

# 2014

## IN YOUR CORNER KANSAS



**KANSAS ATTORNEY GENERAL**

**Derek Schmidt**

**Consumer Protection &  
Antitrust Division  
Annual Report**

January 1 – December 31, 2014

**[www.InYourCornerKansas.org](http://www.InYourCornerKansas.org)**



# Message from Kansas Attorney General Derek Schmidt



STATE OF KANSAS  
OFFICE OF THE ATTORNEY GENERAL

**DEREK SCHMIDT**  
ATTORNEY GENERAL

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June 2015

Dear Fellow Kansans:

It is my pleasure to present the 2014 annual report for our Consumer Protection Division as required by K.S.A. 50-628. This document also includes annual reports for antitrust enforcement, the Kansas False Claims Act, the Kansas Roofing Registration Act, the Livestock/Brand Inspection Unit, and criminal cases prosecuted by our Consumer Protection Division.

The Consumer Protection Division combats fraud and other illegal business practices. As required by law, we work closely with local prosecutors and private litigants, but the bulk of consumer protection work in our state – more than 4,000 cases in the past year – is handled by our office. Consumer protection is one of our critical priorities, and I am proud this year to again represent Kansas as a member of the Consumer Protection Committee of the National Association of Attorneys General.

Kansas consumers can expect from us fair, consistent and even-handed enforcement of the consumer protection laws. From the telemarketing laws to door-to-door sales, our goal is to enforce the law in a way that provides justice and ensures that the law is followed. In addition to helping consumers, this approach to enforcement is good for the Kansas economy by ensuring regulatory certainty for businesses.

During 2014, our office recovered more than \$8.5 million for Kansas consumers and taxpayers. Of course, the best outcome is preventing fraud in the first place, so we have once again stepped up our efforts to educate consumers on scam prevention through presentations, literature and our interactive consumer protection website at [www.InYourCornerKansas.org](http://www.InYourCornerKansas.org).

Thank you for the privilege of serving.

Best wishes,

A handwritten signature of Derek Schmidt in black ink.

Derek Schmidt  
Kansas Attorney General

# 2014... By the Numbers

## Consumer Savings...

\$3,315,014.19 – without litigation

\$1,309,336.65 – through litigation

**\$4,624,350.84 – Total Consumer Savings**

## Penalties, Fees and Other Recoveries...

\$2,994,113.52 – Civil penalties and fees awarded

\$811,500.00 – No-call penalties awarded

\$142,000.00 – False claims recoveries

**\$3,947,613.52 – Total Penalties, Fees and Other Recoveries**

## Total Savings and Recoveries...

**\$8,571,964.36**

## Investigative Requests...

**4,281 Investigative Requests Received**

### Top Categories

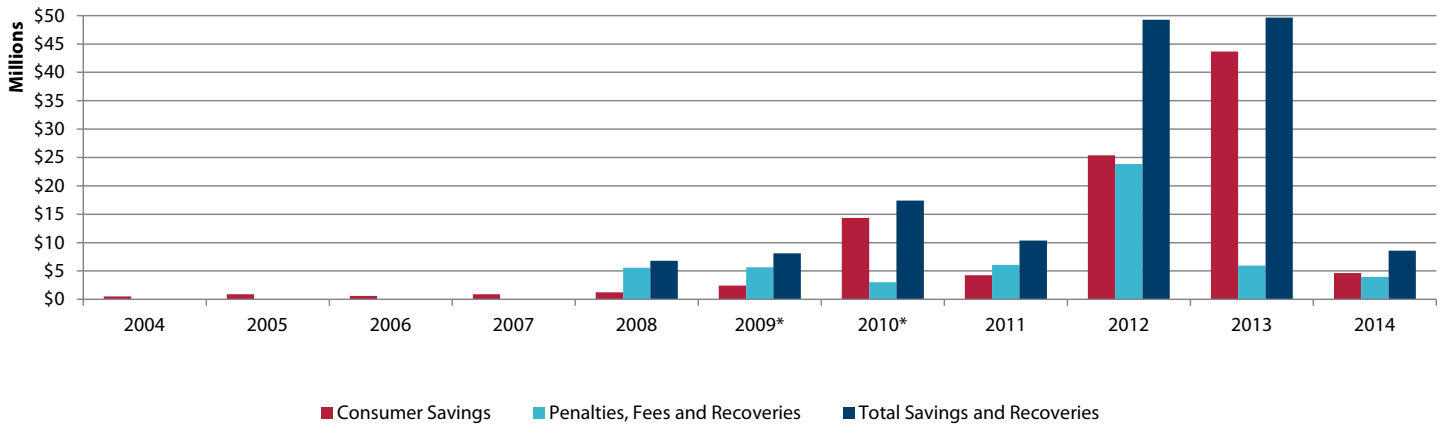
1. No Call
2. General Services
3. Used Car Sales Practices
4. Collection by Agencies
5. Computer – Internet Sales
6. Cellular Phones and Pager Services
7. Credit
8. Health Services
9. Identity Theft
10. Computer Online Services

**5,229 Investigative Requests Closed**

### Top Categories

1. No Call
2. Collection by Agencies
3. Used Car Sales Practices
4. General Services
5. Home Improvement - Roofing
6. Computer – Internet Sales
7. Credit
8. Cellular Phones and Pager Services
9. Health Services
10. Computer Online Services

## Recovery Trends...

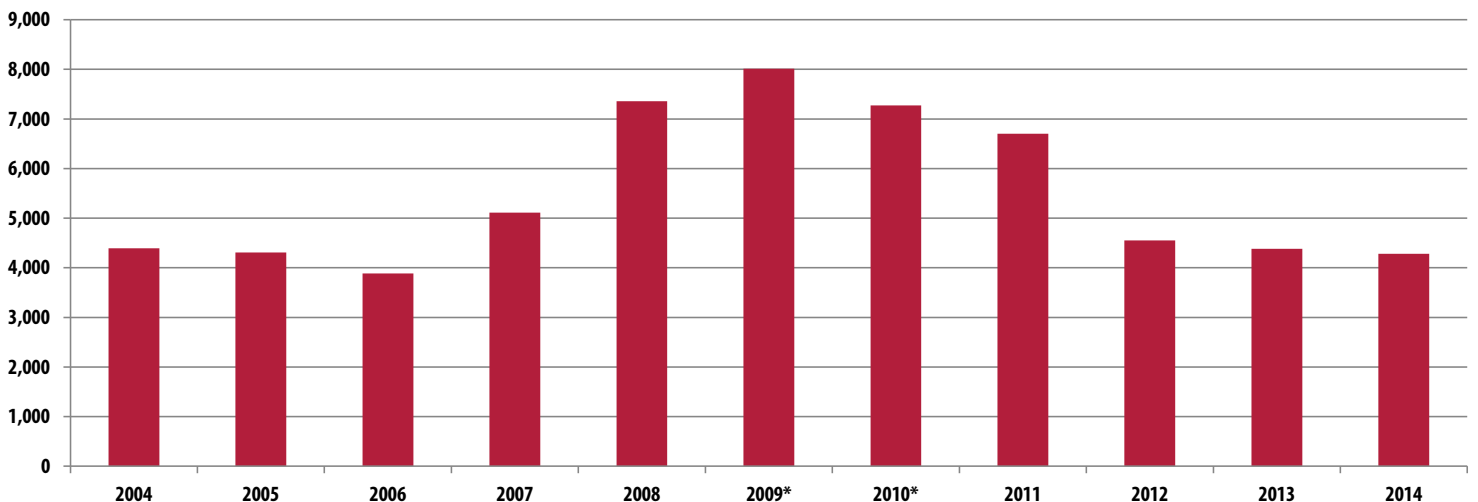


Consumer Savings includes savings without litigation, and restitution ordered.

Data for penalties and fees was not reported separately prior to 2008.

\*2009 and 2010 data were reported based on Fiscal Years.

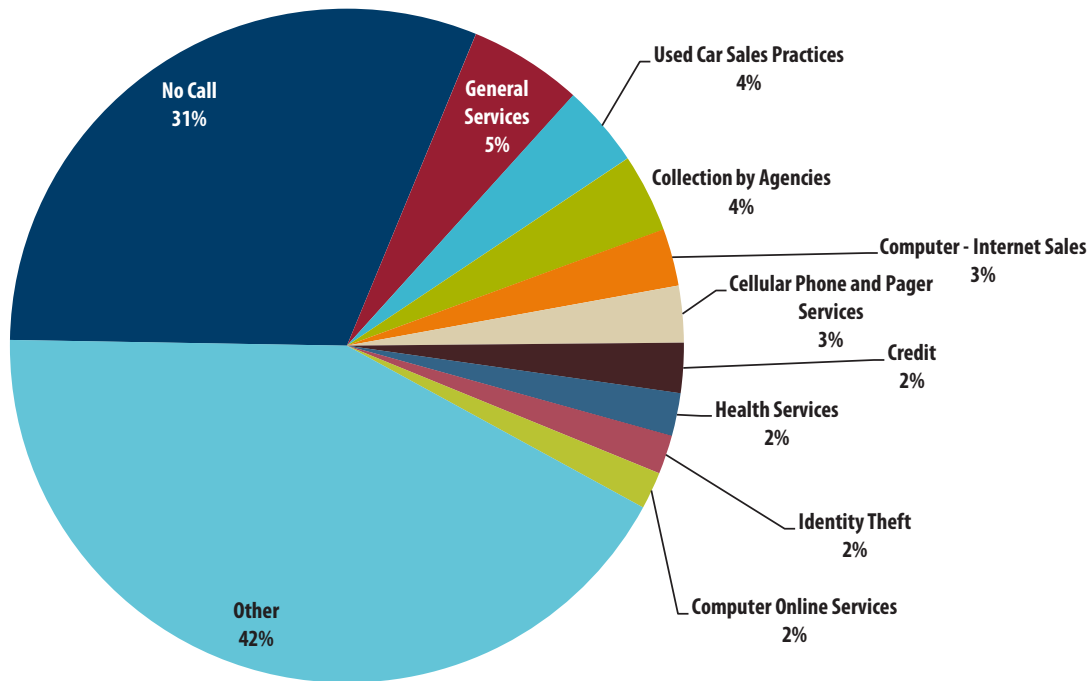
## Investigative Request Trends...



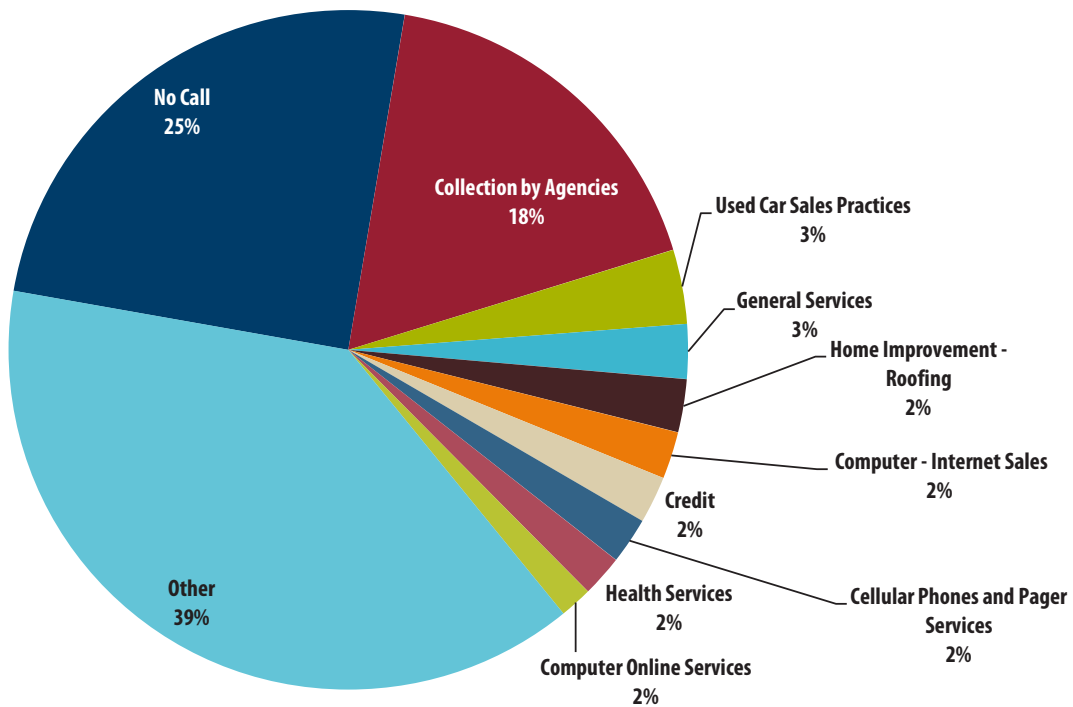
\*2009 and 2010 data were reported based on Fiscal Years.

*A new online investigation request system introduced in 2012 reduced the number of investigation requests by more accurately directing requests to other agencies in areas where the Attorney General's Office does not have jurisdiction.*

## Investigative Requests Received by Category (Total: 4,281)

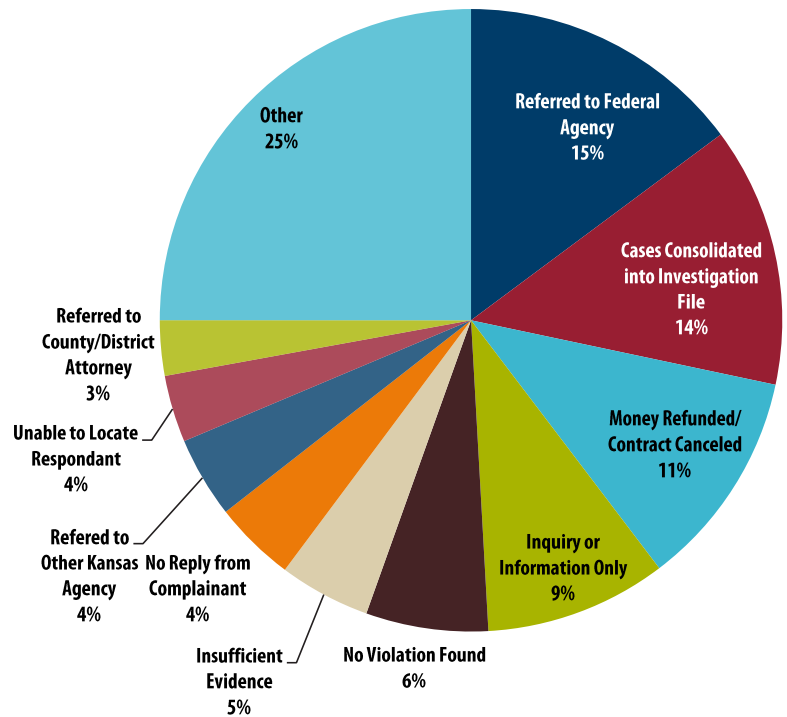


## Investigative Requests Closed by Category (Total: 5,229)



## Disposition of Complaints...

1. Referred to Federal Agency
2. Cases Consolidated into Investigation File
3. Money Refunded/Contract Canceled
4. Inquiry or Information Only
5. No Violation Found
6. Insufficient Evidence
7. No Reply from Complainant
8. Referred to Other Kansas Agency
9. Unable to Locate Respondant
10. Referred to County/District Attorney



## Consumer Education and Outreach...

In 2014, the Consumer Protection Division continued the mission of protecting Kansans by providing outreach information through presentations, informational booths and various other events. This year Attorney General Schmidt and his staff spoke to 124 groups of people and provided over 500 hours of service at multiple state, county and local fairs. The In Your Corner Kansas website continues to provide resources every hour of every day to consumers who need assistance and monthly Consumer Corner articles distributed state-wide provide timely warnings and important updates on scams and important protection information.

National Consumer Protection Week was again observed by providing a record number of consumers the opportunity to shred important personal documents for free in nine locations throughout the state. In May, National Missing Children's Day was commemorated by our office handing out child identification kits to aid parents in keeping up-to-date identifying information on hand for each of their children. The office added Constitution Day in September to the list of important commemorations and visited students in Wichita and Hays.

The Roofing Registration Unit completed its first year of initial registrations and added renewal registrations in 2014. As of December 31, 2014, 1,041 contractors were registered and in good standing with the office. More information on this unit is provided on page 13 of this report.

The office added a new Unit to the Division near the end of the year, the Livestock/Brand Investigation Unit. The Branding Inspector works with the Kansas Department of Agriculture to increase the state's efforts to combat cattle theft throughout the state. The new unit is already busy responding to requests from local law enforcement agencies for help in investigations.

Attorney General Schmidt and a Document Resources staff member unload a consumer's personal documents to be destroyed during a National Consumer Protection Week event in Hutchinson. In total, 1,600 Kansans disposed of more than 30 tons of documents during the nine events held throughout the state. Combating identity theft has been a key priority for the division, and providing opportunities for consumers to safely destroy documents keeps these documents out of the hands of identity thieves.





# Litigation Summary

## **State v. Auto Protection Alliance, LLC d/b/a Auto Processing Center and Lead Services, LLC**

*Shawnee County, 2014-CV-95*

Filed January 31, 2014

Consent Judgment entered January 31, 2014

The Attorney General entered into a consent judgment with the Defendant regarding violations of the Kansas No Call Act related to the telemarketing of extended auto warranty products and services. The Defendants agreed to pay \$10,000.00 in No Call penalties and investigative fees to the Attorney General, and to refrain from certain business practices.

## **State v. Carl Bailey, Clifford Charlton, Franklin Charlton, Mike Gaede and Robert Morris, all d/b/a Bailey's Construction and/or d/b/a CTC Construction**

*Leavenworth County, 2012-CV-148*

Filed April 23, 2013

Default Judgment obtained March 26, 2014.

The Attorney General filed suit against the Defendants for violations of the Kansas Consumer Protection Act. Defendants Clifford Charlton, Franklin Charlton and Robert Morrison were dismissed without prejudice on February 24, 2014, due to defendants not being able to be served with pleadings. When Defendants Carl Bailey and Mike Gaede d/b/a Bailey's Construction and/or d/b/a CTC Construction failed to answer the allegations made in the Attorney General's petition, the Court entered a default judgment against the Defendants. The Court awarded \$100,000.00 in civil penalties, \$17,500.00 in damages, \$150.00 special process server/investigative fees, and a permanent injunction until full restitution to the Attorney General is made.

## **State v. Caritus, LLC**

*Sedgwick County, 2014-CV-2218*

Filed August 13, 2014

Consent Judgment obtained August 13, 2014

The Attorney General entered into a consent judgment with the Defendant for violations of the Kansas Consumer Protection Act and the Kansas Charitable Organizations and Solicitations Act. The Defendant agreed to pay \$3,000.00 in civil penalties, \$1,500.00 in investigative fees, and to refrain from certain business practices.

## **State v. Cypress Law Group Inc. d/b/a The Cypress Law Group, P.L.**

*Shawnee County, 2014-CV-658*

Filed July 10, 2014

Consent Judgment obtained October 7, 2014

The Attorney General entered into a consent judgment with the Defendant for violations of the Kansas Consumer Protection Act and the Kansas Credit Services Organization Act. The Defendant agreed to pay \$5,400.00 in consumer restitution, \$20,000.00 in civil penalties, and \$1,500.00 in investigative fees. The Defendant also agreed to refrain from certain business practices.

## **State v. Joshua Aaron Damm and Megan Weatherman both d/b/a Kaw Valley Roofing**

*Douglas County, 2014-CV-324*

Filed September 9, 2014

The Attorney General filed suit against the Defendants for violations of the Kansas Consumer Protection Act. The case is pending.



## **State v. Benjamin D. George et al.**

*Shawnee County, 2014-CV-597*

Filed June 17, 2014

The Attorney General filed suit against the Defendants for violations of the Kansas No Call Act. The case is pending.

## **State v. Will J. Harrison Jr. d/b/a Wester Construction d/b/a Will Harrison Paving**

*Shawnee County, 2014-CV-552*

Filed June 10, 2014

Default Judgment obtained October 27, 2014

The Attorney General filed suit against the Defendant for violations of the Kansas Consumer Protection Act. When the Defendant failed to answer the allegations made in the Attorney General's petition, the Court entered a default judgment against the Defendant, awarding \$13,300 in consumer restitution, \$100,000.00 in civil penalties, and an injunction against doing business in Kansas until full restitution is made.

## **State v. Joan Heffington d/b/a Association for Honest Attorneys (AHA!)**

*Sedgwick County, 2009-CV-4757*

*Kansas Court of Appeals, 105, 841(2012)*

*2012 WL 687942 P.3d 1230 (Kan. App. Feb 24 2012) (Unpublished)*

*Kansas Court of Appeals, 111,448 (2014)*

Filed December 7, 2009

Journal Entry of Default Judgment obtained February 10, 2011

Remand Judgment obtained January 20, 2014

The Attorney General's Office filed suit against Joan Heffington, d/b/a Association for Honest Attorneys (A.H.A!) for the unauthorized practice of law without a license. Throughout the course of litigation, Ms. Heffington willfully and repeatedly refused to engage in discovery despite numerous court orders. Ultimately, the court issued default judgment against Ms. Heffington as a sanction, finding that Ms. Heffington admitted she was not licensed to practice law in Kansas and admitted that she had performed actions which constituted the practice of law. The court ordered payment of \$70,000.00 in consumer damages, \$38,000.00 in civil penalties, and reasonable attorneys' fees, costs and expenses. Ms. Heffington was also ordered to refrain from practicing law in Kansas unless she became a duly licensed member of the state bar. Ms. Heffington appealed the judgment to the Kansas Court of Appeals. The Court of Appeals concluded that default judgment was appropriate given the defendant's willful refusal to respond to discovery requests and her deliberate disregard for court orders. However, the court also found that Ms. Heffington had not received proper notice of the potential amount of monetary damages because the petition did not contain a set monetary plea and no Rule 118(d) notice was transmitted. Thus, the court remanded the case to determine the appropriate amount of restitution and civil penalties under the KCPA after the State gave Heffington notice as required by K.S.A.2010 Supp. 60-254(c) and Rule 118(d). On remand, the court found Ms. Heffington was liable for \$70,000.00 in consumer damages and \$38,000.00 in civil penalties for nineteen violations of the Kansas Consumer Protection Act. After judgment was entered, Ms. Heffington again appealed. The case was assigned to the summary calendar on June 26, 2014. Ms. Heffington's subsequent motion for oral argument was denied. No decision has yet been issued.

## **State v. Dustin Huehl and Midwest Homes & Transportation, LLC**

*Ottawa County, 2014-CV-25*

Filed October 21, 2014

The Attorney General filed suit against the Defendants for failure to respond to the Attorney General's subpoena. The Defendants have been temporarily enjoined from engaging in consumer transactions in Kansas. The case is pending.

## **State v. Judson Enterprises, Inc. “A Montana Corporation” d/b/a K-Designers**

*Shawnee County, 2014-CV-1009*

Filed October 9, 2014

The Attorney General filed suit against the Defendant for violations of the Kansas Consumer Protection Act and the Kansas No Call Act. The case is pending.

## **In Re: Levi A. Kinderknecht**

*United States District Court for the District of Kansas, Case No.: 10-10679*

Stipulation of Dismissal with Prejudice on June 10, 2014

The attorney general intervened in this consolidated bankruptcy case involving the debt settlement companies Persels and Associates, LLC and Consumer Law Associates, LLC. This consolidated case was comprised of four separate bankruptcy cases. In each case the bankruptcy trustee brought suit against Persels and Consumer Law for violations of the bankruptcy code, including allegations related to lack of value or benefit provided to consumers in exchange for the fees charged by Persels and Consumer Law (constructive fraudulent transfers). The Stipulation of Dismissal with Prejudice included a settlement for \$100,000 to be paid by Persels and Consumer Law. The payment was split between the four cases on a *pro rata* basis, which benefitted a total of five Kansas consumers.

## **State v. Susan Metzger d/b/a Olde Mill Auction**

*Shawnee County, 2014-CV-385*

Filed April 22, 2014

The Attorney General filed suit against the defendant for violations of the Kansas Consumer Protection Act. The case is pending.

## **State v. Outreach Marketing Group LLC et al.**

*Shawnee County, 2013-CV-1467*

Filed December 30, 2013

Consent Judgment obtained April 28, 2014

The Attorney General entered into a consent judgment with the Defendant regarding violations of the Kansas No Call Act related to the telemarketing of home security systems and security services. The Defendants agreed to pay \$10,000.00 in No Call penalties and investigative fees to the Attorney General, and to refrain from certain business practices.

## **State v. Pier 5 Boats**

*Reno County, 2011-CV-154*

Filed March 28, 2011

Consent Judgment obtained March 28, 2011

The Attorney General filed suit against the Defendant for violations of the Kansas Consumer Protection Act relating to the sale of boats, personal watercraft and recreational vehicles. The Defendant agreed to pay \$17,530.19 in restitution and \$3,715.00 in investigative fees to the Attorney General and to refrain from certain business practices. Restitution and investigative fees were received in 2014.

## **State v. Pinnacle Exteriors, LLC**

*Shawnee County, 2014-CV-149*

Filed February 20, 2014

Default Judgment obtained April 4, 2014

The Attorney General filed suit against the Defendant for violations of the Kansas Consumer Protection Act. When the Defendant failed to answer the allegations made in the Attorney General's petition, the Court entered a default judgment against the Defendant. The Court awarded \$80,000.00 in civil penalties and a permanent injunction until full restitution to the Attorney General is made.

## **State v. South Auto Sales and South Auto Sales LLC and Salah Ibrahim**

*Douglas County, 2012-CV-657*

Filed December 21, 2012

Consent Judgment obtained July 25, 2014

The Attorney General filed suit against the Defendants for violations of the Kansas Consumer Protection Act. The Defendants agreed to pay \$2,065.00 in consumer restitution and \$15,395.00 in investigative fees to the Attorney General, and to refrain from certain business practices.

## **State v. Thomas Stolte a/k/a Tom Stolte d/b/a Oddballs Decals**

*Leavenworth County, 2014-CV-118*

Filed March 20, 2014

Default Judgment obtained July 14, 2014

The Attorney General filed suit against the Defendant for violations of the Kansas Consumer Protection Act. When the Defendant failed to answer the allegations made in the Attorney General's petition, the Court entered a default judgment against the Defendant. The Court awarded \$123.13 in consumer restitution, \$20,000.00 in civil penalties and a permanent injunction until full restitution to the Attorney General is made.

## **State v. George H. Swartz d/b/a All Star Asphalt a/k/a All Star Paving, a/k/a Asphalt Solutions, a/k/a All Star Asphalt Paving and James J. Swartz**

*Shawnee County, 2013-CV-1193*

Filed October 17, 2013

Consent Judgment obtained June 25, 2014

The Attorney General entered into a consent judgment with the Defendants regarding violations of the Kansas Consumer Protection Act. The Defendant agreed to pay \$8,500 in consumer restitution, \$16,500.00 in investigative fees and expenses to the Attorney General, and to refrain from certain business practices.

## **State v. Peter B. Tolman, II d/b/a Leads Direct Marketing**

*Shawnee County, 2014-CV-1216*

Filed December 5, 2014

The Attorney General filed suit against the Defendant for violations of the Kansas No Call Act. The case is pending.

## **State v. Variable Marketing, LLC**

*Shawnee County, 2014-CV-0248*

Filed March 17, 2014

Default Judgment obtained May 13, 2014

The Attorney General filed suit against the Defendant for violations of the Kansas No Call Act related to the telemarketing of auto insurance. When the Defendant failed to answer the allegations made in the Attorney General's petition, the Court entered a default judgment against the Defendant. The Court awarded \$691,500.00 in No Call penalties and investigative fees to the Attorney General.

# Multistate Litigation

## Multi-State: AT&T Mobility, LLC, Cramming Settlement

Assurance of Voluntary Compliance obtained October 7, 2014

The Attorney General, along with 49 other states and the District of Columbia, entered into an Assurance of Voluntary Compliance with AT&T Mobility, LLC to resolve an investigation into the placement of unauthorized third-party charges on consumers' wireless telephone bills.. AT&T Mobility, LLC agreed to pay \$5,000,000.00 to the Federal Communication Commission, \$80,000,000.00 to a nationwide consumer redress program administered by the Federal Trade Commission and \$254,926.16 to the Kansas Attorney General for investigative fees and court costs. AT&T Mobility, LLC also agreed to refrain from certain business practices.

## Multi-State: Affinion Group, Inc. et al.

*Shawnee County, 13-CV-1165*

Filed October 10, 2013

Consent Judgment obtained October 10, 2013

The Attorney General entered into a consent judgment with the Defendants to resolve a multi-state investigation concerning the promotion, enrollment, and fulfillment of Defendants' various membership programs. In 2014, the Defendants paid \$157,736.21 in refunds to 215 Kansas consumers who received notice of the Attorney General's settlement and returned eligible claims to Defendant.

## Multi-State: State v. GlaxoSmithKline LLC

*Shawnee County, 2014-CV-529*

Filed June 4, 2014

Consent Judgment obtained June 9, 2014

The Attorney General entered into a consent judgment with Defendant GlaxoSmithKline LLC to resolve a multi-state investigation regarding the marketing of the prescription drugs Paxil, Wellbutrin, and Advair which was in violation of Consumer Protection Laws. GlaxoSmithKline LLC agreed to pay the Attorney General \$1,508,047.97 in investigative fees and court costs and to refrain from certain business practices.

## Multi-State: National Mortgage Settlement

*US District Court for the District of Columbia, 1:12-CV-00361-RMC*

Filed March 12, 2012

Consent Judgments obtained April 4, 2012

The Settlement Administrator mailed \$256,768.33 to 173 qualifying foreclosure victims in Kansas in January 2014. Additional information, including reports on the crediting of the servicers' relief activities and ongoing compliance with the settlement's mortgage servicing standards, can be found on the Monitor's website at: [www.jasmithmonitoring.com/omso/](http://www.jasmithmonitoring.com/omso/). The Attorney General expects additional consumer relief to be provided in 2015.

## **Multi-State: Ocwen Financial Corporation et al.**

*US District Court for the District of Columbia, 1:13-CV-02025-ABJ*

Filed December 19, 2013

Consent Judgment obtained February 26, 2014

The Attorney General, along with 49 other states and the Consumer Financial Protection Bureau, filed suit against Ocwen Financial Corporation and Ocwen Loan Servicing LLC related to residential mortgage servicing misconduct. The Defendants agreed to enter into a Consent Judgment to resolve the multi-state investigation, wherein the Defendants agreed to abide by new mortgage servicing standards, provide first lien principal reductions to Kansas homeowners, and make cash payments to qualifying victims of foreclosure in Kansas. In early December 2014, the Settlement Administrator mailed \$668,150.00 to 581 qualifying Kansas homeowners. On December 16, 2014 the Monitor submitted his first interim report to the District Court regarding Defendants' compliance with the terms of this settlement. This report, along with more information regarding the crediting of Defendants' relief activities, may be found on the Monitor's website at [www.jasmithmonitoring.com/omso](http://www.jasmithmonitoring.com/omso). The Attorney General expects additional consumer relief to be provided in 2015.

## **Multi-State: Phusion Four Loko**

Assurance of Voluntary Compliance obtained March 20, 2014.

The Attorney General, along with 23 other states, entered into an Assurance of Voluntary Compliance with the Defendant for violations of Consumer Protection Laws by promoting an alcoholic caffeinated beverage to underage persons, promotion of alcohol abuse, and the unsafe nature of the product. The Attorney General received \$14,523.81 in investigative fees and court costs and the Defendant agreed to refrain from certain business practices.

## **Multi-State: Sirius XM Radio Inc.**

Assurance of Voluntary Compliance obtained November 25, 2014

The Attorney General, along with 45 other states, entered into an Assurance of Voluntary Compliance with Sirius XM for violations of the Kansas Consumer Protection Act and the Kansas No Call Act. Sirius XM agreed to pay \$59,976.79 in investigative fees and an additional \$100,000.00 to the Attorney General for alleged violations of the Kansas No-Call Act.

## **Multi-State: T-Mobile USA, Inc.**

Assurance of Voluntary Compliance obtained December 18, 2014

The Attorney General, along with 49 other states and the District of Columbia, entered into an Assurance of Voluntary Compliance with T-Mobile USA, Inc. to resolve an investigation into the placement of unauthorized third-party charges on consumers' wireless telephone bills. T-Mobile USA agreed to pay \$4,500,00.00 to the Federal Communication Commission, \$229,433.54 to the Kansas Attorney General for investigative fees and court costs and to provide no less than \$67.5 million in refunds or credits to consumers nationwide. T-Mobile USA also agreed to refrain from certain business practices.

## **Multi-States: United States et al. v. Suntrust Mortgage, Inc.**

*US District Court for the District of Columbia, 1:14-CV-01028 RMC*

Filed June 17, 2014

Consent Judgment obtained September 30, 2014

The Attorney General along with 49 other states and the Consumer Financial Protection Bureau filed suit against Suntrust Mortgage Inc. related to residential mortgage servicing misconduct. The Defendant agreed to enter into a Consent Judgment to resolve the multi-state investigation, wherein the Defendant agreed to abide by new mortgage servicing standards, provide first lien principal reductions to Kansas homeowners, and make cash payments to qualifying victims of foreclosure in Kansas. Additional information on the Suntrust Mortgage settlement may be found at [www.nationalmortgagesettlement.com](http://www.nationalmortgagesettlement.com).



## Multi-State: Wyeth Pharmaceuticals, Inc.

*Shawnee County, 2014-CV-777*

Filed August 6, 2014

Consent Judgment obtained August 6, 2014

The Attorney General entered into a consent judgment with Defendant Wyeth Pharmaceuticals Inc. to resolve a multi-state investigation regarding the marketing of the prescription drug Rapamune. Wyeth agreed to pay \$527,445.25 in investigative fees and court costs to the Attorney General and to abide by certain injunctive terms.

# Antitrust Investigations

*The State of Kansas conducted investigations of companies for potential antitrust violations in the following areas:*

- Financial Rate Setting
- Retail Natural Gas
- Food Service & Distribution
- Telecommunications & Broadband
- Chain Retail Sales
- Health Care Products
- Pharmaceutical Drugs

## Antitrust Enforcement Actions

### Multi-State: E-books Multistate Investigation

*S.D.N.Y., Civil Action No. 11-md-02293 (DLC)*

*State, et al. v. Penguin Group (USA) Inc. et al., 12-CV-03394-DLC; 13-3857 (2nd Circuit)*

Proposed Second Amended Complaint Filed May 5, 2012

Final Approval of Settlements with Penguin and Holtzbrinck Granted December 9, 2013

Judgment against Apple Granted July 10, 2013

Appeal Filed October 16, 2013

The Attorney General, with Attorneys General from 32 other states and territories, filed a second amended antitrust action against three Defendants—Penguin Group (USA) Inc., Holtzbrinck Publishers, LLC d/b/a Macmillan, and Apple, Inc.—alleging the publishers and their co-conspirators entered into an agreement to raise the retail price of electronic books (“e-books”), and Apple acted as facilitator of the conspiracy. Penguin and Macmillan settled with the states prior to trial. Liability and damages issues were split into two separate proceedings. The liability trial against the remaining defendant Apple was held June 3-20, 2013 and was prosecuted jointly with the U.S. Department of Justice. The Court ruled in favor of the States on July 10, 2013. However, Apple appealed the decision to the Second Circuit. A hearing was held December 15, 2014. No decision was reached prior to the end of the year. The States, in conjunction with the consumer class reached a settlement regarding damages on July 10, 2014. The damages settlement is contingent on the outcome of the liability appeal currently before the Second Circuit. The District Court granted approval of the settlement on November 21, 2014. Kansas expects to receive a payment of partial attorneys fees from the multistate publisher settlements fund in early 2015.

# Kansas False Claims Act

## State v. UST et al.

*Shawnee County, 2013-CV-1157*

Filed October 8, 2013

Default Judgment obtained March 21, 2014.

The Attorney General filed a Petition against the Defendant for violations under the Kansas False Claims Act. When the Defendant failed to answer the allegations made in the Attorney General's petition, the Court entered a default judgment against the Defendants. The Court awarded \$132,000.00 in civil penalties, \$10,000.00 in investigative fees, and a permanent injunction until full restitution to the Attorney General is made.

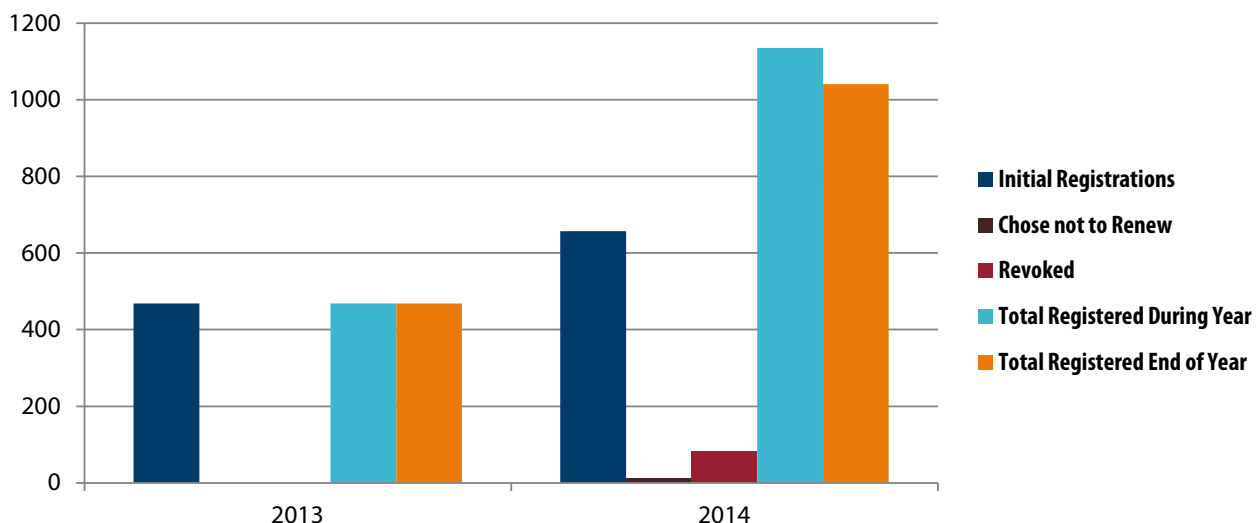
# Kansas Roofing Registration Act

2014 was the first full year of operation for the Roofing Registration Unit. The Unit continued to provide Public Service Announcements and outreach presentations to educate both consumers and roofing companies about this new requirement. In addition, the Unit responded to nine weather-related incidents, to assist local law enforcement and municipal code officials in ensuring contractors who arrived in a locality following a weather event were registered in accordance with state law.

- Initial registration certificates issued: 657
- Total contractors registered during 2014: 1,135
- Contractors who chose not to renew: 13
- Registration certificates revoked: 81
- Total contractors in good standing end of 2014: 1,041

*Note: Some contractors that initially registered in 2014 also had to renew in 2014, as the law requires the certificates to be renewed each fiscal year.*

More information and a current list of registrants is available at [www.ag.ks.gov/roofing](http://www.ag.ks.gov/roofing).





# Other Amicus Filings

## **Oneok, Inc., et al. v. Learjet Inc., et al.**

*U.S. Supreme Court, No. 13-271*

Amicus Brief Filed July 29, 2013

The Attorney General led a group of 21 states in filing an amicus brief in support of Learjet, Inc., et al., asking the U.S. Supreme Court to affirm a lower court decision finding that state antitrust law claims are not preempted by the federal Natural Gas Act because the federal act clearly gives states a regulatory role over natural gas as it is transported and distributed within the state. The decision could have a significant impact in the areas of state enforcement and federal preemption. Oral arguments are scheduled for January 12, 2015. Kansas was granted leave to participate in oral argument.

## **North Carolina State Board of Dental Examiners v. FTC**

*U. S. Supreme Court, No. 13-534*

Amicus Brief Filed May 30, 2014

The Attorney General joined 22 other states in filing an amicus brief in support of the North Carolina State Board of Dental Examiners asking the U.S. Supreme Court to vacate a Fourth Circuit ruling upholding the Federal Trade Commission's claim that the makeup of North Carolina's dental board violated federal antitrust laws. The decision could impact state regulatory board composition decisions across the country and impact state-action exemption law in every state. Oral argument was held before the Supreme Court on October 14, 2014. No decision had been issued as of the end of 2014.

# Criminal Prosecutions

## **State v. George L. Fogle**

*Scott County, 2012-CR-49*

Filed August 8, 2013

Conviction obtained April 7, 2014

Sentencing Date September 5, 2014

The Attorney General filed suit against the Defendant for three counts of theft by deception. Defendant pleaded guilty to all three counts. The Court ordered consecutive sentences for a total 45 month underlying sentence, following the sentencing guidelines of presumptive probation. The Court also ordered restitution to the victims in the amount of \$75,000.00.

## **State v. Donald Moses**

*Scott County, 2011-CR-28*

Entry of Appearance March 3, 2014

Guilty Plea obtained June 4, 2014

The Attorney General joined the case on the request of the Scott County Attorney. The Defendant was charged with conspiracy to commit theft of a value greater than \$100,000.00. The Defendant pleaded guilty and sentenced to 24 months probation and ordered to pay \$75,000.00 restitution to the victims.

# Consumer Protection Division Staff



## DEREK SCHMIDT KANSAS ATTORNEY GENERAL

James J. Welch .....	Deputy Attorney General
Lynette Bakker .....	Assistant Attorney General
*Robert Hiatt.....	Assistant Attorney General
Robert Novak .....	Assistant Attorney General
Adrian Serene .....	Assistant Attorney General
Meghan Stoppel .....	Assistant Attorney General
Jackie Williams .....	Assistant Attorney General
Tonya Hutchings .....	Director of Investigations
*Mark McCune.....	Special Agent
Amanda Crutchfield.....	Investigator
*Patrick Firebaugh .....	Investigator
Shawna Hanrahan .....	Investigator
Meg Lowry.....	Investigator
Yvette Montgomery.....	Investigator
*Maggie Provost.....	Investigator
*Kayla Stansbury.....	Investigator
Devin Tatrn .....	Investigator
*Nancy Tellez .....	Investigator
Anne Zajic .....	Investigator
Kathryn Carter .....	Director, Racial and Bias-Based Policing Unit
Monicka Richmeier .....	Director, Roofing Registration Unit
*Brian Hess.....	Investigator
Kyle Strathman.....	Investigator
Kendall Lothman ....	Special Agent, Livestock & Brand Investigation Unit
Crystal Moe.....	Director
Kellilynn Feliciano .....	Paralegal
Kortney Burgen .....	Administrative Assistant
Lynette Good .....	Administrative Assistant
Nyvya Walsh.....	Office Specialist Intern

\* Denotes that staff member is no longer with the Consumer Protection Division.



**KANSAS ATTORNEY GENERAL**

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