### Partnering for Business and Justice Presentation to the Restaurant Association of Metropolitan Washington

Monday, March 23, 2015

#### Karl A. Racine **Attorney General for the District of Columbia**



# First Elected Attorney General for the District of Columbia

- Since January 2, Karl Racine has been serving as the first elected Attorney General of the District of Columbia.
- The Office of the Attorney General serves as the District's chief legal office, and our responsibility is to represent the District, its agencies and its officials in court.
- OAG provides independent and objective legal advice to our elected officials, and serves as the District's chief legal advocate.





The OAG's office has 274 attorneys and 308 professional staff. The positions are funded as follows:

Position Type	Total Positions	Local	Private Grant	О-Туре	Intra- District	Federal Grant
Attorneys	274	229.2	6.5	0	21.1	17.2
Professional Staff	308	173.2	0	2.7	3.6	128.4
Total Staff	582	402.4	6.5	2.7	24.7	145.6

The OAG FY 2015 FTEs by Fund Type post-OGC Transfer



## The OAG is divided into 10 divisions

- Civil Litigation Division
- Commercial Division
- Legal Counsel Division
- Office of the Solicitor General
- Public Interest Division
- Public Safety Division
- Personnel, Labor & Employment Division
- Child Support Services Division
- Family Services Division
- Support Services Division



(For more information on the specific work of these divisions, please see Pages 22-30 of this presentation.)

# **OAG** Work and **RAMW** Initiatives

- Health care access for low- and middleincome workers
- Immigration reform
- Wage theft
- Competition in your industry
- Consumer protection and regulation



# Access to Health Care for Your Workers

- Crucial that health-insurance exchanges in DC, MD and VA continue offering high-quality, affordable insurance & reasonable premium predictability.
- Supreme Court is considering *King v. Burwell*, which if decided wrongly could destabilize national health-insurance market.
- If court sides with plaintiffs, millions of people will lose their health insurance because subsidies will disappear.
- My office has joined 22 other states in a friend-of-the-court brief arguing that the suit would cause serious harm to our residents and business owners.



## **Immigration Reform**

- Sensible immigration reform is crucial to your businesses.
- We have joined a brief asking a federal court to uphold President Obama's executive actions on immigration that expand pathways to legal residence and work for millions of residents.
- Under the President's orders, qualifying undocumented immigrants would be authorized to work for three years if they comply with all U.S. laws and pay their taxes.
- Our brief argues the program is consistent with the President's powers, and that suspending deportation and providing work authorization is good for families & economies because it authorizes work, increases earnings & grows tax base.



## Wage Theft

- Last year, the Council passed a new wage-theft law with enhanced enforcement provisions.
- After we reviewed the legislation in late 2014, we determined that revisions are necessary.
- Attorneys and staff from OAG continue to work with the Mayor and Council staff to improve the legislation
- That includes improving the enforcement provisions in order to enhance the rights of wage-theft victims while ensuring businesses have clear & consistent guidance.
- Businesses like yours want to play by the rules and our job is to make it easy for you to do so.



### **Competition in the Food-Service Industry**

- Part of the role of an Attorney General is to advocate for fairness in competition and commerce.
- We recently joined the Federal Trade Commission and 10 states in filing a complaint asserting that the proposed merger between Sysco and U.S. Foods would violate federal antitrust law.
- The two companies control *80 percent* of the market in the Washington/ Baltimore area.
- For fair competition to thrive in your industry, we believe the federal government should not allow this mega-merger to go forward.



### **Consumer Protection, Regulation and Enforcement**

- Consumer protection is one of OAG's top priorities. But good consumerprotection enforcement benefits both the public and law-abiding businesses like yours.
- OAG is seeking the resources to bolster our consumer-protection function so that we have more capacity to go after big game like the \$21.5 million dollar settlement we just obtained with Wall Street firm Standard & Poor's.
- This will include a community-outreach component.
- I will ensure we do all we can through our office & in cooperation with RAMW to educate businesses on how to comply with the District's laws.
- Our Civil Enforcement Section attorneys & staff are always happy to talk to businesses about enforcement; call 202-727-3400.



# Four Keys to Justice Initiatives

(1) Consumer Protection and Community Outreach;

- (2) Affordable Housing Protection and Enforcement;
- (3) Public Safety and Criminal Justice, Protecting Children and Families, and Juvenile Rehabilitation; and
- (4) Protecting Taxpayers, Workers, and Enforcing Honest Government.



### **Consumer Protection and Community Outreach**

- We are building on successes such as the \$21.5 million Standard & Poor's settlement we secured earlier this year.
- We expect to settle another major case soon that will, when taken together with the S&P case, likely amount to more than *double* OAG's Fiscal Year 2015 budget allocation.
- We are leveraging resources & requesting more budget authority to bolster OAG's consumer-protection function by hiring new attorneys and staff and giving them the resources they need to better pursue cases against well-heeled adversaries.
- We are already bolstering our community-outreach function to better educate consumers and businesses in the District and particularly vulnerable populations.



# Affordable Housing Protection and Enforcement

- We also want to do everything we can to make the District a more affordable place to live a goal that both the Mayor and Council share.
- Our Affordable Housing Protection and Enforcement Initiative will support this priority and more vigorously protect the rights of homeowners and tenants.
- This initiative will help enforce the Tenant Opportunity to Purchase Act as well as District laws requiring a certain percentage of affordable units in new developments.
- Data from the most recent United States Census show that **18.6 percent of District** residents' income fell below the poverty line despite a median income of \$65,830.
- In 2014, the average cost to rent a two-bedroom apartment in the District was \$2,500 per month, while the average price of a home in the District was \$513,250.



#### Public Safety and Criminal Justice, Protecting Children and Families, and Juvenile Rehabilitation

#### **GOALS**:

- Improve juvenile-justice system.
- Leverage resources and use smart, data-driven solutions to identify weaknesses in our current system and work to correct them.
- Use data to work toward reducing racial disparities in our system.
- Address the disproportionately high nexus between children in foster care and the juvenile-justice system.



#### Public Safety and Criminal Justice, Protecting Children and Families, and Juvenile Rehabilitation

- Need additional resources to support better data tracking, collection and analysis.
- Must look at best practices from other states to see what they've done to increase diversion of juvenile offenders and to move away from penitentiaries and toward community-based custodial settings.
- This initiative will accrue both intangible and tangible benefits to the District.



• Having more children grow into productive members of society benefits the District in the long run, both in terms of human costs and the real taxpayer costs associated with incarceration and recidivism.

#### Protecting Taxpayers, Workers, and Enforcing Honest Government

- Initiative to protect taxpayers and workers and enforce honest government will ensure that employers, contractors, and government officials discharge their duties in a professional and ethical manner and that local, small, and disadvantaged businesses can fairly compete for contracts under the law.
- Will be achieved through legislative changes, an increase in critical positions, and by improving OAG's ability to attract and retain talented attorneys.
- Focusing on the multiple yet distinct subject-matter areas under this initiative will generate revenue and protect the District's fiscal health, thereby relieving unnecessary financial burdens on District taxpayers.



# Next Steps

- OAG has submitted a budget proposal to the Mayor and Council that requests approximately \$16.5 million in additional resources for Fiscal Year 2016 to implement these initiatives.
- OAG is a revenue-generating agency for the District government.
- For example, \$21.5 million settlement with S&P that OAG attorneys brought home to the District's coffers this year alone covers more than the funds requested for Fiscal Year 2016.



The proposed increase will be backed by revenue raised by OAG from settlements and judgments on behalf of the District.

# OAG Generates Revenue for the District

- OAG actually contributes far more to the District's bottom line than it costs.
- Our local budget is \$55 million this year less than 1 percent of the District's overall budget.
- This fiscal year, we project that we will recover or save the District more than a billion dollars.
- Funds come through banked or anticipated recoveries in consumer-protection settlements, cost savings through liability the District has avoided by our attorneys winning lawsuits, civil-enforcement recoveries, tobacco settlement funds and other cost savings.





OAG has had tremendous success in bringing in revenue to, and saving costs for, the District:





## **Civil Litigation Division**

- Represents the District, our agencies and employees in more than 80 percent of the lawsuits seeking monetary damages filed against the District in federal or local courts.
- Cases range from simple slip-and-fall torts to multi-million-dollar contract claims to wrongful-death cases, employment discrimination cases and other suits seeking significant monetary damages.
- Protects our government entities and our taxpayers.
- Success rate for cases resolved in court in FY 2014 was 91%.



## **Commercial Division**

- Provides legal advice and transactional support in core areas:
  - community and economic development,
  - real-estate transactions,
  - property acquisition,
  - procurement,
  - tax and finance,
  - bankruptcy,
  - land use, and
  - public works.
- Provides critical assistance to District officials and agencies at virtually every stage of major government projects.



Continued independence is absolutely essential to ensuring that District officials don't expose themselves or District-associated projects to legal risks.

# Legal Counsel Division

- Provides oral and written advice including opinions to District officials in legal situations that affect virtually every aspect of District government.
- Performs legal reviews of all:
  - draft legislation introduced on the Mayor's behalf,
  - draft rulemakings from the Executive Branch,
  - Mayor's Orders, and
  - Council-enrolled bills presented to the Mayor for action.



# **Office of the Solicitor General**

- Handles the District's civil and criminal appellate-court litigation.
- Cases can cover a vast variety of substantive areas, and the Solicitor General's work takes place in courts of appeal at all levels up to and including the Supreme Court.



## **Public Interest Division**

- Handles cases that are at the core of what a state Attorney General's office does:
  - Protecting the District's residents and taxpayers,
  - Representing government agencies in large and complex litigation,
  - Representing the District in litigation concerning constitutional matters, and
  - Dealing with civil enforcement.
- This division has had an incredible few weeks and particularly the Public Advocacy Section, which takes action to file suit and join multistate actions to protect consumers and the District's taxpayers.
- Just last week, the Wall Street firm Standard & Poor's deposited \$21.5 million into the District's treasury thanks to the efforts of our very small band of attorneys who handle consumer protection.



The settlement was in a lawsuit brought against S&P for inflating credit ratings, in the mid- to late-2000s, for the kinds of mortgage-backed securities that were at the heart of our housing and financial crises.

## **Public Safety Division**

- Prosecutes all of the District's juvenile cases as well as certain kinds of adult cases.
- Juvenile Section processes more than 3,000 cases a year in Family Court, and our Criminal Section handles some 14,000 adult cases per year – including cases involving impaired driving, weapons violations and fraud.
- This division also has a section of attorneys and staff known as the Neighborhood and Victim Services Section. They assist victims of crimes and improve the quality of life in neighborhoods across our city by fighting neighborhood nuisances.



Most recently, this section helped improve safety, street lighting and other quality-of-life issues in the Sursum Corda neighborhood.

### Personnel, Labor & Employment Division

- Handles a vast area of responsibilities related to representing the District government and its agencies in personnel disputes and reviewing prospective collective-bargaining agreements.
- Recruits and trains a talented, diverse and high-quality workforce for our office and they have vastly expanded OAG's capacity in recent years through fellowship and internship programs and through recruiting some of the District's finest private lawyers and firms to assist the city on a *pro bono* basis.



## **Child Support Services Division**

#### • Assists families in the District with:

- locating absent parents,
- establishing paternity,
- establishing orders for monetary and medical support,
- collecting ongoing support, and
- enforcing delinquent child-support orders.
- As of the end of last fiscal year, OAG had **51,222** pending childsupport cases:
  - 54,481 children in the District of Columbia and
  - 17,329 children throughout our nation.

## **Family Services Division**

- Protects our most vulnerable citizens:
  - abused and neglected children,
  - victims of domestic violence,
  - incapacitated adults who are being abused, and
  - mentally ill adults who need emergency psychiatric care.
- There are approximately 1,300 open cases of child abuse and neglect in the District's Family Court. OAG attorneys who deal with these cases are shouldering a caseload of approximately 75 cases each.



# **Support Services Division**

• Provides all of the crucial staff, technological, logistical, customerservice, HR and other functions that enable the rest of the office to advocate for and defend the District, its residents and its agencies.

