

<u>Questions</u>		<u>Watson</u>	<u>Abbott</u>
Corporate Crime	Texans expect investigations into the Enron world Com and other cases of corporate fraud. Attorney Generals in Ohio, Illinois, California, Oregon, Alabama, Mississippi, and Arizona have gone to state court and taken actions to protect their pensions and investments. How will you plan to approach these investigations?		Greg Abbott will create a new "Corporate Fraud" Division in the Office of Attorney General. Texans are being victimized by crimes on Wall Street just as much as they are being preyed upon on Main Street. To ensure that Texans have the protection they deserve from corporate misdeeds, and to ensure that Texans' losses from corporate fraud will be minimized, a new and independent division should focus its attention on criminal and civil prosecution of corporate acts that violate the law and harm Texans.
Corporate Crime	What measures will you take to assure Texans that scandals like these will be prevented in the future?		Be proactive in sending the message that corporate fraud will not be tolerated; communicate regularly with publicly traded companies to keep them aware of the AG's role in combating corporate fraud; coordinate with US Attorneys and Local prosecutors to ensure swift prosecution of any illegal activity.
Corporate Crime	As Attorney General, you say you will create a special fraud division to address the issue of corporate crime. What specifically would this division do to monitor fraud, especially in the areas of accounting practices and retirement savings?		The corporate fraud division must be adequately trained and staffed to effectively monitor and investigate companies that are alleged to be engaged in conduct in violation of state securities laws.
Corporate Crime	How will you be able to perform your duties as Attorney General without any conflicts of interest based on your past employment and campaign contributions from those that might be investigated?		As a Supreme Court Justice and District Court Judge, Judge Abbott's public record and personal conduct show that he is fair, impartial and balanced, and makes judgments based on the law, not based on politics or personal preferences. He will bring the same conduct to the AG's office.

<p>Corporate Crime</p>	<p>The Insurance crisis is rocking the state. How will you protect insurance consumers from insurance companies?</p>		<p>Judge Abbott will instruct the Insurance Practices Section of the Attorney General's office to investigate claims handling practices regarding water and mold claims focusing on whether insurance companies violated the Deceptive Trade Practices Act or article 21.21 of the Texas Insurance Code.</p>
<p>Corporate Crime</p>	<p>Many companies claim that unlicensed and unscrupulous mold remediators are driving up the cost of clean ups. How would you propose to regulate them?</p>		<p>Judge Abbott will issue Civil Investigative Demands (CIDs) to investigate possible fraud by mold remediation companies. Any violations should be reported to the Insurance Fraud Unit of the Texas Department of Insurance. Any company found to be preying upon consumers must be dealt with swiftly and justly.</p>
<p>Corporate Crime</p>	<p>Many citizens claim that the mold problem is due to bad building practices. How would you clean up this problem?</p>		<p>Greg Abbott will create a new "Corporate Fraud" Division in the Office of Attorney General. Texans are being victimized by crimes on Wall Street just as much as they are being preyed upon on Main Street. To ensure that Texans have the protection they deserve from corporate misdeeds, and to ensure that Texans' losses from corporate fraud will be minimized, a new and independent division should focus its attention on criminal and civil prosecution of corporate acts that violate the law and harm Texans.</p>
<p>Corporate Crime</p>	<p>Would you initiate actions to revoke the corporate charters of companies that have been found guilty of corporate fraud?</p>		<p>Yes</p>

<p>Environment</p>	<p>Do you support the EPA's proposed revisions to the New Source Review regulations under the Clean Air Act? (See www.epa.gov/air/nsr-review/recommendations.html) Why or why not?</p>		<p>No</p>
<p>Environment</p>	<p>Would you take action against companies, like ALCOA and numerous refineries, that have violated the Clean Air Act by illegally modifying their plants and causing increased pollution without installing modern pollution controls?</p>		<p>Yes.</p>
<p>Environment</p>	<p>What environmental accomplishments of yours are you most proud of?</p>		<p>As a public servant on a State District Court and Texas Supreme Court, this question is not applicable though Judge Abbott ruled on environmental cases.</p>
<p>Environment</p>	<p>As you may know, Attorney Generals have "confessed judgment" or refused to defend some actions of some state agencies, such as the environmental agencies, when they did not believe the agency was following the directives of the legislature. Also, they would do the same if they believed that the agency was otherwise in conflict with the larger interests of the state. How do you view the balance you should take as AG between representing a state agency to defend its position on the one hand, and the broader interests of the State on the other?</p>		<p>The Attorney General must give preference to the interests of the citizens state over the interests of a state agency, and always remain committed to upholding the law and the intent of the Legislature.</p>

<p>Environment</p>	<p>As more beachfront property is developed, large financial interest, and a larger number of private property interests, will seek to protect their investments and their private enjoyment of the beach. Those interests will likely clash with the public interest of maintaining the public beaches available to rich and poor Texans alike. How do you see your role in using legal theories, such as public trust doctrines, custom or other common law theories, to protect public interests in natural resources?</p>		<p>Judge Abbott believes passionately in private property rights and believes state government has encroached on the rights of individual property owners without just compensation. However, there is, sometimes, a tension between private property rights and public interests that must be weighed and balanced. Texans should have access to beaches as they have had traditionally.</p>
<p>Environment</p>	<p>Do you support the transfer of the environmental regulation of energy production, not the energy production aspects, for oil and gas and coal mining from the Railroad Commission to TNRCC?</p>		<p>No.</p>
<p>Environment</p>	<p>Do you support an independent office of public interest counsel for TNRCC as there is for the Department of Insurance and Public Utility Commission?</p>		<p>It is not clear that the public interest counsel has adequately protected consumer interests so there is no clear track record to suggest the public interest counsel at TCEQ would better serve the public than regular commission staff. The office of the executive of the Texas Commission on Environmental Quality is charged with balancing public interests with economic development and protection of the environment.</p>
<p>Environment</p>	<p>Do you think such theories should be extended to assure continued public access to bays and rivers at points traditionally used by the public?</p>		<p>The public should continue to have access to bays, beaches and rivers.</p>

<p>Environment</p>	<p>Prior to the use of administrative penalties for violation of pollution laws, the AG was asked to bring almost all enforcement actions. Fewer enforcement actions were taken, but larger penalties were obtained, especially if juries were allowed to set the penalties. With TNRCC now settling administrative penalties in most cases, few if any enforcement cases are subject to an independent evaluation (by a judge or jury) of the size of penalty appropriate for most violations to punish a violator or to create incentives for compliance with laws in the future. What role, if any, do you see the AG playing in providing significant incentives for regulated entities to comply with Texas laws?</p>		<p>The Attorney General has authority to file enforcement actions for violations of water code. The TCEQ has the ability to refer cases over to the Attorney General. As Attorney General, Judge Abbott intends to work cooperatively and enthusiastically with each client agency charged with protecting the environment, and to sharpen and better focus environmental protection. Administrative penalties, following legislative directives, have been a useful tool for environmental protection because the penalties can be levied more quickly and move violators toward compliance.</p>
<p>Environment</p>	<p>Do you support the policy set on the federal level that in almost all cases, the penalty for a violation of an environmental law should at a minimum be sufficient to remove the profit or economic benefit gained by the violator through the violation?</p>		<p>There is a significant difference between a profit and economic benefit of non-compliance so it is important to recognize that difference as we set policy. Furthermore, the state should avoid a "one size fits all" approach and look for ways to encourage compliance.</p>

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Consumer Protection	<p>Over the last ten years the following consumer protection complaints have topped the compliant list at the A/Gs office:</p> <ul style="list-style-type: none"> -direct mail advertising -debt collection agencies -used motor vehicle dealers -mortgage companies -credit reporting agencies -long distance companies -landlord/tenant disputes <p>What would your plans be to solve these on going problems?</p>		<p>Medicaid fraud, telemarketing scams, and other crimes against the elderly will be punished vigorously. Judge Abbott views these crimes in the darkest light. Judge Abbott supports increased funding for the Medicaid Fraud Control Unit and for strict enforcement of "no call" list, as well as other consumer protections.</p>
Consumer Protection	<p>In the past some A/Gs have strongly pursued nonprofit hospitals that have not done an adequate job of charitable care in their communities. What kind of ideas do you have to assure nonprofit hospitals preserve charity care in communities? Also, over the last decade years, the state has lost potential charitable care as nonprofit hospitals have converted to for-profit facilities. How would you approach this problem?</p>		<p>Article 4, Section 22 of the Texas Constitution has been interpreted to include the Attorney General's common law duty to protect the public interest in charitable uses and charitable entities and thereby to give the Attorney General constitutional authority to oversee charities and charitable interests. The Miscellaneous Corporations Laws Act provides the Attorney General with statutory authority to inspect and examine all books and records of corporations, non-profit and for-profit. Judge Abbott will use this authority to inquire into the activities of health care corporations to ensure that their operations and assets</p>

			truly serve a charitable purpose and that they otherwise conduct their business as non-profit organizations.
Consumer Protection	How can the A/G assist consumers in using consumer protection laws, like the DTP, particularly in areas where there is no or inadequate state regulation, such as car repair, credit card scams, debt collection agencies, and timeshare operators?		Consumer protection is a vital function of the Attorney General's office.
Consumer Protection	Payday loans are high-cost, short-term loans that use a personal check as security on the loan. Though Texas rules authorize such loans, most companies are attempting to avoid the rules' protections by making the loans through out-of-state banks. How would you, as A/G, attempt to close this loophole and require these lenders to comply with Texas' protections?		It is the role of the Legislature to close loopholes such as those described here.