



KENTUCKY

General News

June 2009

Attorney General Conway Announces \$16 Million Verdict Against Drug Company

A Franklin Circuit Court jury on June 24 handed down a \$16 million verdict against Sandoz, the generic drugs division of pharmaceutical giant Novartis, for defrauding the Medicaid program and Kentucky consumers by inflating the prices of its prescription drugs.



“I am pleased that we are able to recover money for the Medicaid program and for Kentucky taxpayers,” said General Conway. “My office is committed to putting an end to this type of deception and ensuring that drug companies truthfully report their drug prices.”

During the trial, the Commonwealth showed that Sandoz significantly inflated average wholesale prices (AWPs) for its drugs. AWPs are used to calculate Medicaid drug-reimbursement rates.

With this verdict, the Attorney General’s Office has collected \$59 million for the Medicaid program and for Kentucky taxpayers since General Conway took office in January 2008. General Conway remains committed to ensuring that drug companies truthfully report their drug prices and honestly market their products.

Historic Cybersafety Legislation Takes Effect in Kentucky

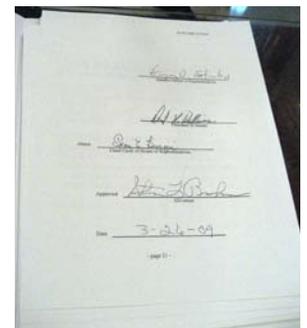


Attorney General Jack Conway has fulfilled his promise to bring state laws up-to-date with changes in technology. On June 25, General Conway’s comprehensive cybercrimes legislation went into effect giving law enforcement additional tools to keep kids safer online.

“Registered sex offenders in Kentucky are now required to register their email addresses and online identifiers with the Kentucky Sex Offender Registry. This new law also makes it illegal for them to use social-networking sites, like MySpace and Facebook, that are available to minors under the age of 18,” said General Conway.

Cybercrimes Law at a glance:

- ▶ Makes online solicitation of a minor a Class D felony
- ▶ Requires sex offenders to register changes in email addresses
- ▶ Prohibits sex offenders from using social-networking sites that can be accessed by minors
- ▶ Amends Kentucky’s stalking statute to include cyberstalking
- ▶ Allows police to seize personal property, like cars or computers, used in the commission of sex offenses against minors
- ▶ Creates the crime of “phishing”



Cybercrimes Unit Marks 1st Anniversary

The cybercrimes unit created by General Conway in June 2008 has marked its first anniversary. The unit, now a member of the Internet Crimes Against Children Task Force, investigates crimes that occur online, from scams to solicitation of minors.

For more information on cybersafety visit:
<http://ag.ky.gov/cybersafety>

Cybercrimes Stats:

- Launched 50 child pornography investigations
- Seized nearly 17,000 child pornographic images and videos
- Assisted 28 law enforcement agencies process digital evidence
- Trained 400 law enforcement officers and prosecutors on the latest techniques in fighting cybercrimes and data collection



Kentucky Attorney General
Jack Conway

Keeping Kids Cybersafe This Summer

With school out and many kids spending more time on the Internet during the summer months, Attorney General Conway reminds Kentucky families to stay safe while online.

“One in every seven children between the ages of 10 and 17 reports receiving unwanted sexual advances from someone online. Only 25% of children report these frightening online solicitations to a parent or trusted adult,” cautioned General Conway, who has conducted cybersafety workshops for more than 14,000 students across the Commonwealth.



Online Safety Checklist

- Google your children (and yourself) often for your child’s contact information.
- Keep the computer in a family room, kitchen or open area — NOT in a child’s bedroom.
- Teach your children they should never meet an online friend in person unless you are with them.
- Find out what email and instant-messaging accounts they have and ask them for their passwords.
- Teach your children about the dangers of cell-phone cameras and how they may be used against them. Cell-phone images can be easily downloaded, altered and exploited on the Internet.
- As a condition of use, make your child list you as a friend on MySpace or Facebook.
- Consider installing monitoring and filtering software. Check for free downloads at SafeFamilies.com or K9WebProtection.com.

Attorney General Releases Advisory Opinion on VLTs at Kentucky Racetracks

Prior to the start of the special legislative session on June 15, Attorney General Conway issued an advisory legal opinion, as requested by Rep. Jody Richards, on video lottery terminals at Kentucky racetracks.

After a thorough review, General Conway and his staff concluded that the General Assembly may, at its own discretion, enact legislation allowing VLTs at racetracks without a constitutional amendment.

“As attorney general, my role is to provide guidance to the General Assembly, when requested. I have fulfilled my statutory duty and I believe come to the proper legal conclusion on this issue. I want to make it clear that this advisory legal opinion is based on an extensive review of the law and does not speak to the wisdom of the policy considerations,” said General Conway.

The advisory legal opinion synthesizes the previous five Office of the Attorney General opinions and relies heavily on the ruling of Kentucky’s highest court in the Jockey Club case of 1931 — the binding legal opinion on the issues of gaming and lotteries.

General Conway also praised his staff for their efforts in expediting the advisory opinion, despite 20% budget cuts over the past year-and-a-half that have resulted in short staffing.

Attorneys General Urge FedEx Ground to Classify Drivers Properly

Attorney General Conway is among a group of eight attorneys general spearheading an effort to bring FedEx Ground in line with state employee classification laws. In a letter sent June 25 to FedEx Ground, the group expressed concern that FedEx may be treating many of its drivers as independent contractors, rather than employees. That could allow the company to avoid paying certain taxes and could leave workers without basic protections, such as workers’ compensation, unemployment insurance, as well as wage-and-hour protections.

“By joining with my counterparts in other states, we’ve signaled our willingness to work with FedEx Ground to make sure workers are protected under state laws and that the company — not taxpayers — are providing the benefits these workers deserve.”

The attorneys general have formed a working group to determine how best to address the issue.

More information — <http://tinyurl.com/m5rquo>



Attorney General Conway, Financial Regulator Join Forces to Fight Elder Abuse

The Office of the Attorney General and Kentucky Department of Financial Institutions (DFI) are partnering to urge citizens to report possible elder abuse or financial exploitation. Financial abuse is considered the most common form of abuse to elders, costing victims an estimated \$2.6 billion a year.

“Elder financial abuse is becoming the crime of the 21st century, as the growing senior population is increasingly targeted,” said Attorney General Jack Conway. “Studies show that family members and caregivers are the culprits in more than half of these cases. Anyone can — and should — report abuse of an elderly person, whether it is physical, emotional or financial.”

In 2008, Attorney General Conway tripled the number of elder abuse and fraud charges brought by his office. Additionally, the office hosts Senior Crime Colleges across Kentucky to educate seniors about how to protect themselves from financial scams. For more information, visit <http://tinyurl.com/Ing2ox>

Securities or investment fraud can be reported to DFI’s Securities Division at 800-223-2579.

Senior Crime College Dates and Locations

- ▶ Monday, July 6 — Newcastle — 10:30 am — 125 Park Drive
- ▶ Wednesday, July 8 — Catlettsburg — 10:30 am — 3015 Louisa Street
- ▶ Friday, July 10 — Flatwoods — 10 am — 2513 Reed Street
- ▶ Tuesday, July 14 — Louisville — 6 pm — Senior Crime College for the Deaf
- ▶ Wednesday, July 15 — Bardstown — 10 am — 509 N 4th Street
- ▶ Thursday, July 16 — Walton — 10 am — Walton Senior Citizen Center
- ▶ Thursday, July 16 — Bellevue — 1 pm — Washington Apts. 300 Washington Ave
- ▶ Monday, July 20 — Dawson Springs — 10 am — 100 Clarkdale Court
- ▶ Wednesday, July 29 — Lawrenceburg — 10 am — 160 Township Square
- ▶ Thursday, August 6 — Campton — 10 am — 68 North Washington
- ▶ Tuesday, August 11 — Grayson — 10 am — 200 North Hord
- ▶ Tuesday, August 18 — Elsmere — 10:30 am — 179 Dell Ave

The Senior Crime College program is also available to individual groups. Groups may request a presentation by calling the Attorney General’s Office of Consumer Protection at 502-696-5389 or 1-888-432-9257.