

DAVID Y. IGE
GOVERNOR



DEPT. COMM. NO. 205

CLARE E. CONNORS
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DEPARTMENT OF THE ATTORNEY GENERAL
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DANA O. VIOLA
FIRST DEPUTY ATTORNEY GENERAL

December 21, 2020

The Honorable Ronald D. Kouchi
President and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki
Speaker and Members of the House of
Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Department of the Attorney General's Annual Report on Receipts and Expenditures of the Antitrust Trust Fund, as required by section 28-13(d), Hawaii Revised Statutes (HRS). In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at <http://ag.hawaii.gov/publications/reports/reports-to-the-legislature/>.

If you have any questions or concerns, please feel free to call me at 586-1500.

Sincerely,

A handwritten signature in blue ink, appearing to be "Clare E. Connors", written over a circular blue ink stamp or seal.

Clare E. Connors
Attorney General

c: David Y. Ige, Governor
Josh Green, Lieutenant Governor
Legislative Reference Bureau (Attn.: Karen Mau)
Leslie H. Kondo, State Auditor
Craig K. Hirai, Director of Finance, Department of Budget and Finance
Stacey A. Aldrich, State Librarian, Hawaii State Public Library System
David Lassner, PhD., President, University of Hawaii

Enclosure

State of Hawai‘i

Department of the Attorney General



**REPORT ON RECEIPTS AND EXPENDITURES OF THE
ANTITRUST TRUST FUND**

Pursuant to Section 28-13(d),
Hawaii Revised Statutes

For Fiscal Year 2019 - 2020

Submitted to
The Thirty-First State Legislature
Regular Session of 2021

OVERVIEW OF THE ANTITRUST TRUST FUND

Section 28-13(d), Hawaii Revised Statutes (HRS), requires the Department of the Attorney General ("Department") to submit a report to the Legislature no later than twenty days prior to the convening of each regular session to provide an accounting of the receipts and expenditures of the Antitrust Trust Fund.

I. BACKGROUND ON THE ANTITRUST TRUST FUND

Pursuant to section 28-13, the Antitrust Trust Fund was established to provide resources to facilitate the enforcement of antitrust laws. One of the most important functions of the trust fund is to provide a means for promoting and facilitating the State's participation in multistate antitrust lawsuits and investigations. The fund is also used to cover expenses relating to the enforcement of antitrust laws including but not limited to training, equipment purchases, and educational resources.

A. Legal Authority for the Antitrust Trust Fund.

Act 97, Session Laws of Hawaii 2001, authorized the creation of the Antitrust Trust Fund in the State treasury. The Act took effect on June 29, 2001, and was codified as section 28-13, Hawaii Revised Statutes.

B. Creation of Fund and Initial Funding.

The Department of Accounting and General Services designated T-908-N as the appropriation number for the fund.

Section 3 of Act 97, Session Laws of Hawaii 2001, authorized the Department to deposit not more than \$150,000 from the Department's general fund appropriation (ATG-100) for fiscal year 2000-2001 to the credit of the Antitrust Trust fund. In accordance with this authorization, the Department credited \$150,000 to the fund, effective June 30, 2001.

C. Receipts and Expenditures, Generally.

1. Receipts.

Section 28-13(a), HRS, authorizes the Department to deposit the following amounts into the fund:

- (1) Ten per cent of any antitrust judgment or settlement received by the State except where the deposit is inconsistent with the court order or settlement agreement relating to the amount; and
- (2) Appropriations made by the Legislature.

2. Expenditures.

Section 28-13(b), HRS, authorizes the Department to use the fund for "expenditures relating to the enforcement of antitrust laws, including but not limited to expenditures for training, equipment purchases, educational resources, and facilitating participation in antitrust lawsuits and investigations initiated by other states."

II. SUMMARY OF FUND ACTIVITY IN FISCAL YEAR 2019-2020

Balance as of June 30, 2019	\$219,159.79
Receipts into the fund from July 1, 2019 to June 30, 2020 (added)	\$149,083.16
Transfers out of the fund to the State treasury from July 1, 2019 to June 30, 2020 (subtracted)	\$134,174.88
Expenditures out of the fund for antitrust enforcement expenses from July 1, 2019 to June 30, 2020 (subtracted)	\$ 67,299.88
Balance as of June 30, 2020 (totaled)	\$166,768.19

III. FUND ACTIVITY IN FISCAL YEAR 2019-2020

A. Receipts.

DATE OF RECEIPT	DESCRIPTION OF RECEIPT	AMOUNT
October 21, 2019	Lidoderm antitrust settlement	149,083.16
TOTAL		\$149,083.16

B. Transfers by Journal Memoranda.

DATE OF TRANSFER	DESCRIPTION OF TRANSFER	AMOUNT
November 4, 2019	Transfer of a portion of the Lidoderm antitrust settlement to the State Treasury	134,174.88
TOTAL		\$134,174.88

C. Expenditures.

DATE OF PAYMENT	PAYEE	PURPOSE OF EXPENDITURE	AMOUNT
September 13, 2019	Deputy Attorney General	Travel costs to attend NAAG Antitrust Litigation Training Seminar, held on September 23 to 27, 2019, in San Antonio, Texas	\$219.33
August 9, 2019	HP Inc.	Expense relating to purchase of HP Scan Desk scanner	\$209.42
Various dates	Department of Legal Affairs, State of Florida	Cost share contribution for Everlaw e-discovery platform for multi-state investigation	\$2,453.13
September 5, 2019	Department of Justice, State of Wisconsin	Cost share contribution for multi-state antitrust litigation - <i>New York et al. vs. Deutsche Telekom Ag, et al.</i>	\$45,722.00
June 18, 2020	Department of Law, State of Alaska	Cost share contribution for multi-state antitrust litigation – <i>In Re: Generic Pharmaceuticals Pricing Antitrust Litigation</i>	\$18,696.00
		TOTAL	\$67,299.88

D. Balance in the Antitrust Trust Fund.

Section 28-13(c), HRS, provides that all unencumbered and unexpended moneys in excess of \$250,000 remaining on balance in the Antitrust Trust Fund at the close of June 30 of each year shall lapse to the credit of the general fund.

The balance in the fund as of June 30, 2020, was \$166,768.19.