

STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

308 East, State Capitol
P.O. Box 8953
Madison, WI 53708-8953
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: March 20, 2019

Re: DOJ Report to JFC

Attached is a semiannual report regarding moneys received by the Department of Justice under a court order or a settlement agreement that provides restitution to victims, pursuant to s. 165.25(10), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

Josh Kaul
Attorney General

Division of Management Services
17 West Main Street
P.O. Box 7857
Madison, WI 53707-7857

March 19, 2019

SENT VIA EMAIL

MAR 20 2019

St. Finance

Secretary Joel Brennan, Department of Administration
DOASecretarysOffice@wisconsin.gov

Joint Committee on Finance, C/O Committee Clerk Joe Malkasian
Joe.Malkasian@legis.wisconsin.gov

Re: DOJ Restitution Report (January-June 2018)

Dear Secretary Brennan and Members of the Joint Committee on Finance:

This report is submitted pursuant to Wis. Stat. §165.25(10) which requires a semiannual report regarding moneys received by the Wisconsin Department of Justice (DOJ) under a court order or a settlement agreement that provides restitution to victims.

DOJ received, recognized, or disbursed the following amounts during the period of January 1, 2018 to June 30, 2018.

Case Type and Name	Received	Disbursed
Consumer Protection:		
State of Wisconsin v. Legal Helpers Debt Resolution, LLC, et al.; Dane Co. Case No. 2013-CX-11.	\$0	\$10,120.45
State of Wisconsin v. John S. Lanham, DPM, et al.; Milwaukee Co. Case No. 2013-CX-04	\$7,500.00	\$0
State of Wisconsin v. Wedding Factory, LLC, et al.; Kenosha Co. Case No. 2017-CX-03	\$901.68	\$0
Wisconsin Medicaid:		
U.S. et al., ex rel. Clarke, Mullins and Szudlo v. Aegerion Pharmaceuticals, Inc., et al. 13-CV-11785 (D. Mass).	\$2,946.45	\$2,946.45
U.S. et al., ex rel. Boise v. Cephalon, 08-cv-287 (E.D. Pa.); U.S. et al., ex rel. Cestra v. Cephalon, 14-CV-01842 (E.D. Pa.)	\$27,516.67	\$27,516.67

U.S. et al., ex rel. Garbe v. Kmart Corporation, 12-CV-00881 (S.D. Ill.)	\$53,548.44	\$53,548.44
U.S. ex rel. West v. Maxim Healthcare Services, Inc. CV04-4906 (D. N.J.)	\$58,700.55	\$58,700.55
U.S. ex rel. Sanofi-aventis US LLC v. Mylan Inc., et al. 16-cv-11572-ADB (D. Mass.); U.S. ex rel. Ven-A-Care of the Florida Keys, Inc. v. Mylan Inc. 17-CV-10140 (D. Mass.)	\$2,697,632.22	\$2,697,632.22
U.S. et al. ex rel. Brown v. Celgene Corp., CV10-03165 (C.D. Cal.)	\$320,978.21	\$320,978.21
U.S. ex rel. Kennedy, et al. v. Novo A/S, et al., No. 13-CV-1529-RBW (D. D.C.); U.S. ex rel. Dastous, et al. v. Novo Nordisk, Inc., No. 11-CV-1662-RBW (D. D.C.); U.S. ex rel. Ferrara and Kelling, et al. v. Novo Nordisk, Inc., et al., No. 11-CV-74-RBW (D. D.C.); U.S. ex rel. Stepe, et al. v. Novo Nordisk, Inc., No. 13-CV-221-RBW (D. D.C.)	\$3,162.73	\$3,162.73
U.S. et al., ex rel. Kotwica v. Roundy's Supermarkets, Inc., 15-CV-05168 (N.D. Ill.)	\$398,565.80	\$398,565.80
Medicaid- various small cases	\$2,539.00	\$2,539.00

DOJ brought a consumer protection enforcement action against Legal Helpers Debt Resolution, LLC and its officers for providing unlicensed debt settlement services to Wisconsin consumers. The company collected illegal up-front fees and misrepresented that the services were legal services when they were not. During the reporting period, DOJ paid \$10,120.45 to one consumer. A total of \$523,972.75 has been paid as restitution to 98 consumers. Restitution claim forms were sent to consumers known to have been victimized by the defendants. The amount distributed represents a full recovery of the claimed and verified restitution.

Lanham made deceptive and misleading representation to consumers that the podiatry services would be covered by their health insurance knowing the service would not be fully covered or not covered at all. Restitution claim forms were sent to consumers known to have been victimized by the defendants. The amount recovered (\$15,000) represents less than the total amount of restitution claimed/owed. Restitution will be distributed on a pro rata basis. The pro-rated distribution is .2686% of the restitution claim.

Secretary Joel Brennan and Joint Committee on Finance
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Wedding Faktory was a business providing wedding, DJ, and photography services that collected prepayment from consumers for photography services it knew it could not deliver. Consumers who were known to be victimized by the defendants were contacted and restitution amounts were verified and ordered in the consent judgment. Under the terms of the consent judgment, defendants are required to pay a total of \$3,606.79 in restitution over a sixteen month period. When DOJ receives 50% of the restitution, it will distribute restitution to consumers on a pro-rated basis pursuant to the consent judgment. When all of the remaining restitution is collected, the second half will be distributed. The final restitution payment is scheduled to be received in June of 2019.

The Wisconsin Department of Health Services (DHS) operates the Wisconsin Medicaid program which provides health care coverage to the elderly, people with disabilities and low-income children and adults. The disbursements to the DHS are restitution recovered through civil litigation by DOJ to reimburse damages to the Wisconsin Medicaid program. The disbursements represent the determined amount of single damages.

Should you have any questions, please contact me directly at (608) 266-9653 or varesedl@doj.state.wi.us.

Sincerely,



Darcey Varese, Financial Manager
Bureau of Budget and Finance

DLV:alm