



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Steve Marshall
Attorney General of Alabama
P.O. Box 300152
Montgomery, AL 36130-0152

Dear Attorney General Marshall:

This responds to your letter of November 6, 2017, and those of nineteen other state attorneys general, to Attorney General Sessions regarding potential fraud, abuse, and mismanagement in asbestos trusts. The Department of Justice (Department) greatly appreciates your interest in this matter and agrees that the United States would be well served by a commitment of Department resources to addressing the problems you identified. We are sending identical responses to the other attorneys general who joined your letter.

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The Honorable Steve Marshall
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Very truly yours,

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Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Leslie Rutledge
Attorney General of Arkansas
323 Center Street, Suite 200
Little Rock, AR 72201

Dear Attorney General Rutledge:

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Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Mark Brnovich
Attorney General of Arizona
2005 N. Central Avenue
Phoenix, AZ 85004-2926

Dear Attorney General Brnovich:

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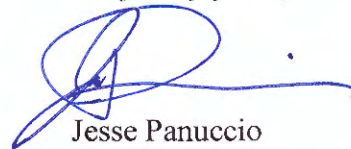
The Honorable Mark Brnovich
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Jesse Panuccio
Acting Associate Attorney General

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U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Christopher M. Carr
Attorney General of Georgia
40 Capitol Square, SW
Atlanta, GA 30334 .

Dear Attorney General Carr:

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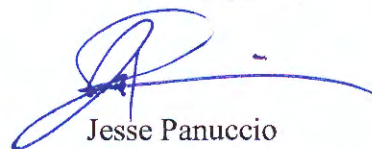
The Honorable Christopher M. Carr
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Lawrence G. Wasden
Attorney General of Idaho
700 W. Jefferson Street
P.O. Box 83720
Boise, ID 83720-0010

Dear Attorney General Wasden:

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The Honorable Lawrence G. Wasden
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



Washington, D.C. 20530

September 13, 2018

The Honorable Derek Schmidt
Attorney General of Kansas
120 SW 10th Avenue, 2nd Floor
Topeka, KS 66612

Dear Attorney General Schmidt:

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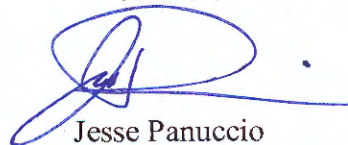
The Honorable Derek Schmidt
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Jeff Landry
Attorney General of Louisiana
P.O. Box 94005
Baton Rouge, LA 70804

Dear Attorney General Landry:

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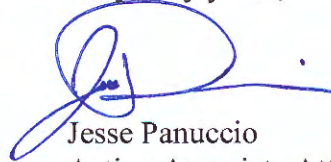
The Honorable Jeff Landry
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Jesse Panuccio
Acting Associate Attorney General

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U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Joshua D. Hawley
Attorney General of Missouri
Supreme Court Building
207 W. High Street
P.O. Box 899
Jefferson City, MO 65102

Dear Attorney General Hawley:

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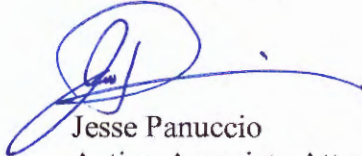
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Very truly yours,

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Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Timothy C. Fox
Attorney General of Montana
215 N. Sanders Street
Helena, MT 59601

Dear Attorney General Fox:

This responds to your letter of November 6, 2017, and those of nineteen other state attorneys general, to Attorney General Sessions regarding potential fraud, abuse, and mismanagement in asbestos trusts. The Department of Justice (Department) greatly appreciates your interest in this matter and agrees that the United States would be well served by a commitment of Department resources to addressing the problems you identified. We are sending identical responses to the other attorneys general who joined your letter.

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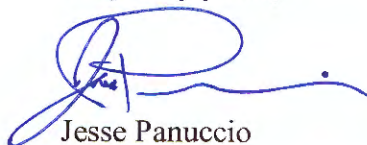
The Honorable Timothy C. Fox
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Douglas J. Peterson
Attorney General of Nebraska
2115 State Capitol
P.O. Box 98920
Lincoln, NE 68509

Dear Attorney General Peterson:

This responds to your letter of November 6, 2017, and those of nineteen other state attorneys general, to Attorney General Sessions regarding potential fraud, abuse, and mismanagement in asbestos trusts. The Department of Justice (Department) greatly appreciates your interest in this matter and agrees that the United States would be well served by a commitment of Department resources to addressing the problems you identified. We are sending identical responses to the other attorneys general who joined your letter.

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The Honorable Douglas J. Peterson
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Very truly yours,

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Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Adam P. Laxalt
Attorney General of Nevada
100 North Carson Street
Carson City, NV 89701

Dear Attorney General Laxalt:

This responds to your letter of November 6, 2017, and those of nineteen other state attorneys general, to Attorney General Sessions regarding potential fraud, abuse, and mismanagement in asbestos trusts. The Department of Justice (Department) greatly appreciates your interest in this matter and agrees that the United States would be well served by a commitment of Department resources to addressing the problems you identified. We are sending identical responses to the other attorneys general who joined your letter.

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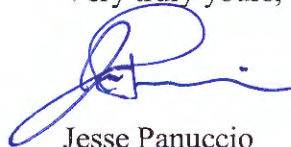
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Wayne Stenehjem
Attorney General of North Dakota
600 E. Boulevard Avenue, Dept. 125
Bismarck, ND 58505

Dear Attorney General Stenehjem:

This responds to your letter of November 6, 2017, and those of nineteen other state attorneys general, to Attorney General Sessions regarding potential fraud, abuse, and mismanagement in asbestos trusts. The Department of Justice (Department) greatly appreciates your interest in this matter and agrees that the United States would be well served by a commitment of Department resources to addressing the problems you identified. We are sending identical responses to the other attorneys general who joined your letter.

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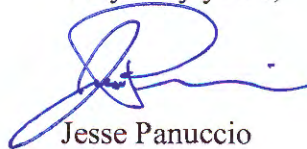
The Honorable Wayne Stenehjem
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



Washington, D.C. 20530

September 13, 2018

The Honorable R. Michael DeWine
Attorney General of Ohio
30 E. Broad Street, 14th Floor
Columbus, OH 43215

Dear Attorney General DeWine:

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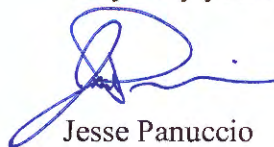
The Honorable R. Michael DeWine
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Mike Hunter
Attorney General of Oklahoma
313 NE 21st Street
Oklahoma City, OK 73105

Dear Attorney General Hunter:

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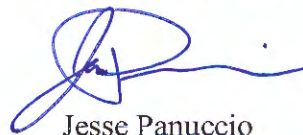
The Honorable Mike Hunter
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



Washington, D.C. 20530

September 13, 2018

The Honorable Alan M. Wilson
Attorney General of South Carolina
P.O. Box 11549
Columbia, SC 29211

Dear Attorney General Wilson:

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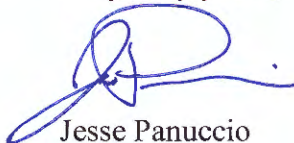
The Honorable Alan M. Wilson
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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



Washington, D.C. 20530

September 13, 2018

The Honorable Marty J. Jackley
Attorney General of South Dakota
1302 E. Hwy 14, Suite 1
Pierre, SD 57501-8501

Dear Attorney General Jackley:

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The Department has taken notice of specific instances of potential misconduct regarding asbestos trusts. As you noted, particularly telling are the findings made in *In re Garlock Sealing Technologies* (Bankr. W.D.N.C. 2014). The bankruptcy court permitted limited discovery into claimants' assertions in other bankruptcy cases. The court concluded that the asbestos claimants had filed inconsistent claims with different trusts—a “startling pattern of misrepresentation” of exposure—and determined that the debtor was liable for less than one-tenth of the \$1.3 billion that the plaintiffs claimed was owed.

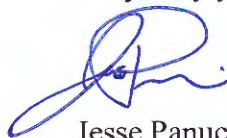
The Honorable Marty J. Jackley
Page Two

The potential misuse of an asbestos trust's limited funds can cause wide-ranging harm. Legitimate claimants who are suffering from asbestos-related disease, as well as those not yet diagnosed, may not have the compensation available to them that they need and are owed if the funds have been diluted by improper claims, fraud, or mismanagement. But misconduct may also harm Americans more broadly. Custodians of funds for asbestos treatment that has already been provided through federal or state medical-assistance programs may be required to reimburse such programs on behalf of the claimant. Without sound reporting or oversight of asbestos trusts, federal and state medical-assistance funds may not be properly reimbursed as required by law.

The Department appreciates the efforts of state attorneys general to bring transparency and accountability to asbestos trusts. The Department shares your concerns, and today we have filed a statement of interest in *In re Kaiser Gypsum Co.*, 16-31602 (W.D.N.C.), a case proposing the establishment of a new asbestos trust. We enclose a copy. As explained more fully therein, the United States has an interest in ensuring that asbestos trusts operate transparently and comply with their obligations under the Medicare Secondary Payer Statute; that claimants are informed of their potential obligation to reimburse the Medicare program; that trust assets are preserved to the greatest extent possible to pay the claims of legitimate asbestos victims; and that trust assets are not dissipated through payment of fraudulent claims, excessive professional fees, or mismanagement. Accordingly, henceforth the United States will object to plans for asbestos trusts that fail to include critical information on how asbestos claims will be evaluated, paid, and reported or that lack sufficient safeguards to prevent fraud and abuse and to ensure that the interests of the United States will be protected.

The Department will continue to look for opportunities to increase the transparency of asbestos trusts and protect the interests of legitimate claimants and the United States. The Department will also investigate conduct related to asbestos trusts that is illegal under federal law. If you or anyone else has information on asbestos trust fraud or mismanagement, the Department welcomes the reporting of that information so that it may pursue all appropriate means under federal law to ensure that asbestos trusts operate lawfully and responsibly.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'J. Panuccio', with a stylized flourish at the end.

Jesse Panuccio
Acting Associate Attorney General

Enclosure



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

September 13, 2018

The Honorable Ken Paxton
Attorney General of Texas
P.O. Box 12548
Austin, TX 78711-2548

Dear Attorney General Paxton:

This responds to your letter of November 6, 2017, and those of nineteen other state attorneys general, to Attorney General Sessions regarding potential fraud, abuse, and mismanagement in asbestos trusts. The Department of Justice (Department) greatly appreciates your interest in this matter and agrees that the United States would be well served by a commitment of Department resources to addressing the problems you identified. We are sending identical responses to the other attorneys general who joined your letter.

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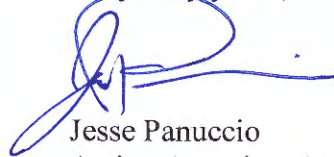
The Honorable Ken Paxton
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Very truly yours,

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Jesse Panuccio
Acting Associate Attorney General

Enclosure



Washington, D.C. 20530

September 13, 2018

The Honorable Sean D. Reyes
Attorney General of Utah
P.O. Box 142320
Salt Lake City, UT 84114-2320

Dear Attorney General Reyes:

This responds to your letter of November 6, 2017, and those of nineteen other state attorneys general, to Attorney General Sessions regarding potential fraud, abuse, and mismanagement in asbestos trusts. The Department of Justice (Department) greatly appreciates your interest in this matter and agrees that the United States would be well served by a commitment of Department resources to addressing the problems you identified. We are sending identical responses to the other attorneys general who joined your letter.

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The Honorable Sean D. Reyes
Page Two

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Very truly yours,



Jesse Panuccio
Acting Associate Attorney General

Enclosure



Washington, D.C. 20530

September 13, 2018

The Honorable Patrick J. Morrissey
Attorney General of West Virginia
State Capitol Complex, Bldg. 1, Room E-26
Charleston, WV 25305

Dear Attorney General Morrissey:

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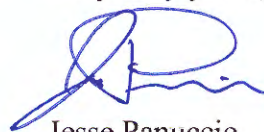
The Honorable Patrick J. Morrissey
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Jesse Panuccio
Acting Associate Attorney General

Enclosure



Washington, D.C. 20530

September 13, 2018

The Honorable Brad D. Schimel
Attorney General of Wisconsin
P.O. Box 7857
Madison, WI 53707-7557

Dear Attorney General Schimel:

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The Honorable Brad D. Schimel
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Acting Associate Attorney General

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