

Introduction

Chairman Harris, Chairman Struzzi, and Members of the Pennsylvania House Appropriations Committee, I am Dave Sunday, Attorney General for the Commonwealth of Pennsylvania. It is an honor to be here in person with you. Thank you for inviting me to discuss the Office of Attorney General's (OAG) budget request for Fiscal Year 2025-2026.

I am deeply grateful for the support that the Legislature and Governor have provided to this office over the years and for the warm welcome I have received since my swearing-in just over one month ago. The resources you have allocated have been instrumental in strengthening this office and enabling it to uphold its mission as Pennsylvania's preeminent law enforcement agency. Thanks to your support, we have become a national leader in consumer protection and a formidable legal force on behalf of our Commonwealth. While we have made significant progress, there is still much work to be done. I look forward to working together to secure the resources needed to strengthen our efforts and continue serving the people of Pennsylvania.

In addition to the critical benefits the OAG provides to the citizens and the Commonwealth – enhancing public safety, defending the Commonwealth in Civil cases, and protecting consumers – our agency also delivers a strong financial return. In the last full fiscal year, OAG recovered over \$518 million directly for the Commonwealth. That means for every \$1 invested by the General Assembly and Governor, the office returned approximately \$4 – demonstrating both our efficiency and significant value we provide to Pennsylvania.

The budget outlined in this request ensures the OAG remains on solid financial footing while securing the necessary resources to fulfill our mission and meet our statutory responsibilities. It supports key priorities such as representing Commonwealth agencies, recovering revenue for the state, combatting illegal guns and the opioid epidemic, safeguarding communities from child predators, protecting Pennsylvanians from scams and human trafficking, and targeting public corruption - because if our communities aren't safe, nothing else matters. I appreciate your thoughtful review of this request and your commitment to our shared priorities.

Summary of OAG's Budget Request

For the 2025-2026 fiscal year, the Office of Attorney General is requesting an appropriation of \$174,405,000, an increase of \$30,458,000, or 21.2% above our current funding level. Over 88% of the increase is comprised of salary and benefits for our current compliment, much of which is mandatory under collective bargaining agreements. The OAG has provided raises to non-union employees to remain competitive with salaries offered to employees under the Governor's jurisdiction. The

pay disparity between attorneys in the Office of General Counsel and those in the OAG has created a challenge in attracting and retaining top legal talent.

Just over six percent of the increase requested is to fund nine new positions that are needed to meet the current demand for OAG services. These nine new positions include Deputy Attorneys General (DAGs) in Medicaid Fraud, Appeals, Operations and the Executive Office; Agents in Labor Fraud and Enforcement; Analysts in Medicaid Fraud, Litigation Support and Organized Retail Theft; a Civil Investigator and Clerical Support in Criminal Prosecution. The remaining almost six percent of the requested increase is attributable to operating costs such as tactical agent equipment, IT, and facilities.

To fulfill our responsibilities to the public and manage a record number of case referrals and consumer complaints, OAG is utilizing its highest-ever level of internal restricted revenues in the current budget. Maintaining the high quality of our public service and legal work is critical to protecting consumers and victims, as well as defending the Commonwealth from litigation. In the proposed FY 25-26 budget, we will continue to rely on these accounts to effectively carry out our mission. For example, we are currently using a portion of these funds to support the Receiver overseeing the reorganization of the Crozer Health System, helping to preserve its vital safety net services. Over the past six months, the costs associated with the receiver and necessary experts for Anti-Trust and Charitable Trust cases throughout the Commonwealth have totaled nearly \$2 million in committed funds and direct expenses from the Public Protection restricted account. Additionally, these funds are required to support GGO.

Investing in OAG's priorities and meeting our mission

Addressing the heroin, fentanyl and opioid crisis has been a key priority of the Office of Attorney General for several years – and a personal priority of mine since 2014, when I served as a Special Assistant United States Attorney, and Chief Deputy Prosecutor in York County. This office has and will continue with a comprehensive strategy to take a multi-faceted approach, utilizing resources from all four areas of our Office and in partnership with other public and private entities.

Our Bureau of Narcotics Enforcement has maintained its high level of enforcement, making 1,132 drug related arrests in 2024 – an average of 3 per day, leading to a 99% conviction rate on cases disposed of, and eliminating 92,024 lbs. (46.012 tons) of drugs from our streets.

The Office remains actively involved in three types of drug task forces: OAG controlled, District Attorney controlled, and the Organized Crime Drug Enforcement Task Force, which handles multi-county cases. In 2024, these task forces led operations which resulted in the arrest of 2,534 individuals statewide. Their work each

day is essential to combating violence fueled by narcotics trafficking – from Philadelphia to Erie and everywhere in between.

We have also tackled the opioid crisis by holding drug manufacturers and distributors accountable for their roles. The OAG continues to be a national leader in this effort, as demonstrated by the recent \$212 million settlement with Purdue Pharma and the Sackler Family which will provide payouts to the Commonwealth and each of its 67 counties for the next 15 years, further providing much needed substance abuse treatment and recovery resources.

As we all know – we cannot arrest our way out of the crisis of substance use disorder. As a career public servant and with 15+ years as a prosecutor – I saw firsthand the devastating effect of the revolving door that exists for offenders who suffer from substance use disorder and who do not receive the treatment they need and deserve. Just as I did as York County District Attorney, as Attorney General I will seek out opportunities to increase access to treatment and efforts related to prevention and education by partnering with both private and public entities who have already established these critical relationships within their counties.

The Pennsylvania Law Enforcement Treatment Initiative program (LETI), launched in 2018 by the OAG, partners with county District Attorneys and local police departments to help establish much needed pathways to treatment. Through this program, agents from our office work with District Attorneys and other stakeholders to develop a clear county policy to connect individuals or family members to treatment without arrest. In 2024, the OAG partnered with 3 more counties. Now 30 counties throughout the Commonwealth have taken advantage of this program and the number of counties seeking to participate continues to increase. With additional resources, the OAG can further support District Attorneys and local law enforcement in expanding diversion programs and establishing critical pathways to treatment. Strengthening these partnerships will ensure that individuals struggling with addiction receive the help they desperately need, reducing recidivism and easing the burden on the criminal justice system.

Through the Office of Public Engagement, the OAG continues to lead a robust educational program. In the past 24 months, we held 337 drug education events, reaching over 42,191 attendees in schools and online across the Commonwealth.

These numbers are promising, but the fight is far from over. The OAG remains relentless, leveraging every tool at our disposal to combat this crisis and protect our communities.

Curbing the tide of gun violence

Communities across Pennsylvania are facing a surge in gun violence – taking hundreds of lives, injuring thousands more, and leaving lasting trauma in its wake. This

is a complex, long-term challenge with many root causes, but one factor we can all agree on is the alarming ease with which those prohibited from legally purchasing firearms manage to obtain them.

The OAG's Gun Violence Task Force (GVTF) – a unique state-local partnership established in 2007 between the Office, the Philadelphia Police Department and the Philadelphia District Attorney's Office – brings together resources and expertise, including the ATF and FBI to combat illegal firearms trafficking and reduce gun violence. I am excited to share that as of February 1, 2024, the Allegheny County Joint Gun Violence Task Force was officially operational, expanding the successful model established in Philadelphia. In 2024, our GVTFs initiated 449 investigations, resulting in 242 arrests, taking 663 illegal firearms off the streets of our Commonwealth. With the support of this body and a full second year of operations in Allegheny County, we fully anticipate the number of investigations, arrests and guns seized to increase, further combatting gun violence and building safer communities. We thank you, Chairman Harris for recognizing this need and including the expansion of the GVTF to Allegheny County in your budget two years ago.

GVTF's prosecutors are continuing to use the statewide investigating grand jury in addition to federal cross-designation to prosecute violent gun offenders. In 2024, OAG initiated 387 criminal investigations involving straw purchasing, felons not to possess firearms and illegal transfers, leading to the arrest of 187 individuals, and the recovery of 591 firearms. The task force utilizes the Statewide Investigating Grand Jury and City Grand Jury to assist in the investigations of individuals who are not fully cooperative with ongoing illegal gun sales, straw purchasing investigations and to prosecute violent organizations that commit murder and shootings with handguns.

In calendar year 2024, GVTF Deputy Attorneys General prosecuted 16 cases in Philadelphia, and were involved in several Grand Jury investigations. In addition to prosecuting ghost gun traffickers and other gun trafficking organizations, Deputy Attorneys General prosecuted two federal gun and drug cases in the Eastern District of Pennsylvania.

The OAG's Strategic Response Teams (SRT's), are another vital tool in the fight against gun violence and the flow of illegal narcotics into Pennsylvania communities. These teams are mobile units dispersed for short-term surges to assist local law enforcement in reducing violence by taking down drug trafficking operations that use firearms in communities across Pennsylvania. Thanks to the continued support of the General Assembly, our SRT's made 346 arrests in 2024, resulting in the seizure of 169 illegal firearms and \$396,516.00 in cash. Furthermore, OAG agents intercepted narcotics with an estimated street value of over \$20.5 million dollars – drugs that would have otherwise reached communities across the Commonwealth. In 2024 alone, our regional interdiction groups statewide seized narcotics valued at over \$55.1 million, striking a significant blow against the illegal drug trade.

Strengthening existing relationships with Local Law Enforcement and District Attorneys

A key role of the OAG is serving as a resource and partner for local law enforcement agencies, a responsibility that has significantly expanded our workload. For example, case referrals from District Attorneys have risen dramatically in recent years, reflecting our growing role in supporting their efforts. In 2024, the OAG received and handled 582 referrals from District Attorney and state agencies, a 10 percent increase from the previous year, and this influx was handled with no additional staff. We would anticipate these numbers to increase significantly as District Attorney's face unprecedented staffing shortages. We also administer the Witness Relocation Program, which protects vulnerable witnesses in OAG cases as well as cases brought by District Attorneys who lack the resources to provide these critical services. In FY 24-25, OAG utilized this program in 133 cases and we expect usage to increase in the coming fiscal year. Our Child Predator unit works closely with federal, state, and local partners in combating crimes against children primarily through proactive undercover operations. Last year, the unit received 715 cyber tips, opened 479 investigations, executed 213 search warrants, and made 92 arrests.

The OAG also strengthens our law enforcement partnerships by offering technical expertise and investigative tools. Last year, our technical operations group supported 26 agencies, providing surveillance equipment and ongoing technical assistance throughout their investigations. Our digital forensics team, which analyzes digital evidence found on phones and computers, handled 227 requests for assistance, totaling an estimated 75,196 gigabytes examined.

Another tremendous example of our ongoing support is the Safe2Say program. Since 2019 when Safe2Say went live, following a mandate for this Office to launch and operate a statewide program enabling students, teachers, school administrators, and others to detect and report potential threats of violence and other student safety issues before they happen, we have received over 146,500 tips. This number excludes any false reports received, as well as any test tips to the system. For the 2023-2024 school year, the Safe2Say Something program received 32,873 tips, an increase of almost 2,000 tips from the previous school year. 12 percent of the tips received were designated as life safety matters. OAG's crisis center analysts process every tip, and thousands have already been referred to local law enforcement and school officials to follow up and interact with the students. Last year, the top tip categories received to the program were: Bullying/Cyber Bullying, Smoking (Tobacco, E-Cig, Vape) in School, Drug Distribution/Possession, Suicide/Suicide Ideation, and Inappropriate Language/Behavior/Gesture.

Safeguarding Consumers and Workers

One of OAG's core functions is to protect Pennsylvanians from scams, fraud and deceptive marketing. As a prosecutor and former elected District Attorney, this is something I know all too well, having prosecuted numerous cases of bad actors attempting to prey on our most vulnerable citizens. The OAG seeks to protect its citizens through receiving and responding to thousands of consumer complaints, seeking to mediate between businesses and consumers and, when necessary, taking legal action. Last year, our Bureau of Consumer Protection received 34,197 consumer complaints, including 10,387 from seniors. Thanks to this outstanding work, Pennsylvania consumers saved nearly \$12 million.

Representing the Commonwealth while broadening the OAG's Collections initiatives

At the heart of the OAG's mission is representing the Commonwealth, a responsibility expertly handled by our Civil Division with unwavering dedication and distinction. At the beginning of 2025, the Civil Division had over 7,500 active cases, including 1,420 through its Civil Litigation Section, 1,532 tort claims and 250 appeals. Additionally, the Civil Division reviewed over 10,500 contracts, regulations and bond issues for form and legality.

One of the OAG's functions is to collect delinquent claims owed to the Commonwealth. Delinquent claims arise in many forms including unpaid fees, fines, penalties, overpayments, and damages. This function involves coordination with various Commonwealth agencies and the use of a collection system of record. The OAG continues to work closely with the Governor's Administration to expand its efforts in this regard by collaborating with agencies on the timely submission and expansion of the types of delinquent claims referred to OAG for collection. Our Financial Enforcement Section has an active caseload of approximately 1,350 cases, including pre-litigation claims, actions in state court, and claims in federal bankruptcy courts throughout the United States. Thanks to their incredible efforts, OAG collected over \$14 million dollars for the Commonwealth of Pennsylvania in FY 23-24.

Cost Savings

As we pursue additional funding to support our operations, we recognize the importance of identifying efficiencies and cost saving opportunities. OAG successfully negotiated lease extensions for three locations (Butler, Erie, and Wilkes Barre) nearing the end of their terms, allowing us to remain at each site with minimal renovation costs. Based on similar projects, the cost to renovate and move all three offices would have cost close to \$6M compared to just under \$500k spent to renovate these existing properties, saving approximately \$5,500,000 in construction costs as well as

approximately \$25,000 per year through negotiations to maintain the current lease rate at one of the properties. Looking ahead, OAG remains committed to finding smart savings, ensuring we can invest where it matters most – our people, the heart of our success.

In the area of information technology, the OAG is in the process of upgrading our network and computer systems. These upgrades will modernize our processes and increase network security. These efforts are generating savings for the fiscal year 25-26 and will continue to provide financial benefits for many years to come. Once the upgrades are complete, we will transition most employees from desktops to laptops, enhancing flexibility and efficiency. This shift enables us to provide each employee with a single computer instead of two, resulting in annual savings of hundreds of thousands – and potentially millions over the life of a lease or finance agreement. The OAG is also moving to less expensive broadband internet from MPLS. Network upgrades are allowing us to make broadband more reliable and has resulted in a cost savings of \$300,000-\$500,000 a year which is reflected for the first time in this governor's budget. The development of our in-house case management system is ongoing. By building internally, we minimize long-term licensing costs, leading to savings of hundreds of thousands of dollars. The Civil Division is already reaping the rewards of cost-saving measures, driving efficiencies across the board and saving approximately \$50,000 annually. In the coming months, the Criminal Law Division will go live, unlocking over \$100,000 in annual savings as we retire the old case management system before the 25-26 fiscal year. Meanwhile, as we build the case management system for the Public Protection Division, we're poised to save an additional \$150,000+ each year – driving both efficiency and cost-effectiveness across the board.

Conclusion

Chairman Harris, Chairman Struzzi, and members of this committee, your continued support of the Office of Attorney General and law enforcement across the Commonwealth is not just appreciated – it's essential. You undoubtedly understand that the work we do directly impacts the safety and well-being of your communities and constituents, from protecting consumers to holding criminals accountable. Your commitment ensures that we have the resources to meet the growing demands of this office. I am grateful for your partnership and your thoughtful consideration of this request.