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SPEAKERS

NPR promo, Michael Dauphinais, Christopher Conover, Nicole Cox, Kris Mayes



Michael Dauphinais 00:00

Following is an azpm original production.



Christopher Conover 00:09

Welcome to The Buzz. I'm Christopher Conover, this week we sit down with Arizona's Attorney General. 2024 was a busy year for Arizona Attorney General Kris Mayes' office, continued opioid and other lawsuits aimed at protecting the state's residents, attempting to crack down on school voucher and sober living home scams, legal action against a foreign alfalfa farm and more. Just before the end of the year, we sat down with Mayes in a conference room at the AGs office. So a big topic for you lately has been renters rights. We've seen rental prices going up astronomically. You've had a lot of social media posts trying to explain to people their rights with landlords. What made you make this a big front and center issue?



Kris Mayes 01:05

Well, we are really aggressively pursuing the protection of renters because basically this is one of the biggest costs of living, the biggest pieces of cost of living for Arizonans. And so many Arizonans are suffering from an astronomical increase in rent cost, and I believe that some of that is the result of landlords who have been colluding with a company called RealPage, which has an algorithm, and that algorithm has been used by these nine major landlords in Arizona to systematically increase rents in an anti-competitive way. And by that I mean that essentially, all of these landlords were asked by RealPage to give them very sensitive proprietary information about their rental units, about the buildings, locations, previous rent prices. They gave that information to the software company, the software package then spat out a price that they all agreed, aka colluded, with one another to use and then they kept ratcheting up the rent. And so the reason that renters have been feeling this pinch is because these companies have been colluding in an illegal fashion, we allege, against them using an

algorithm. And that's not okay. You know, more than 50% of all the apartment buildings in Tucson use this company and algorithm, and more than 75% in Phoenix do. So that basically means that a huge number of Arizona renters are the victims of collusion, which is an antitrust violation. So I sued them, all, nine landlords, plus RealPage for violating consumer fraud, our Consumer Fraud Act and for antitrust violations. From 2016 until today, the price of rent in Arizona has gone up by more than 75% that's insane. That is just insane. And so I think it's appropriate for me as attorney general to fight for renters and to help people make their lives more affordable, and this is a huge part of that

C Christopher Conover 03:49

when it comes to those rents and alleged collusion, you mentioned the metro Phoenix area, the Metro Tucson area, obviously that's the bulk of the state's population, but are we seeing it in places like Yuma and Flagstaff also, or is it really just in our population centers?

K Kris Mayes 04:06

So we are, we are definitely on the lookout for this and other places. I will say Flagstaff and the area around NAU is something that we're taking a look at, that we haven't included that in our lawsuit yet, but if we see it, we will, we will amend the lawsuit to include that. But, yeah, I mean, we, you know, in and I think it's something that's going on across the country. I was obviously the first state, AG, to bring this lawsuit against RealPage. But since that, then the Department of Justice, in tandem with other state AGs that brought the lawsuit, the District of Columbia, ag brought the same lawsuits. These companies do business all across the country.

C Christopher Conover 04:50

So let's switch gears to the opioid settlements. Almost all the active lawsuits have been filed. Your website says there are two outstanding Purdue and Endo. So what's next for your office in combating opioids once the lawsuits are done?

K Kris Mayes 05:06

So I think for Arizona and for us, the most important thing right now is to make sure that the money that we are bringing in associated with the opioid lawsuits. In other words, these are lawsuits that the state of Arizona filed against opioid manufacturers and distributors, companies like Purdue Pharma, CVS, Walgreens, Johnson and Johnson, I mean, Cardinal Health, McKesson for engaging in the opioid and causing the opioid crisis, and Arizona is going to receive about \$1.2 billion overall. A little bit over half goes to cities, towns and counties, and then less a little bit less than half goes to the state. I think it's important that we get that money spent in an appropriate fashion, and that means combating addiction. The whole purpose behind the settlements in these lawsuits was to try to, number one, obviously punish these bad actors, but also to help solve the opioid crisis. And that means spending this money that's coming in, and it's a huge amount of money, on treatment, detox centers, education, abatement, making sure that people who have suffered from the opioid epidemic get help. And one of the things I've been really disappointed about is that last year, as you know, the

governor and the legislature decided to sweep about \$115 million of the opioid settlement funds to backfill the prison systems budget, even though they could have taken that money from the \$1 billion surplus the rainy day fund that the state had. And then we found out later that they also used some of that money. They spent some of that money, literally, on one of the opioid defendants. So they gave \$33 million to Cardinal Health, which was providing Hep C treatment in the prison system. For me, I think that is offensive to the families of the victims and the victims themselves, that the state would, number one, sweep all this money and use it to backfill a budget deficit, and number two would then add insult to injury and give it to Cardinal Health, which is just insane. I mean, this particular company is now in the black in Arizona, and is actually profiting on top of profiting on the opioid addiction. If that makes sense. I mean, doesn't make sense. But you know, you know what I mean, I'm just, I'm calling on the legislature going forward to knock that off. Don't do that again, and let's get this money spent to help Arizonans.

C Christopher Conover 08:00

Any hope of getting that money back during the 2025 session, or a budget to budget, they're written every year, but realistically, that money's gone, forget it?

K Kris Mayes 08:09

I mean, it's there, there's still as I understand it. You know, some money left unspent at the prison system. I think at a minimum, they ought to give the money back that they spent on Cardinal Health. It's just outrageous and offensive to give any of this money back to one of the defendants. You know, it would be just laughable. For instance, if we spent money on Purdue Pharma or the Sackler family. I mean, you would never give the opioid funds back to the Sacklers, and yet we gave it back to Cardinal Health, you know? And so I am, yeah, I'm calling on them to give that \$33 million back, and then, at a very bare minimum, I will do everything I can in my power as attorney general to fight for this money to be spent on Arizonans.

C Christopher Conover 09:03

kind of along the same lines, is the fraudulent sober living home problem that we saw that particularly hit Native American communities here in the state. There was a \$6 million grant program to help tribes with that problem. What else is being done about that?

K Kris Mayes 09:19

Right, I have called this one of the greatest scandals in state government history. I think it was. This is a crisis that was made possible by the actions of, frankly, previous governors and previous AGs who did nothing to stop the supply of money going to these fraudsters who were setting up sober living homes, luring Native Americans down from the Navajo Nation, White Mountain Apache, the Hopi Nation and other other tribes to the valley with a promise that they would be treated for substance abuse issues, then not providing that treatment at all, in many cases, and collecting millions, and in some cases 10s of millions of dollars from AHCCCS the state's Medicaid program. And my office has now done well more than 100 prosecutions of

sober living home fraudsters. We have now done significantly more prosecutions than my predecessor did in his time in this office. We will continue to prosecute these fraudsters, but what the Governor and I did when we came into office is what they should have done before us, which is we shut off the money supply, or at least significantly clamped down on the money supply going to these fraudsters. I mean, it was just an open bank for fraud in the AHCCCS Program that was relevant to behavioral health and addiction. And there is definitely a place for legitimate treatment centers. We need that. But these were not legitimate treatment centers, and they the money was being used to facilitate and perpetrate fraud on the state and to harm native Americans, and that is just terrible. So using some of the money that we are recouping from the fraudsters and the criminals, we set up a sober living home fund, and that will be granted out to entities that are trying to help the victims of this terrible scandal. So we hope that, we hope, by the way, that \$6 million now, I'm hoping to double that, maybe more than double that amount, over time.

C Christopher Conover 11:44

So staying with the topic of fraudsters, your office has brought charges against some folks who were filing for ESA vouchers for kids who didn't exist. Do you think that this universal voucher program is something that invites these attempts at fraud?

K Kris Mayes 12:04

Yeah, I think unfortunately, sadly, the legislature has set up very few guardrails for the ESA voucher program. You know, originally it was established and it was narrow, and largely it was utilized, and I think appropriately for kids with special needs, kids with autism, those types of situations, but it has ballooned into a universal program that is coming up on a billion dollars. And then you add to the fact that there are very few safeguards against fraud, and you you have a what I call a big fat target for fraud, and that's what we, frankly, are finding. We've now done several prosecutions, which I think probably is just the tip of the iceberg, including the one you just mentioned, where we discovered a couple that was, you know, again, this is an allegation, and we're prosecuting the case, and people are presumed innocent, but the allegation is that this couple living in Colorado and then Utah essentially bilked the state of Arizona out of, I think, more than \$100,000 by submitting claims on more than 40 fake kids, ghost kids. And then we had a second case, and similar case, in which a couple of folks in who had worked inside the Department of Education also submitted for ghost children. And I think both cases also involved ghost parents, even so, this is not good, and taxpayers deserve better. And our school system, our public school system, deserves better than that, as well. At a bare minimum, the legislature needs to get a get control of what is essentially an out of control, unaccountable system.

C Christopher Conover 13:59

Is there anything more your office can do? I know superintendent horn wants to clear the backlog of folks who have filed and then worry about bogus claims later, kind of catch them on the back end. What more can your office do on this?



K

Kris Mayes 14:16

Yeah, and I think that's absurd, by the way. I mean the idea, I mean that it's only going to make a bad problem worse, and it's only going to invite more fraud. And you know, if superintendent horn is having a hard time keeping up with the claims, then he should go to the legislature and ask for more staff, and the legislature should provide him with more staff. That is the answer. The answer is not to shovel more money out the door without asking any questions. That is ridiculous. And again, we just announced two major. Indictments, cases of fraud, and at the same time, he's taken the decision to shovel money out the door without asking any questions on the front end. Those questions have to be asked on the front end, and I'm sorry if it's causing delays. The answer to those delays is to go get more money and more resources from the legislature to deal with it.

C

Christopher Conover 15:25

You're listening to The Buzz. After the break, we continue our interview with Arizona Attorney General Kris Mayes stay with us.

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NPR promo 15:33

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C

Christopher Conover 15:49

Welcome back to The Buzz. I'm Christopher Conover. Our guest this week is Arizona Attorney General Chris Mays. We now resume that interview. We're about to have a change in administration. Are there things in particular you're going to be watching for as president elect Trump becomes president Trump?

K

Kris Mayes 16:11

Yeah, I mean, obviously I'm very concerned about some of the things that he campaigned on and that he and his allies have put into what's called Project 2025, certainly I agree with the view that we need to get get control of the border. I've been saying that for a long time. I just had a meeting with our border sheriffs and other sheriffs in Arizona about that and other issues. They're working their hearts out. We need more resources, boots on the ground, resources going to our law enforcement and sheriffs and to Border Patrol, all of which, by the way, was in the bipartisan border bill that Donald Trump tanked. So the first thing that he could do is pass that bill. Some of the other things that he's talking about we will have to fight, and that includes any effort to deport dreamers, any effort to do mass deportations off of Arizona soil, which obviously invites abuses, including potentially deporting American citizens. I will fight any effort to undermine or destroy the Affordable Care Act, which is how so very many Arizonans get their health care. My job will be to protect the individual rights of Arizonans. So any effort by the by this incoming administration to enact a nationwide abortion ban or enforce the Comstock Act,

which is an 1800s era piece of law that would make it illegal to mail mifepristone, which is the safest form of abortion medication. That literally is in Project 2025. We will fight that, because that Comstock Act, if it is enforced, essentially is a nationwide abortion ban. Arizona has just overturned the 1864 abortion ban in Arizona. And then to watch as anybody in Washington, DC tried to enforce a nationwide abortion ban or surveil women, that's also in Project 2025, as they seek reproductive care across state lines. Those are the kinds of things standing up for Arizonans rights that I will absolutely go to bat for in this new administration. We will work with the Trump administration wherever we can, and I certainly hope they continue, for instance, the FTCs focus on antitrust law, which we just talked about. There's a RealPage case at the Department of Justice. I hope that doesn't go away. That's an important case that the feds launched after I launched that lawsuit here in Arizona. So we will be in touch with Pam Bondi about that, for instance, to encourage her to keep that focus both at DOJ and at the FTC on protecting consumer.

C Christopher Conover 19:21

There are 111 Arizonans on death row right now, and a concern about a way to humanely execute those folks, your office has recently filed an execution warrant, first one in a couple of years. Are you at all concerned that that inmate can be put to death without undue suffering?

K Kris Mayes 19:42

I am not concerned about that. I believe that we have done, the Department of Corrections has done a very thorough review of the execution protocols and led by Firector Thornell is ready to conduct executions again in Arizona. Obviously, this is a very serious, difficult, weighty matter that people have very different views on. There are, yes, 111 people on death row, but 25 of them have had their appeals exhausted. In other words, those 25 are now death eligible, essentially, or could be executed. That careful review has been done, and I feel confident in the ability of the Department of Corrections to move forward. So I have asked this Arizona Supreme Court for a briefing schedule so that I can ask them for an execution warrant so that we can move forward with the execution of Aaron Gunches, who was accused and convicted of killing Ted Price. And I've spoken to Ted Price's family and the families of all 25 of these individuals are expecting justice to be done, and I think that's important to remember. We have to keep in mind the victims and the fact that this is the law of Arizona.

C Christopher Conover 21:09

So let's switch topics again. As we wrap up 2024 look towards 2025 you and I have spoken, and our producer, Zac and I have done a lot of work, especially this year, about Fondomonte, the Saudi owned alfalfa farm in La Paz County. You filed suit against them recently looking to nuisance laws. Now, I think when most people hear nuisance they think of something that's an inconvenience or an annoyance. So how is legal nuisance different from maybe how I feel about my neighbor's loud party?

K Kris Mayes 21:50

Right? So I know I did. It's interesting. It probably has a different popular connotation, but yeah

right. So I know I did. It's interesting. It probably has a different popular connotation, but yeah, we do have public nuisance laws in Arizona that prevent any entity from harming an entire community or neighborhood and depriving that community of the ability to use their property and their land and to live in that community. And so we I filed that nuisance lawsuit. I think I probably told you guys, when I talked to you, that that was kind of coming, or you could look for that, and sued the Saudi owned corporation called Fondomonte, which has pumped millions and millions of gallons of water out of Western Arizona in a place called the Renegras Plain in La Paz County, and has dewatered wells in the area, we allege, as a result of this, groundwater pumping by the Saudi owned company, which is growing a massive amount of alfalfa to then export back to Saudi Arabia to feed their cows in an equally arid land, Saudi Arabia, that has outlawed that kind of pumping. So they found Arizona, and we played the fool long enough for them to come here and do it here. And I think it's high time for us to stop playing the fool, to stop allowing the Saudis or any other corporate entity to harm our neighbors. You know, honestly, as I go around Arizona, I don't, I don't come across a single person who disagrees with this lawsuit or who disagrees with the idea behind the lawsuit, which is we cannot and should not, under the laws of Arizona, allow any entity to systematically harm an entire community. That's not okay, and water is way too precious in this state to allow that to happen. Is it the first time that the nuisance laws have been used this way? Yes. Is it the last time they'll be used this way? No, I don't think so. So I would watch this space for probably at least one more lawsuit of this kind. You know, I know folks have said, Oh, Kris, you know you are, aren't you anti farming? No, actually, this is pro farming, because this is going to protect small farmers in these areas where the big corporate mega farms are de watering our aquifers.

C

Christopher Conover 24:35

And not to make you spill the beans on anything. But it seems like the similar case, and maybe this is the one you're hinting about. Is Riverview Farms down in Cochise County. Not a foreign owned company, a Minnesota owned company, so foreign to Arizona, but not foreign to the US. Same issue or different issue, just different watersheds, foreign versus US companies?

K

Kris Mayes 25:02

almost exactly the same issue, actually. And you're right. It is Riverview Dairy that we're looking at, and we hired a hydrogeologist to study that basin as well, and the groundwater pumping that Riverview is doing, and the damage that we allege it that it is doing to its neighbors. I think I talked to you guys about the town hall that we had down in a little place called Pierce, Arizona, near Wilcox. We had hundreds of people turn out to testify to the damage that's being done to them, people whose wells have gone dry because of the massive groundwater pumping, and people who have watched as the earth literally opened up fissures that are being caused by the groundwater pumping, and people's homes who are that would that are cracking under the because of the subsidence that's caused by that kind of pumping. Back over in Western Arizona, we know that the pumping has caused more than nine inches of subsidence. Similar situation down in Cochise County. That is, in many ways, classic nuisance, and we think the nuisance laws fit this set of circumstances and facts, just because it's the first time that the law has been applied to this set of facts, doesn't mean that it isn't perfect for it. I truly believe, when you read the nuisance law and you overlay the facts of this situation, and this situation is a little bit unique to Arizona. We're an arid environment with water supply scarcities and communities that are being harmed by unfettered groundwater pumping.

C Christopher Conover 26:45

As we wrap this up, I'm going to go back in our history, the show's history. I'm going to ask you the same thing we asked Adrian Fontes when we talked to him in November, we're two years out from the election. Are you happy to run for re election, or are you looking for another office? Of course, the one everybody was talking about him with the time was the governor's office. But what are your plans for the next two years?

K Kris Mayes 27:08

Well, my plans for the next two years are to keep doing this job and to run, as they say in sports, all the way through the tape. I'm definitely going to run for re election, I already have the best job in state government. And, you know, I thought I had that when I was an Arizona corporation commissioner, but I definitely have it here. It's an amazing opportunity and a great honor to be able to be here, to be the People's Lawyer and to fight for Arizonans and protect consumers, protect the individual rights of every single Arizonan and regardless of whether they're a Republican or a Democrat or Independent, I got the job that I want, and I hope to be able to keep it.

C Christopher Conover 27:50

all right. Well, thanks for spending some time with us.

K Kris Mayes 27:52

Thanks guys. It's good to be with you again. Thanks for coming up.

C Christopher Conover 27:55

That was Arizona Attorney General Kris Mayes, and that's The Buzz for this week. You can find all our episodes online at azpm.org and subscribe to our show. Wherever you get your podcasts, just search for The Buzz. Arizona. We're also on the NPR app. Zac Ziegler is our producer, with production help from Maggie Farmer, Our music is by Enter the Haggis. I'm Christopher Conover, thanks for listening.

N Nicole Cox 28:39

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