

Representative Jerome Zeringue  
Chairman



Representative Gary Carter  
Vice Chairman

# Fiscal Year 21-22 HB1 Budget Review

## Department of Justice

House Committee on Appropriations  
House Fiscal Division

*April 19, 2021*

Budget Analyst:  
Jamie Tairov (225) 342-0474

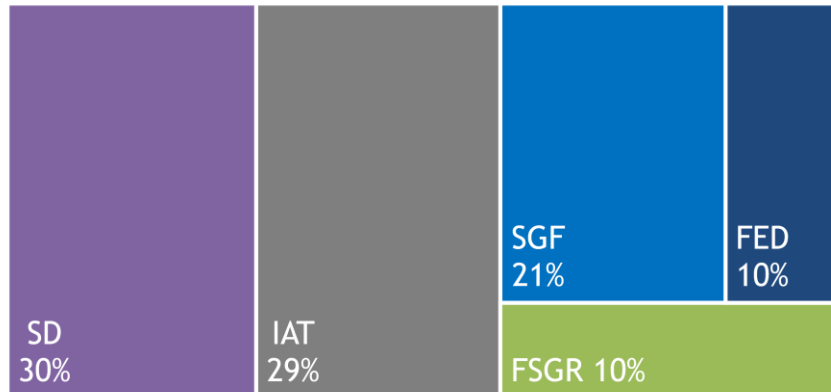
# TABLE OF CONTENTS

	Topic	Page
	FY22 Budget Recommendation	3
	Department Organization	4
	Department Overview	5
	Historical Trends	6
FY20 —	Unspent Authority	7
FY21 —	Current Expenditure Trend	9
FY22	Sources of Funding	10
	Funding Changes	12
	Expenditure Changes	13
	Other Charges	17
	Discretionary Expenses	18
	Personnel Information	19
	Medicaid Fraud Control Unit	20
	Internet Crimes Against Children Task Force	21
	Department Contacts	22

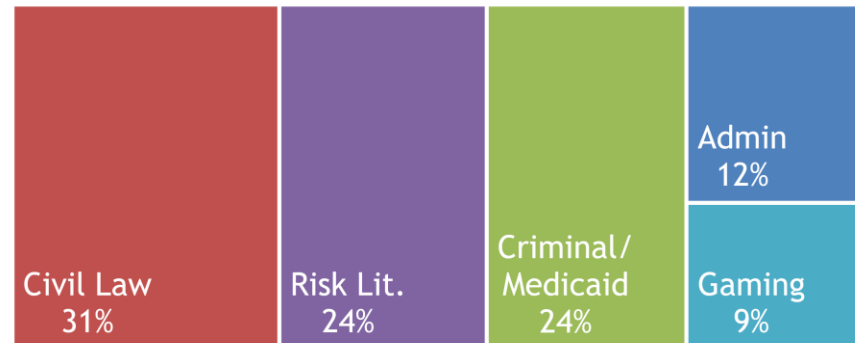
# FY22 BUDGET RECOMMENDATION

**Total Budget = \$79,869,987**

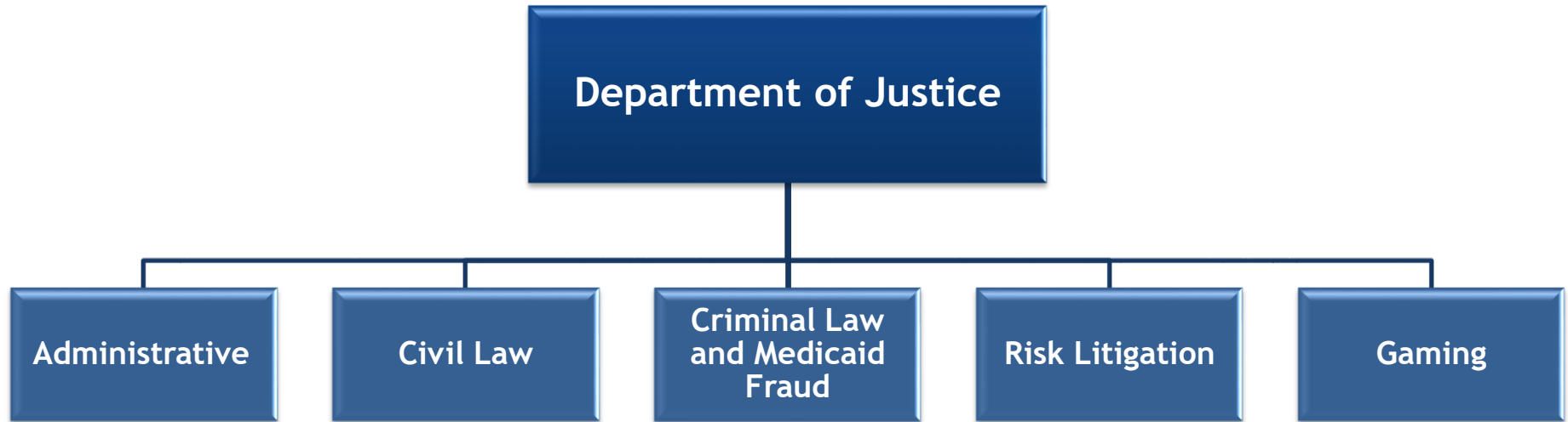
Means of Finance	
State General Fund	\$16,375,198
Interagency Transfers	\$23,397,354
Fees & Self-generated	\$7,876,174
Statutory Dedications	\$23,849,929
Federal	\$8,371,332
<b>Total</b>	<b>\$79,869,987</b>



Program Breakdown		
	Budget	Positions
Administrative	\$9,469,506	63
Civil Law	\$25,098,379	78
Criminal Law & Medicaid Fraud	\$18,783,058	143
Risk Litigation	\$19,514,123	172
Gaming	\$7,004,921	51
<b>Total</b>	<b>\$79,869,987</b>	<b>507</b>



# DEPARTMENT ORGANIZATION



# DEPARTMENT OVERVIEW

## Administrative

- Contains the Executive Office and Administrative Services
- Collections Section collects defaulted student loans and assists 28 boards, agencies, and commissions with collections

## Civil Law

- Contains the Civil Division and the Public Protection Division
- Includes attorneys assigned to various state departments for the defense of state agencies in civil claims
- Writes legal opinions
- Enforcement of the Tobacco Master Settlement agreement

## Criminal Law and Medicaid Fraud

- Conducts or assists in criminal prosecutions
- Provides legal services in the areas of extradition, appeals, and habeas corpus proceedings
- Medicaid Fraud Control Unit
- Investigations Section provides services related to Cyber Crime Unit, Fugitive Apprehension, Special Investigation, trial assistance, and the Sexual Predator Apprehension Team

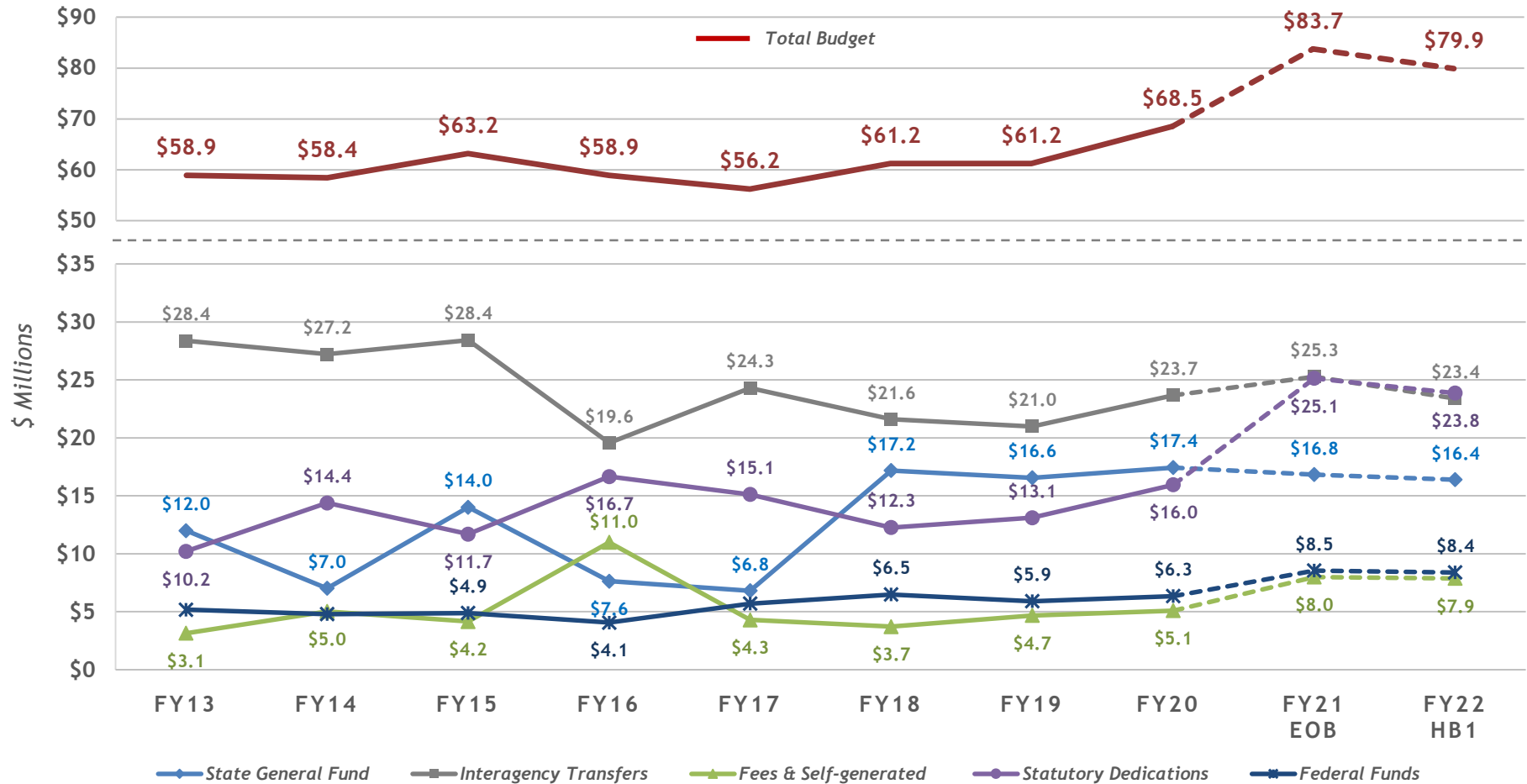
## Risk Litigation

- Provides legal representation for the state in civil rights, general liability, medical malpractice, road hazards, workers' compensation, and transportation

## Gaming

- Provides representation to the La. Gaming Control Board, the La. Lottery Corporation, the State Racing Commission, state police and the Dept. of Revenue

# HISTORICAL SPENDING



Source: Office of Planning and Budget - Budget Supporting Documents; and HB1 of the 2021 Regular Session

# FY20 UNSPENT AUTHORITY

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent Authority %	Unspent % by MOF
SGF	\$17,473,888	\$17,437,391	\$36,497	0.2%	0.4%
IAT	\$23,923,233	\$23,680,766	\$242,467	1.0%	2.5%
FSGR	\$6,969,957	\$5,096,091	\$1,873,866	26.9%	19.0%
Stat Ded	\$22,245,657	\$15,956,134	\$6,289,523	28.3%	63.7%
Federal	\$7,779,654	\$6,343,293	\$1,436,361	18.5%	14.5%
<b>FY20 Total</b>	<b>\$78,392,389</b>	<b>\$68,513,675</b>	<b>\$9,878,714</b>	<b>12.6%</b>	<b>100.0%</b>

## *Historical Total Unspent Authority for Comparison*

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent %
FY19 Total	\$69,298,032	\$61,224,187	\$8,073,845	11.7%
FY18 Total	\$73,625,820	\$61,247,637	\$12,378,183	16.8%
3 Year Avg.	\$73,772,080	\$63,661,833	\$10,110,247	13.7%

# FY20 UNSPENT AUTHORITY

## Did department collect all revenue budgeted?

	Final Budget (w/o FY21 carryfwd)	Actual Revenue Collections	Uncollected Revenue
SGF	\$17,473,888	\$17,437,390	(\$36,498)
IAT	\$23,923,233	\$26,111,089	\$2,187,856
FSGR	\$6,969,957	\$8,640,670	\$1,670,713
SD	\$22,245,657	\$15,956,139	(\$6,289,518)
FED	\$7,779,654	\$6,343,292	(\$1,436,362)
<b>FY20 Total</b>	<b>\$78,392,389</b>	<b>\$74,488,580</b>	<b>(\$3,903,809)</b>
<b>FY19 Total</b>	<b>\$69,298,032</b>	<b>\$66,561,005</b>	<b>(\$2,737,027)</b>
<b>FY18 Total</b>	<b>\$73,625,820</b>	<b>\$68,711,638</b>	<b>(\$4,914,182)</b>
<b>3 Year Avg.</b>	<b>\$73,772,080</b>	<b>\$69,920,408</b>	<b>(\$3,851,673)</b>

The department collected \$3.9 million less than the FY20 budget. The majority of excess budget authority over collections was in statutory dedications, primarily out of the Louisiana Fund. The Tobacco Stamp project timeline was delayed due to COVID. Interagency Transfers and Fees and Self-generated Revenue were collected over budget.

## Did department spend all collections?

	Actual Revenue Collections	Actual Expenditures	Unspent Revenue
SGF	\$17,437,390	\$17,437,391	\$1
IAT	\$26,111,089	\$23,680,766	(\$2,430,323)
FSGR	\$8,640,670	\$5,096,091	(\$3,544,579)
SD	\$15,956,139	\$15,956,134	(\$5)
FED	\$6,343,292	\$6,343,293	\$1
<b>FY20 Total</b>	<b>\$74,488,580</b>	<b>\$68,513,675</b>	<b>(\$5,974,905)</b>
<b>FY19 Total</b>	<b>\$66,561,005</b>	<b>\$61,224,187</b>	<b>(\$5,336,818)</b>
<b>FY18 Total</b>	<b>\$68,711,638</b>	<b>\$61,247,637</b>	<b>(\$7,464,001)</b>
<b>3 Year Avg.</b>	<b>\$69,920,408</b>	<b>\$63,661,833</b>	<b>(\$6,258,575)</b>

The department collected \$6 million more than was spent in interagency transfers and fees and self-generated revenue. Both amounts were carried over into FY 21 pursuant to authority granted in HB1 of the 2020 First E.S.

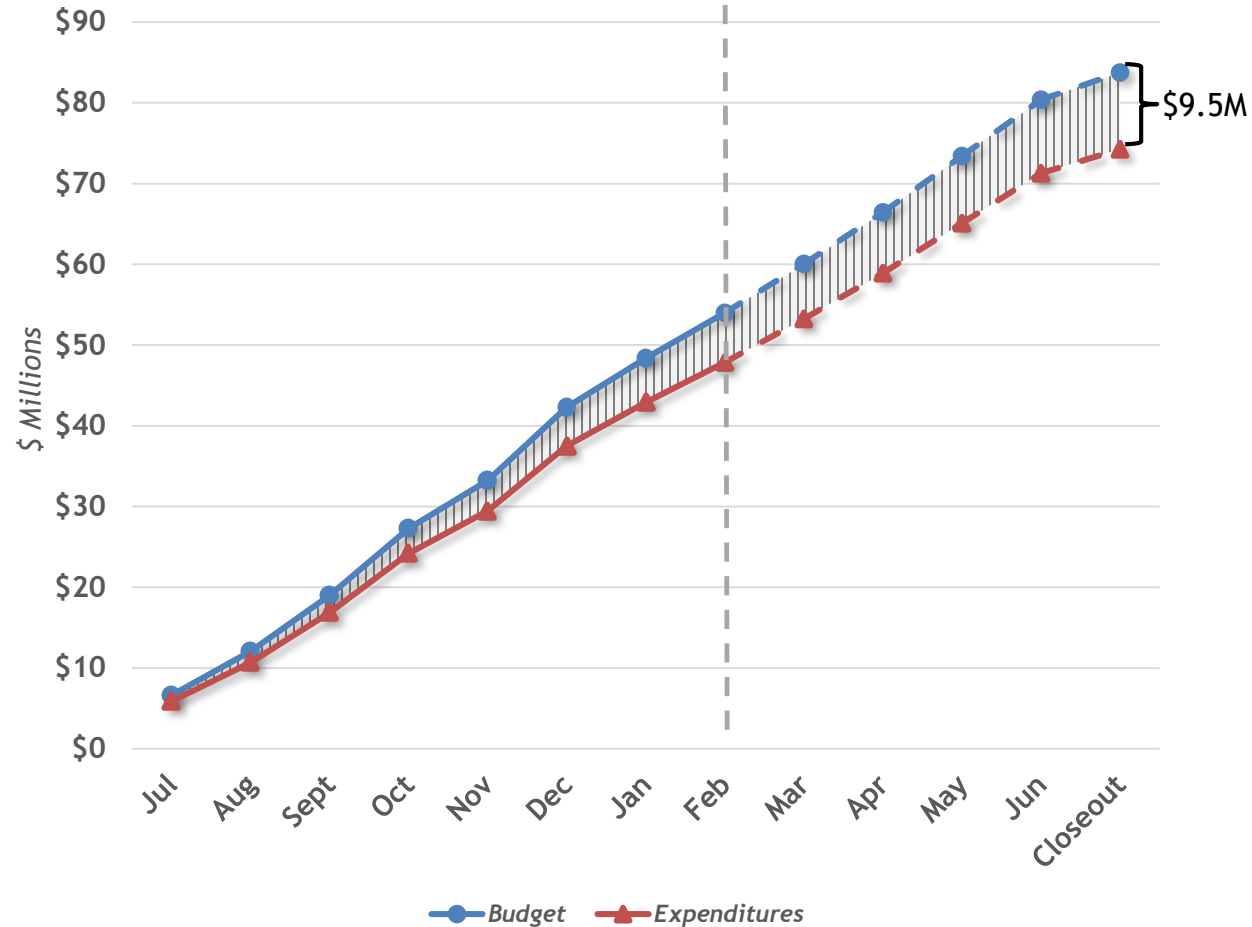


# FY21 CURRENT EXPENDITURE TREND

Approximately \$83.7 million (88.7%) from all means of finance could be spent based on actual spending patterns through February and projections through the remainder of the fiscal year. This would leave \$9.5 million or 11.3% of the department's total budget authority unspent.

The department is projected to spend under budget in all expenditure categories. Travel expenditures are lower due to COVID-19 restrictions. Professional Services contains contracts for litigation services, and other charges contain expenditures for expert witnesses, depositions and other expenses that depends on the number, status, and needs of pending lawsuits. Professional services expenditures are lower out of the Louisiana Fund due to a delay in the Tobacco Stamp project.

In FY20, the department spent 87.4% of its total budget comparing its end of year budget and actual expenditures while factoring out funding carried over into FY21.



# FY22 SOURCES OF FUNDING

## Interagency Transfers \$23.4 M

- Office of Risk Management and LSU for all tort claims seeking damages
- Transfers from agencies for legal services
- **\$1.7 M** - Carried over from FY20 to FY21- Authority based on language in HB 1 of the 2020 1<sup>st</sup> Extraordinary Session

## Self-generated Revenue \$7.9 M

- Fees charged to other agencies for investigative and legal services for quasi-state agencies
- Participation in the US DOJ Federal Forfeiture program and the Pre-trial Intervention program
- Louisiana Lottery Corporation
- **\$3.5 Million**- Carried over from FY20 into FY21 *based on authority in HB 1 of the 2020 1<sup>st</sup> ES. Primary source is the Consumer Protection section, which receives funds from suits and settlements and is to be used exclusively for consumer enforcement and education*

## Federal Funds \$8.4 M

- From the Department of Health and Human Services Medicaid Fraud Unit
- From the Department of Housing and Urban Development (HUD) for the administration and enforcement of the Louisiana open housing laws.
- U.S. Department of Justice (DOJ)

# FY22 STATUTORY DEDICATIONS

Fund Name	FY22 HB1	Funding Source	Use
DOJ Legal Support Fund	\$6,973,142	A portion of court settlement proceeds recovered by the Attorney General on behalf of the state	Defray the costs of expert witnesses, consultants, contract legal counsel, technology, specialized employee training and education, and public education initiatives. Also to defray the expense of employees hired to represent the state
DOJ Debt Collection Fund	\$4,514,193	The monies are from 25% of the total monies recovered through debt collection	For support of debt collection activities and general operating expenses, and to supplement the department's budget and shall not be used to displace, replace, or supplant appropriations from the state general fund
Video Draw Poker Device Fund	\$3,508,294	Fees, fines, and penalties on video poker devices	Regulatory, administrative, investigative, enforcement, legal, and such other expenses as may be necessary for activities associated with enforcement of laws and regulations governing video draw poker devices
Riverboat Gaming Enforcement Fund	\$2,206,841	Riverboat gaming fees and fines	Regulatory, administrative, investigative, enforcement, and legal expenses for the Gaming Unit
Medical Assistance Programs Fraud Detection Fund	\$2,078,793	All monies received by the state pursuant to a civil award granted or settlement, except for the amount to make the medical assistance programs whole, shall be deposited into the fund	Used as state match for federal funds for the detection, investigation, and prosecution of Medicaid fraud
Insurance Fraud Investigation Fund	\$967,147	Fee on insurance premiums	Criminal Law Unit
Pari-mutuel Live Racing Facility Gaming Fund	\$845,965	Slot Machine Proceeds. Fees, fines, taxes, other	Expenses related to the Gaming Unit
Tobacco Settlement Enforcement Fund	\$400,000	\$400,000 transferred from SGF, other appropriations, donations, grants	Enforcement of the Master Settlement
Tobacco Control Special Fund	\$15,000	Violations related to tobacco product manufacturers	Tobacco enforcement and control matters
Louisiana Fund (Constitutional Fund)	\$2,330,554	Tobacco Settlement funds	Enforcement of the requirements of the Master Settlement

Source: Office of Planning and Budget - Budget Supporting Documents; HB1 of the 2021 Regular Session

# FY22 FUNDING COMPARISON

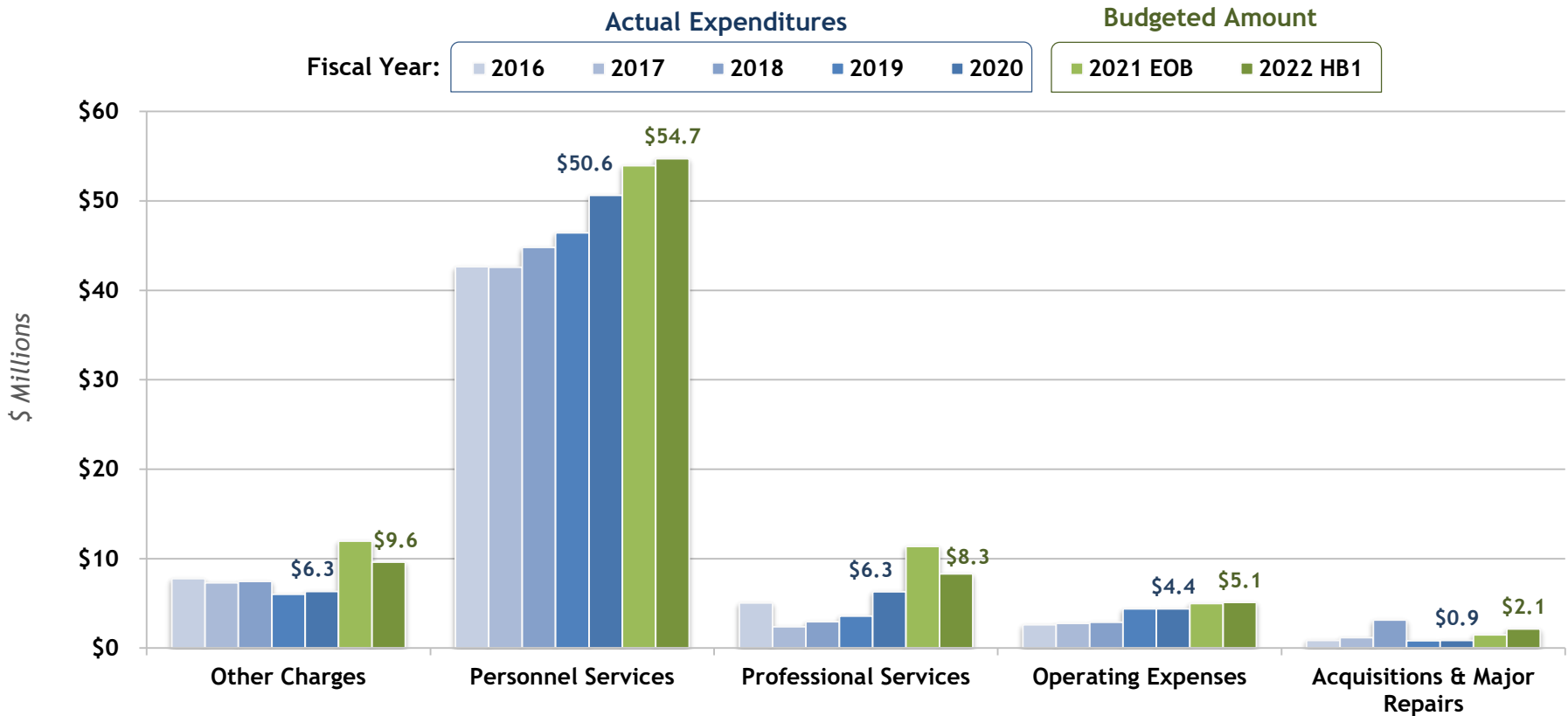
Means of Finance	FY20 Actual Expenditures	FY21 Existing Operating Budget 12/1/20	FY22 HB1 Budget	Change from Existing Operating Budget to HB1		Change from Actual Expenditures to HB1	
SGF	\$17,437,391	\$16,818,450	\$16,375,198	(\$443,252)	(2.6%)	(\$1,062,193)	(6.1%)
IAT	\$23,680,766	\$25,275,403	\$23,397,354	(\$1,878,049)	(7.4%)	(\$283,412)	(1.2%)
FSGR	\$5,096,091	\$7,994,103	\$7,876,174	(\$117,929)	(1.5%)	\$2,780,083	54.6%
Stat Ded	\$15,956,134	\$25,122,860	\$23,849,929	(\$1,272,931)	(5.1%)	\$7,893,795	49.5%
Federal	\$6,343,293	\$8,534,095	\$8,371,332	(\$162,763)	(1.9%)	\$2,028,039	32.0%
<b>Total</b>	<b>\$68,513,675</b>	<b>\$83,744,911</b>	<b>\$79,869,987</b>	<b>(\$3,874,924)</b>	<b>(4.6%)</b>	<b>\$11,356,312</b>	<b>16.6%</b>

## Federal Relief Funding

**\$11,508**

CARES Act funding for COVID-19 Special Enforcement Effort from the U.S. Housing and Urban Development awarded in May 2020.

# EXPENDITURE HISTORY



Source: Office of Planning and Budget - Executive and Proposed Budget Supporting Documents

# FY22 EXPENDITURE COMPARISON

Expenditure Category	FY20 Actual Expenditures	FY21 Existing Operating Budget 12/1/20	FY22 HB1 Budget	Change from Existing Operating Budget to HB1		Change from Actual Expenditures to HB1	
Salaries	\$31,169,200	\$32,435,356	\$32,851,469	\$416,113	1.3%	\$1,682,269	5.4%
Other Compensation	\$2,127,148	\$2,956,689	\$2,956,689	\$0	0.0%	\$829,541	39.0%
Related Benefits	\$17,336,939	\$18,534,862	\$18,923,054	\$388,192	2.1%	\$1,586,115	9.1%
Travel	\$638,825	\$1,064,534	\$1,082,715	\$18,181	1.7%	\$443,890	69.5%
Operating Services	\$3,320,050	\$3,069,759	\$3,157,347	\$87,588	2.9%	(\$162,703)	(4.9%)
Supplies	\$425,386	\$863,465	\$863,465	\$0	0.0%	\$438,079	103.0%
Professional Services	\$6,303,842	\$11,380,395	\$8,290,598	(\$3,089,797)	(27.2%)	\$1,986,756	31.5%
Other Charges/IAT	\$6,340,655	\$11,970,428	\$9,618,248	(\$2,352,180)	(19.6%)	\$3,277,593	51.7%
Acq/Major Repairs	\$851,630	\$1,469,423	\$2,126,402	\$656,979	44.7%	\$1,274,772	149.7%
<b>Total</b>	<b>\$68,513,675</b>	<b>\$83,744,911</b>	<b>\$79,869,987</b>	<b>(\$3,874,924)</b>	<b>(4.6%)</b>	<b>\$11,356,312</b>	<b>16.6%</b>

Source: Office of Planning and Budget - Budget Supporting Documents and HB1 of the 2021 Regular Session

# SIGNIFICANT EXPENDITURE CHANGES

*Compared to the FY21 Existing Operating Budget*

## **\$804,305 - Personnel Services**

<b>\$104,305</b>	Net increase in standard statewide budget adjustments such as related benefits and salary base adjustment, offset by decreases in retirement rate adjustments and projected savings through attrition
<b>\$700,000</b>	Increase in salaries and related benefits created by reducing Other Charges in order to fund 7 of the 14 T.O. positions added in HB 1 of the 2020 First Extraordinary Session. These positions are located in the Medicaid Fraud Control Unit and the Cyber Crimes Unit

## **\$18,181- Travel**

<b>\$18,181</b>	Increase in travel for DOJ information technology personnel to attend technical training on current software and systems
-----------------	--

## **(\$3.1 M) - Professional Services**

<b>(\$3.1 M)</b>	Decrease due to professional services contracts carried into FY21 and no longer needed
------------------	--

# SIGNIFICANT EXPENDITURE CHANGES

*Compared to the FY21 Existing Operating Budget*

## **(\$2.4 M) - Other Charges/IAT**

**(\$1.5 M)** Decrease in transfers to other state agencies for state-wide services

**(\$700,000)** Expenditure adjustment moving funds from Other Charges to Personal Services 7 new T.O. approved for the Cyber Crimes Unit and the Medicaid Fraud Control Unit

## **\$656,979 - Acquisitions and Major Repairs**

**\$1.2 M** Purchase of 47 replacement vehicles projected to have over 200K miles each by the time FY 22 begins with an average replacement cost of \$25,905

**\$908,893** Funding for IT equipment and software- Stealth Watch, Life Size, Remote site servers, Desktop upgrades, replacement laptops, accessories, adobe

**(\$1.4 M)** Removes FY21 funding for acquisitions and major repairs



# OTHER CHARGES DETAIL

## Other Charges

Amount	Description
\$3,982,777	Consumer enforcement fund expense
\$698,489	Sex Offender Registry Technology Fund Account residual monies to be distributed to the sheriff of each parish, based on the population of convicted sex offenders, sexually violent predators, and child predators who are residing in the parish according to the State Sex Offender and Child Predator Registry
\$240,257	Expenses associated with the costs for expert witnesses, consultants, contract legal services, technology, specialized employee training and education, and public education initiatives
\$232,058	Medicaid Fraud Control Unit expenses
\$204,297	Cyber Crimes Unit expenses
\$180,852	LDH Ombudsman
\$112,561	U.S. Department of Housing and Urban Development (HUD)
\$15,000	Tobacco Control special fund expenses
<b>\$5,666,291</b>	<b>Total Other Charges</b>

## Interagency Transfers

Amount	Description
\$1,684,560	Rent in State-Owned Buildings
\$784,294	Office of Risk Management (ORM)
\$582,991	Benson Towers Rent
\$333,588	OTS- Communication Services
\$205,524	Office of Technology Services (OTS)
\$141,989	Capitol Park Security
\$87,813	Legislative Auditor Fees
\$61,237	Maintenance in State-Owned Buildings
\$41,903	Office of State Procurement
\$28,058	Uniform Payroll System (UPS) Fees
<b>\$3,951,957</b>	<b>Total Interagency Transfers</b>

# DISCRETIONARY EXPENSES

**Total Budget  
\$79.9 Million**

State General Fund  
\$16.4 Million

Interagency  
Transfers  
\$23.4 Million

Self-generated  
Revenue  
\$7.9 Million

Statutory  
Dedications  
\$23.8 Million

Federal Funds  
\$8.4 Million

Non-discretionary  
\$4.6 Million

Retirement Systems UAL  
\$3.3 Million

Group Insurance for Retirees  
\$671,754

Rent in State-Owned Buildings  
\$346,052

Salary & Benefits of AG  
\$166,492

Legislative Auditor Fees  
\$87,813

Discretionary  
\$11.8 Million

Civil Law  
\$6.1 Million

Criminal Law/Medicaid Fraud  
\$3.5 Million

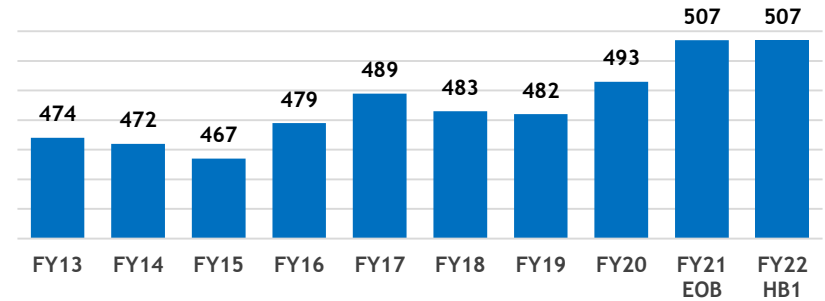
Administrative  
\$2.2 Million

# PERSONNEL INFORMATION

## FY 2022 Recommended Positions

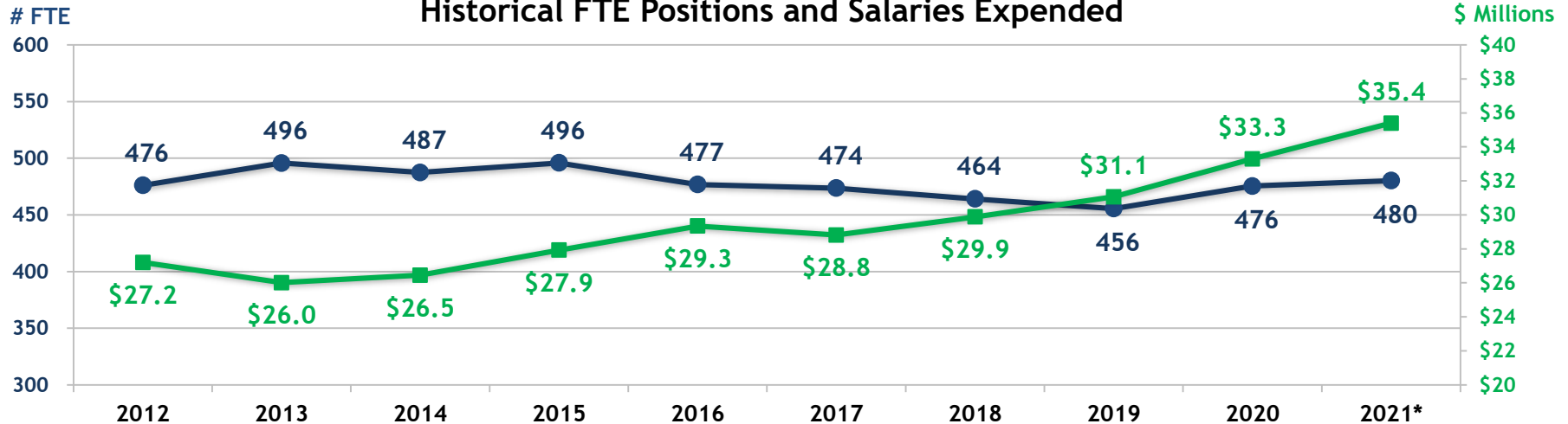
507	Total Authorized T.O. Positions (0 Classified, 507 Unclassified)
1	Authorized Other Charges Positions
46	Non-T.O. FTE Positions
36	Vacant Positions (February 1, 2021)

## Historical Authorized T.O. Positions



Source: Office of Planning and Budget - Budget Supporting Documents

## Historical FTE Positions and Salaries Expended



Source: Dept. of Civil Service and Budget Supporting Documents

\*Existing Operating Budget 12/1/20

# MEDICAID FRAUD CONTROL UNIT

## Purpose

- State Medicaid Fraud Control Units (MFCU's) are mandated by federal law for states that participate in the Medicaid Program.
- The Unit's function is to operate a statewide program for the detection, investigation and prosecution, both criminally and civilly, of fraud in the Medicaid Program. The Unit also investigates and prosecutes complaints involving patient abuse and neglect against Medicaid recipients and those residing in board and care facilities, regardless of Medicaid participation.

**Funding-** Federal grant program with a 25% state match, traditionally funded through the Medical Assistance Programs Fraud Detection Fund, which is funded through a portion of the recoveries obtained.

## Partnerships

- Disability Rights Louisiana and the Office of Elderly Affairs- to receive information regarding abuse or exploitation of individuals in residential settings.
- LDH- Health Standards to review every incident entered into the Statewide Incident Management System, approximately 4,000- 7,000 per year.
- LDH Program Integrity Section and Louisiana Legislative Auditor to cooperatively develop systems to investigate and prosecute fraud in the Medicaid Program, along with federal authorities.
- Maintain relationships with the provider community and local law enforcement to provide presentations educating them about functions of the Unit and the capabilities to protect Louisiana's citizens.

Performance Indicator	FY 16	FY 17	FY 18	FY 19	FY 20
# Investigations Opened	352	362	402	479	427
Outreach training programs provided	63	65	59	45	138
Civil Penalties collected	\$12,804,637	\$2,558,264	\$3,151,034	\$6,674,953	\$8,002,912
Investigator & Prosecution costs collected	\$77,102	\$106,024	\$139,991	\$154,874	\$153,468

# INTERNET CRIMES AGAINST CHILDREN TASK FORCE

- Began in 2003 as a grant from the U.S.D.O.J to the Office of the Attorney General
- Interagency, multi-jurisdictional task force with the purpose of sharing information, resources, and expertise in the investigation, prosecution, and deterrence of technology-facilitated sexual exploitation of children
- Part of the Cybercrimes Unit of the AG's office- 8 special agents, 11 computer forensic examiners, 1 grant manager, and 2 analysts

Year	# Cyber tips reported to ICAC	# Cases generated	# of Arrests by LA DOJ CCU
2011	547	254	5
2012	788	38	20
2013	809	101	53
2014	1,017	713	77
2015	1,221	1,147	128
2016	863	913	81
2017	1,139	971	113
2018	1,938	1,166	92
2019	2,308	1,396	169
2020	3,260	1,917	130

# DEPARTMENT CONTACTS



**Jeff Landry**  
*Attorney General*  
[landryj@ag.Louisiana.gov](mailto:landryj@ag.Louisiana.gov)

---

**Wilbur “Bill” L. Stiles, III**  
*Chief Deputy Attorney General*  
[stilesw@ag.Louisiana.gov](mailto:stilesw@ag.Louisiana.gov)

---

**Elise Cazes**  
*Administrative Services Director*  
[cazese@ag.Louisiana.gov](mailto:cazese@ag.Louisiana.gov)

---

**Melissa Gannuch**  
*Administrative Services Deputy Director*  
[gannuchm@ag.Louisiana.gov](mailto:gannuchm@ag.Louisiana.gov)

---