



Thomas A. Schweich

Missouri State Auditor

Office of Attorney General



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Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of Attorney General

Contingency Fee Contracts

The Attorney General's office (AGO) retained the right to reject proposals for contingency fee contracts even though state law does not include any provision for doing so once the Office of Administration (OA) has taken over the bid process. The Attorney General also accepted campaign contributions from law firms that submitted proposals. The AGO should not retain the power to reject responses or solicit new responses for contingency fee contracts after it requests the OA to handle the procurement process.

As of April 2012, bids/responses to three different request for proposals (RFP) were being evaluated related to lawsuits regarding: 1) the drug Avandia, 2) the Petroleum Storage Tank Insurance Fund, and 3) the pharmaceutical industry's use of average wholesale pricing violations. The state may recover a substantial amount of monies from these three lawsuits, and the chosen law firms may receive significant fees. The AGO has retained the right to reject responses to the RFPs and/or solicit new responses at the AGO's sole discretion, but Section 34.378.2, RSMo, contains no provision allowing the AGO to retain control over the procurement process once it requests the OA to issue an RFP. After we discussed concerns related to the procurement of these contracts, the AGO withdrew the RFPs.

Moreover, during 2011, 13 out of 28 law firms (46 percent) and/or members of the firms that submitted proposals on one or more of these RFPs made campaign contributions to the Attorney General totaling over \$170,000.

State law does not provide adequate guidance concerning the appointment of the independent panel to evaluate proposals. Additional guidance could help ensure the panel is truly independent and non-partisan.

Professional Services

For the 3 years ended June 30, 2011, the AGO spent approximately \$4.6 million for legal and expert witness services, but the AGO does not always prepare and retain documentation to show how and why it selected those particular attorneys and experts. For 20 of the 56 (36 percent) payments reviewed, there was no documentation to explain how the AGO made the selection.

Office Policies and Procedures

The AGO relies upon periodic observations by timekeepers in each division to determine when employees are present. This system provides little assurance that time worked is accounted for fully and accurately. Although attorneys prepare manual timesheets, audit staff found numerous errors when comparing the manual time sheets to the case management computer system time records. Employee leave requests were not always reconciled to the timesheets. A standardized timesheet and/or an electronic timesheet would help reduce errors and improve the efficiency of the timekeeping process.

The AGO does not routinely track costs per case when reimbursement is not available, but this information could be useful in assessing overall office performance and in making strategic case decisions. The AGO only prepares performance appraisals for professional staff, but performance appraisals for administrative support staff could also help evaluate employee job performance and assist in personnel decisions.

Internal Control Procedures	The AGO has not adequately segregated some accounting duties in the Financial Services Division (FSD) and does not perform a supervisory review of these tasks. Also, FSD employees do not prepare an initial record of receipts for monies received through the mail, making it harder to ensure all monies received are accounted for properly.
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Contingency Plan	The AGO has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster.
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In the areas audited, the overall performance of this entity was Fair .*

American Recovery and Reinvestment Act (Federal Stimulus)	The Office of Attorney General did not receive any federal stimulus monies during the audited time period.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Office of Attorney General

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THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Chris Koster, Attorney General
Jefferson City, Missouri

We have audited certain operations of the Office of Attorney General, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2011, 2010, and 2009. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For areas audited, we identified (1) deficiencies in internal controls, (2) no noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Attorney General.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Office of Attorney General

Management Advisory Report

State Auditor's Findings

1. Contingency Fee Contracts

The Attorney General's office (AGO) retained the right to reject proposals for contingency fee contracts even though state law does not include any provision for doing so. In addition, the Attorney General accepted campaign contributions from law firms that submitted proposals.

Background information

The AGO may, under certain circumstances, retain private attorneys under contingency fee contracts, to represent the state in legal actions. In these situations, the AGO may 1) issue a Request for Proposals (RFP) from private attorneys and choose the lowest and best bid, 2) determine, in writing, that requesting proposals is not feasible, or 3) request the Office of Administration (OA) to issue the RFP, and establish an independent panel to evaluate the proposals and award the contract.

Effective August 2011, Sections 34.376 to 34.380, RSMo, the Transparency in Private Attorney Contracts Act, addresses the circumstances under which the AGO may retain private attorneys to act on behalf of the state under a contingency fee arrangement and establishes requirements for the AGO and private attorneys. These circumstances and requirements include:

- The AGO making a written determination, before procuring the legal services, that utilizing a contingency fee contract is both cost-effective and in the public interest.
- The AGO retaining complete control over the case, overseeing the litigation, retaining veto power over any decisions made by the private attorneys, and attending all settlement conferences. In addition, the settlement of the case must be exclusively at the discretion of the AGO.
- The AGO developing a standard addendum for every contingency fee contract which must include a description, in detail, of what is expected of both the AGO and private attorneys.
- Posting the written determination, contingency fee contract, and contingency fees paid on the AGO website.
- Requiring the private attorneys to maintain detailed records, including the documentation of all expenses, disbursements, charges, credits, underlying receipts and invoices, and other financial transactions for at least 4 years after the contract expires or is terminated. In addition, the private attorneys are required to maintain detailed contemporaneous time records for attorneys and paralegals.
- Requiring the AGO to submit an annual report to the General Assembly describing the use of contingency fee contracts for the preceding calendar year.



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The AGO has submitted three contingency fee determination letters to the OA for legal services regarding the drug Avandia, the Petroleum Storage Tank Insurance Fund (PSTIF), and the pharmaceutical industry's use of average wholesale pricing (AWP) violations, and the OA issued RFPs for these legal services. The determination letters and RFPs for these contracts were issued as follows:

Contract	Letter Issued	RFP Issued
Avandia	July 26, 2011	August 9, 2011
AWP	September 9, 2011	October 11, 2011
PSTIF	September 9, 2011	October 11, 2011

As of April 2012, the bids/responses to these RFPs were still being evaluated. After we discussed concerns related to the procurement of these contracts, the AGO withdrew the RFPs.

The Avandia RFP indicated the Missouri Medical Assistance Program (Medicaid) has reimbursed approximately \$43 million to doctors who prescribed Avandia to Missouri Medicaid recipients. Recent news articles reported the pharmaceutical company producing Avandia has agreed to pay \$3 billion to resolve federal criminal and civil investigations regarding the marketing of the drug and Medicaid rebate program, and is paying millions to settle patient lawsuits. In addition, the AGO has previously pursued two cases against pharmaceutical companies based on AWP pricing programs. The publicly available settlements/verdicts from these cases totaled \$13.2 million. The PSTIF RFP provides that outside counsel must first investigate whether one or more major oil companies improperly received reimbursement from the PSTIF and private insurance for the same claim, and, if warranted, pursue litigation to recover the overpayment. As a result, the potential recovery amounts cannot readily be determined.

The state may recover a substantial amount of monies from these law suits, and the law firms awarded the contracts may receive significant fees. These RFPs define contingency fees as the recovery to the state less 1) contributions to the federal government and 2) allowable expenses incurred in the litigation (net recovery). In addition, contingency fees of up to 25 percent of the net recovery is allowed.

Our audit revealed the following concerns related to contingency fee contracts for legal services:

1.1 Right to veto

The AGO has retained the right to reject responses to the RFP and/or solicit new responses at the AGO's sole discretion. However, Section 34.378.2, RSMo, contains no provision to allow the AGO to retain control over the procurement process after the AGO requests the OA to issue an RFP,



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establish an independent panel to evaluate the proposals, and award the contract.

Campaign contributions

During 2011, 13 of 28 law firms (46 percent) and/or members of the firm that submitted proposals on one or more of the three contingency fee RFPs made campaign contributions totaling at least \$170,000 to the Attorney General's campaign committee, Missourians For Koster. Several firms also made contributions after the RFPs were issued. For the 4 years ended December 31, 2011, the total campaign contributions to the Attorney General from these law firms and/or members of the firm were:

	2011	2010	2009	2008
Total contributions 1) \$	172,400	0	7,100	160,125

1) Campaign contributions from these firms to the Attorney General during the first quarter of 2012 totaled \$98,700.

In addition, while the contingency fee RFPs allow law firms to form joint ventures or co-counsels, one firm must be designated as lead counsel. It is currently OA policy to only disclose the name of the lead counsel once all RFPs are received. As a result, some law firms not designated as lead counsel, may have made campaign contributions, but this would not be disclosed until the contract is awarded.

With respect to future procurements, the AGO should not retain the power to reject responses or solicit new responses for contingency fee contracts after it requests the OA to handle the procurement process. With respect to past campaign contributions from firms which bid on contracts over which the AGO retained control, the State Auditor does not have authority over matters of campaign finance. What action the Attorney General should take, if any, is a matter for the Missouri Ethics Commission, relevant professional organizations, and the Attorney General himself to decide.

1.2 Independent panel

State law lacks guidance regarding the appointment of the independent panel to evaluate the proposals. Additional guidance could provide assurance the panel is truly independent and non-partisan. According to OA personnel, each panel consists of only two undisclosed law school professors.

Sections 34.376 to 34.380, RSMo, do not address the number of members, or the background and/qualifications needed to serve on the independent panel. A bi-partisan panel made up of members of the General Assembly, law school professors, practicing attorneys, and the public would help ensure the evaluation of proposals is fair and objective.



Recommendations

The AGO:

- 1.1 Work with the OA to remove the veto language in future contingency fee RFPs referred to the OA, *or*, in the alternative, if the AGO retains procurement authority for future contracts, the AGO put procedures in place to decline campaign contributions from firms submitting proposals on RFPs.
- 1.2. Work with General Assembly to provide additional guidance for the appointment of the independent panel.

Auditee's Response

- 1.1 *In consideration of the Auditor's concern regarding the right of rejection, pending requests for proposal were withdrawn May 16, 2012. The AGO will request that future RFPs referred to the OA not contain similar provisions.*
- 1.2 *The AGO works cooperatively with the legislature at its request on all matter of concern.*

2. Professional Services

The AGO does not always prepare and retain documentation of the methodology used and criteria considered when selecting legal and expert witness services.

Some payments for attorney and expert witness services are made from the State Legal Expense Fund through an OA appropriation, based on approval by the AGO. The Deputy Attorney General approves payments over \$5,000.

For the 3 years ended June 30, 2011, payments for legal and expert witness services totaled:

	Year Ended June 30,			
	2011	2010	2009	Total
AGO Appropriations:				
Legal services	\$ 15,834	6,084	185,278	207,196
Expert witnesses	481,810	358,143	648,896	1,488,849
Total	\$ 497,644	364,227	834,174	1,696,045
Legal Expense Fund:				
Legal services	\$ 636,422	482,484	1,752,534	2,871,440
Expert witnesses 1)	9,867	9,694	16,796	36,357
Total	\$ 646,289	492,178	1,769,330	2,907,797

1) Typically includes payments for insurance claims administration services selected by the OA.



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Management Advisory Report - State Auditor's Finding

According to AGO personnel, the selection of legal and expert witness services is based on expertise, rates, and availability; however, the AGO does not have formal documented policies and procedures for the selection of these services. For 20 of 56 (36 percent) payments reviewed, documentation supporting the selection of the service for a particular case was not maintained. Although the AGO provided us additional information upon our request, the criteria considered or method of selection was not always adequate. Office personnel stated that selection information might not be documented because it may be considered privileged information.

Considering the magnitude of payments for outside legal and expert witness services, it appears the AGO could document decisions in a manner that protects confidential information and ensures the propriety of the decision-making process.

Recommendation

The AGO document and retain the methodology used and criteria considered for selecting outside legal and expert witness services.

Auditee's Response

Legal services for Special Assistant Attorneys General are required in situations where a conflict of interest exists or in cases where highly technical expertise is required, such as in defense of medical negligence claims.

The AGO agrees that the criteria considered for selecting outside legal counsel and expert witnesses should be documented.

3. Office Policies and Procedures

The current practice of using attendance and attorney time records is not an efficient nor effective method of tracking employee time. In addition, the AGO does not routinely track costs per case, or require performance appraisals for all staff.

During the 3 years ended June 30, 2011, the AGO expended approximately \$51 million for employee salaries and wages.

3.1 Attendance records

Instead of requiring an accurate record of actual time worked, the AGO uses daily attendance records to identify if employees are present or absent from their work site.

The daily attendance records are prepared by designated timekeepers from each division. The timekeeper records whether employees are in the office, based on observations at a particular time of day. Employees are required to submit leave slips when the attendance record indicates they are absent or notify the timekeeper they were absent from the office for business purposes. The attendance and leave information is entered in the state accounting system for payroll purposes.



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The AGO sometimes has to adjust state payroll records for prior period errors when employees take leave after attendance is taken and fail to submit a leave slip or to submit the leave slip timely. In addition, we noted some inconsistencies between records when comparing state payroll records, attendance records, and leave slips. Because attendance is taken at a point in time and leave can be taken after attendance is taken, the attendance records provide little assurance that employee time for the day is accounted for fully and accurately.

Accurate time records of actual time worked are necessary to document work performed and hours worked, substantiate payroll disbursements, and provide the office with a method to monitor individual attendance. In addition, the daily attendance records would not be needed if actual time records are maintained.

3.2 Electronic time records

The current practice of accounting for employee hours worked is not standardized, is inefficient, and has resulted in data entry errors in the case management system.

In addition to the daily attendance records, attorneys also prepare manual timesheets. However, the AGO has not developed a single comprehensive timesheet for the entire office. The timesheets and information recorded differs depending upon the AGO division, and it is unclear why different timesheet formats are necessary.

The manual timesheet information is recorded on the case management system, which produces monthly time reports for the divisions. We found numerous errors when comparing the manual timesheets and the case management system time records. For example, when reviewing AGO billing of attorney time to other entities, we found numerous instances when the time recorded on the timesheets differed from the time entered in the case management system. Although the dollar amount for these errors are not significant, some entities were either over and/or under billed. We also found some instances when timesheets were not signed by the employee's supervisor.

In addition, we found that leave requests prepared by employees are not always reconciled with the timesheets. For example, in one instance, an employee used 16 hours of annual leave according to his timesheet; however, there were no leave slips to support the 16 hours recorded.

These errors and discrepancies can be minimized, and greater efficiency achieved, with an electronic timesheet, in which employees enter their time and leave directly, and which could be uploaded to the case management system. In addition, a standardized timesheet would help ensure all mandatory time information is properly recorded in the case management



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system. AGO personnel indicated the AGO is currently participating in a pilot project with 12 employees using an electronic timekeeping system; however, the AGO has not made a decision whether to implement the electronic timesheet office-wide.

3.3 Costs per case

The AGO does not utilize the case management system to routinely track costs per case. The AGO receives reimbursement for the cost of investigating and prosecuting for certain types of cases; however, costs per case are not typically tracked when reimbursement is not available.

A computerized system which charges costs and time to the various cases, as well as training and administrative functions, could help the AGO monitor the costs of individual cases as well as overall office performance. Historical information regarding the costs of past litigation could help the AGO determine whether cases should be litigated or settled.

3.4 Performance appraisals

The AGO does not prepare performance appraisals for administrative support staff. Appraisals are only prepared for employees considered part of the professional staff.

To adequately evaluate employee job performance and to assist in personnel decisions, the office should complete annual performance appraisals on all employees.

Recommendations

The AGO:

- 3.1&2 Develop a computerized, standardized timekeeping system which provides all relevant information for the case management system. In addition, time records should be approved by the employee's supervisor.
- 3.3 Establish procedures to track costs per case from the case management system.
- 3.4 Implement procedures to require annual performance appraisals be prepared for all employees.

Auditee's Response

3.1&2 *The AGO has tested an electronic Time Management System (TMS) for daily attendance and leave usage and is considering implementing it office wide. The AGO is planning to standardize the timesheet and ensure that supervisors approve attorney time records on a monthly basis. The AGO utilizes the electronic case tracking system to track attorney time.*



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3.3 *Tracking costs per case is not feasible given current technological resources; however, the AGO will consider the Auditor's recommendation to address this issue in the future.*

3.4 *The AGO conducts written performance appraisals for all support staff one time per year. Additionally, the AGO conducts extensive written and interpersonal performance appraisals for attorneys every 6 months. The AGO evaluates the administrative support staff continuously throughout the year.*

4. Internal Control Procedures

The AGO does not have proper segregation of duties in some areas, and has not established an initial record of mail receipts in the Financial Services Division (FSD).

The FSD handles most AGO collection efforts to recoup monies owed to the state, or its officers and agencies. Monies received are recorded in both manual logs maintained in each case file and the division's computerized collections database, and forwarded to the fiscal unit for deposit in the state treasury.

4.1 Segregation of duties

The AGO has not adequately segregated duties or performed an independent review in some areas.

- One individual in the FSD prepares and maintains the accounts receivable records, including recording receivable amounts and payments; creating the cash payment log used for reconciliation; forwarding receipts to other agencies; tracking confirmations and postage return receipts from the other agencies; and resolving billing questions and other complaints. There is no supervisory review of this work.
- The FSD support staff responsible for maintaining subsidiary records in the collection database and case files are also responsible for billing and collections. There is no supervisory review of this work.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, a timely supervisory review of the work performed is necessary.

4.2 FSD receipts

FSD employees do not prepare an initial record of receipt for monies received through the mail. As a result, there is less assurance that all monies received are accounted for properly.



FSD office staff receive and open mail and remit monies received to an employee who records the monies in the collections database. Because an initial record of mail receipts is not prepared, daily receipts cannot be reconciled to the collection system to ensure all monies received are recorded and accounted for properly.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, an initial record of monies received should be prepared and reconciled to the collections database on a daily basis.

Recommendations

The AGO:

- 4.1 Establish proper segregation of duties over various office functions. If proper segregation is not possible or feasible, the office should ensure supervisory reviews are performed on a periodic basis.
- 4.2 Require an initial record of monies received by the FSD be prepared and reconciled to the collections data base on a daily basis.

Auditee's Response

- 4.1 *The FSD already has procedures that provide proper segregation of duties. FSD support staff documents accounts receivable, and a different employee records the receipt of payments in the collections data base. Upon the closure of a case, the support staff members reconcile the client's signed payment receipts to the information in the collections database. The file is then submitted to a supervisor for review.*

The individual who posts the payments also performs other duties for a number of client agencies. FSD will reevaluate case assignments with the objective of directing non-monetary case types to this individual where possible. Additionally, FSD will develop and implement a procedure for a supervisor to conduct a periodic review of the accounts receivable records created by that individual.

- 4.2 *The Jefferson City FSD will develop a mail log and implement procedures to record all incoming payments and reconcile that information to the collections database on a daily basis. All of the other FSD offices have a comparable procedure already in place.*

5. Contingency Plan

The AGO has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other disruptive event.

According to information system (IS) personnel, the AGO has a verbal disaster recovery plan and some aspects of the plan are periodically tested;



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however, the results are not documented or retained. The office relies heavily on its computer system for various activities, including, but not limited to, docket information for all divisions, collections and accounts receivable amounts for various cases, and electronic case information.

According to accepted standards¹, contingency planning for information systems is part of an overall organizational program for achieving continuity of operations for mission/business operations. Contingency planning addresses both information system restoration and implementation of alternative mission/business processes when systems are compromised. A formal, written contingency plan should be prepared to specify actions required to re-establish critical business functions and computer systems. In the case of a disaster or other disruptive event, such documentation can reduce confusion and provide a framework for the uninterrupted continuance of operations.

Recommendation

The AGO develop a formal written contingency plan which is periodically tested, evaluated, and updated as needed. In addition, the AGO should retain test results to aid in improving recovery procedures.

Auditee's Response

The AGO has implemented several steps to ensure reductions in the amount of time necessary to recover from a major disaster (tornado, fire, flood, etc.) that could greatly disrupt business continuity. The AGO utilized EMC Data Domain de-duplication and compression backup appliances for the central data center and local IBM servers with multiple hard drives at remote locations. Symantec Backup Exec and Quest vRanger Pro software packages perform backup operations for the entire office. Full backups occur once a week with incremental backup occurring all other days. All data necessary to ensure the operations of the office are kept for two weeks. Non-critical data are kept one week.

All data are backed up nightly. The core data center information is replicated off-site to the State Data Center in the Harry S Truman building. This replication site was chosen because it is highly secured, environmentally controlled and cost-effective. Restorations operations have been tested and proven with 100% success, in response to frequent requests.

The AGO is currently working on a formal written plan to outline the steps required to restore operations in a minimal timeframe in the event of a major disaster.

¹ "NIST Special Publication 800-53 Revision 3, Recommended Security Controls for Federal Information Systems and Organizations," <<http://csrc.nist.gov/publications/PubsSPs.html>>, accessed April 12, 2012

Office of Attorney General

Organization and Statistical Information

The Office of Attorney General was created in 1806, when Missouri was still a territory. The Missouri Constitution of 1820 provided for an appointed attorney general. It remained an appointed position until 1865, when a new constitution provided for an attorney general elected by the people.

The Attorney General's office is located in Jefferson City. There are branch offices in Kansas City, St. Louis, Springfield, and Cape Girardeau.

The office is organized into eight divisions: Agriculture and Environment, Consumer Protection, Criminal, Financial Services, Governmental Affairs, Labor, Litigation, and Public Safety. Each division is headed by a chief counsel who is responsible for the operations of the division. A Civil, Disability, and Workers' Rights Division was created in 2009. However, this division was dissolved prior to June 30, 2011, and the division's duties and responsibilities were transferred to other divisions.

Agriculture and Environment Division: This division protects Missouri's natural resources and agricultural productivity, and represents the Department of Natural Resources (DNR) including its constituent boards and commissions that regulate the use of Missouri's air, land and waters, as well as the Department of Agriculture. Attorneys take legal action to stop pollution of the state's air, water, and soil and penalize polluters through fines, penalties, and, in the most serious cases, incarceration. The division also works to protect and enhance agriculture and the quality of life for rural Missourians by enforcing the law and advocating responsible public policy. Enforcement litigation is filed primarily in state courts to seek preliminary and permanent injunctions to assure compliance with state environment laws. The division also obtains civil penalties and recovers costs and damages for the state.

Consumer Protection Division: The division handles fraud investigations and litigation. Attorneys in this division represent Missouri consumers as a group in cases of consumer fraud, securities fraud, and antitrust matters. Also, these attorneys are active in discovering businesses that commit merchandising practices fraud in connection with the sale and advertising of products or services. This division includes an investigative staff that assists attorneys in investigations involving violations of the state's Merchandising Practices Act. The No Call program, to reduce telemarketing calls, is also under this division.

Criminal Division: This division represents the state in every felony case appealed to the Supreme Court of Missouri and Missouri Court of Appeals. The attorneys in this division also defend the state in all habeas corpus actions filed by prison inmates in state and federal court and assist with extraditions to and from Missouri of those charged in criminal cases.



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Financial Services Division: The division pursues recoveries of monies due the Office of Attorney General and other state agencies/departments, including amounts due on defaults on student loans and economic development loans, delinquent audit and lottery commission fees, penalties owed the Missouri Ethics Commission, estate recovery cases, money owned by inmates to reimburse the state for the costs of their care, and collections in bankruptcy court.

Additionally, the attorneys in this division provide legal assistance to the Department of Social Services by establishing and enforcing child support obligations.

Governmental Affairs Division: The division represents the governor and other statewide elected officials, the Office of Administration, various state departments, and more than 30 professional licensing boards. Division attorneys defend constitutional challenges to state laws and ballot issues and enforce compliance with state laws by trusts, foundations, and nonprofit corporations. The attorneys in this division are also responsible for enforcing the state ethics and campaign finance laws, enforcing state laws requiring tobacco manufacturers to establish escrow accounts, and addressing questions about the state's open meeting and records law, commonly known as the Sunshine Law.

Labor Division: This division provides general counsel and litigation services for the Missouri Department of Labor and Industrial Relations and its officers and agencies. The division also represents the state in prevailing wage disputes, crime victims' claims, and workers' compensation cases of state employees, including claims involving the Second Injury Fund.

Litigation Division: This division is responsible for representing all state agencies, officers and employees in civil litigation matters in state and federal courts. Cases include damage claims, contract cases, civil rights cases, personal injury lawsuits, employment issues, and constitutional law issues. This division also defends the state in lawsuits brought by inmates of Missouri's correctional facilities.

Public Safety Division: The Public Safety Division handles criminal prosecutions at the trial level. The Special Prosecution Unit assists local prosecuting attorneys in serious or difficult trials, including homicide cases and grand jury proceedings. The Methamphetamine Prosecution Unit specializes in handling criminal cases involving the manufacture, sale, or possession of methamphetamine and other illegal drugs. The Workers' Compensation Fraud Unit prosecutes fraud or misconduct involving workers' compensation, and the Medicaid Fraud Control Unit prosecutes cases involving fraud of the state Medicaid program by health professionals, or abuse or neglect of Medicaid recipients by caregivers. The High Technology and Computer Crime Unit assists local law enforcement with investigations and prosecutions of computer and Internet crime cases, and



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the Sexually Violent Predator Unit enforces the sexual violent predator law. In addition, attorneys in the division also serve as legal counsel for the Department of Public Safety, Highway Patrol, and other state law enforcement agencies, and represent those agencies in all civil litigation in which they are a party.

On January 12, 2009, Chris Koster was inaugurated as the forty-first Attorney General.

At June 30, 2011, the Office of Attorney General employed 327 full-time and 18 part-time employees.

American Recovery and
Reinvestment Act 2009
(Federal Stimulus)

The Office of Attorney General did not receive any federal stimulus monies during the 3 years ended June 30, 2011.

Appendix A-1

Office of Attorney General
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2011

	Federal and Other Fund	Court Costs Fund	Antitrust Revolving Fund	Merchandising Practices Revolving Fund	Merchandising Practices Restitution Account	Health Spa Regulatory Fund	Incarceration Reimbursement Act Revolving Fund	Trust Fund	Multi-State Consumer Fraud Accounts	Total (Memorandum Only)
RECEIPTS										
Federal grants	\$ 3,391,146	0	0	0	0	0	0	0	0	3,391,146
Restitution	0	0	0	0	419,396	0	0	0	0	419,396
Inmate housing receipts	0	0	0	0	0	0	111,962	0	0	111,962
Penalties, awards, and settlements	0	1,183	73,406	4,247,908	0	0	0	567,271	63,665	4,953,433
Registration fees	0	0	0	21,010	0	20,925	0	0	0	41,935
No call program fees	0	0	0	310,700	0	0	0	0	0	310,700
Recovery costs	0	0	0	1,000	0	0	0	0	0	1,000
Interest	0	0	0	0	546	0	0	0	47	593
Miscellaneous	19,730	150	0	889	0	0	0	0	0	20,769
Total Receipts	3,410,876	1,333	73,406	4,581,507	419,942	20,925	111,962	567,271	63,712	9,250,934
DISBURSEMENTS										
Personal service	1,831,486	0	72,100	720,188	0	0	92,049	0	0	2,715,823
Employee fringe benefits	851,286	0	27,176	321,954	0	0	49,354	0	0	1,738,601
Expense and equipment	344,423	76,152	14,655	810,785	0	5,000	34,632	0	0	796,816
Payments to other parties	0	0	0	0	450,483	0	0	988,618	0	1,439,101
Leasing operations	253,217	0	0	0	0	0	9,895	0	0	263,112
Cost allocation	0	0	0	27,562	0	114	1,605	0	0	29,281
Total Disbursements	3,280,412	76,152	113,931	1,880,489	450,483	5,114	187,535	988,618	0	6,982,734
RECEIPTS OVER (UNDER) DISBURSEMENTS	130,464	(74,819)	(40,525)	2,701,018	(30,541)	15,811	(75,573)	(421,347)	63,712	2,268,200
TRANSFERS										
Transfers from:										
General Revenue Fund	0	165,600	69,000	0	0	0	0	0	0	234,600
Merchandising Practices Restitution Account	0	0	0	46,608	0	0	0	0	0	46,608
Transfers to:										
Merchandising Practices Revolving Fund	0	0	0	0	(46,608)	0	0	0	0	(46,608)
Total Transfers	0	165,600	69,000	46,608	(46,608)	0	0	0	0	234,600
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	130,464	90,781	28,475	2,747,626	(77,149)	15,811	(75,573)	(421,347)	63,712	2,502,800
CASH AND INVESTMENTS, JULY 1, 2010	206,049	91,706	386,472	3,650,812	305,023	212,427	500,769	525,395	0	5,878,653
CASH AND INVESTMENTS, JUNE 30, 2011	\$ 336,513	182,487	414,947	6,398,438	227,874	228,238	425,196	104,048	63,712	8,381,453

Appendix A-2

Office of Attorney General
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
 Year Ended June 30, 2010

	Federal and Other Fund	Court Costs Fund	Antitrust Revolving Fund	Merchandising Practices Revolving Fund	Merchandising Practices Restitution Account	Health Spa Regulatory Fund	Incarceration Reimbursement Act Revolving Fund	Trust Fund	Multi-State Consumer Fraud Accounts	Total (Memorandum Only)
RECEIPTS										
Federal grants	\$ 3,276,870	0	0	0	0	0	0	0	0	3,276,870
Restitution	0	0	0	0	1,044,795	0	0	0	0	1,044,795
Inmate housing receipts	0	0	0	0	0	0	137,683	0	0	137,683
Penalties, awards, and settlements	0	2,284	0	2,287,208	0	0	0	929,082	22,514,123	25,732,697
Registration fees	0	0	0	19,180	0	27,675	0	0	0	46,855
No call program fees	0	0	0	305,500	0	0	0	0	0	305,500
Recovery costs	327	242	397,643	106,900	0	0	0	0	0	505,112
Interest	0	0	0	0	1,043	0	0	0	541	1,584
Miscellaneous	53	100	0	897	0	0	0	0	0	1,050
Total Receipts	3,277,250	2,626	397,643	2,719,685	1,045,838	27,675	137,683	929,082	22,514,664	31,052,146
DISBURSEMENTS										
Personal service	1,711,272	0	72,100	704,416	0	0	91,638	0	0	2,579,426
Employee fringe benefits	794,147	0	26,649	304,486	0	0	48,667	0	0	1,173,949
Workers' compensation	1,223	0	0	7,001	0	0	0	0	0	8,224
Expense and equipment	449,692	90,672	0	886,457	0	5,000	45,945	984,447	244,815	2,707,028
Payments to other parties	0	0	0	0	1,106,708	0	0	0	22,768,657	23,875,365
Leasing operations	237,606	0	0	10	0	0	9,490	0	0	247,106
Cost allocation	0	1,156	4,647	20,704	0	150	1,782	0	0	28,439
Total Disbursements	3,193,940	91,828	103,396	1,923,074	1,106,708	5,150	197,522	984,447	23,013,472	30,619,537
RECEIPTS OVER (UNDER) DISBURSEMENTS	83,310	(89,202)	294,247	796,611	(60,870)	22,525	(59,839)	(55,365)	(498,808)	432,609
TRANSFERS										
Transfers from:										
General Revenue Fund	0	165,600	69,000	0	0	0	0	0	0	234,600
Merchandising Practices Restitution Account	0	0	0	47,262	0	0	0	0	0	47,262
Transfers to:										
Merchandising Practices Revolving Fund	0	0	0	0	(47,262)	0	0	0	0	(47,262)
Total Transfers	0	165,600	69,000	47,262	(47,262)	0	0	0	0	234,600
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	83,310	76,398	363,247	843,873	(108,132)	22,525	(59,839)	(55,365)	(498,808)	667,209
CASH AND INVESTMENTS, JULY 1, 2009	122,739	15,308	23,225	2,806,939	413,155	189,902	560,608	580,760	498,808	5,211,444
CASH AND INVESTMENTS, JUNE 30, 2010	\$ 206,049	91,706	386,472	3,650,812	305,023	212,427	500,769	525,395	0	5,878,653

Appendix A-3

Office of Attorney General
 Combined Statement of Receipts, Disbursements, Changes in Cash and Investments
 Year Ended June 30, 2009

	Federal and Other Fund	Court Costs Fund	Antitrust Revolving Fund	Merchandising Practices Revolving Fund	Merchandising Practices Restitution Account	Health Spa Regulatory Fund	Incarceration Reimbursement Act Revolving Fund	Trust Fund	Multi-State Consumer Fraud Accounts	Total (Memorandum Only)
RECEIPTS										
Federal grants	\$ 3,460,293	0	0	0	0	0	0	0	0	3,460,293
Restitution	0	0	0	0	1,429,560	0	0	0	0	1,429,560
Inmate housing receipts	0	0	0	0	0	0	107,774	0	0	107,774
Penalties, awards, and settlements	0	1,201	27,376	3,391,180	0	0	0	776,784	226,608	4,423,149
Registration fees	0	0	0	18,870	0	22,625	0	0	0	41,495
No call program fees	0	0	0	336,950	0	0	0	0	0	336,950
Recovery costs	0	0	0	150,804	0	0	0	0	0	150,804
Interest	0	0	0	0	1,994	0	0	0	1,541	3,535
Miscellaneous	0	682	0	938	0	0	0	2,900	0	4,520
Total Receipts	3,460,293	1,883	27,376	3,898,742	1,431,554	22,625	107,774	779,684	228,149	9,958,080
DISBURSEMENTS										
Personal service	1,845,790	0	101,819	696,769	0	0	85,436	0	0	2,729,814
Employee fringe benefits	801,770	0	37,687	268,289	0	0	41,013	0	0	1,148,759
Workers' compensation	7,678	0	0	8,554	0	0	0	0	0	16,232
Expense and equipment	469,341	175,483	27,075	944,445	0	5,000	35,858	0	1,318	1,658,520
Payments to other parties	0	0	0	0	1,395,238	0	0	449,993	0	1,845,231
Leasing operations	235,357	0	0	11,943	0	0	7,572	0	0	254,872
Cost allocation	0	754	2,405	20,240	0	133	1,293	0	0	24,825
Total Disbursements	3,359,936	176,237	168,986	1,950,240	1,395,238	5,133	171,172	449,993	1,318	7,678,253
RECEIPTS OVER (UNDER) DISBURSEMENTS	100,357	(174,354)	(141,610)	1,948,502	36,316	17,492	(63,398)	329,691	226,831	2,279,827
TRANSFERS										
Transfers from:										
General Revenue Fund	0	165,600	69,000	0	0	0	0	0	0	234,600
Merchandising Practices Restitution Account	0	0	0	45,663	0	0	0	0	0	45,663
Transfers to:										
Merchandising Practices Revolving Fund	0	0	0	0	(45,663)	0	0	0	0	(45,663)
Total Transfers	0	165,600	69,000	45,663	(45,663)	0	0	0	0	234,600
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	100,357	(8,754)	(72,610)	1,994,165	(9,347)	17,492	(63,398)	329,691	226,831	2,514,427
CASH AND INVESTMENTS, JULY 1, 2008	22,382	24,062	95,835	812,774	422,502	172,410	624,006	251,069	271,977	2,697,017
CASH AND INVESTMENTS, JUNE 30, 2009	\$ 122,739	15,308	23,225	2,806,939	413,155	189,902	560,608	580,760	498,808	5,211,444

Appendix B

Office Of Attorney General
Comparative Statement of Receipts

	Year Ended June 30,		
	2011	2010	2009
GENERAL REVENUE FUND			
Federal grants	\$ 8,160	3,784	31,589
Penalties, court awards and settlements	7,700	21,949	25,100
Recoveries	2,825	5,086	9,940
Refunds	725	2,256	2,056
Fees for copying public records	2,397	213	2,546
Miscellaneous	1,571	1,390	6,330
Total General Revenue Fund	<u>\$ 23,378</u>	<u>34,678</u>	<u>77,561</u>
SECOND INJURY FUND			
Refunds	\$ 1,550	236	1,501
Fees for copying public records	126	0	60
Total Second Injury Fund	<u>\$ 1,676</u>	<u>236</u>	<u>1,561</u>
TORT VICTIMS COMPENSATION FUND			
Penalties, court awards and settlements	\$ 538,743	3,316,710	3,249,777
Refunds	0	16,882	0
Total Tort Victims Compensation Fund	<u>\$ 538,743</u>	<u>3,333,592</u>	<u>3,249,777</u>
HEALTHY FAMILIES TRUST FUND			
Recoveries	\$ <u>99,473,664</u>	<u>105,239,195</u>	<u>126,050,218</u>
LIFE SCIENCES RESEARCH TRUST FUND			
Recoveries	\$ <u>33,157,888</u>	<u>35,079,732</u>	<u>42,016,739</u>
MO HEALTHNET FRAUD PROSECUTION FUND			
Penalties, court awards and settlements	\$ <u>17,500</u>	<u>5,000</u>	<u>0</u>
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Recoveries	\$ 0	391	0
Miscellaneous	0	0	279
Total Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	<u>\$ 0</u>	<u>391</u>	<u>279</u>
HAZARDOUS WASTE FUND			
Refunds	\$ <u>15</u>	<u>55</u>	<u>0</u>

Appendix C-1

Office of the Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2011

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
GENERAL REVENUE FUND			
Personal Service	\$ 10,735,284	10,735,284	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	974,443	863,796	110,647
Medicaid Fraud Control Unit - Personal Service	167,101	166,398	703
Medicaid Fraud Control Unit - Expense and Equipment	393,949	177,661	216,288
Expense and Equipment	<u>2,355,618</u>	<u>2,355,618</u>	<u>0</u>
Total General Revenue Fund	<u>14,626,395</u>	<u>14,298,757</u>	<u>327,638</u>
FEDERAL AND OTHER FUND			
Personal Service	1,695,066	1,122,760	572,306
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	256,864	253,217	3,647
Medicaid Fraud Control Unit - Personal Service	834,177	708,726	125,451
Medicaid Fraud Control Unit - Expense and Equipment	848,971	0	848,971
Domestic Violence	100,000	0	100,000
Expense and Equipment	<u>526,011</u>	<u>344,423</u>	<u>181,588</u>
Total Federal and Other Fund	<u>4,261,089</u>	<u>2,429,126</u>	<u>1,831,963</u>
GAMING COMMISSION FUND			
Personal Service	109,282	91,892	17,390
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	4,948	4,947	1
Expense and Equipment	<u>30,747</u>	<u>30,747</u>	<u>0</u>
Total Gaming Commission Fund	<u>144,977</u>	<u>127,586</u>	<u>17,391</u>
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	4,715	4,715	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	9,893	9,892	1
Total Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	<u>51,220</u>	<u>51,219</u>	<u>1</u>

Appendix C-1

Office of the Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2011

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
SOLID WASTE MANAGEMENT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	<u>41,827</u>	<u>41,827</u>	<u>0</u>
PETROLEUM STORAGE TANK			
INSURANCE FUND			
Personal Service	25,108	25,108	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	4,948	4,947	1
Total Petroleum Storage Tank Insurance Fund	<u>30,056</u>	<u>30,055</u>	<u>1</u>
MOTOR VEHICLE COMMISSION FUND			
Personal Service	38,167	32,178	5,989
Expense and Equipment	11,300	6,435	4,865
Total Motor Vehicle Commission Fund	<u>49,467</u>	<u>38,613</u>	<u>10,854</u>
HEALTH SPA REGULATORY FUND			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	<u>5,000</u>	<u>5,000</u>	<u>0</u>
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE			
SUBACCOUNT FUND			
Personal Service	36,587	36,587	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	<u>41,302</u>	<u>41,302</u>	<u>0</u>
COURT COSTS FUND			
Expense and Equipment	187,000	76,152	110,848
Total Court Costs Fund	<u>187,000</u>	<u>76,152</u>	<u>110,848</u>
SOIL AND WATER SALES TAX FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	<u>14,464</u>	<u>14,464</u>	<u>0</u>

Appendix C-1

Office of the Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2011

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
MERCHANDISING PRACTICES			
REVOLVING FUND			
Personal Service	722,036	720,188	1,848
Expense and Equipment	1,844,126	810,785	1,033,341
Total Merchandising Practices Revolving Fund	<u>2,566,162</u>	<u>1,530,973</u>	<u>1,035,189</u>
WORKERS' COMPENSATION FUND			
Personal Service	294,048	287,838	6,210
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	117,258	110,830	6,428
Expense and Equipment	174,053	8,637	165,416
Total Workers' Compensation Fund	<u>585,359</u>	<u>407,305</u>	<u>178,054</u>
SECOND INJURY FUND			
Personal Service	1,945,545	1,940,937	4,608
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	117,359	110,834	6,525
Expense and Equipment	1,073,526	1,073,090	436
Total Second Injury Fund	<u>3,136,430</u>	<u>3,124,861</u>	<u>11,569</u>
LOTTERY ENTERPRISE FUND			
Personal Service	55,256	54,102	1,154
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	4,948	4,947	1
Total Lottery Enterprise Fund	<u>60,204</u>	<u>59,049</u>	<u>1,155</u>
ANTI-TRUST REVOLVING FUND			
Personal Service	369,832	72,100	297,732
Expense and Equipment	254,400	14,655	239,745
Total Anti-Trust Revolving Fund	<u>624,232</u>	<u>86,755</u>	<u>537,477</u>
HAZARDOUS WASTE FUND			
Personal Service	283,601	283,601	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	18,397	18,397	0
Total Hazardous Waste Fund	<u>316,878</u>	<u>316,878</u>	<u>0</u>

Appendix C-1

Office of the Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2011

	Appropriation Authority	Expenditures	Lapsed Balances
SAFE DRINKING WATER FUND			
Personal Service	12,224	12,224	0
Expense and Equipment	2,265	2,265	0
Total Safe Drinking Water Fund	<u>14,489</u>	<u>14,489</u>	<u>0</u>
TRUST FUND			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment			
	988,619	988,618	1
Total Trust Fund	<u>988,619</u>	<u>988,618</u>	<u>1</u>
INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment			
	9,895	9,895	0
Expense and Equipment	45,530	34,632	10,898
Personal Service	92,054	92,049	5
Total Inmate Incarceration Reimbursement Act Revolving Fund	<u>147,479</u>	<u>136,576</u>	<u>10,903</u>
MINED LAND RECLAMATION FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	2,262	2,262	0
Total Mined Land Reclamation Fund	<u>14,459</u>	<u>14,459</u>	<u>0</u>
Total All Funds	<u>\$ 27,907,108</u>	<u>23,834,064</u>	<u>4,073,044</u>

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2009
General Revenue Fund	
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	
	\$ <u>12,851</u>

Appendix C-2

Office of Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 11,598,658	11,598,658	0
Medicaid Fraud Unit - Expense and Equipment	392,449	187,297	205,152
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	1,028,527	955,191	73,336
Medicaid Fraud Unit - Personal Service	168,601	167,308	1,293
Expense and Equipment	2,122,360	2,122,360	0
Total General Revenue Fund	<u>15,310,595</u>	<u>15,030,814</u>	<u>279,781</u>
FEDERAL AND OTHER FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	246,811	237,606	9,205
Medicaid Fraud Unit - Personal Service	834,177	654,081	180,096
Medicaid Fraud Unit - Expense and Equipment	848,971	0	848,971
Personal Service	1,695,066	1,057,191	637,875
Domestic Violence	100,000	0	100,000
Expense and Equipment	526,011	449,692	76,319
Total Federal and Other Fund	<u>4,251,036</u>	<u>2,398,570</u>	<u>1,852,466</u>
GAMING COMMISSION FUND			
Personal Service	91,854	91,853	1
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	5,197	4,746	451
Expense and Equipment	48,175	48,175	0
Total Gaming Commission Fund	<u>145,226</u>	<u>144,774</u>	<u>452</u>
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	4,715	4,715	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	9,439	9,438	1
Total Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	<u>50,766</u>	<u>50,765</u>	<u>1</u>

Appendix C-2

Office of Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
SOLID WASTE MANAGEMENT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	<u>41,827</u>	<u>41,827</u>	<u>0</u>
PETROLEUM STORAGE TANK			
INSURANCE FUND			
Personal Service	25,108	25,108	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	5,076	4,743	333
Total Petroleum Storage Tank Insurance Fund	<u>30,184</u>	<u>29,851</u>	<u>333</u>
MOTOR VEHICLE COMMISSION FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	82	2	80
Personal Service	39,714	39,714	0
Expense and Equipment	9,753	9,753	0
Total Motor Vehicle Commission Fund	<u>49,549</u>	<u>49,469</u>	<u>80</u>
HEALTH SPA REGULATORY FUND			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	<u>5,000</u>	<u>5,000</u>	<u>0</u>
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE			
SUBACCOUNT FUND			
Personal Service	36,587	36,587	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	<u>41,302</u>	<u>41,302</u>	<u>0</u>
COURT COSTS FUND			
Expense and Equipment	187,000	90,672	96,328
Total Court Costs Fund	<u>187,000</u>	<u>90,672</u>	<u>96,328</u>
SOIL AND WATER SALES TAX FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	<u>14,464</u>	<u>14,464</u>	<u>0</u>

Appendix C-2

Office of Attorney General
Statement Of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
MERCHANDISING PRACTICES			
REVOLVING FUND			
Personal Service	704,416	704,416	0
Expense and Equipment	1,861,746	886,407	975,339
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	371	10	361
Total Merchandising Practices Revolving Fund	<u>2,566,533</u>	<u>1,590,833</u>	<u>975,700</u>
WORKERS' COMPENSATION FUND			
Personal Service	319,298	319,013	285
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	115,001	111,698	3,303
Expense and Equipment	148,803	13,004	135,799
Total Workers' Compensation Fund	<u>583,102</u>	<u>443,715</u>	<u>139,387</u>
SECOND INJURY FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	122,912	111,908	11,004
Personal Service	2,042,515	2,042,506	9
Expense and Equipment	976,556	906,999	69,557
Total Second Injury Fund	<u>3,141,983</u>	<u>3,061,413</u>	<u>80,570</u>
LOTTERY ENTERPRISE FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	5,138	4,745	393
Personal Service	55,256	54,504	752
Total Lottery Enterprise Fund	<u>60,394</u>	<u>59,249</u>	<u>1,145</u>
ANTI-TRUST REVOLVING FUND			
Personal Service	369,832	72,100	297,732
Expense and Equipment	254,400	0	254,400
Total Anti-Trust Revolving Fund	<u>624,232</u>	<u>72,100</u>	<u>552,132</u>
HAZARDOUS WASTE FUND			
Personal Service	283,601	283,601	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	17,386	15,283	2,103
Total Hazardous Waste Fund	<u>315,867</u>	<u>313,764</u>	<u>2,103</u>

Appendix C-2

Office of Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2010

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
SAFE DRINKING WATER FUND			
Personal Service	12,224	12,224	0
Expense and Equipment	<u>2,265</u>	<u>2,265</u>	<u>0</u>
Total Safe Drinking Water Fund	<u>14,489</u>	<u>14,489</u>	<u>0</u>
TRUST FUND			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	<u>984,448</u>	<u>984,447</u>	<u>1</u>
Total Trust Fund	<u>984,448</u>	<u>984,447</u>	<u>1</u>
INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	10,316	9,490	826
Expense and Equipment	45,945	45,945	0
Personal Service	<u>91,639</u>	<u>91,638</u>	<u>1</u>
Total Inmate Incarceration Reimbursement Act Revolving Fund	<u>147,900</u>	<u>147,073</u>	<u>827</u>
MINED LAND RECLAMATION FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	<u>2,262</u>	<u>2,262</u>	<u>0</u>
Total Mined Land Reclamation Fund	<u>14,459</u>	<u>14,459</u>	<u>0</u>
Total All Funds	<u>\$ 28,580,356</u>	<u>24,599,050</u>	<u>3,981,306</u>

The lapsed balances include the following withholdings made at the Governor's request:

	<u>Year Ended June 30, 2010</u>
General Revenue Fund	
Medicaid Fraud Unit - Expense and Equipment	\$ 121,893
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	<u>8,633</u>
Total General Revenue Fund	<u>\$ 130,526</u>

Appendix C-3

Office of Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2009

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 11,604,529	11,604,528	1
Medicaid Fraud Unit - Expense and Equipment	150,432	150,432	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	1,001,898	944,145	57,753
Medicaid Fraud Unit - Personal Service	166,833	166,833	0
Expense and Equipment	2,116,489	2,116,429	60
Total General Revenue Fund	<u>15,040,181</u>	<u>14,982,367</u>	<u>57,814</u>
FEDERAL AND OTHER FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	242,894	235,357	7,537
Medicaid Fraud Unit - Personal Service	834,177	709,842	124,335
Medicaid Fraud Unit - Expense and Equipment	776,170	145,221	630,949
Domestic Violence	100,000	0	100,000
Personal Service	1,695,066	1,135,948	559,118
Expense and Equipment	526,011	324,120	201,891
Total Federal and Other Fund	<u>4,174,318</u>	<u>2,550,488</u>	<u>1,623,830</u>
GAMING COMMISSION FUND			
Personal Service	116,330	116,330	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	5,236	4,983	253
Expense and Equipment	23,699	23,699	0
Total Gaming Commission Fund	<u>145,265</u>	<u>145,012</u>	<u>253</u>
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	4,715	4,715	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	10,419	9,919	500
Total Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	<u>51,746</u>	<u>51,246</u>	<u>500</u>

Appendix C-3

Office of Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2009

	Appropriation Authority	Expenditures	Lapsed Balances
SOLID WASTE MANAGEMENT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	<u>41,827</u>	<u>41,827</u>	<u>0</u>
PETROLEUM STORAGE TANK			
INSURANCE FUND			
Personal Service	25,108	25,108	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	1,358	1,294	64
Total Petroleum Storage Tank			0
Insurance Fund	<u>26,466</u>	<u>26,402</u>	<u>64</u>
MOTOR VEHICLE COMMISSION FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	2,617	2,492	125
Personal Service	49,467	49,467	0
Total Motor Vehicle Commission Fund	<u>52,084</u>	<u>51,959</u>	<u>125</u>
HEALTH SPA REGULATORY FUND			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	<u>5,000</u>	<u>5,000</u>	<u>0</u>
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE			
SUBACCOUNT FUND			
Personal Service	36,587	36,587	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	<u>41,302</u>	<u>41,302</u>	<u>0</u>
COURT COSTS FUND			
Expense and Equipment	187,000	175,483	11,517
Total Court Costs Fund	<u>187,000</u>	<u>175,483</u>	<u>11,517</u>
SOIL AND WATER SALES TAX FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	<u>14,464</u>	<u>14,464</u>	<u>0</u>

Appendix C-3

Office of Attorney General
Statement Of Appropriations and Expenditures
Year Ended June 30, 2009

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
MERCHANDISING PRACTICES			
REVOLVING FUND			
Personal Service	697,136	696,769	367
Expense and Equipment	1,869,026	943,645	925,381
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	<u>14,543</u>	<u>11,943</u>	<u>2,600</u>
Total Merchandising Practices Revolving Fund	<u>2,580,705</u>	<u>1,652,357</u>	<u>928,348</u>
WORKERS' COMPENSATION FUND			
Personal Service	346,640	346,640	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	121,464	120,621	843
Expense and Equipment	<u>121,461</u>	<u>9,597</u>	<u>111,864</u>
Total Workers' Compensation Fund	<u>589,565</u>	<u>476,858</u>	<u>112,707</u>
SECOND INJURY FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	147,278	143,957	3,321
Personal Service	1,884,257	1,884,256	1
Expense and Equipment	<u>960,514</u>	<u>830,250</u>	<u>130,264</u>
Total Second Injury Fund	<u>2,992,049</u>	<u>2,858,463</u>	<u>133,586</u>
LOTTERY ENTERPRISE FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	3,373	3,211	162
Personal Service	<u>55,256</u>	<u>55,256</u>	<u>0</u>
Total Lottery Enterprise Fund	<u>58,629</u>	<u>58,467</u>	<u>162</u>
ANTI-TRUST REVOLVING FUND			
Personal Service	369,832	101,819	268,013
Expense and Equipment	<u>254,400</u>	<u>27,075</u>	<u>227,325</u>
Total Anti-Trust Revolving Fund	<u>624,232</u>	<u>128,894</u>	<u>495,338</u>
HAZARDOUS WASTE FUND			
Personal Service	283,601	283,601	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	<u>22,422</u>	<u>20,917</u>	<u>1,505</u>
Total Hazardous Waste Fund	<u>320,903</u>	<u>319,398</u>	<u>1,505</u>

Appendix C-3

Office of Attorney General
 Statement Of Appropriations and Expenditures
 Year Ended June 30, 2009

	Appropriation Authority	Expenditures	Lapsed Balances
SAFE DRINKING WATER FUND			
Personal Service	12,224	12,224	0
Expense and Equipment	2,265	2,265	0
Total Safe Drinking Water Fund	<u>14,489</u>	<u>14,489</u>	<u>0</u>
TRUST FUND			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	450,017	449,993	24
Total Trust Fund	<u>450,017</u>	<u>449,993</u>	<u>24</u>
INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND			
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	7,953	7,572	381
Expense and Equipment	45,640	35,858	9,782
Personal Service	91,944	85,436	6,508
Total Inmate Incarceration Reimbursement Act Revolving Fund	<u>145,537</u>	<u>128,866</u>	<u>16,671</u>
MINED LAND RECLAMATION FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	2,262	2,262	0
Total Mined Land Reclamation Fund	<u>14,459</u>	<u>14,459</u>	<u>0</u>
Total All Funds	<u>\$ 27,570,238</u>	<u>24,187,794</u>	<u>3,382,444</u>

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2009
General Revenue Fund	
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	\$ <u>47,625</u>

Appendix D

Office of Attorney General
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2011	2010	2009	2008	2007
Salaries and wages	\$ 16,479,591	17,348,120	17,408,260	17,856,682	17,154,567
Travel, in-state	428,117	500,824	488,638	473,974	497,902
Travel, out-of-state	55,271	98,956	98,108	128,699	114,406
Fuel and utilities	18,402	27,418	24,407	26,202	24,088
Supplies	923,185	891,119	972,332	984,868	1,026,264
Professional development	161,360	188,431	220,258	215,066	203,601
Communication service and supplies	372,452	395,676	451,345	453,116	469,334
Services:					
Professional	1,422,457	1,125,399	1,793,955	1,751,665	1,528,308
Housekeeping and janitorial	24,701	28,524	29,796	30,364	49,801
Maintenance and repair	267,494	290,281	295,675	271,384	211,139
Equipment:					
Computer	579,176	831,834	172,151	103,836	262,428
Motorized	91,567	0	11,756	20,150	31,623
Office	226,205	105,557	54,836	30,828	67,027
Other	23,468	52,211	9,841	13,623	16,423
Property and improvements	222,494	165,846	18,238	3,890	0
Debt service	151,980	76,292	0	0	0
Real property rentals and leases	1,415,835	1,440,875	1,512,778	1,432,111	1,400,186
Equipment rental and leases	9,351	6,852	4,655	5,414	7,036
Miscellaneous expenses	47,388	39,105	166,238	46,046	60,673
Refunds	0	0	70	43	0
Payments to other parties	565,857	984,447	449,993	3,336,102	754,121
Program distributions	347,713	1,283	4,465	4,766	5,869
Total Expenditures	\$ <u>23,834,064</u>	<u>24,599,050</u>	<u>24,187,794</u>	<u>27,188,829</u>	<u>23,884,796</u>

Appendix E

Office of Attorney General
Statement Of Changes In General Capital Assets

All Funds	Furniture and Equipment	Motor Vehicles	Total
Balance, July 1, 2008	\$ 2,593,202	545,494	3,138,696
Additions	172,310	12,893	185,203
Dispositions	(268,690)	(14,844)	(283,534)
Balance, June 30, 2009	2,496,822	543,543	3,040,365
Additions	722,640	-	722,640
Dispositions	(409,753)	(17,174)	(426,927)
Balance, June 30, 2010	2,809,709	526,369	3,336,078
Additions	510,669	107,748	618,417
Dispositions	(514,170)	(241,186)	(755,356)
Balance, June 30, 2011	\$ 2,806,208	392,931	3,199,139

Fund of Acquisition	Balance June 30, 2011
General Revenue Fund	\$ 2,238,582
Federal and Other Fund	266,140
Gaming Commission Fund	19,035
Motor Vehicle Commission Fund	2,498
Health Spa Regulatory Fund	12,679
Soil and Water Sales Tax Fund	1,164
Merchandising Practices Revolving Fund	317,019
Workers' Compensation Fund	90,507
Second Injury Fund	228,465
Antitrust Revolving Fund	129
Hazardous Waste Fund	2,614
Inmate Incarceration Reimbursement Act Revolving Fund	20,307
Total All Funds	\$ 3,199,139

Appendix F

Office of the Attorney General
Comparative Statement Of Financial Services Division Collections

	Year Ended June 30,					
	2011		2010		2009	
	Number of Payments	Amount Collected	Number of Payments	Amount Collected	Number of Payments	Amount Collected
Forwarded to:						
AGO - Fiscal Unit *	1,140	\$ 6,410,580	1,271	\$ 8,228,827	1,534	\$ 6,313,002
Department of Social Services	2,599	8,378,788	2,770	8,124,909	2,645	9,223,121
Department of Labor and Industrial Relations	1,059	733,449	1,248	882,761	1,079	586,993
Department of Health and Senior Services	177	102,258	129	65,608	220	196,944
Department of Mental Health	66	183,537	79	293,838	93	183,068
Department of Natural Resources	87	256,402	95	137,051	137	190,975
State Lottery Commission	491	152,230	385	191,729	452	307,528
Department of Corrections	5	149	21	453,081	6	1,719
Department of Agriculture	25	6,745	45	69,591	52	43,724
Department of Economic Development	11	2,954	4	29,175	22	22,275
Department of Public Safety	27	20,749	26	13,780	18	4,218
Department of Revenue	13	4,598	11	53,700	6	20,891
Missouri Ethics Commission	52	18,540	32	5,351	57	23,525
Missouri National Guard	118	18,045	91	18,522	129	16,797
Office of Administration	17	50,479	6	42,289	5	77,152
Secretary of State	37	11,062	43	31,949	29	5,496
Department of Elementary and Secondary Education	0	0	0	0	1	51,531
Various political subdivisions	297	433,378	283	460,297	189	295,177
Other entities	284	520,684	460	68,469,027	581	3,743,381
Total	<u>6,505</u>	<u>\$ 17,304,624</u>	<u>6,999</u>	<u>\$ 87,571,484</u>	<u>7,255</u>	<u>\$ 21,307,517</u>

* These monies are reflected in Appendices A and B.