

**FY 2016-17  
STATUS OF LAWSUITS  
INVOLVING THE STATE OF MICHIGAN**



**SENATE FISCAL AGENCY  
LANSING, MICHIGAN  
APRIL 2018**

# THE SENATE FISCAL AGENCY

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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) which is included in [Appendix A](#). Based on the amounts reported, the State of Michigan paid \$91.2 million for judgments and settlements in fiscal year (FY) 2016-17. Of the 68 cases that resulted in payments, nine were judgments totaling \$17.1 million, and 59 were settlements totaling \$74.1million.<sup>1</sup> Federal funds supported \$52.0 million (57.1%) of the payments made in FY 2016-17

Payments in FY 2016-17 were \$14.2 million (18.5%) higher than the \$77.0 million reported in FY 2015-16. The department with the largest variation in payments from FY 2015-16 to FY 2016-17 was the Department of Health and Human Services (DHHS), where payments increased by \$52.2 million. The main reason for the increase was the \$52.9 million settlement in the [Barry v Lyon](#) class action, which alleged the wrongful denial of food assistance payments. Federal funding paid for the \$52.0 million lump-sum food assistance payment and the State General Fund paid \$964,457 in attorney fees and costs.

Tables on pages 2, 3, and 4 provide a 10-year history (FY 2007-08 through FY 2016-17) 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](#) and the following narrative provide a summary of departments with payments totaling over \$1.0 million. [Table 5](#) on page 8 provides a history of highway negligence payments from FY 1983-84 through FY 2016-17. [Table 6](#) on page 9 includes a history of payments from the State's Risk Management Fund for automotive liability. Payments from the Fund have historically not been included in amounts reported by departments. Also, small claims approved by the State Administrative Board are not included in this report. [Table 7](#) and information on page 10 through page 12 provide an overview of cases that resulted in payments to the State.

The FY 2016-17 reports submitted by State departments and agencies on payments made by the State follow in [Appendix B](#), beginning on page 14. 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 or unemployment claims.

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<sup>1</sup> The number of cases does not reflect the actual total number of cases due to the Department of Treasury's not providing detail on various tax-related cases because of confidentiality requirements in MCL 205.28(1)(f).

**Table 1**

<b>TOTAL COURT JUDGMENTS AND SETTLEMENTS PAID BY THE STATE</b>										
<b>(Actual Dollars)</b>										
<b>Fiscal Year</b>										
<b>DEPARTMENT</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Corrections	\$4,886,697	\$450,134	\$14,676,073	\$10,571,572	\$15,503,188	\$20,647,428	\$22,478,131	\$26,684,297	\$2,438,094	\$4,045,701
Education	573,965	455,791	76,458	46,561	49,316	175,000	1,403,678	0	0	0
Health & Human Services	2,769,250	7,224,260	1,433,783	1,608,489	910,711	1,307,498	2,292,681	652,000	1,376,000	53,533,019
State Police	2,544,330	31,090	89,529	263,296	711,482	276,900	206,952	7,941,500	6,096,839	1,972,500
Transportation	316,000	582,000	2,716,961	230,662	2,538,165	322,900	4,352,879	5,514	73,000	279,500
Treasury	2,046,531	2,087,042	111,752	939,330	55,432,447	62,199,908	34,995,645	1,555,312	65,841,278	29,166,805
Other Departments	2,664,746	1,019,516	899,865	2,264,453	988,340	709,892	4,866,730	4,922,430	1,139,751	2,206,137
<b>TOTAL</b>	<b>\$15,801,519</b>	<b>\$11,849,833</b>	<b>\$20,004,421</b>	<b>\$15,924,363</b>	<b>\$76,133,649</b>	<b>\$85,639,526</b>	<b>\$70,596,696</b>	<b>\$41,761,052</b>	<b>\$76,964,963</b>	<b>\$91,203,661</b>



**Table 2**

**COURT JUDGMENTS PAID BY THE STATE  
(Actual Dollars)**

<b>Fiscal Year</b>										
<b>DEPARTMENT</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Corrections	\$4,469	\$8,287	\$4,006	\$41,551	\$34,656	\$458,248	\$3,369	\$6,082	\$1,300	\$379,886
Education	210,965	455,791	76,458	46,561	49,316	0	1,348,678	0	0	0
Health & Human Services	0	4,500	9,582	0	0	0	0	0	0	166,396
State Police	383	9,590	15,000	0	1,250	33,000	0	0	6,021,839	0
Transportation	0	0	0	0	0	0	0	14	0	0
Treasury	46,531	87,042	51,752	550,000	39,397,366	0	2,776,677	408,033	27,532,436	16,573,281
Other Departments	600	288,212	207,739	159,824	182,062	196,952	2,189,420	1,888,914	6,000	0
<b>TOTAL</b>	<b>\$262,948</b>	<b>\$853,422</b>	<b>\$364,537</b>	<b>\$797,936</b>	<b>\$39,664,650</b>	<b>\$688,200</b>	<b>\$6,318,144</b>	<b>\$2,303,042</b>	<b>\$33,561,575</b>	<b>\$17,119,563</b>

**Table 3**

**SETTLEMENTS PAID BY THE STATE  
(Actual Dollars)**

<b>Fiscal Year</b>										
<b>DEPARTMENT</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Corrections	\$4,882,228	\$441,847	\$14,672,067	\$10,530,021	\$15,468,532	\$20,189,180	\$22,474,762	\$26,678,215	\$2,436,794	\$3,665,814
Education	363,000	0	0	0	0	175,000	55,000	0	0	0
Health & Human Services	2,769,250	7,719,760	1,424,201	1,608,489	910,711	1,307,498	2,292,681	652,000	1,376,000	53,366,623
State Police	2,543,947	21,500	74,529	263,296	710,232	243,900	206,952	7,941,500	75,000	1,972,500
Transportation	316,000	582,000	2,716,961	230,662	2,538,165	322,900	4,352,879	5,500	73,000	279,500
Treasury	2,000,000	2,000,000	60,000	389,330	16,035,081	62,199,908	32,218,968	1,147,279	38,308,842	12,593,524
Other Departments	2,664,146	731,304	692,126	2,104,629	806,278	512,940	2,677,310	3,033,516	1,133,751	2,206,137
<b>TOTAL</b>	<b>\$15,538,571</b>	<b>\$10,996,411</b>	<b>\$19,639,884</b>	<b>\$15,126,427</b>	<b>\$36,468,999</b>	<b>\$84,951,326</b>	<b>\$64,278,552</b>	<b>\$39,458,009</b>	<b>\$43,403,388</b>	<b>\$74,084,098</b>

## PAYMENTS BY DEPARTMENTS

In FY 2016-17, five State departments made payments totaling more than \$1.0 million. [Table 4](#) and the following narrative summarize these payments.

**Table 4**  
**FY 2016-17**  
**PAYMENTS BY DEPARTMENT**

<b>DEPARTMENT</b>	<b>STATE PAYMENTS</b>	<b>PERCENT OF TOTAL</b>
Corrections	\$4,045,700.55	4.4%
Health and Human Services	53,533,018.55	58.7
State Police	1,972,500.00	2.2
Technology, Mgt., & Budget	1,002,206.00	1.1
Treasury	29,166,804.89	32.0
Other Departments	1,483,431.18	1.6
<b>TOTAL</b>	<b>\$91,203,661.17</b>	<b>100.0%</b>

### Corrections

The Department of Corrections made payments in 26 cases totaling \$4.0 million. Payments ranged from \$250 for alleged retaliation/harassment to \$915,000 in [Vorus v MDOC](#), in which the plaintiff alleged that he was subjected to a racially hostile and discriminatory work environment. Five cases with payments over \$500,000 each accounted for \$3.3 million (81.6%) of the payments made by the Department of Corrections in FY 2016-17.

### Health and Human Services

The Department of Health and Human Services (DHHS) made payments in 11 cases totaling \$53.5 million. Payments ranged from \$4,000 for the alleged violation of the right to medical assistance to \$52.9 million in [Barry v Lyon](#), a class action that alleged the wrongful denial of food assistance payments between December 30, 2012, and January 9, 2015. Plaintiffs were denied or taken off the food assistance program based on criminal justice disqualifications. The United States District Court for the Eastern District of Michigan Southern Division ruled that the criminal justice disqualifications violated Federal law and the Constitution. Federal funding paid for the \$52.0 million cost of the lump-sum food assistance payment and the State General Fund paid \$964,456.63<sup>2</sup> in attorney fees and costs. The next-highest payment by the DHHS was \$325,000 in [Bosley v DHHS](#), a case alleging a personal injury dog bite to a minor in child custody.

<sup>2</sup> Amount as reported by DHHS Accounting and Finance.

### State Police

In 11 cases, the Department of State Police made payments totaling just under \$2.0 million. Payments ranged from \$5,000 for an alleged illegal search, to \$1.0 million in Darkins v MSP, et al., a racial discrimination lawsuit. Eight cases had payments of less than \$50,000, accounting for \$157,500 (8.0%) of FY 2016-17 payments by the Department. Payments in three cases totaling \$1.8 million accounted for 92.0% of payments made in FY 2016-17.

### Technology, Management, and Budget

The Department of Technology, Management, and Budget made payments in two cases totaling just over \$1.0 million. The Department paid \$895,000 for attorney fees for a case involving violations of the Federal Safe Drinking Water Act (Flint). The other case involved attorney fees in the Detroit bankruptcy proceedings.

### Treasury

The Department of Treasury made payments totaling \$29.2 million. Payments designated "Various for Tax Related Cases" accounted for \$28.7 million (98.2%) of FY 2016-17 payments made by the Department. Details on these cases are not provided due to MCL 205.28(1)(f). That section of the law provides, in part:

Except as otherwise provided in this subdivision, in subsection (6) or (7), or in section 23a, an employee, authorized representative, or former employee or authorized representative of the department or anyone connected with the department shall not divulge any facts or information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the department for a tax administered by the department.

Two cases listed by the Department were the result of Wrongful Imprisonment Compensation Act claims. They included Carter (\$352,611) and McHenry (\$35,345).

### Highway Negligence Cases

From FY 1983-84 through FY 2016-17, the State paid \$236.8 million resulting from 1,177 highway negligence cases. Since FY 1999-2000, total payments and the number of cases resulting from highway negligence litigation have declined dramatically. In FY 2013-14, no payments resulted from defective highway claims. There was one payment of \$5,500 in FY 2014-15 and two cases with payments totaling \$73,000 in FY 2015-16. In FY 2016-17, there was a payment of \$4,500 for one case involving an alleged defect (pothole) in a crosswalk on M-37 resulting in an injury to plaintiff's ankle.

Of the total amount paid for highway negligence cases since FY 1983-84, \$225.4 million (95.2%) was paid before FY 2000-01. The reduction in payments is attributed to statutory changes and rulings by the Michigan Supreme Court that limited the State's exposure to liability. Table 5 provides a history of highway negligence payments by fiscal year from FY 1983-84 through FY 2016-17.

Table 5

HIGHWAY NEGLIGENCE STATISTICS				
FISCAL YEAR	NUMBER OF CASES	JUDGMENTS	SETTLEMENTS	TOTAL PAYMENTS
1983-84	62	\$12,541,651	\$2,444,976	\$14,986,627
1984-85	55	4,399,001	4,128,751	8,527,752
1985-86	64	3,242,143	4,347,140	7,589,283
1986-87	69	22,699,603	4,151,959	26,851,562
1987-88	81	5,195,041	10,897,265	16,092,306
1988-89	90	2,869,944	12,151,689	15,021,633
1989-90	86	8,908,886	8,460,458	17,369,344
1990-91	83	10,043,560	10,353,328	20,396,888
1991-92	93	6,018,686	6,606,453	12,625,139
1992-93	70	11,290,468	8,968,167	20,258,635
1993-94	79	5,107,256	7,472,542	12,579,798
1994-95	47	1,871,956	8,010,456	9,882,412
1995-96	52	661,000	8,413,595	9,074,595
1996-97	50	1,331,974	9,679,852	11,011,826
1997-98	39	0	6,084,715	6,084,715
1998-99	33	0	4,721,422	4,721,422
1999-2000	34	2,875,000	9,461,500	12,336,500
2000-01	12	0	668,400	668,400
2001-02	14	0	1,222,240	1,222,240
2002-03	10	0	458,500	458,500
2003-04	12	0	1,521,200	1,521,200
2004-05	10	0	1,443,250	1,443,250
2005-06	9	0	614,000	614,000
2006-07	6	0	1,327,776	1,327,776
2007-08	4	0	246,000	246,000
2008-09	2	0	520,000	520,000
2009-10	1	0	2,500,000	2,500,000
2010-11	1	0	10,000	10,000
2011-12	2	0	679,000	679,000
2012-13	3	0	122,900	122,900
2013-14	0	0	0	0
2014-15	1	0	5,500	5,500
2015-16	2	0	73,000	73,000
2016-17	1	0	4,500	4,500
<b>TOTAL</b>	<b>1,177</b>	<b>\$99,056,169</b>	<b>\$137,770,534</b>	<b>\$236,826,703</b>

Source: Michigan Department of Transportation

**RISK MANAGEMENT FUND**

The Risk Management Fund was administratively established to account for specific centralized risk management functions performed for all State agencies by the Department of Management and Budget (now the Department of Technology, Management, and Budget). 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 6 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 6**

<b>RISK MANAGEMENT FUND AUTOMOTIVE LIABILITY PAYMENTS</b>			
<b>Fiscal Year</b>		<b>Fiscal Year</b>	
1991-92	\$28,318	2004-05	\$2,941,684
1992-93	138,194	2005-06	1,457,041
1993-94	435,862	2006-07	2,506,962
1994-95	1,135,659	2007-08	1,316,613
1995-96	1,977,178	2008-09	1,432,166
1996-97	1,743,580	2009-10	863,269
1997-98	1,223,622	2010-11	798,449
1998-99	3,985,189	2011-12	1,840,225
1999-2000	775,972	2012-13	188,624
2000-01	2,590,458	2013-14	464,963
2001-02	1,780,009	2014-15	1,903,191
2002-03	2,487,429	2015-16	1,307,957
2003-04	2,718,182	2016-17	654,843

**PAYMENTS TO THE STATE OF MICHIGAN**

Table 7 and the following information provide a summary of FY 2016-17 lawsuit payments to the State as reported by departments pursuant to Section 396(3) of the Management and Budget Act.

**Table 7**

<b>FY 2016-17 JUDGMENTS AND SETTLEMENTS PAID TO THE STATE (Actual Dollars)</b>	
<b>DEPARTMENT</b>	<b>Amount</b>
Attorney General	\$221,593,799.06
Corrections	3,653,682.07
Environmental Quality	5,104,119.19
Insurance and Financial Services	500,000.00
Natural Resources	3,088,093.46
Transportation	1,818,769.76
Treasury	61,747,401.45
<b>TOTAL</b>	<b>\$297,505,864.99</b>

Attorney General

Of the amount reported by the Department of Attorney General, \$194.4 million resulted from annual payments under the Master Settlement Agreement. The 1998 settlement resolved public health-related claims filed by Michigan and other states against the nation's major tobacco companies. The total FY 2016-17 amount received by the State under the Master Settlement Agreement (as reported by the Department of Treasury) was \$256.1 million. The difference between that amount and the amount reported by the Department of Attorney General is accounted for under payments to the Department of Treasury (\$61.7 million) and is due to securitization of a portion of the payments owed to the State.

Other large payments to the State included \$11.7 million in RE: Volkswagen Group of America, Inc., and \$9.5 million in RE: DXC Technology (formerly Hewlett Packard Enterprise). In Volkswagen, the U.S. Environmental Protection Agency (EPA) issued a notice of violation of the Clean Air Act against Volkswagen in September 2015 due to the installation of software in certain diesel cars that caused false testing results for EPA emissions compliance. A multistate Attorneys General investigation involving violations of state consumer protection laws followed, resulting in a consent judgment. The DXC Technology case was a breach of contract action involving a contract with HP Enterprise for the delivery of modern enterprise applications to replace an outdated Department of State businesses processes system.

The Attorney General's Health Care Fraud Division reported \$2.7 million collected in 29 cases involving Medicaid restitution, assessment of costs, and civil penalties. Payments ranged from \$125 to \$354,676.

Payments reported by the Department of Attorney General only include lawsuit proceeds deposited into the State Treasury by the Attorney General. They do not include lawsuit proceeds deposited in the State Treasury by other State agencies.



## Corrections

All of the payments listed by the Department of Corrections resulted from cases filed under the State Correctional Facility Reimbursement Act. The Department reported 294 cases with net payments to the State totaling \$3.6 million. Payments to the State ranged from \$9.28 to \$213,530. There were 129 cases with payments of \$5,000 or less, accounting for \$293,912 (8.0%) of FY 2016-17 total payments to the State reported by the Department. Four cases with payments ranging from \$115,100 to \$213,530 accounted for \$710,912 (19.5%) of the amount recovered by the Department of Corrections. The median payment was \$6,198. Pursuant to Section 309 of the FY 2016-17 General Government appropriation act (Article VIII of Public Act 268 of 2016), the Department of Attorney General received an appropriation of \$625,200 from the prisoner reimbursement funds to support activities related to the State Correctional Facility Reimbursement Act. In addition, this appropriation act specified that, if the Department of Attorney General collected in excess of \$1,131,000 in gross annual prisoner reimbursement receipts provided to the General Fund, the excess, up to a maximum of \$1.0 million, was appropriated to the Department of Attorney General and could be spent on the representation of the Department of Corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the State, its departments, officers, employees, or agents in civil actions filed by prisoners.

## Environmental Quality

The \$5.1 million recovered by the Department of Environmental Quality (DEQ) in FY 2016-17 mainly involved reimbursement for environmental contamination and other violations of the Natural Resources and Environmental Protection Act. Recoveries in those cases were deposited into various funds (e.g., Environmental Response Fund, Environmental Pollution Prevention Fund, and General Settlement Fund). Settlement revenue is restricted by legal agreements or court orders for specific environmental cleanup activities at specific sites of environmental contamination or restricted to other environmental programs as appropriated. Of the 200 cases reported by the DEQ, 42 were judgments totaling \$1.1 million, and 158 were settlements or the result of other agreements totaling \$4.0 million. There were 180 cases with payments of \$50,000 or less that accounted for \$1.9 million (36.8%) of FY 2016-17 recoveries. Ten cases with payments ranging from \$55,646 to \$90,000 accounted for \$702,032 (13.8%). Ten cases with payments ranging from \$100,000 to \$1.1 million accounted for \$2.5 million (49.4%) of DEQ recoveries in FY 2016-17.

The largest payment reported was \$1.1 million in Enbridge - Calhoun County Oil Pipeline Spill for a Part 201 (Environmental Remediation) violation. The State has received payments from Enbridge for several years, including payments to the DEQ, the Department of Attorney General, and the Department of Natural Resources. From October 2011 through September 2017, the DEQ collected \$19.6 million from Enbridge. The next-highest payment to the DEQ in FY 2016-17 was \$400,000 in United States Steel Corporation for a Part 55 (Air Pollution Control) violation.

## Insurance and Financial Services

The Department of Insurance and Financial Services listed four payments to the State totaling \$500,000 from DTMB v Evans CaseLoad, Inc. in FY 2016-17. The Department received payments totaling \$405,000 from this settlement in FY 2015-16. The case involved a refund of money paid under an information technology service contract.

## Natural Resources

The Department of Natural Resources (DNR) reported four cases with payments to the State totaling \$3.1 million. Payments to the DNR ranged from \$1,115 for a case involving restitution for timber theft, to \$2.5 million in State of Michigan v Chesapeake Energy Corporation. The Chesapeake case involved larceny by false pretenses and attempted antitrust violations related to oil and gas lease auctions. The DNR also received a \$486,978 payment from the multiyear settlement with Consumers Energy for fisheries damage from hydropower operations. The Fisheries Settlement Fund was established to receive payments by Consumers. Under the settlement, payments will continue through 2035. Settlement funds are earmarked and subsequently used for habitat mitigation work in the area or watershed where the violation occurred. Since 1995, payments by Consumers have totaled \$13.7 million.

## Transportation

Payments to the Michigan Department of Transportation (MDOT) included 36 cases totaling \$1.8 million. All but six cases totaling \$45,650 were the result of actions alleging damage to bridges, guardrails, traffic signals, signs, and other State property. The issues in the non-property damage cases mainly involved contract disputes. Fiscal year 2016-17 payments to MDOT ranged from \$400 to \$400,000 in a case involving damage to MDOT's bridge on southbound I-75 in Madison Heights. Six cases with payments over \$100,000 accounted for \$1.4 million (76.5%) of payments received by MDOT in FY 2016-17.

## Treasury

The Department of Treasury reported payments of \$256.1 million related to the Master Settlement Agreement with the tobacco companies. To avoid double-counting due to the amount reported by the Department of Attorney General for that case, the amount listed under Department of Treasury in Table 7 reflects only the \$61.7 million allocated for debt service on the securitized portion of the Master Settlement Agreement revenue.

## **CONCLUSION**

This report provides a summary and analysis of information supplied by State departments pursuant to Section 396 of the Management and Budget Act (Public Act 431 of 1984), which is included as Appendix A. Reports submitted by State departments and agencies on payments made by the State are included in Appendix B. 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). Further information on specific cases would be the province of the defendant department and the Department of Attorney General.

## APPENDIX A

### Section 396 of the Management and Budget Act (1984 PA 431)

#### **18.1396 Paying or recording certain expenditures from appropriations; notice of certain settlements or consent judgments; report.**

Sec. 396. (1) From the appropriations contained in a budget act, a state agency shall pay or record expenditures for the following:

(a) Court judgments, including court approved consent judgments; all settlements, awards, and claims.

(b) Write offs of accounts receivable recorded in a prior year.

(2) The attorney general shall notify the senate and house appropriations committees, the speaker of the house, the senate majority leader, and the fiscal agencies within 14 days after entering into a settlement or consent judgment which would result in a state obligation that exceeds \$200,000.00. The notice shall include a summary of the facts of the case and the reason or reasons that the settlement or consent judgment would be in the best interests of the state.

(3) Before December 1 of each year, each principal department shall transmit to the appropriations committees and fiscal agencies a written report which includes all of the following:

(a) The total dollar amount of final judgments and settlements against the principal department for the most recent completed fiscal year.

(b) Each source of funding and item appropriating money in a budget act, which source and item is used to pay the judgments and settlements pursuant to subdivision (a).

(c) The total dollar amount of final judgments and settlements received in the most recent completed fiscal year pursuant to legal actions by the principal department.

(d) Each revenue account in which money was credited pursuant to subdivision (c).

(e) An estimate of the total dollar amount and a description of the facts involved in each court action currently pending against the department for the most recently completed fiscal year

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: CIVIL SERVICE COMMISSION

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Sanchez-Thomas v Quality of Life HR	\$20,000.00	\$0	State Restricted	Ingham	Employee discrimination lawsuit settled.

**FY 2016-17 TOTAL:**                      **\$20,000.00**                      **\$0**

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: CORRECTIONS

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Kensu, Temujin v Joshua Buskirk, et al	\$379,424.39	\$0	General Fund	Saginaw	Medical - Plaintiff alleged inadequate medical treatment.
Kitchen, Michael v Daniel Heyns, et al	462.00	\$0	General Fund	Alger	Costs - Plaintiff prevailed on misconduct appeal.
<b>FY 2016-17 TOTAL:</b>	<b>\$379,886.39</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: CORRECTIONS

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Boykin, Jewel Personal Representative of the Estate of Kyle Boykin, deceased v E. Allen, et al	\$550,000.00	\$0	General Fund	Montcalm	Medical - Plaintiff alleged defendants were deliberately indifferent to the decedent's request for medical attention.
Booth, Earl v MDOC	42,000.00	0	General Fund	Ingham	FOIA - Plaintiff alleged wrongful denial of a FOIA request.
Cary, Bryan v Robert Napel, et al	300.00	0	General Fund	Marquette	Religion - Plaintiff alleged that defendants improperly confiscated religious property.
Conway, Charles, et al. v Daniel Heyns, et al	18,000.00	0	General Fund	Saginaw	Religion - Plaintiffs alleged they were not receiving the required amount of calories during Ramadan.
Colvin, Kenneth Jr v Robby Pederson	250.00	0	General Fund	Alger	Retaliation/Harassment - Plaintiff alleged staff wrote a false misconduct on him after he threatened to file a grievance.
Degner, Megan v Anthony Stewart, et al	400.00	0	General Fund	Washtenaw	Miscellaneous - Plaintiff alleged surveys from her attorney that she had in her possession were confiscated and destroyed in violation of her constitutional rights.
Green, Virgil v Officer Miller	2,750.00	0	General Fund	Lenawee	Retaliation/Harassment - Plaintiff alleged that a fabricated misconduct ticket was written.
Harris, Willie v Cathleen Stoddard, et al	2,200.00	0	General Fund	Ionia	Retaliation /Harassment - Plaintiff alleged retaliation for filing grievances.
Honeyman, Corey v Brian Evers, et al	4,050.00	0	General Fund	Lenawee	Conditions of Confinement - Plaintiff alleged he was held in a temporary area in violation of his constitutional rights.
Johnson, Dwayne v Doug Besteman, et al	5,000.00	0	General Fund	Chippewa	Discrimination - Plaintiff alleged he was paid less than white prisoners who had the same work assignment.
Johnson, Philip and Lisa v MDOC	640,000.00	0	General Fund	Washtenaw	Employee - Plaintiffs alleged racial discrimination.

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: CORRECTIONS

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
King, Dayon v Aaron Rutgers, et al	45,000.00	0	General Fund	Ionia	Retaliation/Harassment - Plaintiff alleged he was retaliated against for complaints he filed and that he was subjected to excessive use of force when moved from his cell.
LaFountain, Wayne v Shirlee Harry, et al	989.40	0	General Fund	Branch	Retaliation/Harassment - Plaintiff alleged he was retaliated against for filing grievances.
Miles, Kushawn v Barbara Kronk	6,000.00	0	General Fund	Ingham	Medical - Plaintiff alleged inadequate medical treatment.
Parker, Bruce v Jeffrey Normington, et al	6,000.00	0	General Fund	Branch	Retaliation/Harassment - Plaintiff alleged retaliation for filing grievances.
Simpkins V MDOC	30,000.00	0	General Fund	Lenawee	Employee - Plaintiff alleged racial discrimination.
Skabardis Custom Builders, Inc v SOM, DTMB	675,000.00	0	General Fund	Washtenaw	Miscellaneous - Plaintiff alleged nonpayment under DTMB contract for services at Women's Huron Valley.
Sweezer, Jerome v Daniel Hynes, et al	15,174.76	0	General Fund	Jackson	Time Computation - Attorney fees granted
Thomas, Melvin v Debbie Thomas	6,500.00	0	General Fund	Gratiot	Retaliation/Harassment - Plaintiff alleged that staff retaliated against him by writing a false misconduct.
Turner, Gregory v Paul Jensen, et al	3,200.00	0	General Fund	Ionia	Use of Force - Plaintiff alleged defendants used excessive force after plaintiff failed to comply with a direct order.
Upshaw, Michael v MDOC, et al	175,000.00	0	General Fund	Jackson	Time Computation - Plaintiff alleged he was incarcerated beyond his maximum release date.
Vinson, Antonio, as PR-Estate of Vinson v MDOC	520,000.00	0	General Fund	Ingham	Medical - Plaintiff alleged defendants were deliberately indifferent to decedent's serious medical condition.

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: CORRECTIONS

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Vorus, Sylvester v MDOC	915,000.00	0	General Fund	Wayne	Discrimination - Plaintiff alleged he was subjected to a racially hostile and discriminatory work environment.
Welch, William v Donald Spalding, et al	3,000.00	0	General Fund	Saginaw	Religion - Plaintiff alleged that he did not receive the required number of calories during Ramadan.
<b>FY 2016-17 TOTAL:</b>	<b>\$3,665,814.16</b>	<b>\$0</b>			



APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: HEALTH AND HUMAN SERVICES

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Dozier v Lyon	\$111,591.44	\$0	\$55,795.72 GF/GP \$55,795.72 Federal	Statewide	Attorney fees for alleged violations of rights when terminating the Plan First! Medicaid waiver program.
Unan v Lyon	54,804.48	0	27,402.24 GF/GP 27,402.24 Federal	Statewide	Attorney fees for alleged constitutionally inadequate notice in denial of Medicaid benefits.
<b>FY 2016-17 TOTAL:</b>	<b>\$166,395.92</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: HEALTH AND HUMAN SERVICES

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Dyke v Lyon	\$4,000.00	\$0	General Fund	Livingston	Alleged violation of right to medical assistance.
Bosley v DHHS	325,000.00	0	General Fund	Emmet	Alleged personal injury dog bite to minor in child custody.
Dwayne B. v DHHS	11,500.00	0	General Fund	Statewide	Attorney fees, class action lawsuit regarding MI foster care system.
Leventis v State of Michigan and DHHS	30,000.00	0	General Fund	Macomb	Alleged employment discrimination.
Hopkins v DHHS	10,000.00	0	General Fund	Wayne	Alleged employment discrimination.
Mitchell v DHHS	24,150.00	0	General Fund	Isabella	Alleged violation of Habilitation Supports Waiver Program rights.
Hartstone v DHHS	21,300.00	0	General Fund	Isabella	Alleged civil rights violation.
Tarasenko v Adult Protective Services	15,000.00	0	General Fund	Macomb	Alleged civil rights violation.
Barry v Lyon	51,961,216.00	0	General Fund	Statewide	Reimbursement for underpayments in the Federal Food Assistance Program.
Barry v Lyon	964,456.63	0	General Fund	Statewide	Attorney fees and costs regarding denial of food assistance because of criminal justice disqualification.
<b>FY 2016-17 TOTAL:</b>	<b>\$53,366,622.63</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: JUDICIARY

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Fischer v State of MI/JTC	\$117,500.00	\$0	General Fund	Wayne	Wrongful discharge.
<b>FY 2016-17 TOTAL:</b>	<b>\$117,500.00</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: LICENSING AND REGULATORY AFFAIRS

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Nichole Wright v Department of Licensing and Regulatory Affairs	\$6,125.00	\$0	General Purpose Revenue	Wayne County	Complaint of discrimination.
Bureau of Healthcare Services v Jan J Pol DVM	20,000.00	0	Health Professions Regulatory Fund	Isabella County	Dispute on fine and fees.
<b>FY 2016-17 TOTAL:</b>	<b>\$26,125.00</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: MILITARY AND VETERANS AFFAIRS

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Keyworth v State of Michigan, et al.	\$875,000.00	\$0	General Fund	Kent County	Allegation of wrongful death of resident of Grand Rapids Home for Veterans arising in April 2012.
<b>FY 2016-17 TOTAL:</b>	<b>\$875,000.00</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: NATURAL RESOURCES

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Pratt v State of Michigan	\$12,306.18	\$0	General Fund	Houghton, Livingston, and Washtenaw	Lake level assessments 2015-2016.
Leland Foster v DNR	5,000.00	0	\$3,500.00 - Park Improvement Fund \$1,500.00 - Michigan State Waterways Fund	St. Clair	Americans with Disabilities Act access issues at Lakeport State Park.
<b>FY 2016-17 TOTAL:</b>	<b>\$17,306.18</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: STATE POLICE

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Perkins, et al. v Rettell, et al.	\$10,000.00	\$0	General Fund	Iosco	Unreasonable seizure lawsuit.
Darkins v MSP, et al.	1,005,000.00	0	General Fund	Wayne	Racial discrimination lawsuit.
Wilmore v Moots, et al.	35,000.00	0	General Fund	Jackson	Excessive force lawsuit.
Smith v Barry County, et al.	5,000.00	0	General Fund	Barry	Illegal search lawsuit.
Walker v Etue, et al.	20,000.00	0	General Fund	Wayne	ADA violation lawsuit.
Earl v Bullis	525,000.00	0	General Fund	Crawford	Excessive force lawsuit.
Slaght v Troutt, et al.	20,000.00	0	General Fund	Genesee	Deprivation of civil rights lawsuits.
McLeod v Benjamin, et al.	10,000.00	0	General Fund	Ionia	Unreasonable search lawsuit.
McSwain v SOM, et al.	285,000.00	0	General Fund	Wayne	Racial discrimination lawsuit.
Snyder v Owen, et al.	48,500.00	0	General Fund	Branch	Excessive force lawsuit.
Spencer v Arrowood	9,000.00	0	General Fund	Shiawassee	Excessive force lawsuit.
<b>FY 2016-17 TOTAL:</b>	<b>\$1,972,500.00</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: TALENT AND ECONOMIC DEVELOPMENT

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Zynda v Steven Arwood and Sharon Moffett-Massey (in their official capacities as directors of the Unemployment Insurance Agency)	\$148,000.00	\$0	Agency Administration Fund	Wayne	Constitutional challenge to the Agency's use of the Michigan Integrated Data Automated System (MiDAS) for fraud detection.
<b>FY 2016-17 TOTAL:</b>	<b>\$148,000.00</b>	<b>\$0</b>			



APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Detroit Chapter 9 Bankruptcy	\$107,206.00	\$0	General Fund	Wayne	Chapter 9 Bankruptcy - attorney fees.
Federal Safe Water Drinking Act Violation	895,000.00	0	General Fund	Genesee	Plaintiff and attorney fees.
<b>FY 2016-17 TOTAL:</b>	<b>\$1,002,206.00</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: TRANSPORTATION

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Joseph Howard v MDOT	\$4,500.00	\$0	State Trunkline Fund	Kent	Plaintiff alleged pothole/defect in crosswalk on Alpine Avenue (M-37) caused injury to plaintiff's ankle while jogging.
Motor City Electric Utilities Co. v MDOT	275,000.00	0	State Trunkline Fund	Wayne	Plaintiff alleged implied warranty of design and sought compensation for costs incurred for stolen copper wires and fiber optic cables along I-94 in Detroit.
<b>FY 2016-17 TOTAL:</b>	<b>\$279,500.00</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: TREASURY

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Chase Cash & Carry Inc.	\$10,000.00	\$0	Restricted	Jackson	Order for sale of property. Release of funds from the sale for Chase Cash & Carry.
Edward Carter	352,611.37	0	Restricted	Wayne	Wrongful Imprisonment Comp. Act claim.
Marvin McHenry	35,345.68	0	Restricted	Wayne	Wrongful Imprisonment Comp. claim.
Various for Tax Related Cases	16,175,324.11	0	Various	Various	Various cases whose detail cannot be provided as disclosure would violate MCL 205.28(1)(f).
<b>FY 2016-17 TOTAL:</b>	<b>\$16,573,281.16</b>	<b>\$0</b>			

APPENDIX B

FISCAL YEAR 2016-17

DEPARTMENT: TRESURY

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

NAME OF CASE	AMOUNT PAID	INTEREST	FUNDING SOURCE	LOCATION	SUMMARY OF CASE
Clinton Township - Volunteers of America Elderly Housing, Inc.	\$65,000.00	\$0	General Purpose	Macomb	Tax Exemption Claim under MCL 211.7d.
Clinton Township - Volunteers of America Elderly Housing, Inc.	50,007.00	0	General Purpose	Macomb	Tax Exemption Claim under MCL 211.7d.
Various for Tax Related Cases	12,478,516.73	0	Various	Various	Various cases whose detail cannot be provided as disclosure would violate MCL 205.28(1)(f).

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**FY 2016-17 TOTAL:**                      **\$12,593,523.73**                      **\$0**