The Public Rights Division consists of the following sections:

- Antitrust Law
- Charitable Trusts
- Civil Rights Enforcement
- Consumer Law
- Corporate Fraud
- Environment Law
- Indian and Gaming Law
- Land Law
- Natural Resources Law
- Tobacco Litigation and Enforcement

Antitrust Law

The Antitrust Law Section is responsible for civil and criminal enforcement of California's antitrust laws and has authority to file civil actions under federal antitrust law. The section works closely with other states and federal antitrust enforcement agencies to ensure that anti-competitive and unfair business practices, such as price-fixing, are prevented and stopped. The section also investigates potential antitrust violations, analyzes mergers and acquisitions, litigates cases in state and federal courts, and prosecutes criminal cases.

Significant cases and achievements include:

Anthem-Cigna Merger. In July 2016, the Attorney General, 11 other states, and the District of Columbia joined the U.S. Department of Justice to file a lawsuit to block the proposed \$48.3 billion merger of Anthem and Cigna, two major health insurers in the state, arguing it would undercut competition, drive up costs, and drive down quality of care.

California v. Pratibha. In December 2015, the Attorney General's Office reached an agreement with Pratibha, a company based in India, over allegations that the company, which conducts business in California, gained an unfair competitive advantage over California companies through use of pirated software. The settlement required the foreign defendant to refrain from software piracy and pay \$100,000 in restitution. This case also established an international enforcement mechanism that can be used as a model for future international enforcement efforts.

In re Cipro I & II. In this case of national first impression, the California Supreme Court held that agreements between pharmaceutical companies to keep generic drugs off the market on the pretext of settling a patent infringement dispute may constitute violations of California's antitrust laws and are not preempted by federal patent laws. The Court's 2015 ruling adopted in significant part the arguments set forth by the Attorney General in an amicus brief filed a year earlier.

Charitable Trusts

- The Charitable Trusts Section has authority over charities, charitable trustees and fundraising professionals incorporated or operating in California.
- The section is responsible for identifying, registering, collecting and maintaining public records for California charities and their fundraisers.
- Prosecuting charity fiscal abuse, including fraud, diversion and mismanagement of funds.
- Prosecuting fraudulent or misleading charitable solicitation and reporting.

- Reviewing transactions that have significant impact on a charity and its assets, including mergers, sale of assets, conversion to another corporate status and disposition of assets when a charity is dissolved.
- Reviewing transactions involving the sale of nonprofit health facilities or the transfer of their assets, which requires the Attorney General’s written consent.
- Representing the People of the State of California, as beneficiaries, in trust and probate litigation involving charitable gifts to unnamed charities.

Registry of Charitable Trusts

The Registry of Charitable Trusts manages the registration and annual reporting requirements for nonprofit organizations, charitable trustees and charitable fundraisers and provides these reports publicly on the DOJ webpage. During the biennial period, the Registry processed 30,622 registrations and 135,141 annual reports from charities and charitable trustees. The Registry also sent out 11,696 delinquency notices to charities and charitable trustees, processed 5,964 dissolution requests, issued 4,308 dissolution waivers, and processed 11,476 raffle registration forms, 2,077 raffle report forms, 4,449 commercial fundraiser financial reports and 5,082 commercial fundraiser notice of intent forms. The Registry also responded to 67,112 requests for information, and made 422,931 documents available to the public.

In addition, the Registry publishes the Attorney General’s Annual Commercial Fundraiser Report, which contains a summary of charitable solicitation campaigns conducted by commercial fundraisers. The report assists the public in making informed decisions on spending their charitable dollars.

The Attorney General’s audit and legal team conducted financial reviews of 245 transactions involving the sale of a charity’s assets and mergers for both nonprofit and for-profit entities. Over 123 audit investigations were opened involving excess compensation, self-dealing transactions, illegal loans to directors, losses or threatened losses to charitable assets, and fundraising abuses.

Significant cases and achievements include:

Vehicle Donation Cases. In December 2015, the Attorney General filed lawsuits against two car donation charities for misrepresenting their charitable programs and profiting off ostensibly charitable activities. The Attorney General sued officers and directors of Cars 4 Causes (C4C), a nonprofit corporation headquartered in Ventura, which advertised as the “Charity that Gives to Charities.” C4C misrepresented to donors that 70-90 percent of the net proceeds from the sale of donated vehicles benefitted a charity of their choice, when in fact, C4C was keeping most of the money and owed over \$1.8 million to thousands of charities intended to receive proceeds from donated vehicles. C4C has since closed its business. The Attorney General also filed a complaint against People’s Choice Charities (PCC), which claimed that 100 percent of net proceeds from

the sale of the vehicles would benefit charities selected by donors, when an investigation revealed that it actually only donated 3 percent of the money.

Federal Trade Commission, All 50 States, and the District of Columbia v. Cancer Fund of America. In May 2015, California joined 49 other states, the District of Columbia, and the Federal Trade Commission in filing a charitable solicitation fraud case against Cancer Fund of America, Cancer Support Services, Children’s Cancer Fund of America, the Breast Cancer Society, and five individuals who operated these charities. From 2008 through 2012, defendants raised more than \$187.1 million from donors nationwide through deceptive and misleading solicitations. The donations did not support any charitable purpose but rather served to enrich the individual defendants, family members, and fundraisers. The Attorney General’s Office filed stipulated orders for permanent injunction and appointment of a receiver. Judgments totaled over \$170 million and the defendants are prohibited from having any involvement in the operations or management of nonprofit organizations.

Daughters of Charity-Blue Mountain Transaction. In December 2015, the Attorney General granted conditional approval of the proposed transaction between the Daughters of Charity Health System and Blue Mountain Capital Management, LLC, imposing strong conditions to ensure the continuity of essential healthcare services for vulnerable communities at the six health facilities and requiring many essential health care services to remain in place for at least ten years.

Estate of Nina Simone. The Attorney General’s Office filed objections to a probate petition filed by Nina Simone’s daughter, who served as administrator of the estate since 2005 until she resigned at our demand in 2013 following an investigation which revealed that millions of dollars intended for charitable beneficiaries was diverted for her own personal benefit. The office recovered \$3 million and also obtained an injunctive relief prohibiting her from operating or managing any charitable organization or handling charitable assets in California.

International Humanities Center, Inc. International Humanities Center (IHC) and its founder Steven Sugarman mismanaged and misappropriated funds of more than a dozen charitable organizations, resulting in a loss of over \$1.1 million in charitable assets. IHC’s misconduct included misrepresenting the amount of its fees, improperly using charitable donations for elaborate office space in an affluent beach community, and improperly conducting a wire transfer of \$237,000 to the Republic of Ghana for a fraudulent email scheme. IHC went out of business in 2012. As of November 2015, IHC and Sugarman are permanently enjoined from operating, managing or conducting business as a nonprofit. Sugarman is also enjoined from acting in any fiduciary capacity with any California charity.

People v. Bishop. The Jean Schroeder Education Trust was created to provide scholarships to college students but an investigation by the Attorney General’s Office revealed that the trustees engaged in multiple Probate Code violations, including excessive compensation, self-dealing transactions and other diversion of charitable assets through excessive and unnecessary expenses. The court granted our request to appoint a temporary trustee to take control of the trust.

Civil Rights Enforcement

The Civil Rights Enforcement Section enforces civil rights laws on behalf of state agencies and the Attorney General in her independent capacity. The section acts when there are civil rights law violations or where an important or unsettled issue of law is presented. The section conducts investigations, files civil actions in state and federal courts, and participates in appellate proceedings, often as *amicus curiae*.

Significant cases and achievements include:

The Racial and Identity Profiling Act of 2015 (AB 953). The Attorney General convened the first-ever Racial and Identity Profiling Advisory Board in July 2016, as required by Assembly Bill 953. The board will advise DOJ on new regulations to govern the collection and reporting of stops by law enforcement and will review and analyze the data submitted by law enforcement agencies, working to eliminate racial and identity profiling in law enforcement.

Whole Woman’s Health v. Cole. In January 2016, California joined a friend-of-the court brief in this significant reproductive rights case, urging the U.S. Supreme Court to reverse a lower court decision substantially restricting access to abortion services in Texas. The Attorney General and 13 other attorneys general argued in the brief that the Fifth Circuit erred in its analysis of a Texas statute that requires all abortion clinics to comply with ambulatory surgical center standards and requires any physician performing an abortion to hold admitting privileges at a hospital within thirty miles of the location where the procedure is performed. The law left many women without access to abortion services and other reproductive health care and the brief argued that the legislation actually undermined, rather than promoted, women’s health. In June 2016, the Supreme Court struck down the Texas law.

Zubik v. Burwell. These cases challenge the Affordable Care Act’s provision that permits religious nonprofits to “opt out” of contraceptive coverage by submitting a form or letter to the federal government. In February 2016, the Attorney General filed a multi-state friend-of-the-court brief arguing that the Religious Freedom Restoration Act (RFRA) should not be applied in such a way as to undermine the primary purpose of the Affordable Care Act, access to preventative and reproductive health care. In May 2016, the U.S. Supreme Court issued an order vacating the judgments and returned the seven cases to the circuit courts so the parties could reach an agreement that women covered by petitioners’ health plans receive full and equal health coverage, including contraceptive coverage.

Multi-State AG Letter to Major Retailers Regarding On-Call Shifts. In April 2016, the Attorney General, along with the attorneys general of seven states and the District of Columbia, sent letters to 15 nationwide retailers expressing concern about the practice of “on-call shifts” and requested information on whether retailers were using this system or planned to continue the practice. “On-call shifts” occur when employees are scheduled to be “on-call” at a particular time and only receive one or two hours advanced notice prior to the scheduled shift if they will actually be working, which creates hardships for employees who must make child care arrangements, cannot schedule other work or schooling, or commute long periods to work.

U-Visa Law Enforcement Bulletin. In October 2015, the Attorney General issued an information bulletin to California law enforcement agencies detailing new responsibilities under state law to assist immigrant crime victims in applying for U-visas, a form of immigration relief specifically for victims of crime who are in the country without authorized immigration status and who help in the detection, investigation, or prosecution of specific crimes.

Fisher v. University of Texas. In October 2015, the Attorney General filed a friend-of-the-court brief in the U.S. Supreme Court in this high-profile affirmative action case regarding whether public universities can consider race in their admissions decisions. California's brief – like the brief it filed in 2012 in this same case – encouraged the Court to continue to recognize that states have a compelling interest in the educational benefits that derive from a diverse student body and that public institutions of higher learning ought to be able to consider race, among a variety of other factors, in its admissions decision, which the Court upheld in its June 2016 decision.

Evenwel v. Abbott. In September 2015, the Attorney General and 19 other state attorneys general filed a friend-of-the-court brief in this case, supporting states' rights to consider total population rather than voter or potential voter population when establishing fair districting policies. The friend-of-the-court brief argued that moving away from the use of total population would cause severe practical problems for the states, including reference to several examples from California's history and experiences. In April 2016, the U.S. Supreme Court held that a state may draw its legislative districts based on total population, which is consistent with California's current approach to districting.

Statewide Public Forums on Immigration. In the summer of 2015, the Attorney General's Office hosted a series of statewide public forums in partnership with Univision Los Angeles, Service Employees International Union of California and iAmerica to inform Californians about President Obama's immigration executive actions. The public forums were hosted in Fresno, Kern, Los Angeles, Monterey, Riverside, San Diego, Santa Clara and Stanislaus counties, and covered topics ranging from eligibility for the deferred action immigration programs and how to avoid being a victim of immigrant consultant fraud. Between January and April 2016, the Attorney General partnered with these sponsors and held forums to provide information on the application process and how to avoid immigration services fraud for California immigrants applying for U.S. citizenship. Community participants also received information on how to protect themselves against wage theft, a crime often perpetrated against immigrant populations.

Memorandum of Understanding with U.S. Department of Labor Regarding Wage Theft. In July 2015, the Attorney General's Office and the U.S. Department of Labor's Wage and Hour Division signed a cooperative agreement to share information and collaborate to better crack down on employer wage theft and other illegal labor practices.

Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc. Under the federal Fair Housing Act (FHA), it is unlawful to refuse to sell or rent housing due to an individual's race, religion, sex, familial status or national origin. In December 2014, the Attorney General joined 14 states in a friend-of-the-court brief filed with the U.S. Supreme Court supporting the right of housing discrimination victims to bring disparate impact claims where a practice has a disproportionate adverse impact on a protected class. The brief argued that

disparate impact claims serve an indispensable role in combatting hidden forms of intentional discrimination. In June 2015, the Court agreed, holding that housing discrimination victims are entitled to bring disparate impact claims under the FHA without establishing the property owner's or manager's intent to discriminate.

The California Transparency In Supply Chains Act (SB 657). The Attorney General's Office has issued extensive educational materials to aid companies in complying with the Transparency in Supply Chains Act, legislation that went into effect in January 2012 to help consumers use their purchasing decisions to help combat human trafficking. The law requires companies doing business in California with annual worldwide gross receipts that exceed \$100 million to disclose information regarding efforts to eradicate human trafficking and slavery within their supply chains on their website or in writing. In April 2015, the Attorney General sent letters to over a thousand companies informing them of the requirements of the law and published a resource guide with best practices.

Native American Heritage Commission v. Inyo County. In January 2015, the Attorney General's Office, on behalf of the Native American Heritage Commission, filed an action to force the County of Inyo to comply with the California Environmental Quality Act (CEQA) as it applies to Native American archeological and cultural resources. The action followed the approval of a construction project on land that may contain sensitive Native American historical and cultural resources.

U.S. v. Texas. In 2015 and 2016, the Attorney General joined multiple briefs urging the Fifth District and then the U.S. Supreme Court to overturn the injunction granted by a lower court, blocking President Obama's November 2014 deferred action programs for undocumented immigrants. California has argued that these programs help families stay together, benefit the state, expand the economy, and increase public safety. The Supreme Court ruled 4-4 ruling in the case, sending it back to the lower court, thus maintaining the freeze on the deferred action programs that would have protected millions of immigrants from deportation.

Convening Stakeholders to Support Unaccompanied Minors. The Attorney General convened legal service providers, law firms, and immigrants' rights advocates in December 2015 to discuss the ongoing need for resources and legal aid for children who traveled alone to the United States in search of safety and refuge.

Bureau of Children's Justice

The Bureau of Children's Justice (BCJ) was created by the Attorney General in 2015 to focus on enforcing California's civil and criminal laws that protect children and holding accountable institutions that fail to uphold children's rights under the law. As part of the creation of the Bureau, the Attorney General convened an advisory committee of deputy attorneys general from all areas of the office in order to foster cooperation and exchange of information across sections and divisions of the office.

In its first two years, significant cases and investigations include:

Active investigations on juvenile justice, education, and the child welfare system. In June 2016, the Attorney General’s Office disclosed it was investigating Humboldt County agencies’ compliance with California’s mandatory reporting law, including receiving, cross-reporting, and investigating reports of suspected child abuse and neglect; investigating non-public schools, including Tobinworld, that contract with several school districts in California, relating to their treatment of students with disabilities; investigating San Bernardino County’s compliance with California laws intended to ensure the safety and well-being of children, including children in the dependency system; investigating conditions of confinement in juvenile halls and camps overseen by the San Diego County Probation Department; and investigating the policies and practices of Stockton Unified School District and the District’s Police Department with respect to interactions with students.

State of California v. K12 Inc. The Attorney General’s Office secured a \$168.5 million settlement with K12, Inc. a for-profit online charter school operator, and the 14 affiliated non-profit schools that operated in California, for allegedly misleading parents and students to induce them to enroll, inflating attendance numbers to collect state funds, and other alleged violations of state law. As part of the agreement, K12 will provide \$160 million in debt relief to the non-profit schools it manages—“balanced budget credits” that were accrued by the schools as a result of the fee structure K12 used in its contracts—and will pay \$8.5 million to settle the claims. In addition, K12 has agreed to implement significant reforms of its schools and contracts.

Statewide Tribal-Led Indian Child Welfare Act (ICWA) Task Force. The Indian Child Welfare Act (ICWA) seeks to ensure that children with Native American tribal affiliation are given every opportunity to grow up with their heritage and cultural affiliation preserved. The Bureau and the DOJ’s Office of Native American Affairs invited tribes in California to form an independent task force and develop a report from their communities detailing struggles to achieve compliance with ICWA as well as their desired outcomes from the Attorney General’s engagement in ICWA enforcement. The Attorney General’s Office received the preliminary report in June 2016 and is examining potential actions to take in response to the recommendations in the report.

J.E.F.M. v. Loretta Lynch, Attorney General. In March 2016, the Attorney General filed an amicus brief in the Ninth Circuit urging the court to protect children who traveled alone to the United States in search of refuge—unaccompanied minors—and arguing that the due process clause and the Immigration and Nationality Act require that children have attorneys appointed to represent them in immigration removal proceedings.

Elementary School Truancy & Chronic Absence Initiative Report. The BCJ annually produces a report on elementary school truancy and chronic absence in California to highlight the impact of elementary school absenteeism and suspensions on the achievement gap. The reports include data and trends related to attendance and discipline in California schools by grade, race, gender, income, foster status and other demographic characteristics. In addition, the bureau published a model local control and accountability plan that sets forth recommendations for school districts to incorporate efforts to combat elementary school truancy and chronic absenteeism into their strategic plans for student achievement.

Academic and Philanthropic Partnerships to Combat Elementary School Truancy. The BCJ also partnered with Professor Michael Gottfried at the University of California at Santa Barbara, who in partnership with the Stuart Foundation began conducting a study of district policies related to attendance. In addition, the bureau, in partnership with the Ad Council and the California Endowment, conducted a study regarding parental misunderstandings about the impact of elementary school absences on children’s academic achievement and likelihood of graduating. The study led to a public education campaign and toolkit designed to help educators and community leaders communicate more effectively with parents on the importance of children being in school, on time, every day.

Defending Childhood Initiative. The U.S. DOJ invited California to join a federal multistate initiative to facilitate the coordination of state policy regarding childhood trauma and exposure to violence. The BCJ, as the leader of the California initiative, brought together child-serving state agencies to develop a joint action plan to address adverse childhood experiences and trauma.

Foster Youth Information-Sharing Guidance. The BCJ, together with the California Departments of Social Services and Education, developed and released guidance to local government agencies on sharing of information to better serve foster youth. This guidance is intended to eliminate barriers in providing services to foster youth that can result from local agencies’ misunderstandings on how to comply with state and federal privacy laws.

Data Sharing to Serve Children. The BCJ worked internally and externally to develop a number of innovative data solutions to address challenges across California government. The bureau partnered with Children’s Data Network, a center based out of University of Southern California, to link data from the DOJ’s Automated Criminal History System and the California Department of Social Services’ case management system. This link enables researchers—for the first time—to accurately determine the overlap between California’s child welfare and juvenile justice populations. The bureau also worked through the Attorney General’s Open Justice initiative to:

- Diagnose challenges in California’s juvenile justice data systems, in partnership with the Governance Lab at New York University;
- Deliver previously unavailable juvenile justice data (from the Juvenile Court Probation Statistical System) to researchers at the Public Policy Institute of California, Harvard University, University of Chicago, and the University of California at Berkeley; and
- Collaborate with the Judicial Council to develop dashboards for judges to make better decisions about adjudicated juveniles.

Consumer Law

The Consumer Law Section protects California consumers by enforcing laws that prohibit false advertising, deceptive marketing and other unfair, unlawful and deceptive trade practices. The section typically conducts investigations and prosecutes complex civil enforcement actions in the name of the People of the State of California to obtain injunctions, civil penalties and restitution to stop and deter illegal activities and compensate victims. The section includes the office's Privacy Enforcement and Protection Unit and operates a number of registration programs.

Significant cases and achievements include:

People v. San Diego Family Housing LLC. In August 2016, the Attorney General's Office obtained a \$252,000 stipulated judgment against two privatized military housing contractors, San Diego Family Housing LLC and Lincoln Military Property Management LP to resolve allegations that the defendants unlawfully evicted 18 servicemembers and their families from private military housing complexes in San Diego and Orange Counties and filed unredacted lease agreements that contained personal information. The judgment requires the privatized military housing contractors and their eviction law firm Kimball, Tirey & St. John LLP to pay \$200,000 in civil penalties, provide \$52,000 in debt relief for the servicemembers harmed by their misconduct, assist victims with restoring and repairing their credit history, and provide privacy protections for victims including identity theft repair and mitigation services for one year.

Johnson & Johnson. In May 2016, the Attorney General's Office filed suit against Johnson & Johnson for false advertising and deceptive marketing of its surgical mesh products for women. The complaint alleges that the company failed to adequately inform patients and doctors of possible complications and misrepresented the frequency and severity of risks. This case is in active litigation in San Diego Superior Court.

People v. Heald College. In March 2016, the Attorney General's Office obtained a \$1.1 billion default judgment against Corinthian Colleges, Inc. and its subsidiaries that operated Everest, Heald, and Wyotech schools for misrepresenting job placement rates to students and investors; advertising programs not offered; unlawfully using military seals in advertisements; using unlawful clauses in enrollment agreements; engaging in unlawful debt collection practices; failing to make mandated disclosures regarding student loans; and making misrepresentations regarding the transferability of academic credit. In addition, our office worked with the U.S. Department of Education to make tens of thousands of students eligible for hundreds of millions of dollars in federal student loan relief. These efforts have resulted in grants of over \$40 million in borrower defense relief as well as a streamlined defense to repayment application for further relief for California students who formerly attended any California Corinthian Colleges school. We continue to seek additional debt relief for students, including through potential claims to California's Student Tuition Recovery Fund. In June 2016, the Attorney General's Office also sent a letter to the U.S. Department of Education, urging the Department to revoke federal recognition of the Accrediting Council for Independent Colleges and Schools' (ACICS), a major accreditor of for-profit schools including Corinthian. The Department subsequently recommended termination of ACICS's federal recognition.

People v. JPMorgan Chase and Co. In November 2015, the Attorney General's Office secured a stipulated judgment related to JPMorgan Chase's credit card debt collection that resulted in \$50 million in civil penalties, \$50 million in restitution including enhanced restitution for servicemembers, and an injunction. In its efforts to collect consumer credit-card debt, Chase had sued over 100,000 California consumers, relying on unlawful procedural shortcuts, including the rampant use of false, robo-signed documents to obtain default judgments in violation of the Servicemembers Civil Relief Act and other state and federal laws. Chase used fraudulently obtained judgments to, among other things, sweep consumers' bank accounts and garnish wages.

Comcast. The Attorney General reached a \$33 million settlement with Comcast in September 2015, with a stipulated judgment requiring Comcast to pay \$25 million in civil penalties and \$8 million in restitution to consumers who had paid Comcast for unlisted voice over internet protocol ("VOIP") phone service and whose personal information was posted online. The judgment also included injunctive provisions.

Amgen. In August 2015, the Attorney General's Office along with 47 other states and the District of Columbia participated in a \$71 million settlement against Amgen, Inc., of which California's share was \$4.6 million, to resolve allegations that the company unlawfully promoted the drugs Aranesp (used to treat certain types of anemia) and Enbrel (used to treat plaque psoriasis). The stipulated judgment required Amgen to reform its marketing and promotion practices, and prohibits it from making any false, deceptive, or misleading written or oral claims in promoting any drugs in the same class as Enbrel and Aranesp.

Aaron's Inc. In October 2014, the Attorney General's Office obtained a \$28.4 million stipulated judgment against Aaron's Inc., the second largest rent-to-own business in the nation. An investigation revealed the company violated California's Karnette Rental-Purchase Act, which is the strongest rent-to-own law in the country, by charging improper late fees, overcharging customers who paid off their contracts early, and failing to provide important contract disclosures. Evidence also indicated that Aaron's violated state privacy laws by permitting its franchised stores to install spyware on laptop computers rented to its customers. The judgment also includes broad injunctive relief.

Houzz. In 2015, the Attorney General's Office obtained a stipulated judgment against Houzz, who had secretly recorded telephone calls without notifying its customers, employees or call recipients, in violation of California eavesdropping and wiretapping laws. The judgment required Houzz to destroy call recordings, pay \$175,000 in penalties and fees, and appoint a Chief Privacy Officer to oversee Houzz's compliance with privacy laws and report any significant concerns to the Chief Executive Officer and/or other senior executives.

Protecting the Rights of Homeowners in Foreclosure. The Attorney General's Office filed a series of amicus briefs to defend procedural rights of homeowners under the Homeowners Bill of Rights and other state foreclosure laws. Cases included: *Yvanova v. New Century Mortgage*, *Deschaine v. IndyMac*, *Ratterree v. Fannie Mae*, and *Conroy v. Wells Fargo Bank*.

Privacy Education. The Consumer Law Section's Privacy Unit published a series of data breach reports, the most recent of which provides guidance on the minimum reasonable data security standard for protecting personal information. The unit also published *Privacy on the Go: Recommendations for the Mobile Ecosystem*, which offers practical recommendations for the mobile industry.

Corporate Fraud

The Corporate Fraud Section investigates and prosecutes cases concerning securities and commodities fraud, market manipulation arising out of California's energy crisis, and financial wrongdoing perpetrated against the state under California's False Claims Act.

Significant cases and achievements include:

People v. Morgan Stanley. In April 2016, the Attorney General's Office filed a lawsuit against Morgan Stanley for selling toxic mortgage securities to state pension funds and other investors, resulting in massive losses. The case is pending in San Francisco Superior Court.

People v. Villalobos. In March 2016, the Attorney General's Office obtained a \$20 million judgment against former placement agent Alfred Villalobos' and his company, ARVCO Capital Research, LLC, as the result of litigation involving pay-to-play and other fraudulent conduct directed to solicitation of state pension fund investments. Our office also obtained a judgment admitting liability for fraud and bribery against former CalPERS CEO Federico Buenrostro and \$250,000 in restitution and penalties.

People v. State Street Bank. In 2009, the Attorney General's Office intervened in a lawsuit against State Street Bank for overcharging state pension funds on foreign exchange transactions. After seven years of litigation, our office settled with State Street in November 2015 for \$20 million and significant changes were made on the handling of foreign exchange trades on behalf of pension funds. Our office's investigation and litigation in this case led to industry-wide changes as investors across the country realized they were similarly overcharged and demanded changes.

People v. McGraw-Hill (Standard & Poor's). In 2013, the Attorney General's Office filed a lawsuit against Standard & Poor's and its parent company, McGraw-Hill Financial Inc., for issuing inflated ratings of mortgage securities and making misleading claims of independence, which caused substantial losses to state pension funds. After prevailing against multiple attempts by Standard & Poor's to have our claims dismissed or limited, a settlement was reached for \$210 million in February 2015.

People ex rel. Schroen v. B.P. In November 2014, the Attorney General intervened in a whistleblower case alleging that BP fraudulently overcharged California for natural gas under a natural gas supply contract with the Department of General Services. A significant portion of the alleged overcharges were passed on to the University of California, the California State University, and numerous local political subdivisions. The case is pending in San Francisco Superior Court.

Environment Law

The Environment Section enforces state and federal environmental laws that affect California's natural resources and public health. Attorneys in the section investigate and litigate matters to:

- Protect consumers from toxic chemicals, reduce emissions of greenhouse gases that contribute to global warming, and prohibit air and water pollution. These laws include the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65), which prohibits discharge of carcinogens and reproductive toxins into sources of drinking water and requires businesses to provide warnings if they expose individuals to carcinogens and reproductive toxins.
- Ensure that environmental laws are enforced fairly, so that all Californians enjoy the benefits of a healthy environment. The Environment Section's work under the California Environmental Quality Act (CEQA) seeks to further environmental justice by requiring full consideration of the potential for cumulative impacts and impacts to sensitive communities.
- Represent the Department of Toxic Substances Control in its enforcement of federal and state hazardous waste control laws, including enforcement of the "Superfund Law" created to protect people and communities from heavily contaminated toxic waste sites.
- Under a variety of laws, exercise the Attorney General's broad independent authority under the California Constitution, the Government Code, and case law to act on behalf of the People to protect California's natural resources from pollution, impairment, and destruction so that they may continue to be enjoyed by current citizens and future generations.

Significant cases and achievements include:

Volkswagen Emissions Control "Defeat Device" Investigation. In June 2016, the Attorney General and the chair of the California Air Resources Board announced an unprecedented \$14.7 billion settlement between California, the federal government, and Volkswagen, following the news that Volkswagen had programmed software in its diesel cars to achieve lower emissions while undergoing testing and in normal driving conditions, their cars were emitting up to 40 times more harmful nitrogen oxides than allowed by state and federal law. As part of the national agreement, Volkswagen will spend \$10 billion to buy back or modify these vehicles, as well as pay \$2.7 billion into a trust to support environmental programs and reduce emissions and an additional \$2 billion on investments and promotion of zero emissions vehicles. Of the total, \$1.18 billion is designated to California and the Attorney General also secured an additional \$86 million in civil penalties and injunctive relief. These settlements preserve California's potential criminal claims and claims for additional civil penalties and injunctive relief under state environmental laws, as well as the Attorney General's claims for consumer relief and environmental mitigation related to Volkswagen's 3.0 liter vehicles.

Federal Toxic Substances Control Act Reauthorization. In March 2015, Senators Vitter and Udall introduced the “Frank R. Lautenberg Chemical Safety for the 21st Century Act,” a bipartisan compromise that seeks to revise some of the most unworkable provisions of the 1976 Toxic Substances Control Act. The bill as initially drafted would have radically curtailed state regulatory authority over chemicals and eliminated states’ ability to co-enforce federal requirements by mirroring them in state statute. Between March 2015 and January 2016, the Attorney General’s Office took a variety of actions advocating preservation of state authority and limits on preemption. With support from the Attorney General and other advocates (including CalEPA and many health-based nonprofits), California’s Senator Boxer negotiated improvements to the bill so that California’s ability to protect the public from harmful chemicals was preserved. The bill was signed into law by President Obama in June 2016.

Curbing Proposition 65 Private Party Lawsuit Abuse. In September 2015, following five years of analysis and input from business and environmental groups, the Attorney General announced changes to regulations implementing Proposition 65, the landmark law requiring businesses to provide warnings if they expose individuals to any listed carcinogens or reproductive toxins. The amendments strengthen the requirement that a private party demonstrate that its case will result in a substantial public benefit before it can obtain attorneys’ fees and also puts parties on notice that the Attorney General will object to settlements that contain excessive payments to a private party rather than to statutorily authorized civil penalties. The public comment period on the notice of proposed rulemaking closed in November 2015 and a final regulation package is expected to be published by the Office of Administrative Law in the Fall 2016.

Supporting National Greenhouse Gas Regulation. Under the Attorney General’s authority to protect the state’s public interest in public health and the environment, the Attorney General helped lead a multi-state coalition to intervene in support of President Obama’s Clean Power Plan. The U.S. Environmental Protection Agency’s (EPA) October 2015 regulations to reduce greenhouse gas emissions from fossil-fueled power plants were challenged by several states, coal companies, and trade associations challenging the standards and California, along a multistate coalition, intervened in support of the plan. Over our coalition’s opposition, the U.S. Supreme Court stayed the Clean Power Plan rule pending the D.C. Circuit’s decision on the merits. Oral argument is scheduled for September 2016. In addition, California is leading the multi-state defense in the parallel proceedings seeking to invalidate the rule applicable to new and modified power plants. Briefing and oral argument in that case is pending. Most recently, in August 2016, the Attorney General assembled a multistate coalition to intervene in support of EPA’s first ever regulation methane emissions from the oil and natural gas sector. Litigation challenging EPA’s methane rule has been filed by several states and industry groups in the D.C. Circuit.

Criminal Prosecution for the 2015 Santa Barbara Oil Spill. In May 2016, following a ten-month grand jury, the Attorney General and the Santa Barbara District Attorney secured criminal indictments against Plains All American Pipeline and an employee following the spill of more than 100,000 gallons of oil near Refugio State Beach in Santa Barbara. The grand jury returned a 46-count indictment, consisting of 4 felony and 42 misdemeanor charges against Plains and the individual employee, charging criminal violations for failure to timely report the release, and contamination of water and soil caused by the oil spill, resulting death to birds and marine life. The criminal case is ongoing.

Ensuring Legal Accountability for the Aliso Canyon Gas Leak. In October 2015, a massive leak was discovered in an injection well at the Aliso Canyon natural gas storage facility operated by the Southern California Gas Company (SoCalGas). The leak had persisted for nearly four months and released more than 2 million metric tons of greenhouse gases. Residents of the nearby community of Porter Ranch were sickened by emissions and odors from the leak and more than 4,000 residents were temporarily relocated. The Attorney General's Office collaborated with the Los Angeles City Attorney to seek civil penalties and injunctive relief. Our office is also representing the California Air Resources Board in requiring SoCalGas to fully mitigate the greenhouse gas impacts of the massive leak.

SANDAG Regional Transportation Plan. The Attorney General's Office intervened to challenge the environmental review documents for the San Diego Association of Government's (SANDAG's) draft 2050 regional transportation plan and sustainable communities strategy, the first such regional plan drafted following the adoption of legislation intended to help the state meet aggressive greenhouse gas reduction goals. In November 2014, the Court of Appeal agreed with the Attorney General and affirmed the trial court ruling that SANDAG prepared a legally invalid environmental impact report (EIR) that failed to properly analyze and mitigate the greenhouse gas emissions and particulate matter air emissions related to the long-term regional transportation plan. The California Supreme Court granted SANDAG's petition for review, limiting review to the question on whether an EIR for a regional transportation plan must include an analysis of the plan's consistency with the greenhouse gas emission reduction goals reflected in a 2005 executive order. Oral argument is pending.

Continued Defense of AB 32. California is leading the world on tackling climate change and the state's landmark Global Warming Solutions Act of 2006 (AB 32) led to the adoption of innovative approaches in reducing greenhouse gas emissions. As counsel to the California Air Resources Board, the Attorney General's Office is defending key programs under AB 32 (the Low Carbon Fuel Standard and the Cap-and-Trade regulation) in numerous challenges in state and federal court.

Limiting Mercury and Air Toxics Emissions from Power Plants. California has argued that while the U.S. Supreme Court has ruled that the EPA must consider costs in making decisions regarding regulating harmful pollutants from power plants, the EPA's Mercury and Air Toxics Standards for power plants should remain in place pending EPA's further cost analysis. In the meantime, EPA has published revised findings considering costs and reaffirming its decision to issue the mercury and air standards rule. A multi-state coalition that includes the Attorney General's Office opposes a new petition filed by a coal company challenging EPA's new decision.

Telecom Company Hazardous Waste Disposal Investigation. The Attorney General's Office and the Alameda District Attorney's Office investigated the unlawful disposal of large volumes of electronic waste, including batteries and other devices, by Comcast and AT&T. Both companies failed to manage this regulated waste as hazardous, as required by law, and illegally disposed of it in receptacles destined for municipal landfills. Our office entered into separate settlement agreements with Comcast and AT&T, requiring them to revise their waste handling practices and pay \$25.9 million in civil penalties and \$23.8 million in other monetary remedies.

Pakootas v. Teck Cominco Metals, Ltd. On behalf of the Department of Toxic Substances Control, the Attorney General’s Office filed an amicus brief in the Ninth Circuit, addressing a critical legal question interpreting the federal “Superfund” law (CERCLA). The case presents the issue on whether ground deposition of hazardous substances released into the air and then deposited on the ground constitutes “an arrangement for disposal” for the purposes of requiring the responsible party to pay for the cost of cleanup under CERCLA. The court has taken the case under submission.

Defense of Proposition 65 Chemical Listing Decisions. Over the past several years, the chemical industry has aggressively challenged many of the chemicals identified as causing cancer or reproductive toxicity pursuant to Proposition 65 and listed by the Office of Environmental Health Hazard Assessment (OEHHA). Once a chemical is listed, businesses must provide warnings prior to exposing people to the chemical. The Attorney General’s Office has successfully defended OEHHA decisions and obtained trial court rulings upholding the listings in three cases involving the reproductive toxicants bisphenol A (BPA) and atrazine, and the carcinogen, diisononyl phthalate (DINP).

People v. Zeo Health, Ltd. This case was filed against Zeo Health, Ltd., its affiliate Regal Supplements LLC, and owner, Micah Portney, for unfair business practices and false advertising, based on the sale of products intended for consumption that are adulterated with excessively high amounts of lead and arsenic and false claims that the products are safe and cure diseases including cancer and autism.

People v. Mondelēz. The Attorney General’s Office, a group of district attorneys, and a non-profit private enforcer brought suit against Mondelēz International because its Nabisco Ginger Snap Cookies contained high levels of lead (110 to 160 parts per billion) and did not provide a consumer warning, in violation of Proposition 65. In March 2016, a settlement was reached requiring Mondelēz to pay a civil penalty of \$568,750, locate a cleaner source of molasses (which was causing the high lead levels), and implement measures to reduce the lead levels in the cookies to 30 parts per billion.

Indian and Gaming Law

The Indian and Gaming Law Section provides legal representation and advice regarding Indian law and gambling to the following entities:

- Governor’s Office
- DOJ’s Bureau of Gambling Control
- California Gambling Control Commission
- California Horse Racing Board
- State Lottery Commission
- Other offices and state agencies

Significant cases and achievements include:

Gaming Compacts. The Attorney General assists the Governor in negotiating new compacts and compact amendments with a number of federally recognized Indian tribes in California. The compacts enhance environmental, consumer, and employee safeguards in the expansion of the Indian gaming industry in California and ensure that California tribes without casinos and those with small casinos continue to receive a share of revenues from tribal gaming. During 2015 and 2016, the Governor negotiated the greatest number of compacts since the original class III gaming compacts were negotiated in 1999.

San Pasqual Band of Mission Indians v. California Gambling Control Commission. The San Pasqual Band sued the Commission and other state defendants for \$350 million in damages for revenue it allegedly lost when the Band was not awarded 428 slot machine licenses it sought. The Attorney General's Office successfully argued that both the state and the Band have sovereign immunity under their tribal-state class III gaming compact for lawsuits seeking damages. The Court of Appeal's opinion in favor of the state was certified for publication and the California Supreme Court denied the Tribe's petition for review in January 2016.

North Fork Rancheria of Mono Indians v. State of California. The North Fork Indian Tribe sued the state, arguing that AB 277, the statute ratifying a gaming compact between the State of California and the Tribe, was not subject to a referendum election by the People that rejected the Legislature's ratification. The Attorney General successfully argued before the Madera Superior Court that the ratification statute was subject to the referendum under the California Constitution and that the referendum process did not conflict with the Indian Gaming Regulatory Act. Following briefing on the merits, in May 2016 North Fork dismissed its appeal to the Court of Appeal.

Intra-tribal Leadership Disputes. The Attorney General's Office obtained an injunction to prevent the escalation of confrontations between armed tribal factions that endangered casino patrons, workers and the general public. At the Chukchansi Gold Casino in Madera County, our office obtained a temporary restraining order, preliminary injunction and permanent injunction after an armed invasion by one tribal faction into the hotel-casino. Because of continued intra-tribal conflicts, the casino did not reopen until a resolution with a newly elected tribal council was reached in late December 2015. One of the factions appealed the federal district court decision in 2016. This case marks one of the first times a state government has used a tribal-state gaming compact to protect public health, safety and welfare.

People v. Capital Sweepstakes Systems, Inc. After a joint investigation by the DOJ Bureau of Gambling Control and the Federal Bureau of Investigation, the multi-agency Sweepstakes Gambling Task Force, led by the Attorney General's Office, brought a lawsuit under the Unfair Competition Law against a sweepstakes café software provider, Capital Sweepstakes. In a 2015 settlement, the task force obtained \$700,000 in civil penalties and costs from the software provider and an injunction barring the company from conducting any kind of sweepstakes-based business in California for ten years.

LM Connexions, Inc. v. Harris. Following an investigation and search warrant conducted by the Bureau of Gambling Control, a gambling business filed suit against the Attorney General's Office, alleging violations of its constitutional rights and seeking to enjoin future law enforcement actions against it. Our office filed an anti-SLAPP (Strategic Lawsuit Against Public Participation) motion asserting the protected nature of the law enforcement conduct, which was granted by the superior court in May 2016, striking down the claims and dismissing the action.

In the Matter of the Accusation Against Casino M8trix. The Attorney General represented the DOJ's Bureau of Gambling Control in an administrative proceeding against a card room and its shareholders based on the owners' failure to disclose more than \$80 million in payments to unlicensed companies. The California Gambling Control Commission revoked the license of one shareholder, Eric Swallow, imposed a \$13.6 million penalty against him, and awarded fees and costs to the bureau. The Commission also approved a settlement of nearly \$1.8 million with the other shareholders and the card room.

Land Law

The Land Law Section represents and advises the state in land use litigation and in cases that involve lands that the state owns and administers for resource conservation or development. The section attorneys are authorities on laws pertaining to land use and resource regulation, environmental review, real property, the public trust doctrine, oil and gas development, administrative procedure, and on the law applicable to constitutional takings.

The Land Law Section's client agencies include:

- State Lands Commission
- California Coastal Commission
- San Francisco Bay Conservation and Development Commission
- Natural Resources Agency
- Department of Parks and Recreation
- Department of Conservation
- Ten State Conservancies
- Delta Stewardship Council
- Central Valley Flood Protection Board
- California High-Speed Rail Authority (for environmental litigation and compliance)

Significant cases and achievements include:

Sacramento-San Joaquin Delta. The Attorney General's Office has represented the Delta Stewardship Council since its creation as part of historic 2009 legislation that reformed laws applicable to the Sacramento-San Joaquin Delta, advising the council as it developed and in 2013, adopted, a Delta Plan to protect its ecosystem while promoting a more reliable water supply for California. Soon after the Council adopted the Delta Plan, 26 parties filed seven lawsuits challenging the plan as either going too far or not going far enough. Our office is now defending the Council in those (now coordinated) lawsuits. In May 2016, the trial court issued its ruling largely upholding the Delta Plan.

California Building Industry Association v. City of San Jose. In 2014, the Attorney General's Office filed a friend-of-the-court in the California Supreme Court in defense of the City of San Jose's inclusionary housing ordinance. The California Building Industry Association challenged the San Jose ordinance as unlawful and argued that it constituted an unconstitutional taking of property, subject to a heightened standard of judicial review. The Attorney General's brief explained why inclusionary housing ordinances are not a taking of property and therefore not subject to a heightened standard of judicial review. In June 2015, the Court issued its decision, largely agreeing with the Attorney General's position and in February 2016, the U.S. Supreme Court denied the Association's petition for writ of certiorari.

California High-Speed Rail Authority. The Attorney General's Office advises the California High-Speed Rail Authority on environmental law requirements for constructing the high-speed rail system, including providing advice regarding the programmatic environmental impact report analyzing the system's route from the Bay Area to the Central Valley, as well as the reports for several specific segments of the system. In this long-running and complex litigation, our office has successfully defended the Authority's programmatic EIR. These matters currently involve the additional question of whether federal law preempts any state court environmental remedy because the Authority is constructing a railroad that is in interstate commerce.

Lake Tahoe. Since 1971, the Attorney General's Office has enforced laws designed to protect the Lake Tahoe Basin from threats to its water clarity and other natural resources, including a 1987 litigation settlement with the Tahoe Regional Planning Agency that required the Planning Agency to adopt specific regional plan provisions. Over the past few years, our office has worked with the Planning Agency, the Natural Resources Agency, the State of Nevada, and other stakeholders to update that plan. After the Planning Agency adopted its update in December 2012, we actively supported California and Nevada legislation to preserve the compact between the states to protect Lake Tahoe and are now working with the Planning Agency and other stakeholders to address environmental protection issues that were deferred in the 2012 plan update.

Access to Navigable Waters. The California Constitution and state law mandate public access to navigable waters, such as the ocean, rivers and lakes. The Attorney General's Office has frequently represented clients who seek to protect public access to the ocean or lakes such as Lake Tahoe such as representing the Coastal Commission in protecting access to beaches and the ocean, as in *City of Dana Point v. California Coastal Commission*. In *Dana Point*, the city attempted to claim a nuisance as basis for closing off access that the Commission had required as a condition of a coastal permit. The Court of Appeal upheld the Commission's ability to keep

public access ways open and to protect public access to a public beach. In another matter involving *Martins Beach in San Mateo County*, the property owner closed off access to the beach and filed a quiet title action, not only to the upland property but also to state public trust tide and submerged lands. Representing the State Lands Commission and the Coastal Commission, the Attorney General's Office filed an amicus brief in the Court of Appeal and the court agreed the trial court had erred in quieting title to the tide and submerged lands.

Oil Regulation Litigation. The Department of Conservation's Division of Oil, Gas, and Geothermal Resources (DOGGR) is in the process of overhauling its regulation of oil production in California to adapt to modern industry practices and current public expectations. It adopted emergency regulations addressing underground injection controls, and the Attorney General's Office is defending the lawsuit challenging those regulations. In addition, in response to the Legislature's direction in Senate Bill 4, DOGGR prepared an environmental impact report examining the impacts of hydraulic fracturing, and our office is defending the lawsuit challenging that report.

Natural Resources Law

The Natural Resources Law Section represents the majority of state agencies responsible for natural resources management or pollution control. The section handles complex environmental litigation both in defense of client actions and enforcement of pollution laws and regulations. Much of the section's litigation work involves the Air Resources Board, the State Water Resources Control Board, the Regional Water Quality Control Boards, the Department of Water Resources, the Department of Fish and Wildlife, the Department of Forestry and Fire Protection, and CalRecycle. The section also represents the Department of Food and Agriculture and the 55 District Agricultural Associations.

Significant cases and achievements include:

Drought Litigation. The Governor signed successive proclamations in 2015 directing the State Water Resources Control Board (Board) to take action to curtail water diversions in light of the ongoing drought. In June 2015, the Board issued curtailment notices informing water rights holders who divert from the Sacramento and San Joaquin River watersheds (Delta), that there was only sufficient water to supply those who hold priority of water rights dating back to 1902 or earlier. Since issuing the notices, various water districts and agricultural interests filed lawsuits, asserting that they hold Delta water rights impacted by the notice. Among other claims, plaintiffs allege the notice deprived them of their property without due process in violation of the state and federal takings clauses. The Attorney General's Office continues to represent the Board while other drought-related administrative proceedings are underway.

High Speed Rail and AB 32. The Attorney General's Office represents the California Air Resources Board in a suit filed by Transportation Solutions Defense Fund (TransDef), a group opposed to high speed rail. The lawsuit challenges the Board's updates to the scoping plan, the blueprint for meeting the greenhouse gas emissions targets under AB 32. TransDef alleges that the Board violated CEQA and AB 32 by including high speed rail as one of the many measures in the scoping plan.

Air Enforcement. The Attorney General's Office represents the California Air Resources Board in matters brought to enforce air quality laws and regulations. On behalf of the Board, the Attorney General's Office is currently in complex litigation with BP West Coast Products, LLC over its selling, offering to sell, supplying and offering for supply California gasoline containing too many aromatics and too much benzene. The office continues to represent the Board while investigating and litigating matters concerning air quality violations, such as emissions testing fraud (i.e., Volkswagen diesel engine passenger cars with defeat devices).

Oil Spill Cleanup Cost Recovery Actions. The Attorney General's Office represents the Department of Fish and Wildlife and the Regional Water Quality Control Board in efforts to recover penalties and natural resource damages from a series of onshore oil spills that occurred in the state over the past few year. Onshore oil spills include those caused by Greka/HVI Cat Canyon in Santa Barbara County and the May 2015 spill of a significant amount of oil following the rupture of Plains All American Pipeline Line 901 in Santa Barbara County into a culvert beneath Highway 101 and the ocean just west of Refugio Beach. Channel fishing grounds were closed for about a month and several beaches east and south of Refugio were closed, including a portion of Manhattan Beach. Over 100 marine mammals were killed and nearly 200 dead marine birds were recovered. The Attorney General's Office continues to represent DFW and the Board in anticipated civil actions to recover natural resource damages and civil penalties and is coordinating with the U.S. and local entities on anticipated civil actions.

Fire Suppression Cost Recovery Actions. The Attorney General represents the Department of Forestry and Fire Prevention (CalFire) to recoup the cost of fire suppression for wildland fires that occur in California each year. From January 2015 to April 2016, the office litigated cases that resulted in more than \$14 million in recoveries.

Wildlife and Endangered Species Litigation. The Attorney General's Office represents the Department of Fish and Wildlife (DFW) and Fish and Game Commission (FGC) in administrative proceedings challenging regulation and lawsuits filed by permittees impacted by regulations, as well as litigation challenging federal biological opinions affecting releases of water by the state and federal water projects in the Bay Delta and the protection of endangered Salmon and Smelt species.

Water Quality/ Water Rights Litigation. The Attorney General represents the state and regional water boards (Board) and the California Department of Water Resources (DWR) in several cases involving the adjudication of water rights over surface and ground water. The Attorney General's Office also represents the Board in resolution of claims from natural resource damages resulting from mining activities, as well in wide-ranging enforcement actions against operators and owners for unlawful discharges or threat of discharge to the state's waters and failure to properly operate underground storage tank facilities throughout the state. Our office also represents DWR before Federal Energy Regulatory Commission (FERC) in proceedings concerning federal hydropower regulatory matters.

Tobacco Litigation and Enforcement

The Tobacco Litigation and Enforcement Section enforces state and federal laws that control the marketing and sale of tobacco product and protects and enforces California's rights under the nationwide tobacco master settlement agreement (MSA), which limits the marketing of tobacco products and entitles California to settlement payments for ongoing cigarette sales.

Significant cases and achievements include:

MSA Payment Issues. In 2015 and 2016, California continued to oversee compliance by tobacco manufacturers with respect to their payment obligations under the historic tobacco master settlement agreement. As a result, the participating manufacturers paid California nearly \$722 million in 2015 and \$714 million in 2016, bringing the total amount paid to California and both its counties and four largest cities since the MSA was signed in 1998 to \$14 billion.

Litigation Against Illegal Cigarette Sales. In 2015 and 2016, the Attorney General's Office prosecuted several lawsuits against sellers of illegal, tax-evaded, non-fire-safe certified cigarettes. In 2015, the office secured final judgments against two retailers of contraband, tax-evaded and non-fire-safe certified cigarettes. These judgments included permanent injunctions against further illegal sales and one included \$765,000 in civil penalties. Our office also secured an order granting summary adjudication and a permanent injunction against a large distributor and retailer of contraband, tax-evaded, non-fire-safe cigarettes. In 2016, our office was awarded over \$500,000 in attorneys' fees and costs for its successful prosecution of an illegal retailer.

Enforcement of Consent Judgment against Manufacturer of Electronic Cigarettes. In 2015, the Attorney General's Office secured an amended consent judgment against NJOY, a major manufacturer of electronic cigarettes. The original judgment obligated NJOY to take steps to prevent sales to minors, refrain from making false or misleading claims regarding the safety and effectiveness of its products, and comply with Proposition 65. In 2015, after issues arose concerning its compliance with the original judgment, our office negotiated an amended consent judgment wherein NJOY agreed to age-restrict its social media, refrain from advertising in certain media, employ an independent, third party to monitor compliance, and reimburse the office for over \$275,000 for attorneys' fees and costs.

DIVISION OF CIVIL LAW

The work of the Civil Law Division is non-discretionary and largely client-based. The division represents more than 200 state agencies and California's constitutional officers, including the Governor and the Attorney General, in litigation and other proceedings.

The Division of Civil Law consists of the following sections:

- Business and Tax
- Correctional Law
- Employment and Administrative Mandate
- Government Law
- Health, Education and Welfare
- Health Quality Enforcement
- Licensing
- Opinion Unit
- Tort and Condemnation

Business and Tax Section

The Business and Tax Section's primary mission is to protect the state's treasury by defending California's tax structure.

The section protects the insurance, real estate, and financial interests of Californians, as well as the interests of members of the labor and business communities. The section represents three major state taxing agencies and various business and regulatory agencies and their officials, including:

- Franchise Tax Board (personal and corporate taxes)
- Employment Development Department (employment taxes)
- Board of Equalization (sales and use taxes, and utility and property taxes)
- Insurance Commissioner
- Department of Insurance

- Bureau of Financial Institutions
- Bureau of Real Estate and its Commissioner
- Industrial Welfare Commission
- California Apprenticeship Council

Significant cases and achievements include:

Gillette Company v. Franchise Tax Board. The Attorney General’s Office is defending a challenge to the validity of Revenue and Taxation Code section 25128, the “double-weighted sales factor apportionment formula” used to determine California taxable income of multistate businesses. This case has significant revenue consequences for California and sister-state members of the Multistate Tax Compact, with a potential revenue loss of \$750 million for tens of thousands of multistate enterprises doing business in California. Similar litigation is pending in three other states. In December 2015, the California Supreme Court, in a unanimous decision, determined that the Multi-State Tax Compact did not bar the Legislature from unilaterally amending the corporate tax apportionment formula.

Harley-Davidson, Inc. v. Franchise Tax Board and Abercrombie & Fitch v. Franchise Tax Board. The *Harley-Davidson* case challenges California’s requirement that interstate unitary businesses file a combined income report so the total income can be apportioned between California and other jurisdictions, while in-state business groups have the option of reporting income on a separate entity basis. The taxpayer-plaintiffs claim an entitlement to file California franchise tax returns using a separate-entity basis. Filing separate reports has a vast potential for manipulation by multistate businesses and the estimated loss of revenue could be nearly \$8 billion. In *Harley-Davidson*, the trial court sustained our demurrer but was reversed on appeal; on remand, cross-motions for summary judgment are pending. In *Abercrombie*, cross-motions for summary judgment were denied and the case is set for trial in September 2016.

Correctional Law Section

The Correctional Law Section represents the following entities in litigation and other proceedings:

- Governor’s Office (prison and parole litigation)
- Department of Corrections and Rehabilitation (CDCR), Division of Juvenile Justice, and Board of Parole Hearings
- Department of State Hospitals (custodial issues)

The section defends state officials in civil suits brought by state prisoners regarding prison conditions and aspects of parole proceedings. More than 128,000 prisoners, 43,000 parolees, and 700 juvenile offenders are under the jurisdiction of the section's client agencies. Successful defense of these cases saves millions of taxpayer dollars in potential liability. The section handles thousands of individual inmate trial and appellate court cases annually, and is currently defending many high-profile class-action lawsuits, including:

Coleman v. Brown. This class action challenges inmate mental health care. Since 1995, a court-appointed special master has monitored and reported on CDCR's compliance with the remedial plan and in 2013, the state unsuccessfully moved to terminate the case. The remedial stage of the litigation continues.

Plata v. Brown. This class action suit challenges the delivery of inmate medical care services to prisoners. In 2006, a federal receiver was appointed to manage inmate medical care after finding that California was unable to make needed changes. The state is working with the receiver to return control of the medical care system to state control; to date, three prisons have been delegated back to the state to provide medical care.

Three-Judge Court Litigation. In 2011, the U.S. Supreme Court affirmed a three-judge court's finding that prison overcrowding was the primary cause of alleged unconstitutional medical and mental health care (*Coleman* and *Plata* cases). In February 2014, the three-judge court granted the state a two-year extension to meet the final population-reduction benchmark. As of February 2016, the prison population is below the court-ordered population benchmark. As required by court order, the state must demonstrate it has a "durable" remedy in place before the court will consider ending oversight of the prison population.

Armstrong v. Brown. This class action suit involves enforcement of inmates' and parolees' rights under the Americans with Disabilities Act. This case is in the remedial stage.

Ashker v. Brown. Plaintiffs in this class action suit are long-standing validated gang members and associates housed in Pelican Bay's Security Housing Unit. Plaintiffs claim that gang validation and review procedures violate due process rights and that the conditions of confinement constitute cruel and unusual punishment. The case settled in 2015 and the state has to show compliance with the terms of the settlement agreement for two years.

Employment and Administrative Mandate Section

The Employment and Administrative Mandate Section represents state agencies and officials in litigation and other proceedings regarding personnel matters and employment related claims including those for employment discrimination, harassment, retaliation, and interactive process and reasonable accommodation of disability claims. The section prosecutes employee misconduct cases before the State Personnel Board and conducts Equal Employment Opportunity, workplace violence, whistleblower, and employee discipline investigations at the request of client agencies. The section also provides training and advice relating to a variety of employment issues so that

client agencies can better detect, remedy, and prevent problems in the workplace. In addition to its employment work, the section represents specific law enforcement and regulatory state agencies in matters affecting public safety, such as vehicle licensing, liquor licensing, and attempts by criminal defendants to obtain information from the personnel files of peace officers.

Significant cases and achievements include:

Guerrero v. California Department of Corrections and Rehabilitation. This is a disparate-impact discrimination case before the Ninth Circuit, challenging a CDCR background investigation question asking correctional officer position applicants if they had ever used a false social security number. The district court found that the question negatively impacted Latino applicants and the Attorney General’s Office contended that the challenged question assisted CDCR in assessing whether applicants possessed the integrity required of peace officers. Answering the question in the affirmative did not automatically result in an applicant being disqualified; rather, it was considered as part of a holistic assessment of the applicant. CDCR cleared Latino applicants who admitted to false SSN use at a higher rate than non-Latinos. The office also contended that the district court erred because answering the question had no significant impact on the class of 10,357 Latino applicants, 99.7 percent of whom answered “no” to the question.

Hurley v. Department of Parks and Recreation. Plaintiff sued the Department of Parks and Recreation and a supervisor asserting various claims of disability and discrimination, as well as tort claims, and sought damages in excess of one million dollars. After a four-week trial, the jury found in the favor of the defense, except on two tort claims, and awarded plaintiff less than \$40,000. The verdict was significantly less than the pre-trial 998 offer. Our office filed a motion seeking to be declared the prevailing party and the parties filed cross-appeals.

White v. State of California. Plaintiff sued the Employment Development Department for alleged failure to reasonably accommodate a disability, engage in the interactive process, and disability discrimination because her employer did not change her supervisors. The Attorney General’s Office argued that the law did not force the department to change supervisors and the department had communicated with plaintiff and her medical providers in good faith and offered the plaintiff reasonable accommodations including applying for potential job opportunities and a transfer. The court granted the motion for summary judgment.

McLean v. State of California. The California Supreme Court is considering two issues related to a public employee suing for alleged failures to make prompt payment under the California Labor Code. The first issue is whether the public employee may sue the “State of California” instead of the specific agency where the employee had worked and the second issue is whether sections 202 and 203 of the Labor Code, that provide a right of action for employees who “quit” their employment, authorizes suit by an employee who has retired from their job.

Boyd v. Employment Development Department. The Attorney General’s Office represents the Employment Development Department in an employment case where plaintiff alleges racial, national origin, and retaliation causes of action. The defense is based on the fact that the workplace is racially diverse and rewards merit and the plaintiff is a low performing employee

who has received “needs improvement” evaluations from various supervisors. Our office will also present evidence that the department’s actions with respect to plaintiff were legitimate and unrelated to any discriminatory or retaliatory animus. Trial is expected to begin in September 2016.

Ochotorena v. Department of State Hospitals. In this sexual harassment case, plaintiff claims her supervisor made inappropriate statements and placed her in dangerous situations after she complained. During a 21-day trial, the Attorney General’s Office presented evidence that although plaintiff’s supervisor had poor interpersonal skills, he was not biased against women and treated everyone equally. Plaintiff was neither subjected to a sexually hostile work environment nor endangered. Our office obtained a defense verdict and defeated plaintiff’s motion for a new trial.

Fleet v. California State Personnel Board. The Attorney General’s Office represents real party in interest for the Department of Fish and Wildlife in this mandamus action challenging petitioner’s discharge and represented the department at the underlying week-long State Personnel Board hearing. Evidence was presented that petitioner misused his peace officer powers as a warden to extort trespassing hunters into giving up their firearms to a landowner. The State Personnel Board affirmed petitioner’s dismissal for inexcusable neglect of duty, dishonesty, discourteous treatment of the public, willful disobedience, and other failure of good behavior.

Retail Digital Network, LLC v. Appelsmith. This litigation involves a challenge to Business and Professions Code sections that prohibit alcohol manufacturers from giving anything of value to retailers for advertising products. A panel ruled that the statutes should be examined by the district court under heightened scrutiny. The Attorney General’s Office filed a petition for rehearing en banc arguing that the panel opinion conflicts with the Supreme Court and other circuit authority and that intermediate scrutiny should apply.

Government Law Section

The Government Law Section advises the Governor, Attorney General, Controller, Treasurer, Secretary of State, and many state agencies and departments, and represents them in civil litigation and other proceedings. The section:

- Defends state statutes against constitutional challenges.
- Advises and defends on elections matters.
- Carries out the Attorney General’s role in preserving the integrity of the electoral process by preparing titles and summaries for proposed initiatives.
- Serves as bond counsel to the State Treasurer and various state agencies with regard to issuance of bonds.
- Advises and defends on firearms matters.
- Advises clients on issues relating to public records, open meeting laws, and conflicts of interest.

Significant cases and achievements include:

Pension Reform Cases. The Attorney General’s Office represents the state in more than a dozen cases defending the constitutionality of the Governor’s public pension reform legislation passed in 2012. Three cases have been consolidated in one court and the nine cases are in various state trial courts or on appeal. Our office has received complete or partial favorable rulings from the lower courts and courts of appeal in all of these cases.

Redevelopment Agency Dissolution Cases. Since the landmark decision in *California Redevelopment Association v. Matosantos*, which upheld the dissolution of the state’s redevelopment agencies, the Attorney General’s Office has successfully defended the Department of Finance in over 200 cases involving redevelopment agencies’ wind-down. These efforts have preserved billions of dollars in revenue used for core local governmental services such as schools, fire suppression, and water. In August 2015, in *City of Brentwood v. Cohen*, our office successfully defended against a second broad constitutional challenge to the state’s redevelopment dissolution law.

Rubin v. Padilla. In January 2015, the Court of Appeal upheld the constitutionality of California’s Top Two Candidates Open Primary Act (Proposition 14) against a challenge from minor political parties and party candidates that claimed the law denied them access to the ballot.

Cramer v. Harris. In February 2015, the Ninth Circuit preserved Proposition 2 (Prevention of Farm Animal Cruelty Act) against constitutional challenge. Proposition 2, passed in 2008 and effective January 1, 2015, provides that egg-laying hens in California be provided with enough space to stand up, turn around and extend their wings.

ProtectMarriage.com v. Padilla. In March 2015, the U.S. Supreme Court denied certiorari, leaving intact the Ninth Circuit’s ruling in favor of the Attorney General, Secretary of State, and Fair Political Practices Commission, as well as the City and County of San Francisco. The ruling preserved public disclosure of certain political contributions under state campaign finance laws.

Harris v. McLaughlin. In June 2015, the Sacramento Superior Court relieved the Attorney General of any duty to prepare a title and summary for the so-called “Sodomite Suppression Act” ballot measure, finding the proposed measure patently unconstitutional. The court found that preparing and issuing a title and summary for the initiative would be inappropriate, waste public resources, generate unnecessary divisions among the public, and tend to mislead the electorate.

Chinatown Neighborhood Association v. Harris. The Attorney General’s Office successfully defended the constitutionality of Fish and Game Code sections 2021 and 2021.5 that outlaws the possession, sale, and trade of shark fins in California. In July 2015, the Ninth Circuit preserved the law against challenges under the commerce clause and supremacy clause of the U.S. Constitution.

Tos v. California High-Speed Rail Authority. In March 2016, the Sacramento Superior Court rejected the remaining claims in a lawsuit originally filed in 2011, challenging the California High-Speed Rail Authority’s plan to build the first leg of the nation’s first high-speed rail system. Plaintiffs contend that the planned system violates a voter-approved bond act, and that without

compliance with the bond act, the Authority could not build the system, even using funds from other sources.

City of El Centro v. Lanier. In March 2016, the Court of Appeal affirmed a judgment upholding Labor Code section 1782 against a constitutional challenge brought by a group of California charter cities. The challenged law conditions a charter city’s eligibility to receive certain discretionary state construction funding on the city requiring prevailing wages for its municipal construction projects. The court confirmed that charter cities have “home rule” authority under the California Constitution to decide whether to pay prevailing wages, but held the challenged law does not conflict with that authority or “financially coerce” charter cities into paying prevailing wages.

Brown v. Superior Court (California District Attorneys Association). The California Supreme Court confirmed the Attorney General’s application of Elections Code section 9002(b) that allows ballot measure proponents to amend ballot measure if the amendments are “reasonably germane” to the theme, purpose or subject of the original version. The CDAA claimed that Governor Brown’s amendments to his criminal sentencing reform measure improperly expanded its scope, but the Court held that the “reasonably germane” standard permits substantive, even sweeping, amendments.

Health, Education and Welfare Section

The Health, Education and Welfare Section represents more than 30 state agencies responsible for administering a multitude of health, education and welfare programs, in litigation and other proceedings pertaining to:

- Medi-Cal Program
- CA Health Benefit Exchange (CoveredCA)
- CalWorks
- In-home supportive services
- California community colleges
- Large-scale public school funding and oversight
- Special education
- Charter schools
- English language learners
- State mental hospitals
- State developmental centers
- Challenges to adoptions

- Foster care programs
- Child support enforcement

Significant cases and achievements include:

Robles-Wong v. State; Campaign for Quality Education v. State. Plaintiffs in these actions seek to require the state to design, fund, and implement a new financing system increasing education spending, arguing that the state’s education financing system violates students’ alleged right to a particular standard of quality. The trial court rejected plaintiffs’ claims. The Attorney General’s Office maintained that the state constitution cannot be construed to impose any particular qualitative standard on the education system or to require school funding above the levels already established in the Constitution and that plaintiffs’ claims raise non-justifiable questions. In April 2016, the Court of Appeal affirmed the trial court’s decision, and the California Supreme Court denied plaintiffs’ petition for review.

Vergara v. State of California. This lawsuit filed in May 2012 by lawyers on behalf of nine public school student plaintiffs alleges that five state statutes regarding tenure, dismissal and reductions in force of certified teachers violate the equal protection clause of the California Constitution. Specifically, plaintiffs allege that these statutes cause school districts to grant tenure to grossly ineffective teachers, make it impossible to terminate them, and because reductions in force are primarily based on seniority, cause districts to retain bad teachers while good teachers with less seniority are laid-off. The trial court found that the statutes violated equal protection but the Court of Appeal reversed, finding the statutes facially constitutional. The California Supreme Court denied plaintiffs’ petition for review.

Center for Investigative Reporting v. Department of Public Health. The Attorney General’s Office represented the Department of Public Health in this case, concerning whether the public is entitled to obtain unredacted abuse citations issued by the Department of Public Health even though the citations contain private information concerning the patient. The California Supreme Court found that the citations are public records and must be disclosed subject only to the specific redactions mandated by the Long-Term Care Act.

Jahi M. (a minor) v. State of California. This petition for declaratory and injunctive relief seeks to rescind the death certificate issued for Jahi McMath, a teenager declared brain dead two years ago after complications from surgery at Children's Hospital in Oakland. The complaint includes a variety of civil rights claims, all of which essentially seek the same relief of rescinding the death certificate and having Ms. McMath declared alive. State defendants’ motion to dismiss remains under submission with the court.

Fonseca v. Kaiser Permanente Medical Center. Plaintiff, the mother of a 2-year-old boy declared brain dead, alleged that the child remains alive despite the cessation of brain function and seeks a court ruling that would invalidate the California Uniform Determination of Death Act (CUDDA) and reverse the physician’s determination that he is deceased. The case is pending in federal district court. On August 25, 2016, the child was removed from ventilation support. Although the parties no longer dispute that the child is dead, the case remains pending in federal district court.

Foothill Church v. Rouilliard. Plaintiff churches claim they should be exempt from the law requiring health benefit plans regulated by Department of Managed Health Care (DMHC) to provide coverage for abortion services without restriction. The Attorney General's Office is representing DMHC in its effort to enforce state law requiring health plans to offer reproductive health care.

Skyline Wesleyan Church v. DMHC; Missionary Guadalupanas of the Holy Spirit, Inc. v. Rouilliard, DMHC. These cases involve challenges by plaintiff churches to seven letters issued by the Department of Managed Health Care (DMHC), which the Attorney General's Office represents, to health care service plans that reminded them of their obligation to provide non-discriminatory treatment of all female enrollees, including providing lawful abortion. On July 15, 2016, the court reversed its tentative decision in *Missionary Guadalupanas of the Holy Spirit* and denied the petition for writ of mandate and complaint for injunctive and declaratory relief. Petitioner has filed a motion for a new trial. In *Skyline*, defendants filed their answer to the complaint in August 2016.

Buck. v. The State of California. Plaintiffs seek to enjoin removal of the personal belief exemption from the immunization requirement (SB 277). Plaintiffs assert that their children have a constitutional right to an education regardless of their immunization status and that parents have a right to exercise their personal beliefs in opposition to state-mandated immunization requirements. Plaintiffs allege the state must show a compelling governmental interest in enforcing SB 277 and tailor enforcement of SB 277 to the least restrictive means available to achieve that interest. In August 2016, defendants filed their demurrer and motion to strike in response to plaintiffs' second amended complaint. (Related case: *Whitlow v. State.*)

Mallano. v. Chiang. This case involves a complaint for declaratory relief/class action filed on behalf of plaintiff Robert M. Mallano, a justice of the California Court of Appeal, and others similarly situated. Plaintiffs allege that the state refused to pay California judges their statutorily mandated salaries and benefits and that this failure directly impacts payments received by judicial retirees, judicial pension beneficiaries, and survivors under the Judges' Retirement System. Plaintiffs are seeking a declaration from the court as to what the active judicial salary was during each year of underpayment. Plaintiffs are seeking a declaration from the court as to what the active judicial salary was during each year of underpayment. A judgment in favor of plaintiffs issued in March 2016. Defendants filed a notice of appeal in May 2016.

Brody, Robert M.D.v. Harris. This case involves a complaint for declaratory and injunctive relief brought by terminally ill patients and five University of California at San Francisco physicians seeking to enjoin California's assisted suicide statute. The San Francisco Superior Court sustained defendants' demurrers without leave to amend the complaint and plaintiffs filed a notice of appeal. Our office's appellate brief is due in October 2016.

Donorovich-O'Donnell v. Harris. This case involves a complaint for declaratory and injunctive relief brought by several cancer patients and their physicians seeking to enjoin California's End of Life Options Act. The San Diego Superior Court sustained defendants' demurrers without leave to amend the complaint. Plaintiffs appealed, and the Court of Appeal issued a published

decision affirming the trial court. Plaintiffs sought review with the California Supreme Court, but review was denied.

Ahn, Sang-Hoon, Dr. v. Hestrin, Michael. Plaintiffs challenge the constitutionality of the recently enacted End of Life Option Act and its immunity from criminal prosecution. The case, in its early stages, was filed in Riverside County Superior Court and the only named defendant is the Riverside County District Attorney. The State of California, by and through the Department of Public Health, and the Attorney General have intervened in the action.

Health Quality Enforcement Section

The Health Quality Enforcement Section directs vertically enforced investigations and prosecutes disciplinary actions against licensees of the Medical Board of California. The section also prosecutes disciplinary cases for other health care boards within the Department of Consumer Affairs, including:

- Acupuncture
- Licensed Midwives
- Naturopathic Medicine
- Osteopathic Physicians
- Podiatrists
- Physician Assistants
- Physical Therapists
- Psychologists
- Respiratory Care Therapists
- Speech-Language Pathology and Audiology/Hearing Aid Dispensers

As part of its prosecutorial function, the section enforces investigational subpoenas and seeks interim license suspension orders and criminal bail restrictions on licenses to prevent imminent harm to public health, safety and welfare. The section also defends lawsuits filed against client agencies relating to their implementation of licensing and enforcement programs. As part of its vertical enforcement and prosecution functions, pursuant to Government Code section 12529.6, the section directs the investigations by the Department of Consumer Affairs, Division of Investigation, Health Quality Investigation Unit of Medical Board licensed physicians and podiatrists for alleged unprofessional conduct.

Significant cases and achievements include:

Robert Hugh Gerner, M.D. v. Superior Court Los Angeles County, et al. (Dept. of Consumer Affairs) In July 2016, the Court of Appeal dismissed Dr. Gerner’s appeal as moot because he had surrendered his medical license in an unrelated matter involving his sexual abuse of a patient. Prior to the dismissal of the appeal, the Court of Appeal had granted rehearing. The issue on appeal was whether the psychotherapist-patient privilege in Evidence Code section 1014 prevented the release of patient records to the Attorney General’s Office for the purpose of investigating whether Gerner had overprescribed Ritalin (a psychotropic drug) to a patient. The office argued that Business and Professions Code section 2225, subdivision (a), which requires the release of patient records notwithstanding “any other law” making such communications privileged, should prevail.

In the Matter of the Accusation against Lance Everett Wyatt, M.D. In June 2016, the Medical Board of California revoked the medical license of Dr. Wyatt following a twelve-day trial. Wyatt was found to have intentionally and surreptitiously video-recorded two of his female patients during post-operative breast examinations, while they were partially nude, for his own sexual gratification.

People vs. Ronald Selwyn Grusd et al. The criminal court granted the Attorney General Office’s bail restriction petition and ordered Dr. Grusd to cease and refrain from practicing medicine as his state criminal case was ongoing. Grusd has been indicted by a state grand jury on 54 felony counts involving worker’s compensation fraud and insurance fraud. Grusd is alleged to have orchestrated a scheme whereby patients were referred to other doctors in exchange for kickback payments in one of the largest fraud schemes of this type uncovered in the history of San Diego County.

In the Matter of the Accusation against Randall James Neustaedter, A.C. Following acupuncturist Neustaedter’s arrest in San Mateo County for sexually molesting a patient, numerous additional patients came forward and reported he had also sexually molested them. Neustaedter was criminally charged with felonies for sexual battery, sexual penetration, and victim dissuasion. On behalf of the Acupuncture Board, in February 2016, the Attorney General’s Office obtained an Interim Suspension Order prohibiting him from practicing acupuncture, alleging that Neustaedter sexually molested multiple patients, including a child, and that he used threats or harassment who had provided evidence in the criminal matter. Our office obtained the surrender of his license.

In the Matter of Petition for Interim Order of Suspension Against Thomas Machos, Ph.D. In April 2016, the Attorney General’s Office obtained an interim order of suspension against Dr. Machos, a psychologist, to cease and refrain from practicing psychology in California pending the resolution of an accusation filed by the executive officer of the Board of Psychology. Dr. Machos was convicted of three counts of indecent exposure and one count of vandalism. Dr. Macho practiced child psychology and had worked as a school district psychologist in Ventura County.

In The Matter of the Accusation Against Barry Lefkovitch, M.D. Dr. Lefkovitch, a Thousand Oaks family doctor, was convicted in April 2015 of sexually abusing three female patients. The Board successfully revoked his medical license on the ground that the license be revoked

immediately once he was required to register as a sex offender, even though the doctor was still in prison. The administrative law judge and agency found that the trigger for revocation under the statute is the requirement of registration, not the actual registration.

Licensing Section

The Licensing Section protects integrity in business and professions by providing legal services to regulatory agencies created to protect consumers from harm from more than one million licensed businesses and professionals who operate in California. The clients of the Licensing Section are responsible for the regulation of:

- Accountants
- Architects and Landscape Architects
- Automotive Repair Shops and Smog Technicians
- Barbers, Cosmetologists and Estheticians
- Boxers, Martial Arts Fighters and Promoters
- Cemetery and Funeral Businesses
- Certified Access Specialists
- Chiropractors
- Contractors
- Court Reporters
- Dentists, Dental Assistants and Hygienists
- Electronic and Appliance Repair persons
- Engineers
- Fiduciaries
- Geologists and Geophysicists
- Harbor Pilots
- Home Furnishings Suppliers
- Land Surveyors
- Marriage and Family Therapists and Social Workers
- Occupational Therapists

- Optometrists and Opticians
- Pest Exterminators
- Pharmacists and Pharmacies
- Private Investigators, Security Guards, Locksmiths and Repossessors
- Private Postsecondary Educational Institutions
- Public School Teachers
- Psychiatric Technicians
- Real Estate Appraisers
- Service Dog Trainers
- Registered and Vocational Nurses
- Shorthand Reporters
- Veterinarians, Veterinary Technicians and Assistants
- Yacht and Ship Brokers

Significant cases and achievements include:

Sternberg v. California State Board of Pharmacy. The Board of Pharmacy brought a disciplinary action against the pharmacist-in-charge of a Target pharmacy after a pharmacy technician stole 216,630 tablets of Norco (a combination product subject to a high rate of abuse that contains acetaminophen and the controlled substance hydrocodone) from the pharmacy over an 18-month period. On appeal, the pharmacist argued that despite being the designated pharmacist-in-charge for the Target pharmacy, he should not be subject to individual license discipline for the thefts because he was unaware of the pharmacy technician's misconduct. In a published opinion in August 2015, the Court of Appeal disagreed, explicitly finding the pharmacist strictly liable for the pharmacy technician's misconduct.

Cemetery and Funeral Bureau v. California Master Trust (CMT). The California Master Trust holds in excess of \$65 million for 27,000 consumers' pre-need funeral services and was charged with unlawful control of the preneed funeral trust, unauthorized payments of administrative fees and expenses, and numerous other violations. Through coordinated superior court proceedings completed in June 2015, a court order was issued to reform the trust's governing instruments and approve the appointment of a new trustee selected by the Bureau. Through settlement agreements with 16 parties, the bureau also enjoined further management of funeral trusts by various defendant banks and funeral industry groups and obtained restitution of over \$2.1 million dollars.

California Board of Pharmacy Accusation Against IV Solutions, Incl. The Board of Pharmacy filed an accusation against IV Solutions, Inc., a Los Angeles based pharmacy that specializes in home infusion services, alleging multiple violations of Business and Professions Code, including moral turpitude relating to its billing practices, unlawfully obtaining dangerous devices, noncompliant refilling of controlled substances and making false documents. In its decision after reconsideration, following 23 days of hearing, the board upheld the administrative law judge’s findings that respondent acted with “repeated disregard for professional, ethical and honest practices” in revoking its pharmacy permit license and ordered payment of more than \$100,000 in costs for enforcement.

California Board of Accountancy Accusation Against Ernst & Young LLP. The California Board of Accountancy in 2015 adopted a stipulated settlement in resolving an accusation against respondent Ernst & Young LLP, a “Big 4” accounting firm. The accusation charged Ernst & Young with violating auditing standards set by the Public Company Accounting Oversight Board (PCAOB) in its audit of Medicis Pharmaceutical Corporation, an Arizona-based pharmaceutical manufacturer, in which PCAOB also imposed sanctions. The board further charged Ernst & Young with violating independence rules in connection with lobbying services provided by the firm to three of its Securities and Exchange Commission (SEC) registrant clients, in which the SEC also imposed penalties. The stipulated settlement and disciplinary order provides that Ernst & Young’s license to practice accounting in California is suspended for 30 days, with the suspension stayed, and probation imposed for 18 months. Ernst & Young will also pay the board a monetary penalty of \$600,000 and its full enforcement costs up to \$100,000.

Bureau for Private Postsecondary Education Accusation Against Corinthian Colleges, Inc., dba Everest College and WyoTech. In 2015, following action taken and lawsuits filed against predatory for-profit Corinthian Colleges by the Attorney General and the U.S. Department of Education for misrepresenting job placement rates and other violations of law, it became apparent to the Bureau for Private Postsecondary Education, which licenses private postsecondary educational institutions in California, that Corinthian was becoming insolvent. Corinthian operated 11 Everest College and two WyoTech campuses in California. In 2015, Corinthian failed to: 1) refund tuition to students for classes discontinued prior to completion of their educational programs; 2) provide notice of intent to close schools and a closure plan; 3) provide the bureau with pertinent student records, including transcripts, prior to closure of the institutions; and 4) provide financial statements upon request to the bureau. In April 2015, the bureau issued an emergency decision, requiring Corinthian to cease enrollment of new students in all programs at the Everest College and WyoTech campuses. The bureau subsequently filed an accusation against Corinthian, who defaulted at the time of the hearing on January 20, 2016. Default proceedings are pending, which will likely to lead to the revocation of permits to operate all California institutions owned by Corinthian.

Opinion Unit

The Opinion Unit prepares and distributes formal written opinions in response to legal questions from legislators, state agencies, district attorneys, county counsel, city prosecutors, and county sheriffs. The unit also responds to requests for permission to bring quo warranto actions (disputes

over the right of public office-holders to serve their term). Opinions published by the Attorney General may be cited by courts as persuasive authority.

Of the opinions issued during the biennial period, the following are of particular interest:

Opinion 12-401, 98 Ops.Cal.Atty.Gen. 54 (2015)

Penal Code section 832.7, subdivision (a), does not authorize a district attorney, for the purpose of complying with the U.S. Supreme Court’s ruling in *Brady v. Maryland*, to directly review the personnel files of peace officers who will or are expected to be prosecution witnesses.

Opinion 12-409, 99 Ops.Cal.Atty.Gen. 35 (2016)

Government Code section 1090 prohibits an arrangement under which a contract city attorney’s compensation for providing the city with additional “bond counsel” services is based on a percentage of the city’s bond issuances.

Opinion 13-304, 99 Ops.Cal.Atty.Gen. 1 (2016)

It is unlawful for a school district to enter into an agreement with a municipal finance firm to receive pre-bond-election services (of any sort) in return for giving the finance firm an exclusive contract for bond-sale services.

Opinion 15-402, 98 Ops.Cal.Atty.Gen. 12 (2015)

In order to have “state action” immunity from antitrust suits, a state official must review the substance of a regulatory decision made by a state licensing board and determine whether the decision actually furthers a clearly articulated state policy to displace competition with regulation in a particular market. Measures that might be taken to guard against antitrust liability for board members include changing the composition of boards, adding lines of supervision by state officials, and providing board members with legal indemnification and antitrust training.

Tort and Condemnation Section

The Tort and Condemnation Section defends the state, its agencies, departments and employees in civil actions for personal injury, wrongful death, property damage and civil rights claims brought in state and federal courts. The section handles litigation pertaining to:

- Civil-rights claims brought under 42 U.S.C. § 1983.
- Public entity and public employee liability under the Government Claims Act for dangerous condition of public property, breach of statutory duty and negligence.
- Defense of law enforcement officers and agencies.
- Automobile, boat and aircraft accidents.

The section also prosecutes matters relating to the acquisition of real property for public purposes (eminent domain) and defends against claims that a public project resulted in the taking

or damaging of private property (inverse condemnation). The section also handles complex construction arbitration.

Significant cases and achievements include:

Angelotti Chiropractic v. Baker. The section represents Christine Baker, Director of the California Department of Industrial Relations, in an appeal of the district court's preliminary injunction in an action challenging the state's imposition of an activation fee on pre-existing workers' compensation liens. The Ninth Circuit reversed and the preliminary injunction has been dissolved. Plaintiffs' petition for a writ of certiorari was denied by the U.S. Supreme Court in May 2016.

Adams v. Department of Fish and Wildlife. The Attorney General's Office represents the Department of Fish and Wildlife in this action arising out of the 2007 Pike Eradication Project undertaken at Lake Davis in Portola. The project was to eliminate and prevent invasive pike from entering into the San Joaquin Delta watershed and threatening fragile trout and salmon populations. There are 28 plaintiffs and the matter was bifurcated, with the City of Portola's case being tried in October 2015. Two years prior to trial, the department made an offer to settle for \$100, which the city did not accept. After a 12-day trial, the jury returned a defense verdict finding that although the department was negligent in the manner in which it restocked the lake after the eradication project, that negligence did not cause the city any harm. The department was awarded \$35,000 in costs and \$235,000 in expert witness fees and the city has filed an appeal. Our office is in the process of scheduling the remaining 27 plaintiffs' cases.

Aguirre. v. Department of Toxic Substances Control. This lawsuit was brought by 657 individuals against the Department of Toxic Substances Control (DTSC), which the Attorney General's Office represents, for personal injuries and property damage caused by releases of lead, arsenic and other toxic substances from a battery recycling plant owned and operated by Exide Technologies (Exide). Plaintiffs allege that DTSC failed to adequately regulate Exide's operation of the plant and allowed Exide to release toxic substances into the environment. Among other things, plaintiffs complain that DTSC allowed Exide to operate the plant for many years under a temporary permit known as an "Interim Status Document." Plaintiffs assert causes of action against DTSC for breaches of mandatory duties under federal and state law, and for violation of their substantive due process rights under the California Constitution. Exide filed a Chapter 11 Bankruptcy Petition in June 2013 and closed the plant in April 2015. DTSC is currently undertaking an investigation on the level of contamination, including analyzing blood samples from residents and testing properties around the plant. The state allocated \$176.6 million for DTSC to investigate and remediate the contamination from the Exide plant. Several other lawsuits against the Exide officers and plant managers are ongoing.

Department of Mental Health v. Superior Court (Novoa). Plaintiff's sister was raped and murdered by a convicted rapist shortly after his release from prison. Plaintiff alleged that the Department of Mental Health (DMH) violated its mandatory duty under Jessica's Law to have two mental health professionals to evaluate this sexual violent predator and refer the matter to the district attorney. In 2015, the California Supreme Court held that while DMH had a mandatory duty to assign two mental health professionals to evaluate the rapist, the failure to do

so was not the proximate cause of the crime. Even if independent evaluations found the perpetrator to be a sexually violent predator, the district attorney has independent discretion on whether to seek commitment and would have to prevail at a commitment hearing before an individual could be confined.

State of California v. Underwriters At Lloyds; State of California v. Continental Ins. Co. These related cases are insurance coverage actions against the state's former excess insurers seeking indemnity against the state's adjudicated liability for the cleanup of the Stringfellow Acid Pits, a Superfund site in Riverside County. The site, which opened in 1956, accepted 35 million gallons of toxic waste that eventually contaminated underlying aquifers before it was closed in 1972. Judgment against the state in a related CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) action was entered in 1999, holding the state 100 percent responsible for the remediation of the site, at an estimated cost of \$700 million. The state brought suit against all 35 participants in its master excess liability insurance program by which the state managed its risk from 1963 to 1978. A jury rejected the insurers' affirmative defenses and held the defendant insurers in breach in a 2005 trial. Subsequently, the case produced two landmark Supreme Court decisions (*State v. Underwriters* (2009) 45 Cal.4th 1008; *State v. Continental Ins. Co.* (2012) 55 Cal. 4th 88) which overturned precedent obstructing the funding for remediation of contaminated sites such as Stringfellow. To date the action has recovered \$162 million in insurance proceeds from the defendant insurers. A final piece of the litigation remains active against defendants Continental Insurance Company and Harbor Insurance Company. These defendants are appealing a judgment awarding the state \$14 million in interest for wrongfully withholding timely payment of their policies.

Property Reserve v. Superior Court. The Attorney General's Office represents the Department of Water Resources (DWR) in eminent domain actions supporting a project designed to develop a canal or tunnels to move water from the Sacramento-San Joaquin Delta to Central and Southern California. As part of the conveyance project, DWR sought to enter parcels of private property near where the conveyance would be constructed and conduct certain environmental and geological tests. Many property owners refused DWR's request to enter their property to conduct its studies and litigation ensued. In an opinion issued in July 2016, the California Supreme Court upheld the precondemnation entry statutes, a portion of the California Eminent Domain Law which allows public entities to enter upon private property to conduct feasibility studies for a contemplated public project, holding that these provisions authorized the Department of Water Resources to conduct environmental and geological studies and testing for a possible water conveyance facility through or around the Sacramento-San Joaquin Delta. It reversed the Court of Appeal's opinion that had held that the proposed entries constituted "takings" under the Just Compensation Clause, a significant victory for the state and other public entities.

Committee to Protect Our Agricultural Water v. Occidental Oil and Gas Corporation. The section, in conjunction with the Land Law Section of the Public Rights Division, represents the Governor, the Department of Conservation, the Division of Oil, Gas and Geothermal Resources, and the former directors of both agencies in a federal action brought by a group of Kern County farmers. The farmers assert a civil rights and Racketeer Influenced and Corrupt Organizations

Act (RICO) claim based on allegations of a conspiracy with oil companies to improperly permit underground injection of wastewater into oil wells in violation of the Safe Drinking Water Act.

State of California v. Superior Court (Alvarado). The Freeway Service Program, authorized by statute, seeks to free the roads of traffic impediments by allowing local transportation agencies to contract with towing companies to assist stranded motorists. The California Highway Patrol (CHP) oversees the program, performing background checks, training drivers, inspecting vehicles, dispatching drivers, and investigating complaints. Plaintiff was severely injured when her vehicle was rear-ended by a tow truck contracted for the Freeway Service Patrol program. The California Supreme Court held that the statutes creating the program did not intend for the CHP to be the “special employer” of the tow truck drivers in the program for purposes of vicarious liability. The Supreme Court recognized, however, that the statutes authorized CHP to directly contract with towing companies, and, therefore, remanded the case to the trial court to determine any other factual basis for the claim against CHP.

DIVISION OF CRIMINAL LAW

The Criminal Law Division represents the People of the State of California in criminal cases, as mandated by both the constitution and statute. The majority of the division's work involves criminal appeals and writs. The division also investigates and prosecutes investment fraud, business and technology crimes, privacy issues, Medi-Cal fraud, and elder abuse. In addition, the division has a unit dedicated to serving the victims of crime.

The Criminal Law Division consists of the following sections:

- Appeals, Writs and Trials Section
- Correctional Writs and Appeals Section
- eCrime Unit
- Financial Fraud and Special Prosecutions Section
- Bureau of Medi-Cal Fraud and Elder Abuse
- Victims Services Unit

Appeals, Writs and Trials Section

The Appeals, Writs and Trials Section (AWT) carries out the following functions:

- Represents the People in all appeals and writs arising from criminal cases. AWT handled more than 13,000 criminal appeals and more than 2,500 writs during the biennial period.
- Handles criminal trials and investigations where local prosecutors cannot proceed because of conflicts or recusal.
- Advises the Governor on extradition and clemency matters. Provides advice to local, state and federal law enforcement and prosecutorial agencies, and to state legislators regarding the state's criminal laws.

Significant cases and achievements include:

Johnson v. Lee. The U.S. Supreme Court upheld a longstanding California rule that prevents criminal defendants from bypassing appeal in favor of habeas corpus. In May 2016, the U.S. Supreme Court granted the Attorney General's petition for writ of certiorari and summarily reversed the Ninth Circuit involving application of California's rule of *In re Dixon* (1953) 41 Cal.2d 756, that precludes a defendant from raising a claim for the first time on habeas corpus if it could have been raised on direct appeal. Kay Lee murdered her boyfriend's mother and ex-wife. After losing her state appeal, she attempted to raise new claims on habeas corpus. The California Supreme Court denied her petition, citing *Dixon*. The Ninth Circuit found the *Dixon* procedural default inadequate to preclude federal habeas review despite evidence that it is invoked in about 12 percent of habeas cases. In its unanimous per curiam opinion, the Court

concluded, “The Ninth Circuit’s decision profoundly misapprehends what makes a state procedural bar ‘adequate,’” noting that every state and federal court employ a similar rule.

Sirhan v. Galaza. The Attorney General’s Office successfully resisted a writ by Sirhan Sirhan seeking a new trial. Sirhan assassinated presidential candidate Robert Kennedy in June 1968. In May 2000, he filed a petition for writ of habeas corpus in the federal district court, primarily alleging prosecutorial misconduct and ineffective assistance of trial counsel. Our office filed a motion to dismiss on the grounds that the petition was untimely and the claims were procedurally defaulted. Sirhan opposed the motion arguing, among other things, that he was innocent because he was acting under hypnotic programming during the shooting and a second shooter actually killed Kennedy. In January 2015, after filing numerous pleadings over a 15-year span, the district court dismissed the petition as untimely. In March 2016, the Ninth Circuit declined a certificate of probable cause to allow him to appeal.

Jones v. Chappell. The Ninth Circuit rejected a challenge to the constitutionality of California’s death penalty. Ernest DeWayne Jones was sentenced to death for the rape and murder of Julia Miller. The California Supreme Court upheld his conviction and sentence on appeal and denied habeas corpus relief. In 2010, Jones filed a federal habeas corpus petition. In April 2014, the federal district court ordered Jones to amend his federal petition to include a claim that delay and uncertainty in the prospect of execution being carried out violated the Eighth Amendment. In July 2014, the district court granted relief on this claim. The Attorney General’s Office appealed that decision to the Ninth Circuit. In November 2015, two judges found the claim improper because it presented a novel constitutional claim that could not be applied for the first time to Jones and the third judge found the claim improper because it had not been exhausted in the California Supreme Court. The Ninth Circuit denied Jones’s petition for rehearing and rehearing en banc in February 2016.

People v. Bascue. The Attorney General’s Office successfully prosecuted a retired judge and prosecutor for assault with a firearm. In June 2015, James Bascue, former Chief Deputy District Attorney for Los Angeles County and a former Presiding Judge for Los Angeles Superior Court, called police to his home because of an alleged intruder. Police went to the home and Bascue appeared intoxicated, unresponsive to police, and waving firearms. He fired two shots in the direction of officers and eventually surrendered. The office handled the case in view of Bascue’s former position in the District Attorney’s Office and in January 2016, Bascue entered a no contest plea to felony assault with a firearm. Pursuant to the plea agreement, Bascue will be on formal felony probation for five years, with various terms, including community service, alcohol treatment sessions, and refraining from gun possession and drug/alcohol consumption. Bascue also waived any right to request reduction to a misdemeanor or dismissal/expungement.

Taylor v. Cate. The Attorney General’s Office helped obtain resentencing for a defendant who was incorrectly sentenced to life in prison without parole. In 1987, while attempting to rob a Pioneer Chicken restaurant, Ronald Taylor and an accomplice killed the owner and fled without taking any money. Taylor was arrested, while his accomplice evaded apprehension. At trial, the prosecution proceeded on the theory that Taylor was the shooter and the other man acted only as the lookout. Taylor was convicted of special-circumstances murder—a verdict that was necessarily predicated on his having been the shooter—and was sentenced to life in prison

without parole. Years later, Taylor confessed that he was involved in the holdup, and named his cousin as the shooter. After investigation, police and prosecutors agreed that Taylor had acted as the lookout, not the shooter. With the assent of the district attorney and the Attorney General's Office, the trial court struck the special-circumstance finding and resentenced Taylor as an aider and abettor to a term of 25 years to life. Taylor challenged the resentencing in state and federal court, arguing that, in the absence of the special circumstance, his conviction was entirely invalid because the jury had not found him guilty as an aider and abettor. A divided panel on the Ninth Circuit agreed and granted Taylor a petition for writ of habeas corpus. Our office successfully sought en banc rehearing. In January 2016, the en banc court unanimously reversed the panel decision, concluding that Taylor's reduced sentence was supported by the jury's verdict and stated, "We affirmatively commend the Los Angeles District Attorney and the state for their support of Taylor's resentencing. But for their efforts, it seems likely that Taylor would still be subject to a sentence of life without parole." Taylor's certiorari petition is pending in the U.S. Supreme Court.

Spector v. Diaz. In 2013, record producer Phil Spector shot and killed actress Lana Clarkson in his Alhambra mansion, leading to a highly publicized trial in Los Angeles. After a hung jury in the first trial, Spector was retried and convicted of second-degree murder and sentenced to 19 years to life in prison. The Court of Appeal affirmed the conviction. In 2012, Spector filed a petition for writ of habeas corpus in federal court, challenging his state-court conviction. In July 2015, the district court denied the petition. The court rejected Spector's claims that the trial prosecutor committed misconduct and that his constitutional rights were violated by the admission at trial of a video recording from prior court proceedings. Spector's request for a certificate of appeal ability is pending in the Ninth Circuit.

Davis v. Ayala. The Attorney General's Office prevailed in the U.S. Supreme Court in another important case involving the interplay of state and federal courts in the review of criminal convictions. In 1985, Hector Ayala murdered three people while attempting to rob a San Diego auto body shop. During jury selection, Ayala claimed the prosecutor was impermissibly excusing potential jurors on account of their race. The judge heard the prosecutor's reasons for the excusals outside the presence of Ayala's counsel and denied Ayala's motion to dismiss the jury panel. The California Supreme Court found that if the judge erred when he heard the prosecutor's reasons in camera, that any error was harmless beyond a reasonable doubt. Over a quarter of a century after the murders, the Ninth Circuit vacated Ayala's death judgment because it concluded that the California Supreme Court unreasonably applied the federal harmless error standard. In June 2015, the U.S. Supreme Court reversed the Ninth Circuit, holding that the California Supreme Court reasonably found any error to be harmless—thus avoiding an unnecessary retrial and upholding the integrity of California's criminal justice system. The Court clarified the standards federal courts must follow to evaluate and uphold state court findings that constitutional errors are harmless.

People v. Wright. The Court of Appeal upheld the convictions of former California State Senator Roderick Wright for filing a false declaration of candidacy, two counts of perjury, and five counts of fraudulent voting. Wright signed documents and voted based on claims of domicile in a place where he did not live. In May 2015, the court affirmed the convictions, and rejected claims of instructional error, prosecutorial misconduct, and insufficient evidence. The court also held

that, at the time Wright signed his declaration of candidacy, there was an enforceable residency requirement for statewide office in the California Constitution.

People v. Zellerbach. Paul Zellerbach, Riverside District Attorney, and a former superior court judge, sought reelection to a second four-year term in 2014. Zellerbach, while riding with an aide on county time in a county-issued SUV, uprooted an opponent's sign in Indio and replaced it with his own sign. In January 2015, Zellerbach pled no contest to misdemeanor vandalism and was sentenced to probation, fined more than \$1,000, and ordered to make restitution and perform community service.

People v. Goodwin. The Attorney General's Office successfully defended the murder convictions for the 1988 killings of Mickey Thompson, a famous race car driver and land speed record-holder, and his wife Trudy, who were gunned down execution-style in front of their residence. The shooters were never found, but suspicion rested on race-promoter Michael Goodwin, who blamed Thompson for a failed business venture and had made numerous death threats. Based on new evidence in 2001, the Los Angeles District Attorney charged Goodwin and eventually obtained first-degree murder convictions with special circumstances. In January 2015, the Court of Appeal affirmed in a 164-page opinion, rejecting numerous claims, including challenges to the denial of recusal motions, unjustified delay in prosecution, improper admission of evidence, and prosecutorial misconduct.

Correctional Writs and Appeals Section

The Correctional Writs and Appeals Section (CWA) is responsible for the following:

- Defending the policies and actions of prison officials.
- Ensuring that convicted felons properly serve their sentences under the conditions prescribed by law.
- Defending against legal challenges brought by inmates, juvenile offenders, and parolees about conditions of confinement in prisons and state juvenile facilities, parole suitability, and conditions of parole.
- Defending quasi-class action lawsuits by groups of inmates seeking to invalidate a prison regulation or effect change in the parole system.
- The section handled more than 3,000 writs filed by prison inmates during the biennial period.

Significant cases and achievements include:

Johnson v. Shaffer. The Attorney General's Office achieved a settlement that increases the frequency of psychological assessments for inmates. Plaintiff, a life-term inmate seeking release on parole, filed a class-action lawsuit against the executive officer of the Board of Parole Hearings alleging that procedures governing the preparation of psychological risk assessments, which the Board considers as part of the parole-suitability process, are unlawful. The parties

reached a settlement agreement that requires risk assessments be prepared every three years, instead of every five. The court approved the settlement and will retain jurisdiction over the action until January 1, 2017, subject to allowing plaintiffs to seek an extension based on evidence of non-compliance with the agreement.

Gilman v. Brown. The Attorney General’s Office successfully resisted challenges to lawsuits challenging two propositions governing parole. The Ninth Circuit, in a published decision, reversed a district court order that granted relief to plaintiffs, a certified class of life-term inmates, following a civil rights bench trial. Plaintiffs challenged Propositions 89 and 9 on ex post facto grounds. Proposition 89, enacted in 1988, allows the Governor to reverse a parole grant by the Board of Parole Hearings. Proposition 9, enacted in 2008, lengthened the time period the Board of Parole could defer a subsequent parole-suitability hearing following a parole denial. Following 11 years of litigation, the Ninth Circuit held legal precedent precluded relief on the Proposition 89 challenge and that the district court’s findings regarding Proposition 9 were clearly erroneous. Plaintiffs were not entitled to relief because they failed to show that Proposition 9 significantly increased the risk of prolonging their incarceration.

Kernan v. Hinojosa. The U.S. Supreme Court reversed a Ninth Circuit decision implicating good time credits for inmate gang members. In a 6-2 per curiam opinion, the U.S. Supreme Court granted the Attorney General’s petition for certiorari and reversed the Ninth Circuit, which had held in a habeas corpus proceeding that a 2010 statute barring inmate gang members from earning future good-time credits violated the ex post facto clause as applied to inmates who committed crimes before 2010. The Ninth Circuit presumed that the California Supreme Court’s unexplained decision denying Hinojosa’s ex post facto claim rested on the same grounds of the superior court’s denial—improper venue—and, therefore, was not a decision on the merits subject to the Antiterrorism and Effective Death Penalty Act’s (AEDPA) deferential standard of review. The Supreme Court reversed, holding that “[i]mproper venue could not possibly have been” the basis for the California Supreme Court’s summary denial because there is only one state supreme court “and thus only one venue.” As such, the decision was on the merits requiring AEDPA review, which required denial of the inmate’s claim.

In re Busch. The Court of Appeal clarified the scope of information that may be considered by the Governor in parole reviews. Busch was convicted of the second-degree murder of his two-year-old stepdaughter in 1989. Over the years, Busch steadfastly maintained his innocence of the crime. In 2014, the Governor reversed the board’s decision granting Busch parole. In a unanimous published decision, the Court of Appeal upheld the Governor’s decision, including the facts and circumstances of the crime, Busch’s lack of insight and acceptance of responsibility for the crime in light of his implausible denial of guilt, and negative aspects of the psychological assessment that expressed safety concerns if Busch was not being truthful about the crime. The court also noted that evidence it found inadmissible during Busch’s appeal of his conviction was properly considered by the Governor because the prior decision did not find the evidence unreliable, nor did it specifically preclude its use in future parole proceedings. Additionally, the court held that the Governor’s decision did not violate Penal Code section 5011 (which prohibits the

parole authority from denying parole based on a lack of an admission of guilt) because, although Busch proclaimed his innocence, his version of events was implausible.

eCrime Unit

The eCrime Unit is responsible for the following:

- Investigating and prosecuting multi-jurisdictional criminal organizations, networks, and groups that perpetrate identity theft crimes, use electronic devices or networks to facilitate crimes, or commit crimes targeting electronic devices, networks or intellectual properties.
- Providing investigative and prosecutorial support to five California regional high-tech task forces funded through the High Technology Theft Apprehension and Prosecution Trust Fund (HTTAP) Program.
- Providing investigative, legal, and prosecutorial support for technology crime investigations in rural counties that are not represented by HTTAP-funded task forces.
- Coordinating out-of-state technology-crime investigations.
- Supporting technology-crime investigations initiated by other California state agencies.
- Providing legal support for state-operated digital forensic laboratories.
- Providing training for judges, prosecutors, law enforcement officers, and the public on the importance of best information-security practices and evolving technology-related crime issues.

The eCrime Unit was created in 2011 and delivers on its mission to investigate and prosecute advance technology crimes. During the biennial period, the Unit accepted 78 matters that included investigations, investigative referrals, and case referrals. The Unit filed 29 criminal cases and referred two cases for prosecution by a local district attorney's office and secured restitution for victims in excess of \$5.7 million. During the biennial period, the Unit, working with the DOJ Bureau of Investigation, continued to make national news in tackling crimes addressing cyber exploitation crimes.

Significant cases and achievements include:

Technology Crime and Privacy Training. The Unit has provided more than 43 training programs on technology crime and privacy issues and collaborated with the Peace Officers Standards and Training (POST) Commission to design and produce a series of cyber exploitation training videos. The Unit also collaborated with the Appellate and Training Unit of the Orange District Attorney's Office to produce a series of four training videos on an instructional overview of CalECPA (Senate Bill 178) and a more detailed look at select provisions of this new law. These videos were released on December 30, 2015, and have over 4,400 views.

People v. Meyering. In June 2015, Casey Meyering, the operator of a cyber exploitation website which posted intimate images of victims without their consent, WinByState.com, was sentenced

to three years in jail. In May 2015, Meyering pled no contest to one count of extortion, three counts of attempted extortion, and one count of conspiracy.

People v. Evens. In June 2015, the operator of a cyber exploitation hacking scheme, Charles Evens, who coordinated the hacking of over 300 email accounts, pled guilty to disruption of computer access. He used a social engineering scheme, deceiving Gmail account holders into providing their recovery code by posing as a Facebook friend. Once in possession of their recovery code, Evens changed the recovery email to one of three email accounts under his control, giving him access to the victim's Gmail account and any other accounts associated with that Gmail account. According to public statements, he used this unauthorized access to steal intimate images and access other personal content and sold the files to another suspect to post on a cyber exploitation website for amounts up to \$900.

People v. Bollaert. In April 2015, following a felony conviction, Kevin Bollaert was sentenced to eighteen years for operating a website called www.ugotposted.com, which allowed the anonymous, public posting of nude or explicit photographs without the individual's permission and included the individual's full name, location, age and a link to their Facebook page. Bollaert also extorted victims by charging \$250 to \$350 to remove the content. This case marked the first-ever criminal prosecution of an operator of a cyber exploitation website.

New Online Resource Hub for Victims, Tech Companies, and Law Enforcement. In addition to securing first-in-the-nation criminal convictions of operators of cyber exploitation websites, the Attorney General's Office worked with technology companies, law firms, law enforcement, victims' rights advocates, and other stakeholders, as well as DOJ's Information Support Bureaus, to develop a first-of-its-kind online resource hub on cyber exploitation in October 2015. The site includes helpful tools for victims, the technology industry and law enforcement agencies to combat cyber exploitation and includes information graphics with steps individuals can take after being a victim of cyber exploitation. In addition, the site compiled the first-ever comprehensive collection of major technology platforms' privacy policies, links to report improper use of intimate images, and how to request images be removed from social media sites and online search engines.

Robbery of \$37 Million in Flash Memory Chips. The eCrime Unit resolved the 2011 takeover robbery at the corporate headquarters of Unigen, in which 15 armed men bound and gagged employees and stole \$37 million in flash memory chips. Law enforcement recovered 98 percent of the stolen chips and ten defendants entered felony pleas, with the principal defendants being sentenced to 15 to 25 years in state prison.

People v. Rahim. The eCrime Unit investigated, filed and resolved *People v. Rahim*, where defendants defrauded Cisco Systems, Inc. in a scheme to fraudulently obtain \$4.2 million in warranty replacement equipment from Cisco and then sell the equipment. The primary defendant was sentenced to six years in state prison and ordered to pay over \$3.1 million in restitution.

People v. Lewis. Thirty-two members of the Baby Insane Crips Gang were indicted for filing false tax returns in 2011 and 2012, following a three-year investigation. The Attorney General's Office is prosecuting the case. The indictment focused on 140 incidents in which 32 gang

members obtained \$4,000 or more per filing using stolen social security numbers; losses exceed \$3.2 million. To date, 28 of the 32 defendants have been arrested and 15 have pled guilty.

Financial Fraud and Special Prosecutions Section

The Financial Fraud and Special Prosecutions Section has statewide responsibility to investigate and prosecute complex, inter-jurisdictional criminal cases occurring in California, primarily related to financial, securities, mortgage and environmental fraud; public corruption, including violations of the California Political Reform Act; “underground economy” offenses investigated by the Tax Recovery and Criminal Enforcement Task Forces, including tax and tobacco and other forms of revenue frauds, counterfeiting, and frauds perpetrated against workers; transnational organized crime; human trafficking; and crimes within the scope of the Attorney General’s Bureau of Children’s Justice. The section deploys vertical teams of prosecutors, investigators, auditors, and paralegals and provides assistance to law enforcement, training, education, and outreach.

Significant cases and achievements include:

People v. Tuig. Lambert Vander Tuig created the Carolina Development Company (CDC) ostensibly to build luxury homes on golf courses. From 2001 to 2006, CDC salespeople falsely told investors that Arnold Palmer was a partner, that its stock was going to be sold publicly, and that investors would receive dividends. In truth, Arnold Palmer had threatened to sue CDC for using his name, CDC took no substantial steps to sell stock, and the company had no profits to pay dividends. Ultimately, the scheme bilked hundreds of investors of more than \$50 million. The Attorney General’s Office obtained indictments against six defendants who eventually pled guilty before trial commenced. All defendants were convicted and sentenced between 2014 and 2016. CDC President Vander Tuig and Vice President Jonathan Carman were convicted of 85 counts of securities fraud and grand theft, sentenced to 20 and 12 years in prison, respectively, and ordered to pay \$50 million in restitution. Sales Manager Scott Yard was sentenced to six years prison and the remaining defendants received probation.

United States v. Tikal. Alan Tikal operated an extensive mortgage rescue scheme targeting distressed homeowners throughout California. He convinced his victims, many of whom were non-English speaking, that he was a private banker with an enormous line of credit, and that he would buy their mortgages and secure new loans with a lower balance. He told homeowners to ignore their lenders. While distressed homeowners slipped further into debt, many losing their homes to foreclosure, Tikal and his associates collected over \$5.8 million from more than 1,000 victims, spending the money on travel and luxury items. At trial in federal court in 2015, Tikal was found guilty of 11 counts of mail fraud and one count of money laundering and sentenced to 24 years in federal prison. Two of Tikal’s associates were also convicted and other defendants are serving lengthy prison sentences.

People v. Wolfe. During the real estate crisis, Eric Wolfe, Jackalyn Bashara, and other associates tricked distressed homeowners into transferring their homes to entities controlled by defendants. Homeowners were charged rent or evicted while mortgages went unpaid. Defendants also presented fake short-sale offers to banks, sold the homes at fair market value, and pocketed the difference. The DOJ’s Bureau of Investigation undertook a three-year investigation with the U.S.

Department of Housing and Urban Development and other state, local, and federal agencies. Eleven defendants were indicted for conspiracy, grand theft, mortgage fraud, filing false documents, forgery, perjury, criminal threats, preparing false evidence, tax evasion, bribery, intimidating a witness, and burglary. The lead defendants, Wolfe and Bashara, pled guilty to 22 and 20 felonies respectively. Wolfe will serve 16 years in prison under the terms of his plea, and Bashara was sentenced to 10 years in prison.

People v. Lester and Laferte. After a lengthy jury trial, defendants Phillip Lester and Susan Laferte, CEO and CFO of Gold Country Lenders, were convicted in 2015 of 57 and 35 felony counts, respectively, of securities fraud and defrauding elders. Gold Country operated as a real estate company in Grass Valley that engaged in a pattern of fraud for more than eight years. Defendants failed to inform victims that land they purchased was toxic, that defendant Lester was a partner in the company borrowing money for development projects, or that the defendants set their own, highly inflated appraisal values on the investment properties. The defendants used investor money to perpetuate the scam by purchasing a prestigious golf course and country club where Lester resided. The California Division of Corporations and the Bureau of Real Estate assisted in the prosecution.

People v. Lee and Loi. Acucare Oriental Massage operated as a front for a brothel where young Asian women were sold for commercial sex and rotated to other brothels. When authorities became suspicious, defendant Jimmy Lee gave his business partner, Tom Loi, cash to pay off an Emeryville police captain posing in an undercover capacity as a corrupt officer. Lee and three other defendants were arrested and charged with conspiracy, pimping, pandering, bribery, and tax fraud. Lee pled to conspiracy, bribery and tax fraud and was sentenced to 10 years in prison and ordered to pay restitution, and Loi was sentenced to seven years in prison.

People v. Action Metals and Sales Inc. Action Metals and Sales was a large certified recycling center in the City of Wilmington, authorized to accept aluminum cans and plastic bottles for California redemption value. The company redeemed millions of pounds of ineligible aluminum cans at their recycling center and systematically disregarded numerous regulations to safeguard the recycling program, thereby defrauding the State of California. Following trial, Action Metals and Sales was found guilty of conspiracy, grand theft and recycling fraud, and ordered to paid \$1.8 million in restitution. The case was investigated by the Attorney General's Office, with the assistance of CalRecycle and the Los Angeles County Sheriff's Department.

People v. Walsh. For over four years, Walsh sold big rig tow trucks to Californians, ostensibly from his headquarters in Oregon. Walsh represented to buyers that he would pay sales taxes to the Board of Equalization (BOE) and register the purchased trucks. On over 130 vehicles, averaging a cost of more than \$200,000 each, Walsh pocketed the sales taxes and significantly underreported the true price of the trucks to the Department of Motor Vehicles (DMV). Following a two-year investigation by DMV and BOE, Walsh was charged, convicted, and sentenced to two years for engaging in a scheme to deprive the state of sales taxes and motor vehicle registration fees.

People v. Mathison. Two state employees were sentenced to prison for participating in a scheme to defraud the state of over a half million dollars. Michael Mathison, a state-approved office supply vendor in Southern California, sold ink toner and paper to the Department of Fish and

Wildlife and CalTrans. Mathison won contract bids by forging competitor bids that were more inflated than his own bids. Two state workers cooperated in the scheme and received kickbacks. Mathison was sentenced to seven years prison and the state employees received four-year prison sentences.

People v. Rodriguez. In March 2015, Gonzalo Rodriguez, James Gonzales, Mario Mendoza, and Belen Gonzales were indicted by a Kern County Grand Jury for operating a multimillion dollar recycling fraud scheme. The defendants' recycling centers in Los Angeles and Kern Counties falsely claimed California Redemption Value for ineligible beverage containers imported into California from Arizona. The lead defendants were sentenced to 14 months in custody for felony recycling fraud and grand theft and ordered to pay \$1.3 million in restitution.

Bureau of Medi-Cal Fraud and Elder Abuse

BMFEA is responsible for protecting the state's Medi-Cal program from provider fraud and abuse and investigating and prosecuting elder abuse, neglect and poor quality of care in health care facilities such as hospitals, skilled nursing facilities and residential care facilities.

BMFEA's efforts include outreach to the elder community. In 2015, for example, the Attorney General announced a new collaboration between the Attorney General's Office and AARP California to protect seniors from fraud and abuse, with a focus on educating seniors, their families, and the general public about elder abuse and fraud laws that are designed specifically to protect those who are 50 and over. In 2016, BMFEA commenced an Elder Abuse Outreach Committee tasked specifically with promoting, tracking, and coordinating critical outreach activities to various agencies and organizations that confront issues of elder/dependent abuse and neglect. Also in 2016, BMFEA strengthened its efforts to help protect and improve the quality of care for California's elder and dependent adult residents in care facilities through the Operation Guardian program.

Significant cases and achievements include:

People v. Manuel and Babael. In March 2015, Herminigilda Noveda Manuel, owner, and Edgar Babael, administrator, of Valley Springs Manor in Castro Valley were charged with 14 felony counts of elder abuse for abandoning residents at their long-term care facility. Manuel and Babael operated this residential care facility for the elderly that was ordered closed in October 2013, after the Department of Social Services found multiple licensing violations. After the closure, paramedics arrived at the facility and found 14 residents abandoned with no personnel to tend to their daily living and medical needs. On January 15, 2016, Manuel pled guilty to two felony counts of elder abuse and was sentenced to one year in custody. A warrant was issued for Babael, who is currently a fugitive.

People v. Cata. Defendant Silvia Cata, who owned and operated a six-bed residential care facility for the elderly, was convicted for failing to care for an 88-year old resident with severe Alzheimer's who had developed a large pressure ulcer, commonly referred to as a bed sore. The victim was also suffering from sepsis. A few days after her family placed her on hospice care, the victim died. In January 2016, Cata was sentenced to five years felony probation, with 133 days in county jail, following her conviction for felony elder abuse.

People v. Islam, Islam, and Washington. American Health and Education Clinic, LLC (AHEC) was a drug Medi-Cal provider authorized to provide drug and alcohol counseling services to adult and juvenile Medi-Cal beneficiaries. AHEC, operated by Hanan Islam and her daughter, Zakiyyah Islam, also ran a separate tutoring business at the same locations. A DOJ investigation revealed that AHEC falsely billed Medi-Cal for counseling services of alleged beneficiaries who received tutoring or worked as a tutor, but had not received any drug counseling whatsoever. Many AHEC employees admitted they were directed to create false documents to support claims for services not provided and six counselors were directed to forge signatures or create fictitious progress notes for counseling sessions that did not take place. Other employees were hired as “ghostwriters” to produce fictitious progress notes for students. Two high school principals and a school football coach received payments from AHEC in exchange for enrolling students in the program. AHEC billed drug Medi-Cal over \$3 million for counseling services not rendered. To date, 19 individuals have been prosecuted and in October 2015, owner Hanan Islam was charged with grand theft, submitting false claims to Medi-Cal, insurance fraud and failure to file tax returns.

United States of America, ex. rel. Kester v. Novartis Pharmaceuticals Corporation (SD NY). In 2016, BMFEA achieved a civil settlement resulting from a lawsuit filed in the federal district court alleging that Novartis Pharmaceuticals Corporation offered kickbacks to pharmacy chains and wholesalers as an incentive to increase refills of various Novartis specialty drugs, such as Gleevac, Exjade, Tassigna, Extavia, Myfortic and Gilenya. Specifically, Novartis created a “rebate for refill” program that rewarded pharmacies and wholesalers for refills of these specialty drugs that are potentially less effective and safe than competitor’s drugs. California intervened as to Novartis and ultimately settled with three defendants, Novartis, BioScrip and Accredo, separately. The Attorney General’s Office secured over \$12.3 million for California, including reimbursement of litigation costs from Novartis, over \$2.7 million from Accredo, and \$278,860 from BioScrip.

United States of America, ex. rel. Alexander and Goan v. Warner Chilcott PLC (D Mass.). This settlement in 2015 resulted from a lawsuit filed in the federal district court alleging defendants provided unlawful kickbacks in the form of expensive dinners, happy hours, speaking and preceptorship fees, golf outings, wine, product samples, waiver of beneficiaries’ cost-sharing obligations and other gifts to induce health care professionals to use and prescribe its drugs, namely, Actonel, Atelvia, Loestrin and Enablex. California received more than \$2.3 million.

United States v. The Arba Group; CF Watsonville East, LLC; CF Watsonville West, LLC; Country Villa Health Service Corporation dba Country Villa Health Services (ND CA). This 2015 settlement resolved allegations in a case brought under the federal False Claims Act that defendants, which owned and operated nursing homes, provided inadequate, materially substandard, and/or worthless services to Medicare and Medi-Cal beneficiaries in violation of Medicare and Medi-Cal payment requirements. The complaint alleges that, between 2007 and 2012, defendants overmedicated elderly residents, causing significant medical complications. California received \$229,949 from the settlement.

Victims Services Unit

The Victims Services Unit (VSU) provides assistance, information and support to families in capital cases. The unit is also the statewide contact for inquiries on Marsy's Law, which created additional constitutional and statutory rights for victims. Notable among its achievements during the biennial period were support services provided to the victims in the high-profile *People v. Bollaert* cyber exploitation prosecution. VSU staff accompanied numerous victims at trial and sentencing proceedings, providing essential emotional support that helped enable the victims to testify at trial and to deliver victim impact statements at sentencing, where the judge handed down an 18-year sentence.

CALIFORNIA JUSTICE INFORMATION SERVICES DIVISION

The California Justice Information Services Division, through its 1,097 authorized employees, provides accurate, timely, and comprehensive criminal history data and analysis to law enforcement, district attorneys, and local and state regulatory agencies. In addition, the division supports the critical Department of Justice (DOJ) information technology infrastructure.

California Justice Information Services Division consists of the following bureaus:

- Criminal Identification and Investigative Services
- Criminal Information and Analysis
- Office of the Chief Information Officer and Departmental Technology Services
- Criminal Justice Information Technology Services
- Technology Support

Bureau of Criminal Identification and Investigative Services

The Bureau of Criminal Identification and Investigative Services is comprised of two branches that offer biometric identification, investigative, and field service functions to criminal justice and public safety partners, regulatory agencies and the people of California. Information and technical assistance are provided on a variety of manual and automated systems.

The Bureau of Criminal Identification and Investigative Services is responsible for the following systems:

- Missing and Unidentified Persons
- Megan's Law
- Automated Property
- Stolen Vehicles
- California Sex and Arson Registry
- Supervised Release File
- Wanted Persons
- California Restraining and Protective Order
- Automated Fingerprint Identification

- Automated Latent Print
- California Automated Palm Print
- Controlled Substance Utilization Review and Evaluation
- SmartJustice
- California Pawn and Secondhand Dealer System
- Cal-Photo

Significant cases and achievements include:

Automated Fingerprint Identification System (AFIS). AFIS is the second largest fingerprint identification system in the nation, containing more than 24.8 million criminal and applicant fingerprint records. AFIS received 2.1 million criminal and 3.5 million applicant transactions during the biennial period. These transactions are submitted to DOJ and consist of arrests and bookings at California law enforcement agencies. Additionally, the fingerprints are submitted to conduct criminal history background checks for licensing, certification and investigatory purposes.

Palm Print Images to the FBI. The DOJ forwards palm print images submitted by California law enforcement agencies to the National Palm Print System (NPPS) maintained by the FBI. A total of 265,900 palm print images were submitted to the FBI's NPPS during the reporting period.

Automated Latent Print Section (ALPS). In November 2015, the Statewide Investigative Networking System (SINS) SharePoint team and the ALPS launched the enhanced ALPS Case Management System (CMS). The CMS enables the ALPS team to receive, process and track latent print requests from law enforcement agencies. Enhanced features include an automated workflow that helps streamline the ALPS business process, automatic creation of case management reports, and a web-based CMS dashboard that provides the ALPS team with a high level view of their case workload and quick and easy access to all data in the system. In May 2016, modern analytical and statistical reporting capabilities were added to the system. In 2015 and 2016, ALPS received 3,690 cases from law enforcement agencies. These cases contain latent print images in which identification is being sought. ALPS was able to make identifications for 667 of the cases, equaling a hit rate of 18.1 percent.

Latent Gateway. The Latent Gateway offers an efficient and streamlined process for local law enforcement agencies to search latent fingerprints against FBI and DOJ repositories. The Latent Gateway allows for disparate AFIS to communicate via web services, and search and/or register latent fingerprints in both the FBI and the DOJ ALPS databases. As of August 2016, eight counties and one police agency are using the Latent Gateway and more counties have either requested implementation or are in the enrollment process.

Missing and Unidentified Persons Section (MUPS). MUPS assists the public and criminal justice community with missing and unidentified person investigations utilizing various methods including

Internet resources, governmental databases, and forensic dental comparisons. In a recent case, dental x-rays identified the remains of a U.C. San Diego student who had been missing for one year. Between January 2015 and August 2016, MUPS assisted in locating 3,081 missing persons and identified 29 unidentified individuals.

Violent Crime Investigative Support Section (VCISS). VCISS analyzes investigative data to provide a comprehensive case report and investigative leads to law enforcement agencies and district attorney offices for arrests and prosecution cases. VCISS provides expert testimony, and in many cases creates maps, charts, and timelines used in the courtroom. Between January 2015 and August 2016, VCISS assisted in over 75 cases, including recent violent crime investigations and cold cases.

California Sex and Arson Registry System Support Section (CSAR SS). This section provides support, development, and training of CSAR, the state's repository for sex and arson registration information, working with both business and technical teams to enhance, improve and update the application. In 2014, the CSAR SS began a remediation effort of to ensure system stability, scalability and extensibility. As part of that effort, in 2016, CSAR deployed the CSAR-Automated Criminal History System (ACHS) interface to import identification, conviction, and disposition information from ACHS to CSAR via an automated process. Additionally, this effort includes a more efficient and accurate method of merging records, which will streamline offender registration at the local level and reduce liability for both local law enforcement and the department. It will allow for data consistency between CSAR and ACHS and will reduce the duplicative efforts of chasing missing data. Both the ACHS interface and record merge efforts are central components to the overarching remediation project.

California Sex Offender Registry (CSOR). CSOR provides a wide range of services to support and assist the law enforcement community with registration and notification of over 120,000 California sex offenders. Services include maintaining and providing information to the general public on the Megan's Law website which has continued to expand since its inception in 2004. During the biennial period, CSOR conducted training sessions for client agencies, including law enforcement, and custody and campus staff that monitor and track registered sex offenders. CSOR also received more than \$2.3 million in federal grants for improvements within the registry, including in 2016, a proposed pilot program with law enforcement agencies to improve registration and notification at the local level.

Controlled Substance Utilization Review and Evaluation System (CURES) Program. DOJ manages CURES, a prescription drug monitoring system that maintains and monitors more than 300 million prescription records for Schedule II, III and IV controlled substances. The CURES program receives an average of 1 million prescription records weekly. In December 2015, the DOJ and the Department of Consumer Affairs launched CURES 2.0, a state-of-the-art overhaul of California's prescription drug monitoring program that will allow health providers and pharmacists to more effectively flag at-risk patients and curb prescription drug abuse. In addition to providing users with faster and more reliable access to patient activity reports, the upgraded 2.0 system features cutting-edge analytics for flagging at-risk patients, allowing medical professionals to prescribe wisely. As of August 1, 2016, there are 163,000 registered users of CURES, a significant increase since BCIS assumed the program in December 2012.

California Restraining and Protection Order System (CARPOS). CARPOS is a statewide database that contains restraining/protective order (RO/PO) data entered by law enforcement agencies and various California courts on subjects named in 22 types of orders, and is accessible via the California Law Enforcement Telecommunications System (CLETS) to law enforcement agencies at all times. CARPOS interfaces with the National Crime Information Center (NCIC), when certain requirements are met. CARPOS data is also accessed by the Department's Firearms Bureau Dealer Record of Sales for firearms clearance purposes

Supervised Release File (SRF). SRF is a database to improve law enforcement agencies' ability to monitor subjects on probation, parole, as well as other types of supervision and currently those persons on supervision due to California's Realignment Project (Assembly Bill 109). SRF aids in enhancing officer safety by providing pertinent information on subjects that are on active supervisions in the community. SRF provides for a two-way communication link (i.e., Contact Messages, Notice of Arrest, Transfer feature) which allows an officer to send information about an encounter with a subject to the agencies that are supervising the person, and will also provide information about a transfer to another county. There are seven types of supervision, with the latest being Post Release Community Supervision and Mandatory Supervision created by Assembly Bill 109. The DOJ maintains the SRF and programmatically forwards entry level 2 records to NCIC. SRF also interfaces with ACHS for subsequent arrest notifications and provides up-to-date supervision information to Smart Justice.

Wanted Persons System (WPS). Authorized law enforcement agencies utilize the California Law Enforcement Telecommunications System (CLETS) to submit felony, misdemeanor and protective custody warrant records into WPS, which is a 24-hour pointer system for misdemeanor and felony warrants meeting specific criteria, and programmatically forwarded to the National Crime Information Center (NCIC) and made available nationwide. In October 2015, the California WPS developed a new optional message key allowing the entry of juvenile dependency warrants. The new warrant types are known as protective custody warrants (PCW), and are for children (WIC 340) or for associated parents, guardians or caretakers (WIC 339). The orders are issued by courts and authorized agencies and may be inputted into WPS for viewing by law enforcement agencies statewide, regardless of the child's age or other limiting factors. The PCW-type warrants are for the protection of minors and are not criminal warrants. In June 2016, a new modify message was made available allowing for the modification of the PCWs.

Also, in 2015, the Wanted Persons Unit initiated the use of Microsoft SharePoint to track the law enforcement interested agencies flag(s) which are placed on criminal history records when investigators are interested in making contact with a subject for questioning due to an active investigation. This ensures flags are removed from the criminal history records within the required retention period of three years. The system alerts when the retention period has been met so the flag can be removed.

Criminal Offender Record Information (CORI) Audits. Auditors in this unit review usage of the Automated Criminal History System to ensure agencies substantiate inquiries as valid and that all inquiries are properly documented. The audit process was expanded to also review inquiries into the federal Interstate Identification Index. In 2015 and 2016, staff completed 350 audits and held four classes on preparing for a CORI audit.

Database Audits. The unit audits records of multiple law enforcement databases to verify the timeliness of entry, accuracy, and completeness. Agencies must also complete second party checks, required validations and hit confirmations. The following databases are audited: Automated Boat, Automated Firearms, California Restraining and Protective Order System, California Sex and Arson Registry, Missing Persons, Stolen Vehicle, and Wanted Persons systems. In 2015 and 2016, staff completed 370 audits and held two classes on “Preparing for a Database Audit.”

Live Scan Support Section. Staff assist with the submission of live scan transactions from law enforcement, public agencies, non-profit organizations, private service providers, and associated vendors. Responsibilities include approving and connecting devices, and conducting training and on-site audits. Staff focus on providers with high error rates, with a goal to reduce manual work as a result of these errors and decrease wait times for clients. Projects included: updating the AG’s website, working with over 1,000 providers to upgrade to Operating System Windows 7 or higher, and conducting outreach to migrate providers off of end-of-life routers.

Cal-Photo. The Cal-Photo system provides law enforcement and criminal justice agencies access to photos and information maintained by California law enforcement agencies and the Department of Motor Vehicles. More than 83,000 individuals utilize Cal-Photo to construct photo lineups or identify suspects.

License Plate Reader (LPR). The LPR program links to an FBI extract that provides information from several national and state databases affiliated with a mobile scanned license plate. Within seconds, officers are provided with wanted and missing persons, known or suspected terrorists, sex registrants, protective orders, gang association, parole/probation status, and immigration violators. LPR services are currently used by 11 agencies and an additional four agencies are in development.

RAP Sheet Training. Client Services Program (CSP) provides record of arrest and prosecution (RAP) sheet training to law enforcement and criminal justice agencies throughout the state. The training includes the latest information on laws and mandates as well as how to read CORI from the ACHS. Over the last year, more than 5,300 officers and other personnel have attended 175 training sessions.

NexTEST. NexTEST is an online testing solution hosted by DOJ to assist certified agencies mandated to train and test staff with access to confidential criminal justice information. Over 300,000 California users use the system and Client Services Program staff at DOJ assist more than 1,100 agencies in the administration of NexTEST and also conduct frequent system training.

SmartJustice. Between January 2015 and August 2016, the CSP staff provided training to over 800 law enforcement agency staff and hosted a user group meeting to identify possible enhancements. More than 200 agencies have access to the system, with additional agencies added each month. As of August 2016, 47 agencies are currently sharing data with SmartJustice and over 50 are in the process of integrating their data. CSP is also working with several agencies to implement a web service to allow SmartJustice to be queried through their local agency system.

California Pawn and Secondhand Dealer System (CAPSS). In July 2015, DOJ deployed the CAPSS system for electronic reporting of pawn and secondhand property transactions, following passage of Assembly Bill 391. Pawn stores and secondhand dealers use the system to enter transactions via a web front end or bulk upload process. Law enforcement agencies can search for items submitted and receive notices for matches to stolen or lost items in the Automated Property System. A licensing component allows law enforcement agencies to electronically process new store license requests and manage licenses. The DOJ continues to enhance the system to meet the needs of law enforcement and store users. The most recent enhancement was released on August 17, 2016, allowing stores to utilize the DOJ descriptor list or enter their own free text property descriptor to identify the property item (s). Additionally, a few of the strict Identification rules were relaxed to allow for a more user-friendly system.

Bureau of Criminal Information and Analysis

The Bureau of Criminal Information and Analysis (BCIA) is comprised of three branches that function as California's criminal offender record information repository, maintain the Child Abuse Central Index, process state and federal level applicant background checks, issue department certifications, manage the administrative side of the California Law Enforcement Telecommunication System (CLETS), and compute and publish California crime and use of force statistics.

Juvenile Justice Data Working Group. Assembly Bill 1468 established the Juvenile Justice Data Working Group within the Board of State and Community Corrections to recommend options for coordinating and modernizing California's juvenile justice data systems and reports developed and maintained by state and county agencies. BCIA contributed to the 2016 legislative report on potential options for change including reporting responsibilities of agencies and providers, recommendations on a state-based juvenile justice data website or clearinghouse, and an implementation feasibility assessment.

OpenJustice. In September 2015, OpenJustice brought California, and the world a first-of-its-kind criminal justice open data initiative that released unprecedented data while being interactive and easy to use. OpenJustice embodies a "smart on crime" approach by putting forward a common set of facts, data and goals to strengthen accountability and improve public safety. The tool consists of two components: a dashboard that spotlights key criminal justice indicators with user-friendly visualization tools and an open data portal that publishes raw data from the Department's statewide repository of criminal justice datasets. The dashboard includes three important data sets that tell part of the story of the relationship between law enforcement and communities: 1) law enforcement officers killed or assaulted in the line of duty; 2) deaths in custody, including arrest-related deaths; and 3) arrests and bookings. For each metric, the dashboard features interactive web tools that allow the public to explore these key criminal justice indicators over time and across jurisdictions.

The open data portal is an online repository of downloadable criminal justice data in raw form. This tool empowers researchers, civic coders and journalists to help tackle seemingly intractable problems in the criminal justice system. In March 2016, OpenJustice 1.1 was released delivering to the initial data sets city, county and state level context including population and demographic information, unemployment and poverty rates, and educational attainment levels.

Use of Force Data (URSUS). Assembly Bill 71, effective January 1, 2016, mandates the collection and reporting of officer and civilian-involved use of force incidents that result in serious bodily injury. Law enforcement agencies are required to annually report instances involving specified data elements involving the use of force incidents. On July 1, 2017, this data was published within the Attorney General's Crime in California publication and on OpenJustice. URSUS is a web-based system allowing law enforcement agencies to enter and submit use of force data.

Criminal Justice Statistics Center Publications. The DOJ collects statistics on crimes, arrests, homicides, arsons, domestic violence-related calls for assistance, hate crimes, adult probation, citizens' complaints against peace officers, violent crimes committed against senior citizens, death in custody, law enforcement personnel, juvenile court and probation, law enforcement officers killed or assaulted, adult felony arrest dispositions, and anti-reproductive-rights crimes. This data is disseminated annually in four mandated publications: Crime in California, Juvenile Justice in California, Hate Crime in California, and Homicide in California. Data on crimes, arrests, death in custody, and law enforcement officers killed or assaulted is also available on OpenJustice.

Disposition Processing Improvements. DOJ has made significant improvements to the procedures, processes, and business rules related to how dispositions are processed, resulting in a 50 percent reduction to its legacy and manual process. In addition, a modernized electronic disposition reporting alternative was developed and implemented based on the National Information Exchange Model (NIEM) developed by the U.S. Department of Justice, Department of Homeland Security, and Department of Health and Human Services. These process improvements have opened up opportunities to improve related services provided to criminal justice agencies through improved training, awareness and the collaboration of ideas.

Tribal Agencies as Authorized Agencies. Federally recognized tribes or their agency designee are authorized to request CORI from the DOJ for the purpose of approving a tribal home for placement of Native American children into foster or adoptive care. Working with the Department of Social Services, the racial impact/tribal policy implemented a streamlined authorization process specific to tribes and designated agencies requesting background checks for employees and volunteers responsible for the care and security of children and the elders or for purposes of tribal home/child placement.

Criminal History Record Challenges. Recent amendments to statute and passage of Proposition 47 in 2014 spawned a greater awareness of the criminal history record review and challenge processes. The DOJ has taken steps to ensure persons requesting copies of criminal history records are aware of their right to refute erroneous or inaccurate information. When an applicant is notified that a request for correction is denied, they are also informed of the right to an administrative hearing to determine if material inaccuracy or incompleteness exists. The process by which an applicant can request a waiver of the fee was also simplified.

Office of the Chief Officer and Departmental Technology Services

The DOJ's Chief Information Officer delivers digital and information services for the department, law enforcement, and public safety agencies in California.

Criminal Justice Information Technology Services

The bureau is responsible for designing, implementing and maintaining the DOJ's statewide criminal justice information systems, supporting the Division of Law Enforcement's applications, and providing analytical reporting, and information services.

Significant achievements include:

Quality of Criminal History Data. ACHS was enhanced to programmatically associate open warrant arrest cycles with arrest and disposition cycle that result in a warrant being issued, in order to reduce the number of open arrests and the data gaps. A multi-bureau effort was conducted to collect additional dispositions from courts, district attorneys, and law enforcement agencies, to further reduce the data gap. Architectural changes were made to the system to reduce its footprint in the production environment, freeing up enough storage space for two years of future growth. Changes to eliminate the production and routing of paper reports resulted in savings for the Department in both cost of materials and labor involved.

Information Needs Related to Realignment. To assist with changes brought about by criminal justice realignment (Assembly Bill 109), the supervised release file increases the breadth and fidelity of data stored in its system. Enhancements include: 1) adding additional addresses for probationers; 2) adding information regarding treatment programs; 3) allowing the entry of contact messages from the Smart Justice application which offered an easy to use streamlined approach for entry; and 4) introduced the option of law enforcement agencies to identify records for individuals transferred to different counties to allow for sustained visibility of the record until the transfer process was completed.

Office of the Chief Information Officer and Departmental Technology Services Bureau. The bureau provides enterprise support for the department's computing, applications and shared services environments. The bureau also partners with DOJ programs and law enforcement agency partners to ensure technical solutions meet state and federal information security requirements.

Significant achievements include:

Enterprise Central Logging system. In 2015, DOJ implemented a centralized logging system that collects logs from servers, applications and network endpoints. Currently processing over 100 gigabytes of logs per day, this allows for troubleshooting of applications and data center infrastructure, and incident response handling of possible cyber-attacks.

Partnership with Law Enforcement Agencies on Digital Investigations. In 2015, DOJ laid the groundwork for future collaborative efforts with the California Highway Patrol, signing a memorandum of understanding to co-locate their Computer Crimes Investigation Unit high-tech team with DOJ digital forensics experts. In addition, DOJ provides technology consulting and investigative support on a wide range of emerging technologies to assist law enforcement in fighting crime, such as social media investigations, large data center forensics, server and application reconstruction, and dead-box forensics.

Technology Support Bureau

The Technology Support Bureau designs, coordinates, installs and provides 24-hour support for communications applications, server infrastructure, and networks used by DOJ, state criminal justice agencies, and national criminal justice systems.

Significant achievements include:

Data Center Upgrade. In May 2016, DOJ completed an upgrade of its data center to replace its 25-year-old automatic transfer switches that transfer power from the uninterruptible power supplies to generator power in the event of a power outage, and the existing emergency power off system. This upgrade reduces the risk of potential power outages that adversely impact critical DOJ systems/applications required by DOJ staff and criminal justice and law enforcement agencies that heavily rely on systems such as CLETS, criminal justice information systems databases, and many others.

Voice over Internet Protocol (VoIP). In 2016, DOJ completed its first implementation of VoIP. The VoIP replaces the legacy Centrex phone service developed in the 1960s and broadly deployed as a service to small businesses and public sector entities. While Centrex has been a reliable phone service, it no longer competes with price or functionality of VoIP. The VoIP implementation includes integration with the DOJ's current office productivity systems/tools and site survivability for remote sites to improve the efficiency and effectiveness of communications throughout DOJ. Eventually, VoIP will include instant messaging and audio/video conferencing.

LEAWeb Modernization. In 2015, DOJ added new functionality for out-of-state photo requests through the National Law Enforcement Telecommunications System (NLETS) and consolidated the legacy LEAWeb applications into a single application to drastically improve performance for both desktop and mobile users. The new application processes an unlimited message size, is scalable to accommodate increased demands, and has high capability to decrease downtime/outages for patches, enhancements, and unexpected failures. The optimized user interface is now mobile-aware and user-friendly, and it allows a more efficient, timely, and convenient way for law enforcement and public safety users to obtain critical information.

Enterprise Authentication Platform. In 2015, DOJ implemented an Authentication Platform for Identity and Access Management (IAM) to authenticate the identities of users, machines or mobile devices before granting access to sensitive networks, services, applications or facilities. This technology improves security and allows for single sign-on capabilities for DOJ applications accessed by employees and non-DOJ personnel and strong multi-factor authentication. It will also reduce fraudulent requests, prevent identity theft and data breaches, and enhance the ability to manage identities and access to DOJ resources and systems.

Cloud Computing. In 2015, DOJ established an infrastructure as a service (IaaS) platform that provides a secure platform for mission critical applications. The IaaS allows for better software delivery and infrastructure agility by providing an environment where building, testing, and releasing software can happen rapidly, frequently, and more efficiently.

EXECUTIVE PROGRAMS

Executive Programs consists of the following units:

- Solicitor General
- Office of Legislative Affairs
- Division of Recidivism Reduction & Re-Entry
- Special Assistant Attorneys General
- Office of Communications
- Public Inquiry Unit
- Equal Employment Rights and Resolution Office
- Office of Program Review and Audits
- Criminal Justice Information Technology Services

Solicitor General

The Solicitor General is appointed by the Attorney General and serves as the chief appellate lawyer for the Department of Justice. The Office of the Solicitor General rotates three Deputy Solicitors General on two-year assignments from the Civil, Criminal, and Public Rights Divisions and two Earl Warren Fellows also serve two-year assignments as part of the Attorney General's Honors Program.

The Office of the Solicitor General's core mandate is to provide or promote excellent representation in appellate matters handled by the Department. As to particular appellate matters, OSG participates in discretionary decisions, such as whether to seek review by the U.S. or California Supreme Court and advises on and crafts legal arguments in key cases and critical issues. OSG also prepares or oversees the preparation of petitions, briefs and other papers filed in appellate courts, with special focus on the U.S. and California Supreme Courts and in some cases, argues appeals in both federal and state courts. OSG serves as a resource for attorneys and staff, providing appellate advice and collaborating with the divisions and sections to foster consistent excellence in appellate practice throughout the Department.

In the period following its substantial reorganization by Attorney General Harris in early 2014, OSG has helped to coordinate department-wide approaches to cross-cutting legal issues. OSG has, for example, worked to ensure consistency in the department's defenses to commerce clause challenges to state statutes and arguments concerning federal preemption in a variety of contexts.

The expanded OSG has also been substantially involved in many of the department's most important and highest-profile cases, working with attorneys in all of the legal divisions.

Examples from this biennial period include:

Criminal Law Division

OSG worked with the Appeals, Writs and Trials Section on briefing and oral argument in the U.S. Supreme Court in *Davis v. Ayala*, involving the treatment of a state harmless-error determination in later federal habeas proceedings. A Deputy Attorney General from AWT argued the case. The Supreme Court reversed the Ninth Circuit and reinstated a state capital murder conviction. The department's merits brief received an award for excellence from the Center for Supreme Court Advocacy of the National Association of Attorneys General.

- OSG worked with the Appeals, Writs and Trials Section on a petition for U.S. Supreme Court review in *Johnson v. Lee*, involving the “adequacy,” for purposes of federal habeas proceedings, of California’s rule barring later review of claims of error that should have been raised in a defendant’s first appeal. The Supreme Court reversed the Ninth Circuit, reinstating the state conviction, without requiring further briefing or oral argument.
- OSG worked with the Correctional Writs and Appeals Section on a petition for U.S. Supreme Court review in *Kernan v. Hinojosa*, involving proper application of rules requiring deference to state court decisions during later federal habeas proceedings. The Supreme Court reversed the Ninth Circuit, reinstating the state conviction, without requiring further briefing or oral argument.
- OSG worked with many Criminal Law Division attorneys on briefs responding to petitions for U.S. Supreme review filed by criminal defendants in cases in which the department prevailed in the state or lower federal courts. The Supreme Court did not grant review in any criminal case over the department’s opposition during the biennial period.
- OSG worked with the Appeals, Writs and Trials Section on briefing and oral argument in the Ninth Circuit in *Jones v. Davis*, involving the constitutionality of California’s death penalty in light of the time typically required for post-conviction judicial review. A Deputy Solicitor General argued the case.
- OSG worked with the Appeals, Writs and Trials Section on briefing in the California Supreme Court in *People v. Buza*, involving whether the collection of DNA samples, for identification purposes, from all individuals arrested for felonies violates the state or federal constitutions.
- OSG worked with a special Criminal Law Division team on trial and appellate proceedings in *People v. Bollaert*, the first successful prosecution in the country of an operator of a cyber exploitation website (in this case, the site “YouGotPosted”).

Civil Law Division

- OSG worked with the Government Law Section on briefing and oral argument in the U.S. Supreme Court in *Friedrichs v. California Teachers Association*, a First Amendment challenge to California’s statutory authorization of “agency shop” arrangements between public school districts and unions selected by local teachers to represent them in collective bargaining. The Solicitor General argued the case on behalf of the state. The department’s merits brief received an award for excellence from the Center for Supreme Court Advocacy of the National Association of Attorneys General.
- OSG worked with the Business and Tax Section on the final briefing and oral argument in the California Supreme Court in *Gillette Company v. Franchise Tax Board*, involving the proper interpretation of the multistate tax compact and the constitutionality of a change in California’s method of taxing the income of multistate businesses. The Solicitor General argued the case.
- OSG worked with the Government Law Section on appellate intervention, supplemental briefing, and oral argument before the en banc Ninth Circuit in *Peruta v. County of San Diego*, a Second Amendment challenge to a state law permitting local law enforcement officials to define the “good cause” required for the issuance of permits to carry a concealed handguns in public places. The Solicitor General argued the case before the en banc court.
- OSG worked with the Torts and Condemnation Section on briefing and oral argument in the California Supreme Court in *Property Reserve v. Superior Court*, involving the constitutionality of California’s method of undertaking certain survey and testing activities for a major public project. A Deputy Solicitor General argued the case.
- OSG worked with the Employment and Administrative Mandate Section on briefing and oral argument in the California Supreme Court in *McLean v. State of California*, involving in part whether a public employee may sue the “State of California” instead of his or her employing agency—an issue of broad practical importance in litigation with state agencies. A Deputy Solicitor General argued the case.
- OSG worked with the Health Quality Enforcement Section on briefing in the California Supreme Court in *Lewis v. Superior Court*, involving whether the California Medical Board’s use of a state prescription database to investigate alleged physician misconduct violates the privacy rights of patients.
- OSG worked with the Health, Education and Welfare Section on briefing and to prepare for the oral argument in the state court of appeal in *Vergara v. State of California*, a widely publicized state constitutional challenge to five state teacher employment statutes. A Deputy Attorney General from HEW argued the case in the Court of Appeal. After the state defendants prevailed on appeal, OSG worked with HEW in opposing the plaintiffs’ petition for further review by the state Supreme Court.

Public Rights Division

- OSG worked with the Civil Rights Enforcement Section on California’s participation in a number of multi-state amicus briefs in the U.S. Supreme Court. These projects included drafting a multi-state brief supporting the position of the federal government in ***Zubik v. Burwell***, involving the constitutionality of the mechanism used by federal authorities to allow certain religious nonprofit organizations to opt out of providing their employees with the health insurance coverage for contraceptive services that is required by the federal Affordable Care Act.
- OSG worked with the Environment Law Section, and the Civil Division’s Government Law Section, on a number of matters involving constitutional challenges to state statutes under the commerce clause of the U.S. Constitution. These included ***Sam Francis Foundation v. Christies, Inc.***, involving the California Resale Royalty Act. The Department filed an amicus brief after the Ninth Circuit issued an order citing prior decisions involving two other California statutes, including a significant environmental statute, and directing that the case be heard en banc. A Deputy Solicitor General argued the case before the en banc court.
- OSG worked with the Indian and Gaming Law Section on briefing in the California Supreme Court in ***People v. Miami Nation Enterprises***, involving the proper standard for determining whether entities (here, corporations conducting “payday lending” businesses) are “arms” of federally recognized Indian tribes and thus entitled to invoke the tribes’ sovereign immunity from suit.
- OSG worked with the Land Law Section in drafting a multi-state amicus brief in the U.S. Supreme Court in ***Murr v. Wisconsin***, involving how the “parcel as a whole” principle should be applied in federal constitutional litigation alleging certain types of regulatory “takings.”
- OSG worked with the Antitrust Section on an amicus brief in the California Supreme Court in ***In re Cipro***, involving “reverse payment” arrangements in which the maker of a patented drug pays a generic competitor to drop a challenge to the patent and agree to delay its entry into the market. The court agreed with the Attorney General that such arrangements may violate state antitrust laws.
- OSG worked with the Natural Resources Law Section on briefing and argument in the California Supreme Court in ***People v. Rinehart***, involving a claim that federal law preempts a state moratorium on issuing permits for suction-dredge mining, as applied to the holder of a federal mining claim. The work included securing an amicus brief from the federal government supporting the state’s position that there is no preemption. A Deputy Attorney General from NRLS argued the case.
- OSG worked with the Consumer Law Section on amicus briefs in a number of matters in state and federal appellate courts, including cases involving California’s Unfair Competition Law and Homeowner Bill of Rights.

Office of Legislative Affairs

The Office of Legislative Affairs represents the Attorney General in legislative matters, and is responsible for coordinating the Attorney General's communications with the state Legislature and U.S. Congress.

The Attorney General sponsored 16 bills during the biennial period:

AB 443 (Alejo)

Would have authorized prosecutors to file a motion to freeze the criminal proceeds of a transnational criminal organization before formal charges are filed. *(Died)*

AB 556 (Irwin)

Closed loopholes in the definition of a commercial fundraiser for charitable purposes and expanded the Attorney General's existing 10-year statute of limitations for charitable enforcement cases to include for-profit fundraising firms and other third parties who engage in misconduct. *(Chaptered)*

AB 775 (Chiu/Burke)

Enacted the Reproductive Freedom, Accountability, Comprehensive Care, and Transparency (FACT) Act, requiring crisis pregnancy centers and other clinics that provide family planning or pregnancy-related services to provide accurate information to patients, enabling them to make informed decisions about their health. The Attorney General's Office is currently defending the constitutionality of the law. *(Chaptered)*

AB 1014 (Thurmond)

Establishes a framework for implementing grant programs funded through the Safe Neighborhoods and Schools Fund, including those specifically aimed at improving student attendance and reducing chronic absence rates. *(Pending)*

AB 1310 (Gatto)

Allowed search warrants to be issued for cyber exploitation crimes and authorized the prosecution of cyber exploitation cases in either the county where the victim resides or in the county where the images were posted. *(Chaptered)*

AB 1644 (Bonta)

Would have established a four-year pilot program to assist elementary schools in providing mental health services to students, prioritizing schools in communities with high levels of childhood trauma and adversity. *(Died)*

AB 1663 (Chiu)

Would have closed the "bullet button loophole" by expanding the classification of assault weapons to include semi-automatic center fire rifles equipped with detachable magazines. *(Died)*

AB 1731 (Atkins)

Would have created a statewide interagency task force on human trafficking, led by the Department of Justice. *(Died)*

AB 1848 (Chiu)

Would have directed local law enforcement agencies to log and track the status of “rape kits” using the Department of Justice’s Sexual Assault Forensic Evidence Tracking (SAFE-T) tool in order to generate statewide reports on the state’s evidence backlog. *(Died)*

AB 2103 (Burke)

Would have aligned state and federal law to allow the Department of Justice to subpoena student records for certain investigations conducted by its Bureau of Children’s Justice without having to provide mass notifications to the parents or guardians of each student involved. *(Died)*

AB 2251 (Stone)

Enacts the Student Loan Servicing Act to provide for the licensure, regulation, and oversight of student loan servicers by the Department of Business Oversight. *(Pending)*

AB 2524 (Irwin)

Converts *Crime in California* and other annual statistical crime reports published by the Department of Justice into digital data sets published on the Attorney General’s OpenJustice Web portal. *(Pending)*

AB 2626 (Jones-Sawyer/Bonta)

Would have required the Commission on Peace Officer Standards and Training (POST) to establish and offer a course for peace officers on procedural justice and implicit bias modeled on a POST-certified course developed by the Department of Justice. *(Died)*

SB 298 (Block)

Would have added money laundering for criminal profiteering to the crimes for which a wiretap may be sought. *(Died)*

SB 676 (Cannella)

Created a process for pre-conviction forfeiture and destruction of images which are the subject of cyber exploitation crimes, and allowed computers and electronic devices used in the commission of those crimes to be subject to forfeiture after a conviction is obtained. *(Chaptered)*

SB 1079 (Glazer)

Would have mandated universal use of the CODIS Hit Outcome Project (CHOP) database, technology that helps streamline criminal casework and enables law enforcement agencies to confidentially share information on the outcomes of DNA matches when their own evidence comes back with a positive match to the same known perpetrator. *(Died)*

Division of Recidivism Reduction & Re-Entry

The Division of Recidivism Reduction and Re-Entry (DR3) works to reduce recidivism through collaborative partnerships throughout the state. DR3 is comprised of three branches: Programs, Grants, and Program Evaluation. Through these branches, DR3 provides technical assistance, identifies federal and private grant opportunities, and provides program evaluation services to analyze and evaluate program results.

Back on Track – Los Angeles (BOT-LA). Launched in March 2015, BOT-LA is an initiative led by the California Department of Justice, Los Angeles County Sheriff’s Department (LASD), Los Angeles County Probation Department, and other public and private-sector partners that help offenders get their lives back on track and avoid re-entering the criminal justice system. The program was launched as a pilot and aims to deliver a unique re-entry program to offenders by utilizing a comprehensive “inside-outside” continuum of services approach. To date, 157 participants have been served.

Court of College (C2C). A collaborative court program designed to divert young offenders from engaging in future criminal behavior through cognitive behavioral intervention and exposure to higher educational opportunities. The Los Angeles Superior Court has partnered with DR3, Los Angeles District Attorney’s Office, Los Angeles Public Defender, Los Angeles County Probation Department, and Cerritos Community College to develop and implement the program. In its first six months, the program has served over 50 participants and aims to serve over 100 participants during a two-year period. DR3 is providing comprehensive program evaluation services throughout the program.

Career Pathways Program. An out-of-custody, recidivism-reduction program that provides resources to a probation-supervised population. The program offers assistance to those who face employment barriers, such as limited education and/or work history. Los Angeles community-based organization “Friends Outside” partnered with DR3, Los Angeles County Probation Department, Los Angeles Trade-Technical College, and Five Keys Charter School to assist participants in overcoming these barriers. DR3 is providing comprehensive program evaluation services for this two-year program.

Special Assistant Attorneys General

The Attorney General appoints the Special Assistant Attorneys General to focus on the priorities of her administration, such as human trafficking, recidivism reduction, mortgage fraud, privacy issues, transnational gangs, and law enforcement. Special Assistants also serve as the Attorney General's designees on task forces, commissions, and committees and serve as liaisons with local, state and federal agencies, associations, and advocacy groups.

Office of Communications

The Office of Communications oversees media relations. The office organizes news conferences, provides media organizations with information on activities of the Attorney General and the department, responds to daily press inquiries, conducts research, and prepares news releases.

Public Inquiry Unit

The Public Inquiry Unit is the primary point-of-contact for members of the public seeking assistance and information from the Attorney General's Office. The unit responds to thousands of written and telephone inquiries annually from citizens, elected officials, law enforcement agencies and other governmental entities on a wide variety of subjects and issues.

Consumer Protection. The unit works closely with attorneys in the Consumer Law Section on consumer issues and provides reports of complaints against companies that may be used to support investigations and lawsuits.

Alternate Dispute Resolution Program. The unit takes a leading role in helping consumers resolve their disputes with California businesses. In many instances, after a complaint is received, the unit contacts the individual or company to resolve the issue through an informal mediation process.

Equal Employment Rights and Resolution Office

The office ensures equal employment opportunities (EEO) within the DOJ are consistent with state and federal laws. The office administers the employee discrimination complaint process, monitors departmental employment processes, and provides training to ensure a workplace free of discrimination and harassment.

Advice and Consultation: The office provides advice and consultation on difficult personnel issues to curtail potential complaints. The office facilitates employee mediation services as an alternative to resolve conflict in the workplace.

Training Programs. The office provides harassment and discrimination prevention training to more than 1,900 employees during the biennial period. The training includes webinars and an interactive presentation of case studies inspired by actual complaints and cases. The office also provides diversity and inclusion awareness training, skill building workshops, and upward mobility program, and participates in the basic supervision class on topics such as anti-nepotism, exit

questionnaire/interview processes, bilingual services, EEO and the hiring process, discrimination prevention, and employee assistance program

Employee Advisory and Equal Employment Opportunity Advisory Committees. As a result of the Attorney General's invitation to DOJ employees to participate on EAC committees, membership increased considerably. The office convened a meeting with executive and division directors and chiefs and seven advisory committee chairs to discuss topics recruitment, hiring and diversity training.

Employee Assistance Program (EAP). EAP provides resources to assist employees with personal and professional issues, such as, family and marital issues, domestic violence, workplace conflict, legal or financial consultation, identity protection and recovery, and child and elder care. EAP workshops were offered to continue developing skills and further support management in dealing with difficult workplace issues. The office facilitated seven critical incident stress debriefings to DOJ programs impacted by the death of a coworker during the biennial period.

Wellness Program. The office offers activities to promote the wellbeing of DOJ employees, including yoga classes, and encourages and promotes healthy choices by offering health education information and publishing articles.

Employee Mediation Program. The office facilitates mediation services utilizing professional mediation consultants, successfully defusing numerous conflicts that could potentially escalate to a discrimination complaint or grievance. Three mediation sessions were facilitated for DOJ work groups throughout the state during the biennial period.

Limited Examination Appointment Program (LEAP). The Limited Examination and Appointment Program (LEAP) provides an alternate examination and appointment process to facilitate recruitment and hiring of persons with disabilities into California civil service. The DOJ hired 14 qualified LEAP candidates in the biennial period.

Bilingual Services Program (BSP). The office provides bilingual assistance for non- or limited-English-speaking members of the public using contracted telephone interpreters or one of DOJ's 88 certified bilingual employees.

EEO Reports. The office produces both state and federal mandated Equal Employment Opportunity reports. These reports track race, ethnicity, and gender by classification, the hiring of persons with disabilities, the status/effectiveness of the upward mobility program, as well as identifies deficiencies in the hiring process involving disability, ethnicity and gender. The office also monitors the composition of panel members in department examinations through its automated reporting system.

Office of Program Review and Audits

The office is the DOJ's primary internal audit organization and ensures that the department meets Government Code reporting requirements for accounting and internal control.

The office reduces departmental risk by providing information and recommending solutions to DOJ programs to improve operational efficiency. The office conducts internal control and program audits, program evaluations, and management reviews. The office also coordinates external audit requests and responses to federal and state audit agencies.

Audits. The office conducts comprehensive and objective independent internal and external audits and reviews to determine whether the organization's network of risk management, control, and governance processes are adequate and functioning. The office makes recommendations to the executive staff and directors regarding an audit or a review, including its scope and conditions. The office also performs reviews of the California Witness Relocation and Assistance Program and provides assistance to the California State Auditor for whistleblower investigations.

Privacy Office. The office ensures privacy protection within the DOJ pursuant to Government Code section 11019.9 and provisions of the Information Practices Act of 1977 (Civ. Code, §1798 et seq.) regarding the administrative procedures related to the collection, use, maintenance, dissemination, and disposal of personal information.

The Privacy Office works with the DOJ's Information Security Office and Network Information Security Unit to develop and revise information security policy; ensure security and confidentiality of records; oversee the department's compliance with policies and procedures on the security of information assets; and ensure that DOJ employees receive mandatory information security and privacy training.