

2021

**IN YOUR
CORNER
KANSAS**

Consumer Protection & Antitrust Division Annual Report

January 1 – December 31, 2021

www.InYourCornerKansas.org



**KANSAS
ATTORNEY GENERAL**

DEREK SCHMIDT

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Message from Kansas Attorney General Derek Schmidt



STATE OF KANSAS
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION AND ANTITRUST DIVISION

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September 2022

Dear Fellow Kansans:

It is my pleasure to present the 2021 annual report for our Consumer Protection Division as required by K.S.A. 50-628. This document also includes annual reports for the Kansas No-Call Act, the Kansas False Claims Act, the Kansas Roofing Registration Act, the Kansas Charitable Organizations and Solicitations Act and antitrust enforcement.

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 – nearly 4,000 cases in the past year – is handled by our office. Consumer protection is one of our critical priorities.

Kansas consumers can expect from us fair, consistent and even-handed enforcement of the consumer protection laws. From identity theft to door-to-door sales, from the No-Call Act to the data breach statutes, our goal is to enforce the law in a way that provides justice and ensures that the rules are followed. In addition to helping consumers, this approach to enforcement is good for the Kansas economy by ensuring regulatory certainty for businesses.

During 2021, our office recovered more than \$12 million for Kansas consumers and taxpayers. Of course, the best outcome is preventing fraud in the first place, so we have continued our efforts to educate consumers on scam prevention through literature, our interactive consumer protection website at www.InYourCornerKansas.org, as well as in-person events, which continued to be limited in 2021 by the COVID-19 pandemic.

Thank you for the privilege of serving.

Best wishes,

A handwritten signature in black ink that reads "Derek".

Derek Schmidt
Kansas Attorney General



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2021 By the Numbers

Consumer Savings

\$2,695,218.28 – without litigation
\$250,443.60 – through litigation

\$2,945,661.88 – Total Consumer Savings

Penalties, Fees and Other Recoveries

\$4,089,340.25 – Civil penalties and fees awarded
\$15,000.00 – No-call penalties awarded
\$176,000.00 – Roofing registration violation penalties awarded
\$4,805,800.46 – Kansas Fights Addiction Act recoveries

\$9,086,140.71 – Total Penalties, Fees and Other Recoveries

Total Savings and Recoveries

\$12,031,802.59

Investigative Requests

3,517 Investigative Requests Received

Top Categories

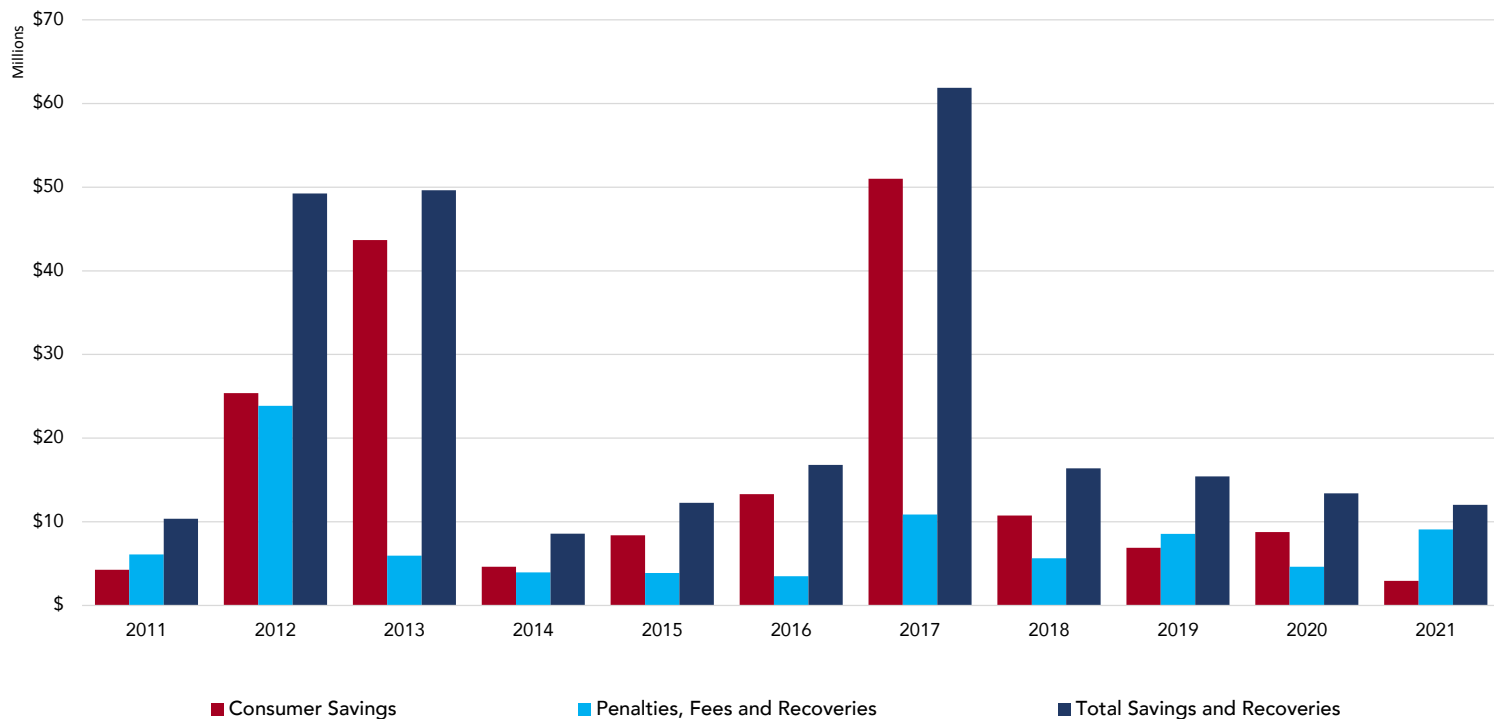
1. Identity Theft
2. General Services
3. No-Call
4. Profiteering / Natural Gas
5. Auto Repair & Service Problems
6. Internet Scams
7. Used Car Sales Practices
8. Internet Sales
9. Warranty Problems (Non-Auto)
10. Health Services

4,244 Investigative Requests Closed

Top Categories

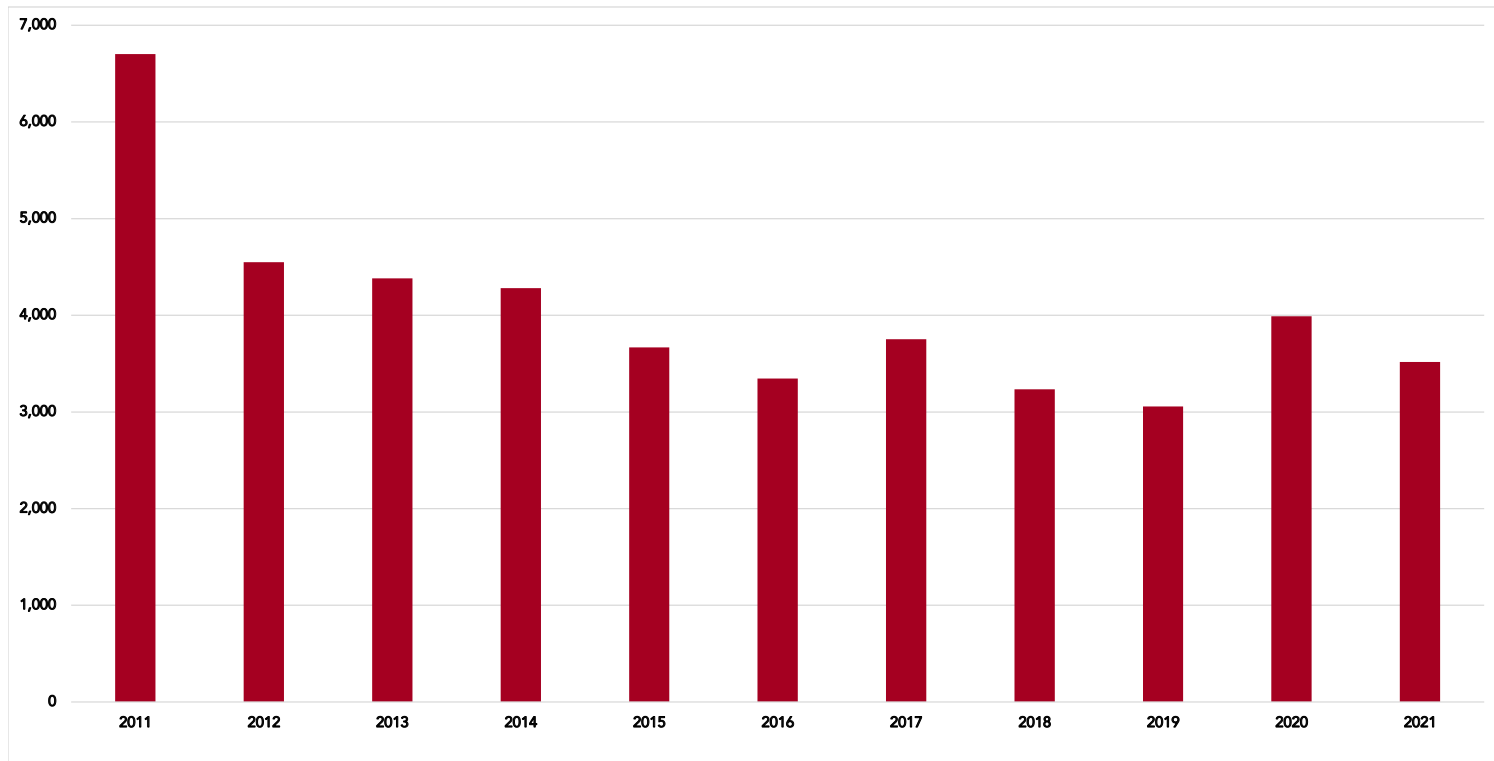
1. Identity Theft
2. General Services
3. No-Call
4. Profiteering / Natural Gas
5. Internet Sales
6. Auto Repair & Service Problems
7. Internet Scams
8. Used Car Sales Practices
9. Warranty Problems (Non-Auto)
10. Roofing Registration Violation

Recovery Trends



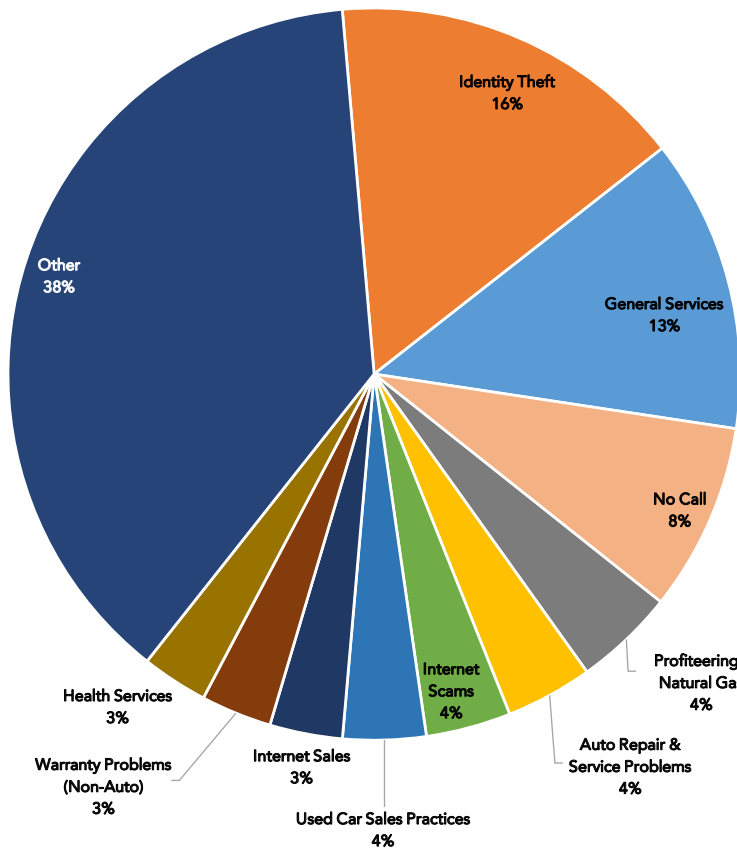
Consumer Savings includes savings without litigation and restitution ordered.

Investigative Request Trends

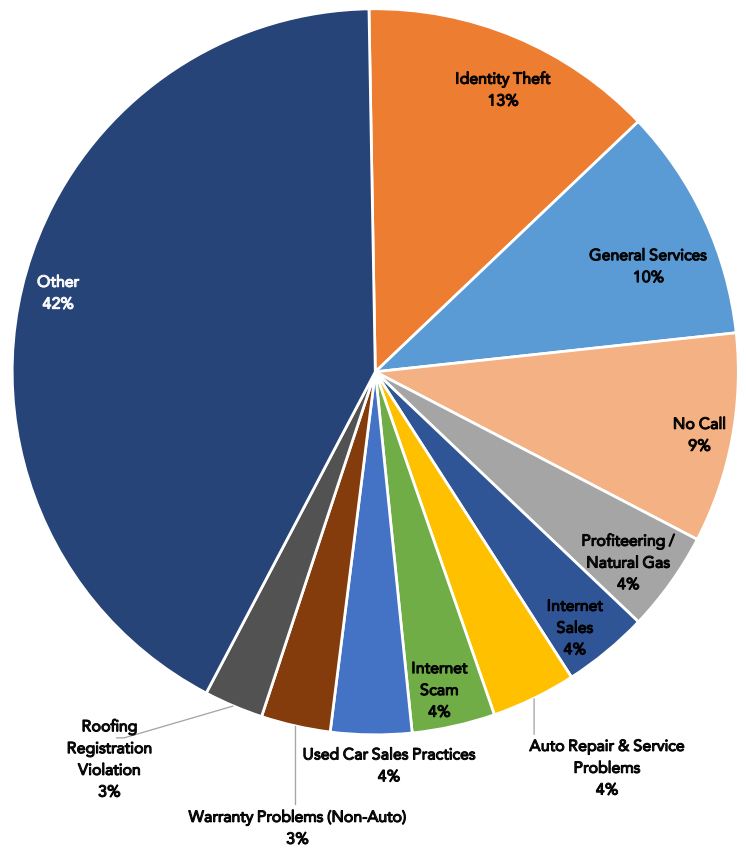


A new online investigation request system introduced in 2012 reduced the number of investigation requests by more accurately directing requests to other agencies in areas where the Attorney General's Office does not have jurisdiction.

Investigative Requests Received by Category (Total: 3,517)

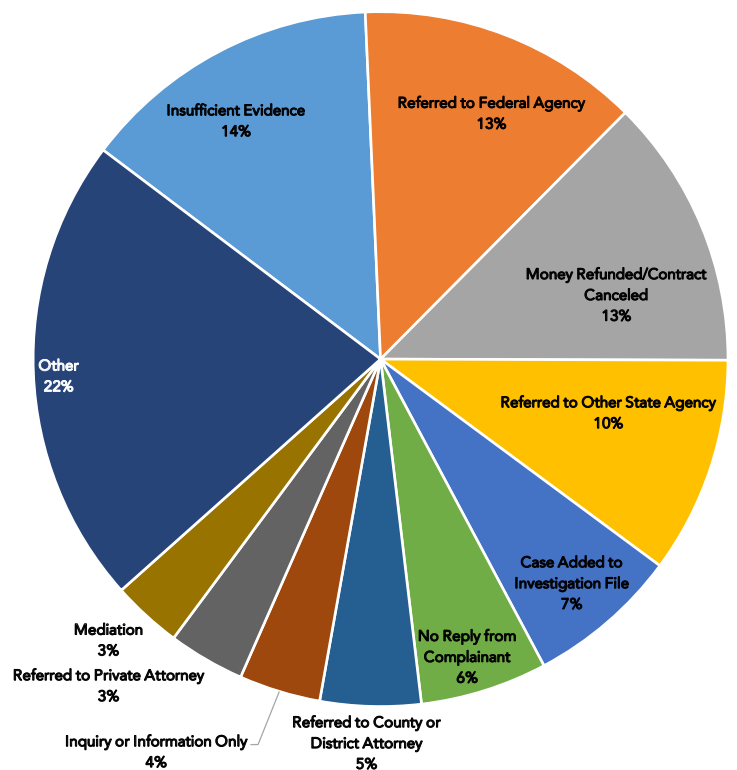


Investigative Requests Closed by Category (Total: 4,244)



Disposition of Complaints

1. Insufficient Evidence
2. Referred to Federal Agency
3. Money Refunded/Contract Canceled
4. Referred to Other State Agency
5. Case Added to Investigation File
6. No Reply from Complainant
7. Referred to County or District Attorney
8. Inquiry or Information Only
9. Referred to Private Attorney
10. Mediation



Consumer Education and Outreach

In addition to investigating and prosecuting violations of the Kansas Consumer Protection Act, the Division is responsible for providing educational presentations and sharing free materials with Kansas consumers. In 2021, Attorney General Schmidt and his staff participated in 14 events around Kansas. Many events at which the office traditionally provides consumer education and outreach continued to be affected by COVID-19.

Additionally, the Consumer Protection Division staff fielded more than 11,000 phone calls and 21,000 emails.

The *In Your Corner Kansas* website continues to provide resources every hour of every day to consumers who need assistance. In 2021, the website was visited by nearly 37,000 unique users, with a total of 203,394 page views. Monthly Consumer Corner articles distributed state-wide provide timely warnings and updates on scams and important protection information.

National Consumer Protection Week was again observed by providing consumers the opportunity to shred important personal documents for free in 10 locations throughout the state. More than 2,600 Kansans dropped off nearly 114,000 pounds of documents for destruction.

Litigation Summary

Kansas Consumer Protection Act

Schmidt v. ACRO Services, LLC

Shawnee County, 2021-CV-000212

Filed on 4/13/2021

Default Judgment obtained on 8/12/2021

The attorney general filed suit for defendant's failure to respond to a subpoena issued in the course of investigating violations of the Kansas Consumer Protection Act. The court awarded default judgment and has prohibited the supplier from operating within Kansas until the supplier complies with the subpoena.

Automobile parts provided in relation to Kansas Attorney General Investigation Number CP-15-001937

Shawnee County, 2021-CV-000228

Filed on 4/21/2021

Order to Dispose entered on 5/11/2021

The attorney general filed suit in Shawnee County District Court to allow the State of Kansas to dispose of automobile parts. The parts had been evidence in a pending lawsuit, yet despite diligent efforts, the Kansas Attorney General's Office could not discern their owner. The court granted the State's motion, and issued an Order to Dispose of Property.

Schmidt v. Douglas L. Bell and Custom Concrete Contractors, LLC.

Shawnee County, 2020-CV-000562

Filed on 10/27/2020

Consent Judgment obtained on 4/22/2021

The attorney general filed suit against defendants for violations of the Kansas Consumer Protection Act for defendants' misrepresentations about the quality of work and warranty provisions. Consequently, consumers were unable to receive a material benefit from a construction project. The parties entered into a consent judgment, and the court ordered defendants to pay \$10,000 in civil penalties and \$10,000 in enhanced penalties,

payment of which was suspended. The court also ordered defendants to pay \$13,606.55 in restitution to two consumers, and \$2,062.30 in investigative fees.

Schmidt v. Terry Clay and Prestige Contracting Services, LLC.

Shawnee County, 2020-CV-000615

Filed on 12/3/2020

Default Judgment obtained on 3/14/2021

The attorney general filed suit for violations of the Kansas Consumer Protection Act involving misrepresentations in consumer transactions, including entering into transactions that were excessively one-sided in favor of defendants and transactions in which the consumer was unable to obtain a material benefit. The attorney general also alleged defendants did not properly notify consumers of their cancellation rights in door-to-door sales. The court ordered defendants to pay \$153,071 in consumer restitution, \$3,337.50 in investigative fees, and \$620,000 in civil penalties, which included \$250,000 in enhanced penalties. Additionally, the court permanently enjoined defendants from conducting consumer transactions and door-to-door sales in Kansas.

Schmidt v. The Corporation Company, Inc., et al.

Shawnee County, 2017-CV-000023

Filed on 1/12/2017

Consent Judgment as to Defendant Farven Inc. obtained on 10/26/2021

Consent Judgment as to Defendant The Corporation Company, Inc. and Defendant CT Corporation System obtained on 10/26/2021

Consent Judgment as to Defendant ST2 d/b/a Searchtec, Inc. obtained on 10/26/2021

The attorney general filed suit against defendants for violating the Wayne Owen Act and Kansas Consumer Protection Act by failing to have reasonable procedures and practices to protect personal information, failing to exercise reasonable care to protect personal information, and failing to take reasonable steps to destroy or arrange destruction of records containing personal information. The parties entered into a consent judgment, and the court ordered defendant Farven Inc. to pay \$5,550 in investigative fees and expenses, and \$150,000 in civil penalties, of which payment of \$135,000 was suspended. The court ordered defendant The Corporation Company Inc. and defendant CT Corporation System to pay \$5,550 in investigative fees and \$325,000 in civil penalties. The court ordered defendant ST2 d/b/a Searchtec, Inc. to pay \$5,550 in investigative fees and expenses and \$144,450 in civil penalties.

Schmidt v. Don Diebolt and Diebolt LLC

Allen County, AL-2021-CV-000028

Filed on 7/14/2021

Default Judgment obtained on 8/6/2021

The attorney general filed suit against defendants for violating the Kansas Consumer Protection Act in his conduct of construction services. Defendants accepted money for construction services and failed to provide the services and products, creating a transaction that was excessively one-sided in defendants' favor, and in which the consumers were unable to receive a material benefit. The court permanently enjoined defendants from doing business in the State of Kansas, and ordered defendants to pay \$18,384.11 in consumer restitution, \$2,568.75 in investigative fees and expenses, and \$40,000 in civil penalties.

Schmidt v. Lyn Anne Dugan-Weichert and Custom Covers Company, LLC.

Shawnee County, 2021-CV-000125

Filed on 3/5/2021

Consent Judgment obtained on 8/17/2021

The attorney general filed suit against defendants for violating the Kansas Consumer Protection Act involving the sale of custom vehicle trailers. Defendants accepted money for custom vehicle trailers and failed to provide the products, creating a consumer transaction that was excessively one-sided in defendants' favor, and in which

the consumers were unable to receive a material benefit. The parties entered into a consent judgment, and the court ordered defendants to pay \$2,500 in investigative fees and expenses.

Schmidt v. Estep Remodeling, LLC; Erick Estep

Shawnee County, 21-CV-000114

Filed on 10/27/2020

Consent Judgment obtained on 6/7/2021

The attorney general filed suit against defendant for violating the Kansas Consumer Protection Act by making misrepresentations to a consumer who was then unable to receive a material benefit from a home remodeling project. The parties entered into a consent judgment, and the court ordered defendants to pay \$10,000 in civil penalties, payment of which was suspended, and to pay \$9,454.07 in consumer restitution. The attorney general is seeking to reopen this action for defendants' failure to make monetary payments as ordered by the court.

Schmidt v. Daniel Gomez d/b/a Complete Home Rehab & Renovation

Shawnee County, 2021-CV-000030

Filed on 5/24/2021

Default Judgment obtained on 10/12/2021

The attorney general filed suit for defendant's failure to respond to a subpoena investigating violations of the Kansas Consumer Protection Act. The court enjoined the defendant from conducting consumer transactions in Kansas until such time as the court finds defendant in compliance with the subpoena.

Schmidt v. Dustin Gregory d/b/a CPR Street Machines

Shawnee County, 2020-CV-000612

Filed on 12/1/2020

Default Judgment obtained on 4/1/2021

The attorney general filed suit against defendant for violating of the Kansas Consumer Protection Act by failing to deliver custom vehicle parts after receiving payment. The court permanently enjoined defendant from doing business in Kansas, and ordered defendant to pay \$8,092.82 in consumer restitution, \$450 in investigative fees, and \$60,000 in civil penalties.

Schmidt v. Shawn Jensen, Shawn D. Jensen, DDS P.A. d/b/a Diamond Dental Careers

Shawnee County, 2021-CV-000052

Filed on 2/1/2021

Consent Judgment obtained on 2/1/2021

The attorney general filed suit against defendants for violating the Kansas Consumer Protection Act. Defendants failed to clearly disclose material facts in oral and written representations to consumers. The parties entered into a consent judgment, and the court granted injunctive relief and ordered defendants to pay \$5,000 in investigative costs.

Schmidt v. Josh's Appliance Repair; Josh's Electric, LLC; Joshua Thomas

Shawnee County, 21-CV-000244

Filed on 4/28/2021

Default Judgment obtained on 8/19/2021

The attorney general filed suit for failure to respond to a subpoena issued in the course of investigating violations of the Kansas Consumer Protection Act involving defendant's appliance repair business. The court granted default judgment, and prohibited defendant from operating in Kansas. Subsequent to the default judgment, defendant refunded the consumer in full for services not rendered. Upon a motion from the attorney general, the district court set aside the default judgment and dismissed the case without prejudice.

Schmidt v. Land Run Ads, LLC

Shawnee County, 2020-CV-000487

Filed on 9/17/2020

Default Judgment and Restraining Order obtained on 1/5/2021

The attorney general filed suit against defendant for violating the Kansas Consumer Protection Act by failing to respond to a subpoena issued in the course of investigating violations of the Kansas Consumer Protection Act and Kansas No-Call Act. The court granted default judgment and injunctive relief, including prohibiting the defendant from operating within Kansas until the defendant complies with the subpoena.

Schmidt v. Memorial Park, LLC, d/b/a Hutchinson Funeral Chapel, f/k/a Hutchinson Cemetery & Mausoleum, LLC; Hutchinson Funeral Chapel & Crematory, LLC, d/b/a Hutchinson Funeral Chapel

Shawnee County, 21-CV-000512

Filed on 9/27/2021

Default Judgment obtained on 12/10/2021

The attorney general filed suit for defendant's failure to respond to two subpoenas issued in the course of investigating violations of the Kansas Consumer Protection Act involving defendant's mortuary and graveyard services. The court granted default judgment, and prohibited defendant from operating in Kansas. Subsequent to the default judgment, defendant resolved both underlying consumer complaints by providing compensation and additional services. Upon a motion from the attorney general, the district court set aside the default judgment, and dismissed the case without prejudice.

Schmidt v. Vinodbhai Patel, a/k/a Vicki Patel and Jay Ganesh, LLC.

Wyandotte County, 2021-CV-000085

Filed on 2/9/2021

Consent Judgment obtained on 2/9/2021

The attorney general filed suit against defendants for violating the Kansas Consumer Protection Act by making representations that vaping products were of a particular standard, quality, grade, style or model, when the merchandise offered for sale was in fact counterfeit. The parties entered into a consent judgment, and the court ordered defendant to pay \$30,000 in civil penalties for violations of the Kansas Consumer Protection Act, and to pay \$1,912.50 in investigative fees and expenses.

Schmidt v. Cody Ruddick d/b/a 4R Custom Grain Wagons

Shawnee County, 2021-CV-000165

Filed on 3/23/2021

Default Judgment obtained on 5/13/2021

The attorney general filed suit against defendant for violating the Kansas Consumer Protection Act in the purchase of a grain trailer. Defendant accepted money for the grain vehicle trailer and failed to provide the product, creating a transaction excessively one-sided in defendant's favor, and in which the consumer was unable to receive a material benefit. The court permanently enjoined defendant from doing business in Kansas, and ordered defendant to pay \$2,500 in consumer restitution, \$862.50 in investigative fees and expenses, and \$20,000 in civil penalties.

Schmidt v. Reed Rupp d/b/a Jayhawk Military Textiles

Shawnee County, 2021-CV-000033

Filed on 9/2/2021

Consent Judgment obtained on 11/10/2021

The attorney general filed suit against defendant for violating the Kansas Consumer Protection Act in the marketing and sale of custom jackets. Defendant accepted payment for custom jackets, but failed to provide the products to consumers. These transactions were excessively one-sided in defendant's favor, and consumers

were unable to receive a material benefit. The parties entered into a consent judgment, and the court ordered defendant to pay \$5,000 in civil penalties and \$1,837.50 in investigative fees and expenses. The court also ordered defendant to pay restitution to all consumers, whether identified during litigation or after judgment.

Schmidt v. Jennifer Sugg d/b/a Sports Connection Plus and Edward Sugg d/b/a Sports Connection Plus

Shawnee County, 2020-CV-000091

Filed on 1/30/2020

Consent Judgment obtained on 7/15/2021

The attorney general filed suit for violations of the Kansas Consumer Protection Act involving door-to-door sales including failure to give consumers notice of the three-day right to cancel and failure to provide written receipt containing the address of defendants. The parties agreed to a consent judgment, and the court ordered defendants to comply with all Kansas laws, pay \$2,437.50 in investigative fees and \$5,000 in civil penalties.

Schmidt v. Estanya Tenhue and America for Humanity Inc. d/b/a Bargain Hunters

Wyandotte County, 2020-CV-000457

Filed on 8/4/2020

Consent Judgment against Tenhue obtained on 5/6/2021

Default Judgment against America for Humanity obtained on 5/6/2021

The attorney general filed suit against defendants for violating the Kansas Consumer Protection Act by making representations that vaping products were of a particular standard, quality, grade, style or model, when the merchandise offered for sale was in fact counterfeit. The parties entered into a consent judgment, and the court ordered defendant Tenhue to pay \$3,300 in civil penalties for violations of the Kansas Consumer Protection Act and to pay \$1,200 in investigative fees and expenses. The court granted default judgment against defendant America for Humanity. The court also permanently enjoined defendant America for Humanity from conducting business in Kansas, and ordered defendant to forfeit all counterfeit items seized during investigation. Further, the court ordered defendant America for Humanity to pay \$1,218.75 in investigative fees, and \$220,000 in civil penalties.

Kansas False Claims Act

Schmidt v. Kenneth Higley

Rawlins County, 2021-CV-000010

Filed on 9/30/2021

Consent Judgment obtained on 10/1/2021

The attorney general filed suit for violations of the Kansas False Claims Act involving use of Rawlins County funds for personal use. The parties entered into a consent judgment and the court ordered defendant to pay \$400 in restitution to Rawlins County. As part of the settlement, defendant agreed to have his State of Kansas law enforcement certification revoked. The court ordered defendant permanently restrained and enjoined from seeking, obtaining, and holding employment as a law enforcement officer.

Kansas No-Call Act

The Mandatory Poster Agency, LLPS, Inc.; d/b/a The Kansas Labor Law Poster Service; d/b/a Kansas Food Service Compliance Center

Agreed on March 18, 2021

The attorney general alleged defendants engaged in misleading solicitations and violated the Kansas No-Call Act. The parties entered into an agreement requiring defendants to comply with the Kansas Consumer Protection Act and for defendants to pay \$5,000 in investigation fees.

Schmidt v. Genesis Health Clubs Management, Inc.

Shawnee County, 2021-CV-000264

Filed on 5/10/2021

Consent Judgment obtained on 5/13/2021

The attorney general filed suit against defendant for violating the Kansas No-Call Act by making unsolicited telephone calls to Kansas consumers whose telephone numbers are listed on the National Do Not Call Registry. The court granted injunctive relief and ordered defendant to pay \$15,000 in civil penalties.

Multistate Litigation

Schmidt v. Associated Community Services, Inc., Central Processing Services, LLC, Community Services Appeal, LLC, The Dale Corp., Directele, Inc., Robert William Burland, Richard T. Cole, Amy Burland, Barbara Cole, Scot Stepek, Nikole Gilstorf, Antonio G. Lia, and John Lucidi

US District Court, Eastern District of Michigan Southern Division, 21-10174

Filed on 1/26/2021

Consent Judgments obtained on 3/31/2021

The attorney general, in cooperation with the Federal Trade Commission and 46 agencies from 37 states and the District of Columbia, entered into separate consent judgments with each of the following parties, settling claims the defendants violated the Kansas Charitable Organizations and Solicitations Act and the Telemarketing Sales Rule: Associated Community Services, Inc., Central Processing Services, LLC, and Richard T. Cole; Community Services Appeal, LLC, and Barbara Cole; Directele, Inc., The Dale Corp., Nikole Gilstorf, and Antonio G. Lia; Robert William Burland and Amy Burland, Barbara Cole; Scot Stepek; and John Lucidi. Defendants made more than 1.3 million deceptive fundraising calls. The court awarded \$110,063,843 in suspended and partially suspended equitable monetary relief, jointly and severally, from all defendants excluding Directele, Inc. and the Dale Corporation. The court ordered Directele, Inc. and the Dale Corporation, as well as Gilstorf and Lia, to pay partially suspended relief of \$1.6 million. The court required some defendants to pay monetary penalties. The court ordered the collected \$495,000 be distributed to the American Cancer Society, Semper Fi & America's Fund, and the Tunnel to Towers Foundation, to be used for the charitable purposes donors originally intended to support. The court enjoined all defendants from certain fundraising and telemarketing practices, and Directele, Inc. and The Dale Corporation were required to cease operations and dissolve.

Schmidt v. Boston Scientific Corporation

Shawnee County, 2021-CV-000170

Filed on 03/23/2021

Consent Judgment obtained on 3/24/2021

The attorney general, along with 46 other states and the District of Columbia, filed a petition for Permanent Injunction and Other Relief against Boston Scientific Corporation. Kansas' suit alleged defendant violated the Kansas Consumer Protection Act by misrepresenting the risks relating to the company's surgical mesh product. The parties entered into a consent judgment settling these claims, and the court ordered injunctive relief including, but not limited to, requiring defendant to make changes to its marketing practices, its training procedures, and clinical trials. The court also awarded the State of Kansas \$2,036,034 in consumer protection and enforcement funds.

Schmidt v. McKinsey & Company, Inc.

Shawnee County, 21-CV-000068

Filed on 02/04/2021

Consent Judgment obtained on 02/05/2021

The attorney general entered into a Consent Judgment with McKinsey & Company, Inc. settling claims the defendants violated the Kansas Consumer Protection Act through its marketing, promotion, and advocacy for the sale of opioids. The court awarded judgment for the State of Kansas of \$4,805,800.46. In addition, the court prohibited McKinsey from accepting further engagements relating to the discovery, development, manufacture, marketing, promotion, advertising, recall, withdrawal, monitoring, sale, prescribing, use, or abuse of any opioid or other opioid-based controlled substance. Defendants also must publicly disclose communications between McKinsey and opioid manufacturers, documents related to McKinsey's promotion work on opioids, and other relevant documents. The recovery is the first to be governed by the Kansas Fights Addiction Act, K.S.A. 75-775 et seq.

Schmidt v. Retrieval-Masters Creditors Bureau, Inc., d/b/a American Medical Collection Agency

Shawnee County, 2021-CV-000133

Filed on 3/11/2021

Consent Judgment obtained on 3/15/2021

The parties entered into a consent judgment which settled claims the defendant violated the Kansas Consumer Protection Act by failing to safeguard consumers' personal information, including Health Insurance Portability and Accountability Act requirements. The attorney general further alleged defendant failed to implement and maintain reasonable procedures or take appropriate corrective action in order to protect consumers' personal information from unlawful use or disclosure. The court ordered injunctive relief, and awarded \$228,441.63 in suspended civil penalties.

Antitrust Investigations

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

- Agricultural Industry
- Retail Industry
- Technology Industry

Antitrust Enforcement Actions

New York, et al. v. Facebook, Inc. (now known as Meta Platforms, Inc.)

US District Court, for the District of Columbia, 1:20-cv-03589-JEB

Filed on 12/9/2020

Dismissed on 6/28/2021

US Court of Appeal, for the District of Columbia, No. 21-7078

Appeal Filed on 7/29/2021

The attorney general filed suit, with 47 other states and territories, against Facebook for violating federal antitrust law. The suit alleges the company is engaging in business activities that stifle competition to protect its monopoly, while at the same time reducing user privacy and online options. The court dismissed the states' case on the basis of laches. The court gave the Federal Trade Commission leave to refile its concurrent complaint, but did not grant leave to the states. The states filed an appeal of the decision, which is still pending.

Generic Pharmaceutical Pricing Antitrust Litigation

Cases consolidated in Multidistrict Litigation in U.S. District Court for the Eastern District of Pennsylvania

State of Connecticut, et al. v. Aurobindo Pharma USA, Inc., et al.

Complaint filed 12/14/2016 in District of Connecticut
Amended Complaint filed 3/1/2017 in District of Connecticut
Case Transferred to Multidistrict Litigation on 4/25/2017
Consolidated Amended Complaint filed 6/18/2018

State of Connecticut, et al. v. Teva, Inc., et al.

Complaint filed 5/10/2019 in District of Connecticut
Case Transferred to Multidistrict Litigation on 5/22/2019
Amended Complaint filed 11/4/2019

State of Connecticut, et al. v. Sandoz, Inc., et al.

Complaint filed 6/10/2020 in District of Connecticut
Case Transferred to Multidistrict Litigation on 7/7/2020
Amended Complaint filed 9/9/2021

The attorney general, in conjunction with other states, filed suit against pharmaceutical companies, alleging that they entered into illegal conspiracies in order to unreasonably restrain trade, artificially inflate and manipulate prices, and reduce competition in the United States. Several states joined to file two additional complaints, and the court consolidated all the cases in multidistrict litigation before the Eastern District of Pennsylvania. The third complaint was amended on September 9, 2021, and has been designated a bellwether case by the court. All cases remain pending.

Colorado, et al. v. Google LLC

US District Court, for the District of Columbia, 1:20-CV-03715-APM

Filed on 12/17/2020
Revised Complaint filed on 1/4/2021

The attorney general filed suit with 37 other states and territories against Google LLC for violations of federal antitrust law involving the unlawful restraint of trade and monopoly maintenance in the search services, search text advertising, and search advertising markets. The case was consolidated with the parallel U.S. Department of Justice litigation for pretrial purposes (United States et al. v. Google LLC, 1:20-cv-3010). This case remains pending.

Charitable Organizations and Solicitations Act

With the passage of 2021 House Bill 2079, effective May 27, 2021, the filing requirement for charitable organizations, fundraisers and solicitors was transferred from the Kansas Secretary of State to the Office of the Attorney General.

- Initial charitable organizations registered: 224
- Total charitable organizations registered: 2,649
- Initial professional fundraisers registered: 7
- Total professional fundraisers registered: 157
- Charitable organizations which withdrew registration: 31

More information and a current list of registrants are available at www.ag.ks.gov/charities.

Enforcement Actions

Schmidt v. Steven Beck and A Ride for the Wounded, Inc.

Shawnee County, 2021-CV-000077

Filed on 2/8/2021

Default Judgment obtained on 5/19/2021

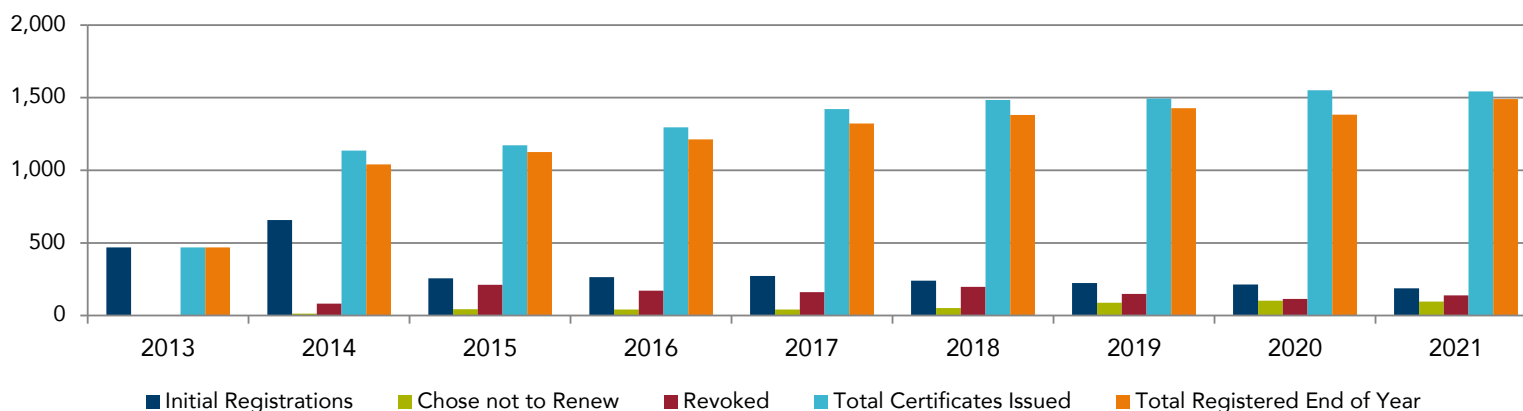
The attorney general filed suit against defendants for violating the Kansas Charitable Organizations and Solicitations Act by misappropriating charitable funds. The court ordered defendants to repay \$11,029.05 in misappropriated funds, and permanently enjoined defendants from doing business in Kansas.

Kansas Roofing Registration Act

2021 was the eighth full year of operation for the Roofing Registration Unit. In addition to processing registrations, staff from the unit traveled seven times to eight different locations in 2021. Staff traveled to canvass storm-damaged locations to speak with consumers who were approached by roofing contractors. They also traveled to locations where complaints were filed against unregistered roofers in order to investigate potential violations of the Act.

- Initial registration certificates issued: 187
- Total registration certificates issued during 2021: 1,544
- Roofing contractors who chose not to renew: 96
- Registration certificates revoked: 138
- New exempt general contractor affidavits: 3
- Total contractors in good standing at the end of 2021: 1,490

More information and a current list of registrants are available at www.ag.ks.gov/roofing.



Enforcement Actions

Schmidt v. Matthew Clark and Guaranteed Roofing & Exteriors, LLC

Shawnee County, 2021-CV-000036

Filed on 1/22/2020

Default Judgment and Restraining Order obtained on 1/25/2021

The attorney general filed suit against defendants for violating the Kansas Consumer Protection Act by submitting false information in connection with their registration renewal, specifically regarding insurance and

worker's compensation coverage. The parties entered into a consent judgment, and the court ordered injunctive relief and ordered defendants to pay \$15,000 in civil penalties.

Schmidt v. Amanda Erickson a/k/a Amanda Mayfield; Barry Mayfield; Mayfield & Sons Inc., and Mayfield & Sons Exteriors, LLC

Ellis County, 2021-CV-000112

Filed on 9/27/2021

Default Judgment obtained on 11/17/2021

The attorney general filed suit against defendants for violating the Kansas Roofing Registration Act and Kansas Consumer Protection Act by performing and/or soliciting roofing-related services in Kansas without registering with the Office of the Attorney General. Defendants accepted money and failed to provide services, creating a transaction that was excessively one-sided in defendants' favor, and from which the consumer was unable to receive a material benefit. The court enjoined defendants from soliciting and operating as a roofing contractor in Kansas until the defendant registers with the Office of the Attorney General. The court also ordered defendant to pay \$13,452 in consumer restitution, \$80,000 in civil penalties, and \$20,000 in enhanced civil penalties.

Schmidt v. Guardian Construction, LLC

Coffey County, CF-2021-CV-000002

Filed on 1/22/2021

Consent Judgment obtained on 1/25/2021

The attorney general filed suit against defendant for violations of the Kansas Consumer Protection Act for performing and offering to perform roofing-related services without registering with the Office of the Attorney General. The parties entered into a consent judgment, and the court ordered defendant to comply with all statutes, laws, rules, and regulations relating to consumer transactions in the State of Kansas, and ordered defendant to pay \$3,000 in civil penalties.

Schmidt v. Justin Farmer LLC and Justin Farmer d/b/a Certified Exteriors

McPherson County, 2021-CV-000036

Filed on 6/1/2021

Default Judgment obtained on 8/5/2021

The attorney general filed suit against defendants for violating the Kansas Roofing Registration Act for performing and/or soliciting roofing-related services in Kansas without registering with the Office of the Attorney General. The court enjoined defendant from soliciting and operating as a roofing contractor in Kansas until the defendants register with the Office of the Attorney General. The court also ordered defendants to pay \$100,000 in civil penalties.

Schmidt v. Quincy Justus d/b/a JAQ's Ultimate Services

Smith County, 2021-CV-000009

Filed on 5/26/2021

Default Judgment obtained on 6/24/2021

The attorney general filed suit against defendant for violating the Kansas Roofing Registration Act and Kansas Consumer Protection Act by performing and/or soliciting roofing-related services in Kansas without registering with the Office of the Attorney General, and for abandoning a contract without legal grounds after the consumer had paid. Defendant also diverted funds intended for roofing-related services. Defendant accepted money and failed to provide services, creating an excessively one-sided transaction in defendant's favor, in which the consumer was unable to receive a material benefit. The court enjoined defendant from soliciting and operating as a roofing contractor in Kansas until the defendant registers with the Office of the Attorney General. The court ordered defendant to pay \$5,000 in consumer restitution, \$50,000 in civil penalties and \$40,000 in enhanced civil penalties.

Schmidt v. Rocky Murry d/b/a Murry 66

Doniphan County, 2021-CV-000165

Filed on 4/21/2021

Default Judgment obtained on 5/24/2021

The attorney general filed suit against defendant for violating the Kansas Roofing Registration Act and Kansas Consumer Protection Act for performing and/or soliciting roofing-related services in Kansas without registering with the Office of the Attorney General, and for abandoning a contract without legal grounds after the consumer had paid. Defendant also diverted funds intended for roofing-related services. Defendant accepted money and failed to provide the services, creating an excessively one-sided transaction in defendant's favor, in which the consumer was unable to receive a material benefit. The court temporarily enjoined defendant from soliciting and operating as a roofing contractor in Kansas until the defendant registers with the Office of the Attorney General. The court also ordered defendant to pay \$6,760 in consumer restitution, \$50,000 in civil penalties, and \$40,000 in enhanced civil penalties.

Schmidt v. Rickey A. Palmer d/b/a Palmer and Sons and d/b/a Palmer and Sons Construction

Bourbon County, BB-2021-CV-000092

Filed on 4/21/2021

Default Judgment obtained on 5/25/2021

The attorney general filed suit against defendant for violating the Kansas Roofing Registration Act for performing and/or soliciting roofing-related services in Kansas without registering with the Office of the Attorney General. The court ordered defendants to pay \$70,000 in civil penalties, and enjoined defendants from soliciting and operating as a roofing contractor in Kansas until they register with the Office of the Attorney General.

Schmidt v. Peterson Roofing & Construction, LLC

Jefferson County, 21-CV-000002

Filed on 1/5/2021

Consent Judgment obtained on 1/10/2021

The attorney general filed suit against defendant for violating the Kansas Roofing Registration Act by performing and/or soliciting roofing-related services in Kansas without registering with the Office of the Attorney General. The parties entered into a consent judgment in which the court ordered defendant to pay \$6,500 in civil penalties.

Schmidt v. Rainbow Roofing LLC

Wyandotte County, 2021-CV-000087

Filed on 2/10/2021

Consent Judgment obtained on 2/10/2021

The attorney general filed suit against defendant for violating the Kansas Roofing Registration Act for offering and/or performing roofing services without registering with the Office of the Attorney General. The parties agreed to a consent judgment and the court ordered defendant to comply with all statutes, laws, rules, and regulations relating to consumer transactions in the State of Kansas, and ordered defendant to pay \$1,500 in civil penalties.

Schmidt v. Michael J. Stubbs d/b/a Triple M Roofing & Remodeling

McPherson County, 2021-CV-000008

Filed on 2/3/2021

Default Judgment obtained on 3/19/2021

The attorney general filed suit against defendant for violating the Kansas Roofing Registration Act and Kansas Consumer Protection Act by performing and/or soliciting roofing-related services in Kansas without properly registering with the Office of the Attorney General, and abandoning a contract without legal grounds after the

consumer had paid. Defendant also diverted funds intended for roofing-related services. Defendant accepted payment and failed to provide services, which created an excessively one-sided transaction in defendant's favor, in which the consumer was unable to receive a material benefit. The court enjoined defendant from soliciting and operating as a roofing contractor in Kansas until the defendant registers with the Office of the Attorney General. The court ordered defendant to pay \$8,316 in consumer restitution, \$70,000 in civil penalties, and \$40,000 in enhanced civil penalties.

Scrap Metal Theft Reduction Act

The 2021 calendar year was the first full year of reimplementation following the July 1, 2020, enactment that brought back into effect several provisions of the SMTRA that had either been unfunded or suspended by legislative action. This included the requirement for scrap metal dealers, as defined by the act, to register with the attorney general's office in order to purchase regulated scrap metal, and to collect information about certain scrap metal transactions and submit certain portions of that information collected to a database managed by the Kansas Bureau of Investigation.

As of December 31, 2021, 120 scrap metal dealers at 141 locations had completed the registration requirements with the attorney general's office. Two applications for registration as a scrap metal dealer were denied pursuant to 50-6,112b. Our office has also initiated enforcement actions against scrap metal dealers suspected of operating in violation of the law. During the 2021 calendar year, our office sent 16 cease-and-desist letters to scrap metal dealers suspected of operating without being properly registered.

More information is available in the Scrap Metal Theft Reduction Act annual report at <https://bit.ly/3uAjArK>.

Consumer Protection Division Staff

DEREK SCHMIDT KANSAS ATTORNEY GENERAL

Frances R. Oleen.....	Deputy Attorney General
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*Kimberley Davenport.....	Assistant Attorney General
Sarah Dietz	Assistant Attorney General
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Ed Burr.....	Investigator
Rachel Chilson-Holcomb.....	Investigator
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Samuel Niemczyk.....	Investigator
Rebecca Burr	Administrative Assistant
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Debra San Romani	Office Manager
*Stacie Baquero.....	Legal Assistant
Ashley Lonnberg	Legal Assistant
Penny Cooper	Administrative Assistant
Susan Crouse.....	Administrative Assistant

* Denotes that staff member was no longer with the Consumer Protection Division as of December 31, 2021.



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