



YEAR IN REVIEW
2022

Maryland Office of the Attorney General Year in Review 2022

In 2022, the Maryland Attorney General's office continued its efforts to combat fraud and abuse, fight for justice and civil rights, and safeguard Maryland's natural resources. Our office also continued to help Marylanders who have been impacted by the global Covid-19 pandemic, including loss of housing. In response to the housing crisis, the Attorney General's Access to Counsel in Evictions Task Force was created in 2021 to provide low-income Marylanders who are facing eviction with legal representation in the courts. The Task Force released its first annual report in January 2022, and continued to meet throughout the year to plan implementation of the statewide access to counsel in evictions program.

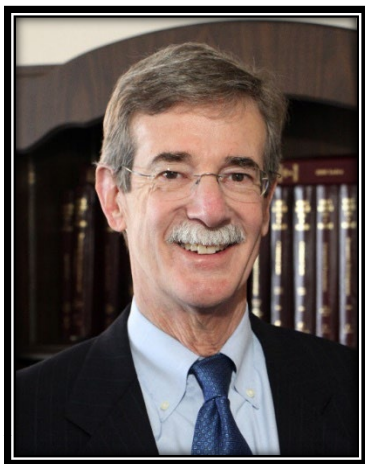
The office continued to stand up for consumer rights, with multiple enforcement actions and settlements, several of which include restitution for harmed consumers; to ensure public safety by obtaining criminal indictments and convictions; and to fight for environmental protections and prosecute those who violate our environmental laws.

Other significant actions in 2022 included a \$6 billion settlement with the Sackler family, the owners of Purdue Pharma, holding them accountable for contributing to the opioid crisis, and major settlements with pharmaceutical distributors, which will help fund opioids remediation and abatement; the passage of ghost guns legislation, sponsored by the Attorney General's office, prohibiting the sale, purchase, and transfer of dangerous ghost guns; and expansion of Maryland's Personal Information Protection Act. In one of my last acts as Maryland's 46th Attorney General, I issued an official opinion overruling past discriminatory opinions issued by the Attorney General's office within the last 100 years.

As always, our attorneys represented a broad range of clients with professionalism and skill, working diligently on behalf of all Marylanders. I am pleased to provide this summary of initiatives, litigation, and other accomplishments that represent our most notable achievements of the past calendar year.

It has been a great honor to serve as Maryland's Attorney General.

Sincerely,



Brian E. Frosh

A handwritten signature in blue ink, which reads "Brian E. Frosh". The signature is fluid and cursive.

Maryland Attorney General

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Major Initiatives

Fighting the Opioid Epidemic

Settlements with Johnson & Johnson and Distributors

In August 2022, in the culmination of years of investigative work and negotiations, working with other states and its subdivisions, Maryland finalized \$26 billion nationwide settlements with the three largest pharmaceutical distributors, McKesson, Amerisource Bergen, and Cardinal Health and the pharmaceutical manufacturer Johnson & Johnson.

Maryland simultaneously reached an agreement with 58 of its subdivisions to the distribution of opioids-proceeds from the distributors and Janssen settlements. Under the settlement agreements, subdivisions committed to use revenues from the litigation for opioids remediation and abatement and to deposit such revenues in segregated, non-lapsing funds.

The distributors and J&J settlements will result in the payment of \$395 million to Maryland and its subdivisions over 18 years, including \$60 million by the end of 2022.

Sackler Settlement

In May 2019, the OAG filed charges against the owners and former directors of Purdue Pharma for allegedly engaging in a pattern of deceptive conduct that encouraged the inappropriate use of opioids for patients who suffer from common chronic pain conditions,

helping fuel the nation's opioid crisis. However, Purdue Pharma filed for bankruptcy immediately prior to the scheduled trial date, resulting in a stay of the OAG's case.

The United States Bankruptcy Court for the Southern District of New York confirmed Purdue's bankruptcy plan, which resolved Purdue Pharma's bankruptcy by forcing the State of Maryland to release billions of dollars in legal claims against members of the Sackler family, owners of Purdue Pharma, in exchange for only a fraction of their value.

In September 2021, the OAG appealed the court's decision. The settlement was insufficient, the OAG argued, to deter future wrongdoing, especially because it allows members of the Sackler family and others to retain billions of dollars from wrongdoing that injured millions of Americans. In December 2021, a federal judge overturned the releases of the State of Maryland's opioid-related police power claims against members of the Sackler family, restoring the State's ability to protect the safety of Marylanders by holding fully accountable those who created or contributed to the opioid crisis, particularly members of the Sackler family.

In March 2022, Maryland, joined by seven other states and the District of Columbia, reached a \$6 billion settlement with the Sackler family. The agreement, reached after weeks of mediation in the wake of the OAG's successful challenge to the former \$4.325 billion Purdue bankruptcy plan that released the Sackler family from all liability for the opioids epidemic, will secure at least an additional \$39.6 million for Maryland.

The settlement is in addition to the previously agreed \$4.325 billion payment, distribution of Purdue's remaining assets, injunctive relief, and requirement that the Sacklers permanently exit the opioids business worldwide.

Endo Pharmaceuticals

In August 2022, Maryland entered bankruptcy settlement in principle with Endo Pharmaceuticals, an opioid manufacturer, that upon the conclusion of Endo's bankruptcy will yield a projected \$450 million over 10 years for states, subdivisions, and others throughout the country. The agreement in principle with Endo, which filed for Chapter 11 bankruptcy protection, resolves allegations that Endo boosted opioid sales using deceptive marketing that downplayed the risk of addiction and overstated the benefits.

Agency Support

Many Assistant Attorneys General are working to address the opioid crisis through their advice and support of their clients' efforts. The assistant attorneys general at the Department of Health play a lead role in advising the Opioid Operations Command Center (OCCC), which is coordinating the opioid-related work of all executive branch agencies. They provide legal advice regarding the sharing of data related to opioid patients, overdoses, and other aspects of the epidemic. They also advise Maryland's Prescription Drug Monitoring Program, as well as the Board of Pharmacy, the Office of Controlled Substance Administration, the Behavioral Health Administration, Medicaid, and a host of other offices that work on advice relating to substance abuse. Some of the legal issues

include Medicaid's coverage of opioid addiction medications and treatment services, the defense of Medicaid payment suspensions for fraud relating to opioid use and prescribing, and accreditation of treatment programs.

The OAG's advice on opioid-related issues involves all or almost all of our client agencies. For example, the Educational Affairs Division provides legal advice on widespread activity on each of the University System of Maryland's campuses, which includes: 1) information and outreach; 2) intervention and support for students' immediate, short-term needs; and 3) screenings and referrals for long-term addiction assistance. OAG attorneys also advise the Maryland State Department of Education on a variety of public awareness, education, intervention, and prevention programs. Our office also advises the Department of Human Services and local agencies on a variety of responsibilities related to opioids' effects on the populations they serve.

OAG Professional Development

In support of all of these efforts, we have created an Opioid Work Group to provide training for our lawyers on opioid-related issues and to provide a forum for our lawyers to share information about the issues they are confronting. Many of our attorneys also have participated in multi-day opioid training seminars sponsored by the National Association of Attorneys General.

Fighting for Victims of Sexual Assault

In 2017, the General Assembly passed legislation creating the Maryland Sexual Assault Evidence Kit Policy and Funding Committee (SAEK Committee or Committee). The Committee was established to create uniform statewide policies regarding the collection, testing, and retention of sexual assault evidence kits (SAEKs) and increase access to justice for sexual assault victims. Chaired by Attorney General Frosh, the Committee consists of a board cross-section of stakeholders including law enforcement, medical professionals, crime victim rights attorneys, victim advocates, prosecutors, agency officials, and legislators.

Since its inception, the SAEK Committee has led the effort to produce statewide SAEK reform in Maryland. The Committee's advocacy has helped the State to: establish a 20-year SAEK retention requirement; create uniform statewide testing criteria; develop a process to review law enforcement decisions not to test a kit; provide victims with HIV prophylaxis free of charge; secure over 5 million in Sexual Assault Kit Initiative (SAKI) grant funding; and promote transparency by establishing annual reporting by law enforcement.

Fiscal Year 2022 marked the SAEK Committee's fifth year in existence. This year, the Committee continued to implement the FY2018 SAKI grant and started implementing the FY2021 SAKI grant. In 2018, the Committee was awarded \$2.6 million in SAKI grant funding to conduct an inventory of Maryland's untested kits; test a portion of the

state's untested kits; establish a statewide tracking system; and provide victim services. In 2021, Maryland received another \$2.5 million in SAKI grant funds to continue its efforts under the previous grant, hire investigators to support local law enforcement agencies, and hire a Violent Criminal Apprehension Program/CODIS Hit Coordinator for the State.

In addition to implementing Maryland's SAKI grants, the SAEK Committee also facilitated the collection of annual law enforcement agency reports. The Committee hosted a 3-part Virtual Dialogue Series to promote compliance with recent SAEK policies and address additional areas where SAEK reform is needed. The Dialogue Series covered: Storing and Transferring SAEKs; The SAKI Grant & Effective Collaboration; and Drug-Facilitated Sexual Assault. The Committee invited experts and practitioners in the field to offer their input and, where necessary, offer solutions to resolve these matters.

Lastly, the SAEK Committee developed new recommendations and a plan of action for 2023. In 2023, the Committee will advocate in support of legislation related to the statewide tracking system, develop a statewide protocol regarding drug-facilitated sexual assault, and continue to advance both SAKI grants.

Overruling Discriminatory Past Opinions

In an official opinion addressed to Maryland General Assembly leaders, Attorney General Frosh formally overruled prior opinions of the Attorney General of Maryland that upheld or applied racially discriminatory Maryland laws

that were later found to be unconstitutional. Specifically, Attorney General Frosh found that many former opinions by the Office explicitly or implicitly relied on two discriminatory legal principles: 1) the restriction of interracial marriage by the State of Maryland and 2) the doctrine of “separate but equal” in public facilities, especially public education. The Attorney General reviewed the official opinions of the Office dating back to the first published volume in 1916, searching for any opinions that might have applied, interpreted, or upheld racially discriminatory laws. Some of the reviewed opinions explicitly advised that racially discriminatory laws should continue to be enforced, while others applied discriminatory laws without addressing the issue of their constitutionality.

Legislative Victories

Access to Counsel in Evictions Task Force

During the 2021 legislative session, the Maryland General Assembly passed HB 18, creating the nation’s second statewide access to counsel in evictions program and also creating the Access to Counsel in Evictions Task Force. The program, which will be administered by the Maryland Legal Services Corporation, provides low-income Marylanders who are facing eviction with legal representation in the courts. The program is expected to be fully implemented by October 2025.

The Access to Counsel Task force is required to:

- Evaluate the services provided through the program;
- Study potential funding sources; and
- Make recommendations to improve the implementation of the program, including necessary policy and statutory changes.

The Task Force released its first annual report in January 2022 to the Governor and Maryland General Assembly regarding funding and implementation of the statewide access to counsel in evictions program. In its 2022 session, the Maryland General Assembly appropriated \$12 million for FY23, the amount that the Task Force concluded would be needed for the first year of program implementation.

Ghost Guns Legislation

The Maryland General Assembly passed legislation (SB387/HB425), prohibiting the sale, purchase, and transfer of ghost guns, which have become a rapidly growing threat to public safety. The bill also prohibits the possession of ghost guns after March 1, 2023. The legislation was sponsored in part by the Office of the Attorney General.

Independent Investigations Division

The Independent Investigations Division (IID), the new office created by 2021’s police reform legislation to investigate all police-involved fatalities in the state of Maryland, released its annual report on November 29,

2022. The report covers the IID's work from October 1, 2021, through September 30, 2022, its first 12 months in existence. The annual report includes statistics from the first 23 cases, legal updates, and an overall look at the Division's investigative process. As of November 2022, the IID has investigated 25 cases.

In addition, SB 763, the Public Safety and Criminal Justice – Transparency and Accountability Act, was passed by the Maryland General Assembly in 2022, and provides a clearer definition of “alleged or potential police-involved death of a civilian,” provides injunctive relief if a hostile jurisdiction attempts to obstruct an investigation, and fixes a technical flaw in the Office of Attorney General's subpoena power.

Maryland Personal Information Protection Act

Following a substantial increase in the number of data breaches, Maryland's Personal Information Protection Act, with the Attorney General's support, was updated in 2022. The act increases the types of personal information that businesses must protect, shortens the time frames for businesses that experience a data breach to notify affected consumers, and requires additional information about the breach to be provided to the Consumer Protection Division.

Policy and Enforcement Priorities

Public Safety

Gangs and Criminal Organizations

Attorney General Frosh and Anne Arundel County Chief of Police Amal Awad announced in February the indictments of five defendants for multiple charges, including participation in a criminal organization, conspiracy to distribute drugs, possession with intent to distribute, and firearm-related counts. They also announced the seizure of a large quantity of fentanyl and other controlled dangerous substances that would have been distributed in Baltimore City, Anne Arundel County, and elsewhere throughout Maryland. Charged were 48-year-old Dwayne Booze and 51-year-old Thomas Timothy Booze, of Baltimore; 47-year-old Maurice Dotson of Severn; and 27-year-old Michael Booze and 31-year-old Thomas William Booze of Glen Burnie.

Based on the investigation, the Organized Crime Unit in the OAG's office, along with detectives from the Anne Arundel County Police Department and agents and investigators of the DEA Baltimore HIDTA group, obtained court-ordered search and seizure warrants for 20 locations throughout Maryland. Police seized more than 5 kilograms of fentanyl, more than 500 grams of heroin, and more than 7 kilograms of cocaine and cocaine base. In addition, police located a sophisticated marijuana grow operation located at the Baltimore City autobody shop with more than 400 marijuana plants. Police seized 9 firearms as part of their investigation.

In a separate case, six defendants were indicted in September for multiple charges including Participation in a Criminal Organization, Conspiracy to Distribute CDS, Possession with Intent to Distribute, and firearm-related counts. Charged were 28-year-old Jawan Fulton, of Pikesville; 36-year-old Darwin McCoy of Odenton; 27-year-old Maleik Moody; 23-year-old Trayvon Guest; 34-year-old Rymek Milligan; and 23-year-old Trezjure Fielding, of Baltimore.

During the investigation, detectives observed hundreds of hand-to-hand drug transactions in multiple jurisdictions and intercepted communications that confirmed the distribution of large amounts of fentanyl throughout Maryland. Investigators linked fentanyl supplied by members of the operation to several overdoses in Maryland and surrounding areas. In addition to seizing more than two kilograms of fentanyl, the investigation resulted in the seizure of six handguns.

Home Invasion Convictions

In September, Jaylen Skinner, 20, of Baltimore was convicted on charges related to a home invasion and carjacking criminal enterprise that operated in Baltimore County and Baltimore City and sentenced to 20 years in prison with all but 14 years suspended. Skinner was the ringleader of a crew charged with multiple carjackings and home invasions.

In total, six individuals were prosecuted in Baltimore County, Baltimore City, and in the juvenile system as a result of the investigation into the criminal enterprise believed to be responsible for more than 50 separate criminal offenses, including 30 home invasions and

attempted home invasions, and more than 20 carjackings and robberies that intentionally targeted Hispanic victims because the defendants believed that they would be less likely to cooperate with police and more likely to carry cash.

Homicide Indictments and Convictions

Following an investigation by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the Baltimore City Police Department (BPD), and the Organized Crime Unit of the Maryland Attorney General's Office, three defendants were indicted in February in the killings of two brothers, Cordelle and Cornelius Bruce of Baltimore in January of 2020. Charged were 21-year-old Christopher Brown, 22-year-old Daran Horton, and 27-year-old Jimmy Murphy of Baltimore. The charges include first-degree murder, arson, and firearm-related counts.

On January 14, 2020, Cordelle Bruce was shot and killed in the 1100 block of E. Belvedere Avenue in Baltimore City. His brother, Cornelius Bruce, was found six days later on January 20, in a burning vehicle in the 2800 block of St. Lo Drive in Baltimore City. It was determined that Cornelius had been shot and killed prior to his body being burned.

In September 2022, Christopher Brown, 22, and Daran Horton, 23, both of Baltimore, were found guilty of first-degree murder and related handgun charges for the January 2020 murder of Cordelle Bruce.

In a separate case, in March, Quanta Worrell, 30, of Baltimore City, was indicted for two counts of first-degree murder and related charges for the March 2020 homicides of

Stephen Sanders and Dimarcus Waldo. The investigation was led by the Baltimore City Police Department, the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the Organized Crime Unit of the OAG.

On March 25, 2020, Dimarcus Waldo, a father of seven who was working part-time as a driver-for-hire, gave Stephen Sanders a ride to the area of Queensberry Avenue and Oakley Avenue in Northwest Baltimore. Upon arriving in the area, Quanta Worrell directed Sanders to meet him around the block. When Waldo, still driving Sanders, drove around the block to the 3000 block of Oakley Avenue as directed, Worrell and two unidentified associates ambushed them, firing at least 20 rounds into the vehicle, shooting and killing both Sanders and Waldo.

Finally, in August, the OAG announced the indictment of Forell Dwayne Isaac, 38, of Baltimore, for the murder of his girlfriend Linique Green on September 12, 2021. Ms. Green was 29 years old at the time of her murder.

Standing Up for Consumers

Protecting Marylanders from fraud and deceptive business practices is an essential function of the OAG. Every day Marylanders face challenges and have questions about transactions that are part of daily life. They may sign up for phone service that doesn't work the way it was promised or have trouble getting a warranty repair or a medical bill paid by their insurance companies.

In FY 2022, the Consumer Protection Division (CPD), which includes the Health Education

and Advocacy Unit, assisted over 10,000 consumers who filed complaints, recovering more than \$4.6 million for them.

In addition to individual claims, the office undertakes social media campaigns, major investigations and participates in litigation with successful outcomes for Marylanders. Here are some of the major activities from 2022.

Social Media

Attorney General Frosh participated in the 2022 PROTECT Week press conference in June, including being a panelist in a virtual townhall with Maryland AARP, conducted a social media campaign in March to bring awareness to consumer issues during National Consumer Protection Week, and issued multiple consumer alerts and advisories on issues ranging from door-to-door COVID testing scams, payroll diversion scams, to warning consumers about flood-damaged used cars.

Data Breaches

Businesses collecting and retaining personal information about Maryland residents are required by Maryland law to notify residents if their information is compromised. The Maryland Personal Information Protection Act has undergone two updates in recent years – in 2018 and 2022 – in which the types of personal information businesses are required to protect have increased, to now include biometric and health data, among others. As of October 1, 2022, the updated Maryland law also shortens the time frames for businesses that experience a data breach to notify affected consumers and requires additional information about the breach to be provided to the Consumer

Protection Division. (MD Commercial Code §14-3504 (h)).

Data breach notices from 2020 to 2022 sent to the OAG are available on the OAG's website. These notices have increased since Fiscal Year 2017, driven in part by 1) the rapid increase in data breaches globally and 2) increase of types and expanded definitions of the personal information that is required to be protected, and therefore subject to notice when there is a data breach.

FY2017: 743

FY2018: 822

FY2019: 960

FY2020: 928

FY2021: 1738

FY2022: 1405

In November, separate settlements were reached with Experian Information Solutions, Inc. (Experian) and T-Mobile USA, Inc. (T-Mobile) concerning a 2015 data breach experienced by Experian that compromised the personal information of more than 15 million individuals who submitted credit applications with T-Mobile. The settlements were negotiated by a multistate work group that included 40 states and was led by the Maryland Attorney General's Office. Under the settlements, the companies have agreed to improve their data security practices and to pay the states a combined amount of more than \$15 million. The personal information of at least 376,170 Marylanders was compromised by the breach.

Additional settlements involving large-scale data breaches were obtained in 2022 with Wawa, over a 2019 breach and Carnival Cruise Line, also over a 2019 breach.

Student Loan Servicer Navient Settlement

In January, the OAG entered a multistate settlement with Navient Corporation, one of the nation's largest student loan servicers, for relief totaling \$1.85 billion to resolve allegations of unfair and deceptive student loan servicing practices and abuses in originating predatory student loans. The settlement, joined by a coalition of 39 attorneys general, resolves claims that since 2009, despite representing that it would help borrowers find the best repayment options, Navient Corporation steered struggling student loan borrowers into costly long-term forbearances instead of counseling them about the benefits of more affordable income-driven repayment plans. Also parties to the settlement are three of Navient's Corporation's subsidiaries, Navient Solutions, LLC, Pioneer Credit Recovery, Inc., and General Revenue Corporation. The terms of the settlement are contained in a Consent Order and Judgment filed in the Circuit Court for Baltimore City. Per the order, more than 1,100 Marylanders will be relieved from having to pay more than \$34 million in student loan debt; 11,836 Marylanders will also be receiving restitution checks totaling \$3,155,124.

Precious Metals Enforcement Action

In February, the OAG's Securities Division joined the Commodity Futures Trading Commission (CFTC) and 26 other state securities regulators in filing a complaint in the United States District Court for the Central District of California alleging Safeguard Metals LLC and Jeffrey Santulan, a/k/a Jeffrey Hill, solicited investors nationwide by touting

precious metals at grossly inflated prices that were not disclosed.

The defendants in this case were accused of failing to disclose the markup charge for their precious metals bullion products and that investors could lose the majority of their funds once a transaction was completed. In many cases, the market value of the precious metals sold to investors was substantially lower than the value of the securities and other retirement savings investors liquidated to fund their purchase. In Maryland, six known investors were defrauded out of approximately \$350,000 in this nationwide scheme.

The fraudulent precious metals scheme resulted in investments exceeding \$68 million from at least 450 investors nationwide.

Koons Kia Settlement

The OAG entered a settlement with Koons of Reisterstown Road, Inc., the owner of the Koons Kia dealership located in Owings Mills, Maryland. The settlement addresses allegations that Koons Kia charged consumers hidden fees not included in its advertised prices, and it collected fees for shipping their vehicles (known as “freight charges”) from consumers, although the shipping cost was already included in the advertised price of the vehicle.

The settlement requires Koons Kia to stop charging car purchasers fees, other than taxes or title fees, if the fees were not included in the advertised price for a vehicle. The dealership also agreed not to charge consumers for shipping if such freight charges were already included in any advertised price for the vehicle. The company also agreed to return all fees it collected from consumers other than taxes and

title fees that were not included in the advertised price of the vehicle, as well as all amounts it collected for freight charges that were already included in the advertised price of the vehicle, estimated to be about \$1 Million that will be returned to consumers.

TurboTax/Intuit Settlement

A settlement that includes more than \$2 million in restitution from the owner of TurboTax, Intuit Inc. (Intuit), was entered in May for misleading Maryland consumers into paying for tax services that they could have received for free. Per a multistate agreement with all 50 states and the District of Columbia, Intuit will pay \$141 million. A multistate investigation found that Intuit engaged in several deceptive and unfair trade practices that limited consumers’ participation in the IRS Free File Program.

Under the settlement agreement, Intuit will provide restitution to millions of consumers who started using TurboTax’s Free Edition for tax years 2016 through 2018 and who were told that they had to pay to file even though they were eligible to file for free using the version of TurboTax offered as part of the IRS Free File program. In Maryland, more than 66,000 consumers are eligible for restitution.

Harris Jewelry Settlement

Along with 17 other State attorneys general and the Federal Trade Commission (FTC), the OAG joined a multistate agreement in July resolving allegations that national jewelry retailer Harris Jewelry targeted and defrauded military servicemembers and veterans. The states and the FTC alleged that the jewelry company used deceptive marketing tactics to

lure active duty servicemembers to their financing program, falsely claiming that investing in this program would improve servicemembers' credit scores. Instead, servicemembers were tricked into obtaining high-interest loans on overpriced, poor-quality jewelry that saddled the servicemembers with thousands of dollars of debt and worsened their credit.

Under the agreement, Harris Jewelry agreed to forgive existing debts owed by service members that total approximately \$15 million, including \$128,995.57 owed by 102 Maryland service members. Harris also agreed to pay full restitution to service members who purchased jewelry protection plans – an amount that could total as much as \$10.9 million. Approximately 274 Maryland service members are entitled to refunds totaling \$63,399.67.

Maryland Puppies

The Consumer Protection Division reached a settlement in August with online puppy retailer Maryland Puppies Online, LLC and the company's owners, Sara and Nathan Bazler that provides restitution to Maryland consumers, imposes civil penalties, and bans the company from selling dogs in Maryland. The OAG alleged that Maryland Puppies continued to sell puppies after the "No More Puppy Mills Act" banned these sales in Maryland in January 2020. The company sold puppies both from its Maryland retail location and through its website. Under the settlement, Maryland Puppies is barred from offering, selling, or transferring dogs in or from Maryland. In the settlement, Maryland Puppies agreed to refund payments made by Maryland consumers that purchased dogs with certain

conditions since January 1, 2020, or pay for treatment of certain conditions. The settlement also requires Maryland Puppies to pay a civil penalty.

Neiswanger Management Services

In December 2016, the OAG filed a lawsuit against Neiswanger Management Services (NMS), alleging that, in violation of the Maryland Patient's Bill of Rights law, NMS unsafely and unlawfully evicted hundreds of frail, infirm, mentally ill, and physically and intellectually disabled people. In 2018, NMS agreed to a settlement in the State's case. Under the settlement NMS, which discontinued its operation of nursing facilities in Maryland in February, is permanently barred from engaging directly or indirectly in the management or operation of nursing facilities in Maryland, and from participating as providers in the Maryland Medicaid program, and ordered to pay \$2.2 million to the State.

After the settlement, the Organized Crime and Medicaid Fraud Control Units of the Criminal Division of the OAG began criminal investigations into the operators of those unlicensed assisted living facilities. Several individuals were criminally indicted, and in August of this year, were sentenced and ordered to pay restitution to former residents.

Debt Consolidation Services Order

A Final Order against Marcia L. Bailey and Arthur Wittenberg along with their entities, Marcia Bailey Inc. trading as Signature Accounting and the Wittenberg Family Trust, was issued in August for violating the Consumer Protection Act when they collected hundreds of thousands of dollars from

consumers to help them consolidate and pay off outstanding consumer debt, but did not provide the promised services. Bailey, Wittenberg, and their entities charged consumers upfront fees between \$11,000 and \$118,000 for services, followed by charging additional amounts that were supposed to be used to pay off consumers' outstanding debts. Rather than provide the services consumers purchased, Bailey and Wittenberg wrongfully converted most of the consumers' payments for their own personal uses.

The Order provides a permanent injunction that prohibits Bailey, Wittenberg, and their entities from further harming consumers, as well as an order requiring them to pay a \$1,246,000 penalty and to return all the monies they collected from consumers who did not receive promised services; in all, payments are estimated to total over \$2 million.

Westminster Management

The Consumer Protection Division reached a settlement in September with Westminster Management, LLC, a New Jersey-based corporation, and the 25 companies that own or owned 17 residential communities managed by Westminster Management in Maryland. The settlement addresses charges that Westminster and the property owners violated the Consumer Protection Act by charging tenants illegal fees and by failing to maintain the properties. The properties in question contained more than 9,000 rental units across Baltimore City, Baltimore County, and Prince George's County, and the settlement will potentially pay restitution to thousands of current and former residents of the communities.

The settlement, contained in a Final Order entered by the Consumer Protection Division, requires Westminster to return to consumers excessive application fees; improper agent fees, writ fees, and court costs charged in summary ejectment actions; small credit balances that were improperly retained by the company; and security deposit interest that was not paid to vacating tenants. The Attorney General's charges also alleged that Westminster and the property owners failed to adequately maintain their rental properties, subjecting tenants to leaking roofs and ceilings, excessive mold, and rodent infestations, among other things. The settlement also requires Westminster to pay a civil penalty of \$3,250,000.

Access Funding Structured Settlements

After a thorough investigation by the OAG, the General Assembly approved legislation in 2015, which went into effect October 2016, creating a new registration requirement for companies seeking to acquire structured settlement payment rights and authorized the OAG to discipline companies engaging in prohibited practices. Also in 2016, the OAG filed suit against Access Funding, LLC and other affiliated companies, for allegedly misleading victims of lead paint poisoning and other injured Marylanders to convert future structured settlement payments into immediate cash. The company had deceptively acquired settlement payment rights belonging to 94 individuals, primarily lead poisoning victims in Baltimore City. The payment rights had a total present value of over \$21 million. In exchange for the payment rights, Access Funding gave the owners cash lump sums totaling less than \$7 million, and in some cases as little as 8 cents

on the dollar of the payments' discounted present value.

In 2021, three executives and advisors of Access Funding were criminally charged, and in 2022 each was found guilty of Theft Scheme Over \$100,000 and Conspiracy to Commit Theft Scheme Over \$100,000 after a trial in the Circuit Court for Baltimore City. Sentencing will be set in Baltimore City Circuit Court.

Settlement with JUUL

In December, OAG and 33 states and territories reached an agreement of over \$434.5 million with JUUL Labs that resolves an investigation into the e-cigarette manufacturer's marketing and sales practices. In addition to the financial terms, the settlement forces JUUL to comply with a series of injunctive terms restricting its marketing and sales practices. Maryland is to receive at least \$13 million from the settlement.

Among other allegations, the attorneys general allege that JUUL willfully engaged in an advertising campaign that appealed to youth, even though its e-cigarettes are both illegal for them to purchase and are unhealthy for youth to use, and relentlessly marketed to underage users with launch parties, advertisements using young and trendy-looking models, social media posts, and free samples. It sold its product in flavors known to be appealing to underage users. The attorneys general further allege that, to preserve its young customer base, JUUL relied on age verification techniques that it knew were ineffective.

Securities Division

In September the OAG's Securities Division filed a Cease and Desist against cryptocurrency interest account provider Nexo Group and its co-founder Antoni Trenchev ordering them to cease and desist violating Maryland law in connection with the offer and sale of Nexo's Earn Interest Product (EIP) accounts. The Division alleged that Nexo, operating as an unregistered broker-dealer, offered and sold unregistered securities in the form of its EIP accounts and that Nexo misrepresented and omitted material facts such as its regulatory compliance and information related to interest generation.

In a separate case, also in September, digital-asset financial services company, BlockFi Lending LLC (BlockFi), entered into a Consent Order with the Securities Division to settle offers and sales of unregistered securities in the form of interest-bearing digital asset deposit accounts called BlockFi Interest Accounts (BIAs) to Maryland residents. As of December 31, 2021, BlockFi had 407,030 BIA investors in the US, of which more than 8,524 were Maryland residents.

Fighting for Affordable Healthcare

Emergency Healthcare for Women

In August, OAG filed briefs supporting the federal government in two actions in which women's rights to emergency healthcare, including abortion, are threatened.

In the first amicus brief, the coalition supports the federal government's defense of the

Emergency Medical Treatment and Labor Act (EMTALA) against Texas' attempt to broadly exempt abortion care from emergency healthcare. Following the U.S. Supreme Court's reversal of *Roe v. Wade*, the U.S. Department of Health and Human Services and the Centers for Medicare and Medicaid Services issued guidance reiterating EMTALA's existing obligations that require hospitals to provide stabilizing emergency treatment, including abortion. Texas filed a lawsuit, *Texas v. Becerra*, challenging EMTALA's longstanding interpretation and seeking to remove abortion care from emergency healthcare under the law.

In the second amicus brief, filed in *United States of America v. Idaho*, the coalition supported the federal government's motion for preliminary injunction to stop enforcement of Idaho's near total ban on abortion. In 2020, Idaho enacted S.B. 1385, which criminalizes all abortions and imposes prison time on anyone who performs, assists, or attempts to perform an abortion – even in the context of emergency care. The U.S. Department of Justice filed a lawsuit challenging Idaho's ban.

The briefs also argue that allowing Texas and Idaho to ban abortion care in medical emergencies risks significant strain on other state health systems. Emergency rooms in other states that protect abortion will be forced to absorb the resulting out-of-state patient need for emergency medical care.

Health Education and Advocacy Unit

In FY2022, the Health Education and Advocacy Unit (HEAU) within the Consumer Protection Division of the Office of the Attorney General closed 1,695 cases, assisting

patients in saving or recovering over \$2.4 million, including more than \$1.7 million in appeals and grievances cases. The HEAU's Annual Report reflects that denials of coverage happen routinely without challenge. In fact, consumers challenged less than 11 percent of adverse decisions in FY 2022, although many carriers issued more adverse decisions in FY 2022 than in FY 2021.

Standing Up for Civil Rights

303 Creative LLC v. Elenis

In August, the OAG joined a coalition of 22 attorneys general in filing an amicus brief with the U.S. Supreme Court, in the case *303 Creative LLC v. Elenis*, defending the constitutionality of Colorado's public accommodations law, arguing that a business owner's religious beliefs do not give a business open to the public the right to discriminate against customers.

The case involves a website design business and its owner seeking to deny services to LGBTQ+ couples by claiming Colorado's public accommodations law violates the First Amendment's protection for freedom of speech. The states' brief is in support of the respondents, who are defending the constitutionality of Colorado's public accommodations law.

Transgender Rights

In October, the OAG joined a coalition filing an amicus brief in *Kadel v. Folwell*, a case pending in the U.S. Court of Appeals for the Fourth Circuit. The brief supports a group of transgender individuals or parents of

transgender individuals who have been denied coverage for gender-affirming care under the North Carolina State Health Plan for Teachers and State Employees.

The brief notes the efforts that states joining the filing have made to protect transgender healthcare rights, including prohibiting health care discrimination based on transgender identity and ensuring that state employee healthcare plans cover medically necessary gender-affirming care. These policies have categorically improved the well-being of transgender people, and reduced the risk of suicide, substance abuse, and depression without significantly increasing premium costs or expenses to insurers and plan sponsors.

Voting Rights

In October, the OAG joined a coalition in filing an amicus brief in *Moore v. Harper*, a case in which the U.S. Supreme Court will decide whether to adopt the radical “independent state legislature theory” (ISLT) and give state legislators the sole, unchecked authority to make election rules at the expense of voters and other state institutions. The coalition is supporting North Carolina, its voters, and voting-rights organizations in their challenge.

The coalition argues that adoption of ISLT would invalidate a large swath of state election law that does not come from the state legislature, such as state constitutions, court decisions, and regulations. Elections would thus become unworkable and impossible to administer.

Environmental Enforcement

Baltimore Area Wastewater Treatment Plants Lawsuit

The OAG filed a lawsuit in January in Baltimore City Circuit Court on behalf of the Maryland Department of the Environment (MDE) to eliminate unpermitted discharges from the two largest wastewater treatment plants in Maryland: the Back River Wastewater Treatment Plant and the Patapsco Wastewater Treatment Plant. Both plants are owned and operated by Baltimore City.

During multiple MDE inspections of the plants in 2021 and after review of information submitted by Baltimore City, MDE observed extensive violations of MDE-issued discharge permits. These violations included exceeding effluent limits, failing to report sampling results, failing to report non-compliance, failing to comply with effluent sampling and testing protocols, failing to maintain sampling equipment, failing to provide various required reports, failing to comply with stormwater discharge permit requirements, failing to provide adequate operating staff, and failing to efficiently operate the plants and conduct necessary maintenance.

Valley Proteins Complaint and Settlement

In February, the OAG and Maryland Department of the Environment (MDE) filed a complaint in the Circuit Court for Dorchester County against Valley Proteins, an Eastern Shore poultry rendering facility located in Linkwood, Dorchester County, seeking

preliminary and permanent injunctive relief and civil penalties for violations of Maryland's environmental laws and regulations.

In required discharge monitoring reports from April 2019 through October 2021, Valley Proteins reported 40 effluent violations over a period of 598 days. Inspections conducted by MDE from January 2019 through January 2022 revealed additional violations, including pollutants in a position likely to pollute waters of the State, including into a nearby tributary of the Transquaking River; failure to implement stormwater pollution plan best management practices; numerous violations of total residual chlorine exceedances; unauthorized discharges of wastewater, sludge, and solids; and failure to operate the wastewater treatment plant with a certified operator. In addition, air quality inspections by MDE also uncovered 89 parametric monitoring deviations on the air pollution control equipment, as well as violations of continuous air monitoring.

The charges were settled by a consent decree issued in September, which requires Valley Proteins to correct stormwater violations; conduct a groundwater investigation to determine if the wastewater lagoons are leaking pollutants and, if leaking, to stop the leak and remediate any contamination; upgrade its existing wastewater treatment system in order to address effluent violations; conduct stormwater sampling; and investigate and implement improvements to address odor pollution beyond the facility's property line. Additionally, Valley Proteins is required to pay a civil penalty of \$540,000 for violations of Title 2 and Title 9 of the Environment Article, pay stipulated penalties if it fails to meet any deadline or schedule required by the consent

decree, and pay past and future costs to the State for response costs.

Clean Car Standards

The OAG was part of multistate litigation during the Trump administration defending California's longstanding authority to set its own vehicle emission standards, which had been adopted by Maryland and many other states. The office had also previously urged the Biden administration to reduce emissions from the transportation sector and to reaffirm California's authority to do the same. In summer of 2022, Attorney General Frosh joined comments urging EPA to restore California's waiver under the Clean Air Act for its GHG and zero-emission vehicle standards. The OAG also joined a coalition in a lawsuit against the National Highway Traffic Safety Administration challenging the Trump-era "Preemption Rule," which purported to preempt California's GHG and zero-emission-vehicles standards. On December 21, 2021, NHTSA announced a repeal of that rule. In March, the Environmental Protection Agency undertook a final action restoring California's waiver under the Clean Air Act for its greenhouse gas and zero-emission vehicle programs.

FTC Guidance on Automobile Sales

In September, Maryland, along with five other states, led a coalition calling on the Federal Trade Commission to adopt and strengthen guidance on automobile sales. The proposed rule, published in the Federal Register on July 13, 2022, would provide a critical tool to address misrepresentations in sales, leasing, and financing transactions, and increase pricing

transparency in advertising. The coalition asserts that the FTC's proposed rule is a necessary step in combatting unfair and deceptive acts in the vehicle marketplace.

MetCom Charges

On behalf of the Maryland Department of the Environment, the OAG filed a civil complaint in December in the Circuit Court for St. Mary's County against the St. Mary's County Metropolitan Commission (MetCom) to request civil penalties and an injunction ordering MetCom to cease sewage overflows from its sanitary sewer system and to perform necessary corrective action.

MetCom owns and operates sanitary sewer systems located throughout St. Mary's County. MetCom's sanitary sewer systems convey sewage from homes, businesses, and industrial facilities to various wastewater treatment facilities. From 2017 to present, MetCom discharged at least 2,170,876 gallons of untreated sewage from its sanitary sewer systems in 58 sanitary sewer overflow (SSO) events. These SSOs discharged raw sewage unlawfully to the ground surface, waters of the State, and/or waters of the United States. In addition, oysters that were harvested and served to the public following an SSO on October 28, 2021, purportedly caused an outbreak of foodborne illness in Virginia.

Labor Rights

Transportation Workers' Rights

In March, the OAG joined a coalition of 18 attorneys general in filing an amicus brief urging the U.S. Supreme Court to affirm a

lower court's decision that transportation workers who load and unload interstate cargo are exempt from the Federal Arbitration Act (FAA). The FAA requires workers to raise claims against their employer in private arbitration proceedings when they have signed an arbitration agreement; however, there is an exemption within the FAA for transportation workers.

The coalition argued that the transportation sector plays a critical role in state economies and infrastructure, and a disruption in transportation or shipping operations caused by labor conflicts has the potential to impact nearly every aspect of commerce within a state. States have an interest in ensuring that disputes involving transportation workers are resolved in public and transparent proceedings that allow the states to monitor such disputes and respond as necessary, as opposed to private and confidential arbitration proceedings designed by employers.

Antitrust

In November, OAG joined a coalition of attorneys general filing an amicus brief challenging anticompetitive, "no-poach" provisions for low wage workers. These provisions were used by McDonald's in its franchise agreements to restrict the rights of workers to move from one franchise to another in the restaurant chain.

The workers in this case, on behalf of a nationwide class of McDonald's employees, contend that, until 2017, McDonald's required all McDonald's franchisees to sign agreements that contained a provision prohibiting them from hiring workers who worked for any

McDonald's restaurant currently or in the prior six months. The attorneys general argue that such agreements violate federal antitrust laws and interfere with workers' ability to seek better employment opportunities, wages, and benefits. The coalition is asking an appeals court to reverse a lower court's decisions siding with McDonald's and against the workers.

Judicial Appointments

Kathleen Murphy, the former director of OAG's Criminal Division, received the high honor of appointment to Maryland's judiciary in 2022.

Commitment to Our Community

Thurgood Marshall Program

In keeping with its commitment to provide superior legal representation, the OAG created the Thurgood Marshall Clerkship Program. Each year, the Thurgood Marshall Clerkship Program provides first and second year law students from historically under-represented populations the opportunity to serve an 8-week clerkship over the summer at the downtown Baltimore location of the Maryland OAG.

The program is a collaborative effort of the OAG, several local law firms, and area law schools designed to attract diverse law students who demonstrate exceptional leadership potential to the field of public service. The goal is to encourage these students to consider public sector service during their legal careers by providing them with an excellent summer clerkship that enhances their future employment opportunities.

Pro Bono Work

The quality and commitment of lawyers and staff in the OAG is impressive. With skills honed by years of education and practice, attorneys in the office undertake detailed research, write strong and compelling briefs and opinions, and find solutions to complex problems. But with the privilege of professionalism comes responsibility. A responsibility to give back to the community. A responsibility to make justice—and the legal system—accessible to all. That is why the OAG has a robust and growing pro bono program.

Individuals in need of legal help are matched with lawyers who can assist them with a variety of tasks. Our lawyers help children, the elderly, and many others in need. We are committed to making sure we give back to the community, both through our public service mission and in other ways.

There are a variety of ways in which OAG attorneys may perform pro bono services. The cases in which attorneys have volunteered include drafting simple wills, simple deeds, powers of attorney, advanced medical directives, and corporate charters and by-laws; staffing expungement, powers of attorney, and bankruptcy bypass clinics; and representing individuals with filing Chapter 7 bankruptcies, name changes, gender marker changes, adult guardianships, divorces not involving custody, asylum, and other cases. Our attorneys have also written or edited numerous articles for the People's Law Library.



Maryland Attorney General
Brian E. Frosh