



KENTUCKY

General News



December 2012

Attorney General Conway Touts 2012 Accomplishments

Kentucky homeowners affected by the mortgage foreclosure crisis and families and communities devastated by the scourge of prescription drug abuse were among those to benefit from the many accomplishments in 2012 of Attorney General Jack Conway and his staff.

“We’ve gone after banks that created the mortgage foreclosure crisis and fought for landmark legislation to combat the epidemic of prescription drug abuse in Kentucky,” General Conway said. “I am also proud of our efforts to protect our nation’s veterans and vulnerable citizens from some for-profit colleges that are more interested in their bottom line than in providing a sound education. “

General Conway’s 2012 Accomplishment Highlights:

- ▶ Recovered more than \$62 Million for Kentucky Consumers—more than \$83M since 2008.
- ▶ Led bipartisan group of 20 state attorneys general in reaching \$2.5 million settlement with QuinStreet, Inc. over GIBill.com website for targeting servicemembers. The website is now operated by the Department of Veterans Affairs.
- ▶ Obtained \$58 million for struggling Kentucky homeowners through the National Mortgage Foreclosure Settlement.
- ▶ Seized more than 57,000 child pornographic images and videos from the Internet—more than 360,000 since 2008.
- ▶ Helped win passage of House Bill 1 to prevent the abuse and diversion of prescription drugs in the Commonwealth
- ▶ Savings of nearly \$225 million for Kentucky ratepayers for a total of more than \$1 billion since 2008.
- ▶ Obtained felony convictions of four Eastern Livestock executives for operating check-kiting scheme. Collected and returned more than 60 percent of the \$850,000 in court-ordered restitution to Kentucky farmers swindled by Eastern Livestock. Additional restitution will be paid in March of 2013.



The complete list of General Conway’s 2012 Accomplishments can be viewed at <http://ag.ky.gov/bio/Accomplishments/accomplishments2012.pdf>

Jan. 18 Deadline Nears for Struggling Homeowners

Attorney General Conway reminds Kentucky homeowners of an important deadline under the National Mortgage Foreclosure Settlement. Consumers who faced foreclosure between January 1, 2008 and December 31, 2011 have until January 18, 2013 to apply for a cash payment of up to \$2,000. Consumers must have faced foreclosure during the 2008 to 2011 timeframe and had a loan serviced by Bank of America, Citi Bank, JP Morgan Chase, Ally (GMAC) or Wells Fargo.

For additional information, please visit General Conway’s National Mortgage Foreclosure Settlement page at <http://ag.ky.gov/mortgagesettlement>



Attorney General Conway Announces 2012 Keep Kentucky Kids Safe Winning PSA

Members of the Clark County High School ASAP Youth Network took the top prize in the 2012 Keep Kentucky Kids Safe public service announcement (PSA) contest. The winning video, submitted by Haley Tye, Nick Bailey, Blake Cartwright, Brooks Harrison, Emily Houston, Abby Houston, Allyson Ledford, Anna Omohundro, Jacob Omohundro, Matthew Omohundro, Ali Peterson, Chanda Scobee and Chelsea Scobee, is available for viewing at <http://youtu.be/QbZL75z3iOo> or on Attorney General Conway's Prescription Drug Abuse Prevention page: <http://ag.ky.gov/rxabuse>.

"I want to congratulate this year's winners and thank all of the students who participated in our PSA contest," General Conway said. "In addition to educating other teens, these videos will help alert all Kentuckians to the heavy toll that prescription drug abuse is taking on families in every corner of the Commonwealth."



The winners will receive an Apple iPad, generously donated by the National Association of Drug Diversion Investigators (NADDI).

A PSA produced by Nick Croyle and Casey Nolan, students at St. Henry District High School in Erlanger, Ky., finished second. Croyle and Nolan received a \$100 Amazon.com gift card for their video (<http://youtu.be/x0dWCCeKiqBY>), compliments of the Kentucky Pharmacists Association.

South Oldham High Students Bailey Walker, Yvonne Johnson, Tiffany Raque, Lydia Kesewetter, Hannay Held, Savannah Walker and Kaitlin Raque received an honorable mention for their video, "My Life, My Story, which is also available for viewing at <http://youtu.be/x0dWCCeKiqBY>. All are members of the South Oldham High School Youth Step Up Group.

Also receiving an honorable mention were Mayfield High School students Gabby Arnett, Mayra Arellano and Halbeydi Oronia for their PSA (<http://youtu.be/oxFKSAIwjIc>.)

In addition to being posted on the Attorney General's website, the winning video will also be included with anti-drug PSAs the Kentucky Office of Drug Control Policy distributes to television stations across Kentucky.

Keep Kentucky Kids Safe Partners Visit Henderson County High School



Attorney General Conway and his Keep Kentucky Kids Safe partners alerted more than 1,000 students at Henderson County High School to the dangers of prescription drug abuse on Dec. 10, 2012.

General Conway was joined by Van Ingram, Executive Director of the Kentucky Office of Drug Control Policy, and Dr. Karen Shay, a Morehead, Ky. dentist whose daughter, Sarah, died from a prescription drug overdose in 2006.

"By sharing Sarah's story and traveling with Attorney General Conway through the Keep Kentucky Kids Safe program, I hope I can prevent another family from experiencing the heartache my family felt after losing Sarah to a prescription drug overdose. That pain will never go away," said Dr. Shay.

General Conway launched the Keep Kentucky Kids Safe statewide awareness initiative in 2010 in partnership with the Kentucky Justice Cabinet and its Office of Drug Control Policy, Kentucky Pharmacists Association, National Association of Drug Diversion Investigators (NADDI), Operation UNITE and concerned parents, like Dr. Shay.

General Conway and his partners have presented their message to more than 15,000 educators and students across Kentucky since the program's launch.



Attorney General's Office Recovers Nearly \$12 Million in December for Kentucky Medicaid Program

In three separate settlements with pharmaceutical companies, Attorney General Conway and his Office of Medicaid Fraud and Abuse Control recovered nearly \$12 million for the Kentucky Medicaid program and taxpayers in December 2012.



General Conway's Office reached a \$9.8 million settlement with drug wholesaler McKesson to resolve allegations that McKesson and First DataBank conspired to inflate the prices First DataBank reported for 1,800 brand name prescription drugs. This is the latest in a number of so-called Average Wholesale Price (AWP) lawsuits filed by the Office of the Attorney General.

"I am pleased that we've been able to hold McKesson accountable for its deceptive practices and recover more than \$9.8 million for a vital state program and for Kentucky taxpayers," General Conway said.

For more information on the McKesson settlement, please see our press release <http://goo.gl/pi21n>.

General Conway's Office also received more than \$1.1 million after joining other states and the federal government in a \$614 million settlement with Amgen, Inc. to resolve the drug company's illegal marketing of some of its products. More information, <http://goo.gl/0e2sH>

Kentucky received more than \$922,000 under a \$42.9 million settlement with Pfizer Inc. over allegations that the drug manufacturer unlawfully promoted its drugs Zynox and Lyrica. Kentucky was among 32 states to reach agreement with Pfizer over its deceptive marketing practices. More information, <http://goo.gl/wNf9z>

Since 2008, General Conway has recovered more than \$288 million for Kentucky's Medicaid program and taxpayers. According to the non-profit watchdog group, Public Citizen, Kentucky leads the nation in pharmaceutical fraud cases.

Lawrence County Man Arrested on Child Pornography Charges

Attorney General Conway announced the arrest and indictment of a Lawrence County man for possession and distribution of child pornography. The Lawrence County Sheriff's Department arrested 51-year-old Thomas Meade of Blaine, Ky. on December 17, 2012, following his indictment the previous week on child pornography charges. Meade was released from the Johnson County Regional Detention Center after posting bond.

A Lawrence County grand jury indicted Meade on December 14 on four felony counts of possession of child pornography and one count of distribution of child pornography. The indictment was the result of an undercover investigation initiated by General Conway's Cybercrimes Unit. General Conway's Office of Special Prosecutions is handling the prosecution of this case at the request of, and in cooperation with, the Lawrence County Commonwealth's Attorney.

Since its creation in June of 2008, General Conway's Cybercrimes Unit has launched approximately 300 child pornography investigations and seized more than 360,000 child pornographic images and videos from the Internet. The unit is also a member of the Internet Crimes Against Children (ICAC) Task Force.

A charge is merely an accusation. A defendant is presumed innocent until and unless proven guilty.



New Mold Remediation Regulations Take Effect



New regulations for mold remediation companies went into effect in December 2012 in Kentucky to better protect consumers who utilize mold removal services.

"The new regulation will help ensure that consumers are informed about mold and the standards for mold remediation in Kentucky before they hire a mold remediation company," General Conway said. "I believe these new standards are a good first step to increasing consumer protection for households seeking the services of a mold remediation company. I also want to stress to consumers the importance of fixing the water problem that is causing the mold. Without corrective measures, the mold will return."

Some of the protections and requirements of the new mold remediation regulation include:

- ▶ A written mold assessment and remediation plan must be given to the customer before entering into a contract. The plan must include a price estimate, describe the extent of the mold problem and the scope of the work, and explain how the work will be evaluated. It must also state how the source of moisture will be remedied or managed, or that it has not been identified.
- ▶ Other general information must be given to the customer before entering into a contract, about mold, the benefits of using an independent indoor environmental professional, and the source of moisture related to the mold problem.
- ▶ A written contract is required before work begins, and change orders must be signed by the customer if there is additional cost or a substantive change to the plan.

For more information on the new regulation and its requirements, please see our press release <http://goo.gl/tfbaa>.

A Tradition of Giving

Staff members of the Office of the Attorney General continued their tradition of lending a helping hand to those in need over the holidays. In lieu of a gift exchange, General Conway and his Capitol Office staff collected hats and gloves for residents of the Simon House, a Frankfort, Ky. shelter serving homeless mothers and their children.

This has become a holiday tradition for General Conway's office. A box filled with the donated hats, gloves and socks was delivered to Simon House residents just before Christmas.

