



2022

Year in Review



Office of the New York State Attorney General
Letitia James

Table of Contents

A Message from Attorney General James	4
Funds Recovered for New York State	6
Holding Powerful Organizations and Individuals Accountable	8
Preserving Reproductive Rights	14
Public Safety	18
Combating the Opioid Crisis	25
Protecting Seniors and Retirees	28
Fighting Against Hate and Discrimination	33
Leading the Fight to Protect Our Environment	38
Defending Workers	42
Protecting Consumers	47
Expanding Access to Safe and Affordable Housing	56
Protecting New Yorkers' Health and Wellbeing	62
About the Attorney General's Office	66



Letitia James

New York State Attorney General

Dear Friends,

The challenges that New Yorkers faced in 2022 were as diverse as the people of this great state. In the midst of a challenging year, I continued doing the work that New Yorkers re-elected me to do in November — I stood up to powerful people and institutions on behalf of the vulnerable.

My office kept people safe by dismantling crime rings that flood our streets with illegal guns and drugs. Simultaneously, we defended our state's common-sense gun laws from attacks by the gun lobby who sought to eliminate tools we need to end gun violence so they might pad their profits.

We fought to preserve reproductive rights from assaults by the U.S. Supreme Court and regressive lawmakers in other states. We overcame these barriers to ensure that New Yorkers — and anyone who travels here — can safely and legally access abortion care.

We looked after New Yorkers' wallets by taking on dishonest corporations, tech companies, scammers, and predatory lenders that used deceitful practices to steal hard-earned money.

We stood up for workers being taken advantage of by their employers and continued standing shoulder to shoulder with workers on the picket line demanding fair pay and benefits.

We defended tenants and preserved affordable housing by ensuring that bad actors who financially exploit or maintain unsafe living conditions for residents are held accountable.

We cracked down on institutions that target society's most vulnerable residents, including nursing home operators that subjected senior citizens to inhumane living conditions.

We combated the opioid epidemic by securing up to \$1.1 billion from Big Pharma companies and pharmacies for their role in this ongoing crisis. Our hard-fought efforts brought the total amount that my office has secured to combat the opioid crisis in New York state to more than \$2.6 billion.

And my office took on powerful individuals who think the law does not apply to them. We held “pharma bro” Martin Shkreli accountable for running an illegal drug monopoly that raised the price of a life-saving HIV drug by 4000 percent in a single day; we indicted Steve Bannon for allegedly running a sham organization that defrauded millions of dollars from donors; and we sued former President Trump and the Trump Organization for years of financial fraud that enriched himself and his family while cheating lenders, insurers, the government, and the public.

Through these and countless other actions, my office made communities safer, collected over \$1.5 billion on behalf of New Yorkers, and protected peoples' fundamental rights.

In doing so, I am also proud to say that my office took an unyielding stance on an undying principle: No one is above the law. We cannot have two legal systems in this country — one for everyday people and one for the elite simply because the latter are wealthy and well connected.

This report details the battles my office fought on behalf of New Yorkers in 2022. I am sure that 2023 will bring fresh challenges that will cause New Yorkers to wonder if anyone has their back. When those moments arise, I hope that they will rest a bit easier knowing that I am fighting relentlessly for them.

Thank you,


Letitia James



Funds Recovered for New York State

In 2022, Attorney General James collected over **\$1.5 billion** on behalf of New York state, including:



Over
\$557 million
for localities



Over
\$84 million
for nonprofit organizations



Over
\$74 million
in restitution to individuals
and businesses



Over
\$63 million
in civil recoveries and
unpaid debts to the state



Over
\$33 million
from negotiated settlements
and judgments



Over
\$19 million
recovered for Medicaid

Additionally, Attorney General James secured up to

\$1.1 billion

to turn the tide on the opioid epidemic. These funds will
be collected and distributed in the years ahead.



Holding Powerful Organizations and Individuals Accountable

Over the past year, Attorney General James continued to hold powerful individuals and organizations accountable for their unlawful activities. Through actions as wide ranging as suing Donald Trump and the Trump Organization for nearly a decade of financial fraud, to ensuring that public officials do not betray the trust New Yorkers have bestowed upon them, Attorney General James continued to ensure that no one is above the law.

Ensuring Donald Trump and the Trump Organization Play by the Same Rules as Everyone Else

In September, Attorney General James sued Donald Trump, the Trump Organization, and its senior management, including three of his children, for years of financial fraud. The lawsuit alleges that Trump falsely inflated his net worth by billions of dollars, enriching himself and cheating lenders, insurers, the government, and the public. Among other remedies, Attorney General James seeks to remove the Trumps from their leadership roles at the Trump Organization, ban them from leading other New York state companies, and force them to return at least \$250 million they obtained illegally through fraud.

Attorney General James began investigating Trump and his family in 2019 when Trump's former lawyer, Michael Cohen, testified before Congress that the Trumps had committed financial crimes by inflating the values of some assets to get better terms for loans and insurance, while deflating the value of other assets to reduce his taxes.

Trump Tower Triplex Apartment



TRUMP OBJECTIVELY USED FALSE NUMBERS TO CALCULATE PROPERTY VALUES

Mar-a-Lago



TRUMP SAID THEY COULD BUILD HOMES EVEN THOUGH IT WAS FORBIDDEN

Attorney General James uncovered and alleged more than 200 incidents of Trump inflating the value of more than 20 properties. Over and over, he claimed that his properties were worth far in excess of their actual value. For 11 years, he falsified his net worth on his annual financial statements to get lower interest rates on loans and for many years used his inflated asset values to obtain better terms for insurance and pay less tax. In doing so, he broke several state and federal laws, including falsifying business records, submitting false financial statements, and defrauding lenders and insurance companies.

Attorney General James secured a preliminary injunction to prevent Trump from restructuring his company to escape her lawsuit while the case is pending. In addition, the judge granted Attorney General James' request and appointed an independent monitor to oversee compliance with the court's order. Attorney General James will continue pursuing this effort to hold Trump accountable because no one, no matter how powerful, should get to play by different rules.



Attorney General James is committed to taking on fraudulent behavior in every corner of society. That is why, in September, Attorney General James and Manhattan District Attorney Alvin Bragg announced the indictment of ex-White House Chief Strategist Steve Bannon and We Build the Wall, Inc., his nonprofit corporation. For nearly a full year in 2019, Bannon allegedly defrauded thousands of donors across the nation, including many New Yorkers. Bannon received over \$15 million in donations, then laundered the money to cover his tracks. Attorney General James and District Attorney Bragg will work together to hold Bannon accountable for taking advantage of his donors' political views to steal millions of dollars to enrich himself and his friends.

Holding Steve Bannon Accountable for Defrauding Donors



In January, Attorney General James, in partnership with the Federal Trade Commission, secured \$64.6 million from Martin Shkreli, also known as the “pharma bro.” The court ruled in favor of Attorney General James,

finding that Shkreli violated both federal and state laws by engaging in illegal conduct to protect his company's monopoly profits on Daraprim. The life-saving drug is used to treat toxoplasmosis, a parasitic disease common in HIV-positive individuals. Until recently, Daraprim was the only FDA-approved source of this medication. Shkreli and his company, Viera Pharmaceuticals (previously known as Turing Pharmaceuticals), raised the price of Daraprim more than 4000 percent in a single day, from \$13.50 to \$750 per pill. The company also changed its distribution methods to make it harder for other companies to make generic versions of the drug. As a result of Attorney General James' legal victory, Shkreli must not only pay the significant financial penalty, but is banned from the pharmaceutical industry for life.

Securing Nearly \$65 Million From an Illegal Drug Monopoly's Former CEO

Pursuing the NRA for Mismanagement and Fraud

The Attorney General's Office is responsible for supervising charitable organizations in New York state to protect donors and beneficiaries of those charities from unscrupulous practices, and to assure proper use of charitable assets. In accordance with this responsibility, in 2020 Attorney

General James filed a lawsuit against the National Rifle Association (NRA), Executive Vice President Wayne LaPierre, and other top executives that alleges that the NRA and its management failed to responsibly manage the organization's funds and did not follow numerous laws — or even the NRA's own bylaws and policies. As a result of its illegal mismanagement, the NRA engaged in improper financial transactions valued in the tens of millions of dollars. Attorney General James' suit seeks to secure the funds that top executives plundered from their own nonprofit, to remove the senior executives involved, and to require a monitor to oversee the NRA's financial affairs going forward. This past year, courts rejected the NRA's multiple attempts to block Attorney General James' lawsuit against the nonprofit. Attorney General James will continue fighting to ensure that the NRA and its leaders are held accountable for their self-dealing, waste, and mismanagement.

Securing \$30.5 Million From CBS and Leslie Moonves for Insider Trading and Hiding Sexual Assault Allegations

In November, Attorney General James secured \$30.5 million from CBS and former CBS President and CEO Leslie Moonves for concealing sexual assault allegations against Moonves and engaging in insider trading. Attorney General James' investigation found that the

company's senior leadership knew about, and intentionally covered up, multiple sexual assault allegations made against Moonves. Company executives misled investors about the allegations for months and one senior executive who knew about the allegations sold millions of dollars of CBS stock weeks before the allegations became public. The company's cover up included secret meetings with a Los Angeles Police Department captain to ensure that a criminal complaint against Moonves would be kept quiet. These actions constituted insider trading and violated New York state's investor protection laws. In addition to the financial penalty that CBS and Moonves will pay, the company must also reform its practices for addressing sexual harassment and submit compliance reports to the Attorney General's Office. For the next five years, Moonves must also obtain written approval from Attorney General James before accepting an executive or officer position at a public company doing business in New York state.

In July, Attorney General James secured a guilty plea from a Bronx County Clerk and former assemblymember who forged documentation for a criminal defendant and reported mafia member. Luis Diaz intentionally wrote, certified, and submitted a letter claiming that Thomas Poli, an alleged associate of the Genovese crime family, had fulfilled court-ordered community service stemming from a 2019 criminal plea deal. In fact, Poli — who was separately indicted in April following a joint investigation by Attorney General James and federal and local prosecutors — had not performed any court-ordered community service. Among other terms, Diaz's plea deal included his resignation from his lifetime appointment as the Bronx County Clerk and a lifetime ban on holding public office or working for nonprofits in New York state.

Catching a County Clerk Who Covered Up for a Mafia Member



In July, Attorney General James announced the sentencing of two high-profile public officials who exchanged bribes. For over three years, former Erie County Democratic Committee Chair G. Steven Pigeon bribed former New York State Supreme Court Justice John A. Michalek with sports tickets and jobs for Michalek and his family in exchange for judicial decisions. Following Attorney General James' prosecution of the case, Michalek was sentenced to one year and four months in jail and a \$5,000 fine while Pigeon was sentenced to one year in jail and a \$5,000 fine.

Ensuring That Corrupt Officials Are Held Accountable





Preserving Reproductive Rights

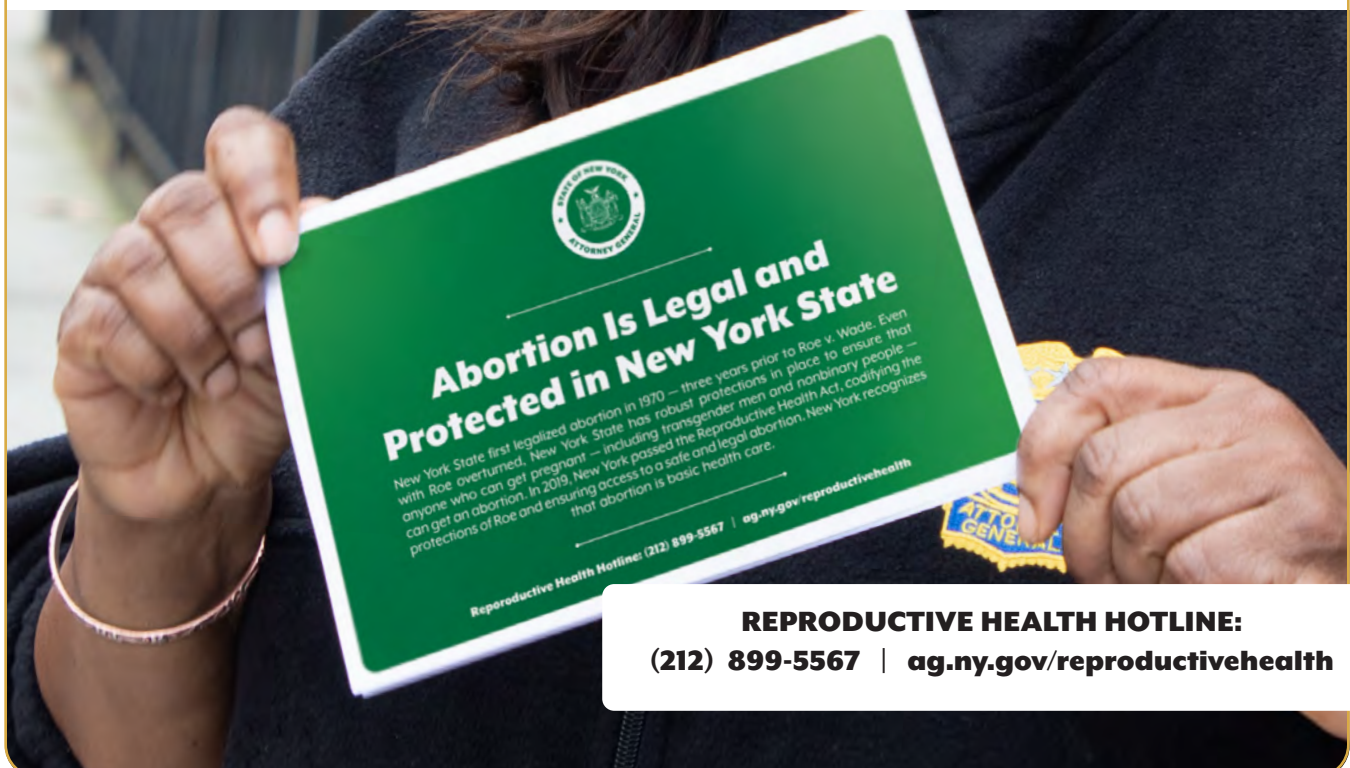
Attorney General James has always advocated for access to reproductive health. When *Roe v. Wade* was overturned, she stepped up her efforts to protect these rights in New York state and for people across the country. Among many other actions, Attorney General James launched a pro-bono task force and hotline to protect reproductive health, took legal action to protect abortion access in states hostile to abortion, and fought against misinformation in online searches for healthcare access. Attorney General James will continue to fight against regressive legislation and policies to ensure that anyone looking to access abortion services can do so safely and legally.

Launching a Task Force to Protect Reproductive Rights

In May, when a draft U.S. Supreme Court opinion overturning *Roe v. Wade* was leaked, Attorney General James leapt into action to protect abortion access by convening a pro-bono task force comprising the nation's top law firms and leading reproductive rights organizations. The task force strives to protect and improve access to reproductive health care by:

- » Creating legal resources and guidance to providers and organizations who wish to keep abortion accessible to anyone traveling to New York state for this vital care
- » Assisting doctors who are concerned about being prosecuted for providing reproductive health care
- » Helping people who are scared and confused about their reproductive rights and may be considering dangerous alternatives to medical care
- » Participating in litigation at the state and federal level to support challenges to abortion restrictions in other states and strengthen access to abortion where it remains legal

After the U.S. Supreme Court overturned *Roe v. Wade* in June, the task force launched a hotline and website to help New Yorkers and people visiting New York state who are seeking reproductive health care. These resources provide “know your rights” legal information, as well as referrals for patients in or traveling to New York state for an abortion, people and organizations supporting these patients, and health care providers.



Fighting to Protect National Access to Emergency Abortion Care

Attorney General James leapt into action to combat a wave of abortion bans that arose in other states after *Roe v. Wade* was overturned. In August, Attorney General James co-led a multistate coalition of attorneys general helping to defend emergency abortion procedures in Idaho and Texas. These states' bans can prevent emergency health care workers from performing abortion procedures, even to save a patient's life or protect their health. The coalition filed amicus briefs in three cases arguing that limiting abortion access in emergency care violates the Emergency Medical Treatment & Labor Act (EMTALA) and endangers pregnant patients' lives and health. In addition, these limitations would force patients from Texas and Idaho to travel or be transferred to other states for care, overwhelming the emergency workers there. Later in August, a federal judge temporarily blocked Idaho from enforcing its abortion ban when pregnant people require emergency care.

Demanding Truthful Google Search Results for Individuals Seeking Abortion Care

In June, Attorney General James urged Google to clearly label fake abortion clinics that show up in online searches. So-called crisis pregnancy centers (CPCs) often lure pregnant patients in with the promise of reproductive health services but exist only to discourage individuals from having an abortion. Many CPCs do not even have doctors or health care professionals on staff. Attorney General James urged Google to take immediate action to address the failure of its search results and of Google Maps to distinguish between facilities that offer abortion services and those that do not. This lack of distinction could lead individuals seeking abortions to unintentionally visit CPCs for care. In August, Google changed its policy, requiring search listings to label locations that "provide abortions" or "may not provide abortions" and promised to verify facilities that provide abortion care.



Pharmacies have a responsibility to safeguard New Yorkers' health, including by providing reproductive health care medications and products. When Attorney General James heard that employees at CVS and Walgreens in other states were denying customers contraceptives and other reproductive health products, she acted swiftly. She warned both corporate giants that it is illegal for their employees to deny customers these products, or harass or shame them, at any of their more than 1,000 New York state locations. Policies permitting employees to refuse customers' requests based on moral or religious reasons — such as one at Walgreens — violate New York state's public health and civil rights laws and pharmacists' professional duties. Attorney General James made it clear that, if these laws are violated, she will act immediately to protect New Yorkers' reproductive rights.

Defending Access to Reproductive Health Care at Major Pharmacies

This year, Attorney General James continued to fight on the front lines in the battle to secure access to abortion clinics, protect patients and health care providers against harassment and blockades, and ensure all New Yorkers are able to obtain the full range of reproductive health care they need and deserve. When clinics contacted Attorney General James to alert her to an anticipated wave of activity at clinics marking the “40 Days for Life” campaign, she immediately mobilized, conducting investigations at clinics experiencing problems with violent, harassing, or obstructionist protesters; coordinating with local and state law enforcement; and advising clinic directors and security staff on how to strengthen their safety protocols.

Ensuring Access to Abortion Clinics





Public Safety

Over the past year, Attorney General James tackled public safety issues head on, maintaining her commitment to keep New Yorkers safe from gun violence and crime. Attorney General James hosted ten gun buyback events, took down crime rings, and combated gun violence from multiple angles. Attorney General James will always do everything in her power to keep our neighborhoods safe by going after those who put New Yorkers in harm's way.

Keeping New Yorkers Safe from Unwanted Guns

In her continuing mission to protect New Yorkers from gun violence, Attorney General James took more than 1,000 guns off the streets through gun buyback events this year. These events allow individuals to turn in unwanted firearms with no questions asked. The guns are then safely destroyed by law enforcement. Each gun that was secured is a potential tragedy averted and a potential life saved. Since taking office in 2019, Attorney General James has taken more than 4,000 guns out of communities through gun buybacks and other initiatives.



This past year, Attorney General James' Organized Crime Task Force (OCTF) continued its work of dismantling violent criminal organizations. Over the course of the year, OCTF broke up five gun and drug trafficking rings in 13 counties throughout New York state, secured indictments of 88 individuals, and convicted more than 140 individuals for their crimes. As a result of the Attorney General James' work with law enforcement partners around the state, significant amounts of illegal drugs and guns were seized over the course of the year: 179 firearms, 0.5 kilograms of heroin, 3.6 kilograms of fentanyl, 94,000 fentanyl pills, 29 kilograms of cocaine, thousands of mixed prescription pills, and 85 pounds of marijuana.

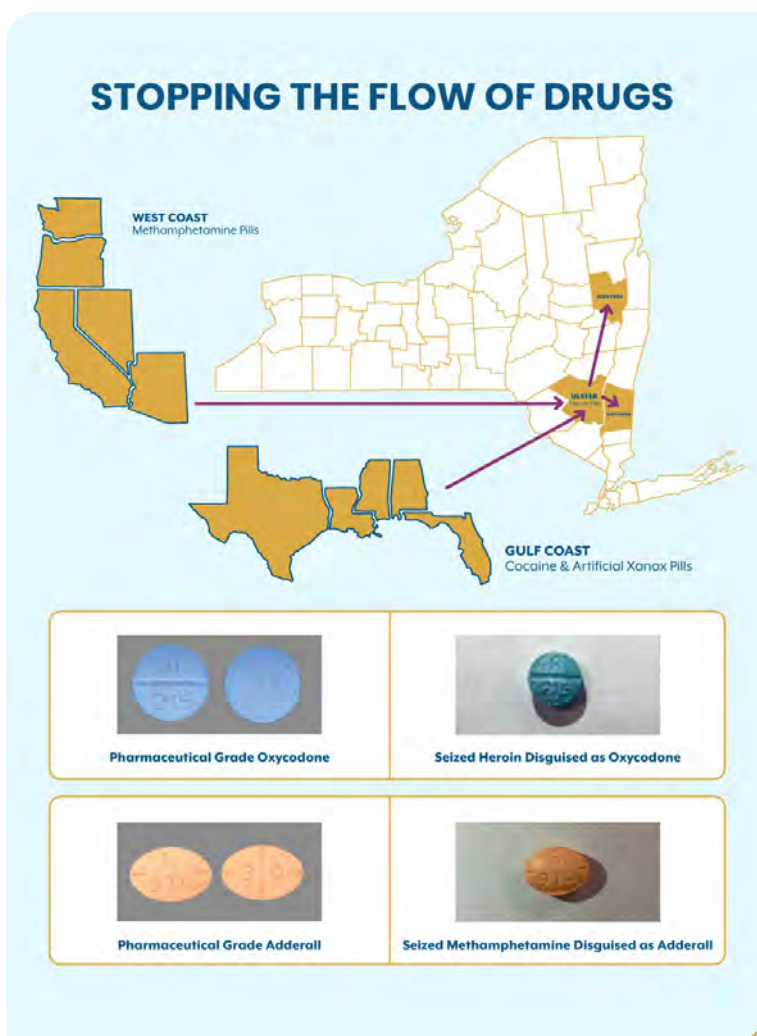
Taking Down Violent Crime Rings

Taking Down Violent Crime Rings

In June, Attorney General James indicted 12 individuals for their role in a trafficking operation that allegedly flooded communities in the Hudson Valley and Capital Region with drugs. The takedown operation seized 11 kilograms of cocaine, 15,000 methamphetamine pills, 5,000 Xanax pills, 750 heroin pills, and 39 firearms, including four assault rifles, 40 high-capacity magazines, and hundreds of rounds of ammunition.

In another major takedown, Attorney General James dismantled a ring of drug traffickers that flooded communities in Western New York with cocaine and fentanyl pills. As alleged in the 129-count indictment, 14 individuals trafficked more than \$250,000 worth of cocaine and thousands of fentanyl pills disguised as Oxycodone throughout Erie and Niagara counties. The investigation ultimately led to the seizure of approximately 1,440 counterfeit prescription “M-30” fentanyl pills, nearly one kilogram of cocaine, a loaded .45-caliber pistol, and more than \$4,000 in cash.

In December, Attorney General James worked with local, state, and federal law enforcement partners to secure a 438-count indictment charging three individuals with allegedly operating a major gun trafficking operation. The crime ring illegally brought firearms, including ghost guns, into New York state and also sold rapid-fire modification devices, silencers, high-capacity magazines, and hundreds of rounds of ammunition. In total, the investigation recovered 57 firearms, 51 of which were ghost guns.



Defending New York's Gun Safety Laws in Court

On multiple occasions over the past year, Attorney General James defended New York state's gun safety laws in court. In June, New York state passed the Concealed Carry Improvement Act (CCIA), which updates requirements for concealed carry permits and storage, prohibits guns in sensitive locations, prohibits carrying firearms onto others' private property without consent, and requires background checks on all ammunition purchases. Several groups have attempted to block portions of the law from being implemented, but Attorney General James continues to vigorously defend the CCIA in court.

In similar fashion, Attorney General James successfully defended New York state's gun-related public nuisance law in federal court. The law, which was passed in 2021, allows Attorney General James, localities, and individuals in New York state harmed by gun violence to bring civil liability actions against gun manufacturers and sellers. Attorney General James can now use this crucial law to protect New Yorkers by holding gun manufacturers and distributors accountable for the gun violence they help spread.

Responsible gun laws save lives. Attorney General James will continue to tirelessly safeguard the constitutionality of our laws in order to protect New Yorkers.



YOUTH ROUNDTABLE

In July, Attorney General James went to Syracuse to meet with kids and faith leaders to talk about the gun violence that is plaguing our communities and how we can better support them.

We cannot allow our children's futures to continue to be stolen by senseless gun violence.

Making Gun Sales More Transparent

In September, Attorney General James and California Attorney General Rob Bonta demanded that three of the nation's largest credit card companies — American Express, MasterCard, and Visa — create a special category for gun sales. At the time, no merchant category code existed for gun purchases, meaning credit card companies classified sales at gun and ammunition retail outlets as “miscellaneous” or “sporting goods.” Properly labeling these sales and flagging suspicious activity may enable law enforcement agencies to better track dangerous activity to help prevent gun violence. Within a week of Attorney General James’ and Attorney General Bonta’s efforts, the International Organization for Standardization announced a requirement for credit card companies to create a merchant category code on gun and ammunition purchases.



Targeting Ghost Guns at the Source

Homemade, untraceable guns, known as ghost guns, are fueling an epidemic of gun violence. In June, Attorney General James filed a landmark lawsuit against 10 gun distributors for allegedly selling New Yorkers gun parts that were used to make ghost guns. Attorney General James' lawsuit details how these businesses repeatedly broke the law and flooded New York's streets with illegal ghost guns that harmed New Yorkers. The lawsuit marks the first time that Attorney General James invoked New York state's recently enacted gun-related public nuisance law to hold gun distributors accountable for fueling the crisis of gun violence.

Keeping Guns Away From Dangerous Individuals

In October, Attorney General James and Governor Kathy Hochul announced a major effort to enhance New York state's extreme risk protection order law. Also known as the red flag law, the statute prevents individuals who show signs of being a threat to themselves or others from purchasing or possessing any kind of firearm. With \$4.6 million in new funding from Governor Hochul, the Attorney General's Office will hire dozens of staff to represent New York State Police officers in court when dangerous individuals are flagged. This will bolster Attorney General James' efforts to collaborate with law enforcement partners in obtaining extreme risk protection orders, thereby protecting New Yorkers against gun violence.



Shutting Down Retail Crime Rings

In the past year, Attorney General James continued her efforts to tackle fraud and theft so that all New Yorkers can feel secure. In May, Attorney General James and New York City Mayor Eric Adams announced the takedown of a massive retail theft operation in New York City that stole and resold millions of dollars in goods. Forty-one people were charged for stealing luxury clothing and goods and drugstore items and reselling them on eBay. During the three-year investigation, law enforcement seized more than \$3.8 million worth of stolen items, more than \$300,000 in cash, and over 550 stolen gift and cash cards.

In October, Attorney General James and the New York City Police Department shut down a crime ring that used stolen credit card and personal information to steal expensive vehicles. Members of the ring allegedly moved the vehicles to Florida, where their associates transported them to West Africa to be resold. They also used fake identifications to buy thousands of dollars of goods and services at luxury hotels and clothing stores in New York City.





Combating the Opioid Crisis

The opioid epidemic has caused unfathomable loss in New York and across the country. In 2019, to combat this ongoing public health crisis, Attorney General James filed the nation's most extensive lawsuit against the various manufacturers and distributors of opioids for their part in fueling this tragedy. As a result of her lawsuit and subsequent settlements, Attorney General James has secured more than \$2.6 billion, including up to \$1.1 billion in the past year, from major companies involved in manufacturing, distributing, and dispensing opioids. This year, Attorney General James concluded her impactful litigation against these companies for employing deceptive and misleading tactics that encouraged the use of highly addictive opioids. Attorney General James settled with all of the defendants after a jury found Teva Pharmaceuticals liable for violating New Yorkers' rights. The vast majority of the funds she secured will be used for opioid addiction prevention and treatment efforts across New York state. While the pain that opioid addiction has caused untold numbers of people and communities can never be undone, Attorney General James will continue fighting relentlessly to help our nation and our state recover.

Securing \$523 Million From Top Opioid Manufacturer Teva Pharmaceuticals

In November, Attorney General James marked a monumental milestone in her fight against the opioid crisis in New York, securing up to \$523 million from Teva Pharmaceuticals (Teva), its American subsidiary Teva Pharmaceuticals USA, and its affiliates for their roles in fueling the opioid crisis. These funds were secured in a settlement following a seven-month trial in which the jury found Teva liable for creating a public nuisance by flooding New York state with prescription painkillers. In addition, Teva agreed to critical injunctive relief including installing a monitor, banning high-dose opioids, prohibiting marketing opioids and funding third parties that promote opioids, and restricting political lobbying.

Leading National Efforts to Hold Opioid Manufacturers, Distributors, and Retail Pharmacies Accountable

Over the course of the year, Attorney General James continued to play a leading role in holding to account the various actors who profited while perpetuating the opioid crisis. In June, Attorney General James secured up to \$58.5 million from Mallinckrodt plc, one of the largest opioid manufacturers in the country, after the company emerged from bankruptcy. Subsequently, in November, Attorney General James co-led a coalition of attorneys general to negotiate a \$3.1 billion multistate settlement with Walmart, resolving allegations that the company contributed to the nationwide opioid crisis by failing to properly dispense opioid prescriptions at its stores. New York state will receive up to \$139 million as part of this settlement. Finally, in December, Attorney General James co-led a coalition of attorneys general in negotiating a \$10.7 billion settlement with CVS and Walgreens for the pharmacies' role in the opioid crisis. New York state will receive up to \$458 million as part of the \$5 billion that CVS and the \$5.7 billion Walgreens will pay. In addition to monetary relief, Attorney General James' agreement will require the pharmacies to implement robust oversight to identify and prevent fraudulent or suspicious opioid prescriptions.

Distributing the First Funds from Historic Opioid Settlements

This year, \$184 million was distributed to communities across New York state to help address the ravages of the opioid crisis. These funds are the first payments from the more than \$2.6 billion Attorney General James has secured from settlements with opioid manufacturers, distributors, and pharmacies. These communities will continue to receive money to combat the opioid epidemic in the coming years. These funds were secured as a result of Attorney General James' efforts and were dispersed in part by a national trust.





Protecting Seniors and Retirees

All too often, older New Yorkers are the targets of fraud and abuse. When scammers and dishonest organizations take advantage of elderly, vulnerable, and unsuspecting New Yorkers, Attorney General James is determined to use the full force of her office to hold these unscrupulous actors accountable.

Cracking Down on Nursing Homes That Put Residents in Dangerous Conditions

Under New York state law, owners of nursing homes have a “special obligation” to provide a high level of care and quality of life for residents, and to ensure facilities are sufficiently staffed to provide that care. This year, Attorney General James sued three nursing homes for failing to uphold this obligation by engaging in financial fraud and neglecting residents. The lawsuits followed a report issued by Attorney General James in 2021 that revealed that many nursing homes were ill-equipped and ill-prepared to deal with the COVID-19 crisis because of poor staffing levels and a lack of compliance with infection control protocols. Among other remedies, each of Attorney General James’ lawsuits seek to compel the nursing homes’ owners to return all funds fraudulently received as part of the owners’ schemes, ban offending owners from their roles, install financial monitors, and prevent new patients from entering the facilities until staffing and conditions greatly improve.

In November, Attorney General James filed a lawsuit against The Villages of Orleans Health and Rehabilitation Center (The Villages) and its owners for misusing more than \$18 million in government funds. The Villages’ owners failed in their duty to residents by engaging in a scheme to divert funds away from the facility to increase their own personal profit, drastically cutting staffing at The Villages to do so. As a result, residents were subjected to repeated abuse and neglect as the most basic functions of care were abandoned. Residents were forced to sit in their own urine and feces for hours; suffered malnourishment and dehydration; and regularly sustained falls and other physical injuries.



Attorney General James followed up this action by suing Fulton Commons Care Center, Inc. (Fulton Commons), a nursing home in East Meadow, Nassau County, its owners, and other involved players for engaging in a fraudulent scheme that led to insufficient staffing levels, significant resident neglect, mistreatment, and abuse. Her lawsuit alleges that Fulton Commons' owners repeatedly disregarded laws designed to protect nursing home residents and exploited Medicaid and Medicare to divert \$16 million to themselves rather than use those funds for the intended purposes of providing care and staffing necessary to deliver it. The owners' scheme led to numerous deficiencies in care, such as Fulton Commons failing to provide basic bodily and dental hygiene or nutritional management.

Finally, Attorney General James filed a lawsuit against Cold Spring Hills Center for Nursing and Rehabilitation (Cold Spring Hills), a Nassau County nursing home, its owners, and other related parties for years of financial fraud and self-dealing that led to severe understaffing and resident neglect and harm. An investigation by the Attorney General's Office found that Cold Spring Hills' owners diverted over \$22.6 million in Medicaid and Medicare funds from resident care through a fraudulent network of companies that were used to conceal their illegal profit taking. Attorney General James' lawsuit alleges that, long before the COVID-19 pandemic, the owners repeatedly cut staffing at the 588-bed facility, which created poor working conditions and endangered residents. Attorney General James' investigation found that critical care equipment, such as

wheelchairs and shower chairs, were often broken. In addition, Cold Spring Hills repeatedly failed to provide proper wound care and prevention for residents, causing wounds to develop and existing wounds to deteriorate, leading to infections.

These three lawsuits are just the beginning of Attorney General James' efforts to hold to account nursing homes that subjected residents and staff to heartbreaking and inhumane conditions.



Taking Action on Behalf of St. Clare's Hospital Retirees

No one should have to deal with the financial and emotional trauma of losing the resources they were counting on to survive. That is why, in May, Attorney General James took action to protect Capital Region retirees by filing a lawsuit against the Roman Catholic Diocese of Albany, its leadership, and other

involved parties for their negligent and intentional actions that deprived more than 1,100 former employees of St. Clare's Hospital of their pensions. The Attorney General's Office alleges that the bishops of the Diocese shirked their fiduciary and legal responsibilities to the former hospital workers when the hospital's pension plan was removed from the protections available under federal law, and when they failed to adequately fund, monitor, or insure the pension plan, and negligently administered the pension plan. Attorney General James' lawsuit seeks to hold the bishops and the Diocese liable for this misconduct and to recover the pensions that the former hospital workers lost.



Winning Back \$6 Million of Seniors' Hard-Earned Dollars

In January, Attorney General James recouped \$6 million from precious metals dealer Lear Capital for defrauding nearly 1,000 New Yorkers. Lear and its founder, Kevin DeMeritt, persuaded investors, mostly elderly people in Western New York, to invest their savings in coins and bars.

The company fraudulently then charged millions of dollars in commissions — up to 33 percent — without the consumers' knowledge. Lear will modify its business practices and the \$6 million payment will be distributed to eligible New Yorkers harmed by Lear's misconduct.

Suing a Precious Metals Company for Selling False Dreams to Seniors

In February, Attorney General James sued Safeguard Metals LLC (Safeguard Metals) for cheating senior citizens out of nearly \$68 million. The company encouraged more than 450 investors in New York state and elsewhere across the nation, mostly seniors, to buy precious metals with their retirement savings, raking in millions in profits. Attorney General James and a multistate coalition of attorneys general allege that the California-based firm and its owner violated federal laws by targeting elderly investors through online advertisements and social media, luring them into transferring funds from their traditional retirement accounts. The company also allegedly misrepresented the markups it charged investors on precious metals, charging as much as 71 percent of their investment as operating margin, which caused investors to suffer instant and substantial losses.

Arresting a Disbarred Attorney for Embezzling From Vulnerable and Elderly New Yorkers

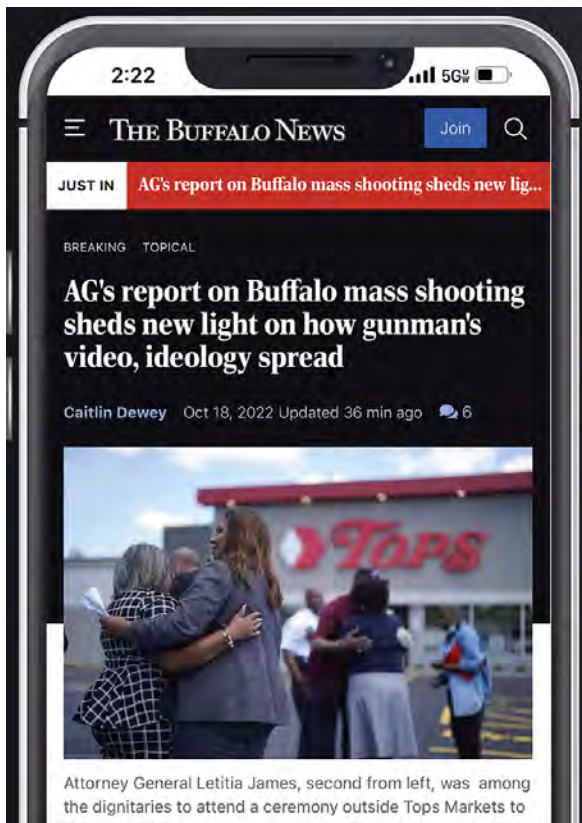
In December, Attorney General James and the New York State Police announced the indictment and arrest of former attorney John Ferdinand Murphy III for allegedly embezzling more than \$450,000 from multiple incapacitated and vulnerable clients. After being appointed as a guardian and trustee for his clients, Murphy allegedly drained their trust accounts by issuing checks to himself, his company, and his own family members.



Fighting Against Hate and Discrimination

In May, a deranged shooter traveled hundreds of miles from his home and murdered 10 Black individuals and wounded three others who were shopping at a Tops supermarket in Buffalo. This monstrous act was a tragic reminder of the profound hate that threatens our communities and strengthened our state's resolve to root out discrimination and hate. Over the past year, Attorney General James has not only taken action to stop discriminatory practices but has advanced structural reforms to confront racist extremism that breeds violence. Attorney General James will continue leading this fight until all New Yorkers — especially those who are unjustly marginalized — are treated with the fundamental human dignity and respect they deserve.

Addressing the Roots of Hate-Fueled Violence Online



In October, Attorney General James released a report on the role of online platforms in the tragic Buffalo mass shooting, where a lone gunman killed 10 Black individuals and injured three others who were shopping at a Tops supermarket. In accordance with a referral from Governor Hochul, the Attorney General's Office reviewed thousands of pages of documents and social media content to examine how the shooter used online platforms to plan, prepare, and publicize his attack. Fringe online platforms, like 4chan, radicalized the shooter, and livestreaming platforms, like Twitch, were weaponized to publicize and encourage copycat violent attacks. The investigation revealed that a lack of oversight, transparency, and accountability of these platforms allowed hateful, extremist, antisemitic, and racist

views to snowball online, leading to radicalism and violence. Attorney General James, joined by Governor Hochul, demanded federal and state reforms to combat online extremism and violence. These include state legislation to make it a crime for a killer to create graphic images or videos of a homicide and to penalize anyone who reshapes or reposts those images or videos. Attorney General James and Governor Hochul also recommended revising the federal Communications Decency Act to increase accountability of online platforms and require companies take steps to prevent unlawful violent criminal content on their platforms.



Attorney General James has always stood with the Jewish community against antisemitism. With antisemitic incidents on the rise, she is continuing to work with community and faith leaders to stop these hateful attacks.

Efforts to discriminate against any New Yorker's fair access to housing cannot, and will not, be tolerated. That is why, in August, Attorney General James forced three Long Island real estate brokerages that were discriminating against homebuyers of color to fix their discriminatory practices. Following a report by Newsday, Attorney General James launched an investigation that found that the firms' agents steered customers of color away from predominantly white neighborhoods and subjected them to different requirements than white homebuyers. Documents revealed that some agents were recorded demonstrating preferential treatment to white homebuyers, disparaging neighborhoods of color, and directing homebuyers of color to homes in communities of color. The settlement requires these brokerages to dedicate more than \$115,000 to fixing their discriminatory practices and to undertake fair-housing trainings.

Tackling Long Island Realtors' Discriminatory Practices



ROUNDTABLE WITH AAPI ELECTED OFFICIALS AND COMMUNITY LEADERS

In May, Attorney General James held a roundtable with elected officials and community leaders from across New York City to talk about the issues impacting AAPI communities, especially the need to address the rise in hate crimes. Much of the meeting focused on a now-enacted law, which Attorney General James helped draft and pass through the New York state legislature, that creates a task force on social media and violent extremism. The law also expands both the types of bias-based incidents the Attorney General's Office can investigate and the penalties it can impose. The law authorizes the Attorney General's Office and individuals to bring civil actions for damages resulting from race-based harassment, in addition to violence and intimidation. The law authorizes penalties up to \$5,000 per bias-based incident. This law is especially critical because, if local prosecutors fail to act, the Attorney General's Office will be able to take civil action against those who commit hate crimes.

Standing Up for Transgender Rights Across the Country

national, state, and local advocacy groups in urging the U.S. Department of Justice to investigate these practices for violating the children's civil rights. Attorney General James pointed out that the Texas government's efforts to withhold gender-affirming treatment discriminates against trans youth and their families. All major national medical associations recognize that gender-affirming care is health care for transgender children, who face higher risks for victimization, substance abuse, and suicide. Attorney General James and the coalition argued that the Texas governor's order, in addition to harming the children's health and possibly forcibly taking them from their families, may violate the 14th Amendment and federal statutes.

In October, Attorney General James led a coalition of 18 attorneys general in filing an amicus brief supporting efforts to promote equal access to health care in North Carolina. The plaintiffs, a group of transgender individuals and parents of transgender individuals, have been denied coverage for gender-affirming health care under the North Carolina State Health Plan for Teachers and State Employees. Attorney General James and the coalition argued that, by denying gender-affirming health care, the state's health plan is violating the Equal Protection Clause of the 14th Amendment. Similarly, in December, Attorney General James led a coalition of 16 attorneys general in filing an amicus brief supporting efforts to promote equal access to health care in West Virginia. The plaintiffs, two transgender individuals, are unable to obtain Medicaid coverage for gender-affirming surgical care by the West Virginia State Medicaid Program. Attorney General James and the coalition argued that, by denying gender-affirming surgical care, the state's Medicaid Program is also violating the Equal Protection Clause of the 14th Amendment.

Families with transgender children around the United States are under fire by their state governments. In February, Texas Governor Greg Abbott called for investigations into families providing gender-affirming care, which he described as "child abuse." In response, Attorney General James led a coalition of 30

Bloomberg

New York Seeks Federal Probe of Texas Order on Transgender Kids



Demonstrators protest outside the Travis County courthouse in Austin on March 2. Photographer: Erich Schlegel/AP Images for Human Rights Campaign

Protecting Transgender Students

When a school district in Indiana barred a transgender male student from entering the boys' bathroom, Attorney General James co-led a group of 22 attorneys general that stood up to protect that student's basic rights. Preventing a student from using a bathroom consistent with their gender identity violates Title IX of the Education Amendments of 1972, the group argued in its amicus brief. Transgender youth already face overwhelming levels of discrimination, violence, and harassment. Protecting these vulnerable students from discrimination provides many benefits to all students without decreasing anyone's privacy or safety.

In a similar vein, in November, Attorney General James co-led a coalition of 17 attorneys general in filing an amicus brief in the case of *A.M. v. Indianapolis Public Schools*. The brief supported a challenge to an Indiana statute that bans transgender female students from participating in girls' sports in K-12 schools. In addition, the brief urged the court to affirm a lower court ruling that allowed A.M. to continue participating on the sports team corresponding to her gender identity. The court made this ruling on the basis that the Indiana statute likely violates Title IX of the Education Amendments of 1972, as it denies transgender girls access to the same athletic opportunities that other boys and girls have.





Leading the Fight to Protect Our Environment

Environmental pollution — from contaminated drinking water to toxic air emissions — harms all New Yorkers, and the effects are often disproportionately felt by low-income communities and communities of color. Over the past year, Attorney General James took sweeping legal actions to remedy environmental injustices that plague our state. In doing so, she further demonstrated that the New York state government is capable of bold actions that can create a safer, cleaner, and more livable future for all New Yorkers.

For decades, Northrop Grumman's Bethpage facility leaked toxic chemicals into Long Island's only drinkable water source. In July, Attorney General James and Governor Hochul secured a binding consent decree requiring Northrop Grumman to carry out a comprehensive plan to contain and clean up the groundwater plume in Bethpage. This historic effort will fully contain the groundwater plume to prevent the further contamination of water supplies in neighboring communities. Northrop Grumman also agreed to pay a natural resources damage settlement of \$104.4 million of which \$29 million will go to the Bethpage Water District, \$12.5 million to the South Farmingdale Water District, and \$40.9 million to additional cleanup efforts.

Reaching an Agreement to Clean Up Long Island's Public Water Supply

Attorney General James is committed to taking decisive action to protect our state's drinking water. In August, Attorney General James and the New York State Department of Environmental Conservation won a \$2 million penalty against James Lee and his companies for violating regulations for operating oil wells in Steuben and Cattaraugus counties. For years, Lee and his companies operated hundreds of wells without plugging them, potentially poisoning supplies of drinking water and releasing methane into the air. Meanwhile, Lee benefited financially — by at least \$1 million — by ignoring New York state's environmental laws. By prevailing in court, Attorney General James secured the largest ever financial penalty for well-plugging violations and ensured that Lee will bring his oil wells into full compliance with New York state laws.

Securing a Record Penalty From an Unlawful Oil Well Operator

Suing Bus Companies for Polluting in New York City's Low-Income Communities

Attorney General James sued three New York City bus companies in May for significantly contaminating the air in low-income communities of color. Buses owned and operated by Jofaz Transportation, 3rd Avenue Transit, and Y&M Transit Corp. repeatedly and illegally idled at schools, bus yards, and other locations predominantly in low-income and communities of color in all five boroughs, endangering New Yorkers' health and wellbeing. Attorney General James seeks monetary relief and a court order to ensure the companies' full compliance with New York City and state idling laws.

In a similar vein, in October, Attorney General James announced a settlement with Hoyt Transportation, Inc., a Bronx-based school bus company, ending its alleged practice of excessive idling at bus yards. The company agreed to implement an extensive anti-idling training program for drivers, engage a manager to monitor idling behavior, and pay at least \$38,850 in penalties. Funds from the settlement will be used to support projects to fight pollution and improve air quality in overburdened communities in New York City.

Holding the Postal Service Accountable for Purchasing Polluting New Trucks

In April, Attorney General James co-led a multistate coalition in suing the U.S. Postal Service (USPS) for not considering the environmental and public health impacts of its new fleet of mail trucks. The USPS purchased a new fleet of vehicles without conducting a mandatory environmental review, violating the National Environmental Policy Act's (NEPA)

most basic requirements. In particular, rather than evaluating and considering replacing its current vehicle fleet with primarily electric trucks, USPS agreed to purchase 165,000 new vehicles, 90 percent of which would be gasoline-powered. This purchase is especially troubling because USPS facilities are often located in low-income communities, communities of color, and tribal and indigenous communities already overburdened by pollution. The coalition's suit seeks a court order to block USPS from moving ahead with the purchase until it fully complies with NEPA.

In October, Attorney General James and the New York State Energy Research and Development Authority announced over \$1.2 million in joint funding for a model energy efficiency project at Steamboat Square, an Albany Housing Authority residential complex in Albany's South End neighborhood. The South End comprises predominantly low- and moderate-income households that face large challenges related to public health, environmental pollution, and climate change. The investments at Steamboat Square will significantly improve residents' comfort by providing each apartment with air conditioning and giving each unit control over its own temperature settings, among other benefits. The project also seeks to bring new natural spaces to the Steamboat Square community, which can help reduce air pollution and mitigate extreme heat.

Fostering Sustainability and Green Spaces in Albany's South End

Legionnaires' disease is often deadly and can be spread by failure to properly maintain building cooling towers. In June, Attorney General James announced an agreement with Verizon to ensure that the company takes swift and comprehensive action to prevent Legionnaires' disease in New York state. An investigation by the Attorney General's Office found that since 2017 there were at least 225 alleged violations of local and state laws at 45 of Verizon's cooling tower locations throughout New York state. The company failed to conduct testing, address positive test results, and clean and inspect the cooling towers by required deadlines. As part of the agreement with Attorney General James, Verizon adopted official policies and procedures to ensure full, ongoing compliance with the law, and paid a \$118,000 penalty for the violations, which will be used by the Attorney General's Office to address the health impacts of air pollution.

Taking Action to Prevent Legionnaires' Disease



Defending Workers

Workers are the backbone of New York state, yet far too many are forced to endure discriminatory, exploitative, or unsafe working conditions in order to provide for themselves and their family. Whenever workers are denied their hard-earned pay or subjected to unfair treatment by their employer, Attorney General James will always have their backs.

Fighting for Bar Employees Subjected to Sexual Harassment, Discrimination, and Wage Theft

In July, Attorney General James won \$500,000 for employees who endured abusive treatment at a Manhattan bar. Over a 16-month investigation, Attorney General James uncovered a horrifying pattern of intimidation, discrimination, and sexual harassment at downtown bar Sweet & Vicious. The Attorney General's Office found that the bar owner routinely called female employees sexist and racist names and made offensive comments about their appearance. Moreover, male managers sexually harassed many female workers and violent customers threatened to stab, rape, or beat female staff. The bar's management also cheated multiple employees out of their wages, including by denying them overtime pay and stealing their tips. The funds secured from Sweet & Vicious will go to 16 workers who were subjected to this inexcusable behavior. In addition, Attorney General James will continue to monitor the bar to ensure that it is complying with her orders to create a safe environment for employees.



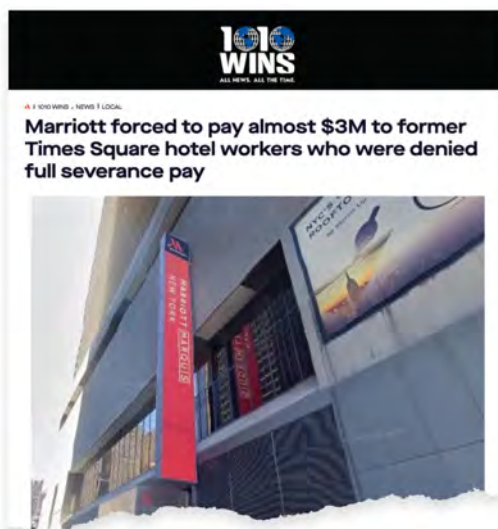
Delivering \$900,000 to NYCHA Construction Workers Denied Fair Pay

Attorney General James joined forces with the New York City Department of Investigation (DOI) to fight wage theft at Lintech Electric. In some industries, the hourly rate that must be paid to employees working on a government

contract is set by the wage paid to most workers in a particular area. This is called the prevailing wage. Over three years, Lintech ignored the prevailing wage rate and underpaid construction workers by hundreds of thousands of dollars at New York City Housing Authority projects. In April, Attorney General James and DOI reached an agreement in which Lintech agreed to pay more than 200 cheated workers nearly \$900,000. In addition, the agreement bars Lintech from any New York state public works contracts for five years.

Winning Millions for Hotel Workers Denied Full Severance Pay

In May, Attorney General James announced an agreement with Marriott International, Inc. (Marriott), that will provide hundreds of terminated workers with nearly \$3 million in undelivered severance pay. Management at the Marriott Marquis Hotel in Times Square promised non-unionized employees the same or better benefits as unionized hotel workers. However, when more than 800 workers were fired in March 2021, non-unionized former employees received less severance pay than their unionized peers. As part of the agreement, Marriott paid nearly \$3 million to more than 500 individual workers who would have received greater amounts of severance had they been unionized.



Securing Millions From Home Health Agencies for Cheating Workers and Medicaid

A joint investigation by Attorney General James and federal prosecutors found that two home health agencies — All American Homecare, Inc. (All American), and Crown of Life Care NY LLC (Crown) — cheated their home health aides of wages and benefits and submitted false Medicaid claims. In March, Attorney General James and the U.S. Attorney's Office for the Eastern District of New York reached an agreement with the agencies, requiring All American to repay \$4 million to Medicaid while Crown must repay \$1.4 million to Medicaid and pay more than \$1.5 million to employees deprived of their wages.

Similarly, in December, Attorney General James announced two agreements with White Glove Community Care, Inc. (White Glove), a Brooklyn-based home health agency, for causing false claims to be submitted to Medicaid and cheating employees out of hard-earned wages. Under the agreements, White Glove will return \$2 million in unpaid wages to workers and pay \$1.2 million to Medicaid.



SUPPORTING UNIONIZATION EFFORTS

Attorney General James will always stand with workers fighting for fair wages and benefits. In February, she stood with Starbucks workers in New York City.

Standing Up for Immigrant Laundry Workers



In October, Attorney General James recovered \$90,000 in stolen wages for more than a dozen former employees, mostly immigrant women of color, of a Queens laundromat. Fat-Lun Kong and Cheng Teh Tang, co-owners of Enterprise Cleaner, failed to pay employees the minimum wage or properly compensate

them for overtime. Furthermore, employees were denied paid sick leave. In addition to repaying the stolen wages, Kong and Tang must undergo thorough employer training, update company policies, and submit compliance reports to Attorney General James.

Protecting Nurses From Illegal Labor Practices

In September, Attorney General James forged a second settlement with Albany Med Health System (Albany Med) for hiring nurses from overseas with an illegal provision in their contracts. The hospital recruited nurses from foreign nations, most often the Philippines, under visa arrangements. The nurses' contract illegally required the employees to pay thousands of dollars if they resigned or were fired within the first three years of employment. After learning of this illegal hiring practice, Attorney General James in 2021 recovered more than \$90,000 for seven former employees of Albany Med. Following that event, more former Albany Med nurses came forward to report similar treatment. Attorney General James' new settlement returns more than \$24,000 to eight nurses who paid illegal repayment fees to Albany Med and brings the total amount Albany Med will pay to \$114,000.



Protecting Consumers

Consumers face an ever-expanding list of threats, including fraud, predatory lending, deceptive schemes, data breaches, and exploitative corporations. In the face of these and other hazards, Attorney General James is committed to protecting consumers' privacy and hard-earned money. Over the past year, she did just that, tirelessly righting wrongs by bad actors in a wide range of industries and sectors. By standing up to those who use deceitful and illegal tactics to rob unsuspecting individuals to pad their own wallets, Attorney General James had a profound impact on consumers' financial wellbeing all over New York state and the nation.

Securing Millions for Defrauded Veterans

on military bases around the country and used deceitful marketing to lure active-duty servicemembers into its financing program. Attorney General James and the Federal Trade Commission led a multistate investigation into the company and found that Harris Jewelry falsely claimed that investing in this program would improve servicemembers' credit scores. Instead, the company tricked the servicemembers into taking high-interest loans on overpriced, poor-quality jewelry. The scheme saddled the servicemembers with thousands of dollars of debt and eroded their credit. In addition to ensuring the defrauded customers will get refunds, the agreement led by Attorney General James requires Harris Jewelry to delete any negative credit entries reported to consumer reporting agencies and pay \$1 million to all 18 states involved in the investigation. Of this \$1 million penalty, New York state will receive \$150,000, which will support veterans' programs in Jefferson County, home of Fort Drum, the largest military base in New York state and the site of a former Harris Jewelry location that deceived active-duty servicemembers.

In July, Attorney General James secured \$34.2 million stolen from more than 46,000 military consumers by Harris Jewelry. For years, the company operated retail stores near and



Taking on Google's Dishonest Practices

As part of a coalition of 40 attorneys general, in November Attorney General James secured \$391.5 million from Google for misleading millions of users about its location data tracking. Google failed to notify users that location tracking services were automatically turned on for web and app activity. Millions of consumers who used Google's apps, such as Google Maps and Google Chrome, were unaware that their location was being tracked. The company told consumers they could turn off location tracking in their "Location History" settings but failed to notify consumers that their "Web & App Activity" setting also collected location data even if "Location History" was turned off. As a result of the historic agreement, New York state will receive more than \$20 million and Google must also reform its practices to be more transparent with consumers.

Delivering More Than \$140 Million for Millions of Americans Deceived by TurboTax

In May, Attorney General James announced a record agreement with Intuit, Inc. (Intuit), the owner of TurboTax, for deceiving millions of low-income Americans into paying for services that should have been free. A multistate investigation led by New York state found that Intuit steered low-income consumers toward their commercial products and away from federally supported, free tax services. Intuit agreed to reform its misleading business practices and paid \$141 million, of which more than \$5.4 million will go to more than 176,000 affected New Yorkers.

The Washington Post

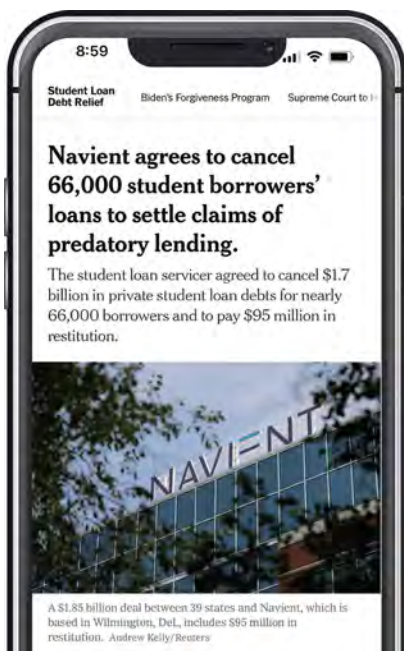
Intuit agrees to \$141 million settlement over 'deceptive' TurboTax ads

Canceling Illegal Student Debt and Securing Debt Relief for Thousands of Student Loan Borrowers

Attorney General James took action on multiple occasions over the past year to combat unconscionable practices that have left countless student loan borrowers buried in debt. In January, Attorney General James and a bipartisan coalition of 39 attorneys general announced a \$1.85 billion multistate agreement with Navient, one of the country's largest student loan servicers, for deceiving thousands of student loan borrowers. The company tricked borrowers into programs that needlessly inflated their debt instead of more affordable repayment plans. Starting in 2009, Navient steered students into long-term forbearance, which allow borrowers to temporarily skip payments while interest continues to grow the whole time, pushing those borrowers further into debt. Navient failed to inform borrowers of the benefits of more affordable options that would have reduced their payments or potentially put them on the path to loan forgiveness. In addition, Navient provided risky subprime loans to students at private schools and colleges with low graduation rates, knowing that many borrowers would be unable to repay the loans. The agreement cancels \$1.7 billion in private student loan debt and secures \$95 million in restitution for thousands of students nationwide. Around 4,300 New York borrowers will have their private loans canceled, receiving over \$110 million total, and New York state will receive almost \$1.2 million.

Attorney General James followed up this action in April when she secured student debt relief for thousands of New York student borrowers whose federal loans were mismanaged by the Pennsylvania Higher Education Assistance Agency (PHEAA). An agreement with the Attorney General's Office requires PHEAA to audit approximately 10,000 New York borrowers' accounts to identify errors that may have caused them to miss out on benefits such as lower monthly payments

through income-driven repayment and debt forgiveness under the Public Service Loan Forgiveness program. The company will correct errors identified in borrowers' accounts and provide restitution to borrowers as appropriate.



Suing a Cryptocurrency Platform for Operating Illegally and Defrauding Investors

In New York state, entities engaging in the offer, purchase, or sale of securities or commodities, including cryptocurrency platforms, must register with the Attorney General's Office if they are operating within the state or offering their products to New Yorkers. When entities skirt that responsibility, Attorney General James holds them accountable. In September, Attorney General James joined seven state securities regulators in suing cryptocurrency companies Nexo, Inc., and Nexo Capital, Inc. (Nexo), for failing to register with New York state as securities and commodities brokers or dealers and for lying to investors about their registration status. The coalition ultimately secured up to \$24 million from Nexo, including \$1.9 million for New York state. In addition, Nexo will be banned from the securities industry in New York state for five years and must notify all its U.S. investors, including roughly 3,000 New Yorkers, to withdraw their assets from the platform.

- » Prices can swing wildly and crash without warning.
- » There is no guarantee that you will be able to cash out on your investments.
- » Some trading platforms charge fees on transactions.
- » There is no guarantee that your investment is protected from decreasing value.
- » Many platforms are subject to little or no oversight. If you are the victim of fraud, you will likely have no recourse in the United States.



Cryptocurrency Investment Risks



Safeguarding Consumers From Self-Dealing Energy Companies

Attorney General James has zero tolerance for deceptive and unlawful practices by energy service companies that hurt New Yorkers. In March, she secured more than \$2 million for New Yorkers deceived by dishonest energy resellers. Family Energy, which offers retail gas and electricity services, lured consumers with false promises of savings, and then charged them large fees to get out of their contracts. Many consumers did not even realize that they had been enrolled with Family Energy, since sales representatives falsely claimed to represent the consumers' utility provider and even enrolled consumers without their consent. Family Energy will pay nearly \$2.15 million to the affected customers and end their deceptive marketing practices.

Less than two weeks later, Attorney General James secured more than \$555,000 from energy provider and repeat offender Columbia Utilities. In 2014, the company was ordered to stop engaging in door-to-door marketing without first getting approval from the Attorney General's Office. Nevertheless, the company violated this order in November 2020 when it resumed door-to-door sales, signing up hundreds of New Yorkers for gas and electric contracts. In addition to a \$500,000 penalty for violating the previous settlement, Columbia must pay nearly \$60,000 in restitution to the affected consumers.

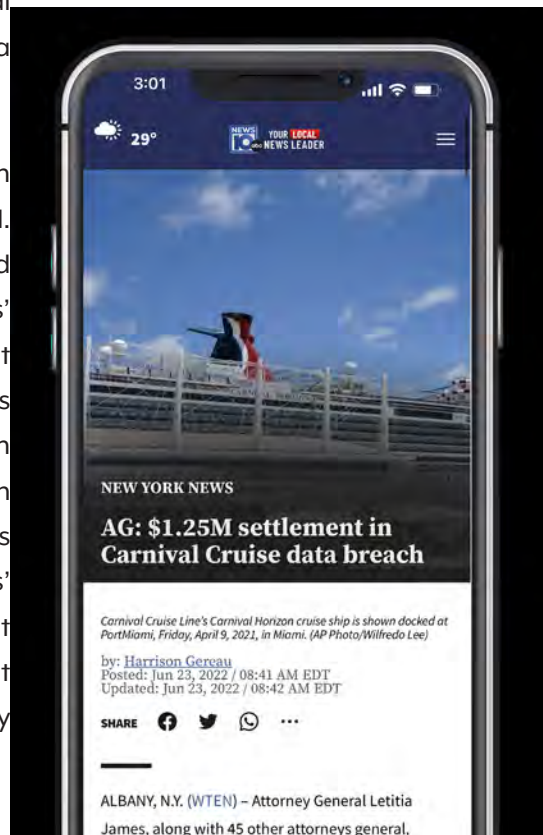
Keeping Personal Data Private and Secure

In today's digital age, companies must shore up their data privacy measures to protect consumers from fraud. On multiple occasions throughout the year, Attorney General James took action to ensure that companies have strong digital security measures that protect consumers' personal information.

In June, Attorney General James and 45 other attorneys general secured \$1.25 million from Carnival Cruise Line for exposing employees' and consumers' personal information. Poor internal security practices exposed 180,000 Carnival employees' and customers' names, addresses, passport and driver's license numbers, payment card data, health information, and even some Social Security numbers. The company became aware of suspicious email activity in May 2019 but did not report the breach until March 2020. Carnival paid more than \$44,000 in penalties for endangering the information of 6,585 New Yorkers and agreed to change its business practices to protect consumer privacy.

Also in June, New York Attorney General James recouped \$400,000 from grocery chain Wegmans for exposing the personal information of more than three million consumers nationwide, including more than 830,000 New Yorkers. For years, Wegmans kept consumers' personal information in cloud storage containers that made it easy for hackers or others to access the information. In addition to the financial penalty, Wegmans is also required to upgrade its data security practices to better protect consumers.

In October, Attorney General James secured \$1.9 million for New York state from Zoetop Business Company, Ltd. (Zoetop), an e-commerce retailer. Zoetop mismanaged a data breach that compromised millions of consumers' personal information and lied to consumers about the scope of the breach. The company, which owns and operates popular e-commerce brands Shein and Romwe, had a data breach in which 39 million Shein accounts and seven million Romwe accounts were compromised. More than 800,000 New Yorkers' accounts were affected. In addition to a significant financial penalty, Attorney General James' agreement requires Zoetop to strengthen its cybersecurity measures to protect consumers' information.



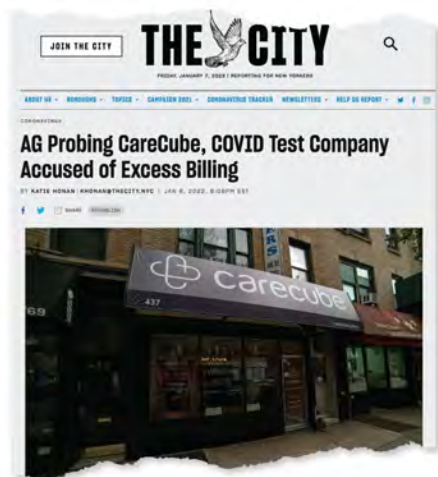
Recouping \$36 Million Illegally Kept in Unused Gift Cards

In May, Attorney General James secured \$36 million from fashion retailer H&M for illegally keeping millions of dollars in unused gift cards. For years, the company withheld unused gift card balances that it should have transferred to the New York State

Comptroller's Office. H&M repeatedly lied about its failure to transfer the unused funds, falsely claiming that an out-of-state company was handling its gift cards business. The company agreed to pay a penalty for its wrongdoing and to transfer the money owed to New York state.

Securing Refunds for Consumers Unfairly Charged for Expedited COVID-19 Tests

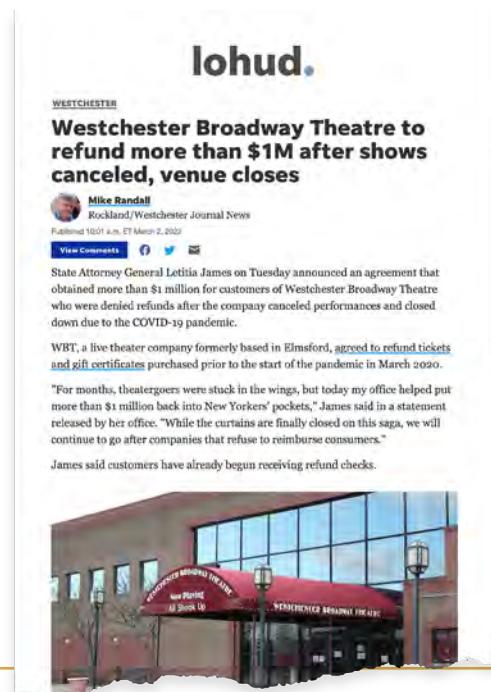
In February, Attorney General James secured more than \$400,000 for thousands of New Yorkers who paid for expedited COVID-19 tests but received their results later than the promised timeframe. Attorney General James issued warning letters to two testing labs — ClearMD and Sameday Health — to stop misrepresenting turnaround times for results. Many test results were delayed while COVID-19 positivity rates were skyrocketing due to the Omicron variant and New Yorkers were gathering with loved ones for the holidays. After Attorney General James' intervention, the labs refunded the unfairly charged consumers and corrected their advertising.



Attorney General James wrote to Clear 19 to stop misrepresenting turnaround times for test results, the company refunded hundreds of consumers who received their results more than two hours after the promised time.

In March, Attorney General James secured more than \$1.1 million for thousands of customers who were denied refunds for tickets to theater performances that were canceled due to the COVID-19 pandemic. In October 2020, after learning that the Westchester Broadway Theater (WBT) was permanently closing and would not refund its patrons, Attorney General James opened an investigation into the theater. WBT had developed an agreement with the White Plains Performing Arts Center (WPPAC) through which WPPAC would honor tickets for WBT shows. However, no refund option was offered to WBT ticketholders, and consumers who exchanged their WBT tickets did not receive the full value of the tickets. After Attorney General James stepped in, WBT agreed to refund over \$1.1 million to thousands of customers, even those who participated in the ticket exchange with WPPAC.

Returning More Than \$1.1 Million to New Yorkers for Canceled Events



Attorney General James will not tolerate attempts to trick consumers and will always fight to protect every penny that belongs to New Yorkers. That is why, in March, Attorney General James collected \$2.6 million from an online travel agency for lying to millions of consumers to sell its products. Attorney General James' investigation discovered that Fareportal, Inc. (Fareportal), which operates travel-related websites and mobile platforms, including CheapOair.com and OneTravel.com, often falsely advertised that airline tickets or hotel rooms were quickly selling out to pressure customers into making purchases. Attorney General James' agreement requires Fareportal to pay \$2.6 million to New York state and display accurate, real-time information to consumers.

Holding an Online Travel Agency Accountable for Deceptive Marketing Practices



Expanding Access to Safe and Affordable Housing

Housing is a fundamental human right. That is why Attorney General James fights against those who financially exploit or maintain unsafe living conditions for tenants. In the past year alone, she took down slumlords, ended an illegal kickback scheme, and protected tenants from an array of other harmful activities by landlords and property owners. Funds secured from these hard-fought legal victories will be used to expand access to safe and affordable housing across New York state. Attorney General James will continue working diligently to protect and ensure that New Yorkers have the housing they rightfully deserve.

In November, Attorney General James won a lawsuit and secured \$5.1 million from Angel Elliot Dalfin, a Buffalo-area landlord whose violations of lead safety laws resulted in more than two dozen reported cases of childhood lead poisoning. Dalfin and his rental housing operation owned and managed more than 150 single- and two-family homes in predominantly low-income communities of color. Seven properties experienced multiple cases of childhood lead poisoning. Dalfin was ordered to pay \$5.1 million in restitution and penalties, which will fund ongoing programs administered by the City of Buffalo and Erie County to prevent childhood lead poisoning, as well as efforts to eliminate lead hazards in homes.

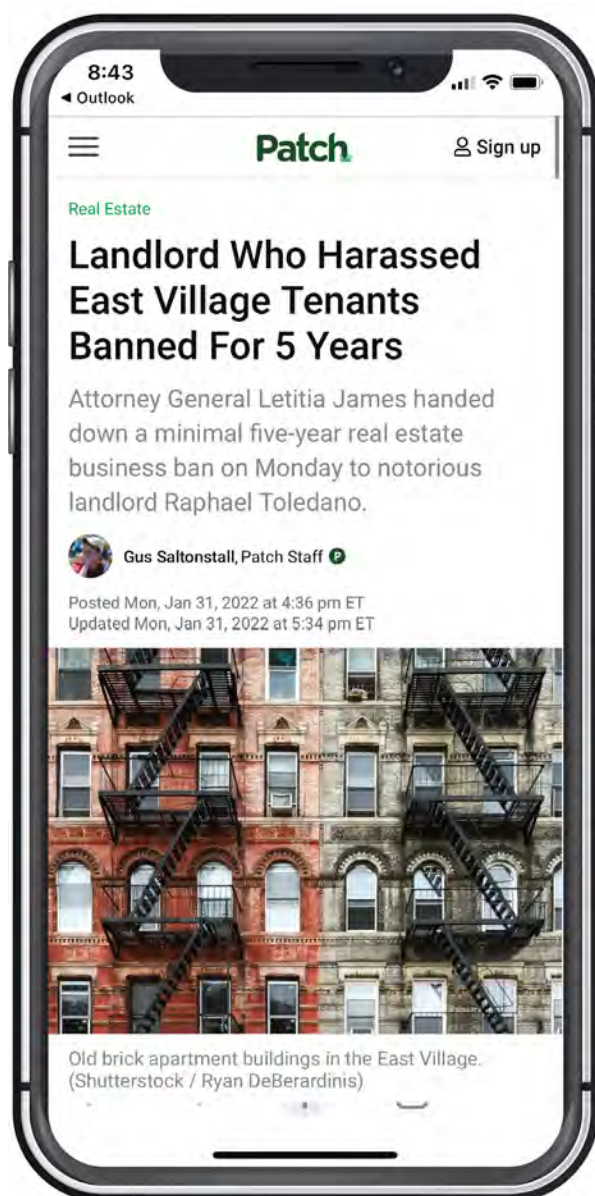
Securing \$5.1 Million From a Notorious Buffalo Landlord to Fund Childhood Lead Poisoning Prevention

No one should face the nightmare of having their home stolen from them without any warning, knowledge, or reason. That is why Attorney General James makes it a priority to tackle deed theft, which occurs when someone takes the title to someone's home without the homeowner's awareness or approval. In December, Attorney General James announced the indictment of five members of a deed theft ring for allegedly stealing three homes worth more than \$1 million in total from elderly, vulnerable homeowners in Queens. The defendants impersonated the real homeowners of these properties by using forged driver's licenses and social security cards. They then used that forged information at contract signings and closings on the properties and forged the real owners' signatures on deeds and real estate contracts. Attorney General James will continue fighting deed theft across New York state to protect homeowners from this vicious scourge that unlawfully deprives New Yorkers of their property.

Arresting the Operators of a New York City Deed Theft Ring

Taking Down Slumlords Who Ran an Unlawful Short-Term Rental Operation

In February, Attorney General James and New York City Mayor Adams shut down a Brooklyn-based slumlord and scored a \$2.25 million victory for tenants' rights. Gennaro Brooks-Church and Loretta Gendville illegally evicted tenants in 2020 and operated an unlawful short-term rental operation for four years across nine Brooklyn buildings. Among other remedies, the agreement that Attorney General James secured required Brooks-Church and Gendville to transfer ownership of their \$2 million property, which will be converted into affordable housing for New Yorkers.



Recouping \$4 Million From an Illegal Kickback Scheme

In August, Attorney General James secured \$4 million from 29 New York City landlords after uncovering an illegal kickback scheme by the management companies they employed. The landlords, affiliated with Sentinel Real Estate Corporation, employed two now-defunct property management firms to fraudulently deregulate hundreds of rent-stabilized apartments in New York City. The landlords accomplished this by inflating and falsely stating renovation costs for rent-stabilized units. In exchange for repeatedly awarding renovations to certain contractors, the now-defunct property management firms' employees received more than \$1 million in kickbacks from contractors in exchange for hiring them on renovation jobs.

In November, Attorney General James sued Xi Hui Wu for defrauding at least 22 Chinese immigrant families of more than \$5 million. Wu, his ex-wife, Xiao Rong Yang, and his companies illegally sold the families "condominiums" that had not yet been created and collected fraudulent monthly "mortgage" payments and building fees. Wu never provided the purchasers with deeds to the properties they bought from him and used their deposits and monthly payments for his own personal expenses, including construction costs and loan payments. Attorney General James' lawsuit seeks to recover all the money stolen from the families and permanently ban Wu and Yang from conducting realty business in New York state.

Suing a Brooklyn Property Owner for Cheating Chinese Immigrant Families

Taking on a Landlord for Creating Unsafe Living Conditions for Syracuse Residents

have health challenges, or receive government aid. Attorney General James' investigation into Green National's properties uncovered unsanitary conditions, criminal activity, and repeated code violations, including broken door locks and infestations. After Attorney General James' intervention, Green National agreed to correct all the outstanding code violations, pay \$300,000 in costs and penalties, and comply with housing codes. Subsequently, in October, Attorney General James sued Green National for failing to fully comply with the agreement. In December, a court ruled in her favor by ordering Green National to correct all code violations at their properties, install a monitor, and pay penalties for violating their agreement.

In February, Attorney General James found that a Syracuse property-management firm repeatedly ignored state and local housing-code requirements, creating unsafe living conditions. Green National owns and manages more than 1,000 Syracuse-area apartments, rented mostly by elderly people who earn modest or fixed incomes,

Recouping Illegally Withheld Security Deposits for Brooklyn Tenants

In July, Attorney General James secured nearly \$300,000 of security deposits a landlord illegally retained from its tenants. After multiple complaints, Attorney General James began investigating SGW Properties LLC (SGW) for violating 2019 changes to New York state's security deposit law. Her investigation found that SGW violated the new law by failing to return security deposits to 129 tenants within 14 days of the tenant vacating the apartment. Attorney General James' agreement requires the company to return all improperly retained security deposits to the tenants, train all staff to comply with the updated law, and pay a \$10,000 penalty.

The logo for BKReader, featuring a small colorful icon to the left of the text "BKReader" in white on a dark background.

AG James Recovers Nearly \$300,000 of Illegally Withheld Security Deposits for Brooklyn Tenants

Lead paint exposure is a dangerous scourge on New York's communities that disproportionately impacts communities of color. Attorney General James will not stand by when unprincipled landlords disregard their duty to ensure their properties are free of lead hazards. In 2021 she sued John Kiggins and his company, Endzone Properties, Inc. (Endzone), for failing to protect children from lead paint hazards in Syracuse. The lawsuit alleged that Kiggins and Endzone endangered the health of its tenants, primarily children, by repeatedly violating lead paint laws and failing to properly address related hazards. As a result, at least 18 children residing in 17 different properties owned or managed by Endzone experienced lead poisoning. In June, Attorney General James announced an agreement resolving her lawsuit against Kiggins and Endzone. The agreement, negotiated in partnership with Onondaga County and the City of Syracuse, permanently bans Kiggins and Endzone from managing or owning residential rental properties in New York state and also requires Kiggins and Endzone to pay \$215,000 that will be used to prevent the exposure of children to lead paint and to provide assistance to the families affected by lead poisoning.

Shutting Down a Syracuse Landlord That Exposed Children to Lead Poisoning

In August, Attorney General James secured up to \$2.15 million from Ink LLC (Ink) for violating rent-stabilization laws and illegally harassing tenants. Ink bought dozens of rent-stabilized buildings in low-income communities of color, planning to illegally deregulate affordable housing for profit. Through a variety of illegal activities, Ink then forced out rent-stabilized tenants so their units could be offered at market rate. Ink also submitted false documents to financial institutions, lying about rents and occupancy to obtain loans. Attorney General James' settlement requires Ink to pay up to \$1.75 million to preserve affordable housing and over \$400,000 to tenants. In addition, the company will bring dozens of illegally deregulated apartments back into rent stabilization and be monitored by the Attorney General's Office.

Stopping New York City Landlords From Harassing Rent-Stabilized Tenants



Protecting New Yorkers' Health and Wellbeing

Attorney General James is dedicated to protecting New Yorkers' mental and physical wellbeing. Whether by seeking solutions for the mental health crisis or fighting to preserve and enhance our state's safety net protections, Attorney General James spent the past 12 months fighting to expand access to high-quality affordable health care services across New York state.

Seeking Solutions for the Mental Health Crisis

In June, Attorney General James held a public hearing to examine the provision of intensive health care options for New Yorkers struggling with serious mental illness. Since the beginning of the COVID-19 pandemic, roughly 1,050 acute inpatient psychiatric beds were eliminated or converted to COVID-19-related or general medical use, or simply taken off-line and never reinstated. Across New York state, fewer than 5,000 beds are available for adult short-term psychiatric use while the number of state-run hospital psychiatric beds for children has plummeted by a third in the past decade. Reduced access to inpatient psychiatric care has contributed to more New Yorkers becoming homeless, incarcerated, or hospitalized, while many patients who require intensive psychiatric services are forced to turn to overburdened emergency departments. By hearing hours of public testimony from government officials, health care providers, community organizations, and impacted New Yorkers, Attorney General James sought to understand the many and varied aspects of the mental health crisis. The hearing revealed many factors contributing to the mental health crisis in New York state, including a shortage of psychiatric beds, generalized stigma of mental health issues, criminalization of mental illness, inadequate Medicaid reimbursement rates, a lack of long-term care options, hospital mergers and closures, and long wait times for those seeking care. This hearing was just the first step in Attorney General James' endeavor to fully illuminate the causes of New York state's mental health crisis so that she can work with partners to recommend and advance badly needed solutions.



Securing Relief for Patients Illegally Charged by an Ambulance Company

No one should hesitate to call an ambulance during a medical emergency. That is why Attorney General James pursued legal action against Mobile Life Support Services, Inc. (Mobile Life), an Orange County ambulance company that illegally billed patients for the difference between what their insurance plans paid and what the company charged. This unlawful practice is known as “balance billing.” Mobile Life also referred some unpaid accounts to a debt collector. In October, Attorney General James announced a settlement with the company that requires Mobile Life to pay full restitution plus interest to affected patients, request closure of all relevant accounts with debt collectors, update its billing practices, and pay a \$100,000 penalty.



DONATING FUNDS FROM FRAUDULENT CHARITIES TO BREAST CANCER ORGANIZATIONS

In February, Attorney General James delivered more than \$640,000 to five nonprofit organizations that are leading the fight against breast cancer. The funds were secured from the Breast Cancer Survivors Foundation, Inc., and Garrett Morgan, two organizations that misled donors into contributing to apparently legitimate charities, then pocketed the donations.

Indicting a Fraudulent Queens Physician

In August, Attorney General James announced the indictment of a Queens neurosurgeon for defrauding Medicaid and forcing patients to have unnecessary and invasive medical tests. For years, Payam Toobian and his company, America's Imaging Center, Inc., allegedly bribed other physicians for patient referrals, subjected some of those patients to unnecessary and invasive tests and procedures, and then billed Medicaid for those procedures. In a separate lawsuit, Attorney General James is seeking damages from Toobian and other defendants for violating state and federal laws.

Providing Funds to Organizations Fighting to Curb Substance Abuse

The COVID-19 pandemic contributed to an enormous spike in substance-abuse-related deaths. In March, Attorney General James and the Brooklyn Community Foundation delivered \$2.2 million in grants to 10 worthy organizations. The funds will allow the recipients to provide dignity-centered direct services designed to prevent and treat substance misuse and abuse, expand and innovate harm reduction programs and services, and make systems changes to improve the lives of people in recovery or living with addiction.

In July, Attorney General James sued CVS for violating antitrust laws and hurting safety net hospitals and clinics that care for low-income and

rural communities across New York state. CVS required these facilities

to exclusively use a CVS-owned company, Wellpartner, to process

and obtain federal subsidies on prescriptions filled at CVS pharmacies. The complaint alleges that CVS's unfair business practice deprived the safety net facilities of critical federal funding that could have been used to improve and expand patient care.

New York patients were the ultimate victims of CVS's theft of millions of dollars from providers who could have used the funds to improve health care access for the neediest New Yorkers — including people who lack health insurance or cannot afford health care. Attorney General James' lawsuit seeks to end CVS's unfair and illegal practices and to recoup lost revenue for the affected facilities.

Refusing to Let a Powerful Corporation Harm Safety Net Hospitals



New York Attorney General
suing CVS Health
Corporation

MAKING THE BUFFALO DIOCESE ANSWER FOR MISHANDLING SEXUAL ABUSE CASES

In October, Attorney General James announced a landmark settlement with the Roman Catholic Diocese of Buffalo, Bishop Emeritus Richard J. Malone, and former Auxiliary Bishop Edward M. Grosz, resolving her 2020 lawsuit. The suit alleged the Diocese and the bishops refused repeatedly to investigate priests accused of sexual abuse and ignored reforms the Diocese had adopted 20 years before to address abuse claims. Instead, the Diocese protected accused priests by quietly removing them from ministry. The settlement requires the Diocese to address complaints of sexual abuse through a comprehensive compliance program. It must also implement a formal program to monitor accused priests. In addition, an independent auditor, who was selected by the Attorney General's Office, will monitor the Diocese's compliance with the settlement agreement and both bishops are barred from serving as fiduciaries in any charity operating in New York state.

The New York Times

**Catholic Diocese of
Buffalo Will Submit to
Government Oversight**



About the New York Attorney General's Office

As head of the Department of Law, the Attorney General is both the “People’s Lawyer” and the state’s chief legal officer. The Attorney General serves as the guardian of the legal rights of the people of New York, its organizations, and its natural resources. Additionally, the Attorney General advises state agencies and defends actions and proceedings on behalf of the state.

The Attorney General’s Office serves all New Yorkers in numerous matters affecting their daily lives. The Attorney General’s Office protects consumers and investors, oversees charitable institutions, ensures public health and the health of the environment, and safeguards civil rights and the rights of workers and businesses across the state.

The legal functions of the Attorney General’s Office are divided primarily into five major divisions: Appeals and Opinions, State Counsel, Criminal Justice, Economic Justice, and Social Justice.

The Attorney General’s Office has more than 1,700 employees located in 16 offices throughout the state.

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Note: All criminal charges against defendants are merely accusations and the defendants are presumed innocent unless and until proven guilty in a court of law.



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