



STATE OF OREGON

INTEROFFICE MEMO

TO: Governor

DATE: July 9, 1983

FROM: Gerry Thompson

SUBJECT: Meeting with Bill Gary, Deputy Attorney General

1. We need to call Don Hodel or his Executive Assistant, Don Perlman, for Dave Frohnmayer. The U. S. v. Exxon overcharge case which returned some \$862m to government of which approximately \$17m will come to Oregon. The Office of Management & Budget is now trying to capture the money for the Treasury to offset the deficit.

The Governors and Attorneys General of North Dakota, Virginia, Illinois and Arizona have a meeting scheduled with Baker, Meese and Hodel to encourage the return of this money to the states rather than the feds. (A protective notice of appeal was filed yesterday by the feds.)

We need to encourage Don Hodel. I will call Hodel for you unless you disagree.

2. The Constitution says forfeitures to the state go to the Common School fund. At issue are the criminal forfeitures captured for the RICO revolving fund. SB 150, if passed by the legislature, should resolve the RCO fund problem. But, at stake are 108 references in teh ORS which the Judiciary Committee is looking at now. Affected would be forfeitures such as bail which currently goes to the General Fund. AG is working to get Judiciary and Legislature to give up, but there may have to be a friendly court case.

3. The Feds are not willing to give a bill of particulars for their investigation of Fairview. They did review the particulars in broad terms verbally, but will not put anything in writing. They mentioned poor food, abuse of drugs, staff on patient violence and patient on patient violence. The Region X audit team should probably be admitted, but not without a member of the AGs office at their side at all times. Bill Gary will be meeting with our mental health people Tuesday. The Feds want to bring in an "expert" from Arizona, which the AGs office may not accept. Bill Gary has been told privately this may be a political move to bolster civil rights issues for the President.

Responses to the SAIF suits have been filed, but nothing has been heard.