

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE HEARING

STATE CAPITOL
MAIN BUILDING
ROOM 140
HARRISBURG, PENNSYLVANIA

WEDNESDAY, FEBRUARY 13, 2019

PRESENTATION BY
OFFICE OF ATTORNEY GENERAL
JOSH SHAPIRO

BEFORE :

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
HONORABLE MATT BRADFORD, MINORITY CHAIRMAN
HONORABLE ROSEMARY BROWN
HONORABLE LYNDA SCHLEGEL-CULVER
HONORABLE SHERYL DELOZIER
HONORABLE GEORGE DUNBAR
HONORABLE JONATHAN FRITZ
HONORABLE MATT GABLER
HONORABLE KEITH GREINER
HONORABLE SETH GROVE
HONORABLE MARCIA HAHN
HONORABLE DOYLE HEFFLEY
HONORABLE LEE JAMES
HONORABLE FRED KELLER
HONORABLE JOHN LAWRENCE
HONORABLE JASON ORTITAY
HONORABLE CLINT OWLETT
HONORABLE CHRIS QUINN
HONORABLE GREG ROTHMAN
HONORABLE JAMES STRUZZI
HONORABLE JESSE TOPPER
HONORABLE RYAN WARNER
HONORABLE MARTINA WHITE

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BEFORE (cont.'d):
HONORABLE DONNA BULLOCK
HONORABLE MORGAN CEPHAS
HONORABLE AUSTIN DAVIS
HONORABLE MARIA DONATUCCI
HONORABLE ELIZABETH FIEDLER
HONORABLE MARTY FLYNN
HONORABLE EDWARD GAINNEY
HONORABLE PATTY KIM
HONORABLE STEPHEN KINSEY
HONORABLE LEANNA KRUEGER-BRANEKY
HONORABLE STEPHEN McCARTER
HONORABLE BENJAMIN SANCHEZ
HONORABLE PETER SCHWEYER

ALSO IN ATTENDANCE:

DAVID DONLEY, REPUBLICAN EXECUTIVE DIRECTOR
RITCHIE LaFAVER, REPUBLICAN EXECUTIVE DIRECTOR
MIRIAM FOX, DEMOCRATIC EXECUTIVE DIRECTOR
TARA TREES, DEMOCRATIC CHIEF COUNSEL
HONORABLE KEVIN BOYLE
HONORABLE TIM BRIGGS
HONORABLE ROB KAUFFMAN
HONORABLE ERIC NELSON
HONORABLE FRANK RYAN
HONORABLE TODD STEPHENS

JEAN M. DAVIS, REPORTER
NOTARY PUBLIC

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1 P R O C E E D I N G S

2 * * *

3 MAJORITY CHAIRMAN SAYLOR: Good morning,
4 Representative -- yeah, Representative Shapiro.

5 ATTORNEY GENERAL SHAPIRO: Thank you for the
6 promotion. I appreciate that.

7 MAJORITY CHAIRMAN SAYLOR: We'd like to think
8 it's a promotion anyway.

9 Would you rise and raise your right hand?

10 ATTORNEY GENERAL SHAPIRO: Yes.

11 MAJORITY CHAIRMAN SAYLOR: Do you swear or affirm
12 that the testimony you're about to give is true to the best
13 of your knowledge, information, or belief? If so, say I do.

14 ATTORNEY GENERAL SHAPIRO: I do.

15 MAJORITY CHAIRMAN SAYLOR: Thanks.

16 With that, I apologize. I have to leave the room
17 at around 4 o'clock to make a conference call.

18 We're going to start off questioning with
19 Representative Dunbar.

20 REPRESENTATIVE DUNBAR: Thank you, Mr. Chairman.

21 Welcome back, General. Good to see you again.

22 ATTORNEY GENERAL SHAPIRO: Good to see you.

23 REPRESENTATIVE DUNBAR: I'll start off with just
24 a couple easy questions.

25 Your office is expending out quite a bit of money

1 in regards to the drug epidemic. I believe it's like \$42
2 million this year and your request is for \$46 million next
3 year.

4 ATTORNEY GENERAL SHAPIRO: Right.

5 REPRESENTATIVE DUNBAR: With that being said,
6 you've talked in the past about the various programs you
7 have going. We appreciate the efforts.

8 At the same time throughout the Commonwealth
9 we're hearing different things where the Lieutenant Governor
10 is going on a fact-finding tour or a listening tour of
11 legalization of recreational marijuana.

12 The Auditor General was just in here and
13 enlightened us with some of his recent studies on the
14 potential revenue impact of legalization of recreational
15 marijuana.

16 I'd like to have your input on it, especially in
17 conjunction with what you're doing on your Drug Task Force
18 and things like that.

19 I, myself, am a believer that marijuana is a
20 gateway drug. That's just my opinion. I'm no expert. But
21 I'd love to hear your opinion.

22 ATTORNEY GENERAL SHAPIRO: Well, Representative,
23 thank you for the question.

24 I guess I'll just state the obvious at the
25 outset. I'm a law enforcer, not a lawmaker. So it's up to

1 this body what they choose to do as it relates to
2 recreational marijuana. My job is to enforce the laws on
3 the books. I strongly go out and enforce the laws and
4 protect the Commonwealth's Medicinal Marijuana Law, for
5 example, that this body passed.

6 I understand the conversations are ongoing in the
7 67 counties led by the Lieutenant Governor. I presume that
8 there are conversations happening in this Chamber and the
9 Chamber across the way.

10 My only guidance, if I may, to this body would be
11 include law enforcement in those discussions. I think it's
12 important that there's always a law enforcement perspective
13 at the table for these discussions. And for my part, I'll
14 continue to enforce the laws on the books as I've stated
15 very clearly many times.

16 REPRESENTATIVE DUNBAR: And from a law
17 enforcement perspective, have you had any discussions with
18 states that have legalized recreational marijuana, what
19 effect it's had on the law enforcement community?

20 ATTORNEY GENERAL SHAPIRO: I have.

21 Actually, months before the Governor made his
22 announcement, we began a fact-finding mission of our own
23 dealing with law enforcement in other states, Colorado,
24 Washington State, California, a few other states that have
25 legalized both recreational and medicinal, to learn about

1 the various issues that were raised.

2 I'm particularly interested in children and the
3 effect on kids. I'm interested in the effect on our
4 roadways. I'm interested in how those states have used
5 legalization to correct some of the injustices in the past
6 as it related to marijuana enforcement. That's something
7 I've spoken out about many times.

8 We're going to continue to gather that
9 information to the extent that the Governor, Lieutenant
10 Governor, Chairman, other Chairs wish to have that
11 perspective at hearings and what have you. We're happy to
12 provide that.

13 My job, as I said, though is to be a law
14 enforcer, not a lawmaker. I leave that up to this body to
15 exercise its judgment.

16 REPRESENTATIVE DUNBAR: And not to put you on the
17 spot, but the funding that you're presently getting for
18 drug-related things, do you have any opinion if that number
19 would increase because of legalization of recreational
20 marijuana?

21 ATTORNEY GENERAL SHAPIRO: I'm happy to try to
22 answer your question. I'm not sure I understand it.

23 REPRESENTATIVE DUNBAR: Do you think you would
24 need more money to continue your efforts that are presently
25 ongoing if marijuana, recreational marijuana, was legalized?

1 ATTORNEY GENERAL SHAPIRO: I don't know that it
2 would have a material effect. I mean, you're asking me a
3 hypothetical. I hate to engage in those, but out of respect
4 to you and this body, I'll do my best to address it.

5 I mean, the work we do through our drug lines,
6 whether it's local drug task forces, BNI, or the other work
7 we do, is really focused on heroin, fentanyl, opioids, meth,
8 which is a much bigger problem today than it was a year ago
9 when I sat before this body, particularly in rural parts of
10 our state, especially in the sort of upper tier in the
11 northwestern part of our state.

12 So we focus the lion's share of our efforts on
13 that. Do we come across marijuana as we enforce the laws?
14 Sure. But that's really not the focus of what we do.

15 REPRESENTATIVE DUNBAR: I understand that. And
16 again, it gets back to my own opinion of it being a gateway.
17 But I appreciate your answers.

18 Thank you.

19 ATTORNEY GENERAL SHAPIRO: Thank you,
20 Representative.

21 REPRESENTATIVE DUNBAR: Thank you, Mr. Chairman.

22 MAJORITY CHAIRMAN SAYLOR: Before I go to the
23 next questioner, I wanted to recognize that we have been
24 joined by Representative Todd Stephens in the room as well.

25 With that, we'll move to Representative Krueger.

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REPRESENTATIVE KRUEGER: Thank you, Mr. Chairman.
Thank you, General. Thanks for joining us here
today.

ATTORNEY GENERAL SHAPIRO: Sure.

REPRESENTATIVE KRUEGER: So last Friday the
Department of Environmental Protection announced that they
were suspending the review of all permits, applications
associated with Energy Transfer Partners and its subsidiary
Sunoco Logistics due to noncompliance around pipeline safety
issues.

The Governor followed up with a statement
acknowledging that Energy Transfer and its subsidiary had
failed to respect our laws and our communities. There are
now more than 80 violations and almost 13 million in penalty
fines and it's not over yet.

And in my district in Delaware County and in our
neighboring county, Chester County, there has been incident
after incident after incident. Chester County just a few
weeks ago the fourth sinkhole opens. And residents on the
ground want us to take action.

We have a local district attorney in one of those
counties who has now filed a criminal complaint against
Sunoco Logistics and is trying to take criminal action.

So can you tell us what can your office do to
investigate the pipeline safety issues in Delaware and

1 Chester Counties?

2 ATTORNEY GENERAL SHAPIRO: Generally speaking, my
3 office, Representative Krueger, can't do anything unless we
4 get a referral from the Department of Environmental
5 Protection or from a local district attorney on these kinds
6 of environmental matters.

7 In this setting, I can tell you that I have not
8 received a referral from the Department of Environmental
9 Protection. Beyond that, I don't think it would be
10 appropriate for me to comment any further on any criminal
11 investigations related to the pipeline.

12 There may come a time in the future where I can
13 talk more openly about that, but this is neither the time
14 nor the setting.

15 I do appreciate your leadership on the issue.
16 And I am very, very mindful of the concern that many
17 neighbors have in Delaware County, Chester County, and along
18 the pipeline. It concerns me a great deal.

19 What also concerns me, speaking more from a macro
20 perspective, is that unlike nearly every other issue that we
21 deal with on a criminal basis, environmental crimes are ones
22 that I have to go to DEP or I have to go to a district
23 attorney to get a referral on. That is cumbersome. It
24 takes a significant amount of time. And it makes it harder
25 for me to do my job to protect the people of Pennsylvania

1 and protect their constitutional right to clean air and pure
2 water.

3 And so if this body were looking to reform our
4 laws in this area, I would respectfully encourage members to
5 give us a concurrent jurisdiction on these matters so that
6 we could more quickly get involved in addressing the
7 potential -- I'm speaking generally here, not about the
8 specific issue that you raised but environmental crimes in
9 general.

10 REPRESENTATIVE KRUEGER: Thank you.

11 And if the DEP was to issue a referral to your
12 office, what would the next step be?

13 ATTORNEY GENERAL SHAPIRO: Well, if the DEP or a
14 district attorney were to make a referral to my office, we
15 would consider that referral. And assuming it was an
16 appropriate referral, then we would commence a criminal
17 investigation.

18 In a setting like this, I certainly would not be
19 at liberty to speak about that fact. If the referring
20 agency wished to make a comment as to the fact that they
21 referred something to me, that would be up to them. But I
22 would not be in a position to comment on that.

23 REPRESENTATIVE KRUEGER: Okay. Thank you so much
24 for taking this under consideration.

25 Again, it's an urgent issue on the ground in

1 Delaware County and Chester County, over 80 incidents. We
2 have 200 accidents. People want action. And I'd appreciate
3 anything that your office can do.

4 I understand that there's constraints. But
5 there's a number of us who are pushing for legislative fixes
6 as well as pushing on the DEP and the Administration.

7 Thank you.

8 ATTORNEY GENERAL SHAPIRO: Absolutely.

9 And I appreciate your leadership. And I would
10 again, just to stress this, welcome the opportunity to have
11 greater jurisdiction on these environmental crimes, again,
12 not speaking specifically about the issue you raised but in
13 general. And I think that would be an area of reform that
14 we could work on together.

15 REPRESENTATIVE KRUEGER: Thank you.

16 ATTORNEY GENERAL SHAPIRO: Thank you.

17 MAJORITY CHAIRMAN SAYLOR: Representative Brown.

18 REPRESENTATIVE BROWN: Thank you, Mr. Chairman.

19 Welcome, Attorney General Shapiro. Thank you.

20 ATTORNEY GENERAL SHAPIRO: Thank you.

21 REPRESENTATIVE BROWN: And I think you might have
22 an idea what I might be asking you about.

23 First, I want to thank you and your team for
24 helping with Act 17 of 2018 and helping us work through that
25 a little bit. As a reminder, that act gave additional power

1 to the Attorney General's Office through the Bureau of
2 Consumer Protection to be able to mediate, investigate with
3 planned communities, private associations, condominiums,
4 cooperatives.

5 But based on the short amount of time that we
6 have had this legislation in play, the response that I've
7 been getting from the constituents and planned communities
8 and some of their complaints that they have submitted has
9 really not been good.

10 I think what I'm trying to get at is, when I
11 looked at your comments in the report -- and in your
12 comments, it really wasn't mentioned much as far as any of
13 the initiatives -- in one of the sections, it talks about
14 the public protection division. And it says the Do Not Call
15 on the Home Improvement Consumer Protection Act and a few
16 other things, but Act 17 really wasn't listed as an
17 initiative.

18 My concern with that is because it isn't getting
19 the full attention, is it not getting maybe the response
20 that it needs to the constituents or is there maybe an issue
21 on your end where I may need to do something further or, you
22 know, can we get to some of these details of why I believe
23 maybe these private residents are not getting the
24 protections that may be due to them through this act?

25 ATTORNEY GENERAL SHAPIRO: Well, Representative,

1 I appreciate your leadership on this. It is an issue I'm
2 aware of. It's an issue that the Director is aware of. One
3 of the challenges that we face on this is that we don't have
4 any authority under the law that you helped shepherd through
5 to make people comply with, you know, a mediation, to make
6 people comply with an outcome that we find.

7 And so it would be great to work with you. Maybe
8 we could meet, you know, offline and talk about ways in
9 which the law could be tweaked to give us a little bit more
10 authority to help them comply on these cases.

11 You certainly have my commitment to work on this
12 issue. And I do think it's something important. And I
13 think as we have seen with Hippo, which I think I was a
14 member of this body when we passed that a few years ago or
15 gave it more teeth a few years ago, it's really important to
16 folks.

17 And consumers need this protection. Homeowners
18 and those involved in these disputes with the associations
19 need some greater protections. So we're happy to do that
20 work. We just need a little bit more authority to do it if
21 you want us to be able to do it in an effective way.

22 REPRESENTATIVE BROWN: Great. And I do look
23 forward to working with you further on that to ensure that
24 we can really make this the best protection for these types
25 of residents of Pennsylvania.

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ATTORNEY GENERAL SHAPIRO: Sure.

REPRESENTATIVE BROWN: The other quick question that I had in relation to this is, with the powers right now within the mediation and investigation, if they choose not to comply -- and as you're saying, the authority may not be within you to mandate them to comply -- part of the budget through the Attorney General's Office, I think 65 percent of our DAs salary or budget is budgeted through your office.

ATTORNEY GENERAL SHAPIRO: It's passed through.

REPRESENTATIVE BROWN: It's passed through for the County. The DA's Offices do have the authority to address and investigate these types of issues.

Now, I really haven't seen it happen much. I saw one issue up in Pike County a few years ago where there were two individuals that were convicted in a voting fraudulent abuse type of situation.

So my question is, what are the relationships between your office and the local DAs with this type of situation and if you have a situation where maybe they are not complying but you do feel there is some fraudulent issues and the urgency of the DA's Office to try to help protect these residents?

ATTORNEY GENERAL SHAPIRO: We work incredibly closely with the DAs. I'm proud of the fact that we've repaired the relationships that were, you know, severed in

1 the years prior to my Administration.

2 In fact, our referrals from DAs have been doubled
3 since I took office. You know, we're quite busy as a result
4 of referrals from DAs. We work with them on a number of
5 local task forces, both criminal and to a smaller extent
6 civil. I think making them aware of this probably through
7 the PDAA is a very, very good idea. In fact, I'll be
8 addressing the PDAA tomorrow morning in Pittsburgh. I'd be
9 happy to raise this issue with them.

10 And I think having them understand the importance
11 of this and what to look out for and be able to lean on the
12 resources of my office to do some of this work would be very
13 beneficial for your constituents, provided we also vest the
14 authority in our office to ensure that they comply with the
15 outcomes that are reached.

16 REPRESENTATIVE BROWN: Thank you.

17 I appreciate that. And I definitely think that
18 is a worthwhile measure.

19 ATTORNEY GENERAL SHAPIRO: Great.

20 REPRESENTATIVE BROWN: Thank you.

21 ATTORNEY GENERAL SHAPIRO: Thank you.

22 REPRESENTATIVE BROWN: Thank you, Mr. Chairman.

23 MAJORITY CHAIRMAN SAYLOR: Representative Davis.

24 REPRESENTATIVE DAVIS: Thank you.

25 Thank you, Attorney General Shapiro, for

1 appearing today.

2 First, I'd like to comment. I'd like to thank
3 you for consistently putting people over powerful
4 institutions as we've seen over the last year.

5 And recently you did just that in southwestern
6 Pennsylvania and Pittsburgh for a topic that's of great
7 concern to my constituents, and that's you filed a court
8 action to amend the consent degree between UPMC and
9 Highmark.

10 In your opinion, what would be the best outcome
11 of this action and are you hopeful that a settlement can be
12 reached by the July 1st deadline?

13 ATTORNEY GENERAL SHAPIRO: Well, as I stated when
14 I announced our legal action last week, this is truly just a
15 basic issue of fairness. Right? If you're a charity in
16 this Commonwealth, under the laws that you all passed,
17 right, and that I have to go out and enforce, you make a
18 basic bargain with the taxpayers. In exchange for your
19 ability to collect donations tax free, in exchange for
20 tax-exempt bonds, in exchange for owning, as you know in the
21 case of UPMC and Highmark out in Pittsburgh, significant
22 amounts of real estate tax free, not paying money to the
23 Pittsburgh School District, not paying money to Allegheny
24 County, not paying money to the city of Pittsburgh, in
25 exchange for that bargain, there's certain things that

1 you're obligated to do and in this case render care to
2 people in your region, in your jurisdiction.

3 I've been involved in two years' worth of
4 negotiating with the CEOs and their counsel of both
5 companies, both Highmark and UPMC, to help them understand
6 the deal that they made to taxpayers, to demonstrate to them
7 very clearly where they stand in violation of our State
8 charity laws.

9 And at the culmination of that back and forth,
10 roughly a month ago, I sat with both CEOs and presented them
11 the final terms that I expected them to agree to if they
12 were to be in compliance with our state laws, laws that you
13 all and the people of Pennsylvania want me to go out and
14 enforce.

15 One of those companies, Highmark, agreed to the
16 terms. The other, UPMC, did not. And I made it very clear
17 to them that if they did not, I'd be taking them to court to
18 enforce the laws on the books and to make sure that that
19 basic deal, that basic fairness, you know, the benefit of
20 the bargain with the people of Pennsylvania would be met.

21 We took them to court, as you know. We are in
22 Commonwealth Court now. UPMC can still do the right thing
23 and simply agree to the same terms that Highmark did and
24 agree to follow the law. Should they not, we will be
25 seeking expedited consideration of this so that it can be

1 resolved in some form or fashion prior to the expiration of
2 the consent decrees on July 1st.

3 This is an issue, again, of basic fairness. It's
4 an example of corporate greed getting in the way of caring
5 for the people that your own charitable mission calls for
6 you to care for. And it's not something we're going to
7 stand for in the Commonwealth of Pennsylvania, either in
8 western Pennsylvania or anywhere else.

9 We intend to hold all actors accountable to our
10 charities laws and be very vigorous in defending those laws
11 here in Pennsylvania and protecting the people.

12 REPRESENTATIVE DAVIS: Thank you.

13 Thank you, General, for what I believe is a bold
14 and necessary leadership step that our office is taking.
15 And I look forward to the outcome.

16 ATTORNEY GENERAL SHAPIRO: Thank you.

17 MAJORITY CHAIRMAN SAYLOR: Representative Fritz.

18 REPRESENTATIVE FRITZ: Thank you, Mr. Chairman.

19 Greetings, Attorney General Shapiro. Thank you
20 for being here.

21 Attorney General, in August of 2017, the New York
22 University School of Law announced a program through their
23 Energy and Environmental Impact Center to provide lawyers in
24 State Attorney General Offices for the purpose of pursuing
25 environmental litigation.

1 Now, that New York University program was funded
2 by a \$6 million grant from Bloomsburg philanthropies. In
3 December 2017, the Pittsburgh Tribune Review, in fact,
4 reported that the Environmental Impact Center accepted your
5 application. In that application you requested funding to
6 hire two attorneys to serve as Special Assistant Attorney
7 Generals.

8 Your office was accepted into the
9 Bloomsburg-funded New York University Environmental Impact
10 Center program. And with those details in mind, I'm
11 curious, is the Office of Attorney General still
12 participating and if you withdrew, why did you withdraw?

13 ATTORNEY GENERAL SHAPIRO: Well, I appreciate you
14 raising the issue.

15 In part we explored that issue because I wanted
16 to be able to come back here to the Chairman and cite a
17 number of different ways I helped save money for the
18 Commonwealth of Pennsylvania by relying on, in this case,
19 non-profit to fund some positions in our office to do work
20 that I thought was important for the people of Pennsylvania.

21 When I received the contract or the terms or
22 whatever from New York University, I immediately withdrew
23 Pennsylvania from even considering going down that path of
24 hiring someone because I didn't like the terms. I didn't
25 think that they were independent enough from the university

1 and I didn't think that it was something worthwhile to
2 pursue.

3 So if you would have done a little more research,
4 you would have found additional articles talking about how I
5 decided not to pursue this program and not to go down that
6 path.

7 REPRESENTATIVE FRITZ: Okay. Okay.

8 Along those same lines, how often is your office
9 communicating, and that would be via phone or e-mail, with
10 the New York Attorney General's Office?

11 ATTORNEY GENERAL SHAPIRO: I communicate with my
12 colleagues across the country on a regular basis.

13 REPRESENTATIVE FRITZ: Is there any formal
14 discussions to be had there?

15 ATTORNEY GENERAL SHAPIRO: I'm not sure I
16 understand your question. I'm not going to get into any
17 conversations that I have about legal matters with the
18 Attorney General of New York or any other Attorney General.
19 I collaborate with my colleagues.

20 I collaborated with the Attorney General of West
21 Virginia to deal with the opioid crisis. I collaborated
22 with the Attorney General of Ohio to deal with the IMD
23 exclusion issues so we could together lobby the Trump
24 Administration to make more treatment available for people.
25 I collaborated with the Attorney General of Montana to deal

1 with a data-breach issue involving Facebook. I've worked
2 with probably every single -- not probably -- every single
3 colleague across this country to deal with important issues.
4 I've worked with 46 Attorney Generals in the wake of our
5 clergy abuse investigation.

6 If you want me to keep going, I'm happy to keep
7 going here.

8 REPRESENTATIVE FRITZ: Well, fair enough.

9 And I'm on a theme here so you and I are on the
10 same page here. How often is your office communicating, via
11 phone or e-mail, with the Pennsylvania Department of
12 Environmental Protection?

13 ATTORNEY GENERAL SHAPIRO: We work with the
14 Department of Environmental Protection on a regular basis as
15 we do with other departments.

16 REPRESENTATIVE FRITZ: And have there been any
17 three-way phone calls between your office, the Pennsylvania
18 Department of Protection, and the New York Attorney
19 General's Office?

20 ATTORNEY GENERAL SHAPIRO: I don't know.

21 REPRESENTATIVE FRITZ: Okay.

22 Well, it begs a key question, Mr. Attorney
23 General.

24 ATTORNEY GENERAL SHAPIRO: Why don't you ask the
25 question that you intend to ask instead of asking these

1 silly preamble questions here?

2 REPRESENTATIVE FRITZ: Well, I have my style and
3 you have yours and I'm getting to it.

4 The question, key question, is, is it appropriate
5 for outside special interest groups to be funding attorneys
6 within Pennsylvania State Government -- particularly within
7 Pennsylvania State Government and particularly law
8 enforcement agency attorneys and don't you feel that that is
9 a very dangerous commingling that could undermine the
10 fairness and objectivity that you serve in your agency?

11 ATTORNEY GENERAL SHAPIRO: I answered your
12 question earlier in saying I didn't rely on that NYU or any
13 other outside funding to fund positions within my office.

14 REPRESENTATIVE FRITZ: No further questions.
15 Thank you.

16 ATTORNEY GENERAL SHAPIRO: Clearly.

17 MAJORITY CHAIRMAN SAYLOR: Representative
18 Bullock.

19 REPRESENTATIVE BULLOCK: Thank you, Mr. Chairman.
20 Good afternoon. How are you doing, Attorney
21 General?

22 ATTORNEY GENERAL SHAPIRO: Good.

23 REPRESENTATIVE BULLOCK: Good.

24 So I'll start off with my usual line of
25 questioning in regards to your staff and workforce

1 diversity. If you could please share with me your current
2 statistics around that and any comparison that you can to
3 last year.

4 ATTORNEY GENERAL SHAPIRO: Sure. 16 percent of
5 our hires since I took office have been people of color. I
6 would note that for the first time ever we have a diversity,
7 an inclusion officer in the Commonwealth of Pennsylvania's
8 Office of Attorney General not just committed to diversity
9 for diversity sake but to make sure that we have an
10 inclusive environment within our office to do the important
11 work that we need to do.

12 I would note, Representative Bullock, that we
13 have more women in positions of leadership, senior
14 leadership, than men in my office. In fact, my first Deputy
15 Attorney General, which is the highest position in our
16 office, is a woman. 46 percent of our entire complement are
17 women.

18 Understand that I inherited an office that did
19 not reflect these diversity numbers. So we're working very
20 hard to rebuild and to make sure that our office reflects
21 the people of Pennsylvania.

22 Now, we do that not just so I have the ability to
23 answer your question the way that I did. We do that because
24 it just makes good sense. I believe that you make smarter
25 decisions, you make more just decisions, when the people

1 sitting around the table look like the people of
2 Pennsylvania, look like the people that I'm sworn to serve
3 and who challenge me with different perspectives, life
4 experiences, different political affiliations, different
5 perspectives on issues. We ultimately make better decisions
6 as a result of that.

7 So have we made great progress from where we were
8 the day I took office? Absolutely. Are we done? Not a
9 chance. And that's the reason why we not only want to
10 continue to improve on hiring, but to have a culture in our
11 office that respects diversity, that represents inclusion,
12 and ultimately through that, we're going to make better
13 decisions for the people of Pennsylvania.

14 REPRESENTATIVE BULLOCK: Thank you for your
15 commitment to that. And you're actually correct. It's
16 about creating a culture, which I shouldn't have to ask
17 these questions because it's just a given and it's who we
18 are. It's who we are as Pennsylvanians. It's who we are as
19 human beings to be inclusive and to make sure that we're
20 including all experiences, regional experiences, demographic
21 experiences in the decisions that we make every day that
22 affect Pennsylvanians.

23 Switching gears.

24 ATTORNEY GENERAL SHAPIRO: Sure.

25 REPRESENTATIVE BULLOCK: In recent years and

1 particularly last year, our country has witnessed children
2 running out of school buildings in response to school
3 shootings across our country. It's something that no parent
4 wants to hear. No student should have to fear when they go
5 to school every day to learn.

6 Last year your office started -- or actually
7 earlier this year launched the Safe2Say Something School
8 Safety Program. Could you share any early statistics? And
9 what do you hope to gain out of this program as you move
10 forward through our office?

11 ATTORNEY GENERAL SHAPIRO: Sure.

12 Let me commend this body and the Senators who
13 worked together in a bipartisan manner to put this anonymous
14 tip reporting system in place known as Safe2Say.

15 We had a short lead time to get it up and
16 running. But we have a tremendous team who did get it up
17 and running. We are now in over 90 percent of our schools
18 in Pennsylvania. We've trained a half a million students
19 and teachers and administrators in those schools.

20 In the first month of existence, we received
21 4,456 tips on our anonymous tip reporting system.

22 REPRESENTATIVE BULLOCK: What was that number
23 again?

24 ATTORNEY GENERAL SHAPIRO: 4,456. And I would
25 note that 1,230 of those tips were life safety tips, tips

1 that we thought were, you know, important enough to not only
2 notify the School District about, but law enforcement as
3 well.

4 There have been some early reports of situations
5 where we have been able to help students avoid harming
6 themselves or potentially harming others. And we think that
7 this is a valuable program.

8 Now, I would state as the chief law enforcement
9 officer of the Commonwealth of Pennsylvania, this is one
10 part of it. And we cannot ignore the other side of this
11 conversation, which is we've got to be serious about making
12 sure guns stay out of the hands of children, guns stay out
13 of the hands of criminals, guns stay out of the hands of
14 those who are in a mental state where they should not be
15 handling or owning a gun.

16 I think that that is the next part of this
17 conversation that needs to happen here in Harrisburg and in
18 Washington. And I think it should start with universal
19 background checks. I think all of us in law enforcement can
20 agree that would be a huge step forward.

21 The tip reporting system is good and an important
22 step but it should not be viewed as the only step that's
23 necessary to keep kids safe.

24 REPRESENTATIVE BULLOCK: Thank you.

25 And in addition to the gun control measures that

1 you mentioned, we also need to make sure we provide mental
2 health resources and other support services in our schools
3 as well.

4 Thank you for your work on this.

5 ATTORNEY GENERAL SHAPIRO: Without a doubt.

6 And if I may, Mr. Chairman, just to follow up on
7 that?

8 MAJORITY CHAIRMAN SAYLOR: Sure.

9 ATTORNEY GENERAL SHAPIRO: A number -- in fact, a
10 significant number of the life-safety tips we get are
11 threats of suicide and suicide ideation. So it is clear to
12 me that we need more resources to go into mental health
13 issues, particularly targeting our schools and students, to
14 help them.

15 You know, in the neighborhoods that you represent
16 -- and I've been in those neighborhoods with you -- we've
17 got serious issues of trauma. These kids are seeing gun
18 violence in their communities. They're seeing other kinds
19 of violence in their communities. They're coming out of
20 areas where they're experiencing things that most kids
21 across this Commonwealth don't see every day.

22 That trauma impacts them. And until we get
23 serious about addressing that trauma, we are going to
24 struggle on the back end dealing with it from a criminal
25 justice perspective, either me, a local DA, a police

1 commissioner, whatever the case may be. We got to get
2 serious about investing in these mental health issues if
3 we're going to end up dealing with the public safety issues
4 more effectively.

5 REPRESENTATIVE BULLOCK: Thank you for your work.

6 ATTORNEY GENERAL SHAPIRO: Thank you.

7 MINORITY CHAIRMAN BRADFORD: Representative
8 Heffley.

9 REPRESENTATIVE HEFFLEY: Thank you, Mr. Chairman.

10 Thank you, Attorney General, for being here.

11 ATTORNEY GENERAL SHAPIRO: Thank you.

12 REPRESENTATIVE HEFFLEY: Just looking over the
13 notes here and going over everything, I want to commend you.
14 Since 2017, obviously you've obviously taken over what was
15 an office that was in quite a bit of disarray to bringing it
16 up to where it is now. And we've seen a significant
17 increase in funding this year. I think the Governor
18 proposed 7.6 percent increase and you had asked for a little
19 bit higher increase.

20 And I think in light of what we're facing as a
21 Commonwealth with the opioid epidemic and fentanyl being so
22 prevalent throughout Pennsylvania in those opioids and
23 losing, you know, 10 to 13 lives a day to overdose -- that's
24 the leading cause of accidental death -- looking at that, it
25 seems that we would want to put that extra resource into the

1 office.

2 My only concern is, I look at the stack of some
3 of the press releases that have come out of the office
4 citing, you know, filing suits against the Administration in
5 Washington.

6 I think sometimes they grab headlines and it's
7 good political posturing. However, I would say that I think
8 we need to really focus with those dollars and those
9 resources on Pennsylvania and what I think is the No. 1
10 issue here in the Commonwealth, the opiate and heroin
11 epidemic.

12 The fact that heroin is more readily available to
13 high school students than a case of beer is, you know,
14 really something that we need to continue to address.

15 I guess my -- it would be more or less a comment.
16 For that additional funding, I would like to take those
17 resources, instead of getting involved in political messes
18 because you watch that all night on CNN and Fox News and
19 everything else, whatever your preference, and really focus
20 on offices that need additional resources and all resources
21 on the No. 1 health epidemic in our Commonwealth, which is
22 the opioid crisis.

23 I guess that's just my suggestion. If we're
24 looking for additional resources, I could be supportive of
25 that, providing that we're going to be using it properly.

1 So thank you.

2 ATTORNEY GENERAL SHAPIRO: Let me make a couple
3 comments. First off, the positions that I've asked for
4 largely are focused on the drug issues. And so if you read
5 my budget submission, it's clear where those resources are
6 going.

7 Number 2, I made it clear in nearly every speech
8 I've ever given or statement I've made, my top priority was
9 and remains dealing with the heroin and opioid crisis, which
10 claims the lives of 15 Pennsylvanians each and every day.
11 It's where we spend the lion's share of our time.

12 I can't control what grabs headlines or what
13 reporters choose to write about. But I can tell you that
14 the federalism actions we've been involved in, by the way,
15 to defend the laws of this Commonwealth and to defend the
16 rule of law, are quite small in terms of the amount of time
17 they take and energy they take as compared to the work we do
18 on the heroin and opioid crisis, on protecting children from
19 predators, and what have you.

20 But I would think that members of this body would
21 want us to defend the laws of this Commonwealth.

22 Just last week --

23 REPRESENTATIVE HEFFLEY: Well, I would just say
24 that we have a court system. And obviously Federal things
25 have been appealed. But it just seems like there's just

1 more of that. Maybe it's just perception, but it seems like
2 it's every day there's something in the headlines where I
3 would, you know, really like to -- like I said before,
4 fentanyl, why is it so much more prevalent in Pennsylvania
5 than in other states, why we have such a higher death rate.

6 Those are the focuses and the things I'd like to
7 see a little more focus on, how do we keep those drugs off
8 our street? I understand that we can get into endless
9 policy arguments over which way we feel the Federal
10 Government should be going on certain issues and certain
11 directives.

12 ATTORNEY GENERAL SHAPIRO: Yes, but,
13 Representative --

14 REPRESENTATIVE HEFFLEY: I really want to focus
15 on the key issue here. You are the top law enforcement guy.
16 You are the guy that's got to get it done in this case.

17 ATTORNEY GENERAL SHAPIRO: I would just state
18 with the utmost respect, Representative -- and I took your
19 question respectfully and I'm going to respond
20 respectfully -- your statement is demonstrably false in
21 terms of that occupying more time or more focus.

22 Our focus has been on and remains on the heroin
23 and opioid crisis. That's where we spend obviously the
24 lion's share of our funding and our time. Furthermore,
25 anytime I get involved in a federalism action, of which the

1 majority by the way have been with Republican and Democratic
2 Attorney Generals, is to protect the rule of law.

3 Just last week I had to go deal with the
4 Department of Justice on a matter to protect the Online
5 Gaming Law that this body passed, to protect the online
6 lotteries that this body passed and rely on to fund senior
7 programs.

8 It is my job to go and defend the laws of this
9 Commonwealth, to defend the constitutional rights of all
10 Pennsylvanians, be it our State Constitution and/or Federal
11 Constitution.

12 And I would point out that I have taken the
13 Federal Government to court far less than most of my
14 colleagues and I've never lost. And the reason I've never
15 lost is because each and every time I go not based on, as
16 you said, Representative, a policy difference, but based on
17 the rule of law.

18 Put it this way: If I were to sue the President
19 every time I had a policy difference from him, I'd have sued
20 him 1,000 times already. I haven't. I've sued him 22
21 times. Eleven have gone to court, and I'm 11 and 0.

22 MINORITY CHAIRMAN BRADFORD: Representative
23 Donatucci.

24 REPRESENTATIVE DONATUCCI: Thank you.

25 Hello, General.

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ATTORNEY GENERAL SHAPIRO: Hello.

REPRESENTATIVE DONATUCCI: So we have an opioid crisis across the country and in Pennsylvania. It's terrible. Back in 2007, executives of Purdue Pharma were, you know, brought to trial. They weren't really accused of wrongdoing. They pleaded to misbranding.

I mean, they told doctors, they told the public, they told everybody that it was not habit-forming, it was nonaddictive. And that's how they marketed it.

I mean, we're going back how many years ago? They got fined I think it was \$634 million and it went away. Now we come to today where we have a really bad crisis. And your office joined a multi-state lawsuit against Purdue Pharma and other pharmaceutical companies for their role and for many for the opioid crisis, especially by ignoring or burying early reports of the highly addictive nature of drugs like OxyContin.

Recognizing that you can't make comments that may compromise an ongoing lawsuit, can you provide any updates in this case?

ATTORNEY GENERAL SHAPIRO: I can in a limited way. We are one of four or five states leading a 41-state, multi-state investigation, into six opioid manufacturers and three distributors on behalf of the Commonwealth of Pennsylvania.

1 I can tell you that our discussions have been
2 robust and ongoing and productive. Whether we can yield a
3 positive outcome for the Commonwealth without litigating
4 remains to be seen.

5 But at this point in time, we've chosen to be a
6 leader in this multi-state suit and see what we can do to
7 recover for the people of Pennsylvania and the Commonwealth
8 and our, you know, cities, counties, municipalities that
9 have been negatively impacted by the crisis that we face.
10 So we're going to keep on that.

11 I can't get into details in this setting as to,
12 you know, the negotiations and discussions. But I can tell
13 you that we're making progress. And when we are in a
14 position to speak about this, I look forward to coming back
15 before the Committee and sharing greater detail.

16 REPRESENTATIVE DONATUCCI: Okay. Because \$600
17 million to make it all disappear and look where we're at
18 today, it's terrible.

19 ATTORNEY GENERAL SHAPIRO: It's a crisis. And
20 I've said many times that I think some of these
21 pharmaceutical products, these opioids, are the jet fuel to
22 this crisis.

23 In fact, if you go and you look at the
24 communities across Pennsylvania that have been impacted by
25 this, clearly the city you represent, the City of

1 Philadelphia, has had the highest number of overdose deaths,
2 over 1,200 last year.

3 But it may surprise some folks to know that if
4 you stack up each of Pennsylvania's 67 counties and you look
5 at the percentage of overdose death rate, the top 11
6 counties are all rural counties in Pennsylvania.

7 And you have to ask yourself, why? And when you
8 dig into that further, one of the things you find is an
9 absorbant number of these painkillers, these opioid
10 painkillers, being dumped in rural communities in
11 Pennsylvania, similar to what's going on in Kentucky, Ohio,
12 West Virginia, rural parts of New York. They dump these
13 painkillers. People get addicted to them.

14 And then it's a heck of a lot cheaper, of course,
15 to buy heroin, which someone was talking about a six-pack of
16 beer. I mean, it's actually cheaper to buy a packet of
17 heroin than buying a six-pack of beer. And you, you know,
18 go down the pathway to addiction.

19 We're seeing in rural parts of our Commonwealth,
20 these drugs being dumped in those areas I think recklessly
21 and I think in a way that these pharmaceutical companies
22 need to be held to account for, which is a major topic of
23 the discussions when we're around the table with them.

24 Put it this way, I'm not afraid of these guys.
25 I'm not swayed by their powerful lobbyists. And we are

1 doing everything we can in our power to recover for the
2 people of the Commonwealth.

3 When I can say more about it beyond what I've
4 said here, I look forward to sharing that with you.

5 REPRESENTATIVE DONATUCCI: Okay. So I'm going to
6 stay on the topic of opioids.

7 ATTORNEY GENERAL SHAPIRO: Sure.

8 REPRESENTATIVE DONATUCCI: Your office has been
9 on the front lines in combating drug trafficking, especially
10 in relation to the ongoing opioid epidemic. Can you provide
11 some details on the efforts made by your office to interdict
12 the flow of heroin and fentanyl into Pennsylvania's
13 communities?

14 ATTORNEY GENERAL SHAPIRO: We have worked very
15 hard through our Bureau of Narcotics Investigations to go
16 after bigger dealers, bigger pipelines, and to try to shut
17 down the flow of those pipelines into our Commonwealth. We
18 had a pipeline that was going from New York State through
19 the region you represent out to the Altoona/Johnstown area
20 that had dumped a million and a half bags of heroin into
21 those communities. We shut that pipeline down.

22 We had another pipeline in Northeastern
23 Pennsylvania that was similar in size . We shut that down.
24 That's as a result of strong collaboration with our Federal
25 partners, State partners, and local partners.

1 Our Drug Task Forces are operating, you know,
2 busier than ever before. We've taken over a number of local
3 drug task forces where we're able to now bring more
4 resources and more expertise to Cambria County, probably
5 being the most recent one.

6 We're involved in a number of important task
7 forces with our Federal partners in the Kensington area of
8 Philadelphia, which I think is just outside your district
9 but obviously an area of concern for you. I'll have more to
10 say about that very soon in terms of some of the work we're
11 doing there.

12 So whether it's direct work through our BNI, work
13 through our Drug Task Forces, work that I hope will be
14 complemented by the additional personnel that we're seeking
15 from this body, funding from this body for, I think, you
16 know, you are clearly seeing, you know, important work being
17 done by our office that's having a meaningful impact in
18 communities.

19 I can sit here and cite for you the data. I've
20 been in office two years. Every single day I've been in
21 office on average we've arrested five drug dealers, and not
22 street-level dealers, but high-level dealers. Our arrests
23 are up 70 percent.

24 I mean, we could cite all those statistics for
25 you. What I can tell you is in the areas where we are

1 operating where our personnel are, we're having a meaningful
2 impact on helping those communities and making a difference.

3 REPRESENTATIVE DONATUCCI: Thank you.

4 I'm out of time.

5 MINORITY CHAIRMAN BRADFORD: Representative
6 Topper.

7 REPRESENTATIVE TOPPER: General Shapiro, good to
8 see you again.

9 ATTORNEY GENERAL SHAPIRO: Thank you.

10 REPRESENTATIVE TOPPER: First of all, I want to
11 thank you for your work as we combat the opioid crisis
12 together. Your willingness to come out to our districts,
13 you know, especially, look, Fulton County is not exactly an
14 area that is highly populated. You were willing to come
15 out. You've come out to Bedford County, unfortunately not
16 under the best of circumstances sometimes, but I do
17 appreciate the fact of what you're doing around the State.

18 On the Labor & Industry Committee last year, last
19 term, I should say, last session, we were involved in an
20 opioid issue that kind of came to us through some of the
21 exposes in the Philadelphia Inquirer late 2017 and early
22 2018 dealing with relationships between, you know, the law
23 firms, work compensation groups, doctors, pharmacies, kind
24 of stakeholders in all three.

25 Are you familiar with those articles from the

1 Inquirer and kind of how that might play into what we're
2 dealing with with trying to combat, as you said multiple
3 times, the opioid at its root, at kind of the prescription
4 level?

5 ATTORNEY GENERAL SHAPIRO: I'm familiar with the
6 issue that you're raising, yes, Representative.

7 REPRESENTATIVE TOPPER: Is there -- I know it's
8 difficult for you to speak on too much of this subject. I
9 know I'm going into a field where I might get some very
10 short answers.

11 ATTORNEY GENERAL SHAPIRO: It's okay.

12 REPRESENTATIVE TOPPER: Is that something you're
13 willing or your office is currently looking at? And if you
14 can't get into specifics on that, do you have any
15 suggestions for us from a legislative standpoint on steps
16 that we can take to ensure that our workers' compensation
17 system is not feeding this epidemic?

18 ATTORNEY GENERAL SHAPIRO: As you predicted in
19 your question, that is not a topic I can talk about here in
20 this setting. I'm generally aware of the issue that you
21 raised. I think you've raised a concerning issue.

22 In terms of what reforms would need to be made, I
23 don't know that I'm the right person to weigh in on that at
24 this time. There may come a time in the future where it
25 would be appropriate for me to do that but I don't think

1 that's something --

2 REPRESENTATIVE TOPPER: Well, when that time
3 comes, you know where we are. I appreciate that.

4 Thank you.

5 ATTORNEY GENERAL SHAPIRO: Sure.

6 REPRESENTATIVE TOPPER: Thank you, Mr. Chairman.

7 MINORITY CHAIRMAN BRADFORD: Representative
8 McCarter.

9 REPRESENTATIVE McCARTER: Thank you.

10 Thanks, Mr. Attorney General, for being here
11 today. And again, thank you for all the good work you've
12 been doing. We hope the 11 of 11 becomes 12 of 12 very
13 shortly as well.

14 One of the longest, I think, and largest problems
15 that comes into our district offices as State Reps, almost
16 literally several times a week, are people who are concerned
17 about their parents and senior fraud that's taking place,
18 attempts at senior fraud.

19 ATTORNEY GENERAL SHAPIRO: Yes.

20 REPRESENTATIVE McCARTER: And that truly is
21 happening, I think, for all of us, as we know, not only on
22 the computer. It's happening by the phone, by mail. It's
23 an ongoing problem that, quite honestly, the people of
24 Pennsylvania are frustrated by I think many times over.

25 Is there something that your office can do to

1 help in terms of trying to find a way to lessen the burden
2 of everyday life for seniors who are being inundated by
3 telephone calls, seeking not only their Social Security
4 numbers for fraud purposes, but for a myriad of other
5 things, kidnapping, etc., of their children, etc.?

6 ATTORNEY GENERAL SHAPIRO: Well, this has been a
7 big focus of our efforts to try and protect seniors and
8 others from these kinds of scams. They happen in a lot of
9 different ways.

10 Let me focus on two of the biggest examples of
11 scams we're seeing. One is on robo calls. And two is gift
12 card scams. I'll try to address both of them. If there's
13 something else on your mind, feel free to follow up.

14 REPRESENTATIVE McCARTER: Okay.

15 ATTORNEY GENERAL SHAPIRO: First off, the calls
16 seniors are particularly susceptible to and they've become
17 more susceptible because of something called spoofing where
18 the calls actually look like they are coming from your
19 neighborhood.

20 So in your neck of the woods, 215-884 or 886 and
21 then four other digits might seem like a call from a local
22 phone number, a local shop. Because of this spoofing
23 technology where scammers are actually able to take over
24 that prefix, you know, the area code and that three-digit
25 prefix, it makes a senior or someone else more likely to

1 pick up the phone and answer it and then potentially fall
2 victim to that scam.

3 We've tried to combat this in a number of
4 different ways. I mean, this is an example where Attorney
5 Generals have worked together from all across the country to
6 petition the FCC to give telecomm companies greater
7 authority to cut off spoofing so that these scammers aren't
8 able to make these kinds of calls and we succeeded.

9 We worked together, you know, across state lines,
10 across party lines, to get the FCC to give us some
11 additional jurisdiction.

12 I've also worked with Senator Collins of Maine
13 and Senator Casey here in Pennsylvania as leaders of the
14 Senate Aging Committee to work on Federal legislation to
15 give some added teeth to this issue of stopping the
16 spoofing. That's an important step we need to take.

17 Furthermore, word getting out and about even more
18 through our Office of Public Engagement in just educating
19 seniors. I know we've worked with many members in this
20 Chamber on how they can be more educated about not answering
21 the phone and what have you.

22 Now, when they do answer the phone, one of the
23 things that we have found a significant uptick in is once
24 the scammer sort of gets hold of that, you know, the
25 goodwill of the senior and tries to take advantage of them,

1 they often demand some sort of payment in the form of gift
2 cards.

3 So we were having example after example where
4 seniors and others would go to a local store and buy
5 thousands of dollars' worth of gift cards and then be told
6 to scratch the numbers off the back, read the numbers to the
7 scammer through the phone in order to pay your taxes, the
8 IRS scam, in order to free your grandchildren from
9 captivity. It's called the Grandparents Scam.

10 And so we've worked together with a number of the
11 big box entities, Best Buy, Target -- I'm going to forget
12 one -- Best Buy, Target -- there was a third that we worked
13 with on a voluntary basis to actually limit the amount of
14 gift cards that can be sold at once, to train their
15 employees on how to spot a senior or others coming in and
16 buying up these gift cards and ultimately, you know, being
17 scammed in the process. They're trained to notice that and
18 to alert the senior, alert the person that maybe you're
19 being scammed, alert law enforcement to the fact that that
20 scam is occurring.

21 So we tried to come at this in a number of
22 different ways, arresting scammers, using civil penalties,
23 using collaborative efforts like those with the big box
24 retailers, working with our colleagues to change the laws at
25 the Federal level and with the FCC to address it all.

1 REPRESENTATIVE McCARTER: I see my time is
2 growing short so I just wanted to add one other part of
3 that. And the other part of that is again the increasing
4 problem of many of our parents and so forth who are going
5 through aspects of dementia as well.

6 And as a protected group, one would hope and so
7 forth that we could come up with suggested legislation of
8 any kind that we could do even at the State level where a
9 lot of this is Federal. If there's anything you have that
10 could help in that area, that would be most appreciated.

11 ATTORNEY GENERAL SHAPIRO: We'll follow up with
12 you. We have some ideas on that and we'll follow up.

13 REPRESENTATIVE McCARTER: Good. Thank you.

14 ATTORNEY GENERAL SHAPIRO: Thank you.

15 And, Mr. Chairman, I'm sorry if I was ignoring
16 the lights. I didn't notice them until Representative
17 McCarter just pointed that out.

18 MINORITY CHAIRMAN BRADFORD: No worries. We'll
19 keep you on it.

20 ATTORNEY GENERAL SHAPIRO: I'm sorry. I'm also
21 color-blind so they don't mean a whole lot to me so you'll
22 have to wave.

23 MINORITY CHAIRMAN BRADFORD: No worries.

24 Representative Struzzi is next.

25 REPRESENTATIVE STRUZZI: Thank you, Mr. Chairman.

1 Good afternoon, Attorney General.

2 ATTORNEY GENERAL SHAPIRO: Good afternoon.

3 REPRESENTATIVE STRUZZI: I don't think we've had
4 a chance to meet yet. Jim Struzzi, representing Indiana
5 County. I tend to say that a lot because I think it's
6 important to understand the context of where I come from.

7 But I do want to bring us back around to the
8 opioid issue. In Indiana County we have a lot of rural
9 areas. We have municipal police departments that are taxed
10 with personnel. Because we also have the Indiana University
11 of Pennsylvania in the community, really in the heart of
12 Indiana County, we see a lot of drugs coming into Indiana
13 County. It's almost like a spoke for them to be sent out
14 into other areas.

15 A lot of our municipalities don't have local
16 police forces so they're relying on the State Police. So
17 that's a big concern with me when, you know, constituents
18 are calling my office to report drug deals because there's
19 simply not enough police officers out there to take care of
20 it on the streets right now.

21 And I see that you're proposing to consolidate
22 the drug law enforcement, local drug, and Drug Strike Task
23 Force and a Strategic Response Team line items in the
24 budget. I want to make sure that given what I just said
25 about the challenges facing law enforcement right now -- and

1 let me give you another context.

2 ATTORNEY GENERAL SHAPIRO: Sure.

3 REPRESENTATIVE STRUZZI: I have a private direct
4 personal loss several years ago in my brother to an opioid
5 overdose so I care deeply about this.

6 ATTORNEY GENERAL SHAPIRO: Sorry.

7 REPRESENTATIVE STRUZZI: I want to make sure that
8 the constituents in our rural communities by what you're
9 proposing here are still going to see the same level of
10 enforcement, if not increased enforcement, to get these
11 drugs off the streets.

12 ATTORNEY GENERAL SHAPIRO: Well, thank you for
13 sharing your story with me. I know Indiana well. In fact,
14 I stood outside of a pharmacy in Shelocta, Pennsylvania.
15 You're probably the only one here who knows where Shelocta,
16 Pennsylvania, is.

17 REPRESENTATIVE STRUZZI: Right.

18 ATTORNEY GENERAL SHAPIRO: You know, because one
19 of the things we saw in rural Indiana County, it was an hour
20 drive just to throw away your unused medications,
21 medications that could ultimately lead to someone, you know,
22 taking a Percocet when they shouldn't and getting hooked on
23 those opioids.

24 So at that pharmacy in Shelocta and other
25 pharmacies in Indiana County, you can now go in and get a

1 drug disposal bag, take it home, throw away your unused
2 drugs in an environmentally safe way in, you know, the trash
3 can.

4 REPRESENTATIVE STRUZZI: Right.

5 ATTORNEY GENERAL SHAPIRO: I've spent a lot of
6 time in Indiana County working on these issues. I can tell
7 you unequivocally that the consolidation of these lines is
8 to save us money on administrative costs so we can drive
9 more dollars out into the community for enforcement.

10 I see Chairman Saylor is back. That's one of the
11 things I promised him my first year sitting here is that we
12 were going to look at ways to do things in a more strategic
13 way to save money on the administrative side so we can put
14 more dollars into enforcement and this is one example of
15 that.

16 You don't have to take my word for it. What you
17 should do is each year, you know, ask me how many
18 investigations we've been involved in or how many actions
19 we've taken to show that those numbers didn't go down. In
20 fact, if anything, I think they'll go up.

21 In 2018, a combination of those three lines, we
22 had 4,975 cases and 4,575 total arrests. I actually think
23 we can do better as a result of saving some money on the
24 administrative side. And that's the reason for the
25 consolidation.

1 REPRESENTATIVE STRUZZI: So you won't see any
2 reduction in the amount of enforcement officers, it will
3 just be administrative costs that are reduced?

4 ATTORNEY GENERAL SHAPIRO: Exactly. I'm trying
5 to increase our BNI agents.

6 REPRESENTATIVE STRUZZI: Right.

7 ATTORNEY GENERAL SHAPIRO: I would just note for
8 the record that my BNI complement today is still 41 agents
9 fewer than the Attorney General had in 2004. So we're still
10 working to grow back to where we were.

11 Now, you raised the issue of PSP, which is a good
12 one. If I can, in whatever time I have left here, just
13 quickly say, obviously, I don't know work for PSP. I don't
14 work for the Governor.

15 But I'm the first one to sit here at this table
16 and tell you we need more funding for our State troopers.
17 We need more State troopers in rural Pennsylvania to
18 complement the work that my BNI agents are doing and other
19 officials are doing.

20 But when you have rural communities like you
21 represent, where you don't have enough troopers and a
22 trooper gets called away on a domestic call or a trooper
23 gets called away on something nondrug-related, sometimes
24 that's two or three hours of their day just dealing with the
25 travel, dealing with the paperwork, dealing with all that.

1 That's two or three hours where they can't work with us or
2 do their own drug investigations.

3 We need more State troopers in rural Pennsylvania
4 to help deal with these issues.

5 REPRESENTATIVE STRUZZI: And just one final
6 point.

7 ATTORNEY GENERAL SHAPIRO: Sure.

8 REPRESENTATIVE STRUZZI: We still have a little
9 bit of time, although I'm color-blind as well so we can
10 probably go on for a while.

11 ATTORNEY GENERAL SHAPIRO: There you go.

12 REPRESENTATIVE STRUZZI: So by doing this and
13 what you said about the State Police, will we see more
14 enforcement then in the rural communities across
15 Pennsylvania?

16 ATTORNEY GENERAL SHAPIRO: I don't know that I
17 can say, look, as a result of this consolidation, you're
18 going to have X number of additional people in Indiana
19 County. I can just tell you overall we're going to save
20 money on the administrative side that we can put back into
21 enforcement.

22 As it relates to your district, as it relates to
23 the task forces that we have up and running there and the
24 State trooper involvement with that, we can always use more
25 personnel. And we're dedicated to taking some of the

1 additional personnel that we're asking for here and getting
2 it out in rural Pennsylvania.

3 I would just say though respectfully to this body
4 and anybody listening that can't be instead of State
5 troopers.

6 REPRESENTATIVE STRUZZI: Right.

7 ATTORNEY GENERAL SHAPIRO: You can't reduce the
8 number of State troopers and expect BNI agents to make up
9 the difference or expect whatever local municipal police
10 might exist in rural communities to make up for it. You've
11 got to have all three in the cases of those where there's no
12 municipal police.

13 REPRESENTATIVE STRUZZI: Right.

14 ATTORNEY GENERAL SHAPIRO: You've got to have,
15 you know, robust enforcement at both levels and you need the
16 personnel in both levels.

17 REPRESENTATIVE STRUZZI: Okay. Thank you.

18 ATTORNEY GENERAL SHAPIRO: Thank you,
19 Representative.

20 REPRESENTATIVE STRUZZI: Thank you, Mr. Chairman.

21 MINORITY CHAIRMAN BRADFORD: Thank you,
22 Representative.

23 Representative Gainey.

24 REPRESENTATIVE GAINEY: Good afternoon, Attorney
25 General. It's good to see you.

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ATTORNEY GENERAL SHAPIRO: Good to see you.

REPRESENTATIVE GAINEY: First and foremost, I want to also compliment you as well as my colleague Austin Davis did in regards to you being able to stand up to UPMC and the Highmark deal as speaking truth to power. I appreciate that.

Secondly, I want to thank you for coming to Pittsburgh, speaking with me, Jake, and Brandy Fisher in regard to some other issues. I also want to let it be known that I appreciate that.

Throughout the Commonwealth there have been some municipalities that have decriminalized small amounts of marijuana.

ATTORNEY GENERAL SHAPIRO: Yes.

REPRESENTATIVE GAINEY: I'd like to know your opinion in terms of the statewide piece of legislation that talks about that when we go through one municipality, it's one rule, go to another municipality, it's another rule. But statewide, how do you feel about decriminalization of small marijuana? And as a state going forward, particularly with a Federal trend, what's the direction you think we should be going?

ATTORNEY GENERAL SHAPIRO: Well, Representative Dunbar asked me this question earlier on. You know, I'm a law enforcer, not a lawmaker. So we're going to continue to

1 go out and enforce the laws on the books. We don't
2 prosecute people for small amounts of marijuana. I have in
3 a previous life stated very publicly and I maintain this,
4 that decriminalization of small amounts of marijuana was
5 something I supported then and still support.

6 But my opinion on that I think is less relevant
7 than the judgment of this Committee and this body and the
8 Senate and wherever they go.

9 What I said to Representative Dunbar earlier is
10 that we've got to make sure that as these listening tours
11 occur and as, you know, hearings occur that law enforcement
12 considerations be brought into that mix, just as we also
13 have to bring into that mix, as I said earlier, dealing with
14 the way in which these laws were enforced historically and
15 particularly the way they've hurt communities of color and
16 individuals of color where I think you've have quite uneven
17 enforcement.

18 And so you would just say from a law enforcement
19 perspective that if this body chooses to go down the path of
20 decriminalization, legalization, whatever it is that you
21 choose to do, there has to be a discussion about what to do
22 with all those cases in the past and how to deal with those
23 individuals who are still in the system who were arrested
24 for possession of small amounts of marijuana or possession
25 in general.

1 And I just think that that has to be part of this
2 discussion.

3 REPRESENTATIVE GAINEY: I appreciate that.

4 That's my only question. Thank you.

5 ATTORNEY GENERAL SHAPIRO: Sure.

6 MAJORITY CHAIRMAN SAYLOR: Representative Hahn.

7 REPRESENTATIVE HAHN: Thank you, Mr. Chairman.

8 Good afternoon, Attorney General. How are you?

9 ATTORNEY GENERAL SHAPIRO: I'm good. Thank you.

10 REPRESENTATIVE HAHN: I just want to follow up on
11 Representative Struzzi's concerns and my concerns as well.
12 Our local Drug and Alcohol Task Force from the county and
13 local municipalities do a great job.

14 Does any of the funding to them come from your
15 office?

16 ATTORNEY GENERAL SHAPIRO: For your local drug
17 and alcohol offices? That would be county funding and
18 funding from the State.

19 The task forces -- and I can't speak off the top
20 of my head to your county. I can get you the exact numbers.
21 But task forces are made up typically of PSP, local police,
22 our agents, and funding that comes from our office through
23 the appropriation that you provide.

24 REPRESENTATIVE HAHN: But it's funding coming
25 from our office. Is any of that forfeiture money that you

1 take in, does that funnel down to the local or county level?

2 ATTORNEY GENERAL SHAPIRO: We have very strict
3 restrictions on how we can use forfeiture funds. They need
4 to be obviously put back into drug-related issues. And from
5 time to time where appropriate, we do use them.

6 REPRESENTATIVE HAHN: Okay. When I was looking
7 at the budget here that you submitted, I saw you had
8 mentioned you requested additional law enforcement, like 11
9 or 10 more agents, I believe.

10 ATTORNEY GENERAL SHAPIRO: Um-hmm.

11 REPRESENTATIVE HAHN: But when I'm looking at
12 numbers here, it looks like you have 25 positions that were
13 authorized but not already filled.

14 ATTORNEY GENERAL SHAPIRO: Right.

15 REPRESENTATIVE HAHN: Are you having trouble
16 getting agents for that? Why aren't those filled? How are
17 you going to fill 11 more if you didn't fill those 25?

18 ATTORNEY GENERAL SHAPIRO: We're having no
19 trouble. That's a snapshot in time. So what happens is
20 when you have a vacancy, obviously you have to advertise the
21 position, you have to interview, do all that. That takes
22 time, right? So it's technically a vacancy during that.

23 Then once we've identified someone for that
24 position, which we have in the case of those vacancies, then
25 they have to go through an extensive background check

1 process. Sometimes it could take three or four months to
2 actually get someone onboard through our process. That's
3 why it may show up as a vacancy.

4 But when I'm asking for additional funding for
5 our complement, it's under the assumption that whatever
6 might be showing up today as a vacancy is a filled position
7 and then we need to add to that.

8 As I said before in response to the
9 Representative's question, you know, we're below where we
10 were in 2004. And they didn't have a heroin crisis back
11 then. So we are not having trouble filling those positions.
12 It takes time. What you're seeing there is a snapshot in
13 time, which this Committee has asked for and we're happy to
14 provide.

15 We need additional bodies on top of the
16 assumption that those vacancies would be filled.

17 REPRESENTATIVE HAHN: Would be filled?

18 ATTORNEY GENERAL SHAPIRO: Yes.

19 REPRESENTATIVE HAHN: Okay.

20 You know, 20 years ago or more, we had heard
21 about the drug routes from New York on Route 78 out to
22 Reading.

23 ATTORNEY GENERAL SHAPIRO: Yes.

24 REPRESENTATIVE HAHN: I heard you say you've done
25 a lot of arrests in that area. Is that what I heard you say

1 before?

2 ATTORNEY GENERAL SHAPIRO: We did shut down a
3 significant pipeline that came through that.

4 REPRESENTATIVE HAHN: That came through there.
5 Okay. So do you feel there's still a pipeline coming
6 through there? Is that still a major corridor that you're
7 aware of? Is that something your agents handle, the local,
8 the State Police? Like, who handles that when they're
9 coming through that area?

10 ATTORNEY GENERAL SHAPIRO: All I can tell you in
11 this setting is we have a number of very active and ongoing
12 investigations. Understand that the authority I have on
13 these drug cases is to prosecute corrupt organizations,
14 right?

15 REPRESENTATIVE HAHN: Okay.

16 ATTORNEY GENERAL SHAPIRO: Not to prosecute a
17 local drug dealer on a street corner. I'm not suggesting
18 that they're not important, but we prosecute corrupt
19 organizations. So we go after big drug networks, big drug
20 pipelines. And we have a number of very active and ongoing
21 investigations.

22 I'd be compromising those investigations if I
23 spoke about them in a public way to identify them or the
24 regions in any way.

25 REPRESENTATIVE HAHN: I'm going to switch gears

1 and go back to when we were talking about seniors getting
2 scammed.

3 ATTORNEY GENERAL SHAPIRO: Yes.

4 REPRESENTATIVE HAHN: I had a constituent in the
5 district. He lost about \$40,000 through scams. They were
6 very clever in how they did it. And even though he thought
7 he wasn't giving them information, he said something like
8 I'm going to go contact my State Representative. So the
9 next day they had someone call him saying that they were me
10 and told him to go get those credit cards.

11 ATTORNEY GENERAL SHAPIRO: The gift cards.

12 REPRESENTATIVE HAHN: The gift cards. Thank you.

13 But at the end of the day when the police got
14 involved, they followed the numbers -- it was an out of the
15 country number -- and they never did anything. They said
16 there was no way to prosecute that.

17 I mean, is that what happens when they use these
18 cards, the numbers, they can't trace them? Is there
19 something to do about that?

20 ATTORNEY GENERAL SHAPIRO: We run into that a
21 lot. The typical way we run into that is something known as
22 the Jamaican Lottery Scam where a senior will be called,
23 told that they won the Jamaican Lottery, and all they have
24 to do is prepay their taxes and then their winnings will be
25 sent to them.

1 We had a case of a guy in Manheim Township who I
2 think lost his life savings, lost a couple hundred thousand
3 dollars in monies that he prepaid in these scams.

4 Now, oftentimes what we're able to do is arrest
5 the person known as the money mule, right, the person that's
6 collecting that money for the person who tends to be
7 overseas.

8 About a year ago we arrested a money mule in one
9 of these scams in Pittsburgh. We didn't give up, though.
10 We partnered with our Federal partners who --
11 notwithstanding the insinuation of one of the earlier
12 questions, we work incredibly well with our Federal
13 partners, Department of Justice, Homeland Security, FBI,
14 U.S. Attorney's Office, others. We worked with them to
15 actually track this person down overseas and extradite them
16 to the United States where they're now being prosecuted in
17 the Western District of Pennsylvania under Federal law
18 because their laws are stronger on this than State laws. So
19 we essentially transferred the case over to our Federal
20 partners.

21 So we will follow the lead wherever we can, even
22 if it involves going overseas. And oftentimes partnering
23 with Federal officials enables us to do that work. We've
24 had some success in that area.

25 So the first step is trying to protect that local

1 senior you and Representative McCarter and others have
2 talked about. The second step is trying to shut off that
3 operation that exists in our Commonwealth or in the United
4 States. And then the third step, if necessary, is going
5 overseas to try to shut down the whole operation.

6 REPRESENTATIVE HAHN: Okay. Thank you.

7 I had another question but I see my time is up.
8 Maybe I can talk to you about it after the
9 meeting.

10 ATTORNEY GENERAL SHAPIRO: Of course.

11 REPRESENTATIVE HAHN: Thank you.

12 ATTORNEY GENERAL SHAPIRO: I'd be happy to.

13 REPRESENTATIVE HAHN: Thank you.

14 MAJORITY CHAIRMAN SAYLOR: I just want to follow
15 up with you, Attorney General, because I think
16 Representative McCarter talked about it. I was out of the
17 room, so I apologize.

18 That is one of the things that I think most of my
19 colleagues get a lot of calls about today, is the phone
20 number where it looks like it's yours or somebody from York
21 or whatever county you're from. Is there nothing that
22 Verizon or any of the phone companies can do?

23 I mean, what is going on with the Attorney
24 Generals nationally from each of the states and the U.S.
25 Attorney General in trying to do this? I mean, to me this

1 is one of the biggest problems we have in this country right
2 now as far as things are concerned. Constantly people are
3 being deceptively deceived by this.

4 I know I received a lot of calls, everything from
5 somebody trying to sell you something to, you know, just
6 kind of fishing calls for any number of reasons. And I
7 think it's tough particularly for our senior population and
8 those who may not have the tools, I'll just put it that way,
9 in today's world to understand what's going on.

10 Is there anything being done nationally as well
11 in Congress or with the Attorney Generals from across the
12 country to deal with this?

13 ATTORNEY GENERAL SHAPIRO: I touched on some of
14 this with Representative McCarter. We let a coalition of
15 Attorney Generals -- I think it was over 40 Attorney
16 Generals -- to petition the FCC, Federal Communications
17 Commission, to give the Verizons of the world, the other
18 telecomm companies, the authorization to shut down these
19 spoofed calls. Okay. And we were successful at that.

20 We do think that Federal legislation is required.
21 I was asked by Senator Collins and Senator Casey to testify
22 before their Committee on Aging in the United States Senate
23 to talk about this issue. There is legislation that they're
24 pushing forth to kind of put more teeth into what the FCC is
25 doing on this.

1 I can tell you that we found great partners in
2 the FCC on this issue. We worked very closely with them on
3 it. There are more tools that are being deployed by these
4 telecom companies.

5 One of the things you may note, when you get a
6 call on your home phone, on the caller ID now it will say
7 spam sometimes when it shows up on the caller ID. That's
8 one of the effects of the new spoofing technologies that are
9 in place. It's not perfect. These scammers are really
10 smart and they understand how to break the laws.

11 One of the things that I think is sort of
12 painfully obvious here is, you know, seniors will complain
13 all the time, I signed up for the Do Not Call List and they
14 still call me. Well, right, because they're not following
15 any laws let alone our Do Not Call list.

16 So I think anything we can do to continue to talk
17 to our Federal representatives where I have found bipartisan
18 support for this position to give more teeth on these
19 communication laws would be a good thing. And for our part,
20 we're going to continue to try and chase down these scammers
21 wherever we can and get people their money back.

22 We've been very successful at getting --
23 actually, very is an overstatement. We have been more
24 successful than before at getting people their money back
25 when they have been scammed. But the best thing people can

1 do is just not answer the phone and not fall for it in the
2 first place.

3 MAJORITY CHAIRMAN SAYLOR: I understand. A lot
4 of our seniors can't afford the caller ID even today, so
5 it's a problem there.

6 ATTORNEY GENERAL SHAPIRO: Yes.

7 MAJORITY CHAIRMAN SAYLOR: But there's a lot of
8 individuals. I mean, you're getting it on your cell phone
9 and it didn't come up on your cell phone even as spam. So
10 it's amazing how they're getting even the cell phone numbers
11 of people throughout the country to do it with as well.

12 Anyway, I'll move on to Representative Lawrence.

13 REPRESENTATIVE LAWRENCE: Thank you, Mr.
14 Chairman.

15 Attorney General, I'm glad you're here today.

16 ATTORNEY GENERAL SHAPIRO: Thank you.

17 REPRESENTATIVE LAWRENCE: I appreciate also your
18 presence across the Commonwealth. You were down in Kennett
19 Square not too long ago on the opioid issue. And certainly
20 you're welcome back in Southern Chester County anytime.
21 We'll make sure to have some mushrooms for you next time.

22 ATTORNEY GENERAL SHAPIRO: Please do. Thank you.

23 REPRESENTATIVE LAWRENCE: I want to talk to you
24 about the Farm Show lease, which has come up several times
25 today. The Office of the Attorney General signed off on the

1 legality of the Farm Show lease. Just been doing a little
2 prep for today. DGS Secretary Curt Topper specifically
3 cited the approval issued by your office. In fact, he
4 stated that he would not have signed the deal if it had not
5 been approved by your office.

6 Now, I've reviewed the approval letter from your
7 office. And towards the end of the approval letter it says,
8 quote, no approval or opinion is offered as to the fiscal
9 authority of DGS, the agency, to commit funds not yet
10 appropriated.

11 So my question is, do you believe DGS has the
12 authority to commit funds that are not yet appropriated?

13 ATTORNEY GENERAL SHAPIRO: Well, let me tell you
14 the Office of Attorney General reviews these contracts on a
15 very, very narrow basis. And that is strictly for form and
16 legality, period.

17 As to what Secretary Topper said, I didn't hear
18 his testimony. I didn't hear your questions to him
19 respectfully, so I can't comment on his comments.

20 I can just tell you that we don't weigh in on
21 whether something is a good idea or a bad idea, whether it
22 enjoys support or doesn't enjoy support. We simply look at
23 these contracts for form and legality.

24 REPRESENTATIVE LAWRENCE: Okay.

25 ATTORNEY GENERAL SHAPIRO: What does that mean?

1 Does it comply with the statutes, all statutes of the
2 Commonwealth of Pennsylvania? Does it comply and comport
3 with our State Constitution?

4 So for example -- and I'm not saying this is the
5 case with the Farm Show, but just in general -- if a
6 contract is required to be competitively bid, right, and it
7 comes to us and it was not competitively bid, then it does
8 not comply with form and legality.

9 We're not weighing in on whether it's a good
10 contract, bad contract. We're simply stating whether or not
11 it complies with form and legality. That's our narrow focus
12 on any contract we review.

13 REPRESENTATIVE LAWRENCE: Sure. And I appreciate
14 that. And I recognize and would agree with you that the
15 issue at hand here is not whether the Office of Attorney
16 General thinks the Farm Show lease was a great idea,
17 terrible idea, or anywhere in between. Right.

18 The question I have is just -- and I'm actually
19 looking at the letter right in front of me here. The first
20 sentence says, the referenced contract has been approved for
21 form and legality.

22 ATTORNEY GENERAL SHAPIRO: Correct.

23 REPRESENTATIVE LAWRENCE: Pursuant to such and
24 such act.

25 But then just a few sentences later it says, no

1 approval or opinion is offered as to the fiscal authority of
2 the agency, which in this case would be DGS, to commit funds
3 not yet appropriated.

4 And I guess my question is, is at that point the
5 authority to commit funds not yet appropriated is the
6 cornerstone of the deal. Without that there would be no
7 deal because the whole deal was committing -- DGS was
8 committing funds not yet appropriated, right? This is a 30
9 -- 27-, I believe, year deal. And the Legislature has not
10 approved any funds for DGS or anybody else 27 years out, 26
11 years out, 25 years out, etc.

12 So I guess my question is, how can the Office of
13 Attorney General approve the legality of something and in
14 the same letter just a few sentences later say, you know,
15 we're not going to offer an opinion on whether the agency
16 can actually do this when the letter, the whole point of the
17 letter, is to approve the legality of the transaction.

18 ATTORNEY GENERAL SHAPIRO: Well, I would have to
19 review that letter. Maybe I can get back to you. Our
20 office can get back to you in writing on that very point.

21 But I think it probably speaks to the answer I
22 gave you at the top, which is, we have a very, very narrow
23 focus when we're asked to look at those contracts, this or
24 any others. But I'd be happy to review that letter and get
25 back to you and try to address your question more directly

1 if you're unsatisfied with my response today.

2 REPRESENTATIVE LAWRENCE: I appreciate that.

3 Thank you very much. And thank you again for
4 being here today.

5 ATTORNEY GENERAL SHAPIRO: Thank you.

6 REPRESENTATIVE LAWRENCE: Thank you, Mr.
7 Chairman.

8 MAJORITY CHAIRMAN SAYLOR: Representative Cephas.

9 REPRESENTATIVE CEPHAS: Thank you, Chairman.

10 And good afternoon.

11 ATTORNEY GENERAL SHAPIRO: Good afternoon.

12 REPRESENTATIVE CEPHAS: I wanted to echo the
13 sentiment of my colleague Representative Davis by just
14 thanking you for putting people over profits, especially
15 when it comes to the banking industry.

16 I mean, your efforts in leading the Wells Fargo
17 issue resulted in the 16.5 million coming to Pennsylvania to
18 protect consumers that were taken advantage of. And you're
19 also leading the charge with our great Senator, Senator
20 Vince Hughes, around the redlining issues, especially when
21 it comes to the city of Philadelphia.

22 And we all know in order to move along the
23 economic spectrum and to access wealth, you need to be able
24 to, you know, even just have the ability of purchasing your
25 very first home.

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ATTORNEY GENERAL SHAPIRO: Yes.

REPRESENTATIVE CEPHAS: I know you initiated an investigation last year, so I just wanted to get a sense on where you are on that investigation, if there's any conclusions that you're coming up with that this legislative body can take into consideration and what other Attorney Generals are considering by way of this issue?

ATTORNEY GENERAL SHAPIRO: Well, thank you for the question. And thank you for your leadership. While I'm sure Senator Hughes appreciates you giving him credit, you deserve credit as well for talking about these issues and raising them. We appreciate the fact that you did that.

I can't get into the status of our investigation now. However, there will be a time where I think we can present some findings to you that you may find useful as you consider, you know, legislation.

What I will just say in general is redlining is something that we will not tolerate in the city of Philadelphia or anywhere else in Pennsylvania. For a bank to say to a person of color, you are not allowed to live there, we're not going to give you money to buy that home, maybe you should go over there instead, or maybe not even return their call at all because of the color of their skin is something that not only harms that individual or that family, but it holds an entire community back. It holds an

1 entire city back because people can't realize their full
2 potential because of a baked-in basis at some big financial
3 institution. We won't tolerate it.

4 And when we have an ability to speak more openly
5 about that with you, we would look forward to briefing you
6 and the Chairmen and the other colleagues here as you deem
7 appropriate.

8 REPRESENTATIVE CEPHAS: I appreciate that.
9 Because your ability to purchase a home in a particular
10 neighborhood also gives you access to quality education.

11 ATTORNEY GENERAL SHAPIRO: Absolutely.

12 REPRESENTATIVE CEPHAS: And when we're trying to
13 tackle the issue of a 26 percent poverty rate in
14 Philadelphia, we have some of our residents that are
15 unfortunately not able to access these loans or access a
16 mortgage that are forced to pay rent costs that are
17 sometimes as much as a mortgage because they can't access
18 it.

19 ATTORNEY GENERAL SHAPIRO: Right.

20 REPRESENTATIVE CEPHAS: So I appreciate that and
21 I look forward to seeing your report.

22 ATTORNEY GENERAL SHAPIRO: Absolutely.

23 REPRESENTATIVE CEPHAS: Thank you.

24 ATTORNEY GENERAL SHAPIRO: Thank you.

25 REPRESENTATIVE CEPHAS: Thank you, Mr. Chairman.

1 MAJORITY CHAIRMAN SAYLOR: Representative
2 Delozier.

3 REPRESENTATIVE DELOZIER: Thank you, Mr.
4 Chairman.

5 Thank you for being here to answer a lot of
6 questions on many different issues.

7 As the ability to -- as a member of the Judiciary
8 Committee, a lot of my bills surround the issue of law
9 enforcement. And as we come here to protect our
10 constituents, sometimes we try to protect those that protect
11 us, our law enforcement.

12 So my questions really are directed at a lot of
13 issues that they have brought up and issues that I would
14 like to just get your -- do you support changes in the law
15 to do certain things.

16 And some of them -- you know, I know some of them
17 are not the nitty-gritty details, but the general concept
18 of. And one of the issues -- one question I have first --
19 do you have data on the arrests for medical marijuana, the
20 amount statewide that people have been cited for DUI with
21 medical marijuana?

22 ATTORNEY GENERAL SHAPIRO: I don't.

23 REPRESENTATIVE DELOZIER: Okay.

24 ATTORNEY GENERAL SHAPIRO: That may be a question
25 that PennDOT could answer for you. We don't do traffic

1 stops. We don't have that data.

2 REPRESENTATIVE DELOZIER: I didn't know if that
3 was something just because it was an offense necessarily
4 associated with one of our laws if that was data that you
5 had. So maybe PennDOT you're saying might gather that?

6 ATTORNEY GENERAL SHAPIRO: Perhaps.

7 REPRESENTATIVE DELOZIER: Secondly, the issue
8 that we have with our law enforcement and then some of the
9 frustrations that our municipalities have had is the issue
10 that they can -- if somebody says that they have a medical
11 marijuana card, they can't check that. There's no way for
12 them to go back like they do for a license or registration
13 or any of that type of information using JNET or any of
14 those types.

15 So my understanding is that JNET -- because of
16 the law that we passed, JNET and the medical marijuana
17 information is not linked up. So my question to you is,
18 would you support changing that to give that information
19 into the JNET system as to who legally has a medical
20 marijuana card to allow our municipal officers to have that
21 information?

22 ATTORNEY GENERAL SHAPIRO: I think that's a good
23 question. I'd want to think about that a little more.

24 REPRESENTATIVE DELOZIER: Okay.

25 ATTORNEY GENERAL SHAPIRO: Just because one has

1 -- I'm thinking aloud, which is always dangerous.

2 REPRESENTATIVE DELOZIER: No, that's fine.

3 ATTORNEY GENERAL SHAPIRO: Just because one has a
4 medical marijuana card, it doesn't then give them a license
5 to drive.

6 REPRESENTATIVE DELOZIER: Well, that's the second
7 part of that as to the DUI part of it.

8 ATTORNEY GENERAL SHAPIRO: Yes. I'd want to
9 think about that. And I'd welcome the opportunity to work
10 with you or the Committee on that. It's not really what we
11 do in our office. We don't do traffic stops.

12 REPRESENTATIVE DELOZIER: Right.

13 ATTORNEY GENERAL SHAPIRO: I think there's others
14 in law enforcement that we'd want to have around the table,
15 but I'm happy to visit with you on that.

16 REPRESENTATIVE DELOZIER: And a lot of it comes
17 back to just reading your budget report and everything else
18 and how much you have with the task force with the locals,
19 with your agents and understanding that law and working with
20 drug enforcement.

21 And one of the issues that came up in training
22 them how to better enforce the law, one of the frustrations
23 that they have -- and I had put out the information to have
24 a bill really to start the dialogue because the locals were
25 having difficulty because by Schedule 1 with the Federal

1 State law, as soon as they stop somebody, they should arrest
2 them immediately. But yet they show a card and they're kind
3 of caught between a rock and a hard place of it's illegal,
4 they need to arrest this individual for being impaired but
5 yet the medical marijuana card. So they're having a very
6 hard time with that issue.

7 So that's why the statistics. I was curious if
8 we had them, how many had been -- and I talked to our DAs
9 and that type of thing trying to get some of this
10 information. So that's why I kind of bring it to you as
11 well.

12 ATTORNEY GENERAL SHAPIRO: If I could just quick.

13 REPRESENTATIVE DELOZIER: Yeah.

14 ATTORNEY GENERAL SHAPIRO: If you've got a card
15 and you can legally purchase medicinal marijuana and you
16 drive impaired, I'm not sure that that's much different than
17 legally being able to consume alcohol and driving impaired
18 from that.

19 REPRESENTATIVE DELOZIER: Right.

20 ATTORNEY GENERAL SHAPIRO: I don't think one
21 gives you a license to do the other.

22 REPRESENTATIVE DELOZIER: It does not. But,
23 yeah, the ability is that if they -- the time frame as to
24 when they used it and the testing and that type, so that's
25 where we're getting some clash.

1 ATTORNEY GENERAL SHAPIRO: I'd be happy to work
2 with you on that.

3 REPRESENTATIVE DELOZIER: Thank you.

4 And to that, that same kind of issue with the
5 drugs and issues of Narcan. One of the issues that we had
6 dealt with with our local folks as well, time and time again
7 -- we are fighting the opioid crisis, as has been stated
8 many times -- the issue of Narcan and reviving somebody, do
9 we want our first responders to have that?

10 The problem comes when the person and the first
11 responder responds two and three times to the same household
12 in the same weekend.

13 Their frustration, the DA's frustration, is the
14 issue of, we passed the issue of the Good Samaritan Law --
15 you were here when we did that -- and good intentions.
16 Should we be looking at the ability to give them more
17 authority to have them, the person that they revived three
18 times, not have the safety of that Good Samaritan Law and be
19 able to, you know, be responsible and they did something
20 illegal?

21 ATTORNEY GENERAL SHAPIRO: Again, I've said many
22 times here I'm a law enforcer, not a lawmaker. I would just
23 point out from a law enforcement perspective, the goal of
24 the Good Samaritan Law was admirable and I think by and
25 large works.

1 I do think we need to further explore what
2 happens when someone has been revived multiple times taxing
3 local law enforcement, taxing first responders, and not then
4 getting them into a pathway to treatment.

5 You know, we have the ability to commit someone
6 for mental health purposes for a short period of time. Law
7 enforcement first responders do not have the same authority
8 to do that when it comes to -- I'm using the word commit in
9 sort of air quotes -- commit someone into treatment. That
10 may be something that this body wishes to explore.

11 And if you do, we'd be happy to talk with you
12 about that.

13 REPRESENTATIVE DELOZIER: Okay. Thank you very
14 much. I think there's a lot of criminal justice reforms
15 that we need to be doing out there, not only to give our law
16 enforcement the tools, but also to be working with those in
17 the system.

18 So thank you very much.

19 ATTORNEY GENERAL SHAPIRO: Did you get your car
20 out of that ditch that it fell in? I saw that on the news.

21 REPRESENTATIVE DELOZIER: It was retrieved out of
22 the sinkhole and it is all better now. Thank you.

23 ATTORNEY GENERAL SHAPIRO: You were not harmed in
24 the process?

25 REPRESENTATIVE DELOZIER: No. I was not in the

1 car when it sunk.

2 ATTORNEY GENERAL SHAPIRO: Okay.

3 REPRESENTATIVE DELOZIER: Thank you.

4 ATTORNEY GENERAL SHAPIRO: Good.

5 MAJORITY CHAIRMAN SAYLOR: Representative
6 Schweyer.

7 REPRESENTATIVE SCHWEYER: We don't have sinkholes
8 in Allentown.

9 ATTORNEY GENERAL SHAPIRO: You've got other
10 issues.

11 REPRESENTATIVE SCHWEYER: One or two.

12 General, thank you for joining us today. Thanks
13 for staying late for us today since I know we're running a
14 little bit past time.

15 ATTORNEY GENERAL SHAPIRO: Sure.

16 REPRESENTATIVE SCHWEYER: Contrary to popular
17 belief, or at least everybody in this room, real life does
18 not stop for budget hearings.

19 And on Monday in the middle of our hearing, I got
20 a phone call from home where my daughter, who is a middle
21 schooler in the Allentown School District, was in a
22 lockdown, an emergency lockdown, because of an incident.
23 And she was fine. The school was fine. There was no
24 incident on campus as it turns out.

25 There was an issue of violence in the

1 neighborhood. But still a very scary moment for any parent,
2 a very scary time for our community, and, you know, very
3 personal. It made being at a budget hearing a little bit
4 difficult and distracted me a little bit.

5 Representative Bullock had talked briefly about
6 the Safe2Say Something Program. I'd like to follow up a
7 little bit about it and just ask kind of a few random
8 questions, if I could, and see if we can tie down some
9 things.

10 ATTORNEY GENERAL SHAPIRO: Sure.

11 REPRESENTATIVE SCHWEYER: Are there opportunities
12 for folks who don't have English as their first language to
13 call that? Are there translators available, those sorts of
14 things, in the Safe2Say Something Program?

15 ATTORNEY GENERAL SHAPIRO: Yes, certainly for
16 Spanish and some other languages. I don't know that it
17 would cover every single language. But we do have the
18 ability through other translation services that are
19 available to get the help we need as quickly as possible and
20 get the tips sent right back to the local community where it
21 can also be dealt with.

22 REPRESENTATIVE SCHWEYER: Very good. I
23 appreciate that. It makes it easier for us to continue to
24 promote this in our school districts. I mean, I have 51
25 languages spoken in my school district, so it's great to

1 know that. Thank you, sir.

2 ATTORNEY GENERAL SHAPIRO: Sure.

3 REPRESENTATIVE SCHWEYER: Are there more
4 resources needed beyond your request in the budget for not
5 only Safe2Say Something but for other school safety
6 opportunities and programs that you might be interested in
7 spearheading, sir?

8 ATTORNEY GENERAL SHAPIRO: Safe2Say you'll notice
9 we did request an increase. I'm looking for the exact line
10 here. But, you know, we requested 1.69 -- \$1.7 million.
11 The Governor's budget included 600,000. You know, we
12 certainly cannot operate this program without full funding.

13 REPRESENTATIVE SCHWEYER: Okay.

14 ATTORNEY GENERAL SHAPIRO: I know in
15 conversations with Chairman Brown in the Senate, who is one
16 of the authors of this, they're really committed to funding
17 this. We are committed to running this program as the
18 Legislature requires us to do. But we literally can't do it
19 without the funding.

20 All of the funding we get goes directly into the
21 personnel that we need who are here 24 hours a day, 7 days a
22 week dealing with these tips. And I would invite any of the
23 members who are here to come visit our team doing this work
24 . They're really extraordinary people. And they're
25 literally here 24/7, 365 doing this work.

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REPRESENTATIVE SCHWEYER: Thank you for that.

Are there other school safety measures that you think your office would be interested in participating in, spearheading, if the Legislature were able to provide either more resources or anything along those lines?

ATTORNEY GENERAL SHAPIRO: We certainly are willing to be participants in any conversations. School safety is paramount. And I think we need to continue along the path of making sure, you know, students have an outlet for tips and what have you. We have that now. The buildings are secure.

But we can't do that and ignore the elephant in the room, which is that there are students getting their hands on guns who shouldn't have them. And I do believe that we need to have universal background checks.

Now, look, I go out every single day and defend people's Second Amendment right to bear arms. That's part of my responsibility as the Attorney General. We're very aggressive in that.

But just as, you know, the person in Erie or wherever has a right to bear arms, the person in Allentown has a right to walk down the street and not get shot or the right to go to school and not be harmed when they're at school.

And so there are ways -- I think we understand

1 how to do this in law enforcement -- to balance the
2 protection of people's rights, which I work hard on every
3 day, and also defend their right to public safety.

4 So I think as we secure our school buildings, as
5 we ramp up Safe2Say, we can't ignore the fact that we've got
6 too many criminals and people who aren't folks who should
7 legally be able to purchase a gun, handle a gun, have them.

8 I think we've got to be more serious about that.
9 That's an issue as you all have demonstrated on I think it
10 was Representative Stephens -- I don't know if he's still
11 here -- Representative Stephens's PFA bill. I believe it
12 was his bill. And what you did with Safe2Say and what
13 you've done with some other issues, there's been bipartisan
14 consensus around that issue. I think it's time that we find
15 bipartisan consensus around the universal background checks.

16 I can tell you, as the chief law enforcement
17 officer of Pennsylvania, that will help us in law
18 enforcement keep people safer.

19 REPRESENTATIVE SCHWEYER: I couldn't agree with
20 you more. Thank you for your efforts in keeping all of our
21 communities safe, our schools, in particular to my line of
22 questioning and thank you for being here today .

23 ATTORNEY GENERAL SHAPIRO: Thank you.

24 MAJORITY CHAIRMAN SAYLOR: Mr. Attorney General,
25 that was Representative -- former Representative Marguerite

1 Quinn's Bill 2060.

2 ATTORNEY GENERAL SHAPIRO: I apologize.

3 MAJORITY CHAIRMAN SAYLOR: That's okay. No.
4 Representative Stephens I think has a bill in as well.

5 Next is Representative James.

6 REPRESENTATIVE JAMES: Thank you, Mr. Chairman.
7 I'm over here.

8 ATTORNEY GENERAL SHAPIRO: Sorry.

9 REPRESENTATIVE JAMES: I had several questions on
10 the Safe2Say Program. You have addressed all of them by
11 now. But I did want to, in a fashion, give a shout out to
12 one of the members of your staff, Mr. Michael Verbe.

13 I met with Superintendents of the IU-6 where I
14 reside. And because the program was coming so fast, they
15 had some pretty significant concerns. And to his credit or
16 your credit, you sent a team out and met with them.
17 Apparently you've satisfied them because my phone has
18 stopped ringing on that particular issue.

19 ATTORNEY GENERAL SHAPIRO: That's good.

20 REPRESENTATIVE JAMES: But it does seem to be
21 successful.

22 I do have one question, an operational matter.
23 And that has to do with the routine request which
24 Appropriations made on the consulting contracts that are
25 being used in your department.

1 I believe you had -- or your department cited 100
2 consulting contracts, 99 of which were sole source. Now,
3 everybody knows that in certain cases, special knowledge or
4 special expertise is required for those, but 99 out of 100
5 suggests maybe it's a money-saving event. I don't know.

6 Are you considering or have you considered RFPs
7 to be sure you're getting the best talent for your buck?

8 ATTORNEY GENERAL SHAPIRO: Sure. And understand
9 we're pretty different than other agencies in terms of these
10 consulting contracts.

11 When we are handling a particular investigation
12 or we have a big trial coming up or what have you, we need
13 unimpeachable experts in order to testify in court or inform
14 our case or whatever the case may be. And understand that
15 these experts have to be recognized as experts, you know, on
16 both sides, right, on our side and on those who might be on
17 the other side in court.

18 So you have a very limited pool on a particular
19 issue of experts. So our Chief Deputy Attorney General, our
20 lawyers, when they are pursuing a case are authorized to
21 hire expert s as they see fit in order to help make these
22 cases.

23 And so that's why, you know, you saw whatever you
24 said, 99 of those were sole source. Well, of course they're
25 going to be because there may only be a couple of experts on

1 a particular issue. And they need to be identified and they
2 need to be brought in and their expertise needs to be relied
3 on in order for us to win a number of cases and, by the way,
4 including cases that allow us to bring significant resources
5 back to the Commonwealth.

6 You know, there was a question before about the
7 opioid investigation of pharmaceutical companies. Well, I
8 couldn't get into specifics. But when we're sitting there
9 trying to quantify things in terms of costs to the
10 Commonwealth, we need experts to do that for us. There's
11 only a limited number of experts. That's one example.

12 When we have data or intensive cases involving,
13 you know, insurance fraud cases, there's a limited number of
14 people that do that and we have to hire those experts.

15 Now, one question that does come up -- you didn't
16 ask but if I could just take a quick liberty on?

17 REPRESENTATIVE JAMES: Sure.

18 ATTORNEY GENERAL SHAPIRO: And I usually get this
19 question here. It sort of dovetails on what you asked, is
20 outside counsel. Right. People always want to know, how
21 much money am I spending on outside counsel?

22 I can report, Mr. Chairman, again, that we have
23 not hired any outside counsel on my watch other than we
24 needed local counsel on a bankruptcy case in Texas where we
25 needed someone to actually be in court to file something. I

1 don't think that's really what you guys have in mind when
2 you ask me about outside counsel.

3 So we're very, very careful about doing work
4 in-house. But where we don't have the expertise on a
5 particular issue and we have to bring in expert testimony,
6 you know, we have a limited pool to draw from.

7 REPRESENTATIVE JAMES: Thank you very much for
8 the response.

9 ATTORNEY GENERAL SHAPIRO: Sure.

10 REPRESENTATIVE JAMES: That's all I have, Mr.
11 Chairman. Thank you.

12 MAJORITY CHAIRMAN SAYLOR: Representative
13 Sanchez.

14 REPRESENTATIVE SANCHEZ: Thank you, Mr. Chairman.
15 General Shapiro, welcome.

16 ATTORNEY GENERAL SHAPIRO: Thank you.

17 REPRESENTATIVE SANCHEZ: I'm Ben Sanchez from the
18 153rd Legislative District.

19 ATTORNEY GENERAL SHAPIRO: I've heard of you. I
20 get your newsletters.

21 REPRESENTATIVE SANCHEZ: You do.

22 ATTORNEY GENERAL SHAPIRO: I have a pothole that
23 I need to talk to you about when this is over.

24 REPRESENTATIVE SANCHEZ: I'm on it.

25 General Shapiro, your office -- and we touched on

1 many of these things today. But your office under your
2 leadership has a great history now, which I applaud, of
3 battling the giant for some of Pennsylvania and societies
4 most vulnerable people, children, victims of abuse, seniors,
5 veterans, small businesses, and consumers to name a few.

6 In some context, people think the government has
7 unlimited resources. We know that's not the case. And
8 you're dealing with issues that are incredibly complicated
9 at times and against well-funded adversaries.

10 You touched on a little bit of this in the last
11 question. But what's your office doing specifically to
12 attract and retain some of the best and brightest legal
13 talent and does your budget request support that to help you
14 sustain that into the future?

15 ATTORNEY GENERAL SHAPIRO: My budget request is
16 an honest assessment of where we are, where we're trying to
17 get to in this multi-year building process that I've talked
18 to the Chairman about over a few years now and represents
19 the next step in that process.

20 In terms of attracting top talent, I can tell you
21 that when we started, given the reputation of this office
22 and where it was, it was very hard for me to attract top
23 talent.

24 Typically, you know, if you're a lawyer looking
25 to be a prosecutor -- just take a prosecutor for example --

1 you might want to go to the U.S. Attorney's Office. You
2 might want to go to a local DA's office. And then maybe
3 third on the list historically was the Attorney General's
4 Office.

5 With all due respect to my good friends and
6 colleagues who are DAs and the three great U.S. Attorneys we
7 have here in Pennsylvania -- and they are really fine public
8 servants, by the way -- I should say, folks want to come
9 work for us now. They see us handling big cases. They see
10 us handling serious issues. They see us growing thanks to
11 the commitment of this Legislature to fund the positions and
12 fund them at salaries that are appropriate for those jobs.

13 So I can tell you that we are attracting much
14 better talent today than we were two years ago. That is, I
15 think, a testament to the good work that we're all doing and
16 the great help that you guys have provided to us over the
17 years to ensure that we could rebuild the office and get it
18 back to where it needed to be and restore its reputation
19 amongst law enforcement.

20 REPRESENTATIVE SANCHEZ: That's wonderful. And I
21 hope we can continue to sustain that.

22 Thank you.

23 ATTORNEY GENERAL SHAPIRO: Thank you.

24 REPRESENTATIVE SANCHEZ: That's all I have, Mr.
25 Chairman.

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ATTORNEY GENERAL SHAPIRO: Thank you. And congratulations to you.

REPRESENTATIVE SANCHEZ: Thank you, sir.

MAJORITY CHAIRMAN SAYLOR: Representative White.

REPRESENTATIVE WHITE: Hello.

ATTORNEY GENERAL SHAPIRO: Hi.

REPRESENTATIVE WHITE: Thanks for being here today.

I just had a couple of questions, one of which before I get into, I just wanted to first thank you very much for your efforts when it comes to human trafficking, the illegal guns on our streets in Philadelphia. I know you've really put together a great task force to help address that.

ATTORNEY GENERAL SHAPIRO: Thank you.

REPRESENTATIVE WHITE: And then thirdly, when it comes to the drug epidemic that we're faced with. In my district, some of the things that we do in terms of drug take-back events, working with the AG's Office, with our office, as well as the DEA offering those services to our constituents really, really helps.

What my primary question is really about, how do we help to protect and ensure that Pennsylvania residents that they're protected when a DA isn't doing their job?

If you could kind of enlighten us a little bit.

1 There are many victims of crime as well as law enforcement
2 officers who are concerned in the city of Philadelphia. And
3 it doesn't just necessarily reflect the job that's being
4 done there, but even across the whole Commonwealth, if
5 there's a District Attorney that isn't necessarily doing
6 what our expectations are of the role, what can be done?
7 What are your thoughts?

8 ATTORNEY GENERAL SHAPIRO: Sure.

9 First off, thank you for your leadership on the
10 human trafficking issue. Getting some additional authority
11 in our office to deal with that issue is something that we
12 have been working toward. And we appreciate the support of
13 this Chamber and the Senate, of course, for making that
14 happen.

15 Second -- and I know you know this -- the Gun
16 Violence Task Force, you know, we've been working real hard
17 on that front. We've seen our number of arrests up 16 in
18 the last year. The number of firearms recovered up 50.
19 We've had nearly 5,000 investigations since the inception of
20 the Gun Violence Task Force. It works.

21 And as I said to this body last year, 100 cents
22 on the dollar we get and that line goes out to undercover
23 agents in the community who go and package up these cases
24 and give them to the District Attorney for prosecution.

25 So that leads me to the third part and the real

1 easy softball that you threw my way as it relates to the DA.
2 Look, I appreciate the question you're asking. I mean, I
3 cited this before but I do think it's important and I will
4 get to answer your question.

5 Our criminal prosecution cases between 2017 and
6 2018 are up 57 percent. And our referrals from DAs have
7 doubled from the year before I took office. So that tells
8 me that District Attorneys have confidence in our ability to
9 prosecute cases, are sending cases our way. And our
10 criminal prosecutions, to be up 57 percent is a significant
11 number. Whether it's decisions of the City of Philadelphia
12 or any county, they elect their District Attorney. Their
13 District Attorney has his or her priorities. Unless they
14 refer a case to me or unless I have concurrent jurisdiction
15 over a particular matter, there's not a lot that I can do to
16 step in and take a case.

17 People ask all the time, well, this seems like a
18 big case. Can't you just take this from the DA? It doesn't
19 work that way. A DA can send a case to me either because he
20 or she has a conflict or he or she has what's known as a
21 resource referral. They don't have the resources to handle
22 a case. We have received a number of referrals from the
23 District Attorney of Philadelphia.

24 But as for stepping in and taking cases from a
25 duly elected District Attorney, that's simply not something

1 that the Commonwealth Attorneys Act provides.

2 REPRESENTATIVE WHITE: On another different
3 topic. Across the Commonwealth we have been seeing a lot of
4 frigid weather lately. There's a lot of people in
5 Pennsylvania that are concerned about animals, particularly
6 dogs, that they are being left outside in cold weather with
7 no food, water, or shelter.

8 So what has your office done or is planning to do
9 to help enforce the Animal Cruelty Code?

10 ATTORNEY GENERAL SHAPIRO: You know, we care a
11 lot about those issues. In fact, on the civil side, our
12 Bureau of Consumer Protection agents have all been trained
13 to spot the signs of, you know, puppies in puppy mills and
14 animals who have been abused and things like that.

15 I will say that -- and I was talking to
16 Representative Stephens about this earlier and I'm sure as
17 Representative Stephens -- Representative Quinn. I
18 apologized for that earlier. It's a little disjointed in
19 terms of how criminal enforcement works when it comes to our
20 animal welfare laws. And I would certainly welcome some
21 additional authority in that area to be able to do that work
22 and would be happy to partner with you on that.

23 As someone who's got two dogs, loving animals,
24 you know, cares deeply about these issues, I think it's
25 important that we vigorously enforce these laws. And it's

1 not always clear who gets to do that. And it's certainly
2 not clear in many cases what kind of jurisdiction we have on
3 that front.

4 REPRESENTATIVE WHITE: Thank you.

5 MAJORITY CHAIRMAN SAYLOR: Representative Gabler.

6 REPRESENTATIVE GABLER: Thank you, Mr. Chairman.

7 And thank you, General Shapiro. It's great to
8 have this conversation with you today.

9 Today has been our day that we heard from the
10 three offices, so this is a question that's come up a number
11 of times. I wanted to ask you a question in the capacity
12 that your office handles as an issuing authority of general
13 obligation debt in the Commonwealth.

14 Specifically there's some concerns that have been
15 raised by the first series of Commonwealth general
16 obligation bonds that were issued in 2018 and that they
17 included capitalized interest or the fact that the interest
18 payments for the first few years on those bonds was rolled
19 into the principal on those bonds.

20 It's my understanding that legislation had
21 previously been enacted that was intended to remove some of
22 these less than sound financial practices from
23 authorization, one of them being Act 45 of 2017.

24 I was wondering if you could address for us what
25 sort of a legal review your office does when it comes to the

1 issuance of general obligation debt and whether you feel
2 that the capitalized interest that was rolled into these
3 2018 bond issuances was appropriate given the enactment of
4 Act 45 of 2017?

5 ATTORNEY GENERAL SHAPIRO: Sure.

6 Obviously, first off, thank you for your service
7 and your continued service to the country and to the
8 Commonwealth.

9 We would review a bond agreement as we would a
10 contract -- I think Representative Lawrence asked me about
11 this before -- for form and legality. We tend not to get
12 involved in analyzing the financial aspect of it. That may
13 be an issue that the Treasurer could more appropriately
14 address.

15 As it relates to the particular transaction that
16 you raised, I'd have to go back and study it in order to
17 answer the second part of your question. And we'd be happy
18 to get back to you on that.

19 REPRESENTATIVE GABLER: I appreciate that.

20 Going forward, could I ask you to maybe give us a
21 little bit of insight into how you would view a transaction
22 that involves the capitalization of interest into the
23 principal of a bond going forward? Do you think that would
24 be a responsible management technique or what would your
25 recommendations be as we go forward?

1 ATTORNEY GENERAL SHAPIRO: I think I'd have to
2 get back to you with an opinion on that. I'd have to be
3 careful because I'm restricted in my ability to offer legal
4 opinions in this forum. They have to be requested of me by
5 the Governor or by an agency. And I don't know that this
6 would satisfy that requirement. By the way, not my
7 requirement, the requirement under the Commonwealth
8 Attorneys Act.

9 So to the extent that I could offer some
10 thoughts, I will. I don't know that I could offer legal
11 guidance on something that would be prospective.

12 REPRESENTATIVE GABLER: And I appreciate that.

13 And certainly I would welcome your thoughts. I
14 think just overall, like I said, this is conversation we've
15 had with the three other officers today. But certainly I
16 think that it's important to have the conversation.

17 ATTORNEY GENERAL SHAPIRO: Yes.

18 REPRESENTATIVE GABLER: And a concern that I
19 would have, certainly as a father of a two-year-old little
20 girl and looking at the generations of Pennsylvanians that
21 will come after us, how we shift expenses on to future
22 generations is a concern. And I know that with this series
23 of bonds that were enacted in 2018, it resulted in \$42
24 million worth of interest being rolled into the future
25 without accounting for that upfront in a responsible manner.

1 It's a transaction that is alarming to me and
2 something that I would like to call attention to and
3 certainly would encourage your office to look at more
4 closely in the future.

5 ATTORNEY GENERAL SHAPIRO: I sure will.

6 REPRESENTATIVE GABLER: I appreciate it, General.

7 That's all I have, Mr. Chairman.

8 I appreciate it.

9 Thank you.

10 MAJORITY CHAIRMAN SAYLOR: We have one more
11 question to be asked by a member. Representative Heffley
12 has a second question on, I think on PBMs, I believe.

13 REPRESENTATIVE HEFFLEY: Thank you, Mr. Chairman.

14 Yeah, just looking at what some of the other
15 states have done, Arkansas, Louisiana, and other State
16 Attorney Generals have looked into the issue of PBMs and
17 spread pricing. And I know the Auditor General had just
18 issued his report.

19 I didn't know if your staff had reviewed that
20 report and if they're contemplating any action from the
21 Attorney General's Office into some of these practices that
22 are going on right now with the PBMs.

23 I think in Ohio they looked at a savings of an
24 administrative cost of like \$224 million. I just wanted to
25 see if -- and if you can't comment on it, but it is a big

1 concern to a lot of our local pharmacies. So it's something
2 that we were hoping that your office could look into as
3 well.

4 ATTORNEY GENERAL SHAPIRO: No, I appreciate the
5 question. It is a concern. I have not read the Auditor
6 General's report. I have been briefed on the issue. And
7 I've talked to probably three or four of my colleagues --
8 you cited a few of them -- from around the country who are
9 looking at this issue.

10 We do have some unique contracts I've learned in
11 Pennsylvania that make pursuing some of the suits -- I think
12 you cited Ohio, if I'm not mistaken, in your question -- may
13 be not an appropriate course of action for us just given the
14 contracts that we have.

15 I think it's more of an issue for the -- I think
16 the Administration can probably answer that more directly
17 than I can. They're privy to more of those details than we
18 are. But it's an issue that's caught our attention. It's
19 something we're looking at. And I'd say we're in the early
20 stages of reviewing that.

21 Again, I just would stress that as we look at the
22 contracts that exist here in Pennsylvania versus some other
23 states, there are differences in the way we have our PBM set
24 up versus the other states that may make my work as Attorney
25 General more limited. But it doesn't negate the very

1 appropriate interest you have in the topic or the work that
2 you might do as a State Rep.

3 REPRESENTATIVE HEFFLEY: Yeah. I think the
4 Arkansas case was the one that really struck me as a matter
5 of -- like some of the reimbursements being lower to certain
6 pharmacies versus other pharmacies.

7 ATTORNEY GENERAL SHAPIRO: Right.

8 REPRESENTATIVE HEFFLEY: That's where I think
9 there might be a legal issue.

10 ATTORNEY GENERAL SHAPIRO: In some states -- I'm
11 speaking very, very generally here. Some states don't allow
12 for that. What do they call it, the swing or --

13 REPRESENTATIVE HEFFLEY: The spread.

14 ATTORNEY GENERAL SHAPIRO: The spread. Pardon
15 me. The spread. We have I think -- I'm speaking generally
16 here -- in our contract stipulations that allow a certain
17 amount of spread, right? Now, that's a policy decision. I
18 don't make that. Obviously, you make that or the Governor
19 makes that.

20 So that's a little bit different than some other
21 states where that's not contemplated, where legal action
22 might, you know, be easier to take.

23 REPRESENTATIVE HEFFLEY: All right.

24 Well, thank you. I'll yield back my time to the
25 Chairman.

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MAJORITY CHAIRMAN SAYLOR: I love yielding back time you don't have.

REPRESENTATIVE HEFFLEY: Right. Who knew.

ATTORNEY GENERAL SHAPIRO: I'll be happy to yield back my time, too, if you want it.

MAJORITY CHAIRMAN SAYLOR: They must think that this is Congress. Just picking on Representative Heffley.

Representative Gainey for any final comment?

REPRESENTATIVE GAINEY: I just want to say thank you for your transparency and for all that you do for the people of the Commonwealth. We appreciate you. I just wanted to say thank you.

ATTORNEY GENERAL SHAPIRO: Thank you.

I'll be in your good city later tonight and tomorrow.

MAJORITY CHAIRMAN SAYLOR: Mr. Attorney General, I just have kind of one or two follow-up questions really. First, to thank you for your tobacco settlement work, great job. A couple questions I have on that is, one, in your negotiations with that, is there anything for the General Assembly to be aware of that could end up costing us those dollars that you've negotiated that will come here in the next 12 years? And let me add to that a little bit.

ATTORNEY GENERAL SHAPIRO: Yes.

MAJORITY CHAIRMAN SAYLOR: Is there also a need

1 for the General Assembly to pass additional legislation to
2 go with that negotiated settlement?

3 ATTORNEY GENERAL SHAPIRO: The settlement locks
4 us in through 2025. So that money is set. As we've talked
5 about, it's, you know, almost \$650 million over that period
6 of time.

7 What happens after that, after 2025, is largely
8 dependent on our ability in the Attorney General's Office to
9 enforce the law, right, and to make sure that we don't have
10 contraband, to make sure that we are enforcing the terms of
11 the deal basically.

12 I don't know that -- let me just state
13 unequivocally we're not in any risk of losing money between
14 now and 2025, having to pay money back or anything like
15 that. Post-2025, if the Legislature felt that it wanted to
16 add teeth to enforcement or add resources to enforcement or
17 what have you, that's certainly something we'd be happy to
18 discuss with you.

19 But, you know, we feel equipped with the
20 resources that you provided us to do the enforcement
21 necessary to hold up our end of the deal and the terms of
22 that settlement.

23 MAJORITY CHAIRMAN SAYLOR: So if it needs money,
24 we blame you? I'm just kidding. I'm just kidding.

25 ATTORNEY GENERAL SHAPIRO: You already got your

1 check. You know, between now and 2025, I don't think I'll
2 be here in 2025 doing this.

3 MAJORITY CHAIRMAN SAYLOR: You never know.

4 ATTORNEY GENERAL SHAPIRO: Right.

5 MAJORITY CHAIRMAN SAYLOR: Again, thank you very
6 much for your work that you did in the tobacco settlement,
7 Mr. Attorney General. I look forward to working with you.

8 ATTORNEY GENERAL SHAPIRO: Thank you.

9 MAJORITY CHAIRMAN SAYLOR: And we always
10 appreciate any legislation you think that we need to look at
11 here.

12 ATTORNEY GENERAL SHAPIRO: Thank you, Mr.
13 Chairman.

14 MAJORITY CHAIRMAN SAYLOR: Thank you.

15 ATTORNEY GENERAL SHAPIRO: Thank you, everybody.

16 MAJORITY CHAIRMAN SAYLOR: Also I want to
17 announce that the Appropriations Committee will adjourn now
18 to reconvene tomorrow morning at 10 a.m. with the Department
19 of Environmental Protection.

20 Thank you.

21 (Whereupon, the hearing concluded.)
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I hereby certify that the proceedings and
evidence are contained fully and accurately in the notes
taken by me on the within proceedings and that this is a
correct transcript of the same.

Jean M. Davis
Notary Public