

**STATUS OF LAWSUITS  
INVOLVING THE STATE OF MICHIGAN  
FY 2006-07 UPDATE**



**SENATE FISCAL AGENCY  
LANSING, MICHIGAN  
APRIL 2008**

# THE SENATE FISCAL AGENCY

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The purpose of the Agency, as defined by statute, is to be of service to the Senate Appropriations Committee and other members of the Senate. In accordance with this charge, the Agency strives to achieve the following objectives:

1. To provide technical, analytical, and preparatory support for all appropriations bills.
2. To provide written analyses of all Senate bills, House bills, and Administrative Rules considered by the Senate.
3. To review and evaluate proposed and existing State programs and services.
4. To provide economic and revenue analysis and forecasting.
5. To review and evaluate the impact of Federal budget decisions on the State.
6. To review and evaluate State issuance of long-term and short-term debt.
7. To review and evaluate the State's compliance with constitutional and statutory fiscal requirements.
8. To prepare special reports on fiscal issues as they arise and at the request of members of the Senate.

The Agency is located on the 8th floor of the Victor Office Center. The Agency is an equal opportunity employer.



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## **ACKNOWLEDGMENTS**

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## OVERVIEW

The information in this document is based on reports filed by State departments and agencies pursuant to Section 396(3) of The Management and Budget Act (Public Act 431 of 1984). Based on the amounts reported, the State of Michigan paid \$31,794,729 for judgments and settlements in fiscal year (FY) 2006-07. Of the 72 cases that resulted in payments, 18 were judgments totaling \$2,475,447, and 54 were settlements totaling \$29,319,282. Payments in FY 2006-07 were \$22,355,951 (236.9%) higher than the \$9,438,778 reported in FY 2005-06. The funding sources for payments in FY 2006-07 were as follows:

FUNDING SOURCE	AMOUNT	PERCENT
State General Fund	\$20,947,192	65.9
State Trunkline Fund	8,466,876	26.6
Restricted Funds/Other	1,824,324	5.7
Federal	556,337	1.8
TOTAL:	\$31,794,729	100.0

Tables on pages 2, 3, and 4 provide a 10-year history (FY 1997-98 through FY 2006-07) of payments made by the State of Michigan. Table 1 provides information on total payments (judgments and settlements), Table 2 lists payments resulting from judgments only, and Table 3 lists settlements. Table 4 provides a summary of FY 2006-07 cases and payments by department. Table 5 on page 9 includes a history of payments from the State's Risk Management Fund for automotive liability. Payments from the Fund are not included in amounts reported by departments. The report also includes an overview of cases that resulted in payments to the State of Michigan. Table 6 and information following on pages 10 and 11 provide an overview of amounts received by the State.

The FY 2006-07 reports submitted by State departments and agencies follow beginning on page 12. For each payment, the name of the case is listed along with information regarding the funding source, the county where the cause of action arose, and a brief description of the cause of action (summary of case). This report does not include payments resulting from workers' compensation and unemployment claims.

Table 1

TOTAL COURT JUDGMENTS AND SETTLEMENTS PAID BY THE STATE (Actual Dollars)										
DEPARTMENT	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Agriculture	\$10,000	\$0	\$133,058	\$789	\$12,500	\$116,416	\$0	\$7,500	\$12,384	\$0
Attorney General	0	0	0	100,000	83,308	297,000	0	0	0	182,349
Civil Rights	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Community Health	2,131,565	659,922	149,088	106,000	387,750	2,092,756	114,889	156,000	1,428,000	800,000
CIS	153,928	178,460	19,459	1,917,304	0	3,000				
Corrections	3,227,817	1,780,090	5,465,079	5,371,081	3,380,386	1,788,948	1,672,725	3,007,509	904,749	612,097
Education	213,832,688	1,705,551	1,628,259	1,368,306	2,123,500	3,046,081	2,299,211	1,717,015	1,163,905	309,441
Environmental Quality	2,566	10,998	1,516,756	0	0	276,893	738,250	3,541	1,180,073	2,504,987
Executive	0	0	0	0	0	0	0	0	0	0
History, Arts, & Libraries					1,000	0	0	0	0	0
Human Services	2,115,076	320,938	107,311	1,520,345	339,422	144,597	447,237	224,861	227,007	1,355,000
Information Technology					0	0	0	0	0	0
Judiciary	0	10,000	0	0	0	0	0	0	0	0
Labor & Econ. Growth							503,067	2,273,159	0	51,500
Lottery	13,581	17,565	1,500	0	0	0	0	0	0	0
Management & Budget	5,500	75,000	22,500	1,611,654	308,641	0	0	735,000	2,769,000	15,156,515
MI Jobs Commission	23,681									
MI Strategic Fund		0	0	0	0	0	0	0	0	0
Military Affairs	2,405,000	90,000	0	8,793	0	0	0	0	0	0
Natural Resources	2,906,895	1,872,915	17,787,910	299,756	47,177	307,063	796,280	1,095,146	182,204	252,446
State	1,817	101,460	36,400	1,000	150	0	2,099	5,000	504,000	485,780
State Police	868,141	787,057	513,664	875,572	1,424,855	1,075,239	842,330	264,900	323,702	1,617,738
Transportation	8,383,808	5,074,922	13,046,755	1,396,360	1,897,922	1,085,324	10,774,291	3,045,406	743,500	8,466,876
Treasury	11,500	0	107,659	0	180,000	269,000	120,632	82,011	254	0
<b>TOTAL:</b>	<b>\$236,093,563</b>	<b>\$12,684,878</b>	<b>\$40,535,398</b>	<b>\$14,576,960</b>	<b>\$10,186,611</b>	<b>\$10,502,317</b>	<b>\$18,311,011</b>	<b>\$12,617,048</b>	<b>\$9,438,778</b>	<b>\$31,794,729</b>

Table 2  
COURT JUDGMENTS PAID BY THE STATE  
(Actual Dollars)

DEPARTMENT	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Agriculture	\$0	\$0	\$0	\$789	\$0	\$116,416	\$0	\$0	\$0	\$0
Attorney General	0	0	0	100,000	81,808	0	0	0	0	0
Civil Rights	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Community Health	0	310,422	21,633	1,000	250	1,025,273	100,000	0	0	0
CIS	100,000	160,000	0	417,304	0	3,000				
Corrections	1,165,825	627,851	428,729	3,106,093	1,067,178	194,054	1,035,594	373,974	83,881	27,950
Education	213,823,188	1,684,540	1,628,259	1,368,306	2,123,500	3,046,081	2,287,211	1,717,015	1,159,905	309,441
Environmental Quality	2,566	10,998	1,516,756	0	0	114,893	750	3,541	64,073	2,105,395
Executive	0	0	0	0	0	0	0	0	0	0
History, Arts, & Libraries					0	0	0	0	0	0
Human Services	3,310	0	764	0	8,682	0	115,652	0	0	0
Information Technology					0	0	0	0	0	0
Judiciary	0	0	0	0	0	0		0	0	0
Labor & Econ. Growth							68,567	2,273,159	0	30,000
Lottery	0	0	0	0	0	0	0	0	0	0
Management & Budget	0	0	22,500	1,611,654	78,641	0	0	0	0	0
MI Jobs Commission	0									
MI Strategic Fund		0	0	0	0	0	0	0	0	0
Military Affairs	2,400,000	0	0	0	0	0	0	0	0	0
Natural Resources	2,901,395	409,888	1,537,910	152,162	0	307,063	5,788	0	77,404	0
State	0	0	0	0	150	0	2,099	5,000	0	780
State Police	0	0	0	0	0	975,615	41,328	0	0	1,881
Transportation	0	0	2,875,000	0	0	360,000	0	0	0	0
Treasury	0	0	0	0	0	0	120,632	34,511	254	0
<b>TOTAL:</b>	<b>\$220,396,284</b>	<b>\$3,203,699</b>	<b>\$8,031,551</b>	<b>\$6,757,308</b>	<b>\$3,360,209</b>	<b>\$6,142,395</b>	<b>\$3,777,621</b>	<b>\$4,407,200</b>	<b>\$1,385,517</b>	<b>\$2,475,447</b>

Table 3

SETTLEMENTS PAID BY THE STATE (Actual Dollars)										
DEPARTMENT	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Agriculture	\$10,000	\$0	\$133,058	\$0	\$12,500	\$0	\$0	\$7,500	\$12,384	\$0
Attorney General	0	0	0	0	1,500	297,000	0	0	0	182,349
Civil Rights	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Community Health	2,131,565	349,500	127,455	105,000	387,500	1,067,483	14,889	156,000	1,428,000	800,000
CIS	53,928	18,460	19,459	1,500,000	0	0	0	0	0	0
Corrections	2,061,992	1,152,239	5,036,350	2,264,988	2,313,208	1,594,894	637,131	2,633,535	820,868	584,147
Education	9,500	21,011	0	0	0	0	12,000	0	4,000	0
Environmental Quality	0	0	0	0	0	162,000	737,500	0	1,116,000	399,592
Executive	0	0	0	0	0	0	0	0	0	0
History, Arts, & Libraries					1,000	0	0	0	0	0
Human Services	2,111,766	320,938	106,547	1,520,345	330,740	144,597	331,585	224,861	227,007	1,355,000
Information Technology					0	0	0	0	0	0
Judiciary	0	10,000	0	0	0	0	0	0	0	0
Labor & Econ. Growth							434,500	0	0	21,500
Lottery	13,581	17,565	1,500	0	0	0	0	0	0	0
Management & Budget	5,500	75,000	0	0	230,000	0	0	735,000	2,769,000	15,156,515
MI Jobs Commission	23,681									
MI Strategic Fund		0	0	0	0	0	0	0	0	0
Military Affairs	5,000	90,000	0	8,793	0	0	0	0	0	0
Natural Resources	5,500	1,463,027	16,250,000	147,594	47,177	0	790,492	1,095,146	104,800	252,446
State	1,817	101,460	36,400	1,000	0	0	0	0	504,000	485,000
State Police	868,141	787,057	513,664	875,572	1,424,855	99,624	801,002	264,900	323,702	1,615,857
Transportation	8,383,808	5,074,922	10,171,755	1,396,360	1,897,922	725,324	10,774,291	3,045,406	743,500	8,466,876
Treasury	11,500	0	107,659	0	180,000	269,000	0	47,500	0	0
<b>TOTAL:</b>	<b>\$15,697,279</b>	<b>\$9,481,179</b>	<b>\$32,503,847</b>	<b>\$7,819,652</b>	<b>\$6,826,402</b>	<b>\$4,359,922</b>	<b>\$14,533,390</b>	<b>\$8,209,848</b>	<b>\$8,053,261</b>	<b>\$29,319,282</b>

## PAYMENTS BY DEPARTMENTS

Table 4 summarizes the number of cases and payments by department.

Table 4  
FY 2006-07  
NUMBER OF CASES AND PAYMENTS BY DEPARTMENT

DEPARTMENT	NUMBER OF CASES	PERCENT OF TOTAL	STATE PAYMENTS	PERCENT OF TOTAL
Community Health	2	2.8	\$800,000	2.5
Corrections	30	41.7	612,097	1.9
Environmental Quality	3	4.2	2,504,987	7.9
Human Services	4	5.6	1,355,000	4.3
Management & Budget	2	2.8	15,156,515	47.7
State Police	11	15.3	1,617,738	5.1
Transportation	11	15.3	8,466,876	26.6
Other Departments	9	12.5	1,281,516	4.0
TOTAL:	72	100.0	\$31,794,729	100.0

### Community Health

The Department of Community Health made payments in two cases totaling \$800,000. Ward v Kalamazoo, et al. was a wrongful death lawsuit and accounted for \$725,000 of the payments made by the Department of Community Health. The other case, Westside Mothers, et al. v Haveman, provides for payments in three fiscal years.

### Corrections

The Department of Corrections made payments in 30 cases totaling \$612,097. Payments ranged from \$136.87 in Jones, Roy v MDOC for a case involving costs for a petition for review, to \$180,000 in Mutti v MDOC et al., for a case involving alleged employee discrimination. Six employee discrimination cases with payments totaling \$499,500 accounted for 81.6% of the payments made by the Department of Corrections in FY 2006-07.

### Environmental Quality

The Department of Environmental Quality reported three cases with payments totaling \$2,504,987. Of that amount, \$2,105,395 resulted from a case involving regulatory taking of property rights (Heaphy). The Department of Environmental Quality also paid \$385,064 for a case involving alleged employee discrimination (Okwumabua).

## Human Services

The Department of Human Services made payments in four cases totaling \$1,355,000. In Gilhouse v Secure Care, et al., the Department paid \$700,000 resulting from a wrongful death action. The other major payments by the Department of Human Services included \$507,500 in an adoption subsidy case, and \$145,000 in an employment discrimination case.

## Management and Budget

The Department of Management and Budget made payments in two cases totaling \$15,156,515. HHS Statewide Costs Allocation Plan Audit for Fiscal Year End 2003 resulted in a payment of over \$15.1 million. Due to revenue shortfalls, on March 3, 2003, \$58.2 million was transferred from the Health Advance Financing Sub-Account (HAFS) in the State Employees Retirement Fund to the State General Fund. The HAFS was established to begin prefunding the long-term health care liabilities related to State employees. The transfer resulted in a Federal audit disallowance and the refund of the Federal share in the HAFS.

## State Police

Payments for 11 cases by the Department of State Police totaled \$1,617,738. Payments ranged from \$500 in Tatum v Ziesman, et al., for a case alleging excessive force, to \$650,000 in a wrongful death action (Coopshaw v State of Michigan, et al.).

## Transportation

Michigan Department of Transportation (MDOT) payments in 11 cases totaled \$8,466,876, an increase of \$7,723,376 from the \$743,500 paid in FY 2005-06. Fiscal year 2006-07 payments ranged from \$500 in Pioneer Mutual Insurance v MDOT, for a case involving a roadbed defect, to \$5.6 million in Midwest Bridge/Lafrate v MDOT, in which contractor alleged that MDOT's Central Office Review denied certain claims.

Six highway negligence cases accounted for \$1,327,776 of Department of Transportation payments in FY 2006-07. Two highway negligence cases (Chapman v MDOT and Bonifacio v MDOT) had payments of \$500,000 and \$580,000 respectively. From FY 1983-84 through FY 2006-07, the State paid \$232.2 million resulting from 1,160 highway negligence cases. Total payments and the number of cases resulting from highway negligence litigation have declined dramatically over recent years. The reduced level of cases and payments can be attributed in part to rulings by the Michigan Supreme Court since 2000 regarding governmental immunity and the statutory highway exception to governmental immunity that overturned previous case law and narrowly construed the highway exception to governmental immunity. Figure 1 shows highway negligence payments attributed to each fiscal year from FY 1983-84 through FY 2006-07. Figure 2 delineates the declining number of cases resulting in payments.

Figure 1

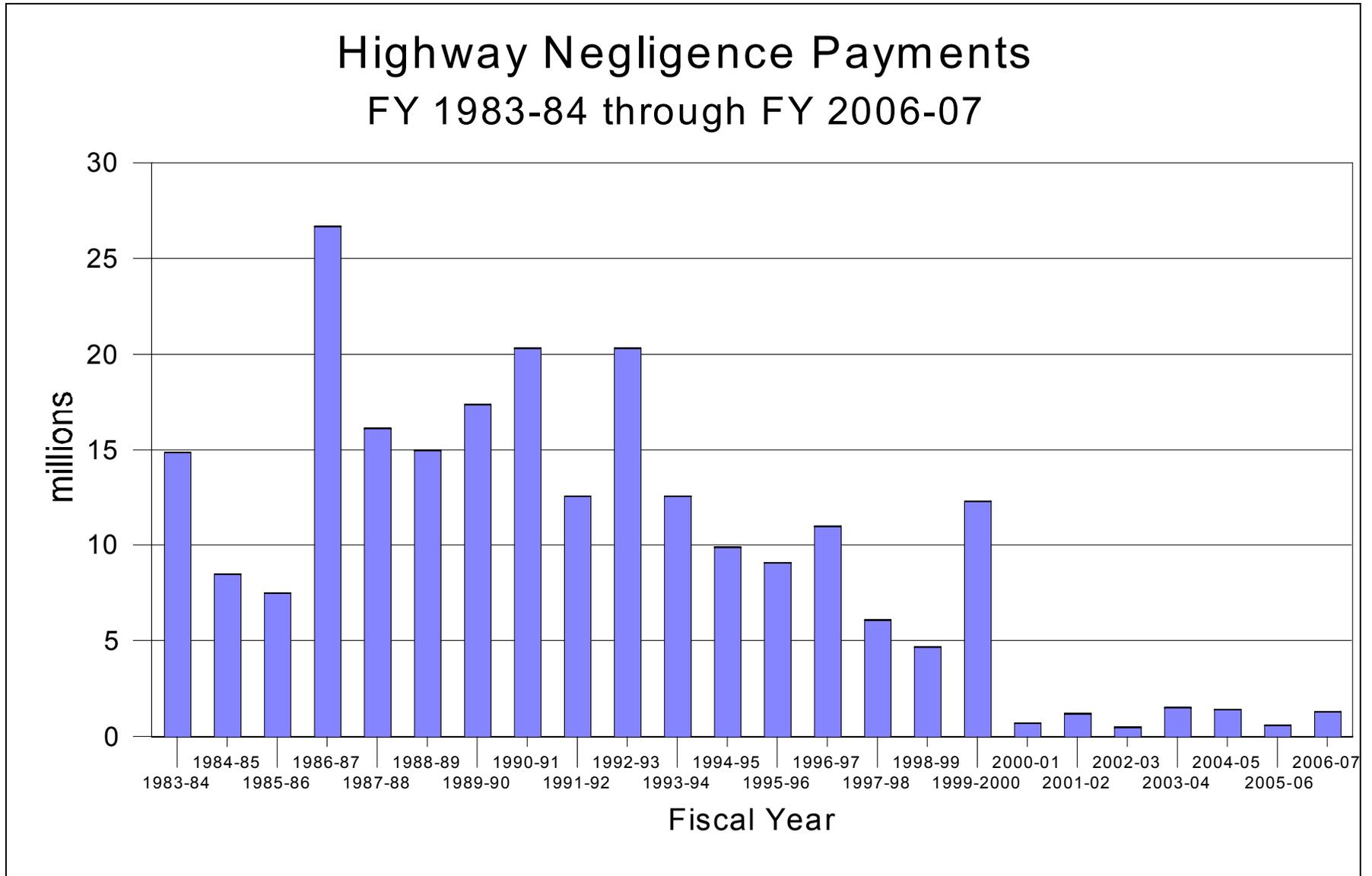
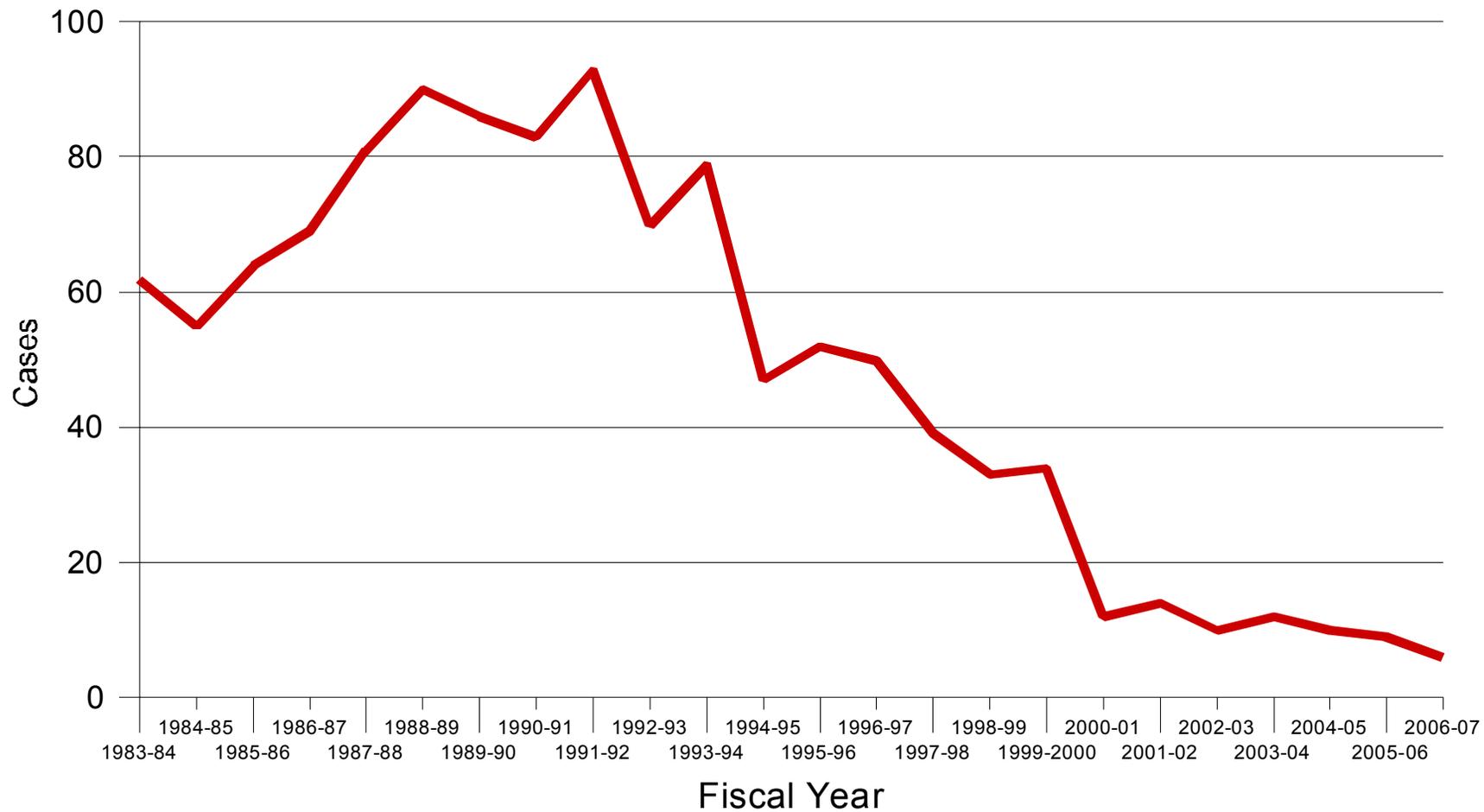


Figure 2

# Highway Negligence Cases Resulting in Payments FY 1983-84 through FY 2006-07



## RISK MANAGEMENT FUND

The Risk Management Fund was administratively established to account for specific centralized risk management functions performed by the Department of Management and Budget for all State agencies. Effective July 1, 1992, the State became self-insured for automotive liability claims. Motor transport charges to State departments and agencies include a cost associated with projected automotive liability. This amount is deposited in the State's Risk Management Fund. Automotive liability payments that do not exceed \$1.0 million are paid from the Fund. [Table 5](#) provides a history of payments from the Fund. Amounts are reported based on the fiscal year in which the payment was made, and therefore do not necessarily reflect the year in which the liability occurred.

Table 5

RISK MANAGEMENT FUND AUTOMOTIVE LIABILITY PAYMENTS	
FY 1991-92	\$28,318
FY 1992-93	\$138,194
FY 1993-94	\$435,862
FY 1994-95	\$1,135,659
FY 1995-96	\$1,977,178
FY 1996-97	\$1,743,580
FY 1997-98	\$1,223,622
FY 1998-99	\$3,985,189
FY 1999-2000	\$775,972
FY 2000-01	\$2,590,458
FY 2001-02	\$1,780,009
FY 2002-03	\$2,487,429
FY 2003-04	\$2,718,182
FY 2004-05	\$2,941,684
FY 2005-06	\$1,457,041
FY 2006-07	\$2,506,962

## PAYMENTS TO THE STATE OF MICHIGAN

The following table provides a summary of FY 2006-07 lawsuit payments to the State as reported by departments pursuant to Section 396(3) of The Management and Budget Act.

Table 6

TOTAL COURT JUDGMENTS AND SETTLEMENTS PAID TO THE STATE (Actual Dollars)	
DEPARTMENT	FY 2006-07
Attorney General	\$273,890,170
Community Health	40,212,498
Corrections	2,272,384
Environmental Quality	7,678,797
Management and Budget	8,000,000
Transportation	291,743
Other Departments	201,570
TOTAL:	\$332,547,162

### Attorney General

Of the amount reported by the Department of Attorney General, \$266,505,703 resulted from annual payments under the Master Tobacco Settlement Agreement. Most of the remaining payments to the State resulted from consumer protection and Medicaid fraud cases.

### Community Health

The Department of Community Health (DCH) reported three cases with payments to the State totaling \$40,212,498. The Omni Care Medicaid Fraud case accounted for \$40,132,301 of the amount received by the DCH in FY 2006-07. Of that amount, \$15,900,477 was Medicaid reimbursement.

### Corrections

All of the payments listed by the Department of Corrections resulted from cases filed under the Prisoner Reimbursement Act. The Department reported 301 payments. The median payment was \$3,676 and the largest payment was \$81,715.

### Environmental Quality

A majority of the 270 payments to the State involved reimbursement for environmental contamination. Fifteen cases with payments over \$100,000 accounted for \$3.7 million (48.0%) of the payments received by the Department of Environmental Quality in FY 2006-07. The largest payment was \$690,443 (St Marys Cement Inc.).

### Management and Budget

The Department of Management and Budget received a payment of \$8.0 million in State of Michigan v URS Corporation Great Lakes. The case involved a claim alleging errors and omissions in the design of the Center for Forensic Psychiatry, and mismanagement in administering the construction contract. In FY 2005-06, the State paid \$2,250,000 as a result of cost overruns and delays related to the construction of the Center for Forensic Psychiatry in Washtenaw County (Walbridge Aldinger v Department of Management and Budget, et al.).

### Transportation

Payments to the Michigan Department of Transportation involved 12 cases totaling \$291,743 and involved claims alleging damage to State property, cleanup costs, and, in one case, breach of an indemnification clause

**FISCAL YEAR 2006-07**

DEPARTMENT: ATTORNEY GENERAL

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Entertainment Software Association, et al. v Governor Jennifer M. Granholm, Attorney General Michael A. Cox	\$182,349.14	\$0	Restricted	Statewide	Plaintiff's attorney fees and costs.
<b>FY 2006-07 TOTAL:</b>	<b>\$182,349.14</b>	<b>\$0</b>			

**FISCAL YEAR 2006-07**

**DEPARTMENT: COMMUNITY HEALTH**

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Ward, Corbin v Kalamazoo, et al.	\$725,000.00	\$0	General Fund	Kalamazoo	Wrongful death lawsuit.
Westside Mothers, et al. v Haveman	\$75,000.00	0	General Fund	Statewide	Access to health care issues.
<b>FY 2006-07 TOTAL:</b>	<b>\$800,000.00</b>	<b>\$0</b>			

**FISCAL YEAR 2007-06**

DEPARTMENT: CORRECTIONS

**FORM 1: JUDGMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Bellville, James v Parole Board	\$170.00	\$0	General Fund	Ingham	Parole Appeal Costs - inmate claimed his parole guidelines were improperly calculated.
Brooks, Robert v Jon Stowell	19,132.63	0	General Fund	Muskegon	Use of Force - prisoner claimed staff entered his cell, repeatedly struck him causing injuries, and threatened to kill him.
Copeman, John v MDOC	150.00	0	General Fund	Ionia	Appeal Costs - misconduct.
Davis, Perry v MDOC	170.00	0	General Fund	Chippewa	Costs - petition for review of major misconduct.
English, John v MDOC	170.00	0	General Fund	Muskegon	Petition for Review - visitor restriction policy.
Green, King v Patricia Caruso, et al.	300.00	0	General Fund	Ionia	Programming - denial of correspondence course.
Jones-Bey, Lamar v Kelly Johnson, et al.	300.00	0	General Fund	Alger	Costs - harassment.
Jones, Roy v MDOC	136.87	0	General Fund	Alger	Costs - petition for review appeal of misconduct.
King, Kevin v Charles Zamiara, et al.	565.25	0	General Fund	Chippewa	Harassment - prisoner claimed his security level was increased; subjected to unnecessary transfers, issued misconducts in retaliation for assisting other prisoners with grievances, and his involvement in Warden's forum and the Cain lawsuit.
Moore, Eric v MDOC	150.00	0	General Fund	Jackson	Costs - petition for review of major misconduct record.
Thompson, Richard, et al. v Patricia Caruso	390.00	0	General Fund	Marquette	Costs - legal mail.

**FISCAL YEAR 2007-06**

DEPARTMENT: CORRECTIONS

**FORM 1: JUDGMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Vilgos, James v FOIA Coordinator, et al.	749.28	0	General Fund	Gogebic	FOIA - plaintiff claimed his FOIA request was erroneously denied.
Walton, John v Barbara Bouchard, et al., Williams, Timothy v William Overton, Jones, Lorenzo v State of Michigan, et al.	5,565.65	0	General Fund	Ingham	Appeal - programming, medical, discrimination.
<b>FY 2006-07 TOTAL:</b>	<b>\$27,949.68</b>	<b>\$0</b>			

**FISCAL YEAR 2006-07**

**DEPARTMENT: CORRECTIONS**

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Allen, Richard v Scott Tefft	\$4,000.00	\$0	General Fund	Ionia	Failure to Protect - prisoner claimed he was sexually assaulted by another prisoner.
Boles, Robert v William Overton, et al.	3,000.00	0	General Fund	Wayne	Legal Mail - plaintiff claimed staff did not allow him to receive legal mail from prisoner; also claimed staff harassment.
Easley, Dennison v MDOC	47,500.00	0	General Fund	Washtenaw	Employee Discrimination - transportation Sergeant claimed race discrimination for non-promotion to Lieutenant.
Figel, Gregory v Joe Suardini, et al.	160.06	0	General Fund	Ionia	Harassment - plaintiff claimed the defendants have harassed him and retaliated against him because of grievances and complaints.
George, Jacqueline v MDOC	37,700.00	0	General Fund	Ingham	Miscellaneous - contractual attorney submitted late billing.
Greer, Arthur v Nick Ludwick, et al.	500.00	0	General Fund	Jackson	Harassment - plaintiff made a myriad of complaints against facility staff.
Haynes, Cherisse v MDOC, et al.	75,000.00	0	General Fund	Ingham	Employee Discrimination - employee claimed race discrimination and wrongful discharge.
Hull, Thomas v Julie Fletcher, et al.	10,500.00	0	General Fund	Muskegon	Medical - plaintiff complained of ongoing chest pain in May 2004, suffered heart attack in June 2004. Claimed indifference to serious medical condition.
Joe, Marilyn v MDOC, et al.	2,000.00	0	General Fund	Wayne	Employee Discrimination - employee claimed race discrimination and wrongful discharge.

**FISCAL YEAR 2006-07**

**DEPARTMENT: CORRECTIONS**

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Kinard, Anthony v Larry Nunnery, et al.	2,000.00	0	General Fund	Macomb	Legal Mail - claimed Macomb Correctional Facility staff were reading and destroying out-going legal mail.
Mutti, Joann v MDOC et al.	180,000.00	0	General Fund	Macomb	Employee Discrimination - female librarian assistant claimed discrimination and harassment.
Richardson, Dion v Millicent Warren, et al.	150,000.00	0	General Fund	Lapeer	Employee Discrimination - Resident Unit Official claimed race discrimination and retaliation resulting in his discharge.
Siggers-El, Darrell v David Barlow	25,000.00	0	General Fund	Wayne	Transfer- prisoner claimed transfer was in retaliation for grievance.
Taperski, Stephen v Macomb County, et al.	1,000.00	0	General Fund	Macomb	Use of Force - parolee claimed unlawful arrest.
Thomas, Melvin v Lyle Enterline	500.00	0	General Fund	Marquette	Use of Force - prisoner claimed staff took various actions against him in retaliation for litigation, including assaulting him in his cell.
Vandelinder, Steve	287.00	0	General Fund	Jackson	Property Issue.
Wells, Timothy v MDOC	45,000.00	0	General Fund	Jackson	Employee Discrimination - food service employee claimed discrimination and harassment by supervisor, including discharge.
<b>FY 2006-07 TOTAL:</b>	<b>\$584,147.06</b>	<b>\$0</b>			

**FISCAL YEAR 2007-06**

DEPARTMENT: EDUCATION

**FORM 1: JUDGMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Berry, et al. v School District of Benton Harbor, State of Michigan, et al.	\$309,441.47	\$0	State School Aid Fund	Berrien	Ongoing desegregation court order.
<b>FY 2006-07 TOTAL:</b>	<b>\$309,441.47</b>	<b>\$0</b>			

**FISCAL YEAR 2007-06**

DEPARTMENT: ENVIRONMENTAL QUALITY

**FORM 1: JUDGMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
William Heaphy and Anne E. Heaphy	\$2,105,395.41	\$360,695.41	General Fund - \$1,497,007.41, Private Fund - \$150,000.00, Land & Water Permit Fee - \$258,000.00, Publication Revenue - \$100,000.00 Settlement Fund - \$100,388.00	Ottawa	Regulatory taking of property rights under Part 353, Sand Dunes Protection and Management of the Natural Resources and Environmental Protection Act, P.A. 451 of 1994.
<b>FY 2006-07 TOTAL:</b>	<b>\$2,105,395.41</b>	<b>\$360,695.41</b>			

**FISCAL YEAR 2006-07**

**DEPARTMENT: ENVIRONMENTAL QUALITY**

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Coyne Oil Corporation	\$14,527.96	\$4,458.52	Refined Petroleum	Isabella	Michigan Underground Storage Tank Financial Assurance Claim paid for reimbursement of leaking underground storage tank.
Benedict Okwumabua	385,064.50	0	General Fund	Wayne	Alleged employee discrimination.
<b>FY 2006-07 TOTAL:</b>	<b>\$399,592.46</b>	<b>\$4,458.52</b>			

**FISCAL YEAR 2006-07**

DEPARTMENT: HUMAN SERVICES

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Gilhouse v Secure Care, et al. (Paid to McLain & Winters)	\$700,000.00	\$0	General Fund	Livingston	Wrongful death.
Stewart-Thornton v DHS, et al.	2,500.00	0	General Fund	Ingham	Employment discrimination.
Cochran v DHS	145,000.00	0	General Fund	Wayne	Employment discrimination.
Lighthouse, Inc. v AuSable Valley Community Mental Health, et al.**	507,500.00	0	TANF	Iosco	Adoption subsidy.
<b>FY 2006-07 TOTAL:</b>	<b>\$1,355,000.00</b>	<b>\$0</b>			

\*\*This payment was paid under AOBJ 6336: \$122,769.52 was paid from FY 2004-05 TANF funds and \$74,038.74 was paid from FY 2005-06 TANF funds.

**FISCAL YEAR 2007-06**

**DEPARTMENT:** LABOR AND ECONOMIC GROWTH

**FORM 1: JUDGMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Lee v McDonald, State of Michigan	\$30,000.00	\$0	Federal	Wayne	Case related to execution of State of Michigan employee's duties for Michigan Rehabilitation Services.
<b>FY 2006-07 TOTAL:</b>	<b>\$30,000.00</b>	<b>\$0</b>			

**FISCAL YEAR 2006-07**

DEPARTMENT: LABOR AND ECONOMIC GROWTH

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Jenkins v DLEG	\$12,500.00	\$0	Federal - \$9,837.50 General Fund - \$2,662.50	Ingham	Employee grievance on dismissal.
Gupta v State of Michigan	9,000.00	0	Federal	Wayne	Settlement with landlord for claim on heating, ventilation, and air conditioning.
<b>FY 2006-07 TOTAL:</b>	<b>\$21,500.00</b>	<b>\$0</b>			

**FISCAL YEAR 2006-07**

DEPARTMENT: MANAGEMENT & BUDGET

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
MEEMIC Insurance Co. v State of Michigan	\$2,700.00	\$0	Risk Management	Ingham	Damage to vehicle while parked in the Ottawa parking ramp.
HHS Statewide Costs Allocation Plan Audit for Fiscal Year End 2003	15,153,815.00	7,675,052.00	General Fund	Ingham	The \$58.2 million reserved to begin prefunding the long-term health care liabilities of State employees was transferred on March 3, 2003, from the Health Advance Financing Sub-Account (HAFS) in the State Employees Retirement Fund to the General Fund. This resulted in a Federal audit disallowance and the refund of the Federal share of the funds.

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**FY 2006-07 TOTAL:                      \$15,156,515.00    \$7,675,052.00**

**FISCAL YEAR 2006-07**

DEPARTMENT: NATURAL RESOURCES

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Black Stone Minerals, LP v DNR	\$245,415.31	\$0	Michigan Natural Resources Commission Trust Fund	Antrim	Plaintiff brought the action to claim oil and gas leases on revenue from State oil and gas leases on certain tax reverted properties.
Balogh v DNR	7,030.80	0	Forest Development Fund	Cheboygan	DNR paid Mentor Township the penalty for withdrawal from the commercial forest reserve program for the Plaintiff as part of the settlement in the case.
<b>FY 2006-07 TOTAL:</b>	<b>\$252,446.11</b>	<b>\$0</b>			

**FISCAL YEAR 2007-06**

DEPARTMENT: STATE

**FORM 1: JUDGMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Dean Hazel v Terry Lynn Land, et al.	\$780.00	\$0	Restricted - \$759.72 General Fund - \$20.28	Monroe	Residency issue.
<b>FY 2006-07 TOTAL:</b>	<b>\$780.00</b>	<b>\$0</b>			

**FISCAL YEAR 2006-07**

DEPARTMENT: STATE

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
208 Partners v State of Michigan and Department of State	\$485,000.00	\$0	Restricted - \$451,050 General Fund - \$33,950	Ingham	Building Tenant/Rent/Lease Agreement issue.
<b>FY 2006-07 TOTAL:</b>	<b>\$485,000.00</b>	<b>\$0</b>			

**FISCAL YEAR 2007-06**

**DEPARTMENT: STATE POLICE**

**FORM 1: JUDGMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Philpott v City of Portage, et al.	\$1,881.25	\$0	General Fund	Kalamazoo	Excessive force.
<b>FY 2006-07 TOTAL:</b>	<b>\$1,881.25</b>	<b>\$0</b>			

**FISCAL YEAR 2006-07**

DEPARTMENT: STATE POLICE

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Shell, et al. v Crockett	\$35,000.00	\$0	General Fund	Gladwin	Excessive force.
Tatum v Ziesman, et al.	500.00	0	General Fund	Calhoun	Excessive force.
Williams-White v Morningstar, et al.	85,000.00	0	General Fund	Wayne	Deadly force.
Mercadel v Keating, et al.	10,000.00	0	General Fund	Wayne	False arrest.
McClendon v Crawford, et al.	10,700.00	0	General Fund	Wayne	Assault and battery.
Coopshaw v State of Michigan, et al.	650,000.00	0	General Fund	Lenawee	Wrongful death.
Newton v MSP, et al.	5,000.00	0	General Fund	Jackson	False arrest.
Lamanen v MSP	19,656.75	0	General Fund	Livingston	Abandoned car.
Williams v Moore, et al.	300,000.00	0	General Fund	Wayne	False imprisonment.
Burnette v Rando, et al.	500,000.00	0	General Fund	Jackson	Excessive force.
<b>FY 2006-07 TOTAL:</b>	<b>\$1,615,856.75</b>	<b>\$0</b>			

**FISCAL YEAR 2006-07**

DEPARTMENT: TRANSPORTATION

**FORM 2: SETTLEMENTS PAID BY THE STATE**

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Chapman v MDOT	\$500,000.00	\$0	State Trunkline Fund	Osceola	Roadbed defect.
Davis v MDOT	150,000.00	0	State Trunkline Fund	Wayne	Roadbed defect.
Sani v MDOT	100,100.00	0	State Trunkline Fund	Wayne	Discrimination.
Lane v MDOT	95,000.00	0	State Trunkline Fund	Monroe	Roadbed defect.
Bonifacio v MDOT	580,000.00	0	State Trunkline Fund	Wayne	Roadbed defect.
Pioneer Mutual Insurance v MDOT	500.00	0	State Trunkline Fund	Genesee	Roadbed defect.
Burger v MDOT	2,276.10	0	State Trunkline Fund	Washtenaw	Roadbed defect.
Watts v MDOT	85,000.00	0	State Trunkline Fund	Ingham	Property owners alleged MDOT reneged on its obligation to remediate their property.
Midwest Bridge/Lafrate v MDOT	5,600,000.00	0	State Trunkline Fund	Macomb	Contractor alleged MDOT's Central Office Review denied certain claims.
S.E. Johnson Co. v MDOT	925,000.00	0	State Trunkline Fund	St. Clair	Contractor sought additional compensation for structural steel work on the Blue Water Bridge Rehab. Project.
Total Mechanical v MDOT	429,000.00	0	State Trunkline Fund	Wayne	Breach of contract, fraud, and civil conspiracy.
<b>FY 2006-07 TOTAL:</b>	<b>\$8,466,876.10</b>	<b>\$0</b>			



## RECENT SENATE FISCAL AGENCY REPORTS

<p>"FY 2008-09 APPROPRIATIONS REPORT – PART I – GOVERNOR'S RECOMMENDATIONS"    March 2008</p>	<p>"THE MICHIGAN STATE BUDGET FISCAL YEAR 2000-01 THROUGH FISCAL YEAR 2005-06 SIX YEARS OF SIGNIFICANT CHANGE" by Gary S. Olson &amp; Briana Kleidon    November 2007</p>	<p>"FY 2007-08 APPROPRIATIONS REPORT – PART I – GOVERNOR'S RECOMMENDATIONS"    March 2007</p>
<p>"FY 2006-07 APPROPRIATIONS REPORT – PART III – YEAR-END APPROPRIATIONS"    January 2008</p>	<p>"MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW FY 2006-07 AND FY 2007-08" May 2007</p>	<p>"U.S. AND MICHIGAN MOTOR VEHICLE STATISTICAL REPORT"    February 2007</p>
<p>"THE ROLE OF MEDICAID SPECIAL FINANCING IN CHANGES IN STATE EXPENDITURE 1991-2007" by David Fosdick    January 2008</p>	<p>"STATUS OF LAWSUITS INVOLVING THE STATE OF MICHIGAN FY 2005-06 UPDATE" MAY 2007</p>	<p>"21st CENTURY JOBS TRUST FUND PROGRAMS" by Elizabeth Pratt &amp; Maria Tyszkiewicz    February 2007</p>
<p>"FY 2007-08 HIGHER EDUCATION APPROPRIATIONS REPORT" by Ellen Jeffries    December 2007</p>	<p>"INCARCERATION AND ITS COSTS IN MICHIGAN" by Lindsay Hollander    May 2007</p>	<p>"SODAS IN SCHOOLS: THE CONTROVERSY AND POSSIBLE SOLUTIONS" by Curtis Walker    February 2007</p>
<p>"MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW FY 2006-07, FY 2007-08, AND FY 2008-09" December 2007</p>	<p>"FY 2005-06 APPROPRIATIONS REPORT – PART III – YEAR-END APPROPRIATIONS" April 2007</p>	<p>"COOL CITIES" by Elizabeth Pratt &amp; Maria Tyszkiewicz    January 2007</p>
<p>"FY 2007-08 APPROPRIATIONS REPORT – PART II – INITIAL APPROPRIATIONS"    November 2007</p>	<p>"ESTIMATED STATE SPENDING AND STATE TAX COLLECTIONS BY COUNTY FY 2001-02" by David Zin    April 2007</p>	<p>"MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW FY 2005-06, FY 2006-07 AND FY 2007-08" January 2007</p>
		<p>"THE MICHIGAN SCHOOL AID ACT COMPILED AND APPENDICES"    November 2006</p>

<b>RECURRING SENATE FISCAL AGENCY REPORTS</b>
Appropriations Report – Part I – Governor's Recommendations
Appropriations Report – Part II – Initial Appropriations
Appropriations Report – Part III – Year-End Appropriations
Estimated State Spending by County
Status of Lawsuits Against the State
Higher Education Appropriations Report
Michigan Economic Outlook and Budget Review
Monthly Revenue Report
Monthly Michigan Economic Indicators
State Notes: Topics of Legislative Interest