

Iowa Department of Justice

THE MISSION

The Iowa Department of Justice is responsible for one of the core functions of government, administering justice. It fulfills this mission by prosecuting crime, representing state agencies and the official work of state officers and employees, providing civil justice for defrauded Iowans, and assisting victims of violent crime.

THE PEOPLE

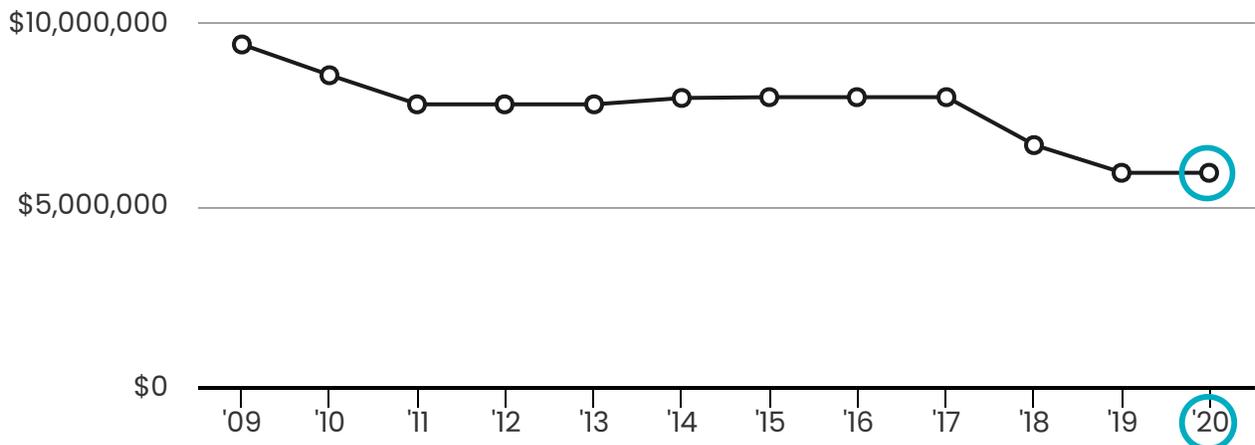
The Attorney General is independently-elected constitutional officer who leads the Department of Justice. The Department employs 241 attorneys, investigators, and support staff who serve all 99 counties.

THE BUDGET

Over the past decade, the Department's budget has experienced repeated substantial cuts. While Department lawyers continue to provide excellent advice and representation on behalf of the State, the Department cannot withstand any additional reductions. Appropriations to the Department are spent almost entirely on personnel and additional cuts will have serious consequences to the citizens of Iowa, including victims of crime.

- As the Legislative Services Agency (LSA) noted in its 2018 budget brief, the Department "has little discretion in spending [appropriated money]": the Department "must spend it for its required purpose."
- General-fund dollars appropriated to the Department are used on core functions of government: representing the State and fighting crime.

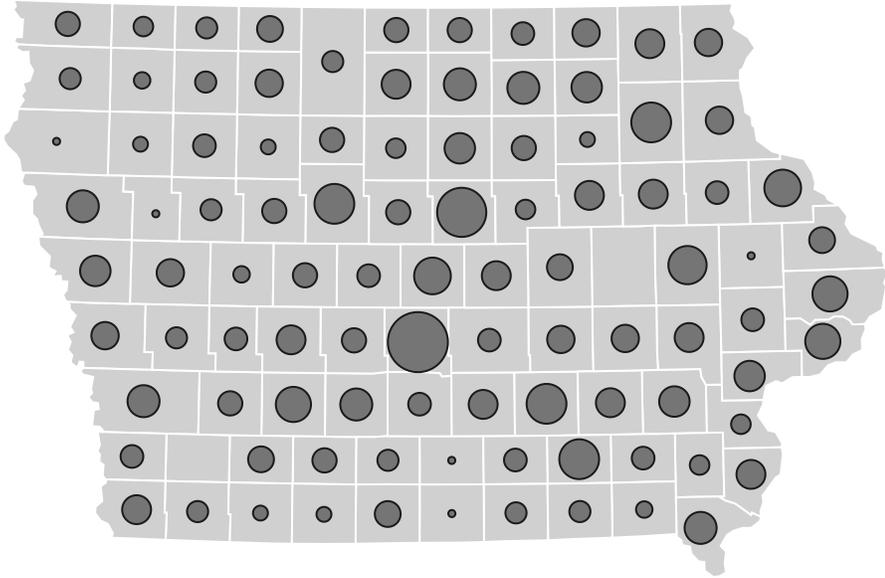
37% Decrease in State Appropriations Since FY 2009



Iowa Department of Justice

Statewide Criminal Prosecutions

Prosecution of Complex Felonies. Though most routine criminal cases are handled by local county attorneys, complex cases from every corner of the State are frequently referred to the Department's area prosecutors. These veteran trial attorneys have specialized training and prosecute multiple Class A and Class B felonies to verdict each year, with a particular focus on homicides, crimes against children, and sexually violent predators.



In 2020:

- 152 cases pending in 55 counties
- 125 cases opened
- Nine cases tried to verdict in eight counties (many trials continued to 2021 because of COVID)
- 20 cases resolved by plea agreement



1,378 cases filed across 97 counties from 2013 - 2020
(including Sexual Violent Predator Commitments)

Criminal Appeals

Protecting Criminal Convictions and Handling Statewide Appeals. The Department's Criminal Appeals Division represents the State in cases filed by offenders convicted in all 99 counties. These appellate prosecutors collectively write in the range of 530-650 briefs per year and argue dozens of cases before the Iowa Supreme Court, Iowa Court of Appeals, and Eighth Circuit Court of Appeals.



48% Decrease in State Appropriations Since SFY 2017 (from \$2.7 million to \$1.38 million)



70% Increase in Number of Cases Since 2010 (320 cases to 545 cases)

Iowa Department of Justice

Representing the State

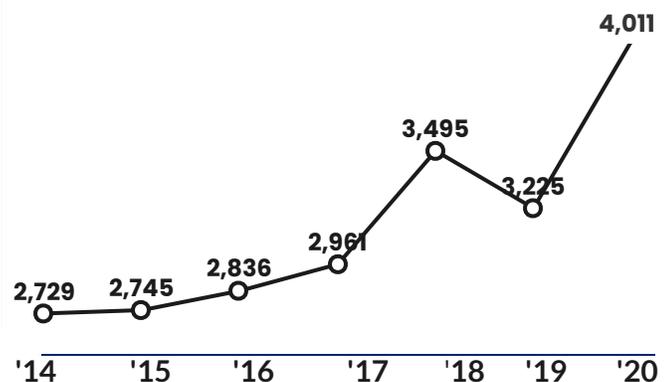
By law, the Department of Justice has a duty to represent the State in litigation. The Department's work in this area generally falls into three areas:

- 1 Defending State Agencies, Officers, and Employees.** These Department lawyers function like an in-house civil-defense law firm, representing the State of Iowa and state officers or employees who are sued in their official capacity.
 - The Department provides quality representation in cases that range from routine slip-and-fall matters in state-owned buildings, to complex cases that claim state actors discriminated against job applicants, to claims by prison inmates alleging denial of religious freedom.
 - The Department handles a growing number of increasingly complex employment cases. As the Iowa Supreme Court hands down new interpretations of employment law, the Department's workload expands. Furthermore, the Department continues to see a rise in jury awards.
- 2 Defending Legislation.** The Department also has a duty to defend lawfully enacted legislation and regularly does so in state and federal court. These cases frequently involve complicated issues of constitutional law and appellate litigation before the Iowa Supreme Court.
- 3 Advising State Agencies.** The Department's team of administrative-law and licensing attorneys provides daily advice to more than 200 state boards, commissions, agencies, and departments. These lawyers also prosecute cases before the boards and commissions, collect delinquent child support, and represent boards and commissions when agency decisions or rules are challenged in Iowa courts.

Consumer Protection

The division was funded by state appropriations in years past. Now it is funded primarily through the Consumer Education and Litigation Fund, which involves no taxpayer money, just consumer fraud judgments and settlements. This division handles an increasing load of complaints, difficult cases, and direct consumer education across the state. In 2020, complaints increased 24.4%, due in part to complaints related to COVID and the derecho. In addition, division's operators received more than 20,000 calls and nearly 16,000 e-mails. By targeting bad actors who defraud consumers, the office serves consumers and the vast majority of businesses who follow the law and ensures a fair marketplace.

Increase in Consumer Complaints since 2014



Consumer Stories

 During COVID, we stopped online sellers who were price gouging scarce supplies like \$80 toilet paper and Lysol products, obtaining injunctions against them and reimbursement and relief for their victims.

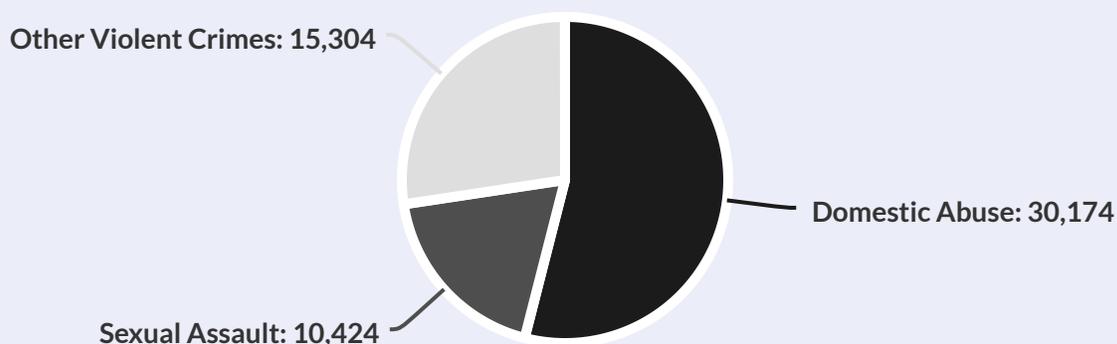
We obtained a large judgment and injunctions against scammers in the Quad Cities who sold non-existent internet advertising and services to businesses. We also shut down and won a judgment against a multi-million-dollar scamming operation out of Davenport that created electronic checks to take money out of people's and businesses' accounts without their knowledge or permission.

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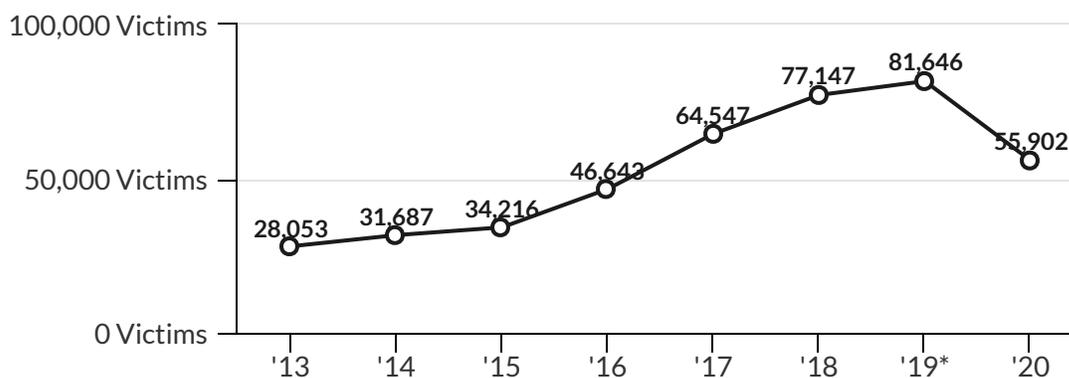
Crime Victim Assistance

The **Crime Victim Assistance Division** administers programs that directly benefit victims of violent crime. These programs assist victims with the financial burden resulting from injuries of crime, support local crime victim services, and hold offenders responsible for the effects of their crimes. In the General Fund budget, Victim Assistance Grants are listed as a separate line item. In FY 2021, that line item totaled \$5,016,708. The amount in our budget request remains stationary at \$5,016,708 in FY 2022 (estimated), as it does in the Governor's budget request for FY 2022.

In FY 2020, victim service programs served 55,902 Iowans.



99% More Victims Served Since FY 2013



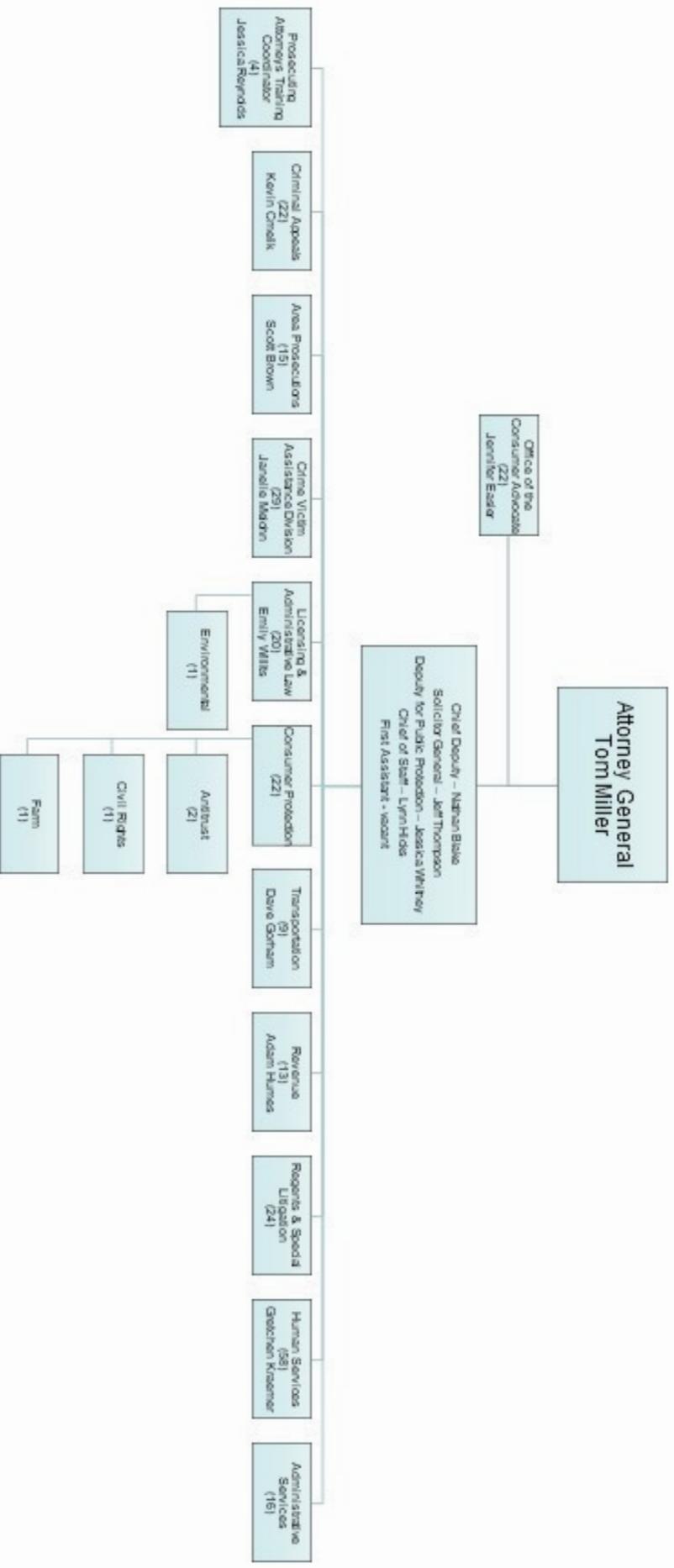
4,937 Iowans volunteered 62,653 hours to victim service programs in FY 2020, equivalent to 60 full-time staff.

*FY19 #'s cover a 15-month reporting period as funded programs switched to operate on the federal fiscal year July 2018-September 2019. The number of victims served in SFY20 are therefore less because of the change and because of the impact of the COVID-19 pandemic.

Iowa Department of Justice
Office of the Attorney General

		Actuals	Current Year Budget Estimate	Total Department Request	Total Governor's Recommended
		FY 2020	FY 2021	FY 2022	FY 2022
090SD	Attorney General				
0001	General Fund				
112	Justice, Department of				
B01	General Office A.G.	\$ 5,989,473	\$ 6,006,268	\$ 6,006,268	\$ 6,006,268
B10	Victim Assistance Grants	\$ 5,016,708	\$ 5,016,708	\$ 5,016,708	\$ 5,016,708
B11	Legal Services Poverty Grants	\$ 2,634,601	\$ 2,634,601	\$ 2,634,601	\$ 2,634,601
	Total General Fund - 0001	\$ 13,640,782	\$ 13,657,577	\$ 13,657,577	\$ 13,657,577
0019	Commerce Revolving Fund				
114	Consumer Advocate				
B07	Consumer Advocate - Fund 0019	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588
	Total Commerce Revolving Fund - 0019	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588
0088	Consumer Education Fund				
1B1					
833	AG Prosecutions, Appeals, Chapter 669 Duties - Fd 0088	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000
834	Consumer Fraud-Public Education & Enforcement	\$ 1,875,000	\$ 1,875,000	\$ 1,875,000	\$ 1,875,000
B15	Older Iowans Consumer Fraud-Public Education & Investigation	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
	Farm Mediation Services - Fd 0088	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
	Total Consumer Education Fund - 0088	\$ 3,800,000	\$ 3,800,000	\$ 4,300,000	\$ 4,300,000
	Total Appropriations	\$ 20,578,370	\$ 20,595,165	\$ 21,095,165	\$ 21,095,165
	Total FTEs	241.27	264.76	264.45	264.45

Office of the Iowa Attorney General



Iowa Attorney General/Department of Justice budget requests

Our office has a status quo budget request, except for the following items. None of these budget requests would increase the General Fund appropriations to our office.

In FY21:

We request authority to use up to an additional \$500,000 from the Consumer Education and Litigation Fund for non-consumer uses (Criminal Appeals and Area Prosecutions). This would be an increase from \$1,500,000 to up to \$2,000,000. This funding request is necessary because of increases in salary, benefits, and technology, while money flowing into the Forfeiture Fund has slowed as criminal trials halted during the COVID pandemic. Our caseloads in Area Prosecutions and Criminal Appeals remain high, and positions have remained open. At this point, we do not know whether we will use all of the additional \$500,000, but we are asking for flexibility to do so.

In FY22 and FY23:

Funding criminal divisions: We request authority to use up to an additional \$500,000 from the Consumer Education and Litigation Fund for non-consumer uses (Criminal Appeals and Area Prosecutions). This would be an increase from the original request of \$1,500,000 in FY21 to \$2,000,000 in FY22.

Consumer Education and Litigation Fund: Attached is our budget bill for FY20. Section 26 raised the cap on the Consumer Education and Litigation Fund from \$1.2 million to \$2 million for FY20 and FY21. Our office uses the full \$2 million to fund our Consumer Protection Division, and we will need the same amount going forward. We request that 714.16C(2) be amended to say:

2. For each fiscal year, not more than ~~one million one hundred twenty-five thousand dollars~~ one million eight hundred seventy five thousand dollars is appropriated from the fund to the department of justice to be used for public education relating to consumer fraud and for enforcement of section 714.16 and federal consumer laws, and not more than ~~seventy-five thousand dollars~~ one hundred twenty-five thousand dollars is appropriated from the fund to the department of justice to be used for investigation, prosecution, and consumer education relating to consumer and criminal fraud committed against older Iowans.

Second Injury Fund: We request that the appropriations bill include a provision increasing the statutory reimbursement for Second Injury Fund defense work from up to \$215,000 to up to \$450,000. No General Fund dollars are involved. Please see the attached document explaining our proposal.

Iowa Attorney General's Office Proposal for Justice Systems Appropriations Bill

The Attorney General's Office respectfully requests that the FY22 Justice Systems Appropriations Bill include a provision increasing the statutory reimbursement for Second Injury Fund defense work from up to \$215,000 to up to \$450,000. No general fund dollars are involved and the increase would not alone trigger additional assessments on insurers.

History and Purpose of the Second Injury Fund. In 1945, the Iowa Legislature responded to the return of disabled World War II veterans to the work force by establishing the Second Injury Fund (Fund). The Fund encouraged hiring and retaining handicapped workers by relieving the employer's obligation to pay potentially increased workers' compensation benefits to previously disabled employees who suffer an on-the-job injury.

How the Fund Works. If a claimant has a qualifying first and second injury, the industrial disability, if any, is determined by considering the impact of the physical injuries on the ability to earn income, using factors such as education, work history, and transferable skills. Then the compensable value of the second injury standing alone (paid by the employer) is deducted and the compensable value of the first injury standing alone (which does not have to be a work comp injury) is also deducted. These values are determined from the list of scheduled injuries on the basis of functional disability alone. The balance is the amount of weekly benefits to be paid from the Fund.

Payments to the Fund. Payments to the Fund are made by employers/insurance carriers in cases where a compensable injury results in the death of an employee. The commissioner of insurance is also authorized to impose surcharges on employers/insurance carriers if the commissioner determines that monies in the Fund will be insufficient to pay outstanding liabilities of the Fund. **The proposed increased reimbursement would not alone trigger a surcharge.**

Attorney General's Representation. The Attorney General's Office (Office) is required to provide representation to the state treasurer in all matters arising in connection with the Fund. Beginning in FY 1998, the Legislature included \$150,000 in the Office's base budget for the costs of this representation. Beginning in FY 2004, the Legislature approved an additional \$50,000 annual reimbursement to the Office in permanent code. (Standings Bill. 2004 Acts, ch 1175 § 197). In 2007, this amount was increased to \$150,000 (Standings Bill. 2007 Acts, ch 139 § 85). And in 2013, the amount was increased to \$215,000 (Justice Systems Appropriation Bill. 2103 Acts, ch. 139 § 53.)

Since 2013, the number of Fund cases has increased 30% -- from 300 to nearly 400 cases annually. The Office's costs have also increased to defend the Fund. In FY21, the Office will dedicate about 2.8 attorney FTEs and 1 paralegal FTE to these cases, for a cost of about \$535,000. Additionally, the Office will expend an estimated \$35,000 in litigation costs and \$10,000 in administrative costs. **In total, the Office will incur Fund costs of \$580,000, resulting in a shortfall of about \$215,000 [\$580,000 minus (\$150,000 plus \$215,000)]. These costs will grow**

in future years.

Justice Systems Appropriations Bill Provision. The Office respectfully requests a provision in the FY22 Justice Systems Appropriation Bill that would increase the annual statutory reimbursement to the Office from up to \$215,000 to up to \$450,000 to cover this shortfall. It is appropriate that money in the Fund is used to pay for quality defense of claims made against the Fund. **No General Fund dollars are involved and the increase would not alone trigger additional assessments on insurers.**

Proposed Language.

Amend Iowa Code section 85.67 as follows: “The attorney general shall be reimbursed up to ~~two hundred fifteen~~ four hundred fifty thousand dollars annually from the fund for services related to the fund.”