



REPORT OF 2003 PROGRESS & INITIATIVES

TEXAS ATTORNEY GENERAL GREG ABBOTT

HIGHLIGHTS OF THE YEAR 2003

COLLECTED A RECORD \$1.5 BILLION IN CHILD SUPPORT in FY 2003. The collections benefitted 637,000 children.

CAUGHT NINE OF THE TOP TEN CHILD SUPPORT EVADERS from the May 2003 Top Ten List. Together they owed over \$400,000 in child support.

CREATED THE CYBER CRIMES UNIT TO PROTECT CHILDREN FROM SEXUAL PREDATORS who solicit victims on the Internet. Arrested 26 child sexual predators in just the first six months. Of these, all but two have been indicted, and one has been convicted. Successfully prosecuted child pornography cases in cooperation with other state and federal officials, winning convictions and guilty pleas from eight men and indicting six others.

AWARDED OVER \$71 MILLION IN CRIME VICTIMS COMPENSATION - more than awarded in any other year in the program's history. Received a record 34,965 applications.

ISSUED 9,424 OPEN RECORDS LETTER RULINGS IN 2003. Approximately 26% of these were issued in 10 business days or less and 45% in 20 business days or less. Answered over 11,000 calls to the Open Records Hotline in fiscal year 2003.

WON THE FIRST-KNOWN CRIMINAL CONVICTION FOR VIOLATIONS OF THE TEXAS PUBLIC INFORMATION ACT. The defendant was the superintendent of the Llano Independent School District.

CREATED THE FUGITIVE UNIT TO TRACK DOWN CONVICTED SEX OFFENDERS WHO HAVE VIOLATED THEIR PAROLE. In the first six months of operation, nearly 40 fugitives were apprehended.

COLLECTED MORE THAN \$62 MILLION IN DELINQUENT TAXES, FEES AND OTHER DEBTS OWED TO THE STATE in FY 2003.

CRACKED DOWN ON TELEMARETERS VIOLATING THE TEXAS NO CALL ACT. Filed 15 lawsuits against companies that broke the law.

MORE THAN 35,000 CASES CLOSED IN FY 2003, the highest number ever.

FIGHTING MEDICAID FRAUD

OBTAINED GUILTY PLEAS FROM THE OWNERS OF PARK PLAZA PHYSICAL MEDICINE CLINIC in Houston, for using fraudulent billing to steal millions from Medicare and Medicaid. The operators of five other Houston-area physical therapy clinics pleaded guilty or were convicted of similar charges.

OBTAINED A \$9 MILLION SETTLEMENT FROM A SUBSIDIARY OF PHARMACEUTICAL GIANT MERCK for deliberately falsifying its pricing reports and overcharging the Texas Medicaid program.

OBTAINED A 10 YEAR PRISON SENTENCE against a Leander woman who ran a fraudulent health care equipment company. She was also ordered to repay \$385,000 to the Medicare and Medicaid programs.

OBTAINED A SEVEN-YEAR PRISON SENTENCE for a San Antonio woman who used gifts of furniture and appliances to get low-income parents to reveal their children's Medicaid identification numbers. She then billed Medicaid for services not performed.

PROTECTING SENIOR TEXANS

OBTAINED THE LARGEST-EVER ARBITRATION AWARD IN A NURSING HOME CASE in October 2003 - more than \$258,000. Collected over \$740,000 in civil penalties from nursing homes and won a record six cases against unlicensed assisted living facilities in FY2003.

SUED THE OWNERS OF WESTHAVEN NURSING HOME IN FORT WORTH for numerous health and safety violations, including the sexual assault of a resident.

STOPPED AN ORGANIZATION IN MCKINNEY FROM TARGETING SENIOR CITIZENS posing as a government agency and offering to help them obtain an "elderly tax freeze."

PROTECTING VICTIMS OF CRIME

AWARDED MORE THAN \$30 MILLION IN GRANTS TO MORE THAN 300 PUBLIC AND NON-PROFIT ORGANIZATIONS for victim assistance services.

INCREASED THE NUMBER OF SEXUAL ASSAULT NURSE EXAMINERS (SANEs) dramatically by certifying 92 nurses. Texas now has more than 160 SANEs.

IMPLEMENTED VICTIM NOTIFICATION SYSTEMS IN 36 COUNTY JAILS AND IN 22 COURT SYSTEMS. Victim Information and Notification Everyday (VINE) provides timely offender status information to victims.

SUED AMERICAN HABILITATION SERVICES, INC. FOR FAILING TO PROTECT A MENTALLY CHALLENGED RESIDENT from sexual assault by a company employee.

PROTECTING TEXAS CONSUMERS

WON \$7.5 MILLION IN REFUNDS FOR APPROXIMATELY 11,000 TEXAS CONSUMERS and stopped deceptive mortgage lending practices by Household International.

SHUT DOWN A FLORIDA-BASED TAX EVASION SCAM that led people to believe they could legally avoid paying income tax.

TOOK ACTION AGAINST AN INVESTMENT SCHEME THAT BILKED SENIORS AND FACTORY WORKERS in Houston and Pasadena out of more than \$13 million, in the case of One West Financial Services. In cooperation with the district attorney, got a conviction and life sentence for the owner.

SUED ALYON TECHNOLOGIES FOR USING INTERNET POP-UP ADS to disconnect consumers from their service providers without permission and then reconnect them to the Internet through Alyon.

FORCED FINANCE COMPANY TO STOP PROMOTING DECEPTIVE GET-RICH-QUICK SMALL BUSINESS OPPORTUNITIES. Leasecomm also deceived consumers into authorizing bank withdrawals and sued those who fell behind on their payments.

INTERVENED IN BANKRUPTCY PROCEEDINGS TO PROTECT THE PRIVACY INTERESTS OF 77,000 TEXANS - and more than a million consumers nationwide - who took seminars and bought materials from Wade Cook Financial Corporation.

FROZE THE ASSETS OF U.S. CREDIT OF HOUSTON for advertising non-existent guaranteed credit cards and tricking consumers into revealing personal financial information.

SUED AMERIDEBT INC., A NON-PROFIT DEBT COUNSELING SERVICE, for soliciting voluntary donations in exchange for services and steering consumers to affiliated for-profit loan companies.

FIGHTING FOR QUALITY, AFFORDABLE HEALTH CARE AND INSURANCE

WON \$450,000 IN PENALTIES AND FEES FROM THE MAKER OF BODY SOLUTIONS weight loss products for making false claims about their products.

SUCCESSFULLY DEFENDED THE STATE LAW giving Texans the right to an independent review of treatment decisions made by HMOs.

FORCED PFIZER INC. TO REPAY \$2.6 MILLION TO THE MEDICAID PROGRAM to cover overcharges on prescription drugs for low-income Texans. Attorney General Abbott also required Pfizer to reform its marketing of Zithromax, a treatment for ear infections in children.

WON OVER \$500 MILLION IN REIMBURSEMENTS FROM BRISTOL-MYERS SQUIBB for antitrust violations. Bristol-Myers inflated its profits by keeping generic versions of Buspar, an anxiety medication, and Taxol, a cancer-fighting drug, off the market.

WON A RECORD \$18.5 MILLION SETTLEMENT AGAINST DEY, INC. for fraudulent pricing of inhalant drugs used to treat respiratory ailments.

SECURED AN AGREEMENT WITH PACIFICARE, an HMO, to promptly pay millions of dollars in claims filed by physicians, as required by law.

WON \$3.4 MILLION IN REFUNDS FOR TEXANS WHO WERE OVERCHARGED FOR CAR REPAIRS by Allstate Insurance and \$3.5 million in refunds from Farmers Insurance, Unitrin Insurance, Farm Bureau Insurance and Encompass Insurance on illegal car repair deductions.

OBTAINED \$200,000 IN REFUNDS FOR TEXANS for deceptive rate increases in Conseco long-term care policies.

WON DISTRICT COURT PRELIMINARY APPROVAL OF \$117.5 MILLION SETTLEMENT AGAINST FARMERS INSURANCE regarding discriminatory pricing practices on homeowners insurance and failing to disclose credit scoring practices in auto insurance.

SUPPORT FOR CHILDREN AND FAMILIES

WON A NATIONAL INNOVATIONS AWARD FOR THE AGENCY'S CHILD SUPPORT INTERACTIVE WEB SITE, which has case and payment information for parents who pay and parents who receive child support. Parents can also apply for child support services online. The Web site received more than 7 million visits in FY2003, up 95% from the previous year.

LAUNCHED THE “REINTEGRATION PROJECT” to help parents without custody find work and reconnect with their children after release from jail. The agency also referred over 5,500 parents to job assistance agencies across the state.

LAUNCHED “NO KIDDING: STRAIGHT TALK FROM TEEN PARENTS,” a program that uses teenage parents to educate their peers about the realities of pregnancy and parenting.

WORKED WITH SHERIFFS AND CONSTABLES ACROSS TEXAS to conduct 13 round-ups of parents wanted for failing to pay child support.

PROTECTING HISPANIC TEXANS

WON REIMBURSEMENT FOR HUNDREDS OF HISPANIC CONSUMERS who were sold faulty or incomplete air conditioning units by Dallas-based Fiesta Air Conditioning & Heating.

LAUNCHED A CAMPAIGN AGAINST FRAUDULENT “IMMIGRATION CONSULTANTS” who steal from consumers by posing as attorneys or legal experts who can help with immigration applications.

SHUT DOWN COMPANIES THAT SOLD BOGUS INTERNATIONAL DRIVERS LICENSES to Hispanic immigrants in Dallas, Houston and Austin.

SUED PEOPLE’S DREAM DEVELOPMENT OF LUBBOCK FOR BILKING LOW-INCOME CONSUMERS through a home ownership finance scam.

SHUT DOWN INTERACTIVE EDUCATIONAL SERVICES, which tricked Hispanic parents into buying expensive computers by claiming to represent the schools their children attended.

STOPPED A SCAM AGAINST IMMIGRANTS run by Maria Elena Garza, who falsely claimed she was a federal immigration officer with authority to process benefits applications. She charged up to \$1,000 per client but never filed any applications. In cooperation with federal authorities Garza was convicted of mail fraud and impersonating a federal officer.

OTHER LITIGATION HIGHLIGHTS

URGED THE U.S. SUPREME COURT TO SAFEGUARD THE PHRASE “UNDER GOD” in the Pledge of Allegiance.

SUCCESSFULLY DEFENDED THE PLACEMENT OF A TEN COMMANDMENTS MONUMENT on the grounds of the Texas Capitol.

SUCCESSFULLY DEFENDED THE STATE’S RIGHT TO DRAW NEW CONGRESSIONAL DISTRICTS, then defended the new districts against numerous legal challenges in various courts throughout Texas.

SUED A BOGUS POLICE CHARITY for falsely claiming that donations would go to the families of slain officers. The case against the Texas Police Officers Alliance was brought in cooperation with the Harris County Attorney.

FROZE THE ASSETS OF A CHARITY WHOSE EMPLOYEES SPENT THOUSANDS OF DOLLARS ON PERSONAL SERVICES, expensive dinners and clothing, travel and vehicles. Kid-Care of Houston was established to benefit hungry children.

WON A \$9 MILLION PENALTY AGAINST HUNTSMAN PETROCHEMICAL for air pollution violations at its Port Arthur plant. The company also has to put air quality monitors near the plant and release the results to the public.

STOPPED HERITAGE ACADEMY AND LIBERTY INSTITUTE FROM DEFRAUDING THE STATE by inflating attendance numbers and funneling state money to Liberty Institute for personal use. Heritage Academy can no longer run charter schools in Texas.