



# REPORT OF 2005 PROGRESS & INITIATIVES

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## TEXAS ATTORNEY GENERAL GREG ABBOTT

### HIGHLIGHTS

COLLECTED MORE THAN \$1.8 BILLION FOR TEXAS FAMILIES AND CHILDREN during state fiscal year 2005. The record \$1.864 benefitted more than 600,000 families and surpassed the previous year's total by \$186 million.

WON THE LARGEST-EVER FEDERAL ENVIRONMENTAL AIR QUALITY SETTLEMENT involving a refining company. Valero Refining will spend \$700 million on upgrades in Texas and five other states, plus \$11 million for supplemental Texas projects, \$1.25 million in civil penalties and \$50,000 in attorney fees.

ARRESTED 93 CHILD SEX OFFENDERS WHO VIOLATED PAROLE, 15 child predators who solicited children online, 37 unregistered sex offenders and six individuals charged with possession of child pornography.

DEFENDED THE TEN COMMANDMENTS MONUMENT BEFORE THE U.S. SUPREME COURT. The Court agreed with Attorney General Abbott's argument that the monument on the Texas Capitol grounds is a constitutional acknowledgment of religion.

COLLECTED \$8.3 MILLION IN BACK TAXES FROM ENRON CORPORATION and three of the company's subsidiaries.

RECEIVED THE PRESTIGIOUS JAMES MADISON AWARD from the Freedom of Information Foundation of Texas for his unwavering commitment to open government.

WON \$10 MILLION IN DAMAGES TO BE PAID BY BOEHRINGER INGELHEIM CORP for drug-pricing schemes designed to defraud the Medicaid system. This is the last in a series of lawsuits resulting in almost \$56 million in recoveries for the State.

OBTAINED 23 INDICTMENTS AND TWO GUILTY PLEAS for more than \$2 million stolen by employees of the Electric Reliability Council of Texas (ERCOT) through fraudulent billings from dummy companies.

BROUGHT CAPITAL MURDER CHARGES IN THE LONG-UNSOLVED BRUTAL SLAYINGS of five victims kidnaped from a Kentucky Fried Chicken franchise in Kilgore in September 1983.

CRACKED DOWN ON VOTER FRAUD, OBTAINING SIX INDICTMENTS. Two individuals have already been convicted.

## PROTECTING AND SUPPORTING TEXAS CHILDREN

ARRESTED ALMOST 360 SEXUAL PREDATORS AS OF THE END OF 2005, including 69 online predators, 250 fugitive child sex offender parolees, and 36 unregistered sex offenders, in crackdowns that started in spring, 2003.

OBTAINED CONVICTIONS AGAINST 30 MEN ON CHILD PORNOGRAPHY CHARGES as of the end of 2005. The dozens of predators arrested and indicted have faced a very high conviction rate and long sentences.

ARRESTED FIVE CONVICTED CHILD SEX OFFENDER/PAROLE VIOLATORS as part of "Operation Safe Halloween." Officers visited residences of parolees to look for any attempts to lure children inside.

LAUNCHED A MULTIMEDIA KIDS' PAGE WITH TIPS AND GAMES TO EDUCATE CHILDREN about how to stay safe online. The site provides students with information about Internet safety and the dangers of giving out their personal information.

ACTED QUICKLY AND DECISIVELY IN PARTNERSHIP WITH THE LEGISLATURE and the Texas Health and Human Services Commission to prevent registered sex offenders from receiving erectile dysfunction drugs through Medicaid.

RECEIVED THE 2005 STATE LEADER OF THE YEAR AWARD, a national honor from the National Child Support Enforcement Association, for his contributions to child support. Attorney General Abbott was selected from among 60,000 child support professionals across the nation.

ARRESTED SIX OF TEXAS' TOP TEN CHILD SUPPORT EVADERS IN 2005, and arrested nearly 100 more delinquent parents in countywide sweeps. In FY 2005, more than 3,500 parents were incarcerated for failing to pay child support.

HANDLED MORE THAN 24 MILLION PHONE CALLS FROM CHILD SUPPORT CUSTOMERS during FY 2005. The agency's toll-free automated voice response system provides case-specific information on a 24-hour basis.

PROVIDED FEDERAL ACCESS AND VISITATION FUNDING IN FY 2005 TO 11 ORGANIZATIONS across Texas to help parents without custody stay involved in their children's lives.

## PROTECTING TEXAS CONSUMERS

OBTAINED A JUDGMENT TO PROTECT CONSUMERS FROM UNSOLICITED ONLINE PORNOGRAPHY. Alyon Technologies agreed to cease operating in a manner that results in uncontrollable pop-up advertisements for fees.

WON REFUNDS TOTALING UP TO \$10 MILLION to Texans who unknowingly purchased vehicles that were previously damaged and deemed total losses by State Farm Mutual Automobile Insurance Co.

FILED A LAWSUIT AGAINST VONAGE FOR FAILING TO MAKE CLEAR TO CONSUMERS that the company's service did not include access to traditional emergency 9-1-1 service. Vonage is the country's largest Internet-based telephone service provider.

OBTAINED REFUNDS AND CREDITS TOTALING MORE THAN \$800,000 FOR THOUSANDS of AT&T long-distance customers who paid a recurring monthly fee of \$3.95 per household.

SUED NEW YORK-BASED SONY BMG MUSIC ENTERTAINMENT under the state's spyware law of 2005. Attorney General Abbott was the first state official in the nation to bring legal action against SONY BMG for embedding illegal "spyware."

SUED BLOCKBUSTER FOR FAILURE TO PROVIDE FULL REFUNDS OR CREDIT for rental items converted to sales and for "restocking" fees. The company agreed to fully disclose the terms of its "No late fees" policy.

OBTAINED FELONY INDICTMENTS AND SHUT DOWN THE ILLEGAL FORGERY OPERATION "Diplomas For Less," and obtained judgments against operators of a "university" that issued fraudulent degrees

OBTAINED A COURT ORDER TO HALT THE WRONGFUL BILLING AND DEBT COLLECTION PRACTICES of the La Joya Water Supply Corp. in Hidalgo County, and won refunds for approximately 125 customers of a Henderson County utility that deliberately overcharged for about 20 years.

## **PROTECTING SENIORS AND CRIME VICTIMS**

PAID MORE THAN \$85 MILLION IN BENEFITS on behalf of crime victims, and awarded more than \$36 million in grants for victim service providers.

AIDED VICTIMS OF DOMESTIC VIOLENCE by posting a new self help kit in English and Spanish on the Attorney General's website that will enable victims to file their own applications for protective orders.

FILED LEGAL ACTION TO STOP A HOUSTON WOMAN FROM UNLAWFULLY EXPLOITING distressed homeowners, some of them elderly, who faced imminent foreclosure and eviction.

OBTAINED COURT-APPOINTMENT OF TRUSTEES TO ASSUME OPERATION OF 13 TEXAS NURSING HOMES that are controlled by corporations headed by parent company Foremost Care Inc.

SUED TWO NORTH TEXAS-BASED COMPANIES THAT FALSELY PROMISED CONSUMERS significant savings on medical bills by offering fraudulent health "discount card" plans to those in need of health insurance.

SUED A MAIL-ORDER PRESCRIPTION DRUG SERVICE FOR EXPLOITING SENIORS who need reduced-cost drugs. The service asked seniors to commit fraud by lying to drug companies about their income.

## **FIGHTING MEDICAID FRAUD AND PROTECTING THE PUBLIC HEALTH**

IDENTIFIED MORE THAN \$30 MILLION IN MEDICAID OVERPAYMENTS, completed 380 Medicaid fraud investigations, referred 126 cases for prosecution, and obtained 52 convictions in FY 2005.

INTERVENED IN A FEDERAL LAWSUIT AGAINST CAREMARK, a pharmacy benefit manager that schemed to avoid reimbursing Medicaid for prescription drugs for individuals who were insured by one of its health plans.

RECOVERED \$2.15 MILLION, INCLUDING \$750,000 IN ATTORNEY FEES, FROM RESCARE, INC. The company falsely billed the Medicaid program for mental health services not rendered.

SUED ONE OF THE LARGEST DRUG COMPANIES IN THE NATION for misrepresenting the safety of the painkilling prescription drug Vioxx, which elevates risk of heart attack and other cardiovascular problems.

OBTAINED A TEMPORARY RESTRAINING ORDER FREEZING MORE THAN A MILLION DOLLARS in assets of two Houston companies that falsely promise a significant savings on medical bills by offering deceptive health "discount card" plans to those in need of health insurance.

REACHED AN AGREEMENT CREATING A \$3.5 MILLION ENDOWMENT FOR INDIGENT HEALTH CARE to be provided by Zale Lipshy University Hospital in Dallas.

SPEARHEADED A \$36 MILLION MULTI-STATE ANTITRUST LAWSUIT over the high price of the prescription antidepressant drug Remeron and its generic equivalent mirtazapine.

RECOVERED \$1.86 MILLION FOR THE TEXAS MEDICAID PROGRAM following a multi-state investigation of Gambro Healthcare, Inc., and its subsidiary. The companies fraudulently billed Medicaid for equipment, unnecessary tests and services in which physicians were paid kickbacks.

FROZE THE ASSETS OF HEALTH CARE BUSINESSES that inoculated an estimated 1,600 Exxon employees with a substance they falsely promoted as flu vaccine.

RECOVERED MORE THAN \$465,000 FROM A PHARMACY OWNER who billed the Medicaid program for fraudulent prescriptions. The case also resulted in three arrests.

CONVICTED A HOUSTON DOCTOR WHO BILLED MEDICARE AND MEDICAID for motorized wheelchairs for patients who did not need them and for physical therapy sessions that did not occur.

SEIZED \$52,000 AND OBTAINED A GUILTY PLEA, 10-YEAR PRISON SENTENCE AND \$185,000 in restitution against the owner of a fraudulent depression counseling operation in Houston.

ARRESTED THE FORMER OWNER OF THE CHILDREN'S REHABILITATION CENTER, "JUST FOR KIDS", for Medicaid fraud and personal enrichment schemes.

## RESPONDING TO THE HURRICANE DISASTERS

TRACKED DOWN AND ARRESTED 13 FUGITIVE VIOLENT OFFENDERS FROM LOUISIANA who went into hiding from law enforcement during evacuations in the wake of Hurricane Katrina.

SUED THE OWNERS OF A QUALITY INN & SUITES HOTEL IN MARSHALL FOR PRICE-GOUGING Louisiana and Texas evacuees who were fleeing Hurricanes Katrina and Rita.

HALTED A BOGUS "DEBT ELIMINATION" SCHEME purportedly aimed at Hurricane Rita evacuees and others saddled with major debt.

## PROTECTING HISPANIC TEXANS

SHUT DOWN MORE THAN A DOZEN UNAUTHORIZED IMMIGRATION SERVICE PROVIDERS IN 2005 that defrauded thousands of Texas families while collecting hundreds of thousands of dollars from unsuspecting Hispanic consumers. One case resulted in a judgment of almost \$1 million in district court. Since taking office, Attorney General Abbott has been a national leader in this effort by shutting down almost 40 such operations.

WON A \$3.5 MILLION JUDGMENT AGAINST A TEXAS-BASED BUSINESS for bilking hundreds of Hispanic homeowners out of tens of thousands of dollars with its "debt-reduction service."

HOSTED THE FIRST-EVER NATIONAL CONFERENCE ON SCAMS TARGETING HISPANICS to train law enforcement and other Attorneys General on effective ways to fight this growing problem.

HALTED THE SALE OF "MIRACLE BEDS" RETAILING FOR THOUSANDS OF DOLLARS EACH to Hispanic consumers in Texas. The scam artists falsely asserted the beds had the power to cure cancer, diabetes and other serious ailments.

HALTED A DALLAS-AREA HOUSING SCAM WHERE DOZENS OF HISPANIC VICTIMS were induced to pay for homes in cash, only to learn months later that the properties were condemned and slated for repossession.