

Regulatory Oversight Podcast — Bipartisan Leadership and Reform at NAAG:

Insights From Brian Kane Host: Stephen Piepgrass Guest Host: Clay Friedman

Guest: Brian Kane

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Stephen Piepgrass:

Welcome to another episode of *Regulatory Oversight*, a podcast that focuses on providing expert perspective on trends that drive regulatory enforcement activity. I'm Stephen Piepgrass, one of the hosts of the podcast and the leader of our firm's Regulatory Investigation, Strategy + Enforcement Practice Group. This podcast features insights from members of our group, including its nationally ranked state attorneys general team, as well as guest commentary from business leaders, regulatory experts, and current and former government officials. We cover a wide range of topics affecting businesses operating in highly regulated areas.

Before we get started today, I want to remind all of our listeners to visit and subscribe to our blog at <u>RegulatoryOversight.com</u>, so you can stay up to date on developments and changes in the regulatory landscape. Today, my colleague Clay Friedman welcomes back Brian Kane, executive director of the National Association of Attorneys General, or NAAG.

Clay and Brian will discuss NAAG's strategies for engaging and supporting the new class of attorneys general. They'll also examine the expanded focus of AGs on emerging technologies like AI and crypto, as well as NAAG's evolving role as a liaison to the federal government. By way of introduction, Clay co-leads our firm's State Attorney General practice and previously served as Assistant Deputy Attorney General in Missouri and as Chief Counsel and Director of Business Regulation at NAAG.

Brian Kane transitioned from the Idaho attorney general's office to become the Executive Director of NAAG in 2022. Brian dedicated over 20 years to the AG's office, most recently serving as Chief Deputy AG in Idaho, acting as a liaison between the attorney general and state, local, and federal governments. Brian and Clay, thank you for joining me today. I know we're all very much looking forward to an update on NAAG's initiatives and the current AG landscape.

Clay Friedman:

Thank you, Stephen. Brian, it's good to see you again and talk to you again as we did this last year and I'm excited to do it again this year, because a lot has happened in the past year. Most importantly, I wanted to just talk about what has happened at NAAG. You came in roughly, I think, two years ago, and it's been an interesting transition for you. Give us some of the highlights me of the challenges you've had to look at over the past two years or so. More importantly, tell us about some of the great accomplishments that NAAG has achieved.



Brian Kane:

Thanks, Clay. I think that in any organization, transition is difficult and anytime we transition leadership. That's a challenge for the organization. When I came in, the National Association of Attorneys General was going through a transition and they had gone through a search period. So, part of the challenge was the organization internally was without an executive director. They only had an acting executive director for several months. At the same time, there were a number of attorneys general that were unhappy with the way that the association was operating, so I've walked into that scenario.

The great thing is the attorneys general are a phenomenal group of folks who are great to work with. They immediately understood what was occurring and under Attorney General Miller and Attorney General Yost, they convened a reform committee and they sought to address exactly the things that the attorneys general had identified. Probably the biggest change that we made is we've instituted a change so that the leadership of the association, meaning the president, alternates parties every year.

Last year, Attorney General Rosenblum, a Democrat from Oregon was the president. This year, AG Formella is the president. If you go back before that, AG Yost, a Republican from Ohio, was before Rosenblum. AG Miller, a Democrat from Iowa. So, you can see that alternating. As a bipartisan organization, that makes a big difference. We also, one of the first things that occurred when I came in was, we did a top to bottom management review. We checked out the entire organization from top to bottom. We've reorganized our organizational chart and then we have also looked at our budget.

The first year that I came in, we had a 5% reduction in our budget and part of it was we wanted to make sure that we were addressing exactly what it was that the attorneys general and their offices needed across the nation. That went really well and continues to do well, right? It's one of those things, if the organization becomes static, it doesn't evolve as the needs of the offices evolve.

One of the things that we have to constantly think about is the priority from two or three or five years ago may not be the priority for this year. If we're still pushing an old priority, then we're going to lose the interest and engagement of the attorneys general. You've probably seen within our agendas at our national events, it's been very timely. Some of it almost cutting edge with what we're offering in terms of content. I think that to me, that's one of those things that we want to keep on doing and stay nimble as an organization.

Clay Friedman:

Speaking of content, I know that the next NAAG meeting is the Spring Symposium. Can you tell us a little bit about the priorities of the agenda and what the conference will focus on?

Brian Kane:

Sure. Our agenda is still under formation. I can tell you, though, we've got a phenomenal location. It's going to be in Nashville, Tennessee. To me, that's one of those America's got a



bunch of special cities and Nashville easily fits into that slot. Attorney General Skrmetti is very excited to host us, and Attorney General Formella, our president, is excited to bring us down there.

I think that what you're going to see is attorneys general continuing to engage on specific topics related to consumer protection. I think you're going to see them want to engage on more cutting-edge things like artificial intelligence and cybersecurity. That continues to be an issue that no matter how much we address it, it still comes up in some form or another. I think the other thing that you may see on the agenda this year is some measure of attorney general wanting to get together and talk about disaster preparedness and disaster relief sorts of efforts and what that means.

We've had several states now that have confronted fairly significant issues, and it runs the gamut from how do you respond to your constituents too on the backside, how are insurers responding to those incidents and all of the things that come along attended with that. Then we're also going to have probably our first preview of Attorney General Formella's presidential initiative. His initiative is on AG's leading the fight against substance abuse and drug trafficking. One of the things that he's most interested in is hearing from his fellow attorneys general about how they have deployed the opioid settlement funds and what's occurring in that space. I think that there are a lot of folks involved in that opioid space that will have a lot to think about and engage with on those topics.

Clay Friedman:

That's quite a list of key topics between opioids, AI, cybersecurity. I want to focus a little bit more on the upcoming agenda or conference and the attorney general's collectively, AI is moving at warp speed, cyber security issues and cybercrime, probably even faster. Are there challenges of trying to stay ahead of the curve and what can you as an association do to help the attorney general do just that?

Brian Kane:

First of all, yes. It's incredibly challenging to stay ahead of the curve, because once you think that you've got a part of it, I don't think it's fair to use the term mastered, but you're familiar with part of it, it evolves in some form or another. So, you know, to me one of the most difficult things if not an impossibility is for government to regulate, enforce or advise on topics that they don't know anything about. So, to me, probably the key function that we can offer to AGs is to allow them to continually improve their knowledge base, right?

What is the base of knowledge that they're operating from? What's the familiarity that they have with these, not just with the topics, but with the substance underneath the topics? How do we bring their offices along as well? Because as it's not just an attorney general, it's an attorney general and all of their deputies and assistance attorneys general who are advising client agencies or advising the public when terms of consumer protection or prosecuting when it comes to that. I think that there's all these layers to it that our responsibility is how do we keep their knowledge sufficient that they can operate comfortably within those emerging realms?

Clay Friedman:



It raises another unique topic and it relates a little bit to our history as well. You and I have been in this space for a very, very long time. In fact, I worked at NAAG in the 90s. I was only 14 at that time. I found that it's the six-year cycle and the eight-year cycles that are the most challenging, meaning after the AGs get elected, there's a six-year cycle when you get a whole new class, a fairly large one.

Then in eight years, you tend to get a very large class. We're in that new six-year cycle and you've got quite a few new attorney generals coming in. It's kind of a three-part question. How do you train them? How do you bring them up to speed? How do you incorporate them into the whole NAAG system? Let's talk about how do you help train them on what it's like to be an attorney general?

Brian Kane:

Sure. You're absolutely right. We've got a great group of new attorneys general coming in in Washington, Oregon, Utah, North Carolina, Pennsylvania, West Virginia, just a phenomenal group of AGs coming in. We start the day after election day and we have outreach that goes out to them to let them know who we are. We send them a transition guide, as well as a chief deputy's guide and that helps them understand what the scope and reach of their offices as well as what some of the priorities may be that they want to take on as they organize their office, right? It's not just the law. It's also the management aspect of how do you put an office into place.

That can be quite challenging for somebody who maybe is coming from a smaller prosecutor's office or maybe they've been in private practice for a while and they haven't had the same, you know, they're in private practice, right? You may have a management committee or something. So, now all of a sudden, it's your name on the door and it's the only name on the door and how do you address that scenario?

Then this year we're offering a series of webinars to the AGs and we go through a series of topics to help them with their transition and then to understand what that is. One of the other elements that we offer is among our training capacities, we have a very robust management and leadership training system. Within that, we offer attorney general offices, management reviews.

If you're at AG and you're coming into an existing organizational structure that you keep in place, at some point you may want to say, "Hey, is this working?" If you change it drastically, you may want to say, "Hey, is it doing things the way that I think it should be doing?" We bring a team out, take a look at their office and prepare a report for the AG so that he or she can understand, yes, this is functioning the way it isn't. No, this isn't. I need training in these three areas. In that way, we're kind of a whole office solution for them.

Clay Friedman:

The team that you deploy is at all comprised of MAG staff and current employees of state AGs offices or do you bring in any third parties?



Brian Kane:

We use, generally the commonality between it is they're either from the National Association offices or they're from an AGs office. We use folks that are maybe chief deputies, for example, or they could be former chief deputies that we bring in to do that as well. The big thing there is we want to ensure that we have confidentiality, right, so we can get good information both from the folks that we're evaluating as well as to the Attorney General.

Clay Friedman:

When you look ahead to 2027 and that incoming class, it could be quite large. It could be 30 new attorneys general. Are you beginning to focus on that now or the focus really on let's get the new class in place? Are you always looking at in that direction?

Brian Kane:

Yeah. Like we're always mindful of that. I do know that we've got so much on our plate in the present that our focus really is getting these new AGs involved and engaged in part because the better we can involve and engage the new AGs, the smoother the engagement and incorporation of the newer AGs becomes, right? So, we want to have a system that — the best thing for us is not for me to go out until folks how great our association is.

It's for us to have a group of attorneys general and their offices who go out and say, here are the great things that we have. Here are the resources that can help your office. Here are the things that can make you just that much more effective. To me, that's our goal. How do we create a cadre of AGs and the folks in their offices? Even folks like yourself, Clay, they can go out and say, "Hey, you really need to work with these folks or we need to get in and work with these folks, because that's the way that these things get done.

Clay Friedman:

I think one of the things that our listeners might be interested in is getting a sense of the makeup of NAAG right now. I'm familiar with the Consumer Protection Committee and it's a FinCorp Committee. I think it would be worthwhile to hear one of the main committees of NAAG and how do they help the attorneys general.

Brian Kane:

Sure. You've already identified consumer protection is a big-ticket committee that gets a lot of attention. They put on a couple of conferences that are open to the public a year. We also have a tobacco committee, you know, I think that you probably first started around NAAG with tobacco and when tobacco was coming into being. It's still a huge issue. It's still one of those things. Last year, for example, more than \$5 billion was distributed to the states through the master settlement agreement. So, it's a very big deal.

We also have committees that address cybersecurity and technology. So, for example, if you came to our capital forum, you'll remember that we had Jen Easterly from SISA, who came and



gave a presentation. That was sponsored by our cybersecurity committee, which is chaired by Attorney General Griffin on Arkansas and Attorney General Tong, out of Connecticut. We have committees that address human trafficking. This morning, I was actually at a convening January is National Human Trafficking Prevention Month. We had a convening this morning in Arlington, where Attorney General Formella an Attorney General from New Hampshire and Attorney General Schwalb from DC were there. It's addressing the illicit massage parlor businesses. So, those are all things that are very active.

We also have committees that address more specific issues. One of the newer committees that we've created is a youth safety committee. That was Attorney General Rosenblum's final cap to her presidential initiative. So, that has come into being. I think that, to me, that also shows how the priorities of the attorney's general evolve, right? So, just because it was a committee five years ago, well, now that committee may not have as much attention or it may not even meet, whereas now we've created a new committee to say, "Hey, here's where our efforts and our attention should be."

Clay Friedman:

We've seen a lot of attention paid on youth. You're right, Attorney General Rosenblum started. That was her presidential theme. Tell me the types of directions you think your youth safety initiative committee will focus on in 2025 and 26.

Brian Kane:

I think that, you know, number one technology continues to loom large. I think that that's one of those things that it's not going to, I don't think there's going to be a solve for that in the near future. I think we're going to see a lot of attention in that tech space. I wouldn't be surprised if we don't see some tension in some of the gaming spaces. I don't mean gaming as in gambling. I mean, gaming as in the online play spaces, like the Fortnite's, and the Roblox, and the things where, you know – I'm not going to date you. But when I was a kid and you went to play video games, you went over to somebody's house and you sat there and you watched them play until it was your turn.

Nowadays, they're all on together in their own houses and in their own bedrooms, but the other issue that you have as a parent is you're not entirely sure who's on the other side of that microphone, or earphones, or what's going on in the chat and all of those things.

The more that we create novel ways to bring people together, the more as attorneys general and as parents, we're concerned about how they're coming together and who's part of that group that's coming together. I think the organ to continue to see those things evolve over time.

Clay Friedman:

Is it all focused by in those areas, law enforcement getting together and talking about their priorities or is there working with active industry members to get their input so that there's a balance of information, if you will?



Brian Kane:

Within our organization, as well as our partner organization, the attorney general alliance, we always seek to have balanced presentations. To me, one of the things that I will always ask for is for the industry side of things, right? If there's something that isn't on our radar that should be like, hey, you need to be aware that this is there, my door, my phone, my text always open to that sort of indicator.

I think that to me, I came from Idaho, I worked under Attorney General Wasden. One of the things that Attorney General Wasden used to advise the industry folks is, you're far better regulators of your own environment than we ever can be, in part because we come in and we have partial information, and we don't always understand the systems that you're operating in. You all, you do it each and every day. One of the highlights of that is one of our top consumer protection complaints in Idaho used to be about car dealers.

The source of the complaints about car dealers was generally not from consumers. It was from fellow car dealers. It's because they could look at the specials being offered by a car dealer, and they knew immediately. Yep, you can do that as a business, like that makes sense with what the manufacturer is offering. That's what makes sense with the way that the industry's running and the financing and all that. To me, that's exactly the model that I think we want to aspire to is let us know what's going on within your environment and then work with us to make sure that you have a healthy environment.

The challenge of it is we're both attorneys. As attorneys, unfortunately, work cast whatever the least of us is. That's why there's so many attorney jokes. So, it's in our best interest for there to be good attorneys out there. We want them – and it's the same thing in business, right? You want good actors out there, because no matter what happens, you're compared to the other actors in your space.

Clay Friedman:

You have mentioned Attorney General Alliance and the partner organization. Of course, I'll show some of my biases. I think it's absolutely brilliant how MAG and AGA works together. I mean, there's some barriers or some of the other or AG organizations that are out there, because of their political slat. But tell us a little bit about how you are partnering with AGA and what we can look forward to seeing in the upcoming year.

Brian Kane:

The Attorney General Alliance and us have worked very closely over the last couple of years. We've done a number of things. We've had some international delegations. For example, this past year, we took a large group of attorneys general to Normandy. I think that in this day and age, it's important to remember just how impactful we can all be when we're all working on the same team. Normandy is a stark reminder of that capability.

Then this month, we're actually working together on human trafficking. We have a convening here in Arlington today and tomorrow. The Attorney General Alliance is doing a human



trafficking webinar at the end of January. So, we have topics of commonality and we're able to come together. We have had a portion of our agenda dedicated to the Attorney General Alliance Chairman's initiative. The Attorney General Alliance has had a portion of their agenda dedicated to the National Association's Presidential Initiative. So, it shows that cross pollination in order to make sure we're getting as large of an intersection of AGs and the public and industry folks as we can to understand what the priorities of attorneys general are.

Clay Friedman:

Personally, I just want to applaud what NAAG has accomplished and working really on bipartisan issues and bringing all attorneys generals together on commonality regardless of what their backgrounds are, which raises an interesting question about transition. In 2016, President Trump came in office. 2020 or 21, Biden came in office. Now, 2025 in just a few days. President Trump comes back for round two. What opportunities does that present the NAAG and what challenges does it present the NAAG?

Brian Kane:

I think it presents a tremendous amount of opportunities. You identified it. We are bipartisan. That means we will work with anybody, anywhere. Just so you know I've already had a couple of meetings with the incoming President's transition team. We've already set that up. You probably know better than I do. One of the President's appointees is for Attorney General, former Florida Attorney General Pam Bondi, who was an active participant within the National Association when she was Attorney General.

I have a hunch that's going to be — we've always had a close relationship with the Federal Department of Justice. I don't see any reason why that's not going to continue. I think that, you know based on the meetings that we've had with the incoming presidential team, I think that that also is going to continue. They've all been, how do we work together? What are the priorities of your members? How do we interact with your members and vice versa, right?

I think that nobody runs for office not wanting to do a good job. That's the thing that I always think about whenever I look across the landscape. Everyone wants to be effective in office. One of my functions as Executive Director of the National Association is to help folks be as effective as they can within their positions.

Clay Friedman:

Generally, your winter meeting or the one in December is one there's a lot of, because it takes place in Washington DC, a lot of panels with representatives from the federal government. Since we have a new administration, you think we'll see some of that presence in both the upcoming symposium and then the presidential initiative?

Brian Kane:

Absolutely. I think that you're likely to see – that's going to continue. I think that based on the fact that the association is headquartered in Washington DC, it's always served as almost a



default liaison between the administration and the attorneys general. I don't see that ever changing. One other thing I want to add is one of our new congressmen is Derek Schmidt from Kansas, former Attorney General of Kansas.

I think that to me, when you think about the inner connectivity of attorneys general and the administration through all the levels, it's present just about everywhere you go. To me, that highlights the fact that these are relationships that we're going to keep preserving and keep working on, regardless of who holds what chair.

Clay Friedman:

I have one final question, because I know we're getting near the end of our time. For the presidential initiative, will it take place in New Hampshire?

Brian Kane:

Yes, we're planning on taking place in New Hampshire. One of the challenges is, as you know, we can sometimes be a large, but extremely well-behaved group. One of the things that the tricks is making sure we can get everybody in and out. One of the funny things is that DCA is one of the airports that flies direct to Manchester. So, that's an added bonus there is if you fly out at DCA, you can get right in there.

Clay Friedman:

That is great. As a kid, my family's from that part of the country. We used to spend a lot of summers in a place called Lake Winnipesaukee, New Hampshire.

Brian Kane:

Yeah.

Clay Friedman:

You have to find an evening event to go there, because it's the only way I can think of today, other than going to Wisconsin Dells or Lake of the Ozarks, where you can transform yourself back 50 years.

Brian Kane:

Yeah. Yeah. Trivia note for you, is Lake Winnipesauke, is that the lake in What About Bob, with Bill Murray?

Clay Friedman:

I don't remember. Do you know the answer to the question? Because I would say, probably.

Brian Kane:

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I think it is. But my goodness, I don't know if you've seen that movie, but between Bill Murray's comedic genius and Richard Dreyfuss' slow burn, it's a phenomenal watch and what an incredibly quotable to.

Clay Friedman:

I have a list of what I call my desert island movies, where if I am stranded on a desert island, which movies would I take? It's right up there with Fast Times at Ridgemont High.

Brian Kane:

Oh, [Name Inaudible 0:25:27]. I love it.

Clay Friedman:

Then for what it's worth, I also have my desert island foods. You can pick one.

Brian Kane:

Yeah.

Clay Friedman:

My half is to be peanut butter. I think I should ask what's yours.

Brian Kane:

My desert island food. Gosh, I got to be honest, I love crab cakes, like one of the things that – every time I come back to the East Coast, that's one of the first things I go searching for is a good crab cake.

Clay Friedman:

Yeah. Just to continue with this, and I know that they're getting upset with me, my son and I have a tradition that when the Buffalo Bills are in the playoffs, we pick food from the opponent's town to eat. The Buffalo Bills are playing the Baltimore Ravens on Sunday and crab cakes came up. I said, yes, my son's not a crab fan, so now we're looking at all the Italian options of Baltimore to see what we should eat. Because if we don't eat it, then the Bills won't win. If we do eat it, the Bills will win. I know you must agree with me on that. You're a Bills fan.

Brian Kane:

I grew up in Baltimore. So, I will give you an alternate. Baltimore is famous for what's called a pit beef sandwich. It's actually delicious. If you look it up, you can figure it out, but it's really just a great excuse to eat a beef sandwich.



Clay Friedman:

That's not a bad idea, because we do like sandwiches. Well, Brian, thank you for your time. I know it's a very, very busy time between a new group of attorney generals coming in, as well as a new administration. I've enjoyed our conversation. I look forward to doing it again next year, because it's going to be a completely different environment then. Stephen, back to you.

Stephen Piepgrass:

Brandon and Clay, thank you for that great conversation. Thank you to our listeners for tuning in. Remember to subscribe to this podcast through Apple podcast, Google Play, Stitcher, or whatever platform you choose. We look forward to having you join us next time.

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