



PERFORMANCE AUDIT REPORT

Office of the Attorney General and Reporter

July 2026

Jason E. Mumpower
Comptroller of the Treasury



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Mission: Make Government Work Better





JASON E. MUMPOWER
Comptroller

July 1, 2026

Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
The Honorable Jeffery S. Bivins
Chief Justice of the Supreme Court
Supreme Court Building
Nashville, TN 37219

and
The Honorable Jonathan Skrmetti
Attorney General and Reporter for the State of
Tennessee
John Sevier Building
500 Dr. Martin Luther King Jr. Blvd
First Floor
Nashville, TN 37243

Ladies and Gentlemen:

We have conducted a performance audit of selected programs and activities of the Office of the Attorney General and Reporter for the period July 1, 2021, through December 31, 2025.¹ This audit was conducted pursuant to Section 8-4-109, *Tennessee Code Annotated*.

This report presents the conclusions of our audit. We gave management of the Office of the Attorney General and Reporter the opportunity to respond, and they stated that they had no comments to include in the report.

Sincerely,

A handwritten signature in blue ink that reads "Tabitha D. Furlong".

Tabitha D. Furlong, CPA, CFE, Director
Division of State Audit

TDF/dww
25/074

1. For certain audit objectives, which can be found in **Appendix 1** under the Methodologies, our audit scope extended beyond this period.

OFFICE OF THE ATTORNEY GENERAL AND REPORTER



AUDIT HIGHLIGHTS

Office of the Attorney General and Reporter's Mission

We are the State's law office serving Tennessee with principled, independent, and excellent counsel.

Office of the Attorney General and Reporter's Vision

To be the best public law office in the country.

Audit Period

July 1, 2021, through December 31, 2025

Key Audit Conclusions

This audit report contains no findings or observations.

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INTRODUCTION

Audit Authority

This performance audit of the Office of the Attorney General and Reporter was conducted pursuant to Section 8-4-109(a)(2), *Tennessee Code Annotated*, which states,

The comptroller of the treasury is hereby authorized to audit any books and records of any governmental entity created under and by virtue of the statutes of the state which handles public funds when such audit is deemed necessary or appropriate by the comptroller of the treasury. The comptroller of the treasury shall have the full cooperation of officials of the governmental entity in the performance of such audit or audits.

Background

Pursuant to constitutional and statutory authorities, the Supreme Court of the State of Tennessee appoints the Attorney General and Reporter (Attorney General) to serve as the state's chief legal officer for an eight-year term. The Attorney General represents all state executives, officials, departments, boards, agencies, and commissions in matters arising from their public duties. Such representation may include participating in litigation and transactional matters, issuing formal written opinions upon request, and giving day-to-day legal advice. The Attorney General also has the duty to report the opinions of the state Supreme Court, Court of Appeals, and Court of Criminal Appeals.

AUDIT SCOPE

We have audited the Office of the Attorney General and Reporter for the period July 1, 2021, through December 31, 2025. Our audit scope included assessments of program effectiveness; internal controls; and compliance with provisions of laws, regulations, policies, procedures, and contracts in the following areas:

- consumer complaint processing and education;
- collection and transfer of funds involving settlements, bankruptcies, and other debt collection;
- procurement of outside counsel and experts; and

- implementation of the Civil Rights Enforcement Division.

We present more detailed information about our audit objectives, conclusions, and methodologies in **Appendix 1** of this report.

For any sample design applied in this audit, we used nonstatistical audit sampling, which was the most appropriate and cost-effective method for concluding on our audit objectives. Based on our professional judgment, review of authoritative sampling guidance, and careful consideration of underlying statistical concepts, we believe that nonstatistical sampling provides sufficient appropriate audit evidence to support the conclusions in our report. Although our sample results provide reasonable bases for drawing conclusions, the errors identified in these samples cannot be used to make statistically valid projections to the original populations.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the Attorney General and Reporter's management is responsible for establishing and maintaining effective internal controls and for complying with applicable laws, regulations, policies, procedures, and provisions of contracts and grant agreements.

PRIOR PERFORMANCE AUDIT FINDINGS

Section 8-4-109(c), *Tennessee Code Annotated*, requires that each state department, agency, or institution report to the Comptroller of the Treasury the action taken to implement the recommendations in the prior audit report. The prior audit report was dated October 2021 and contained no findings.

AUDIT CONCLUSIONS

Consumer Affairs Division

The Office of the Attorney General and Reporter's (the office's) Consumer Affairs Division protects Tennesseans by processing consumer complaints, facilitating informal mediation between consumers and businesses, providing consumer education, and reporting its activities to the General Assembly. Our goal was to determine whether the division followed its established procedures for complaint intake, mediation, documentation, and disposition, and complied with statutory requirements for consumer education and annual reporting to the Tennessee General Assembly. Our review did not result in any findings or observations.

Background

The office's Public Protection Section consists of six divisions, including the Consumer Protection Division, which is responsible for protecting consumers and businesses from unfair and deceptive trade practices, and enforcing the Unauthorized Practice of Law² statutes. The Consumer Protection Division houses the Consumer Affairs Division (Consumer Affairs), which operates under the Tennessee Consumer Protection Act of 1977³ to protect consumers and legitimate business enterprises from those who engage in illegal activity. Consumer Affairs focuses on processing consumer complaints, facilitating informal mediation between consumers and businesses, providing consumer education, and reporting on its activities. See **Appendix 2** for the office's organizational structure.

Consumer Complaint Processing

Pursuant to Section 47-18-5002, *Tennessee Code Annotated*, Consumer Affairs is responsible for processing consumer complaints involving Tennessee businesses that may have engaged in unfair or deceptive practices. The statute also requires Consumer Affairs to facilitate communication between consumers and businesses to encourage a resolution. To

2. According to its website, the office may file civil actions against individuals or entities engaged in the unauthorized practice of law, including non-attorneys who provide legal advice or represent clients for a fee and those who prepare legal documents for people who represent themselves.

3. The Tennessee General Assembly enacted the Tennessee Consumer Protection Act of 1977 to protect consumers and legitimate businesses from unfair or deceptive practices in trade and commerce. The law prohibits false advertising, misrepresentation, bait-and-switch tactics, and other deceptive acts, and is enforced by Consumer Affairs.

meet these requirements, Consumer Affairs operates an informal complaint mediation program.

Consumers can file complaints with Consumer Affairs alleging unfair or deceptive practices if they live in Tennessee, if the business is located in Tennessee, or if the transaction occurred in Tennessee. Consumer Affairs receives thousands of complaints each year and has established standard operating procedures to guide complaint intake, review, mediation, and disposition. During the audit period, Consumer Affairs employed eight staff members to process complaints: three Intake Specialists and five Consumer Specialists.

Consumers submit complaints through a form on the office's website or by mail, email, or fax. When a consumer submits a complaint online, the system automatically generates a confirmation email for the consumer's records. For complaints received by mail, Consumer Affairs staff do not contact the consumer until they begin processing the complaint.

Consumer Affairs staff enter each complaint into LawBase,⁴ a case management system used to track and manage complaints. A Consumer Specialist reviews each complaint to ensure it includes all required information, such as consumer and business contact information, a description of the issue, and the requested resolution. The Consumer Specialist also determines whether the complaint falls under Consumer Affairs' authority. If it does not, staff may refer the complaint to another entity.⁵

Consumer Complaint Mediation

For complaints within its authority, Consumer Affairs may initiate mediation. Division procedures require staff to notify both the consumer and the business within established timeframes, and to facilitate communication between the parties. The business is given an opportunity to respond and, if it does, staff share responses between the consumer and the business to support continued dialogue. The Consumer Specialist will attempt voluntary mediation while providing updates as information becomes available. The initial letter to the business notifies it of the complaint and outlines the mediation process, including sharing responses with the complainant.

While Consumer Affairs follows established timeframes for communication and response, participation in mediation is voluntary, and the division cannot require a business to respond. The business has 21 calendar days from the date of the letter to respond to the inquiry. If the business responds, the Consumer Specialist forwards the response to the consumer and

4. LawBase is a software system used to track cases and court deadlines as a matter management system. The office uses LawBase across many of its divisions, including Consumer Affairs.

5. According to Consumer Affairs' *2024 Year-End Report*, the division refers complaints to over 40 different agencies, including the Tennessee Department of Commerce and Insurance, the Tennessee Department of Financial Institutions, the U.S. Department of the Treasury's Office of the Comptroller of the Currency, and the Federal Reserve.

provides the consumer an opportunity to review the response and submit a rebuttal, if applicable. On average, the mediation process lasts approximately 90 calendar days from opening the complaint.

If the business does not respond to the initial letter, the Consumer Specialist sends a final notice and allows the business an additional 14 days to respond. If the business still does not respond, the Consumer Specialist may attempt to contact the business using alternative contact information. Consumers are also informed of other options, such as disputing charges with their financial institution, filing a claim in small claims court, or retaining private counsel to pursue legal action.

When mediation results in restitution, Consumer Affairs staff make a reasonable effort to record any return of funds from the business. The Consumer Specialist verifies restitution amounts through supporting documentation such as receipts, billing statements, or repair estimates. The Consumer Affairs Assistant Director or Director confirms the supporting documentation and valuation, and the Consumer Specialist then documents the information in LawBase.

Consumer Education

Section 47-18-5003, *Tennessee Code Annotated*, requires the Consumer Affairs Director to “develop and implement a plan to receive and disseminate on the attorney general and reporter’s website reports of scams, schemes, swindles, and other frauds that target adults.” To meet this requirement, Consumer Affairs management has included educational materials related to various scams, including business scams, predatory contracts and lending, and price gouging related to disaster recovery on the office’s website. Consumer Affairs uses educational materials available from the Federal Trade Commission and the Consumer Financial Protection Bureau⁶ and provides other federal resources related to scams involving investments, health care, phone, and internet on its website.

Section 47-18-5002(5), *Tennessee Code Annotated*, requires Consumer Affairs to “promote consumer education and inform the public of policies, decisions, and legislation affecting consumers.” Consumer Affairs promotes public understanding through statewide education and outreach events that include delivering presentations and promoting awareness initiatives to help consumers recognize and avoid deceptive practices.

6. According to its website, the Federal Trade Commission’s mission is “to vigorously enforce the law to protect Americans from anticompetitive, unfair, and deceptive business practices, without unduly burdening legitimate business activity.” The Consumer Financial Protection Bureau’s website states that it “implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are transparent, fair, and competitive.”

According to the Consumer Affairs Director, because the division receives a high volume of phone calls related to scams targeting older adults and because senior citizens experience higher financial losses, they focus their in-person educational efforts on older adults at senior centers and senior living facilities. The current presentation, *Scams Stop Here: Consumer Education for Older Adults*, covers why scammers target older adults, their tactics, and signs of a scam. It includes discussion about many types of scams, such as tech support, timeshare, imposter, and lottery/prize scams; provides a list of scam-fighting resources; and explains what consumers should do if they are contacted by or fall victim to a scammer. Between January 1, 2025, and October 9, 2025, Consumer Affairs completed 37 outreach events, including 30 presentations of *Scams Stop Here: Consumer Education for Older Adults*.

The division's educational work also includes responding to telephone and email inquiries. According to *Consumer Affairs' 2024 Year-End Report*, division staff fielded 14,542 calls and 4,000 email inquiries. Through this process, staff direct consumers to assistance resources and provide scam-prevention tips.

Annual Reporting

Section 47-18-5002, *Tennessee Code Annotated*, requires Consumer Affairs to submit an annual report and testimony to the General Assembly summarizing its complaint-handling activities. To comply with this statute, Consumer Affairs management prepares a year-end report, which it provides to both the Senate Commerce and Labor Committee and the House of Representatives Commerce Committee each year. The report summarizes division activities that include complaint totals, category descriptions, recovery estimates, and enforcement actions. For example, in 2024, Consumer Affairs received 8,536 complaints, of which 2,493 were in the top 4 complaint categories. For 2024, the division estimated that consumers recovered over \$3 million in cash, merchandise, and services due to its intervention and mediation process. See **Figure 1** for the top 4 consumer complaint categories in calendar year 2024.

In 2024, Consumer Affairs received 8,536 formal consumer complaints and mediated over **\$3 million** in consumer recoveries of cash, merchandise, and services.

Figure 1: Top 4 Consumer Complaint Categories by Volume, Calendar Year 2024

Rank	Category	Complaints Received	% of Total	Change in Rank from 2023
1	Home Improvements, Repair, and Warranties	684	8.0%	—
2	Health Services and Products	675	7.9%	▲+1
3	Landlord/Tenant	614	7.2%	▼-1
4	Internet Sales	520	6.1%	▲+4
	All Other Complaints (36 categories)	6,043	70.8%	
Total Complaints (2024):		8,536		

Source: Auditor analysis of the office's complaint data for calendar years 2023 and 2024.

Current Audit

We reviewed Consumer Affairs' consumer complaint process for the period June 30, 2021, through September 30, 2025, to determine whether the division followed its established procedures for complaint intake, mediation, documentation, and disposition. We reviewed management's consumer education activities from July 1, 2021, through September 30, 2025, and the division's website to determine whether it included educational information about scams and other frauds. We also reviewed the 2024 education outreach calendar and associated educational materials to determine whether Consumer Affairs staff delivered presentations and promoted awareness to help consumers recognize and avoid deceptive practices. In addition, we reviewed documentation to determine whether division management submitted the statutorily required year-end reports to the General Assembly. Our review did not result in any findings or observations. See **Appendix 1** for our detailed audit objectives, conclusions, and methodologies.

Collection of Settlement Payments, Bankruptcies, and Other Debts

The Office of the Attorney General and Reporter (the office) monitors, collects, and transfers funds owed to the state or state entities through settlement agreements, bankruptcies, and other outstanding debts. Our goal was to determine whether the office followed its established procedures and accurately collected and transferred funds from settlements and debt collection, including tobacco and opioid settlements and debts owed to state agencies. Our review did not result in any findings or observations.

Background

Based on our review of the data maintained by the Office of the Attorney General and Reporter's Fiscal Office and Bankruptcy Division, the office collects and processes funds owed to the state through settlement agreements, bankruptcy proceedings, and other debt collection activities. Multiple divisions within the Public Protection Section are responsible for these activities, including the Consumer Protection Division, the Bankruptcy Division and its Collections Unit, the Civil Medicaid Fraud Division, and the Tobacco Enforcement Division.

The Public Protection Section collected most of the revenue processed by the office during the audit period. Between fiscal years 2022 and 2025, the office recovered over \$36 million in bankruptcy and other outstanding debt recoveries and collected over \$435 million in consumer protection settlements. **Figure 2** details the section's revenue collected during the audit period by division. As shown in the figure, the Consumer Protection Division and the Bankruptcy Division, including its Collections Unit, generated 95% of the Public Protection Section's revenue.

Figure 2: Office’s Public Protection Section Revenue Collections by Division, Fiscal Years (FY) 2022 to 2025

Division	FY 2022	FY 2023	FY 2024	FY 2025	Total by Division
Consumer Protection	\$120,409,956	\$42,361,048	\$190,443,850	\$82,241,583	\$435,456,437
Bankruptcy/ Collections Unit*	\$8,170,144	\$9,476,704	\$9,766,456	\$9,188,179	\$36,601,483
Civil Medicaid Fraud†	\$6,362,164	\$6,557,498	\$3,087,888	\$2,457,494	\$18,465,044
Tobacco Enforcement‡	\$75,445	\$1,294,058	\$1,300,851	\$1,278,194	\$3,948,548
Public Interest	\$0	\$13,643	\$1,000	\$0	\$14,643
Total by Year	\$135,017,709	\$59,702,951	\$204,600,045	\$95,165,450	\$494,486,155

* We combined the Collections Unit’s collections with bankruptcy collections because the unit is part of the Bankruptcy Division.

† See **Appendix 2** for information on the Civil Medicaid Fraud Division.

‡ Tobacco enforcement revenue included charges for producing documents; the JUUL Labs, Inc. settlement; and the Belcorp of America judgment.

Source: Obtained from the office’s Fiscal Office and Bankruptcy Division staff.

Based on our observations and review of written policies, the office has established procedures for processing and transferring these funds, including segregation of duties, documentation requirements for staff sign-off of completed tasks, and supervisory review and approval of staff activities.

Collection of Settlement Payments

The Consumer Protection Division manages collections for the 1998 Tobacco Master Settlement Agreement (Tobacco MSA) and the opioid abatement settlements, both of which involve settlement payments over multiple years.

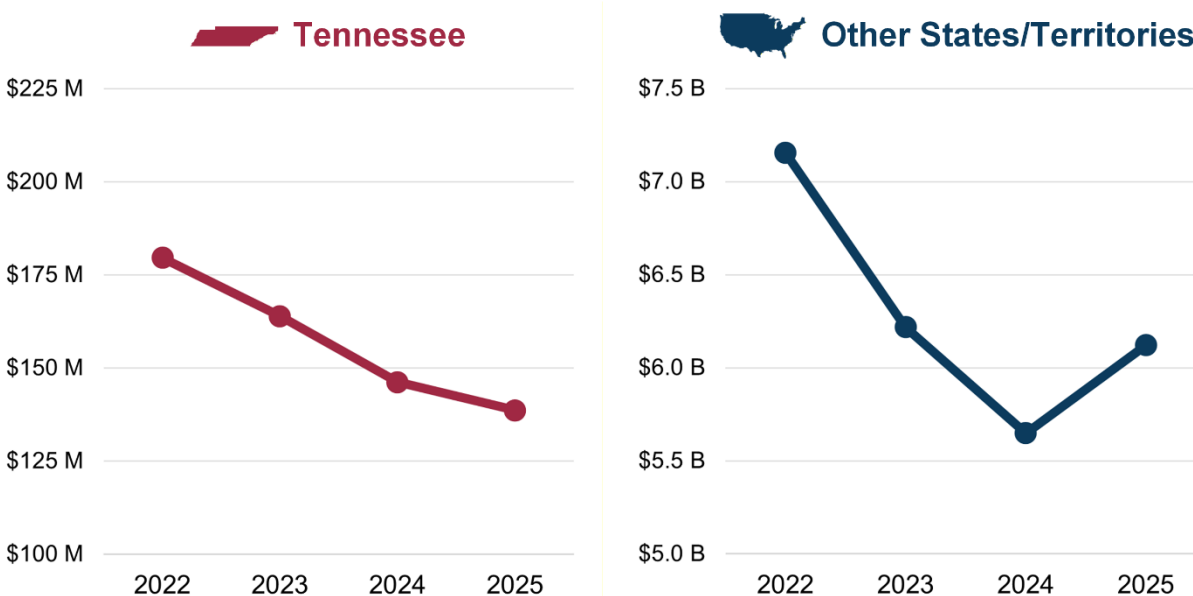
The 1998 Tobacco Master Settlement Agreement (Tobacco MSA)

The Tobacco MSA is a multistate legal settlement with major tobacco manufacturers that resolved the state litigation seeking recovery of the public costs associated with tobacco use and related illness. The settlement agreement established ongoing annual payments to states from the Participating Manufacturers, along with restrictions on certain tobacco advertising and marketing practices. Tennessee receives wire payments directly into the state’s General Fund.

According to the settlement agreement summary, Participating Manufacturer funds are allocated among participating states and territories using a formula developed by the settling states’ attorneys general. The formula is based primarily on estimated tobacco-related

Medicaid expenditures and the number of smokers in each state. Annual payments are subject to various adjustments, reductions, and offsets, with the most prevalent being the volume-of-sales adjustment. This adjustment ties settlement payment amounts to nationwide cigarette sales, and as cigarette consumption declines, annual settlement payments may decrease accordingly. **Figure 3** compares Tennessee payments to those received in other U.S. states and territories.

Figure 3: Tobacco Master Settlement Agreement Payments by Year, 2022 to 2025*



* Payments received in April each calendar year are applicable to the sale of cigarettes in the previous calendar year. For example, the sales reported under 2022 represent cigarette sales in calendar year 2021.

Source: National Association of Attorneys General, MSA Payment Information.

In addition to payments from Participating Manufacturers, the Tobacco Enforcement Division is also responsible for monitoring payments from Tobacco Non-Participating Manufacturers to escrow accounts. Pursuant to Sections 47-31-103 and 67-4-2601 through 2610, *Tennessee Code Annotated*, Non-Participating Manufacturers must deposit required amounts into escrow accounts and submit quarterly escrow certification reports to the Tobacco Enforcement Division. These reports certify each Non-Participating Manufacturer’s cigarette sales in Tennessee for comparison to the amounts deposited into the escrow account. According to Tobacco Enforcement Division management, failure to monitor Non-Participating Manufacturers’ escrow payment compliance could result in Participating Manufacturers seeking reductions in their annual MSA payments to Tennessee.

Under Section 47-31-103(a)(2)(D), *Tennessee Code Annotated*, the Non-Participating Manufacturers that place funds into escrow keep any interest. Non-Participating Manufacturers may only request that the financial institution release monies deposited into the escrow account to pay a judgment or settlement, to refund an escrow overpayment, or to return funds that have been in escrow for 25 years to the Non-Participating Manufacturer. The financial institution must receive approval from the Office of the Attorney General and Reporter before releasing these funds.

Opioid Abatement Settlement Agreements

Tennessee also receives funds under multiple opioid abatement settlement agreements, multistate legal settlements with companies involved in the manufacturing, distribution, and sale of prescription opioids. These agreements resolved litigation over the impacts of the opioid epidemic and established ongoing payments to states to support opioid abatement efforts, including prevention, treatment, and recovery initiatives. See **Appendix 5** for information about opioid abatement settlement agreements and **Appendix 6** for a breakdown of the estimated total of opioid abatement settlement payments.

The settlement agreements, each state's allocation agreement with its subdivisions, and applicable state laws govern how the administrators allocate settlement funds. The national settlement administrator, BrownGreer PLC, calculates Tennessee's total share of the settlement payments and allocates funds to the state and its local subdivisions. Most settlement funds are designated for opioid abatement efforts intended to address the opioid crisis. For Tennessee, these abatement funds are divided three ways:

- 15% is directed to the state's General Fund and is administered by the Tennessee Department of Finance and Administration;
- 70% is directed to the Opioid Abatement Fund, established by Section 9-4-1301, *Tennessee Code Annotated*; and
- 15% is paid directly by the settlement administrator to local subdivisions (counties and municipalities), based on allocation percentages specified in the settlement agreements, to be used for opioid remediation.

Qualified Escrow Fund Requirements

The Non-Participating Manufacturer establishes an escrow arrangement with a federally or state-chartered financial institution that



has no affiliation with any tobacco product manufacturer,



has assets of at least \$1 billion, and



holds the funds until released by the associated settling state.

Source: Section 47-31-102(6),
Tennessee Code Annotated.

The settlement agreements also have provisions for attorney fee payments, which are administered by the settlement administrator and directed to the Attorney General Reserve Account.

For most settlements, the companies make payments to a national account, and the settlement administrator then wires funds to the states and local subdivisions. In most instances, the state receives separate wire transfers for the state General Fund, the Opioid Abatement Fund, and the Attorney General Reserve Account for any applicable attorney fees.

The Senior Deputy Attorney General reviews wire transfer documentation provided by the Tennessee Department of Treasury and prepares a memorandum instructing the Office of the Attorney General and Reporter's Fiscal Office on the proper allocation of funds. The Fiscal Office staff review the memo, inform Treasury that the wire transfer belongs to the Attorney General's office, and process an accounting adjustment to move funds from Treasury to the office's accounts as instructed in the memo.

Bankruptcy Division and Collections Unit

The Bankruptcy Division represents Tennessee state entities in bankruptcy courts nationwide by filing proofs of claim and administrative claims in bankruptcy cases where state entities are owed a debt. According to division management, the division receives paper checks from local government trustees responsible for Chapter 13 bankruptcy cases. Upon receipt, staff forward the check to the appropriate state entity along with a receipt describing the purpose of the payment and instructions to properly apply the funds. The entity signs and returns the receipt to acknowledge payment.

The Collections Unit within the Bankruptcy Division assists state entities in recovering debts, including judgments, taxes, fines, penalties, and other obligations. To initiate collection efforts, a state entity submits a Collection Referral Form to the Collections Unit. Upon receipt of the referral form, staff enter the information into the LawBase case management system. The system generates identifying information⁷ and notifies the debtor of payment instructions, including the option to remit payment through the Office of the Attorney General and Reporter's Online Payment Portal.

According to Collections Unit management, debtors may remit payments through multiple methods, including

- mailing payments directly to the Collections Unit,

7. The payment notification letter includes both a matter number and a key number, which is the system-generated identifying information required to complete a payment through the office's Online Payment Portal.

- submitting them through the office’s Online Payment Portal, or
- remitting them directly to the referring state entity.

Current Audit

We focused our review on whether the Consumer Protection Division, Bankruptcy Division, and Collections Unit followed their internal control procedures for collecting and transferring revenue from settlements agreements, bankruptcies, and other debt collection, including tobacco and opioid settlements and debts owed to state entities. We spoke with management and staff, and we reviewed the office’s policies and procedures. See **Appendix 7** for the list of opioid and non-opioid settlement payments that the Consumer Protection Division collected from July 2021 through August 2025. Our review did not result in any findings or observations. See **Appendix 1** for our detailed audit objectives, conclusions, and methodologies.

Appointments of Outside Counsel and Contracts With Experts

The Office of the Attorney General and Reporter (the office) appoints outside counsel and contracts with experts with specialized knowledge, as necessary, to provide legal services to the state. Our goal was to review the office's use of outside counsel and paid experts to determine whether the office justified, approved, and documented their use in compliance with policies. Our review resulted in no findings or observations.

Background

The Attorney General and Reporter is the state’s chief legal officer and manager of the Tennessee Office of the Attorney General and Reporter. The office’s mission states that they are “the State’s law office serving Tennessee with principled, independent, and excellent counsel.” To support this mission, the Attorney General and Reporter may appoint outside counsel (external non-state attorneys) and contract with experts (subject-matter experts engaged in support of litigation) when necessary.

Outside counsel may be appointed in circumstances such as when the office or the Attorney General has a conflict of interest or when they require specialized legal expertise that is not

available among the office's attorneys. Examples of such instances include the office retaining outside counsel with expertise in immigration law, pharmaceutical litigation, and election law.

Paid experts may be retained to provide subject-matter analysis, prepare expert reports, or offer testimony, including when necessary to respond to or challenge a plaintiff's expert witness. During our audit scope, the office contracted with experts specializing in construction, vocational consulting, and medical practice.

Appointments of Outside Counsel

Section 8-6-106(a), *Tennessee Code Annotated*, authorizes the Governor, upon the Attorney General and Reporter's request, to appoint outside counsel to represent the state in specific cases or other matters when the Attorney General and the Governor determine that the interests of the state require it.

The *Office of the Attorney General Operations Manual* establishes procedures and provides guidance on requesting outside counsel appointments. According to the manual, the client agency (another state entity or an attorney in the office) typically begins the appointment process by identifying a specific attorney from outside the office. The next phases include the originating attorney discussing the need for outside counsel with the relevant deputy and senior deputy and developing the justification memorandum for the appointment.

According to the operations manual, the justification memo must include

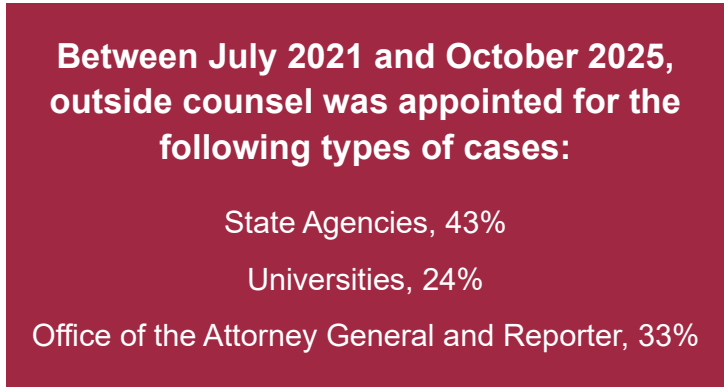
- 1) a full explanation of the justification of the appointment, a description of the related case or matter, and a statement on the scope of services to be provided;
- 2) the name and law firm of proposed outside counsel and information about their experience or expertise;
- 3) a statement that the proposed counsel and their law firm have conducted a check for conflicts involving the state, its entities, officers, and employees, and the results of the conflicts check itself; and
- 4) notation or documentation supporting the attorney's "good standing"⁸ with the Tennessee Board of Professional Responsibility or a similar licensing board in another state.

The originating attorney, deputy, and senior deputy submit the justification memo to the Attorney General and Reporter, the Special Counsel to the Chief Deputy, and the Chief Deputy for review and approval.

8. The operations manual describes "good standing" as counsel having an active status with the appropriate board and not being subject to any disciplinary proceedings.

Following the Attorney General and Reporter’s approval, the Special Counsel to the Chief Deputy prepares the remaining appointment documents, including a letter from the Attorney General and Reporter to the Governor requesting the appointment and the Governor’s Appointment Letter. The Special Counsel provides these drafted documents to the respective parties for review and signature, which the Attorney General and Reporter considers the final approval for the appointment.

Between July 1, 2021, and October 14, 2025, the Governor appointed outside counsel 75 times at the request of the Attorney General and Reporter. Outside counsel represented a range of state entities and universities. Approximately 43% of the appointments were for cases involving state entities; 24% for state university cases; and 33% were for cases directly attributed to the Office of the Attorney General and Reporter.



State entities represented by outside counsel included the Departments of Correction, Children’s Services, TennCare, Finance and Administration, and General Services. Public universities represented included Tennessee State University, the University of Memphis, the University of Tennessee, Middle Tennessee State University, and East Tennessee State University. According to the office’s Fiscal Director, the office spent \$15,146,640 on outside counsel for itself and these client agencies between July 1, 2021, and September 3, 2025. It recovered \$7,683,757 from the client agencies for expenses they were responsible for.⁹

Contracts With Experts

The office also contracts with paid experts to support litigation. Paid experts may support litigation by providing testimony during litigation or by providing reports and other professional services without testifying.

Although the statute does not provide specific requirements governing the contract employment of experts, the office developed a procedure in its *Office of the Attorney General Operations Manual* that documents internal procedures for contracting these services. According to the manual, when an office attorney determines that an expert is necessary, the attorney must obtain approval from the relevant deputy before sourcing an expert and

9. The office’s Fiscal Director provided the totals spent and recovered related to outside counsel appointments based on their reporting data available for the period July 1, 2021, through September 3, 2025. Management did not provide expenditure data for the period September 4, 2025, through October 14, 2025.

preparing a memo packet requesting the expert's contract employment. The request packet must include an internal memorandum, two original copies of the contract, the completed W-9, the current Travel Regulations Summary, and a contract addendum if the expert will access, receive, or store private data.

The internal memorandum in the memo packet must include

- 1) the specific litigation the expert is needed for, a description of the case, and the name of the client to be billed;
- 2) an explanation of why an expert is needed and what type of expert is required;
- 3) an explanation of the proposed expert's qualifications;
- 4) an explanation of the proposed fee arrangement and a statement on its reasonableness; and
- 5) an affirmation that there are no conflicts, or that any conflicts should be waived and why.¹⁰

Once drafted, the originating attorney submits the memo packet to the relevant deputy, senior deputy, the Special Counsel to the Chief Deputy, and the Chief Operating Officer for review and approval.

Contracts Involving Paid Experts During a Four-Year Span

Between June 1, 2021, and October 14, 2025, the office had 165 open paid-expert contracts involving information or testimony for a variety of cases. The office reported total expenditures of \$10,223,803 for paid experts between July 1, 2021, and August 31, 2025,¹¹ of which \$2,929,561 was recovered from client agencies.

Current Audit

We focused our review on outside counsel appointments and expert contracts to assess whether the office documented justification and approval in accordance with established policies. Our review did not result in any findings or observations. See **Appendix 1** for our detailed audit objectives, conclusions, and methodologies.

10. The operations manual also requires internal justification memos to state whether the standard form contract was used or to explain how the proposed contract differs from the standard and why. We omitted this requirement from our list because we did not test it. We did not test this requirement because we determined that its omission did not increase the risk of employing an expert who otherwise would not have been employed.

11. During our audit, management provided information on the open paid-expert contracts and on expenditure information based on different reporting periods. Although the two scope periods did not align exactly, our intent is to provide perspective only.

Civil Rights Enforcement Division

Prior to July 1, 2025, the Tennessee Human Rights Commission received and investigated discrimination complaints in Tennessee. In 2025, the General Assembly transferred the responsibility to investigate discrimination complaints to the Office of the Attorney General and Reporter (the office). Our goal was to determine whether the office established processes to carry out these responsibilities and protect the rights of Tennesseans. Our review resulted in no findings or observations.

Background

Chapter 471 of the Public Acts of 2025 amended Title 4, Chapter 21, *Tennessee Code Annotated*, and created the Civil Rights Enforcement Division (the division) within the Office of the Attorney General and Reporter. The act transferred the responsibility for enforcing the Tennessee Human Rights Act to the division, effective July 1, 2025.¹² The division's Deputy Attorney General serves as the Director of the Civil Rights Enforcement Division, which primarily investigates discrimination in housing, employment, public accommodations, and education in Tennessee. The division also has the authority to bring action related to malicious harassment and violations of the Civil Rights Act of 1990.¹³

Management's Preparations to Enact Public Chapter 471

The law required the division's Director to develop and implement a process for receiving complaints alleging violations of the Tennessee Human Rights Act and to publish this process on the division's website. By the end of our fieldwork in December 2025, division management had implemented an unwritten process for receiving, reviewing, and processing complaints and were continuing to develop the formal, written standard operating procedures. The division finalized and issued these procedures in January 2026.

12. Public Chapter 471 amended Section 4-3-1703, *Tennessee Code Annotated*, and transferred the responsibility for implementing Title VI of the Civil Rights Act of 1964 from the Tennessee Human Rights Commission to the Tennessee Department of Human Resources.

13. Malicious harassment occurs when a person intentionally threatens, injures, coerces, or damages someone or their property because of that person's race, color, ancestry, religion, or national origin, with the intent to interfere with their legal or constitutional rights. The Civil Rights Act of 1990 prohibits state officials and agencies from using state funds, entering contracts, or holding events with clubs or facilities that discriminate based on sex, race, creed, color, religion, ancestry, national origin, or disability.

As amended, the statute dissolved the Tennessee Human Rights Commission (the commission) effective June 30, 2025. Section 4-21-1201(b)(1), *Tennessee Code Annotated*, terminated all complaints pending with the commission at the time of its dissolution and rendered those complaints without “legal effect.” Civil Rights Enforcement Division staff estimated that over 1,000 complaints were still pending with the commission at the time of its dissolution. Complainants refiled 116 of those complaints with the division.

As of September 11, 2025, the division employed 6 staff members: a Director, an Assistant Attorney General, an Intake Director, an Intake Specialist, an Investigator, and a Legal Administrative Specialist. Division management actively recruited additional investigators, attorneys, and paralegals and reported that it planned to adjust staffing levels based on complaint volume. Division management indicated that they plan to operate more efficiently and employ up to 12 staff once fully staffed, fewer than the number authorized by statute.¹⁴

Division management anticipates investigating complaints against state entities, including those entities the Attorney General and Reporter may represent in defensive litigation. To address potential conflicts, division management physically separated the division from other office divisions by operating from the location that formerly housed the Human Rights Commission in downtown Nashville, Tennessee. The division also restricted access to its records in both LawBase and iManage.¹⁵

To prepare for the transition, Civil Rights Enforcement Division management planned and transferred the commission’s physical and electronic records into the division’s custody. Because the commission had workshare agreements with the U.S. Department of Housing and Urban Development (HUD) and the U.S. Equal Employment Opportunity Commission (EEOC), those agencies retained certain dual-filed housing and employment complaint records. The division entered into a temporary “bridge” workshare agreement with the EEOC through September 30, 2025, but division management stated they did not pursue a new workshare agreement because the EEOC had case backlogs and provided limited assistance. Management also stated that they did not pursue an agreement with HUD due to HUD’s stringent performance requirements.

According to division staff, before the Tennessee Human Rights Commission closed, the commission notified all complainants with pending complaints that their cases were being closed and that they would need to refile with the Civil Rights Enforcement Division. However, EEOC and HUD reactivated some complaints, eliminating the need for those complainants to refile. In response, the division posted guidance on its website explaining which complaints required refiling and which did not.

14. Section 4-21-203c, *Tennessee Code Annotated*, provides for the funding of up to 30 positions for the division.

15. LawBase is the office’s case management system, and iManage is the office’s case filing system.

Areas of Investigation Within the Office's Purview

State law defines the six categories of complaints and discriminatory practices that fall within the division's jurisdiction:

- **Employment:** Section 4-21-401, *Tennessee Code Annotated*, describes employment discrimination as adverse treatment in employment specifically based on an individual's race, creed, color, religion, sex, age, or national origin.
- **Housing:** Section 4-21-401, *Tennessee Code Annotated*, describes housing discrimination as adverse treatment in housing specifically based on an individual's race, color, creed, religion, sex, disability, familial status, or national origin.
- **Public Accommodations:** Section 4-21-501, *Tennessee Code Annotated*, prohibits discriminatory practices in public accommodations based on race, creed, color, religion, sex, age, or national origin.
- **Education:** Public Chapter 471 added protections related to discriminatory practices in education to the Tennessee Human Rights Act through the addition of Section 4-21-1101, *Tennessee Code Annotated*. These provisions prohibit discrimination in school programs, activities, admissions, and recruitment based on race, color, or national origin.
- **Malicious Harassment:** According to Section 4-21-701, *Tennessee Code Annotated*, malicious harassment occurs when someone knowingly injures another person, coerces another person, or causes damage to the property of another person because of race, color, ancestry, religion, or national origin.
- **Civil Rights Act of 1990:** The Civil Rights Act of 1990 (Section 4-21-801, *Tennessee Code Annotated*) restricts the use of state resources in connection with meetings or activities related to state business that are held at facilities that do not provide full membership rights and privileges without regard to protected characteristics, including sex, race, creed, color, religion, ancestry, national origin, or disability. Specifically, state officials,¹⁶ employees, and other agencies are prohibited from sponsoring or organizing such events, using state funds for these purposes, or receiving reimbursement for dues or related expenses incurred at discriminatory establishments. The statute provides an exception for officials, employees, or agents acting within the scope of law enforcement, investigative, or inspection activities.

At the beginning of our fieldwork, division management had not listed malicious harassment or matters under the Civil Rights Act of 1990 as investigative areas on its website and did not include these categories on the complaint intake form. Division management confirmed that

16. Per Section 4-21-802(e), *Tennessee Code Annotated*, "as used in this section, a 'state official' is a person who holds an elected or appointed position in state government."

the division has jurisdiction over both areas, and division staff added the complaint categories to the online complaint form during our fieldwork. As of December 3, 2025, division management indicated plans to add all the complaint categories to the division's website.

Overview of the Office's Complaint Investigation Process

Individuals who believe they have experienced discrimination under the Tennessee Human Rights Act may file a complaint with the Civil Rights Enforcement Division, either through the division's online complaint portal, by mail, or by telephone when they require a disability accommodation.

During intake, division staff use reference guides specific to each complaint category when reviewing complaints, and document information obtained about complainants in intake memorandums. Division attorneys use these intake memorandums to document jurisdictional determinations and decisions on how to proceed with complaints.

When division attorneys determine that a complaint falls within the division's jurisdiction and is actionable, division attorneys and investigators jointly develop an investigation plan. Investigators conduct investigations through phone calls, site visits, formal requests for information, and written statements under oath. After completing the investigation phase, division staff typically attempt to resolve matters through mediation conducted by an in-house mediator. Staff may close cases during the mediation phase through informal discussions and agreements or by executing more formal conciliation agreements.¹⁷

When mediation does not resolve a matter, division management may pursue litigation. In certain circumstances, such as cases requiring emergency injunctive relief,¹⁸ the division may initiate litigation without first attempting mediation; for example, in a housing case with a pending eviction.

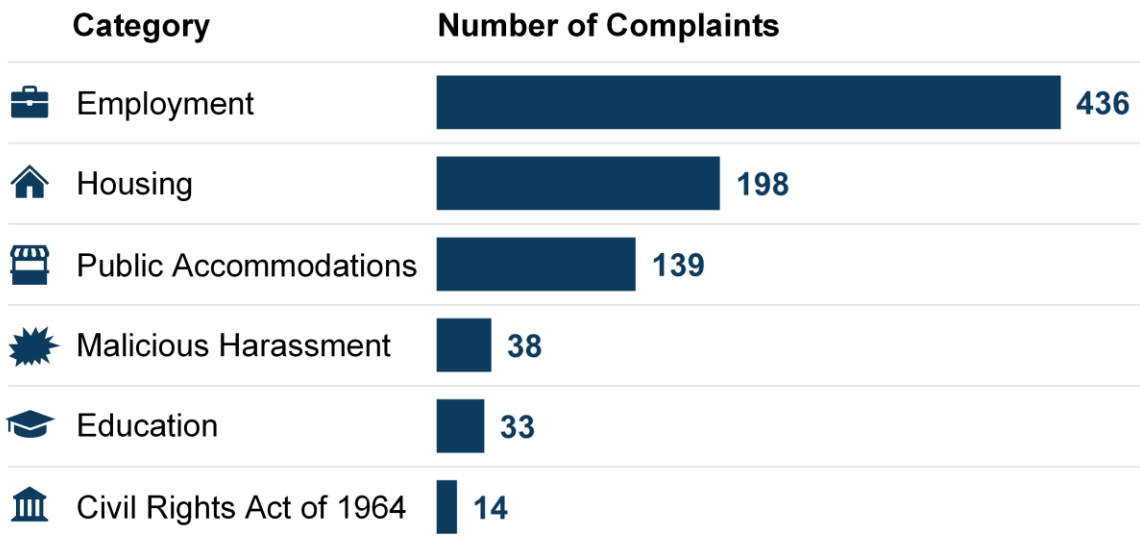
Between July and December 2025, the division received 858 complaints.¹⁹ See **Figure 4**.

17. According to Section 4-21-303, *Tennessee Code Annotated*, conciliation agreements are confidential agreements between a complainant and respondent about discriminatory practices and are not an admission of guilt. When a respondent knowingly violates the terms of a conciliation agreement, they can be assessed a civil penalty of up to \$2,000 per day for each violation.

18. According to [findlaw.com](https://www.findlaw.com), injunctive relief is a legal remedy where a court orders a party to either stop a specific action or perform a specific action when monetary damages are insufficient and to prevent irreparable harm.

19. Division management informed us that as of January 20, 2026, the division had closed 313 of these complaints.

Figure 4: Civil Rights Enforcement Division Complaints by Category, July 1, 2025, to December 31, 2025



Source: Deputy Attorney General, Consumer Protection Division.

Current Audit

To determine whether management took steps to assume the responsibilities transferred to the Office of the Attorney General and Reporter pursuant to Public Chapter 471, we met with the office's management and staff and reviewed complaint intake processes and information systems. Our review resulted in no findings or observations. See **Appendix 1** for our detailed audit objectives, conclusions, and methodologies.

APPENDICES

Appendix 1: Objectives, Conclusions, and Methodologies

Consumer Affairs Division

Audit Objective 1: Did the Consumer Affairs Division (the division) follow its standard operating procedures for processing and mediating consumer complaints?

Conclusion: Based on our audit work, the division followed its established procedures for receiving and mediating consumer complaints, with only minor exceptions.

Audit Objective 2: Did the division promote statewide consumer education as required by Section 47-18-5002(5), *Tennessee Code Annotated*?

Conclusion: The division provided consumer resources on its website and conducted in-person educational activities across the state.

Audit Objective 3: Did the division submit annual reports on its activities to the Tennessee General Assembly in compliance with Section 47-18-5002(3), *Tennessee Code Annotated*?

Conclusion: Based on our review of documentation, the division annually produced and submitted the required reports to the Tennessee General Assembly.

Methodology to Address the Audit Objectives

To address our audit objective related to consumer complaint processing and mediation, we reviewed the Tennessee Consumer Protection Act (Section 47-18-101-135, *Tennessee Code Annotated*) to identify statutory requirements for processing and resolving consumer complaints. We performed walkthroughs with the Consumer Affairs Director, the Assistant Director, a Consumer Specialist, and the Consumer Protection Division Director to obtain an understanding of the complaint-handling process, including the controls as applicable. We also reviewed the division's *Consumer Complaint Processing – Standard Operating Procedures*.

To assess whether complaint-handling complied with all procedural requirements related to intake, review, assignment, disposition, and closure, we obtained data for all consumer

complaints for the period June 30, 2021, through September 30, 2025, resulting in 36,735 records. We refined this population to exclude complaints outside of the division's purview, such as complaints referred directly to external entities, resulting in 28,463 records. We randomly selected a sample of 60 complaints from the 28,463 consumer complaints recorded in the LawBase system during the audit period. Specifically, we selected 20 complaints that were closed prior to mediation and 40 mediated complaints to determine whether complaints at different stages were properly processed and assigned the correct closure disposition.

Because the division processes and stores complaint data in LawBase, we assessed the reliability of data from this system. Specifically, we evaluated the design and implementation of relevant application business process controls and application security controls. To evaluate application business process controls, we conducted observational walkthroughs of data input processes and transactional workflows within LawBase, during which we evaluated the design of application input controls over key fields. We held these observational walkthroughs with the Information Systems Director, the LawBase Application Administrator, the Information System Program Manager, and other Application and System Administrators. We determined that the data was sufficiently reliable for the purposes of this audit.

To address our audit objective related to promoting statewide consumer education, we reviewed Section 47-18-5003, *Tennessee Code Annotated*; interviewed the Consumer Affairs Director, the Assistant Director, and a Consumer Specialist; and reviewed information on the division's website. On the website, we reviewed educational materials from the Federal Trade Commission and the Consumer Financial Protection Bureau on the Division of Consumer Affairs, including information on investment, health care, phone, and internet scams. We reviewed website metrics for the Consumer Affairs Division's educational resources for the period July 1, 2021, through September 29, 2025, to determine the number of times citizens accessed this site. To determine the frequency, coverage, topics, and perceived quality of in-person outreach efforts, we reviewed the division's online outreach calendar, the division's 2025 Outreach report, and examples of educational outreach surveys that provide feedback on in-person presentations.

To address our audit objective regarding reporting and annual division activity reporting, we reviewed Section 47-18-5002(3), *Tennessee Code Annotated*, and gained an understanding of the division's process for preparing and submitting the annual reports. We obtained and reviewed copies of the annual reports to determine compliance with statutory content requirements and documentation verifying their submittal to the Tennessee General Assembly.

Collection of Settlement Payments, Bankruptcies, and Other Debts

Audit Objective: Did the Office of the Attorney General and Reporter (the office) follow its procedures to ensure it accurately collected and transferred revenue

from settlements and debt collection, including tobacco and opioid settlements and debts owed to state agencies?

Conclusion: Based on our testwork, the office followed established policies and procedures for collecting and transferring revenue from settlement agreements, bankruptcies, and other debt collections owed to state entities.

Methodology to Address the Audit Objective

To address our audit objective and gain an understanding of the office's processes for collecting and transferring revenue from settlements, bankruptcies, and debt collection, we interviewed the Senior Deputy Attorney General of the Public Protection Section, the Deputy Attorney General of the Consumer Protection Division, the Deputy Attorney General of the Bankruptcy Division, the Deputy Attorney General of the Tobacco Enforcement Division, the Director of the Collections Unit, and the Fiscal Director. We reviewed the office's website, media releases, court judgments, and check-handling policies and procedures. We also reviewed Public Chapter 749 and Sections 9-4-1301, 20-13-203, 33-11-105, 47-17-105, 47-31-101 to 103, and 67-4-2601 to 2610, *Tennessee Code Annotated*. In addition, we conducted walkthroughs for handling check and wire transfer transactions.

To determine whether the office followed policies and procedures for processing check and wire transfer transactions, we examined a random sample of 61 out of 2,331 check and wire transfer transactions between July 1, 2023, and June 30, 2025.

Appointments of Outside Counsel and Contracts With Experts

Audit Objective: In compliance with policies, did the office document justification and approval when it requested appointments of outside counsel and contracted with experts?

Conclusion: Based on our testwork, the office documented justification and approval when it requested appointments of outside counsel and contracted with experts, in compliance with policies.

Methodology to Address the Audit Objective

To address our audit objective and gain an understanding of the office's use of outside counsel and paid experts, and to assess management's design and implementation of internal controls significant to our audit objective, we interviewed the office's Special Counsel to the Chief Deputy, the Chief Operating Officer, the Fiscal Director, and the Chief Deputy. We reviewed the office's website and documentation used in the appointment of outside counsel and contracted employment of experts, including examples of internal memorandums, payment orders, appointment letters, appointment requests to the Governor,

contract templates, the Attorney General and Reporter’s Delegation of Authority documents, and internal emails. We also corresponded with the office’s Fiscal Director and the Special Counsel to the Chief Deputy, and we reviewed policies, including the Department of Finance and Administration’s Policy 18 regarding Interunit Journals, as well as the office’s “Employment of Experts Policy,” and “Process for Requesting Outside Counsel to Represent the State” in the *Office of the Attorney General Operations Manual*.

To determine whether the office documented justification and approval when it used outside counsel, in compliance with policy, we examined a random sample of 20 of 75 instances of outside counsel appointments between July 1, 2021, and October 14, 2025.

To determine whether the office documented justification and approval when it contracted with experts in compliance with policy, we examined a random sample of 22 of the 165 expert contracts open between July 1, 2021, and October 14, 2025.

Civil Rights Enforcement Division

Audit Objective: Did the Civil Rights Enforcement Division (the division) take action to fulfill the responsibilities transferred from the Tennessee Human Rights Commission by Public Chapter 471 of the 2025 Public Acts?

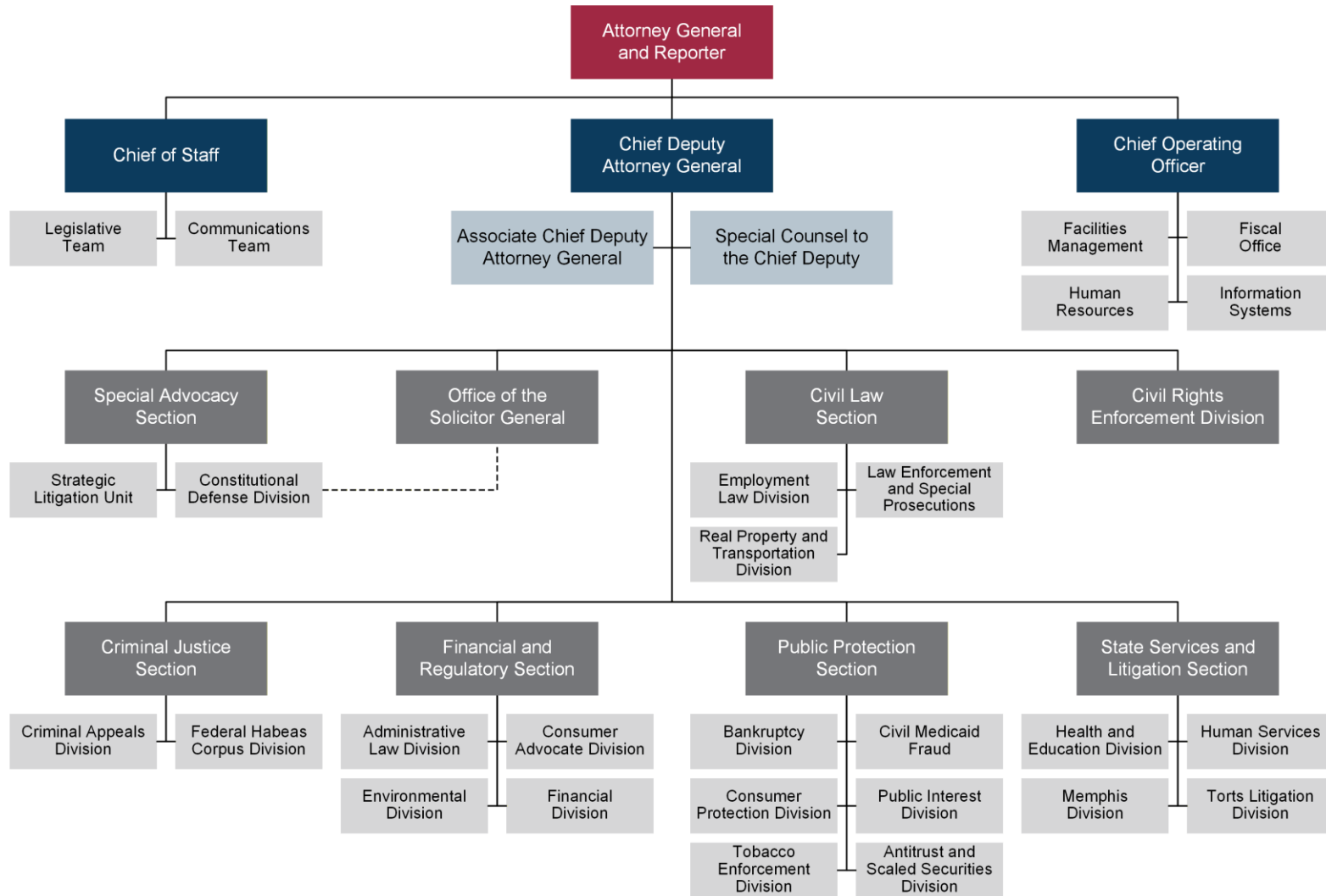
Conclusion: Based on our audit work, we determined that the office established unwritten procedures for receiving, reviewing, and processing complaints; developed written reference guides, intake forms, and a website capable of receiving complaints; and is finalizing written standard operating procedures to fulfill the responsibilities transferred from the Tennessee Human Rights Commission by Public Chapter 471 of the 2025 Public Acts.

Methodology to Address the Audit Objective

To address our audit objective and gain an understanding of the steps the office took to fulfill the responsibilities transferred to it by Chapter 471 of the Public Acts of 2025, we interviewed the Civil Rights Enforcement Division’s Director and Intake Director, as well as the office’s Fiscal Director, the Chief Operating Officer, the Chief Deputy Attorney General, and the Special Counsel to the Chief Deputy. We reviewed Title 4, Chapter 21, *Tennessee Code Annotated*, also known as the Tennessee Human Rights Act; Sections 4-29-248 and 4-3-1703, *Tennessee Code Annotated*; and documents developed for complaint processing, including an intake interview template, an internal memorandum template, claims reference guides, and the division’s complaint form. We also administered an application controls questionnaire to office management on the LawBase system, corresponded with the division’s Intake Director and the office’s Chief Operating Officer, and reviewed the division’s public-facing website.

Appendix 2: Organizational Chart and Structure

Figure 5: Office of the Attorney General and Reporter's Organizational Chart as of March 26, 2026



Source: Office management.

Organizational Structure

The Office of the Attorney General and Reporter is the state's full-service law firm, providing representation and advice to the state and its officials and employees in a variety of practice areas and legal matters. The legal practice is organized into 6 sections based on overarching themes in their respective practices. There are 21 divisions within these 6 sections. The Office of Solicitor General and the Civil Rights Enforcement Division are standalone groups within the legal practice and report directly to the Chief Deputy.

Special Advocacy Section

The Special Advocacy Section consists of one unit and one division. The **Strategic Litigation Unit** handles complex affirmative litigation and defends the separation of powers and constitutional rights of Tennesseans. The **Constitutional Defense Division** specializes in complex constitutional and election-related litigation. This division complements the work of the Strategic Litigation Unit and the Office of the Solicitor General to protect the will of Tennesseans expressed through their elected government.

Civil Law Section

The Civil Law Section consists of three divisions. The **Employment Law Division** defends the state, its agencies, and employees in employment-related litigation in state and federal courts. The **Law Enforcement and Special Prosecutions Division** represents the state's law enforcement entities and employees, as well as judges, prosecutors, and public defenders in various civil matters. The division also investigates and prosecutes specific civil enforcement actions, forfeitures, and ousters, as well as all issues within the office's limited original criminal jurisdiction. The **Real Property and Transportation Division** represents the Tennessee Department of Transportation in acquiring property and property rights for public use through eminent domain.

Criminal Justice Section

The Criminal Justice Section consists of two divisions. The **Criminal Appeals Division** handles all appeals from criminal judgments in state criminal courts. The division also has a team of attorneys who work with the Governor's legal counsel and Department of Correction attorneys on extradition and detainer matters. The **Federal Habeas Corpus Division** defends state criminal judgments against collateral attacks in federal court. Because federal habeas corpus is the last step in the three-tier review process for criminal judgments, division attorneys also handle post-conviction capital litigation in death penalty cases.

Financial and Regulatory Section

The Financial and Regulatory Section consists of four divisions. The **Administrative Law Division** specializes in litigation under the Uniform Administrative Procedures Act, the Public Records Act, the Open Meetings Act, and the Public Participation Act. This division provides

general legal advice to the state's Supreme Court boards, health-related boards, and the Department of Commerce and Insurance's regulatory boards, and advises all state entities on public records and open meetings issues. The **Consumer Advocate Division** represents the interests of Tennessee public-utility consumers when a public utility wants to raise rates or has service problems. The **Environmental Division** represents the Tennessee Department of Environment and Conservation, the Tennessee Wildlife Resources Agency, the Tennessee Fish and Wildlife Commission, and the Tennessee Historical Commission in civil enforcement and defensive capacities. The **Financial Division** provides legal services for many of the state's business-related activities, representing numerous agencies that deal with issues of government financing, banking, economic development, legal gambling, insurance and securities regulation, and contracting. The division also defends the Department of Revenue and the State Board of Equalization in state tax matters.

Public Protection Section

The Public Protection Section consists of six divisions. The **Bankruptcy Division** represents state agencies in bankruptcy courts nationwide by filing proofs of claim and administrative claims in bankruptcy cases where a state entity is owed a debt. The **Civil Medicaid Fraud Division** investigates and prosecutes civil cases of Medicaid fraud against health providers and related parties. The **Consumer Protection Division** protects consumers and businesses from unfair and deceptive trade practices and enforces the Unauthorized Practice of Law statutes. Within the Consumer Protection Division, the Consumer Affairs Division serves as the central coordinating agency and clearinghouse for consumer complaints alleging unfair and deceptive practices; provides an informal complaint mediation program to help consumers and businesses resolve disputes and potentially avoid the need for litigation; and conducts statewide educational presentations and other outreach initiatives to help Tennesseans avoid scams and protect their identities. The **Public Interest Division** plays a critical role in overseeing charitable solicitations; charitable trusts, endowments, and gifts; nonprofit dissolutions and mergers; and public-benefit-hospital sales and asset transfers. The **Tobacco Enforcement Division** enforces the provisions of the 1998 Master Settlement Agreement and handles other tobacco-related matters. The **Antitrust and Scaled Securities Division** is the newest division spun off from the Consumer Protection Division in early 2026. This division focuses on antitrust enforcement and consumer protection enforcement involving large-scale companies, such as Google, Apple, and Meta.

State Services and Litigation Section

The State Services and Litigation Section consists of four divisions. The **Health and Education Division** handles programmatic litigation for and provides advice and counsel to health and education clients, including TennCare, the Department of Health, the Department of Education, the Board of Education, and state universities. The **Human Services Division** represents the Department of Children's Services, the Department of Human Services, and the Department of Mental Health and Substance Abuse Services. The **Torts Litigation**

Division defends all state entities and employees against non-constitutional tort claims. The **Memphis Division** represents the state and its employees in federal and state litigation pending in courts located in the western section of the state, and, on special assignment, in matters of statewide import in state and federal court, regardless of venue.

Office of the Solicitor General

The Office of Solicitor General oversees appellate litigation in the Tennessee Supreme Court, the Court of Appeals, the Court of Criminal Appeals, the United States Supreme Court, and the federal Circuit Courts of Appeals. The Office of Solicitor General also oversees all published opinions issued by the Attorney General.

Civil Rights Enforcement Division

The Civil Rights Enforcement Division reports directly to the Chief Deputy. The division investigates discrimination in housing, employment, public accommodations, and education. This division's responsibilities were transferred by Public Chapter 471 from the Tennessee Human Rights Commission, effective July 1, 2025.

Appendix 3: Edison Business Units

303.01	Attorney General and Reporter
303.05	Publication of Tennessee Reports
303.08	Special Litigation

Source: Analysis of the Office of the Attorney General and Reporter's general ledger data extracted from Edison.

Appendix 4: Financial Information

UNAUDITED INFORMATION

Figure 6: Office of the Attorney General and Reporter’s Revenues, Fiscal Years (FY) 2022 to 2025

Revenue Category	FY 2022	FY 2023	FY 2024	FY 2025
State Appropriations	\$40,134,400	\$43,316,000	\$48,313,300	\$57,415,600
Interdepartmental Revenue	\$10,446,183	\$11,133,299	\$10,769,832	\$13,921,875
Litigation Proceeds	\$6,303,099	\$30,122,639	\$27,336,586	\$6,875,204
Federal Revenue	\$155,922	\$46,834	\$0	\$0
Nongovernmental	\$8,000	\$7,600	\$6,000	\$6,000
Counties	\$2,203	\$12,928	\$327	\$269
Other	\$1,421	\$2,227	\$2,186	\$270
Total Revenues	\$57,051,228	\$84,641,526	\$86,428,231	\$78,219,217

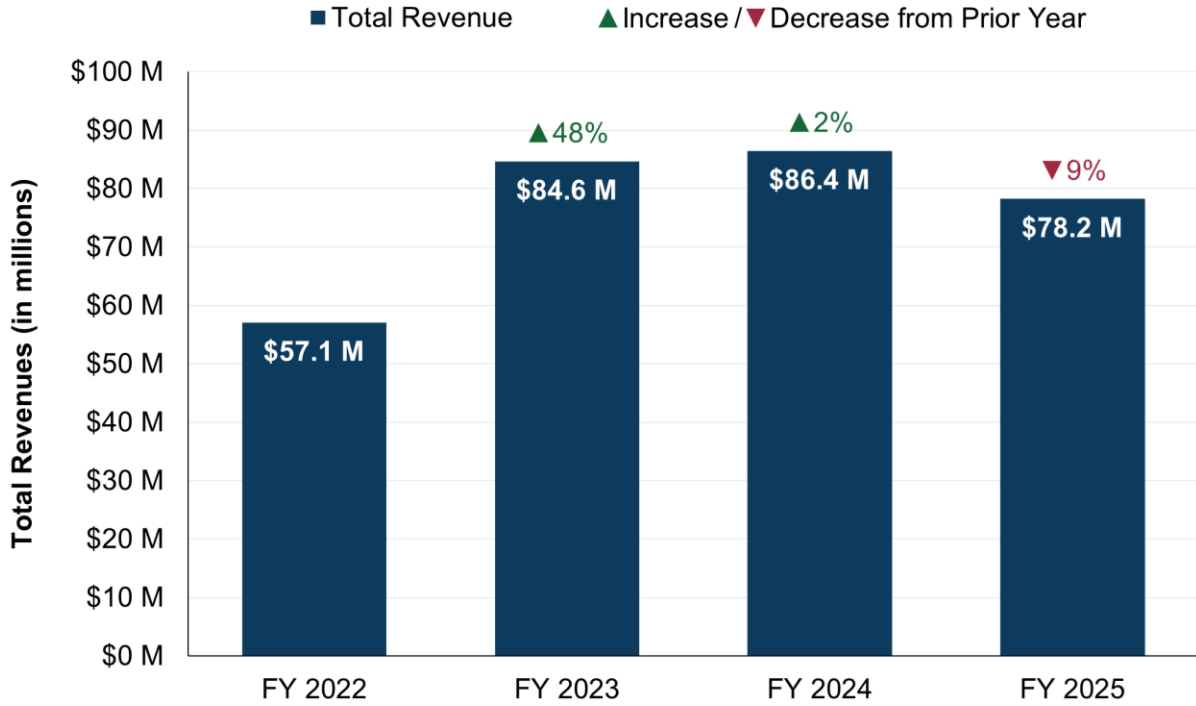
Source: Auditor analysis of the office’s general ledger data extracted from Edison for fiscal years 2022 to 2025 and budget data (state appropriation amounts) presented in State of Tennessee budget publications for fiscal years 2024 to 2027.

Figure 7: Office of the Attorney General and Reporter’s Expenditures, Fiscal Years (FY) 2022 to 2025

Expenditure Category	FY 2022	FY 2023	FY 2024	FY 2025
Salaries and Wages	\$26,539,972	\$29,396,723	\$35,608,812	\$39,576,759
Benefits	\$9,710,506	\$10,489,747	\$11,814,043	\$13,084,970
Professional Services – Third Party	\$8,517,590	\$8,763,395	\$4,561,559	\$14,073,662
Professional Services – Other State Agencies	\$4,570,449	\$4,619,075	\$5,002,057	\$5,105,851
Computer-Related Items	\$1,300,898	\$1,119,330	\$1,818,040	\$1,067,809
Travel	\$212,987	\$320,299	\$333,174	\$498,464
Supplies and Office Furniture	\$198,488	\$246,574	\$290,953	\$254,942
Equipment	\$250,009	\$169,854	\$274,140	\$120,491
Training of State Employees	\$84,951	\$81,528	\$144,867	\$81,366
Communications and Shipping Costs	\$64,065	\$69,608	\$73,068	\$96,727
Unclassified Expenses	\$61,200	\$69,526	\$71,540	\$76,800
Rentals and Insurance	\$53,712	\$51,332	\$48,266	\$52,214
Utilities and Fuel	\$10,226	\$10,830	\$12,083	\$13,220
Awards and Indemnities	\$1,903	\$2,748	\$27,238	\$1,758
Printing, Duplicating, and Film Processing	\$8,723	\$11,269	\$6,235	\$6,932
Maintenance and Repair Services – Third Party	\$80	\$4,157	\$652	\$0
Total Expenditures	\$51,585,761	\$55,425,997	\$60,086,728	\$74,111,965

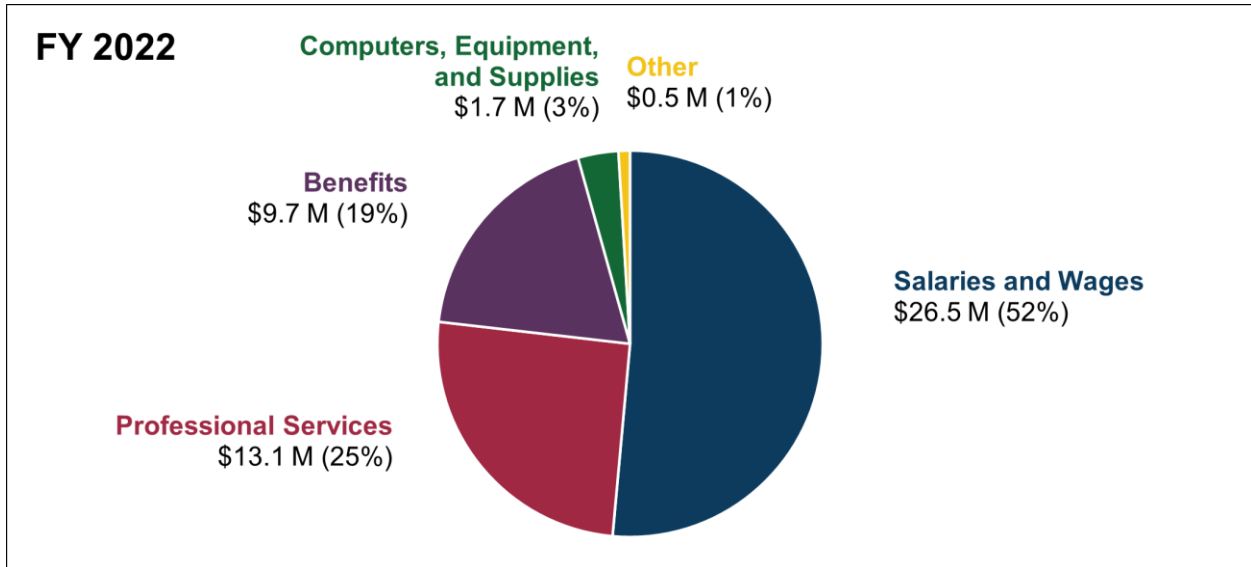
Source: Auditor analysis of the office’s general ledger data extracted from Edison for fiscal years 2022 to 2025.

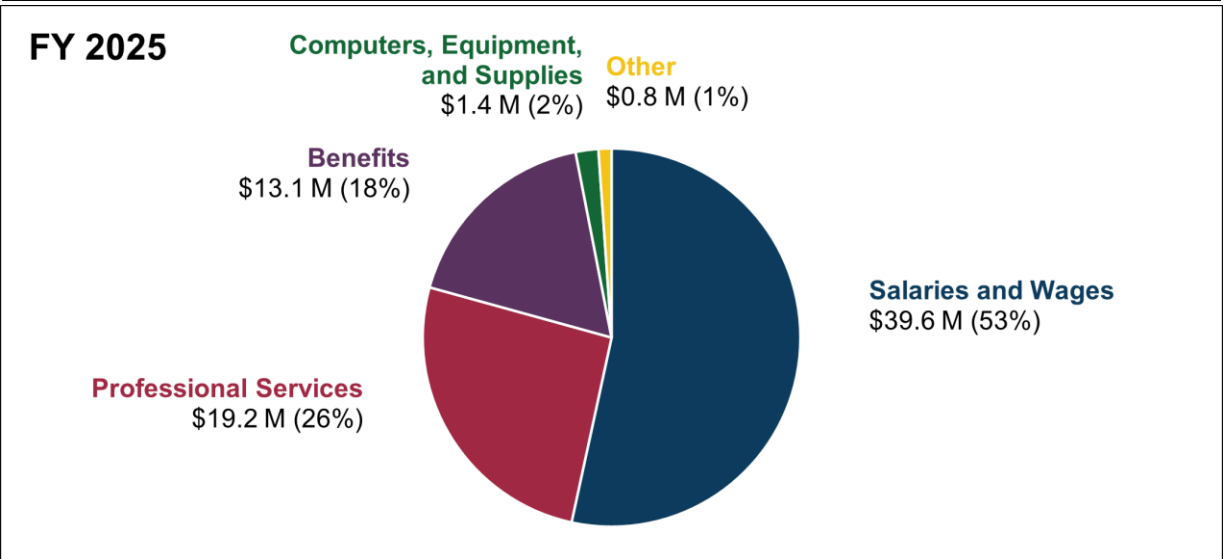
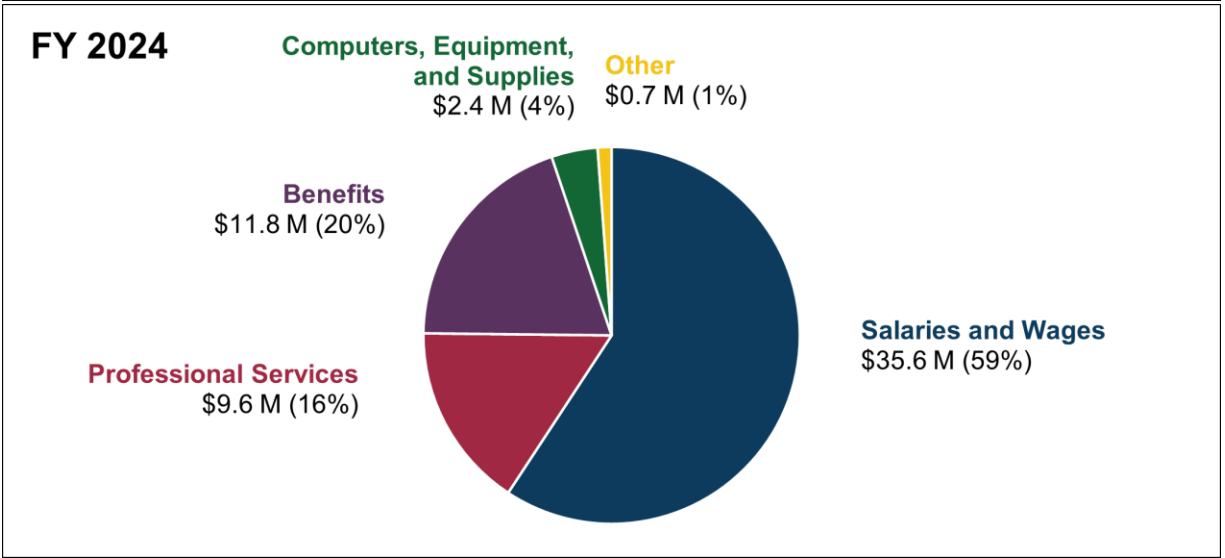
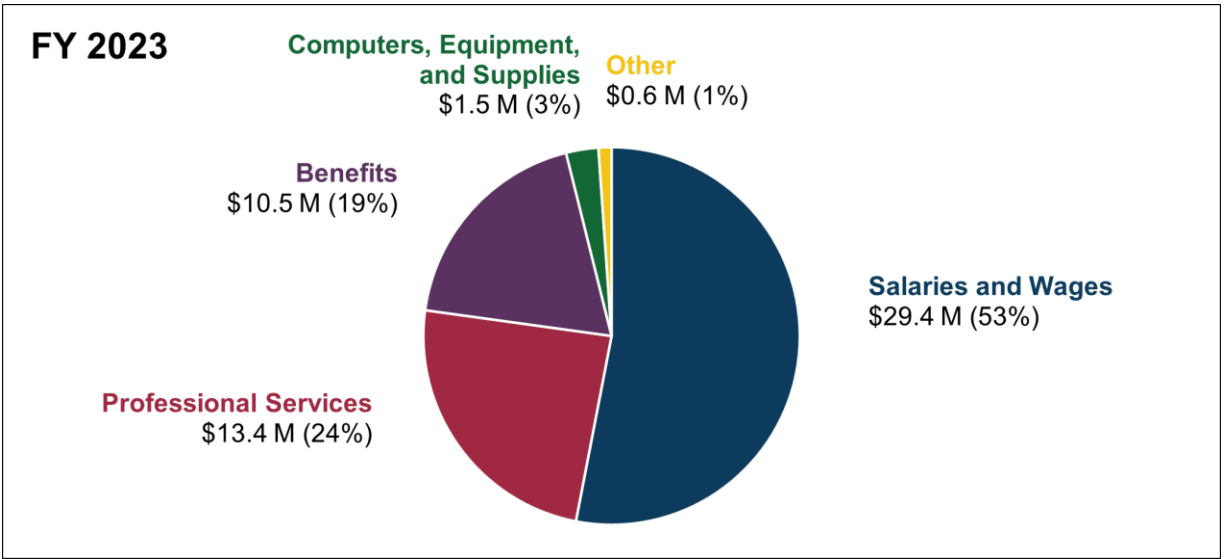
Figure 8: Office of the Attorney General and Reporter’s Revenues by Year, Fiscal Years (FY) 2022 to 2025



Source: Auditor analysis of the office’s general ledger data extracted from Edison and budget data presented in State of Tennessee budget publications for fiscal years 2024 to 2026.

Figure 9: Office of the Attorney General and Reporter Expenditures by Year, Fiscal Years (FY) 2022 to 2025





Source: Auditor analysis of the office's general ledger data extracted from Edison.

Appendix 5: Tennessee Opioid Settlements

Figure 10: Tennessee Opioid Settlements as of August 31, 2025

Settlement*	Plaintiffs	Defendant(s)	Settlement Year	Total Estimated Tennessee Payments†	Payment Status
Distributor	States and subdivisions	AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation	2022	\$505,680,745	Ongoing through 2038
J&J/ Janssen	States and subdivisions	Janssen Pharmaceuticals, Inc. and its parent company, Johnson & Johnson	2022	\$116,898,715	Ongoing through 2031; payments due through 2025 were paid in 2022
Mallinckrodt	All bankruptcy creditors, including states and subdivisions	Mallinckrodt PLC	2022 and 2023	\$9,182,047	Substantially complete; payments made under two bankruptcy plans
Allergan	States and subdivisions	Allergan Finance, LLC	2024	\$57,973,368	Ongoing through 2039
Teva	States and subdivisions	Teva Pharmaceutical Industries Ltd.	2024	\$105,226,604	Ongoing through 2035
CVS	States and subdivisions	CVS Health Corporation	2024	\$128,278,625	Ongoing through 2032
Walgreens	States and subdivisions	Walgreens Corporation	2024	\$139,520,040	Ongoing through 2036
Walmart	States and subdivisions	Walmart Inc.	2024	\$72,648,288	Complete
K-VA-T/ Food City	State of Tennessee and its subdivisions	K-VA-T Food Stores, Inc., doing business as Food City	2024	\$43,167,842	Ongoing through 2029
Publicis	States	Publicis Health, LLC	2024	\$9,552,079	Complete
Endo	All bankruptcy creditors, including states and subdivisions	Endo International plc	2024	\$8,838,381	Substantially complete; payments made under a bankruptcy plan
Kroger	States and subdivisions	The Kroger Co.	2025	\$43,267,032	Ongoing through 2034
Total Estimated Tennessee Payments:				\$1,240,233,765	

* This table does not include anticipated settlements with Purdue Pharma, the Sackler family, or eight generic opioid manufacturers. These agreements were not final at the time of our fieldwork and will take effect only if a sufficient number of local governments participate.

† Includes estimated payments to the State of Tennessee and its subdivisions.

Source: Deputy Attorney General, Consumer Protection Division.

Appendix 6: Tennessee Opioid Settlement Payment Amounts

Figure 11: Estimated Tennessee Opioid Settlement Payments as of August 31, 2025

Settlement	Attorney's Fees*	Subdivisions†	General Fund‡	Opioid Abatement Trust Fund§	Total for Opioid Remediation	Overall Total (Including Fees)
Distributor	\$11,934,189.07	\$74,061,983.34	\$74,061,983.34	\$345,622,588.96	\$493,746,555.63	\$505,680,744.70
J&J/Janssen	\$2,259,563.17	\$17,195,872.76	\$17,195,872.76	\$80,247,406.21	\$114,639,151.73	\$116,898,714.90
Mallinckrodt	\$230,515.61	\$0.00	\$0.00	\$8,951,531.17	\$8,951,531.17	\$9,182,046.78
Allergan	\$633,752.20	\$8,600,942.35	\$8,600,942.35	\$40,137,731.20	\$57,339,615.90	\$57,973,368.10
Teva	\$1,137,028.63	\$14,437,109.05	\$14,437,109.05	\$75,215,357.46	\$104,089,575.56	\$105,226,604.19
CVS	\$965,587.47	\$19,096,955.65	\$19,096,955.65	\$89,119,126.36	\$127,313,037.66	\$128,278,625.13
Walgreens	\$1,080,443.74	\$20,765,939.41	\$20,765,939.41	\$96,907,717.26	\$138,439,596.08	\$139,520,039.82
Walmart	\$552,885.87	\$10,814,310.26	\$10,814,310.26	\$50,466,781.21	\$72,095,401.73	\$72,648,287.60
K-VA-T/ Food City	\$3,167,841.56	\$6,000,000.00	\$6,000,000.00	\$28,000,000.00	\$40,000,000.00	\$43,167,841.56
Publicis	\$331,733.56	\$0.00	\$0.00	\$9,220,345.92	\$9,220,345.92	\$9,552,079.48
Endo	\$370,295.29	\$0.00	\$0.00	\$8,468,085.32	\$8,468,085.32	\$8,838,380.61
Kroger	\$299,878.64	6,445,073.03	\$6,445,073.03	\$30,077,007.51	\$42,967,153.57	\$43,267,032.21
Total	\$22,963,714.81	\$177,418,185.85	\$177,418,185.84	\$862,433,678.58	\$1,217,270,050.27	\$1,240,233,765.08

* Attorneys' fees are directed to the Attorney General Reserve Account. For most national settlements, these payments come from a separate remediation fund and are not part of the abatement amounts or restricted to remediation use.

† Subdivision payments are made by the settlement administrator directly to Tennessee local governments and do not pass through the state. These funds must be used for opioid remediation and may include reimbursement of prior opioid-related expenditures.

‡ Payments to the state's General Fund must be used for opioid remediation and may include reimbursement of prior opioid-related expenditures.

§ Payments to the state's Opioid Abatement Fund must be used for future opioid abatement. By statute, counties receive a share of certain settlement payments from this fund.

Source: Deputy Attorney General, Consumer Protection Division.

Appendix 7: Tennessee Opioid and Non-Opioid Settlement Payments

Figure 12: Tennessee Opioid Settlement Payments Collected by the Consumer Protection Division, July 1, 2021, Through August 31, 2025

Case	Total Payments
Allergan	\$14,202,429
AmerisourceBergen	\$34,308,577
CVS	\$14,166,189
Endo	\$8,838,381
Janssen	\$1,743,092
Kroger	\$6,640,378
K-V-A-T Foods	\$9,167,842
Mallinckrodt	\$5,069,181
McKinsey	\$1,302,161
Opioids Multistate	\$23,466,069
Opioids Multistate (expense)	\$7,325,610
Publicis	\$9,552,079
Purdue (cost share reimbursement)	\$4,460
Teva	\$13,529,806
Walgreens	\$21,335,710
Walmart	\$61,833,977
Total Opioid Payments	\$232,485,941

Source: Deputy Attorney General, Consumer Protection Division.

Figure 13: Non-Opioid Settlement Payments

Case	Total Payments
ABA Steiger Fellow	\$6,000
ACI Worldwide Corp.	\$157,660
AdoreMe	\$63,354
AT&T Mobility LLC and Cricket Wireless LLC	\$39,806
Auburn Hills	\$750,264
Blackbaud	\$882,312
Bottle Buzz	\$55,320
Cellco Partnership, doing business as Verizon Wireless and Tracfone Wireless Inc.	\$179,248
Facebook (cost share refund)	\$7,562
Family Dollar Stores	\$1,125,000
HRC	\$24,570
Inmediata Health Group LLC	\$35,637
LIBOR	\$160,195
Marriott	\$919,043
National Collegiate Athletic Association-I	\$19,705
National Collegiate Athletic Association-II	\$516,233
Navient	\$99,838
Reckitt/Suboxone (attorney fees, cost share reimbursement)	\$2,624,784
SMP (RI Cost Share)	\$5,000
Steiger Fellow	\$6,000
Tempoe	\$69,880
TikTok (filing fee reimbursement)	\$285
T-Mobile	\$77,604
Total Non-Opioid Payments	\$7,825,300

Source: Deputy Attorney General, Consumer Protection Division.