



**OKLAHOMA**  
**Attorney General**

# Attorney General

**FY 2025 Budget Hearing Presentation**

**Submitted by: Gentner Drummond, Attorney General**

# Gentner Drummond

## Attorney General



The Office of the Attorney General serves as the chief law officer of the state and is a Constitutional Elected Office. Eligibility, term of office, and authority of the Attorney General are provided for in Art. VI § 1,3, and 4 of the Oklahoma Constitution. Statutory duties are listed in Title 74 Section 18b of the Oklahoma Statutes. Numerous statutory references require the Office of the Attorney General to perform duties.

Founded in 1907, the agency now encompasses the following divisions, units and commissions:

### **Criminal Appeals**

### **Criminal Justice**

- Including: Multi-County Grand Jury, Organized Crime, Social Security Fraud, Worker's Compensation and Insurance Fraud

### **Fraud Prevention and Prosecution**

- Including: Medicaid Fraud Control

### **Legal Services**

- Including: Legal Counsel, Victim Services

### **Litigation**

### **Public Protection**

- Including: Civil Rights Enforcement, Conservation, Consumer Protection, Pharmacy Benefits Manager, Tobacco Enforcement, Utilities Regulation

### **Solicitor General**

# Agency Vision, Mission and Core Values

## **Vision:**

The vision of the Office of the Attorney General is to be Oklahoma's best and most economical legal team. With the professional experience and talent to provide trusted and sound legal advice, the Attorney General represents Oklahoma's interests in state and federal courts and prosecutes fraud and corruption while being mindful of an ever-growing and ever-expanding range of legal mandates and responsibilities.

## **Mission:**

The mission of the Office of the Attorney General is to seek justice for the people of Oklahoma by upholding the rule of law; serving public safety through prosecutions and enforcement actions; providing high-quality legal representation for state agencies; and protecting and defending the Oklahoma and United States Constitutions.

## **Core Values:**

As the chief legal officer for the state, the Office of the Attorney General will act when necessary to defend the interests of Oklahoma and its citizens; protect the public from fraud, abuse, and discrimination, and set the standard for professionalism through ethical behavior and stewardship of the public trust. The Office of the Attorney General is proud of the high-quality work employees produce. The Office of the Attorney General will maintain our loyalty and integrity by providing accountability for our work, continuing to increase skills and knowledge through training, education and experience, and rewarding professional development and accomplishments. The Office of the Attorney General will continue to be the voice of the public and will persevere through ever-changing, uncharted legal territory.



# Accomplishments

## Top accomplishments for FY 2023 – FY 2024

- 1) Established the Organized Crime Task Force to work toward the elimination of illegal marijuana grow operations and organized crime in the State of Oklahoma.
- 2) Successfully won a temporary stay against the EPA's disapproval of Oklahoma's "Good Neighbor" air emissions plan.
- 3) Took control of criminal investigations potentially involving misuse of millions of taxpayer dollars.
- 4) Launched the process for awarding opioid abatement grants.
- 5) Developed and deployed RFP process to select outside counsel for significant matters, including Winter Storm Uri-related and PFAS "forever chemicals" cases.
- 6) Launched a division to investigate and, when appropriate, enforce the law against Pharmacy Benefit Managers (PBMs).



# Challenges

## Top Challenges (current & upcoming years)

- 1) Collaboration with federal, state and local partners to combat organized crime introduced to the state through illegal marijuana grow operations requires ongoing work.
- 2) Enforcement actions against large, well-funded and aggressive PBMs will be a large undertaking for OAG.
- 3) Significant work on prosecuting public corruption and misuse of taxpayer dollars remains to be done.
- 4) Collaboratively addressing jurisdictional gaps caused by McGirt remains a challenge, but one OAG is working with our partners to surmount.



# Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
<b>Inhouse Counsel</b>	Under Attorney General Drummond, the Office has prioritized using its employed staff rather than hiring outside counsel whenever possible.				
<b>Legal Counsel</b>	The Legal Counsel Unit of the Office of Attorney General continues to expand its role in the representation of state agencies.				

\* Hours, FTE, square feet, etc.



# Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
1	Protect the public and defend the laws and citizens of Oklahoma.	Utilize staff and outside counsel to achieve duties within budget constraints.				
2	Advocate for improved public safety of Oklahoma citizens through work of various divisions, units, and commissions.	Achieve stated goals within budget constraints.				
3	Represent the State's interests in all federal proceedings and resulting implementation of legal changes.	Work with federal, state, and tribal partners to implement legal solutions to McGirt v. Oklahoma in the best interests of our citizens.				
4	Serve as Oklahoma's most economical and knowledgeable legal team.	Fill vital vacancies while utilizing staff and resources as efficiently as possible to remain Oklahoma's most economical and knowledgeable legal team.				
5	Strengthen collaboration with local, state, and federal law enforcement partners for increased efficiency and savings.	Work with State law enforcement partners to successfully fulfill task force initiatives and leverage and maximize federal partnerships.				



# Projects for FY 2024 - 2025

## Projects

- 1) The Oklahoma Attorney General remains committed to protecting the public and defending the laws and citizens of Oklahoma and the interests of the state.
- 2) The OAG will continue to aggressively pursue its suit against major opioid manufacturers.
- 3) The OAG will work with federal, state and tribal partners to address the legal ramifications of *McGirt v. Oklahoma* in the best interest of all citizens.
- 4) The OAG will strengthen relationships with Cold Case Task Forces and work collaboratively to solve homicides.
- 5) The OAG will work with law enforcement partners and other agencies to combat organized crime in the state.
- 6) The OAG will enforce the Patients Right to Pharmacy Choice Act by holding Pharmacy Benefit Managers accountable.
- 7) The OAG will fully investigate and recover any damages caused by Winter Storm Uri and "forever chemicals."
- 8) The OAG is working towards the launch of a new database to support victims of human trafficking and the law enforcement response.
- 9) Aggressively pursue bad actors--large and small--to protect Oklahoma consumers.

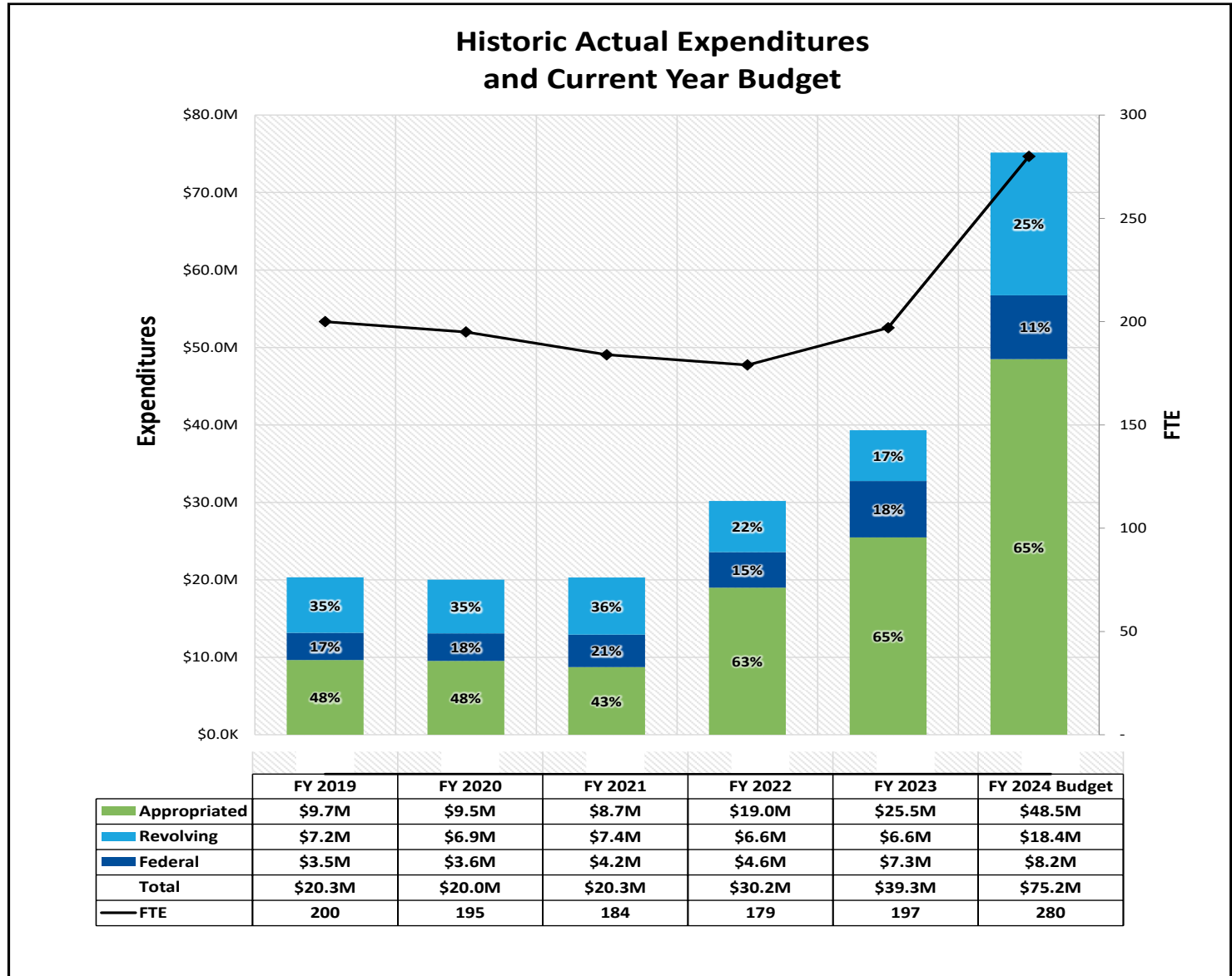


# Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

## Explanation of Significant Changes and Trends

The FY2024 appropriated increase is primarily related to the addition of the Attorney General’s new Organized Crime and Pharmacy Benefits Manager Units and FY2023 carryover funding related to Federal Overreach and Human Trafficking.

The increase in revolving funds is opioid abatement passthrough funds that will be distributed to grant recipients.



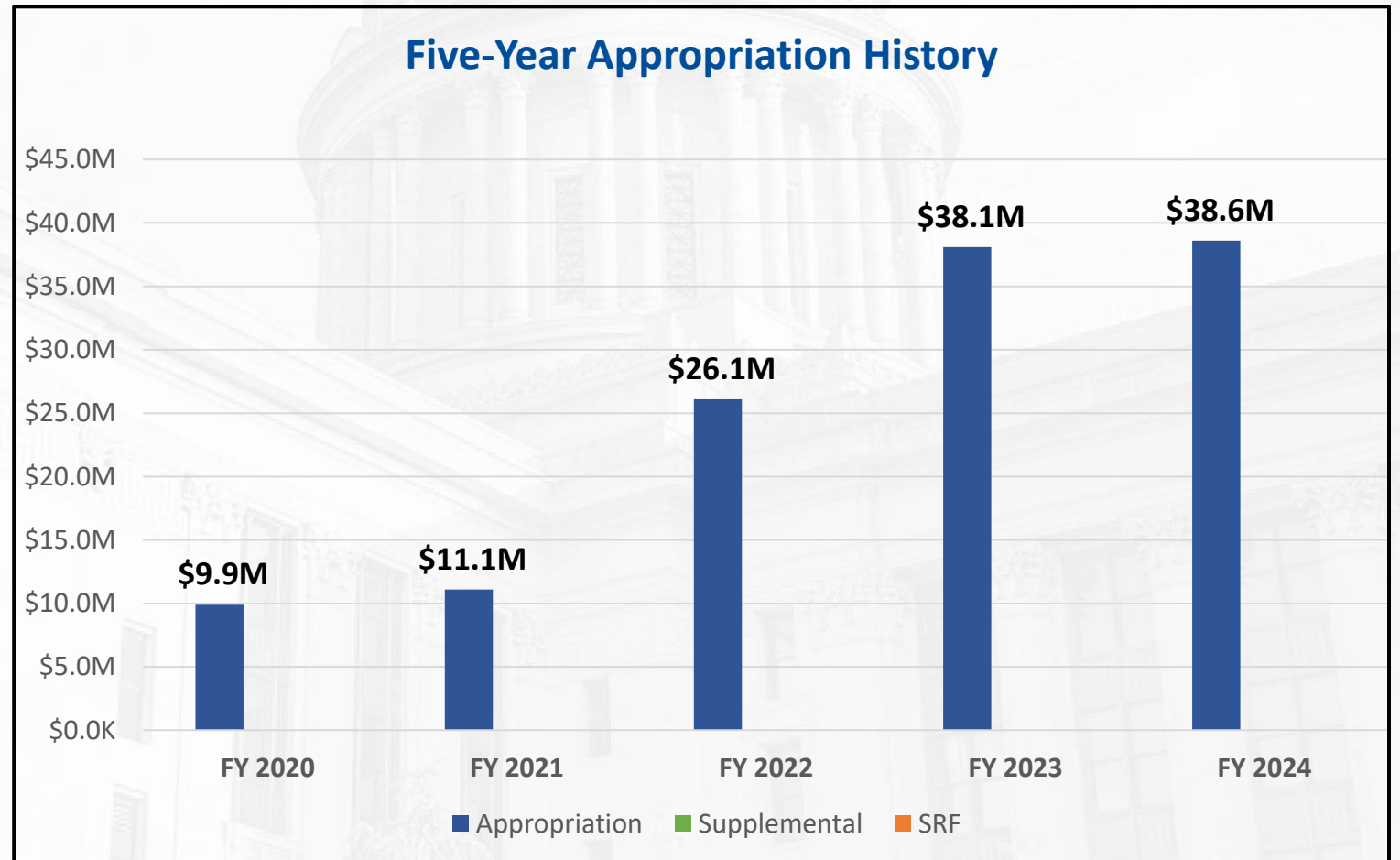


# FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
<b>Total FTE</b>	280
<b>Supervisor FTE</b>	39
<b>Supervisors to Total FTE Ratio (%)</b>	14%

# Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2020	\$9.9MM
FY 2021	\$11.1MM
FY 2022	\$26.1MM
FY 2023	\$38.1MM
FY 2024	\$38.6MM



*\*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.*



# Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended (\$)	\$0.0MM	\$0.7MM	\$0.4MM	\$3.5MM

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$3.6MM	\$27.8MM <sup>1</sup>	\$25.5MM <sup>1</sup>	\$28.5MM <sup>1</sup>

Class Fund # <i>(Unrestricted only)</i>	Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)
200	Attorney General Revolving Fund	\$1.0MM
	<b>Total Current Unrestricted Fund Cash balance:</b>	<b>\$1.0MM</b>

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
<b>FY 2024</b>	This fund is used to deposit revenues from Legal Counsel contracts with other State agencies and other fees. The fund is used for payroll and operating expenditures.
<b>FY 2025</b>	
<b>FY 2026</b>	

<sup>1</sup>Includes \$24.9MM designated for opioid abatement as per HB4138 and HB4140.



# FY 2022 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2022</b>				
Debt Service Adjustment	(\$778)	No		
Operations	\$5,000,000	Yes	Yes	
Extraordinary Litigation Fund	\$10,000,000	Yes	Yes	
<b>Total adjustment</b>	<b>\$14,999,222</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2023 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2023</b>				
Operations	\$3,000,000	Yes	Yes	
Victims Services	\$3,000,000	Yes	Yes	
Human Trafficking	\$420,000	No		
Human Trafficking	\$5,300,000	Yes	Yes	
Agent Pay Raises	\$870,499	Yes	Yes	
Debt Service Adjustment	(\$549,957)	No		
<b>Total adjustment</b>	<b>\$12,040,542</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2024 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2024</b>				
Debt Service	(\$3,885)	Yes	Yes	
Legal Aid	\$550,000	Yes	Yes	
<b>Total adjustment</b>	<b>\$546,115</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplementals}	Type of Request: Operating, One-time, or Supplemental
1	General Operations	\$10,000,000	Operating
2	Pharmacy Benefits Manager	\$1,000,000	Supplemental
3			
4			
5			



# (1) Budget Request

<b>General Operations</b>	
Type: Operating	\$ Amount Requested for FY 2025 (Or FY 2024, if supplemental) \$10,000,000
Describe why these funds are needed.  The Oklahoma Attorney General continues to assemble the newly created Organized Crime Task Force (OCTF) to implement the provisions of HB 2095 (2023) and also the newly created Pharmacy Benefit Manager (PBM) Unit as a result of HB 1843 (2023). Additionally, the OAG continues to implement HB 4210 (2022) to combat human trafficking in the state and region. Furthermore, the OAG requests funding to stand up a new unit to fight cybercrime including identity theft, data breaches, and other scams against Oklahomans.	

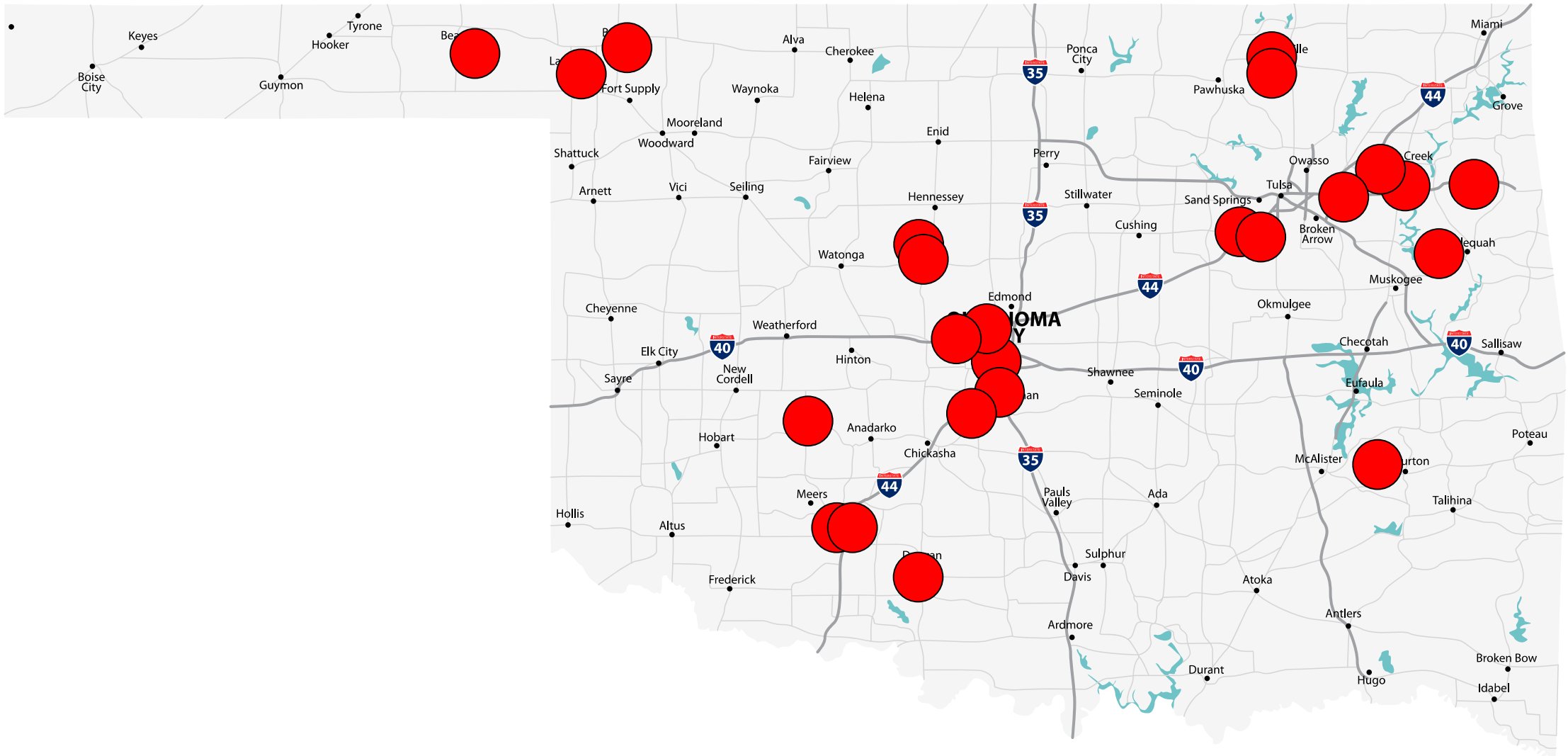


# (2) Budget Request

<b>Pharmacy Benefits Managers Enforcement</b>	
Type: Supplemental	\$ Amount Requested for FY 2025 (Or FY 2024, if supplemental) \$1,000,000
Describe why these funds are needed.  HB 1843 (2023) became effective November 1, 2023, which had an estimated fiscal impact of \$1,600,000. In order to prepare for the transition of enforcement authority from the Insurance Department to OAG, OAG has hired appropriate personnel using existing resources. However, this approach is not sustainable without additional funds.	



# 173 New PBM Complaints Filed since November 1, 2023



# Organized Crime Task Force seizes 72,000 lbs. of illegal marijuana



# Human Trafficking Ecosystem (Future)

