



District of Columbia Judiciary Committee 2018 Budget Hearing

Office of the Attorney General

April 24, 2017

Testimony of Meg Maguire, Vice Chair, Committee of 100 on the Federal City

Chairman Allen and members of the Judiciary Committee: I am Meg Maguire, Vice Chair of the Committee of 100 on the Federal City (C100). Thank you for this opportunity to testify on the 2018 budget for the Office of the Attorney General.

In February of this year, at the oversight hearing, Nancy MacWood, former Chair of the C100, and I appeared before this Committee to commend the Attorney General (AG) and his staff for their fine work in court to stop the rogue behavior of two companies: DigiMedia, the billboard company that has illegally mounted digital billboards in a number of commercial areas; and Sanford Capital, the slum landlord whose owners receive generous housing vouchers while subjecting their tenants to intolerable physical conditions.

Since 2015, when Attorney General Racine assumed office, the District has benefitted immeasurably from prosecutions of consumer fraud, crackdowns on synthetic drugs, shutdowns of sham charities, proposed legislation to reform campaign finance, and much more. As the AG's office has pursued these bad actors, a refreshingly tough message is beginning to resonate in the city: "*When you do business in DC, you must abide by the law.*"

As the city ramps up its commitment to affordable housing, an issue of considerable concern to C100, we urge the Council to increase the Office of the Attorney General's Litigation Support Fund from \$3 million to \$5 million to ensure that the agency has the resources necessary to effectively litigate its cases, including those related to housing preservation, land use and development. We were pleased that publicity in the City Paper and the Washington Post about the Sanford Capital violations and the AG's suit against the company led the Mayor to request \$2.5 million for additional DCRA inspectors. More staff will result in more evidence against slumlords, and the public will expect the AG's office to prosecute these violators.

This year the Mayor is launching a long-overdue initiation to preserve existing affordable housing. Essential to this effort is appropriate litigation of housing code violations and shoddy building practices. The DC Auditor's recent report on the Housing Production Trust Fund (HPTF) showed that a number of grant recipients had not met the conditions of their grants. If they do not comply quickly, the city should file suit against them. Neither the Department of Consumer and Regulatory Affairs (DCRA), nor the Department of Housing and Community Development (DHCD) can enforce these funding agreements alone; the AG must "have their backs."

Further, it is vital in this booming city that affordable housing developers and low-income housing landlords produce high quality new construction and repairs. When receiving any type of city funding -- from rent vouchers to capital improvements from the Housing Production Trust Fund, the \$10 million preservation fund or other city sources --only the highest standards of work should be acceptable. The AG's office can help ensure that those who profit in the District do not cut corners that degrade life for residents of the District.

The Litigation Support Fund will pay back the city many times over the additional \$2 million budget increase from judgments and settlements received pursuant to OAG actions. In FY 2015, the Chief Financial Officer attributed over \$100 million dollars in new revenue to OAG actions. Never should it be said that bad actors -- whether they be local landlords or large multi-national corporations -- were let off the hook because the OAG did not have enough funding to go after them.

As I noted in my testimony in February: *Trust in government is precious and fragile; cynicism is dangerous.*

The AG's insistence on code enforcement in the DigiMedia and Sanford Capital cases that the C100 has followed, backed by tough legal action, inspires citizen confidence. We urge the Council to fund the \$2 million increase in the Litigation Support Fund in the 2018 budget so that more of the fine legal work of the Office of the Attorney General can benefit our beloved city.

Thank you.
