



REPORT OF 2004 PROGRESS & INITIATIVES

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HIGHLIGHTS

COLLECTED A RECORD \$1.67 BILLION IN CHILD SUPPORT PAYMENTS in 2004. The collections benefitted 685,000 children.

ARRESTED 32 ONLINE CHILD SEXUAL PREDATORS, with a perfect conviction record in cases brought to trial.

SUED A UT STUDENT RUNNING ONE OF THE WORLD'S LARGEST EMAIL SPAM OPERATIONS. The business used more than 250 assumed names to deceive consumers.

TRAVELED ACROSS THE STATE EDUCATING TEXAS SENIORS ABOUT PHONY SWEEPSTAKES, FOREIGN LOTTERIES, AND OTHER SCAMS. Urged consumers statewide to "Just Hang Up" on unsolicited telemarketing calls and identity theft scams.

RECEIVED THE MEDICAID FRAUD CONTROL UNIT OF THE YEAR AWARD from the U.S. Department of Health & Human Services.

TRACKED DOWN 124 CHILD SEXUAL PREDATORS WANTED FOR PAROLE VIOLATIONS, including two fugitives on the run for 13 years.

WON GUILTY PLEAS OR VERDICTS IN 25 CRIMINAL CASES involving capital murder, intoxication manslaughter, gambling, sexual assault of a minor, and other crimes.

ISSUED 10,974 OPEN RECORDS LETTER RULINGS. Approximately 27% of these were issued in ten business days or less, and 49% in twenty days or less. Answered over 11,000 calls to the Open Government Hotline.

COLLECTED \$50.7 MILLION IN TAXES AND DEBTS OWED TO THE STATE, including nearly \$5 million from bankrupt MCI/WorldCom.

SUPPORTING CHILDREN & FAMILIES

ARRESTED NINE PEOPLE ON THE 2004 TOP TEN CHILD SUPPORT EVADER LIST and sent more than 2,800 parents to jail for failing to pay support.

ESTABLISHED PATERNITY FOR 59,000 CHILDREN AND CHILD SUPPORT ORDERS IN NEARLY 57,000 CASES. The State earned more than \$36 million in federal child support performance incentives. Obtained signed paternity acknowledgments for nearly 70% of the children born out of wedlock in Texas.

FIGHTING MEDICAID FRAUD

RECOVERED \$36 MILLION IN OVERPAYMENTS AND CIVIL PENALTIES from the makers of Paxil, Flonase, Cipro, Claritin and other drugs. The companies were caught inflating prices and mislabeling their products.

WON A GUILTY PLEA FROM AN EAGLE PASS DOCTOR IN A \$304,000 MEDICAID FRAUD CASE. The doctor was charged with overbilling for sonograms and using unapproved drugs imported from Mexico.

WON RECORD PRISON SENTENCES FOR A HUSBAND AND WIFE TEAM WHO STOLE \$646,000 FROM MEDICAID. The woman, a licensed counselor, got 63 years in prison; her husband received a 35-year sentence.

WON A 10-YEAR SENTENCE, PLUS \$8.4 MILLION IN RESTITUTION against a Midland doctor who overbilled Medicaid for services at a walk-in clinic.

PROTECTING VICTIMS OF CRIME

AWARDED MORE THAN \$72 MILLION IN CRIME VICTIMS COMPENSATION – A NEW RECORD. Received a record 38,800 applications, and certified 95 sexual assault nurse examiners.

AWARDED \$33.7 MILLION IN GRANTS to more than 300 public and non-profit victim assistance organizations, and trained more than 4,200 victim service professionals.

CONTINUED BUILDING THE TEXAS VINE NETWORK, which gives crime victims information about offender status and court developments. At year end, VINE was available in 93 county jails and 62 court systems across the state.

PROTECTING TEXAS CONSUMERS

WON MORE THAN \$1 MILLION IN RESTITUTION from 14 Houston-area car dealerships that forced car buyers to purchase maintenance coupons. More than 4,000 consumers received restitution.

WON INJUNCTIONS AGAINST ELEVEN TELEMARKETING FIRMS for violating the Texas No-Call law.

SHUT DOWN THE TEXAS POLICE OFFICERS ALLIANCE (TPOA), a fraudulent charity that raised almost \$300,000 from donors, but paid only \$500 in benefits to the families of slain peace officers.

WON A \$23 MILLION JUDGMENT against the officers and directors of a charity that gave scholarships to needy students. The directors and officers were held liable for paying themselves grossly excessive compensation and benefits.

SUED DELAWARE-BASED CROSS COUNTRY BANK FOR PREYING ON LOW-INCOME CONSUMERS. The bank offered credit of up to \$2,500, but for most consumers the limit was as low as \$200 and in many cases, finance charges and fees used up most of the issued credit.

WON REFUNDS TOTALING \$4.2 MILLION FOR MORE THAN 18,000 TEXAS POLICYHOLDERS who overpaid on car repair claims that should have been covered by insurance.

SUED BANKRUPT TELECOM RESELLER NORVERGENCE for scheming to defraud hundreds of small Texas businesses.

FORCED WASHINGTON MUTUAL TO STOP MISHANDLING MORTGAGE AND ESCROW ACCOUNTS.

Reformed business practices will help ensure that company errors do not result in wrongful foreclosures or unfair consumer credit reports.

SHUT DOWN THREE FRAUDULENT MORTGAGE BROKERS IN EL PASO for operating without proper licenses, charging illegal fees on home equity loans, and falsifying documents.

FIGHTING FOR AFFORDABLE HEALTHCARE

SECURED \$30 MILLION FOR CHARITY HEALTHCARE AT A LAREDO HOSPITAL and helped a charity hospital in Dallas recover \$23 million wrongfully taken during the sale of the facility.

SUED A FLORIDA DISTRIBUTOR for charging exorbitant prices for flu vaccine.

WON \$1.1 MILLION IN CONSUMER REFUNDS FROM BANKRUPT MARK NUTRITIONALS INC. The company claimed its product let people lose weight while sleeping, without exercise or dieting.

OBTAINED A \$38 MILLION MULTISTATE SETTLEMENT FROM DRUG MAKER WARNER-LAMBERT, which improperly promoted the epilepsy drug Neurontin as a treatment for back pain, psychiatric disorders (including bi-polar disorder), and attention deficit disorder.

PROTECTING HISPANIC TEXANS

SENT A DALLAS-AREA WOMAN TO PRISON FOR 97 MONTHS FOR POSING AS A FEDERAL IMMIGRATION OFFICER and won a \$1.4 million civil judgment against her for defrauding immigrant families in the Dallas area.

WON \$900,000 IN RESTITUTION FROM A HIDALGO COUNTY NOTARY PUBLIC, in the first-ever trial under the Texas "notario" statute. The defendant claimed to be an attorney and charged fees to prepare immigration documents.

SUED MIDLAND-BASED APLICACION DE ORO AND ITS OWNERS for providing unauthorized legal services to almost 600 consumers.

SENT A DALLAS WOMAN TO JAIL ON CIVIL CONTEMPT CHARGES. She defrauded consumers by charging them over \$1,000 each for immigration services she could not legally provide, then did little or no work on their cases.

SUED OAK CLIFF-BASED GRUPO ECSA, whose owner promoted her business through a website and radio advertisements, defrauded immigrants of at least \$1.7 million, and was sent to jail for violating a court order to stop promoting her business.

WON \$3.3 MILLION IN CIVIL PENALTIES AND MORE THAN \$200,000 IN RESTITUTION FROM CITY MORTGAGE SERVICES OF DALLAS. Company owners pocketed mortgage payments instead of sending them to the lenders, leaving hundreds of homeowners in danger of losing their homes.

SUED SEVERAL FLORIDA-BASED CREDIT CARD COMPANIES, INCLUDING PROLINE AND LATINCARD PLUS. Defrauded consumers by charging them an up-front fee of nearly \$300. The companies promised major credit cards with high credit limits to Hispanic consumers. In reality, the cards were only good for purchases from the companies' catalogs and Web sites. Texas was the first state to act to stop this nationwide scam.

OTHER HIGHLIGHTS

VIGOROUSLY DEFENDED TEXAS' RIGHT TO HAVE A TEN COMMANDMENTS MONUMENT on the grounds of the State Capitol.

SUED SECOND CHANCE BODY ARMOR, INC., one of the largest makers of bullet-proof vests, for failing to reveal serious flaws that could jeopardize the lives of law enforcement officers.

SAVED THE STATE MORE THAN \$2 BILLION IN REVENUE IN 2004, most of it from a case involving USAA. This case determined that insurance companies owe sales and other general taxes to the State.

COLLECTED MORE \$18 MILLION FROM SIX MAJOR OIL COMPANIES that underpaid crude oil production taxes owed to the State.

SHUT DOWN A ROCK QUARRY THAT WAS POLLUTING THE BRAZOS RIVER, and sued six other rock and sand quarries for similar violations.

HELPED 56 TEXAS AGENCIES AND UNIVERSITIES GET REIMBURSEMENT FROM NATIONAL GYPSUM COMPANY to cover the cost of removing asbestos from their buildings.

FORCED ALCOA TO PAY MORE THAN \$12.4 MILLION TOWARD CLEAN-UP OF HAZARDOUS WASTE POLLUTION IN LAVACA BAY. The pollution came from an aluminum plant in Port Comfort.