



2019 ANNUAL REPORT

Attorney General

Josh Stein



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A Message to North Carolinians

It has been my great honor to serve as your North Carolina Attorney General for three years now. I have the pleasure of working alongside the talented people at the Department of Justice each and every day to do everything in my power to protect the people of this state.

I am proud of the work we've done to protect North Carolinians from crime and fraud, to protect taxpayers, and to protect our environment. I hope you will enjoy reading more about that work in our 2019 Annual Report.

Updates on the Attorney General's Priorities

As you will see in the pages of this report, our work is varied and vast. I'd like to highlight just a few of my top priorities in this introduction.

Testing Sexual Assault Kits

In 2017, the Department of Justice conducted an inventory of sexual assault kits in local law enforcement custody. That inventory – using self-reported numbers from law enforcement – uncovered approximately 15,000 untested sexual assault kits sitting on shelves in local law enforcement offices around the state.

That number is shocking, and it is far too high. Since that time, we've been hard at work securing grant and state funding to get these kits tested. I'm proud to report that this year, the legislature passed and Gov. Roy Cooper signed into law the Survivor Act, legislation my office drafted and championed. The Survivor Act provides needed funding to test these kits and includes measures that will help ensure that we never find ourselves in this situation again.

Testing kits solves crimes. A homicide in Johnston County from nearly 47 years ago – a rape in Fayetteville 31 years ago – a rape in Winston Salem 29 years ago – and a murder and sexual assault in Salisbury 35 years ago – these are a few examples of crimes we have reopened and are on the way to solving as a result of testing kits.

Keeping Children Safe from Sex Abuse

There's nothing more important than keeping our children safe – wherever they are. This year, the SAFE Child Act, legislation my office drafted and the North Carolina General Assembly unanimously passed, became law. The SAFE Child Act strengthens our state's child sex abuse laws by expanding the duty to report child abuse, increasing the amount of time people who were victims of child abuse have to pursue justice, and protecting kids online from high-risk sexual predators.

If you are an adult and you are aware of a child being sexually abused, you must report it to law enforcement regardless of who the alleged abuser is. It's up to all of us to protect our kids and to speak up if we know they're in danger.

Combatting the Opioid Epidemic

The opioid epidemic continues to ravage our state. But for the first time, the number of people who died from overdoses has started to decline. I am encouraged by this progress – but it's not nearly enough. We must do more.

I hope you have seen information about our More Powerful NC campaign. We created More Powerful NC in partnership with the North Carolina Department of Health and Human Services and with the support of Atrium Health, Blue Cross and Blue Shield of North Carolina, and other partners to help raise awareness of this crisis and connect people with the tools they need to make a difference in their communities. I hope you will visit www.morepowerfulnc.org to learn how you can fight the opioid epidemic.

Protecting our Kids from E-Cigarettes

Vaping is an epidemic among our young people. Because of the ways Juul and other e-cigarette companies aggressively marketed to our kids, 27 percent of high schoolers around the nation self-report having used e-cigarettes in the past month. Nearly 5 million high schoolers reported being current e-cigarette users in 2018. That's up more than 130 percent since 2016.

We made too many important gains in our fight against tobacco use among youth to stop now. That is why I sued Juul and eight other e-cig companies over their aggressive marketing to young people. So far, the courts have agreed, barring most of these companies from selling any e-cigarette products in North Carolina for the duration of the lawsuits.

We don't yet know the full extent of the medical risks associated with e-cig use, but what we do know is not good. Developing brains are particularly vulnerable to nicotine – one study describes them as having “exquisite sensitivity” to its neurotoxic effects. Confirmed health risks include nicotine addiction and poisoning, heart disease, lung disease, behavior changes, and increased risk of addiction to other drugs – cocaine, opioids, and methamphetamine – in the future.

I will not stop fighting until I am sure that e-cigarette companies aren't tricking our kids into becoming their guinea pigs and hooking their next generation of customers.

Fighting Robocalls

Finally, I'd like to highlight my work to fight another scourge – robocalls. Each year my office receives more complaints about robocalls – and the way criminals use them to scam our parents and grandparents – than any other issue. This past summer, we released a petition to learn more about your experiences with robocalls and within days, more than 12,000 of you responded.

That's why I led a group of 51 attorneys general from around the nation to announce the Anti-Robocall Principles, which will prevent robocalls from coming to your phone in the first place, as well as help us hold these scammers accountable for their illegal behavior. It's important because these calls are at best a nuisance – at worst, they're cheating our most vulnerable out of their hard-earned money.

I wish I could say we've solved the problem, but we have more work to do. I hope to have more to share with you in my 2020 Annual Report about this important issue.

Defending the Affordable Care Act

I have taken my fight to protect health care for the people of North Carolina to the United States Supreme Court. A recent appeals court decision in Texas left open significant questions about the future of the Affordable Care Act, causing uncertainty for the millions of North Carolinians who depend on the ACA for their health care. The people of our state need the ACA to afford health insurance, gain protections against discrimination involving pre-existing conditions, and pay for the medications they need. I will not stop fighting for North Carolinians' access to affordable and lifesaving health care.

Combating the Climate Crisis

We are seeing the effects, speed and devastating impact of the climate crisis with increasing frequency. Over the past year, I have continued to push back against actions that threaten our state's climate and environment. I am suing the federal government over its replacement for the Clean Power Plan, which does nothing to address the climate crisis and violates the law in the process. I'm also taking action against the administration's attempts to weaken vehicle fuel efficiency standards, take away protections for endangered species, and decrease safeguards against atmospheric pollutants and greenhouse gases.

Here in North Carolina, I'm advocating for more clean technology to meet North Carolina's energy needs. In 2019, following briefing from my office, the state Utilities Commission ordered Duke Energy to develop future energy generation plans that will lower greenhouse gas emissions and expand renewable energy.

Thank you for the opportunity to serve as your North Carolina Attorney General and for reading this report to learn more about our work. I hope you will contact my office at ncago@ncdoj.gov if there is anything we can do to better serve you in 2020.

Sincerely,

A handwritten signature in cursive script, reading "Josh Stein".

Josh Stein
Attorney General

What does the North Carolina Department of Justice do?

Mission Statement

The North Carolina Department of Justice (DOJ) protects the people of North Carolina through its work to prevent crime and support law enforcement, to safeguard consumers, and to defend the State, its people, and their constitutional rights.

Vision Statement

The North Carolina Department of Justice provides excellent legal representation and support to law enforcement, consumers, the State, and its people through teamwork, innovation, and a commitment to public service.



Attorney General Josh Stein leads the North Carolina Department of Justice in its mission to protect the people of North Carolina by:

Keeping People Safe

The Public Protection Section works to prevent crime and support victims through policy and public education. This work includes a focus on victims and survivors of violent crime, such as domestic violence and sexual assault. Public Protection also works to prevent crimes, including internet crimes, scams, and fraud by educating North Carolinians about ways to protect themselves and their information.

Our **Criminal Division** represents the State in all criminal appeals and assists in prosecuting certain criminal cases.

The North Carolina State Crime Lab analyzes evidence to help law enforcement solve crimes and works with the criminal justice system to hold offenders accountable for their actions.

The North Carolina Justice Academy trains law enforcement officers to serve communities across North Carolina.

The Sheriffs' Education and Training Standards Commission and the Criminal Justice Education and Training Standards Commission oversee training, standards, and certification of law enforcement and criminal justice officers.

Protecting Consumers, Seniors, and the Environment


The **Consumer Protection Division** protects consumers and seniors from scams and fraud, investigates consumer complaints, and holds business and individuals accountable if they violate North Carolina's consumer laws.

The Attorney General's **Medicaid Investigations Division** investigates and prosecutes fraud and abuse committed by health care companies and providers, as well as patient abuse and neglect in facilities that are funded by Medicaid.

The **Environmental Division** works to protect the air North Carolinians breathe and the water they drink, makes sure that companies meet environmental regulations, and safeguards our coastline and our coastal economy.


Providing Legal Services to the State

DOJ represents the State and its people. Our **Legal Services Division** provides legal advice and representation to state government departments, agencies, and commissions.



In 2019, DOJ attorneys and staff devoted more than 480,000 hours to protect and defend the rights of North Carolinians.

Our work saved the state of North Carolina more than \$94 million in legal fees.

 Attorney General
Josh Stein

Your Return on Investment in the North Carolina Department of Justice

At DOJ, we work to responsibly use your taxpayer money and state resources to efficiently serve the people of our state and keep our communities safe. Here's what you got for your \$86.1 million investment in our department last year.

Where does your DOJ tax dollar go?



Notice something missing? Our work protecting consumers and vulnerable people is 100% self-funded. That saved taxpayers about \$7.1 million this year.

Fighting Crime in North Carolina

Medicaid Investigations Division

The Medicaid Investigations Division (MID) investigates and prosecutes fraud and abuse committed by health care companies and providers, as well as patient abuse and neglect in Medicaid-funded facilities. Our office holds those who break the law and steal Medicaid funds accountable by recovering restitution and penalties on behalf of North Carolina.

In 2019, MID won convictions for health care fraud conspiracy and tax evasion against a former Charlotte-area provider. The defendant and his brother had defrauded the North Carolina Medicaid program out of more than \$6.1 million by submitting fraudulent reimbursement claims through their outpatient behavioral health services companies for at-risk youth.

North Carolina, along with all other 49 states, the District of Columbia, and Puerto Rico, participated in a \$700 million settlement with UK-based pharmaceutical distributor Reckitt Benckiser Group – more than \$14 million will go to North Carolina. The settlement resolves allegations that the company and its U.S. subsidiary misused Medicaid funds to improperly market and promote the drug Suboxone, which is approved to help people undergoing treatment to recover from substance use disorder.

North Carolina also participated in a \$60 million multistate settlement with Walgreens Co. over allegations that the company billed Medicaid at rates higher than its usual and customary rates as well as a \$209.2 million settlement with Walgreens Boots Alliance over allegations that the company knowingly engaged in fraudulent over-dispensing of insulin pens to Medicaid and Medicare beneficiaries. North Carolina received more than \$5 million combined from these settlements.

In 2019, MID closed 69 criminal cases, 84 civil cases, and 153 investigations. Through civil settlements, restitutions, and criminal recoveries, the division has recovered more than \$43 million.

Operation Root Canal

Operation Root Canal, a specialized MID effort to find and stop fraud among dental providers, returned \$6.3 million to the Medicaid program. Operation Root Canal uses data mining to investigate a wide variety of dental services, including dental cleanings, use of nitrous oxide, repetitive restorations on the same tooth, palliative care, and upcoding patient examinations. MID reached 10 settlements with dental providers in the past year.



Criminal Division

The Criminal Division handles special prosecutions, criminal appeals, state and federal post-conviction litigation, and represents the Criminal Justice Education and Training Commission and the Sheriffs' Education and Training Standards Commission.

Appellate and Post-Conviction Litigation

The Criminal Appellate and Post-Conviction Section represents North Carolina in appeals of the most complex criminal cases before the North Carolina Court of Appeals and the North Carolina Supreme Court. Overall in 2019, DOJ attorneys handled 600 appellate cases, including 100 appellate oral arguments, to defend the criminal convictions obtained by local district attorneys across the state.

Attorneys in the Appellate and Post-Conviction Section are also responsible for representing the State in defending convictions in state and federal post-conviction litigation, including the 141 capital cases currently in post-conviction review as well as the 76 new non-capital habeas petitions filed in 2019.

Special Prosecutions and Law Enforcement

If a local district attorney's office has a conflict of interest or needs support prosecuting a complex case, it may request assistance from DOJ's Special Prosecutions and Law Enforcement Section. In 2019, Special Prosecutions and Law Enforcement attorneys closed 23 complex or conflict prosecutions.

Many of the cases handled by these attorneys involve serious criminal issues and threats to public safety, including murder, rape, sexual abuse, drug trafficking, and public corruption. In 2019, the section won a conviction against a heroin trafficker stemming from his assault of two women in September 2013. After the defendant fled that scene, law enforcement found drug paraphernalia, firearms, heroin, and a cutting agent. The amount of heroin found would yield more than 2,400 dosage units. In July, he was sentenced to more than 20 years in prison and ordered to pay a mandatory \$500,000 fine.

Attorneys also won the State's case against Alan Lassiter, who in November was charged with one count of first degree murder for the death of his three-year-old daughter and two counts of attempted first degree murder for trying to kill his five-year-old daughter and seven-year-old son. Lassiter was sentenced to life without parole for the murder and additional time for the two attempted murders.

In addition to violent crimes, Special Prosecutions also works financial cases involving tax fraud and embezzlement. In 2019, Special Prosecutions attorneys secured \$385,610.52 in restitution to the State.

Attorneys in this section also represent the Criminal Justice Education and Training Standards Commission and the Sheriffs' Education and Training Standards Commission and serve as legal counsel to the SBI's Division of Criminal Information, the Alcohol Beverage Control Commission, and the North Carolina Company Police Program. In addition, they work closely with law enforcement partners across the state and the North Carolina Justice Academy, which is part of DOJ, to provide law enforcement trainings.

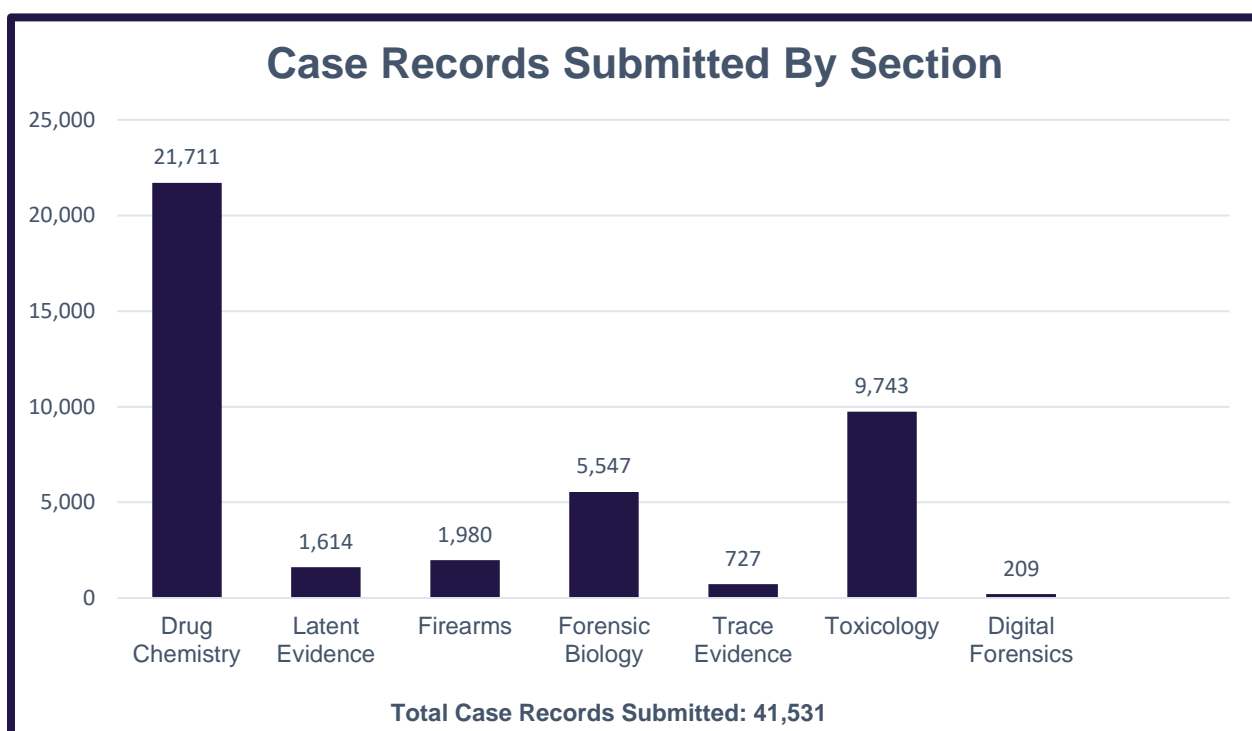
Public Safety

Attorneys in the Public Safety Section represent the North Carolina Department of Public Safety in civil litigation in both state and federal court. This year, the section closed more than 240 public safety cases, including major cases concerning the constitutionality of the State's satellite based monitoring and sex offender registry programs, inmate litigation in state and federal courts, civil litigation involving the State Highway Patrol and State Bureau of Investigation, and various administrative hearings.


State Crime Lab

The North Carolina State Crime Lab analyzes evidence, provides expert testimony in court proceedings, assists in collecting evidence and processing crime scenes, and consults on evidence-related matters. The State Crime Lab provides these services free of charge to any North Carolina public law enforcement agency, including local, state, federal, military, and railroad police organizations. The State Crime Lab has three internationally-accredited locations in North Carolina – the main campus in Raleigh, the Western Regional Crime Lab in Edneyville, and the Triad Regional Crime Lab in Greensboro.

In 2019, the Lab accepted 41,531 cases and completed 27,829 case records (cases often encompass multiple case records). More detailed information on these cases can be found in the [State Crime Lab Annual Report](#).



In the summer of 2019, Vanessa Martinucci joined the State Crime Lab as Director, succeeding former Director John Byrd after his retirement. Vanessa previously served as the DNA Interpretation Supervisor at the Houston Forensic Science Center in Houston, Texas. Prior to that, she served as a Forensic Scientist Supervisor and DNA Technical Leader at the DuPage County Forensic Science Center in Wheaton, Illinois. She began her forensic science career doing serology and DNA analysis in the Miami-Dade Police Department Crime Lab.



The State Crime Lab is using cutting-edge, innovative technology to help law enforcement and prosecutors solve crimes and hold offenders accountable. In 2019, the Crime Lab began utilizing kinship analysis and familial searching procedures.



Familial searches are used after law enforcement and district attorneys haven't been able to solve a case and have exhausted all investigative leads. The search attempts to identify close biological relatives from a DNA profile in the case to help law enforcement find a new potential lead.

Kinship analysis is used to determine familial relationships for an existing DNA profile, including identifying unidentified human remains, samples in missing persons cases, and biological parents of offspring.



An Update on Getting Justice for Victims and Survivors of Sexual Assault

In 2019, DOJ and the State Crime Lab made significant strides in the effort to get justice for victims and survivors of sexual assault and put rapists behind bars by continuing to test the thousands of older untested kits in local law enforcement custody.

In September, the legislature passed and Gov. Roy Cooper signed into law the Standing Up for Rape Victims Act, or the Survivor Act. The Survivor Act was drafted and championed by Attorney General Stein. The law provides \$6 million to test older sexual assault evidence collection kits and requires law enforcement agencies to submit newly-collected sexual assault kits for testing within 45 days of the kit's collection. The legislation also requires law enforcement agencies to establish review teams to survey their entire untested sexual assault kit inventory and determine a priority submission order for testing.

In addition to funding from the Survivor Act, the State Crime Lab and DOJ were also awarded \$4 million in grants from the U.S. Department of Justice's Bureau of Justice Assistance Sexual Assault Kit Initiative (SAKI) and the Victims of Crime Act (VOCA) funding through the Governor's Crime Commission. These grants also fund the testing of kits as well as provide training for advocates and law enforcement to improve sexual assault investigations and better serve sexual assault survivors.

[One year](#) after the State Crime Lab launched the statewide Sexual Assault Tracking and Inventory Management System (STIMS), more than 3,142 new sexual assault kits have been collected statewide and entered into the system. In addition to those newer kits, 12,009 older kits in local law enforcement custody have been entered into the system. In the same way that one can track the status of one's barcoded package, victims and survivors are now able to know where their kit is in the criminal justice process, increasing transparency and accountability and preventing future backlogs.

Since January 2018, the State Crime Lab has tested 1,236 sexual assault kits. Of those, 279, or about 23 percent, have resulted in a hit to a known individual in the CODIS DNA database.

These hits mean cold cases become very warm, providing law enforcement and prosecutors with new leads to solve old crimes.

In April, Attorney General Stein joined Johnston County officials to announce an arrest in the 1972 murder of Bonnie Neighbors. The State Crime Lab worked with the Johnston County Sheriff's Office on this case over several decades. When advanced DNA technology became available, the State Crime Lab conducted new tests on evidence that previously wasn't able to be tested. Thanks to that science, the sheriff's office got a lead and arrested and extradited a Florida man. That case is currently being adjudicated.

The Fayetteville Police Department used results from the State Crime Lab's evidence testing to arrest a man believed to be the Ramsey Street Rapist, a suspect who allegedly raped six women between 2006 and 2008. Fayetteville Police also used DNA testing to arrest another man for more than a dozen rapes committed in 2009 and 2010.

In Wilmington, law enforcement announced the arrest of a suspect for a 1996 sexual assault after the 23-year-old rape kit was tested and resulted in a DNA match in CODIS.

In Salisbury, DNA testing of a sexual assault kit helped identify the perpetrator behind a 15-year-old girl's murder and sexual assault 35 years ago.

These results tell us that when we test kits, we can move cases forward and make the public safer. The Department of Justice and the State Crime Lab will continue our work in this effort to test these kits.

Getting Justice for Victims of Child Abuse

Protecting North Carolina's kids is job one for parents and for the state. In November, Gov. Roy Cooper signed the SAFE Child Act into law. The legislation was drafted by DOJ and unanimously passed by the North Carolina General Assembly. It takes several steps to strengthen North Carolina's laws against child sex abuse and violence.

The legislation expands the duty to report child abuse – now, any adult must report suspected child abuse to local law enforcement, regardless of the abuser's relationship to the child. Previously, the law only required abuse to be reported if the alleged abuser was in the role of a parent or guardian. But children need to be safe wherever they are and whoever they are with – including coaches, camp counselors, or youth or religious leaders.

The legislation also extends the statute of limitations for misdemeanor child abuse actions, such as sexual battery and misdemeanor child abuse, from two years to 10 years. It also increases the statute of limitations for civil actions so that a person who was sexually abused as a minor will have until the age of 28 to sue their abuser.

And it protects our kids where they increasingly are – online. The law prohibits high-risk sex offenders from contacting anyone under the age of 16 using social media.

We owe it to all children to make sure they grow up in the safest environments possible, and the SAFE Child Act will help us do just that.



North Carolina Justice Academy

The North Carolina Justice Academy creates and provides training and educational materials for law enforcement officers and criminal justice professionals. Training topics span a wide spectrum, including school resource officer training, community-oriented policing, domestic violence incident response, tactical operations, and law enforcement leadership. The Justice Academy also provides technical assistance to criminal justice agencies in North Carolina.

- Courses offered
 - On-campus: 375
 - Off-campus: 135
 - Online: 121
- Online course completions: 153,503
- Number of bed nights spent on campus: 33,275
- Justice Academy students trained
 - On-campus: 5,854
 - Off-campus: 4,415



The Justice Academy works closely with other departments and agencies to expand partnerships and training opportunities for law enforcement. In 2019, the Justice Academy partnered with Wake Tech and the UNC School of Government to offer a new Leadership Institute. The first full offering of this program will take place in the spring of 2020.

In 2019, the Justice Academy published its first peer-reviewed Academic Journal, partnered with the State Bureau of Investigation to provide drug diversion training for officers, and developed trainings to ensure that all School Resource Officers had the appropriate training.

Law Enforcement Commissions



Attorney General Stein met with officers from the Elizabeth City Police Department and Pasquotank County Sheriff's Office in November.

DOJ provides staffing for and gives legal advice to the Criminal Justice Education and Training Standards (CJ Standards) Commission and the Sheriffs' Education and Training Standards Commission. Both commissions develop training standards and determine training and certification topics for officers in the law enforcement and criminal justice systems. The commissions also review cases of deputies, officers, and other personnel who have been accused of violating the rules of their respective commission.

2019 CJ Standards at a Glance:

- Opened 397 investigations
- Completed 186 investigations
- Certified 2,606 law enforcement officers
- Certified 2,242 corrections officers
- Certified 189 juvenile justice officers
- Certified 164 company/campus police
- Certified 2,705 general instructors
- Conducted 67 school audits
- Conducted 42 agency audits

2019 Sheriffs' Standards at a Glance:

- Opened 288 investigations
- Completed 158 investigations
- Sworn in 1,114 new deputies
- Appointed 1,356 new detention officers
- Appointed 178 new telecommunicators
- Certified 451 general and specialized instructors
- Conducted 74 agency audits

In 2019, the commissions established the first class of North Carolina Criminal Justice Fellows. The program recruits talented high school seniors and graduates into the criminal justice profession by funding educational loans for an associate's degree at a North Carolina

community college. Upon graduation, students who receive the educational loan would have it forgiven if they enter and remain in a criminal justice profession within North Carolina for four years. Students who graduate can go into any job overseen by either commission.

The 2019-2020 class is made up of 14 students, and the program is currently taking applications for the 2020-2021 academic year.

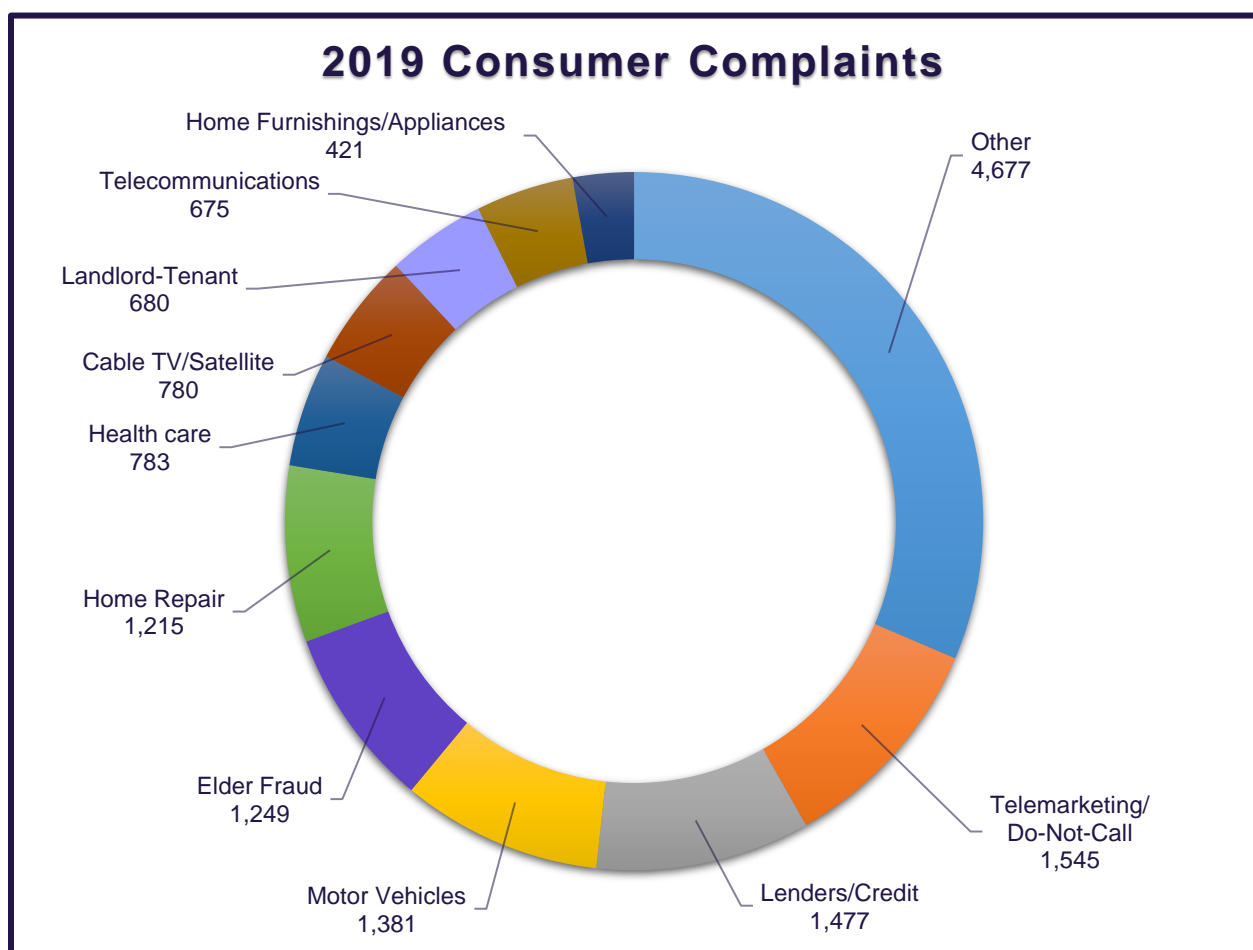
Attorney General Stein knows there is nothing more important than keeping children safe, no matter where they are, including when they are at school. That is why he requested that the commissions consider mandatory training for all school resource officers (SROs). The Criminal Justice and Sheriffs' Education and Training Standards Commissions approved changes, at Attorney General Stein's request, that defined SRO responsibilities and mandated initial and refresher training for all SROs. The new rule went into effect on Oct. 1, 2019, and will help SROs be better prepared to navigate the challenges of keeping schools and students safe.

Attorney General Stein also joined the North Carolina Task Force for Safer Schools in 2019 and leads the School Resource Officer committee. From this post, he will continue his work to ensure the safety of North Carolina's students.

Protecting North Carolina's Seniors and Consumers

The Consumer Protection Division protects North Carolinians from scams, frauds, and deceptive and unfair business practices. The division investigates complaints from consumers about businesses and individuals who may be violating state and federal consumer laws and works to recover defrauded money and get justice for consumers.

In 2019, the Consumer Protection Division received 14,462 consumer complaints. 1,249 of those complaints were related to elder fraud and practices that targeted and deceived older North Carolinians. One of the ways that the Consumer Protection Division is able to protect consumers is through our complaint mediation process. In the course of mediating complaints, DOJ secured consumer refunds of nearly \$580,000, of which more than \$293,000 went to refund elder fraud victims.



Attorney General Stein and the Consumer Protection Division also won more than \$40 million in settlements and court awards on behalf of the people of North Carolina.

In January, Attorney General Stein negotiated multistate settlements with Fiat Chrysler and Robert Bosch for harming consumers by undermining auto emission regulations on diesel vehicles. North Carolina will receive a total of \$5 million from the settlements.

In July, Attorney General Stein won \$8 million in a default judgment against two Utah-based event production companies for selling tickets to North Carolina events they were forced to cancel, not providing refunds to people who had purchased tickets, and failing to respond to repeated consumer concerns.



Scammers are smart and creative – and the scams they use to steal from others change practically by the day. In 2019, our office saw an uptick in sweetheart and sweepstake scams. In sweetheart scams, scammers befriend potential victims, often older adults, on websites and through social networking apps. The scammer uses mutual interests or supposed mutual friends to create a connection and may be more likely to reach out after the victim has been through a major life event, like the death of a spouse. In 2019, the Consumer Protection Division received 60 complaints about sweetheart scams. In these scams, 46 victims lost more than \$1.4 million.

In sweepstakes scams, scammers call individuals claiming they've won a sweepstakes or lottery. But they ask the victim first to pay a fee or tax to claim their prize, usually by sharing their bank account information or a sending wire transfer. In North Carolina, you never have to

pay to win a prize. In 2019, 69 victims lost more than \$2.3 million to sweepstakes scams in 427 complaints with our office.

Fighting Robocallers

Robocalls are a nuisance that plague North Carolinians multiple times a day. In 2019, Attorney General Stein led a bipartisan group of 51 attorneys general and 12 phone companies to create and adopt the Anti-Robocall Principles, a set of eight principles to fight illegal robocalls. The agreement will help protect phone users from illegal robocalls and make it easier for attorneys general to investigate and prosecute bad actors.

The principles address the robocall problem through prevention and enforcement. Phone companies have agreed to prevent illegal robocalls by implementing call-block and call-monitoring technology and they will assist attorneys general in investigating suspicious callers and tracing the origins of calls.

"Robocalls are a scourge – at best, annoying, at worst, scamming people out of their hard-earned money. By signing on to these principles, industry leaders are taking new steps to keep your phone from ringing with an unwanted call. They've also agreed to do more to help other state attorneys general and me track down the scammers and fraudsters responsible so that we can keep them from preying on people."



Attorney General

Josh Stein



Holding Price Gougers Accountable

After Hurricanes Michael and Florence devastated North Carolina in 2018, the Consumer Protection Division brought seven lawsuits against 22 defendants for violating North Carolina's price gouging statute. To date, our office has obtained eight judgments against 17 defendants and won more than \$725,000 in these judgments.



Our office won \$274,000 in the largest price gouging settlement in state history. The Consumer Protection Division filed the lawsuit against Georgia Tree Company LLC for excessively priced tree removal work after Hurricane Florence. In one case, our lawsuit alleged that the company told an Onslow County homeowner it couldn't quote an upfront price to remove four trees, but sent the homeowner's insurance company a supposed agreement priced at \$19,598.22 without permission from or discussion with the homeowner. The company is now barred from doing any tree removal work in North Carolina.

Taking on Deceptive Businesses

Our office obtained a preliminary injunction against Charlotte-area repairman John Jackson and his companies, preventing Jackson from doing any appliance repair work or accepting money from consumers for work until the case is resolved. The Consumer Protection Division received 12 consumer complaints related to Jackson. Our lawsuit alleges that Jackson engaged in a scheme to perform a sham inspection of an appliance and then demanded payment in advance without actually doing the work.

Consumer Protection also obtained a preliminary injunction against George Edward Hall and his businesses, alleging that he took money from consumers and failed to do the promised contracting work. Our office received approximately 20 complaints about Hall's failure to complete work that customers had already paid for.

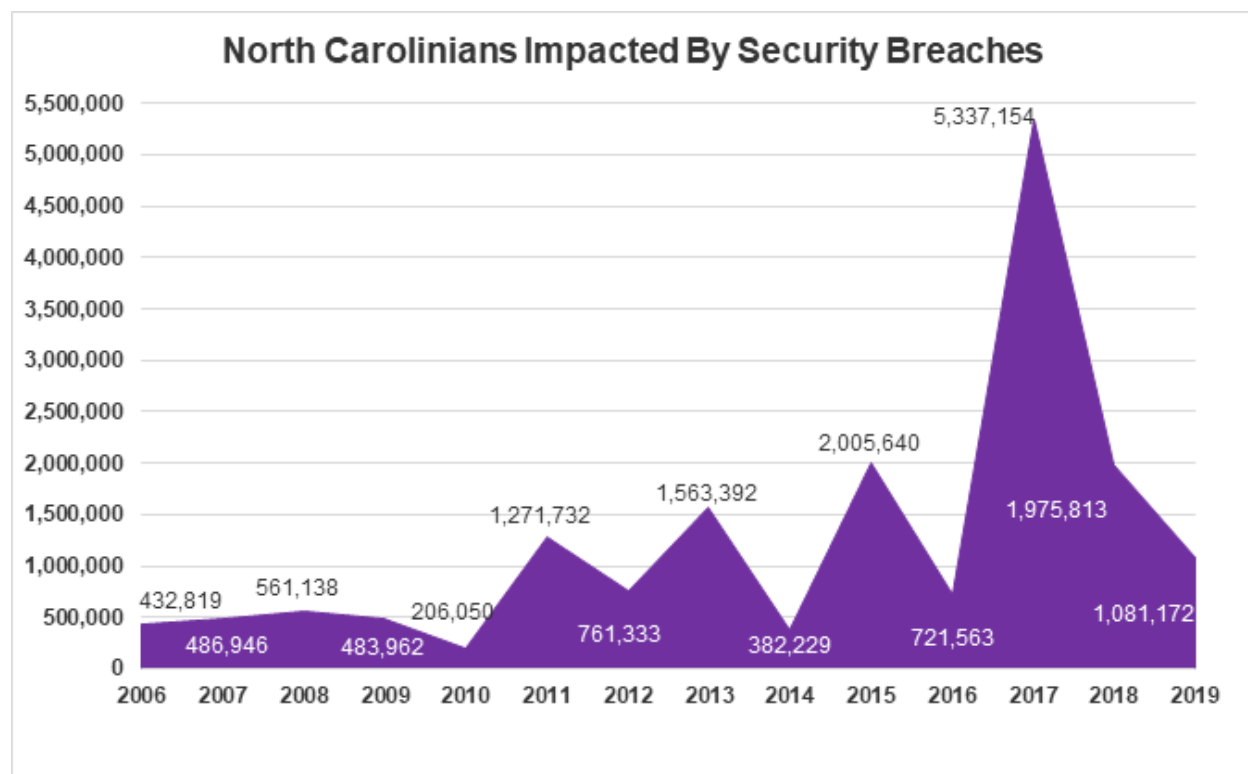
Our office, along with the Consumer Financial Protection Bureau and the states of Minnesota and California, obtained a preliminary injunction to prohibit California-based Consumer Advocacy Center Inc. from doing business with and collecting fees from consumers. Our office filed a lawsuit against the company alleging that it deceptively promised student loan borrowers that it would get them into repayment programs that would reduce their student loans, collected illegal advance fees for its services, and did not reduce borrowers' student loans and made false representations to loan servicers.

Consumer Protection obtained a temporary restraining order and a preliminary injunction against Cornelius resident Gordon Scott Engle and his Texas-based debt collection companies in a case alleging that Engle used his debt collection companies to purchase unpaid consumer debt and then attempted to collect on those debts without filing the appropriate registration to operate in North Carolina. Engle used his companies to send collection notices that told consumers they had committed criminal violations. The notices appeared to be, but weren't, official court notices, and some even included unsigned criminal summonses that looked real but had no legal effect.

Our office obtained a preliminary injunction against J.S. Enterprises of Swansboro LLC and James M. Stallings, III, for engaging in unfair and deceptive trade practices in connection with real estate property transactions. The lawsuit alleges that the defendants bought properties from distressed homeowners with promises to deliver cash in hand or pay all closing costs, among other false advertising. In reality, the defendants were giving these homeowners promissory notes with small monthly payments and zero percent interest over a long period of time. The defendants then leased these properties to consumers in financial hardship or with poor credit histories using lease agreements that violate North Carolina's landlord-tenant law.

Protecting People's Personal Information

In 2019, the DOJ received 1,210 notices of data breaches, an action businesses and governments are required to take under law. The data breaches affected more than 1 million North Carolina consumers.



Attorney General Stein worked with Rep. Jason Saine to introduce the Act to Strengthen Identity Theft Protections, legislation to strengthen North Carolina's data breach laws. The legislation would require companies to do more to protect people's personal information from breaches and to act faster to notify consumers if their information was compromised in a security breach.

Our office also reached a landmark \$600 million multistate settlement with Equifax as a result of an investigation into the company's massive 2017 data breach. North Carolina will receive more than \$4.5 million of the settlement, and consumers are also eligible for redress or credit-monitoring services. Attorney General Stein was on the executive committee of a multistate coalition investigating the breach, which compromised the personal and financial information of more than 147 million consumers – nearly half of the national population.

DOJ also reached a \$900,000 multistate settlement with Medical Informatics Engineering, the first multistate lawsuit involving a HIPAA-related data breach. The breach resulted in hackers stealing more than 3.9 million individuals' protected health information.

Attorney General Stein is also helping to lead a bipartisan multistate investigations into Facebook and Google over the companies' business practices and potential violations of antitrust laws.

Protecting Ratepayers

Attorney General Stein continues to appeal Duke Energy's efforts to pass nearly all of its coal ash cleanup costs on to ratepayers. DOJ is arguing that Duke Energy's customers should not be the only ones to pay to cover the costs of the company's irresponsibility over coal ash. Attorney General Stein is also encouraging the utility to focus on programs that increase energy efficiency and use renewable energy sources.

Addressing the Opioid Crisis

On average, five people die from opioid overdoses every day in North Carolina. The opioid epidemic has left a shattering toll of grief and devastation in its wake and confronting it has been one of Attorney General Stein's highest priorities.

In April, Stein led a bipartisan coalition of public and private partners to launch More Powerful NC, a public education campaign to prevent and confront opioid addiction by empowering people to fight against addiction in their communities.



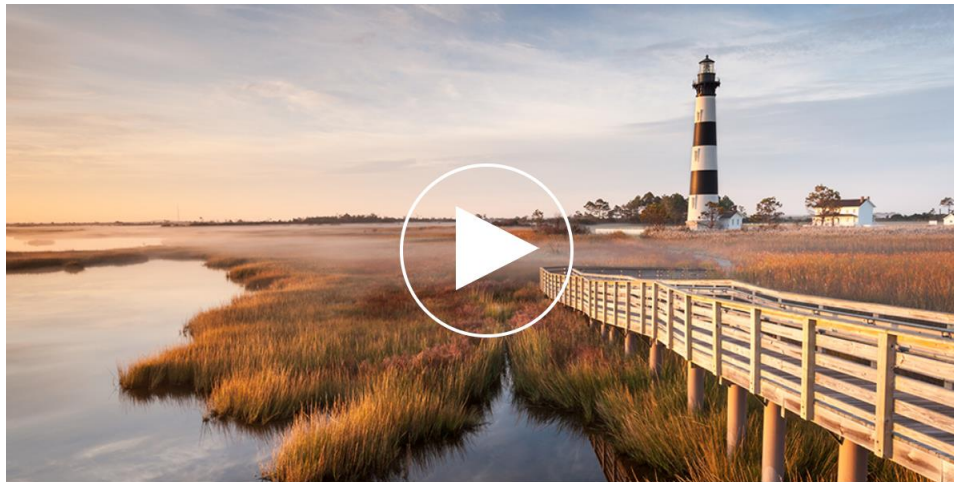
Attorney General Stein speaks during the launch of the More Powerful NC public education effort in Charlotte, NC.

More Powerful NC raises awareness of the scope and danger of the opioid crisis. It is anchored in the message that together, we are more powerful than opioids and we can all play a part in ending the epidemic. The campaign outlines real, actionable steps for the safe storage, use, and disposal of pain medications, as well as resources for finding treatment and recovery support.



More Powerful NC's website, www.MorePowerfulNC.org, provides people with facts about the epidemic, information about addiction treatment and recovery, and suggestions for ways to get involved. Specifically, the website includes toolkits for parents, educators, coaches, local

government officials, and others to help people take action in their own communities. The campaign includes TV, radio, outdoor, and digital ads that encourage people to safely dispose of unneeded prescription medication and to talk to their doctors about alternatives to opioids for treating pain.



Click on the image above or [here](#) to view the More Powerful NC ad.

Since the More Powerful NC effort launched, hundreds of North Carolinians have pledged to take action in their communities by supporting loved ones getting treatment and recovery, disposing of leftover and unused medications, educating themselves about breaking down stigma, and talking to their families and children about the risk of drugs. More than 130 organizations across the state have signed up to become More Powerful NC partners, committing to do their part to find community solutions. Nine municipalities and counties have passed resolutions to take action to better serve their residents with substance use disorder prevention, education, and treatment resources.



Anna Austin and Amanda Sin, members of Attorney General Stein's Council on Collegiate Opioid Misuse, partnered with the North Carolina Harm Reduction Coalition to host a More Powerful NC event on UNC-Chapel Hill's campus. Students assembled naloxone kits for distribution in communities across North Carolina.

As a result of these efforts, other community initiatives, and the State's Opioid Action Plan, the tide is turning. In 2018, for the first time in years, the number of unintentional opioid-related overdose deaths and emergency visits related to opioid-related overdoses decreased among North Carolina residents.

Attorney General Stein has also taken legal action to hold responsible the people and companies that helped create the opioid epidemic. Attorney General Stein sued Purdue Pharma in May 2018 over its marketing practices for prescription opioids that created and fueled the opioid crisis in North Carolina. After Purdue filed for bankruptcy in September 2019, Attorney General Stein filed a lawsuit against eight individual members of the Sackler family, alleging that they are the driving forces behind Purdue Pharma's deceptive marketing and selling of OxyContin. He continues to seek to hold the Sacklers and Purdue accountable and ensure they pay real money to help clean up the devastation they have caused.

Attorney General Stein and three other attorneys general also announced a \$48 billion settlement framework in principle with five drug companies – Cardinal Health, McKesson, AmersourceBergen, Johnson & Johnson, and Teva – over their role in the opioid epidemic. In addition to \$22 billion in cash and \$26 billion in treatment drugs, product distribution, and data-tracking measures, the three major distributors have also agreed to change their policies to prevent over-distribution in the future. Stein continues his work to achieve a resolution that will generate meaningful resources to abate the crisis.

Ensuring Access to Clean Air and Water and Protecting Natural Resources

DOJ's Environmental Division represents the North Carolina Department of Environmental Quality (DEQ) and the various state environmental boards and commissions.

The DEQ and the Division reached a milestone settlement with chemical company Chemours and the Cape Fear River Watch to resolve a lawsuit filed by DEQ seeking to prevent Chemours' unlawful discharge of GenX and other pollutants into the Cape Fear River and air pollutants that contaminate the groundwater.

In February 2019, the court entered a revised consent order that was negotiated by DOJ attorneys. The order requires Chemours to address all sources of the chemical contamination at the facility to prevent further harm to air, soil, groundwater, and surface waters. The revisions to the order now require Chemours to:

- control air emissions of GenX and other PFAS,
- measure and analyze Chemours' contribution to PFAS contamination at downstream public water intakes,
- submit analysis of PFAS contamination in river sediment,
- remove 99 percent of the contamination of the surface water and groundwater from an old outfall at the site,
- provide a plan to reduce PFAS contamination in the Cape Fear River on an accelerated basis,
- submit a plan and proposed schedule for funding and facilitating toxicity studies for certain PFAS,
- provide effective systems to treat drinking water from groundwater wells near Chemours' facility that have been contaminated by PFAS, and fountains and sinks in public buildings, and
- ensure that filtration systems are operating properly and are maintained for a minimum of 20 years.

In addition, the Environmental Division:

- Obtained an injunction against a defendant who illegally dumped septage into the Maxton town cemetery in Robeson County. The defendant, who made himself nearly impossible to find and serve, was caught on a deer camera in the middle of the day dumping raw sewage directly onto the graveyard. He was eventually served notice of the injunction in the courtroom while awaiting trial on a criminal matter based upon the same set of facts.
- Went to court to insure the proper repair of the Oceloa Lake Dam near Asheville. Without attention, this 30-foot-high dam that impounds more than 500 square feet of water was in danger of failing, destroying a road, and posing a hazard to life and property. After lengthy litigation and negotiations, our lawyers were able to help resolve deep-seeded disagreements between the parties responsible for the dam and the road to make sure that repairs were initiated and implemented to protect public safety.
- Restarted the Environmental Enhancement Grant (EEG) program. The program, funded with \$2 million per year from a 2000 agreement with Smithfield foods, was started to preserve and enhance North Carolina's natural resources with an emphasis on projects that are related to the swine industry or located in eastern North Carolina. A record

number of grant proposals from more than 90 public and non-profit entities were submitted. Grant awards will be announced in early 2020.

- Handled more than 260 civil penalty collection cases for DEQ, collected approximately \$250,000 in judgments and payments owed to the State, and resolved numerous environmental compliance issues related to those civil penalties.
- Represented 11 boards and commissions charged with various responsibilities, including rulemaking, making quasi-judicial decisions, and issuing occupational licenses.

Confronting the Climate Crisis

In June, the federal government repealed the Clean Power Plan, which had set the first nationwide emission limits on existing fossil fuel-burning power plants to reduce pollution and combat the climate crisis. Attorney General Stein sued over the replacement plan, the Dirty Power Rule, arguing that it promotes dirty, expensive coal power instead of clean energy.

Attorney General Stein also contested the Trump administration's efforts to weaken vehicles' fuel efficiency standards. The proposed standards would degrade air quality, add millions of additional tons of climate-disrupting pollutants into the atmosphere, exacerbate respiratory diseases, and cost consumers billions in additional gasoline needed to operate less fuel-efficient vehicles. These rollbacks to the current, stronger clean car standards would increase greenhouse gas emissions, accelerate global warming, and increase extreme weather events, which have already been devastating to North Carolina's environment and economy.

These new Trump administration rules, along with the Dirty Truck Loophole that Attorney General Stein successfully defeated last year, would produce annual emissions equal to 127 million gasoline-powered cars or 147 new coal-burning power plants.

Attorney General Stein also challenged new Trump administration rules that would take away threatened species' protection under the Endangered Species Act. The new regulations, which are contrary to the text of the Act, will lead to extinctions and damage to the food chain.

Here in North Carolina, Attorney General Stein also successfully advocated for North Carolina utilities to meet the state's energy needs in ways that create fewer greenhouse gas emissions and less pollution. Before the North Carolina Utilities Commission, Attorney General Stein sought changes to Duke Energy's Integrated Resource Plan, the plan about how Duke Energy will generate energy over the next 15 years. The Utilities Commission responded by ordering Duke Energy to revise its plan to meet the goal that Gov. Cooper and Attorney General Stein share: reducing statewide greenhouse-gas emissions by 2025 to 40 percent below 2005 levels. The Utilities Commission also ordered Duke to comprehensively test whether its coal plants are still cost-effective in light of the falling costs of renewable energy. As a result of Attorney General Stein's filings, Duke must also expand planning for battery storage resources, which are key for the continued expansion of solar energy throughout our state.

Protecting North Carolina's Natural Resources

In December 2018, DEQ and the division secured a historic agreement with Duke Energy to excavate coal ash at the remaining six unlined coal ash impoundments in North Carolina. Totalling 72.5 million metric tons of coal ash excavation, the agreement will yield the largest coal ash cleanup in the history of the United States. It will ensure that the drinking water for people across the state is protected from coal ash pollution. This agreement came after the division

repeatedly and successfully defended DEQ's order that Duke must excavate all the remaining unlined coal ash impoundments in the state.

Opposing Federal Efforts to Weaken Important Protections

Attorney General Stein also took action to protect North Carolina's environment from harmful actions by the federal government. He called on the Environmental Protection Agency to withdraw proposals that undermine mercury and toxic air pollutant standards, weaken emissions standards for coal power plants, and gut standards that limit emissions of methane and other harmful pollutants from the oil and natural gas sector. Stein sued the federal government over its rollback of the Endangered Species Act.

Attorney General Stein also fought to protect North Carolina's coastline and coastal economy. He sued the federal government to prevent efforts to begin seismic testing off the Atlantic Coast through the use of seismic testing surveys. These surveys explore the ocean floor for oil and gas and are the first step toward allowing offshore drilling, which could devastate the North Carolina coast and the thousands of jobs that depend on it.

Protecting the State and Its Taxpayers



DOJ is currently defending the constitutionality of North Carolina laws in 777 cases.



Attorney General
Josh Stein

Attorney General Stein and DOJ serve as legal counsel for state government and state agencies, boards, commissions, and employees. We also take legal action to protect and defend the interests of North Carolina and its people. Here's a look at some of our work on behalf of the State this year. In addition to the agencies listed below, DOJ attorneys and staff handled hundreds of cases for the Department of Insurance, the Department of State Treasurer, the Secretary of State, the Department of Public Instruction, state universities, cabinet agencies, and a variety of boards and commissions.

DOJ is currently handling **119** separate cases that each have at least **\$1 million** in potential liability at stake.



The potential liability in these cases totals more than **\$685 million.**



Attorney General
Josh Stein

Department of Health and Human Services

Department of Health and Human Services (DHHS) attorneys work to investigate health care fraud and protect children, the elderly, and those seeking mental health treatment.

In 2019, the Health and Human Services Division:

- Closed 1,808 Medicaid cases.
- Closed 308 child care/welfare cases.
- Closed 59 health care personnel registry cases to stop unlicensed health care workers with histories of abuse, neglect, misappropriation, fraud, or drug diversion from caring for vulnerable North Carolinians.
- Resolved 139 adult care licensure and mental health licensure and certification cases to protect some of North Carolina's most vulnerable residents.

DOJ fought and successfully certified for collection \$1,319,069 in delinquent child support for children who are entitled to child support payments under the law. Our attorneys also assisted in the collection of \$39,658,662 from individuals and entities owing money to the Medicaid program and fought to ensure that Medicaid providers who financially abused the program were terminated from participating.

DOJ attorneys worked tirelessly with DHHS, the U.S. Department of Health and Human Services, and numerous stakeholders to prevent the shutdown of a nursing facility that housed 91 residents, many of whom were elderly, had complex medical needs, or enhanced behavioral health needs. The facility's prior operator had accumulated large debt at the facility and was ejected from the premises. The division was able to obtain a new operator and coordinate the necessary financing to prevent the shutdown of the facility and the stressful, and often traumatic, discharge and/or relocation of residents.

DOJ public health attorneys assisted DHHS in containing outbreaks of salmonella, Legionnaire's disease, and chickenpox within North Carolina.

DOJ child welfare attorneys assisted DHHS in the design and implementation of child welfare reform to better protect children and provide supportive services for North Carolina families.

DOJ public assistance attorneys assisted the North Carolina Social Services Commission in revising and updating rules to better ensure the delivery of social services programs to the people of North Carolina.

DOJ attorneys also provided training to social workers throughout North Carolina on legal tools available to protect disabled and vulnerable adults from abuse, neglect, and financial exploitation and to protect children from abuse, neglect, and dependency.

DOJ also devoted substantial resources to defend DHHS and its selections of managed care insurers as part of Medicaid managed care transformation.

Department of State Treasurer

Attorneys successfully represented the North Carolina Department of State Treasurer against a property finder who was attempting to violate statutory safeguards. These safeguards are in place to ensure that property finders are not taking advantage of owners of unclaimed property.

Commissioner of Banks

DOJ attorneys prevailed on behalf of the Commissioner of Banks in shutting down Alpha Finance Company, which was violating North Carolina's Consumer Finance Act and harming consumers.

Department of Agriculture

DOJ attorneys represented the NC Department of Agriculture (NCDA) on a number of cases and orders.

DOJ attorneys filed a complaint and a motion for both a temporary restraining order and preliminary injunction on behalf of NCDA's Food and Drug Protection Division against a retailer of animal food in October 2019 in Pender County. Ultimately, the retailer took appropriate action and NCDA dismissed the lawsuit. DOJ attorneys also assisted NCDA's Animal Welfare Section in revoking the license of a boarding kennel because it was housing animals in unsanitary conditions and failing to provide necessary veterinary care.

DOJ attorneys assisted the Meat and Poultry Inspection Division in obtaining and executing a warrant that resulted in the seizure of approximately 1,000 pounds of beef and 100 pounds of pork that was being offered for sale to the general public. The meat was later destroyed because it was uninspected, misbranded, adulterated, and otherwise unfit for human consumption. We then assisted with a civil penalty against the seller that resulted in a \$61,000 settlement and two felony convictions of selling adulterated meat products. The settlement also requires the seller to pay \$137,000 if any additional meat or poultry violations are found.

DOJ attorneys filed an amicus brief on behalf of the North Carolina Commissioner of Agriculture in a federal class action case. A federal appeals court ruled in the department's favor and the matter is now proceeding in the state court action.

Finally, DOJ attorneys assisted with the enforcement of the State's pesticide and structural pest control statutes, securing more than \$40,000 in penalties. These actions protect the public and environment by ensuring pesticides are properly used by trained individuals and holding people responsible if they use pesticides without being licensed to do so, use pesticides not in accordance with their label, or allow pesticides to drift to unintended locations and cause damage.

Department of Labor

Department of Justice attorneys in the Labor Section work with the Employment Discrimination Bureau (EDB) to investigate claims filed under the Retaliatory Discrimination Act, which covers retaliation for actions such as filing a worker's compensation claim or workplace safety

complaint. DOJ attorneys are currently defending the Department of Labor against a constitutional challenge concerning adequacy of notice.

Department of Natural and Cultural Resources

North Carolina continues to lead the country in recovery of out-of-custody public records. In 2019, DOJ attorneys assisted the Department of Natural and Cultural Resources and the State Archives of North Carolina in recovering more records than ever before.

Of the recovered records, the most notable were 18th century correspondences to the North Carolina governor. These included a Jethro Sumner letter dated Jan. 28, 1780, a Henry Laurens letter dated Feb. 13, 1778, and a Henry Knox letter dated April 14, 1794. Henry Laurens was the president of the Continental Congress and wrote to North Carolina Governor Richard Caswell regarding supplies from North Carolina for the Continental Army at Valley Forge.

Department of Transportation

Department of Justice attorneys in the Transportation Section assisted the North Carolina Department of Transportation (NCDOT) in obtaining a settlement in an environmental lawsuit involving the completion of I-540 around Raleigh. This \$2.2 billion project is one of NCDOT's largest. The settlement was a win for both sides as it allows the project to proceed but it provides important environmental protections for the conservation of important natural resources and endangered species.

The Transportation Section also prevailed in the Fourth Circuit on a major environmental challenge to Phase II of the Bonner Bridge Project at the Outer Banks. The Fourth Circuit agreed with our attorneys that NCDOT's environmental study was proper and did not violate any environmental laws, and bridge construction can continue.

Tort Claims

DOJ represents state agencies and individual employees in actions related to the Tort Claims Act. Often, these are claims that cover a range of major and minor issues. In 2019, we handled more than 1,600 claims, working to save the State millions of dollars in taxpayer funds.

North Carolina State Education Assistance Authority

DOJ lawyers recovered more than \$3.5 million in 2019 in litigation for the North Carolina State Education Assistance Authority, which administers federal and state educational loan and grant programs.



Educating North Carolinians

Preventing Crimes

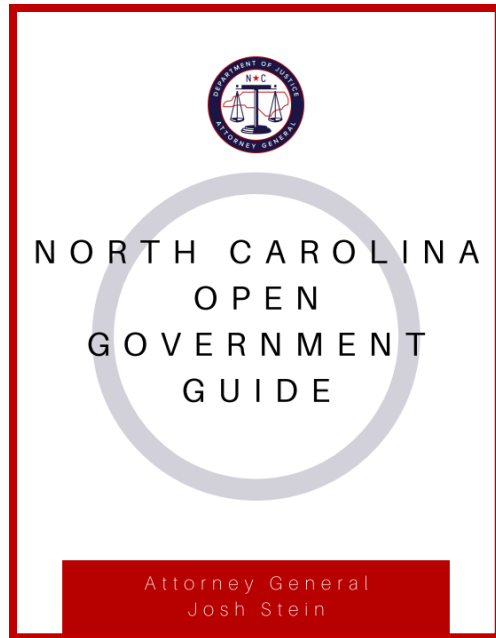
The Public Protection Section works to prevent crime and support victims through policy and public education. This work includes a focus on supporting victims and survivors of violent crime, such as domestic violence and sexual assault and working to improve our criminal justice system for victims and people accused of crimes. Members of the section also travel across North Carolina to educate communities about the latest scams and frauds and how to safeguard their personal and financial information. In 2019, DOJ representatives spoke at more than 175 events and educated nearly 9,000 North Carolinians about protecting themselves from scams and crimes.



Outreach Specialist Natalie Wood Riché shares consumer tips with Pittsboro area residents at a scam jam.

The Public Protection Section also focuses on improving the criminal justice system with stakeholders throughout the state, including the executive, legislative, and judicial branches. As such, attorneys from the section serve on the Crime Victims' Compensation Fund, the Domestic Violence Commission, the Human Trafficking Commission, the NC Senior Consumer Fraud Task Force, and the Financial Literacy Council.

The Section also houses the Open Government Unit, which acts as a liaison between public officials and the public on public records and issues related to the business of government. In 2019, Attorney General Stein published the North Carolina Open Government Guide in collaboration with the North Carolina Press Association and the Sunshine Center. The guide helps North Carolinians understand and navigate the state's public records and open meetings laws, including guidance about digital communications and social media. The Open Government Unit also processed 140 open meeting and public records requests.



Click on the image above to view the Open Government Guide.

In 2019, Attorney General Stein and the Public Protection Section hosted a series of pretrial release and accountability roundtables with criminal justice stakeholders from across the state. The roundtables focused on ways to improve pretrial release systems in North Carolina. Pretrial systems determine whether a person is detained or released from jail while their case is pending. Often, financial conditions of pretrial release, like money bail, cause unnecessary pretrial detention. This harms public safety, increases taxpayer costs, and harms the liberty of people who have not been convicted of crimes, including disproportionately harming people of color and low income people.



Criminal justice stakeholders attend a pretrial release and accountability roundtable, planned by the Public Protection Section.

Attorney General Stein and members of the Public Protection Section continue to sit on the State Reentry Council Collaborative (SRCC). The SRCC, established by Gov. Roy Cooper in 2017, helps people leaving prison or jail successfully reintegrate back into their communities and build stable, healthy lives. The SRCC addresses key issues including stigma, mental health, employment, and housing. [Here](#) is a link to the SRCC's comprehensive list of recommendations.

Lethality Assessment Protocol

In 2019, the Public Protection Section, in collaboration with the Justice Academy and the North Carolina Coalition Against Domestic Violence, launched the Lethality Assessment Program (LAP) initiative to save lives from domestic violence. LAP is a proven process for law enforcement officers to prevent domestic violence deaths. The new statewide strategy creates a partnership between law enforcement officers and domestic violence service providers to take critical action and help protect people at risk from being killed by their domestic partner.

LAP provides law enforcement with a checklist of factors to consider when they respond to a domestic violence incident. If the officer determines that the victim is at risk of injury or death, the officer then immediately connects the victim with domestic violence service providers so they have information and access to resources to get and stay safe. The Justice Academy, the North Carolina Coalition Against Domestic Violence, and the Public Protection Section will help provide LAP trainings to officers and domestic violence service providers across North Carolina in 2020.

Standing Up for North Carolinians

Protecting Students

Attorney General Stein defended student borrowers who were defrauded by for-profit colleges or have not received debt forgiveness they were eligible for. Stein [led](#) a coalition of 21 attorneys general to support public servants who were promised student loan debt forgiveness in exchange for 10 years of public service. However, after serving those 10 years, 99 percent of these public servants have been denied debt relief due to the U.S. Department of Education's mismanagement of the program. As a result of the pervasive errors the U.S. Department of Education has committed, fewer than one percent of all applications received relief.

In June, Attorney General Stein and a national coalition of attorneys general successfully secured a multistate settlement with the private student loan lender Student CU Connect CUSO LLC. The coalition secured more than \$168 million in private loan debt relief for more than 18,000 former ITT Technical Institute students. In North Carolina, 412 borrowers will receive more than \$4 million in loan relief.

Attorney General Stein also achieved results and debt relief for students whose schools were closed. Attorney General Stein continues to be a leading advocate for students who were affected when the Dream Center abruptly closed all of its North Carolina schools. In October, he joined a coalition of attorneys general in asking Education Secretary Betsy DeVos to extend the closed school discharge and relieve the debts of student borrowers harmed by Dream Center. He has also urged the Department to forgive federal student loans for eligible students who were enrolled in now-closed ITT Tech schools. An estimated 52,000 former ITT Tech students across the country are eligible for nearly \$833 million in closed school discharge relief, but information indicates that only 7,000 former students nationally have been granted relief that amounts to less than \$95 million.

Attorney General Stein also pushed back against a federal change that would weaken protections for students against sexual harassment and violence. The proposed rule would impose new requirements on schools and students that undermine the fundamental purpose of Title IX and its anti-discrimination protections. The proper enforcement of Title IX is critical to Attorney General Stein's efforts to protect students, families, and teachers, enforce anti-discrimination laws, and ensure a safe educational environment free from sexual harassment and violence.

Safeguarding Fair Housing Laws

Attorney General Stein is committed to fighting discrimination and structural barriers in the housing and credit industries, so that everyone has an equal opportunity to build safe, stable lives in North Carolina. He led a coalition of 22 attorneys general opposing the U.S. Department of Housing and Urban Development's proposed changes to the Disparate Impact Rule. While the current rule protects against discriminatory housing and lending practices that have the effect of harming individuals based on their race, color, religion, national origin, sex, disability, and familial status, the proposed changes would create uncertainty and make it harder for states to ensure equal housing opportunities for all Americans. The Disparate Impact Rule is critical to Attorney General Stein's efforts to enforce fair housing laws and prevent discriminatory housing policies. The proposed changes also provide more immunity to lenders and insurance companies at the expense of borrowers and consumers.

Keeping Health Care Accessible and Affordable

Attorney General Stein spent several months in 2018 reviewing HCA's proposed purchase of Mission Health System in western North Carolina and negotiating enhancements to the asset purchase agreement. In January, he announced that he did not object to the purchase. He negotiated extensively to strengthen HCA's commitments to health care services, ensure that the Dogwood Health Trust had a board that better represented communities in western North Carolina, and added enforcement measures to ensure that all parties complied with the agreement.

He continues to review HCA's business practices to ensure that it upholds its agreements with our office and continues to hold multiple meetings, visits, and tours of HCA and Mission Health's facilities to hear from western North Carolina residents.

Attorney General Stein also fought to protect access to health care for all North Carolinians by continuing to defend the Affordable Care Act (ACA). Attorney General Stein continued his appeal of a 2018 ruling that found the ACA unconstitutional. Without the Affordable Care Act, nearly five million North Carolinians are at risk of losing coverage due to pre-existing conditions, approximately 1.8 million seniors will see the cost of their prescriptions jump, and more than 500,000 North Carolinians will be at risk of losing their health insurance completely. Attorney General Stein is now asking the Supreme Court to take up the case.

Stein also opposed proposed federal changes that would rollback anti-discrimination protections in health care programs and services for women, LGBTQ individuals, individuals with limited English proficiency, and individuals with disabilities. He also continues to defend women's rights to make their own decisions about birth control. Attorney General Stein won an injunction preventing the federal government from implementing rules that would allow employers to deny women access to contraceptive coverage and has urged the federal government to comply with the injunction. Nearly two million women in North Carolina have benefited from the ACA's contraceptive coverage requirement.

Protecting Military Servicemembers

In April, Attorney General Stein spoke with soldiers at Fort Bragg and shared information on avoiding scams and frauds that commonly target the military community.



Attorney General Stein speaks to servicemembers at Fort Bragg about DOJ's work to protect military servicemembers and their families.

Attorney General Stein also urged the U.S. Department of Education to automatically forgive student loans for veterans who became totally and permanently disabled in connection with their military service. Last year, the Department of Education identified more than 42,000 veterans who were eligible for student loan relief due to a service-related disability, but the department requires veterans to take several additional steps to get their loans forgiven instead of creating an automatic loan forgiveness process.

Defending Immigrant Families

Attorney General Stein continued to defend the Deferred Action for Childhood Arrivals (DACA) program. He filed a brief with the United States Supreme Court to protect the DACA program from the Trump Administration's efforts to terminate it. Nearly 800,000 people, including 27,000 people in North Carolina, have been granted legal status under DACA and are contributing to our state's economies and communities.

Attorney General Stein also continued to defend the rights of detained immigrant children. He filed an amicus brief urging the court to force action to protect children in civil immigration detention in the United States, as per the *Flores* settlement. He also pushed back against a federal proposal that would undermine children's ability to obtain Special Immigrant Juvenile (SIJ) status, which allows abused, neglected, and abandoned children to become legal residents, and eventually, U.S. citizens. From October 2013 to September 2019, adult sponsors in North Carolina welcomed 8,308 unaccompanied children, many of whom are eligible for SIJ status.

The Office of Solicitor General

The Office of Solicitor General oversees civil appeals that involve the State of North Carolina. The office handles briefings and argument in U.S. Supreme Court cases, as well as selected cases in the U.S. Courts of Appeals, the North Carolina Supreme Court, and the North Carolina Court of Appeals. The office also advises the Attorney General on legal policy issues, such as the State's participation as an amicus curiae in the U.S. Supreme Court and other courts.

In 2019, DOJ attorneys in the Office of Solicitor General:

- completed briefing and oral argument in two cases before the United States Supreme Court,
- briefed three United States Supreme Court petitions for certiorari,
- won the reversal of an injunction against the enforcement of the North Carolina sweepstakes laws,
- won the reversal of a judgment that, if enforced, would have cost the State \$1 billion to carry out and would have crippled the North Carolina State Health Plan's effort to contain costs and adapt to changing medical technology, and
- represented Attorney General Stein in several "friend of the court" briefs, including a brief that challenged partisan gerrymandering in North Carolina and a brief that challenged the restrictions on domestic-violence protective orders that discriminate against LGBTQ people.

Recognizing Leaders in North Carolina

In 2019, Attorney General Stein honored 22 North Carolinians with the Attorney General's Dogwood Awards. The awards are given annually by Attorney General Stein to recognize North Carolinians from across the state who are confronting issues in their communities and working to build a safer, healthier, and happier state.



The 2019 Dogwood Award honorees are:

- Wanda Boone, Together for Resilient Youth, Durham
- Mark Bowling, Vidant Health, Greenville
- Tom Brewer, President, Professional Fire Fighters and Paramedics Association of NC, Charlotte
- Danny Britt, Columbus and Robeson County
- Mandy Cohen, North Carolina Department of Health and Human Services, Raleigh
- Casey Cooper, Chief Executive Officer, Cherokee Indian Hospital, Cherokee
- Cerelyn "CJ" Davis, Chief, Durham Police Department
- Molly Diggins, State Director, Sierra Club, Raleigh
- D.K. Evans, School Resource Officer, Greensboro Police Department
- Randy Evans, Founder and Director, Walking Tall Wilmington
- Dennis Gaddy, Founder and Executive Director, Community Success Initiative, Raleigh
- Gina Hawkins, Chief, Fayetteville Police Department
- John Ingram, Sheriff, Brunswick County
- Luka Kinard, Student/Speaker on Dangers of E-cigarettes, High Point
- Alan Norman, Sheriff, Cleveland County
- Dennis Riddell, Alamance County
- Bob Scott, Mayor, Franklin
- Wayne Scott, Chief, Greensboro Police Department
- Patrick Taylor, Mayor, Highlands

- Catrina Thompson, Chief, Winston-Salem Police Department
- Don Waddell, General Manager, Carolina Hurricanes, Raleigh
- Mike Yaniero, Chief, Jacksonville Police Department

Thank you for reading the North Carolina Department of Justice's 2019 annual report. We hope you will continue to stay engaged with our work at ncdoj.gov, on Twitter at [@ncago](https://twitter.com/ncago), on Instagram at [@joshsteinnc](https://www.instagram.com/joshsteinnc), and on Facebook at facebook.com/ncdoj. You can also sign up for regular updates [here](#).