



FOR IMMEDIATE RELEASE

June 12, 2017

Media Contact: Grace Galvin | ggalvin@wlf.org | 202-588-0302

WLF Calls for Transparency Between the Asbestos Bankruptcy Trust and Tort Systems

(In re: Motions Seeking Access to 2019 Statements)

“The utter lack of transparency between the asbestos bankruptcy trust and asbestos tort regimes will have the ironic and unintended consequence of reducing the amount of compensation available for those deserving claimants who are legally entitled to a full recovery.”

—Cory Andrews, WLF Senior Litigation Counsel

WASHINGTON, DC—In the interest of restoring integrity to the civil justice system, Washington Legal Foundation filed an *amicus* brief Friday supporting the Appellants’ efforts in *In re: Motions Seeking Access to 2019 Statements*. The case was brought to the United States District Court for the District of Delaware as an appeal from a U.S. Bankruptcy Court order restricting Appellants’ ability to access and share exhibits that would help them identify fraudulent claims.

The crux of this case rests on the inability of asbestos product-liability defendants to access trust claims data. When claimants allege asbestos-related injuries, their lawyers may try to obtain compensation for them from one or both of two available sources. First, they may seek tort recoveries in the civil-justice system against solvent defendants. Second, the lawyers may file claims in the asbestos bankruptcy trust system against insolvent defendants. When tort defendants cannot view the sources of exposure to asbestos that a claimant has already reported to bankruptcy trusts (and any settlements received therefrom), the scales of justice tilt unfairly toward plaintiffs because they can exaggerate or falsify each defendant’s share of responsibility.

WLF’s brief outlines four case studies from Delaware, Maryland, North Carolina, and Ohio that demonstrate how the lack of transparency between the asbestos trust and tort systems has allowed widespread abuse to fester via fraudulent asbestos exposure claims. In some instances, plaintiffs’ lawyers have filed meritless claims with multiple trusts while simultaneously pursuing tort litigation. As WLF’s brief explains, each trust operates independently. Therefore, it is not uncommon for one person to receive multiple trust payments in addition to tort recoveries.

One disturbing consequence of this fraudulent behavior is that it drains the assets of asbestos bankruptcy trusts, leaving some true victims unable to obtain full or timely compensation. The goal of WLF’s brief is to ensure that deserving claimants may be justly compensated for their asbestos-related injuries by keeping questionable claims at bay.

Nicholas E. Skiles of Swartz Campbell LLC provided valuable *pro bono* assistance to WLF in submitting this *amicus* brief.

Celebrating its 40th year, WLF is America’s premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.

###