



KENTUCKY

General News



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Kentucky Homeowners Feeling Impact of Mortgage Foreclosure Settlement



Hundreds of Kentucky homeowners have already benefited from the historic \$25 billion mortgage foreclosure settlement announced earlier this year. An interim progress report released on August 29, 2012 shows that from March 1 through June 30, mortgage servicers from the nation's five largest banks provided \$14.1 million in settlement-related relief to 477 Kentucky homeowners, each receiving an average of \$29,629. The report also shows that an additional 84 Kentuckians were able to refinance their homes through the settlement.

"I am pleased that the banks are moving in the right direction and providing relief to homeowners in Kentucky and across the country," General Conway said. "It is important to note that we are only a few months into what is a three-year agreement and more relief is on the way for homeowners."

General Conway was among 49 state attorneys general who reached the settlement with Bank of America, JP Morgan Chase, Wells Fargo, Citi and Ally/GMAC. To date, nearly 138,000 borrowers across the country have received some type of consumer relief from the banks totaling more than \$10.5 billion.

In July, Attorney General Conway announced the distribution of \$19.2 million in settlement money to agencies in Kentucky that create affordable housing, provide relief or legal assistance to homeowners facing foreclosure, redevelop foreclosed properties and reduce blight created by vacant properties.

For more information or answers to frequently asked questions, visit the Attorney General's settlement page at ag.ky.gov/mortgage.

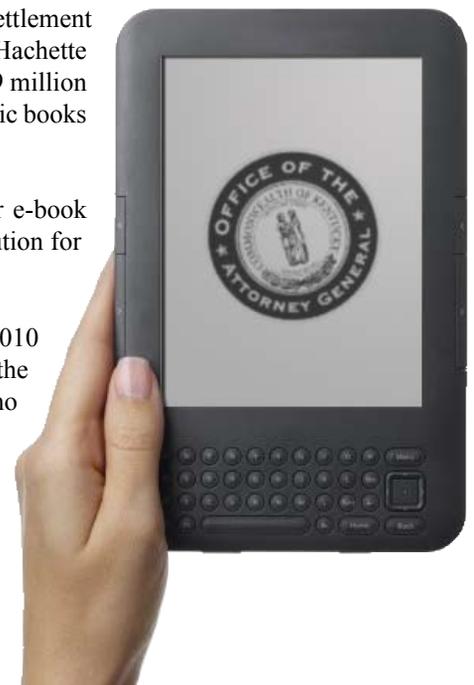
Kentucky Consumers to Receive \$700,000 in E-Book Price Fixing Settlement

Attorney General Conway last month announced Kentucky's participation in a nearly \$70 Million settlement with the nation's largest book publishers to resolve allegations of price fixing. Under the agreement, Hachette Book Group (USA), HarperCollins Publishers L.L.C and Simon & Schuster will pay more than \$69 million to consumers to resolve antitrust claims of an alleged unlawful conspiracy to fix the price of electronic books (e-books) and change the price of e-books going forward.

"Kentucky consumers paid hundreds of thousands of dollars more for some of the most popular e-book titles as a result of this collusion," General Conway said. "This settlement paves the way for restitution for consumers harmed by the scheme and restores competition in the e-book market."

Under the agreement, eligible Kentucky consumers who purchased e-books from April 1, 2010 through May 21, 2012 will receive compensation estimated to exceed \$700,000. If approved by the court, Hachette, HarperCollins and Simon & Schuster will contact and compensate consumers who purchased e-books during the designated time period. Consumers who have made purchases from these publishers will be notified by the publishing company if they are entitled to restitution.

More information — <http://migration.kentucky.gov/Newsroom/ag/ebookpricefixing.htm>



Pain Clinic Owners and Doctors Charged in Prescription Drug Conspiracies

Five pain clinic owners and six doctors are among 22 defendants facing a host of charges related to prescription drugs, money laundering and health care fraud, according to recently unsealed federal indictments. Kerry Harvey, U.S. Attorney for the Eastern District of Kentucky, announced the charges following an investigation by the Attorney General's Office, FBI, Kentucky State Police, FDA, Kentucky Board of Pharmacy, DEA and Kentucky Office of Inspector General, Drug Enforcement Administration.

One of the indictments alleges that Houston, Texas doctor Linda J. Roos conspired to unlawfully distribute pills to Pike County residents. Dr. Roos allegedly prescribed more than 125,000 Oxycodone pills from September 2006 until July 2011. Two of her patients, Dennis and Helen Varney, were also charged with conspiracy to distribute prescription drugs.

In a second indictment, a Pikeville pharmacy manager, Beverly Lockhart, 58, allegedly conspired with Pikeville doctor Thad Manning, 46, to illegally sell prescription drug samples.

The healthcare fraud, prescription drug, and money- laundering conspiracies carry maximum penalties of 20 years in prison. However, the court must consider the U.S. Sentencing Guidelines and the applicable federal statutes before imposing any sentence following a conviction.

The indictment of a person by a grand jury is an accusation only, and that person is presumed innocent unless proven guilty.

More information — <http://migration.kentucky.gov/Newsroom/ag/rxconspiracies.htm>

Attorney General's Office Touts Cybersafety, Prescription Drug Abuse Prevention At 2012 State Fair

Thousands of Kentuckiana fairgoers got important information about staying safe online and combatting prescription drug abuse at the Attorney General's booth at the state fair.

"These are issues that affect families in every corner of the Commonwealth," General Conway said.

In addition to informational materials and give-away items, one lucky fair-goer received an iPod Touch during a drawing sponsored by the National Association of Drug Diversion Investigators (NADDI), a key partner with General Conway in his Keep Kentucky Kids Safe prescription drug abuse awareness program.

Since launching Keep Kentucky Kids Safe in 2010, General Conway has warned more than 10,000 middle and high school students in nearly two dozen counties about the devastating consequences of prescription pill abuse.

Additionally, General Conway and his staff have alerted more than 40,000 students, parents and teachers to the dangers that exist online. In addition to his educational efforts, Attorney General Conway's Cybercrimes Unit has launched nearly 300 child pornography investigations and seized more than 322,000 child pornographic images and videos from the Internet. The Unit's investigative efforts have resulted in more than 100 child pornography convictions.

For tips on staying safe online, visit Attorney General Conway's "Cybersafety in Kentucky" website at ag.ky.gov/cybersafety. To report cyber abuse, call the CyberTipline at 1-800-843-5678.

For more information on prescription drug abuse, visit ag.ky.gov/rxabuse.



Bourbon County Man Arrested for Possession of Child Pornography

A Bourbon County man is charged with one count of possession of matter portraying a sexual performance by a minor. Paris Police arrested 29-year-old Brian Hafley on August 4, 2012 following an undercover investigation by General Conway's Cybercrimes Unit that began on March 28, 2012. Cybercrimes investigators found more than 1,800 child pornographic images on a computer at Hafley's Paris, Ky. residence after the execution of a search warrant.



Prosecution of this case is being handled by the Office of Gordie Shaw, Commonwealth's Attorney for the 14th Judicial Circuit representing Bourbon, Scott and Woodford counties. The Bourbon County Sheriff's Department also assisted in this case.

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

More information — <http://migration.kentucky.gov/Newsroom/ag/hafleyarrested.htm>

Attorney General Conway Announces Upcoming Senior Scam Jam, Crime College Dates

Attorney General Conway wants to ensure that Kentucky's seniors are armed with the information they need to protect themselves against fraud, identity theft and scams that target the elderly.

"Sadly, scam artists continue to devise schemes that prey on the vulnerability and generosity of the elderly," General Conway said. "The financial exploitation of the elderly can be as devastating as physical abuse." Over the last two years, the Attorney General's Office has hosted nearly 100 Senior Crime College programs, reaching more than 3,200 seniors.

Scheduled dates for upcoming senior events.

- ▶ Sept. 20 — Senior Day Out, Towne Square Mall, Owensboro
- ▶ Oct. 9 — Senior Day Out, Convention Center, Louisville
- ▶ Oct. 10 — Senior Crime College, The Friendship House, 960 South 4th St, Louisville
- ▶ Oct. 18 — Senior Scam Jam, Owensboro Christian Church, Owensboro

The Senior Scam Jams are held in partnership with the Department of Financial Institutions, AARP, Postal Inspection Service and the Kentucky Department of Insurance. To plan a Senior Crime College program, call General Conway's Office of Consumer Protection at 502-696-5389 or 1-888-432-9257.

Attorney General Conway Announces 2012 Outstanding Commonwealth's and County Attorneys



Attorney General Conway with Lynn Pryor, Commonwealth's Attorney for the 3rd Judicial Circuit representing Christian County

Some helpful tips for seniors:

- Beware of home solicitors. Keep the door closed to people you don't recognize. Talking through the storm door if necessary. Door-to-door repair people are included in this warning.
- Research the product, service, company, or charitable organization before you buy or contribute money.
- Don't do business with unsolicited callers, especially those offering to "fix your credit," "consolidate your loans," or those claiming to be from Medicare, Medicaid, or Social Security. These callers are most likely looking to steal your identity or take money from your bank account.
- Never cash a check that you have received with a sweepstakes or lottery letter. If the letter instructs you to cash the check and wire money to pay for "fees" or "insurance," don't do it. The check is counterfeit and the bank will hold you liable for the funds.

Consumers who suspect they have been a victim of a scam can call the Attorney General's Consumer Protection Hotline at 1-888-432-9257 or visit <http://ag.ky.gov/civil/consumerprotection>

Praising them for the work they do every day to make Kentucky communities safer, Attorney General Conway named this year's Outstanding Commonwealth's and County Attorneys during the Kentucky Prosecutor's Conference in Lexington on August 23, 2012.

The recipients of the 2012 Outstanding Commonwealth's Attorney Awards are Lynn Pryor, Commonwealth's Attorney for the 3rd Judicial Circuit representing Christian County, and Matthew Leveridge, who serves as Commonwealth's Attorney for the 57th Judicial Circuit representing Russell and Wayne counties.

The recipients of the 2012 Outstanding County Attorney Awards are Marc Robbins, Madison County Attorney since 1999, and William "Bill" Hagenbuch, Allen County Attorney since 1990.

The Kentucky Prosecutor's Conference drew more than 700 prosecutors, Commonwealth's and County Attorneys, staff members and law enforcement from across Kentucky.

More information — <http://migration.kentucky.gov/Newsroom/ag/2012outstandingattorneys.htm>

Additional photos — <http://www.flickr.com/photos/kyoag/sets/72157631325002858/>