THE TRIAL LAWYER
MONEY TRAIL
Exposing the influence of personal injury lawyers on Louisiana politics

SEPTEMBER 2015
Louisiana Lawsuit Abuse Watch (LLAW) is a non-partisan, non-profit, citizen watchdog group focused on a broad range of civil justice issues. Since it was formed in 2007, LLAW has grown to include nearly 6,000 supporters across the state, representing small business owners, health care providers, taxpayers, workers and their families.

Using community outreach, public education and grassroots advocacy, LLAW works to raise awareness about the costs and consequences of lawsuit abuse and to urge elected officials to bring more balance, fairness and common sense to Louisiana’s civil justice system.
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Some Louisiana journalists and activists are fond of repeating the old political saw that “the flag of Texaco flies over the Louisiana State Capitol” in a sly nod to the power of oil and gas influence in the state. But the quote, generally attributed to former State Sen. Foster Campbell, has no bearing in reality. Indeed, if campaign cash is the measure of political clout, it’s not “Big Oil” that calls the shots in Baton Rouge. That distinction instead goes to a small cadre of trial lawyers, who, enriched by massive court settlements, have unleashed a coordinated flood of campaign contributions on elected officials in an apparent attempt to stymie meaningful lawsuit reform in Louisiana.

Public campaign finance records show the plaintiffs’ bar spent a combined $8.5 million on campaign contributions and lobbying efforts in Louisiana over a seven-year period. This includes nearly $2.7 million in direct contributions from trial lawyers and their law firms to incumbent lawmakers. That figure amounts to about 40% more than was contributed to legislators over the same period by oil and gas interests.

Despite modest success in improving Louisiana’s civil justice system, the most significant efforts to bring fairness to the state’s courts remain stalled in Baton Rouge. After decades of effort, Louisiana still ranks among the worst legal climates in the country.

In Louisiana, calls for tort reform no longer break along partisan or ideological lines, as citizens of all political persuasions realize that the state’s dysfunctional civil court system costs jobs, hinders economic growth and grossly benefits a narrow segment of well-connected lawyers while costing everyone else. Indeed, the left-leaning Center for Public Integrity, a non-profit investigative organization, gave Louisiana an “F” for judicial accountability in its latest survey of states. Meanwhile, the conservative-minded American Tort Reform Association has singled out Louisiana as a “judicial hellhole” for five years running.

In recent years, the state’s trial bar has taken notice of the growing call for tort reform and increased its political spending accordingly. Research shows that trial lawyer donations to the legislature have quadrupled since 2008. In total, just 25 plaintiffs’ law firms gave nearly $1.2 million to Louisiana legislators over a seven-year period. A complete list of the top 25 trial lawyers who contribute to lawmakers can be found in the appendix. Members of those same law firms gave millions more over the same period to other Louisiana politicians.

This report provides a snapshot of the trial bar’s influence on Louisiana’s Legislature, which is again expected to take up a variety of tort reform measures in 2016. This report is the product of a yearlong examination of trial lawyer contributions to lawmakers and an analysis of contributions from other interest groups to provide comparative data.

By analyzing campaign finance reports for Louisiana elected officials from 2008—2014, this report highlights three main components of monetary influence: direct campaign contributions by plaintiffs’ lawyers and law firms to state legislators, statewide elected officials and the state political parties; campaign contributions by plaintiffs’ lawyer political action committees (PACs); and the lobbying expenditures of plaintiffs’ lawyers and their association.
Direct campaign contributions by plaintiffs’ lawyers and law firms to state legislators, statewide elected officials and the state parties

Campaign contributions by plaintiffs’ lawyer political action committees (PACs)

Lobbying expenditures of plaintiffs’ lawyers and their association

Of course, trial lawyers do not confine their political giving to the Legislature—they donate heavily to judges and judicial candidates and statewide political figures, as well. In these cases, and in an effort to provide a more complete picture of the trial bar’s influence, our research is supplemented by database information compiled by NOLA.com/The Times-Picayune as part of its “Louisiana Purchased” series. That database includes political contributions to all elected officials in Louisiana between 2009–2012. Much of the category-based industry data contained in this report draws from the newspaper’s list of Louisiana’s top political contributors, which is available online.iv

It is LLAW’s hope that the information contained in this report will raise public awareness about the growing influence personal injury trial lawyers have on Louisiana’s political system and their increasing attempts to coordinate individual donations to influence state, local and judicial elections. Generally speaking, little has been written about the more influential members of the Louisiana trial bar, who both singlehandedly and as a group have a tremendous influence on who gets elected and who does not.

TRIAL LAWYERS AND THE JUDICIARY

The Louisiana trial bar invests heavily in judicial campaigns across the state to help elect district, appellate and Supreme Court judges and justices who come from their ranks and support their agenda. In fact, recent national studies have shown donations from lawyers and law firms make up a disproportionately large share of campaign funds in judicial races. Anecdotal evidence suggests a similar pattern in Louisiana. Future LLAW reports will address this important topic.
Contributions by personal injury lawyers and law firms were calculated by identifying contributions to elected officials and/or state parties by lawyers and law firms who:

- self identify as personal injury lawyers,
- primarily handle personal injury lawsuits, and
- are members and/or contributors to the Louisiana Association for Justice (LAJ), formerly known as the Louisiana Trial Lawyers Association.

Total trial lawyer PAC campaign contributions were calculated as the sum total of all campaign contributions to candidates by PACs that were established by or overwhelmingly funded by trial lawyers.

Lobbying expenditures were calculated as the sum total of all non-deductible lobbying and political expenditures as reported by the Louisiana Association for Justice on income tax forms on file with the IRS.

To analyze overall spending by industry, LLAW organized the contributions of the top 100 political contributors, as identified by NOLA.com/The Times-Picayune, into broad categories including: alcohol, tobacco & casinos; bankers; chemical industry; defense law firms; energy; engineering/construction/architecture; general business industry; insurance industry; landfill/garbage disposal, lobbyists; medical concerns; nursing home; trial lawyers; unions; utilities; river pilots; real estate development/investment; realtors; shipping/maritime; and other.
Defining Trial Lawyers

The traditional concept of a plaintiffs’ lawyer is an advocate “who waits until he [or she] is approached by a client with a legitimate grievance to be resolved—by negotiation, if possible, and by court action only as a last resort.” There are thousands of hard-working Louisiana litigators who fit this mold. They provide quality, ethical representation to individuals who have been truly injured. They are committed to justice, not profits. These lawyers are a necessary part of any fair and balanced court system. They are not the focus of this report.

This report focuses on the growing class of wealthy and highly influential plaintiffs’ lawyers that use political clout and sophisticated marketing tactics to pursue clients and generate lawsuits with the ultimate goal of increasing profits.

They run complex, multi million-dollar organizations that drive the multi-billion litigation industry in Louisiana. They hire lobbyists and law professors to advocate on behalf of their cases. They bankroll environmental groups, law clinics and innocuous sounding political action committees in an effort to sway public opinion in their favor. They pursue class action lawsuits that often produce millions of dollars in legal fees. Perhaps most importantly, they invest millions of dollars in an attempt to curry favor with elected officials to further advance their narrow agenda.

This small but powerful group of trial lawyers makes up the lawsuit industry highlighted in this report.

Overview Of Louisiana Campaign Contribution Limits

Louisiana law allows individuals, PACs, labor unions and corporations to contribute up to $5,000 to statewide candidates and a maximum of $2,500 to legislative candidates per election.

Big PACs, with more than 250 members who donate at least $50, may contribute up to $10,000 to statewide candidates per election, but candidates may not accept more than $80,000 from all PACs combined in any election cycle. Big PACs may donate up to $5,000 per legislative candidate per election. For legislative candidates, contributions from all PACs combined are capped at $60,000 per election cycle.

Political parties may give unlimited contributions to statewide candidates, legislative candidates, PACs, big PACs, party committees and ballot measures.

Additionally, individuals, corporations and unions may contribute as much as $100,000 to PACs, big PACs and political parties.

<table>
<thead>
<tr>
<th>DONOR</th>
<th>“Big” PACs</th>
<th>Political Parties</th>
<th>Individuals, Corporations &amp; Unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECIPIENT</td>
<td>Candidates</td>
<td>Candidates</td>
<td>Candidates, PACs, Big PACs, Party Committees &amp; Ballot Measures</td>
</tr>
<tr>
<td>DONATION LIMIT</td>
<td>$5,000 (statewide candidate)</td>
<td>$10,000 (statewide candidate)</td>
<td>Unlimited</td>
</tr>
<tr>
<td></td>
<td>$2,500 (legislative candidate)</td>
<td>$5,000 (legislative candidate)</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
Plaintiffs’ lawyers, as a whole, are the biggest political contributors in Louisiana. From 2008–2014, the plaintiffs’ lawyer lobby spent a combined $8.5 million on campaign contributions and lobbying efforts in Louisiana including:

- Contributions to state legislators: $2.66 million
- Contributions to statewide elected officials: $524,000
- Contributions to state political parties: $954,587
- Lobbying expenditures: $3.54 million
- Political Action Committees (PACs)
  - The August Group: $132,200
  - Citizens for Clean Land and Water PAC: $835,000

Contrary to popular political wisdom, the largest donors in the state are not “Big Oil” or “Big Business.” In fact, trial lawyers are the most highly influential special interest group in Louisiana, as evidenced by overall spending on campaign contributions across the plaintiffs’ bar.

An analysis of the top 100 political contributors in Louisiana from 2009–2012 shows that trial lawyers, as a whole, spent more resources to promote their agenda than any other special interest group in the state.

According to the NOLA.com/The Times-Picayune “Louisiana Purchased” database of top political contributors, seven trial lawyers and their firms contributed a total of $2.9 million to elected officials across the state. During the same four-year period, the state’s largest business organization, the Louisiana Association of Business and Industry (LABI), through all four of its political action committees, and former LABI Chairman Lane Grigsby and Grigsby’s interests, contributed a combined $2.28 million.

**KEY FINDINGS**

**WHAT IS A SUPER PAC?**

Super PACs are independent expenditure-only committees, which can accept and spend unlimited contributions to advocate for or against political candidates, as long as they do not coordinate with candidates or give them direct contributions. As of the September 2015 reporting deadline, two trial-lawyer-backed super PACs had invested $1.32 million to influence the outcome of the Louisiana’s governor’s race. vii

**SUPER PAC**

<table>
<thead>
<tr>
<th>SUPER PAC</th>
<th>MONEY RAISED</th>
<th>CANDIDATE SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana Water Coalition</td>
<td>$1.1 MILLION</td>
<td>Governor’s Race</td>
</tr>
<tr>
<td>Gumbo PAC</td>
<td>$222,000</td>
<td>Governor’s Race</td>
</tr>
</tbody>
</table>
As illustrated by the chart below, trial lawyer spending far outpaces political giving by every other industry, including contributions from defense law firms, insurance companies and oil and gas producers.

Campaign contributions from the state’s powerful trial lawyer industry also eclipses political spending by nursing homes, the shipping industry and the chemical industry by margins of at least of two-to-one.

The complete listing of category-based industry data can be found in the appendix of this report.

### Political Contributions by Industry (2009 — 2012)

#### Trial Lawyers
- Calvin Fayard: $814,170
- Talbot Carmouche & Marcello: $644,504
- Herman Herman & Katz: $471,446
- Fayard & Honeycutt/Blayne Honeycutt: $241,800
- Vernon Bice Palermo & Wilson: $203,297
- Claude Leach, Jr.: $187,706
- Bruno & Bruno: $182,850
- Mudd and Bruchhaus: $172,350

**Total: $2.9 million**

#### General Business Industry
- Lane Grigsby/ Cajun Construction & Employees: $1,287,734
- LABI/East/West/North/South PAC: $997,156

**Total: $2.28 million**

#### Defense Lawyers
- Jones Walker: $443,770
- Adams & Reese: $426,600
- McGlinchey Stafford: $214,725
- Breazeale, Sachse & Wilson: $180,552
- Roedel Parsons: $217,893

**Total: $1.48 million**

#### Insurance
- LASFAA PAC Inc. (State Farm Agents): $361,503
- The St. Paul Companies: $237,900
- Gray & Company Inc.: $222,457
- Zurich-American Insurance Company: $221,477

**Total: $1.04 million**

#### Energy
- Atmos Energy: $179,775
- Exxon: $195,745
- Jack Lawton & Companies: $177,000
- Koch: $267,581

**Total: $820,101**
CHAPTER 1

TRIAL LAWYERS AT THE STATE CAPITOL

Individual trial lawyers invest heavily in state lawmakers. Direct contributions from plaintiffs’ attorneys and their firms to members of the Louisiana Legislature totaled more than $2.66 million over the last seven years.

In fact, from 2008-2014, 59 percent of all state legislators received at least $5,000 in contributions from personal injury lawyers. The size and depth of those contributions are even more pronounced in the Louisiana State Senate, where 64 percent of all sitting senators received at least $10,000 in trial lawyer contributions.

As illustrated by the chart below, trial lawyer giving to state lawmakers peaked in 2011, during the last election cycle. A similar pattern is predicted for 2015. The data also shows significant growth in total contributions over time. Since 2008, campaign donations from members of the state’s trial lawyer industry have quadrupled.

### Contributions Over Time

<table>
<thead>
<tr>
<th>YEAR</th>
<th>HOUSE</th>
<th>SENATE</th>
<th>TOTAL CONTRIBUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$32,645</td>
<td>$52,798</td>
<td>$85,443</td>
</tr>
<tr>
<td>2009</td>
<td>$50,575</td>
<td>$138,500</td>
<td>$189,075</td>
</tr>
<tr>
<td>2010</td>
<td>$169,075</td>
<td>$103,718</td>
<td>$272,793</td>
</tr>
<tr>
<td>2011</td>
<td>$503,204</td>
<td>$449,376</td>
<td>$952,580</td>
</tr>
<tr>
<td>2012</td>
<td>$139,330</td>
<td>$152,400</td>
<td>$291,730</td>
</tr>
<tr>
<td>2013</td>
<td>$269,650</td>
<td>$198,750</td>
<td>$468,400</td>
</tr>
<tr>
<td>2014</td>
<td>$238,100</td>
<td>$162,075</td>
<td>$400,175</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$1,402,580</td>
<td>$1,257,616</td>
<td>$2,660,196</td>
</tr>
</tbody>
</table>
One of the most intriguing characters to ever practice Louisiana law was legendary plaintiffs’ attorney Wendell Gauthier, the notorious New Orleans mass-torts lawyer, who sued the manufacturers of everything from tobacco to guns to breast implants.

“I’m not a good Samaritan,” Gauthier once said in a 1993 interview. “I’m in it to make money.”

Gauthier, known to his friends and colleagues as “the General,” won billions of dollars for his clients and millions for himself developing the practice of mass tort litigation. A sizable portion of those profits was invested back into Louisiana politicians, allowing him to amass a level of political clout that is unrivaled today.

Gauthier died in 2001 at the age of 58, but his influence lives on in Louisiana courts and Louisiana politics. Indeed, in 2010, his name showed up on campaign finance reports as having contributed $600 to a state lawmaker.

As it happens, political giving from beyond the grave is not illegal. Louisiana campaign finance laws allow citizens to bequeath contributions to candidates and political committees, much in the way they can leave money to children or charities.

Legislative Committees

The legislative process begins with committees that review and approve legislation before it can be considered for a vote by the full House or Senate.

In Louisiana, the House Committee on Civil Law and Procedure and the Senate Judiciary A Committee are primarily responsible for considering legislation that directly impacts the practice of law in Louisiana. Our analysis of campaign finance data reveals that trial lawyers make substantial campaign contributions to these powerful committees, which essentially control the fate of most civil justice reform legislation.

These investments are especially pronounced in the Senate Judiciary A Committee, which has blocked numerous tort reform efforts in recent years.

Ten out of 14 members of the House Civil Law and Procedure Committee received at least $5,000 from trial lawyers.

Six out of seven members of the Senate Judiciary Committee received at least $5,000 from trial lawyers.

- **House Civil Law and Procedure Committee**
  - 10 out of 14 members of the House Civil Law and Procedure Committee received at least $5,000 from trial lawyers.

- **The Senate Judiciary Committee**
  - 6 out of 7 members of the House Civil Law and Procedure Committee received at least $5,000 from trial lawyers.
The top 12 trial lawyer contributors donated $794,000, which is one-third of all the trial lawyer contributions made to sitting lawmakers during the seven-year period of this analysis.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Firm Name</th>
<th>Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Talbot, Carmouche &amp; Marcello</td>
<td>$139,750</td>
</tr>
<tr>
<td>#2</td>
<td>Herman, Herman &amp; Katz</td>
<td>$128,250</td>
</tr>
<tr>
<td>#3</td>
<td>Glenn Armentor</td>
<td>$94,490</td>
</tr>
<tr>
<td>#4</td>
<td>Cossich, Sumich, Parsiola &amp; Taylor</td>
<td>$72,650</td>
</tr>
<tr>
<td>#5</td>
<td>Bruno &amp; Bruno</td>
<td>$52,250</td>
</tr>
<tr>
<td>#6</td>
<td>Morrow, Morrow, Ryan &amp; Bassett</td>
<td>$52,000</td>
</tr>
<tr>
<td>#7</td>
<td>Jack Bailey</td>
<td>$48,500</td>
</tr>
<tr>
<td>#8</td>
<td>Fayard &amp; Honeycutt</td>
<td>$45,750</td>
</tr>
<tr>
<td>#9</td>
<td>Barker, Boudreaux, Lamy &amp; Foley</td>
<td>$44,500</td>
</tr>
<tr>
<td>#10</td>
<td>Chaisson &amp; Chaisson</td>
<td>$39,080</td>
</tr>
<tr>
<td>#11</td>
<td>Baron &amp; Budd</td>
<td>$39,000</td>
</tr>
<tr>
<td>#12</td>
<td>Veron, Bice, Palermo &amp; Wilson</td>
<td>$38,400</td>
</tr>
</tbody>
</table>

$794,620
This law practice, based in Baton Rouge and Gonzales, Louisiana, relies heavily on political influence from lawmakers and statewide elected officials to protect its lucrative environmental torts practice. The Talbot, Carmouche & Marcello law firm has made a cottage industry out of filing lawsuits to wrench multi-million dollar settlements from oil companies for alleged environmental damage that occurred decades or even a century ago. The Louisiana Legislature has tried several times to reform the system that allows these so-called “legacy lawsuits,” in part because few properties have been cleaned up as a result of this litigation.

State records show the Carmouche firm has filed about half of the 400 legacy lawsuits in the state. This figure does not include more recent suits the Carmouche firm has filed in the coastal parishes of Louisiana seeking payment for wetlands damage that allegedly occurred decades ago. Most settlements are kept secret, but some experts estimate legacy cases settle for an average of about $20 million apiece, with trial lawyers, such as Carmouche, raking in legal fees between 30 to 40 percent of those awards. Large portions of these profits are invested back into Louisiana’s political system.

*The Times-Picayune*, in its 2013 story on state campaign finance, said the Carmouche firm was the eleventh largest political donor in the state, putting up more money than the state’s largest teachers’ union and the entire Republican Legislative Delegation Campaign Committee. The firm also operates two political action committees in an attempt to steer elections in the state. According to state records, the firm poured $1.1 million into the newly formed Louisiana Water Coalition to influence the outcome of the 2015 governor’s race. In 2012, firm partner John Carmouche ran a similar effort called the Citizens for Clean Water and Land (CCWL) PAC, which he used to pump more than $300,000 into Justice Jeff Hughes’ successful campaign for a seat on the Louisiana Supreme Court.
This politically active New Orleans firm gained prominence for its role in directing lawsuit activity against Big Tobacco in the 1990s and has been prominent in many mass-tort cases since. Founded by Russ Herman, the firm is now helmed by his son, Stephen, who serves as co-counsel of the plaintiffs’ steering committee overseeing the massive BP Deepwater Horizon settlement.

For his leading role in the largest class action in U.S. history, Stephen Herman stands to take a large cut of the $2.5 billion that will be generated from client and negotiating fees when the process is complete. If current trends are any indication, the Hermans will invest a large portion of these massive legal fees back into the political system.

The Herman firm has donated hundreds of thousands of dollars to politicians over the years. The Times-Picayune says that over a four-year period ending in 2012, people connected to the practice donated more than $471,000 to state and local candidates. That puts the Herman firm in the top 20 largest political donors in Louisiana. The non-profit watchdog group opensecrets.org says people connected to the Herman firm paid out another $100,000 to federal candidates during the two-year election cycle ending in 2014.
As managing partner of the largest personal injury law firm in Lafayette, Glenn Armentor boastfully claims he has grossed total awards and settlements of over $500 million since opening his firm in 1987.iii

A traditional trial lawyer who primarily handles automobile accidents, workers’ compensation claims, and medical malpractice lawsuits, Armentor spends millions marketing his firm to potential clients throughout Acadiana, making his TV commercials, radio ads, and billboards hard to miss.

Armentor also invests in state and local elected officials. From 2008-2014, he directly contributed more than $94,000 to members of the state Legislature. Though Armentor is a lifelong Democrat and a member of the Lafayette Parish Democratic Executive Committee, he also contributes freely to Republican politicians.
The Cossich firm participates in what has become the latest vogue in Louisiana courtrooms: the filing of so-called coastal lawsuits. In late 2013, this Belle Chasse firm, along with others, filed some 27 suits in Jefferson and Plaquemines parishes, claiming that more than 100 oil and gas companies destroyed coastal marshlands in violation of state permits.

This subtle twist on the legal strategy trial lawyers pioneered with legacy lawsuits creates expectations of a bonanza for coastal parishes, but critics say it is unlikely to lead to land restoration. Case in point, they say, is Jefferson Parish’s recent settlement with BP over the 2010 Deepwater Horizon oil spill, which yielded a $58 million windfall for the local government and their lawyers. Twenty-two percent of the BP settlement, or $11.7 million, will go to the Gretna-based law firm Gaudry, Ranson, Higgins and Gremillion, who filed the paperwork on behalf of the council. Environmentalists and leaders from hard hit areas such as Grand Isle pleaded for the remaining money to be devoted to wetlands restoration, but the Jefferson Parish Council voted to spend the money on pay raises for parish employees instead.

The Louisiana Legislature holds sway over the future viability of coastal suits: last year, legislation to ban the suits fell short of becoming law, but the effort will likely be resurrected in a future session.

Philip Cossich, the head of the firm, sits on the steering committee overseeing the BP oil settlement, a position that entitles him to a portion of the estimated $2.5 billion in legal fees that will be paid out to 18 attorneys. Cossich and his firm contributed more than $143,000 to elected officials across the state between 2009-2012. A large portion of their donations were directed to lawmakers at the Capitol.
Bruno family members are prolific donors to Louisiana politicians; *The Times-Picayune* estimates that people connected to the law firm gave nearly $183,000 over a four-year period ending in 2012.xvi

This New Orleans-based firm specializes in mass tort class actions and has occasionally come under withering criticism by its clients for taking massive fees while leaving the plaintiffs with little. For example, firm patriarch Joseph Bruno was heavily involved in the New Orleans levee breach lawsuit, which was brought on behalf of the people who suffered property damage and flooding due to failed levees in the days following Hurricane Katrina. Nearly 10 years after the class action litigation was filed, the case was settled for $20 million. Bruno and other lawyers and administrators involved in the lawsuit will divvy up $7 million, while the hundreds of victims who lost their homes and businesses to flooding will receive less than $500 each.xvii

Bruno is among a small group of plaintiffs’ lawyers who filed suit against the City of New Orleans and two other local entities on behalf of residents of two neighborhood communities built on top of the Agriculture Street Landfill. The case dragged on for years, but the courts eventually ordered several insurance companies to pay $14.2 million. Roughly half of the settlement was given to Bruno, four other lawyers and a court-appointed administrator, leaving just $7 million to be divided between more than 5,000 residents resulting in an average payout of a few hundred dollars.xviii

Bruno has also had ethics brushes in the past; in 1999, he was suspended from practicing in federal court for a year, after investigators determined that he had paid a potential witness $5,000 in a mass tort case and then participated in a cover-up of his activities.xix He was suspended for 18 months from practicing in state court in 2007 after the Louisiana Supreme Court got wind of the earlier allegations.
Patrick Morrow is a founding partner with Morrow, Morrow, Ryan & Bassett, a personal injury law firm based in Opelousas, Louisiana. This politically active “Super Lawyer” serves as a City Attorney for the cities of Port Barre, Krotz Springs, Leonville and Arnaudville.

In addition, his firm has been tapped by Louisiana Attorney General James “Buddy” Caldwell to represent the state in numerous cases against drug makers, and Morrow has received millions from those settlements. However, in 2014, the Louisiana Supreme Court overturned a multi-million dollar jury verdict in one of these cases, finding the “Attorney General [and his legal team] failed to prove” any violation of the law.xx

According to a Times-Picayune report, the firm is among the most politically active campaign contributors in the state, having donated more than $141,000 to candidates and elected officials between 2009–2012.xxi

Our own analysis of campaign finance reports found $52,000 from the firm that was directed to state lawmakers between 2008–2014. The firm and its partners also gave Republican Attorney General Buddy Caldwell more than $20,000 during that time period. In 2012, the firm contributed $50,000 to the Citizens for Clean Water and Land PAC, the political action committee established by trial lawyers that played a key role in helping Jeff Hughes win a seat on the Louisiana Supreme Court. More recently, in 2015, the firm contributed $25,000 to Gumbo PAC, another political action committee established by trial lawyers to oppose Republican gubernatorial candidate and current U.S. Senator David Vitter.
A leader in the multibillion-dollar litigation against the tobacco industry on behalf of the states, Jack Bailey helped score a $591 million jury verdict against American Tobacco Company in 2004. The stunning verdict was later reduced on appeal to $279 million, but the case still yielded a hefty paycheck for the aspiring trial lawyer.

In the years since, Bailey had expanded his Shreveport-based law firm, which primarily handles auto accidents and worker’s compensation claims.

Featuring a 30-second TV spot with the tag line, “a fair settlement is no accident,” Bailey’s website describes him as “an undisputed leader in the area of personal injury trial law having tried cases with individual recoveries of over $8 million and more than 30 cases with recoveries over $1 million.”

At the national level, Bailey contributes heavily to the American Association for Justice’s PAC and Act Blue, the leading online fundraising platform supporting Democrats in Congress. Back at home, Bailey and his firm contributed nearly $50,000 to state lawmakers during the seven-year period ending in 2014. He is also a faithful donor to the state Democratic Party.
This small firm, located in Denham Springs, Louisiana, is headed by Calvin Fayard, a mass-torts attorney long active in state and federal politics. According to *The Times-Picayune*, Fayard and people connected to him and his firm donated a collective $814,000 in campaign contributions over a four-year period ending in 2012, making him the seventh largest political donor in the state.xxiii

Though Fayard is often linked to the liberal wing of the Democratic Party, he has made significant contributions to Republican politicians such as Gov. Bobby Jindal and Attorney General Buddy Caldwell. Many cite Fayard’s campaign contributions to certain politicians as evidence that he is close to them, but his closest political relationships are those he made through his decades-long friendship with Louisiana’s most powerful political figure in modern history, four-term Governor (and convicted felon) Edwin Edwards.

Fayard’s success as a lawyer took a leap through his involvement in tobacco litigation in the 1990s. But one of his biggest early scores arose from the 1987 rail car tank fire in the Gentilly neighborhood of New Orleans, which yielded an initial judgment of $3.37 billion.xxiv This award, which was later reduced on appeal, cemented the reputation of Orleans Parish Civic District Court as ground zero for outsized jury verdicts.

Fayard is also a senior plaintiffs’ lawyer in the BP Deepwater Horizon settlement. As such, he stands to earn a portion of the estimated $2.5 billion in legal fees that will be distributed between the 18 attorneys supervising the case.
This New Orleans-based plaintiffs’ firm focuses its practice on personal injury, medical malpractice, product liability and admiralty lawsuits.

Firm partner Dan Foley is immediate Past President of the Louisiana Association for Justice, and he serves as treasurer for the association’s political action committee.

Foley previously served as clerk of court for the Civil District Court in Orleans Parish, and he has maintained strong political connections to the Big Easy’s courthouse crowd since leaving office in the 1990s. In 2004, he was appointed by former Louisiana Governor Kathleen Blanco to serve on the Orleans Levee Board, which made national news for claims of corruption and political patronage after the levees failed in the aftermath of Hurricane Katrina.

According to *The Times-Picayune*, Baker, Boudreaux, Lamy & Foley is one of Louisiana’s largest political contributors, having donated more than $56,000 to Louisiana politicians over the four-year period ending in 2012, the bulk of which went to state lawmakers.
Joel Chaisson II is part of a politically powerful family that has influenced Louisiana politics for decades. Chaisson’s father, Joel T. Chaisson, was a judge in the 29th Judicial District Court for 14 years before becoming executive director of the South Louisiana Port Commission in 2005. Chaisson II’s brother Robert Chaisson served as a judge on the 5th Circuit Court of Appeals.

In 1983, at the age of 23, Joel T. Chaisson was elected to his first political office as a member of the St. Charles Parish Council. He served one-term before returning to private life practicing law as a personal injury attorney. But that didn’t last long. In 1991 he was elected to the Louisiana House of Representatives, where he served two terms before being elected to the state Senate.

In 2008, Chaisson assumed the top leadership position in the state Senate, a position he ultimately won with the support of Gov. Bobby Jindal. But his time as President of the Louisiana State Senate was marked by controversy, as he routinely supported legislation that would have significantly expanded civil liability and increased profits for trial lawyers in Louisiana.

Upon leaving the state Senate in 2011 due to term limits, Chaisson took over as district attorney in St. Charles Parish, an elected position he won automatically because he faced no opposition. Chaisson and his firm are still active political contributors, having donated more than $39,000 to state lawmakers between 2008–2014. Many of those contributions were from Chaisson’s unexpended campaign account, dollars he received while serving as Senate president.
Fred Baron, who died in 2008, is often referred to by journalists and reformers as “the Asbestos Lawsuit King.” Baro...
This Lake Charles law firm focuses its practice on legacy lawsuits and personal injury litigation.

According to firm partner Michael Veron, he was so incensed by Shell Oil Company’s wanton contamination of his family’s plantation that he launched a suit against the energy giant – which culminated in 2000 with a $76 million award. At the time, it was the largest judgment ever paid out to a Louisiana landowner.

Despite Veron’s assertions of gross environmental contamination, the property has never been remediated. In 2010, Veron told a New Orleans reporter that the U.S. Army Corps of Engineers prevented him from doing so by refusing to issue a permit for the work. But an Army Corps spokesman said the agency had no record of ever receiving a permit request for the property in question.xxviii

The Veron firm continues to pursue legacy and other oil and gas related lawsuits across South Louisiana. Most recently, they teamed up with two high profile New Orleans firms—Jones Swanson and Fishman Haygood— to file a controversial lawsuit on behalf of the Southeast Louisiana Flood Protection Authority-East, calling on energy producers to pay for alleged damages to coastal wetlands. A federal judge dismissed the lawsuit earlier this year, rejecting all of the plaintiffs’ lawyers’ arguments, but they have promised an appeal.

The firm contributes heavily to state and local candidates, and its attorneys actively oppose legislation to curtail meritless lawsuits.
CHAPTER 2

TRIAL LAWYER MONEY FLOWING TO DEMOCRATS AND REPUBLICANS

State records show that since 2008, plaintiffs’ lawyers have contributed $954,587 to state campaign committee accounts, with the majority of those contributions, 96 percent, flowing to Democrats.

- House Democratic Campaign Committee of Louisiana: $138,500
- LA Democrats (Formerly DEMOPAC): $754,587
- Senate Democrat Campaign Committee: $31,500
- Republican Party of Louisiana PAC: $30,000

This pattern of giving reflects national trends. According to the Center for Responsive Politics, 96 percent of political contributions from the nation’s leading trial lawyers’ association went to Democrats in 2014.xxix

But in recent years, Louisiana trial lawyers have also begun investing in key Republicans who support their agenda as well.

STRANGE BED FELLOWS

In 2010, the Metairie-based personal injury firm of Gauthier, Houghtaling and Williams threw a $1,000-per person cocktail party to benefit Republican Gov. Bobby Jindal’s reelection campaign. The Houston event reportedly raised $100,000.xxx The firm hosted a second fundraiser for Jindal in New Orleans later that year.

From left: John Houghtaling, Susan Krohn, Franco Valobra and Gov. Bobby Jindal Photo by Shelby Hodge Firm Website
Republican Gov. Bobby Jindal made national news in 2011 when he attended a $5,000-a-couple fundraiser hosted for him by well-connected personal injury lawyer Burton LeBlanc.

LeBlanc is a shareholder with the Dallas-based law firm Baron & Budd, which grew to national prominence in the 1990s and made a fortune off controversial asbestos lawsuits. He also served as President of the American Association for Justice (formerly the Association of Trial Lawyers of America) in 2013.

LeBlanc and his firm, who were hired by Gov. Jindal to serve as special counsel in the state’s case against BP, have doled out hundreds of thousands of dollars to Democrats over the years, including to Senate Majority Leader Harry Reid and President Obama. Gov. Jindal is a rare Republican exception in their donor profile.

But the trial bar’s support for Gov. Jindal runs much deeper than just one prominent attorney. Campaign finance reports show Gov. Jindal collected more than $300,000 from trial lawyers between 2008–2014, with the bulk of those donations coming in the early days of his first term.

Attorney General James “Buddy” Caldwell

James “Buddy” Caldwell was first elected as Louisiana’s top lawyer in 2007 as a Democrat. In February 2011, he switched parties to join a growing number of Republicans across the state and was re-elected later that year without opposition. Throughout his second term, Caldwell has continued to receive significant support from the plaintiffs’ bar.

From 2008-2014, Louisiana Attorney General Buddy Caldwell received $234,000 from nearly 100 trial lawyers across the state.

AG OUTSOURCING

The role that private plaintiff’s lawyers play in state litigation has increased significantly in recent years under Louisiana Attorney General James “Buddy” Caldwell. But if the actions of the trial bar and Caldwell went completely unchecked, things could be even worse.

In the immediate aftermath of the 2010 Deepwater Horizon disaster, former Senate President Joel Chaisson (D-Destrehan) filed legislation that would have allowed the Attorney General to hire lawyers on a contingency fee basis. Rather than paying outside lawyers working on state litigation an hourly rate, SB 731 would have allowed private attorneys to pocket a large percentage of the award the state would almost certainly receive from the oil giant. Under the fee schedule originally proposed in legislation sponsored by Chaisson and supported by Caldwell, outside lawyers working on the state’s case against BP could have received more than $700 million.

Fortunately, the legislation was defeated, saving the state and taxpayers hundreds of millions of dollars. But this story serves as a cautionary tale of what could happen if lawyers and lawmakers are allowed to abuse the legal system for their own personal gain.
In 2015, as Caldwell seeks a third term in office, personal injury attorneys have so far contributed an additional $69,720 to the Attorney General’s campaign coffers, including $30,600 in contributions from trial lawyers who have benefited from state legal contracts.

Throughout his second term, Caldwell has been embroiled in a number of controversies stemming from his questionable practice of hiring outside attorneys to pursue litigation on behalf of the state, primarily relying on well-connected law firms that have donated tens of thousands of dollars to his political campaign.

For example, eight of the eleven law firms working for Caldwell on the state’s case against BP are among his top campaign contributors. In another case, campaign finance reports show five of the seven outside law firms hired by Caldwell to pursue a lawsuit against drug manufacturer GlaxoSmithKline are his campaign donors.

These cases are just two examples of the apparent “pay-to-play” system Caldwell has engaged in repeatedly over the years.

Together, Caldwell’s former campaign manager T. Allen Usry and E. Wade Shows, his former campaign treasurer, have benefited from more than thirty separate, highly lucrative contracts with the Attorney General’s Office since 2008.

In addition, The New York Times recently noted that outside plaintiffs’ firms partnering with Caldwell have made more than $54 million in legal fees since 2011.

**Trial Lawyers Infiltrate the Lafayette Parish Republican Executive Committee**

In April 2015, the Lafayette Parish Republican Executive Committee passed a resolution declaring its support for trial lawyers.

Sponsored by Republican trial lawyer W. Thomas Angers, who serves on the parish committee, the resolution reads in part:

> “WHEREAS, it is dishonorable for our party to attack a whole profession like it has done.
> 
> “WHEREAS, the unfounded attacks on the tort and personal injury laws and lawyers now has entered the realm of manipulating voters by playing on their emotions and prejudices.
> 
> “WHEREAS, it is a major political blunder for the Republican party to attack a whole class of citizens like lawyers, who are some of the most politically active and astute in the nation.
> 
> “WHEREAS, attacks on tort law and trial lawyers threatens our ability to build coalitions and electoral majorities ... 
> 
> “BE IT FURTHER RESOLVED, that the GOP should seek to build coalitions and electoral majorities by embracing tort laws and lawyers as part of its electoral platform and coalition.

Supporters of the resolution submitted it to the Republican State Central Committee for adoption; however, action on the resolution was deferred.
While the majority of lawsuit-industry contributions go to the Democrats, trial lawyers have also begun investing in key Republicans who support their agenda as well.

**BUNDLING TO DEFEAT THE SPIRIT OF CAMPAIGN FINANCE LIMITS**

Louisiana campaign finance laws limit individual contributions to a statewide candidate to $5,000 per individual per election. However, some personal injury lawyers use bundling to skirt the law to make loans and contributions far in excess of that.

In 2007, for example, during the election to decide Louisiana’s next attorney general, lawyers with the New Orleans-based personal injury law firm Usry, Weeks & Matthews loaned and contributed $85,000 to then-candidate Caldwell through the use of subsidiaries and family members, including the sons and wives of partners.

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<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>$85,000</strong></td>
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It appears those early investments in the Caldwell campaign paid off. Usry, Weeks & Matthews has been paid more than $7 million for work on the state’s case against BP, and the firm has received at least eleven other contracts to represent the attorney general’s office in state litigation.

Though technically legal, bundling violates the spirit of campaign finance laws, which were designed to prohibit wealthy special interest groups, such as trial lawyers, from exerting too much influence on the political process.
THE TRIAL LAWYER LOBBY

The Louisiana Association for Justice is a 501 (c)(6) nonprofit advocacy and lobbying organization that represents the interests of plaintiffs’ attorneys at the State Capitol.

Formerly known as the Louisiana Trial Lawyers Association, LAJ’s stated mission is to “seek fairness in the courts for the aggrieved and injured and work to uphold the honor and dignity of the civil justice system and the legal profession.”³xiv

Focused primarily on opposing lawsuit reform, the organization has traditionally been one of the Democratic Party’s most influential political allies, but recent trends demonstrate that the LAJ is also making strategic investments to infiltrate the Louisiana Republican Party as well.

LAJ is led by an elected board of officers and managed by a staff of 13 employees. The organization is also directed by an executive committee of attorney-members from around the state. At the Capitol, LAJ is represented by seven registered lobbyists, comprised of four contract lobbyists and three LAJ staff members.

Louisiana Association for Justice officers for the 2014-15 term are:

**PRESIDENT**

**STEPHEN J. HERMAN**  
New Orleans

**PRESIDENT-ELECT**

**P. CRAIG MORROW JR.**  
Opelousas

**IMMEDIATE PAST-PRESIDENT**

**DANIEL S. FOLEY**  
New Orleans

**CEO/EXECUTIVE DIRECTOR**

**SECRETARY/TREASURER**

**CONSTANCE KOURY**  
Baton Rouge

**CLE DEVELOPMENT & FUNDRAISING**

**LEAH GUERRY**  
Baton Rouge
In addition to LAJ lobbyists, some high-powered plaintiffs’ firms also have their own lobbyists at the state capitol.

The Baton Rouge-based law firm that serves as a driving force behind environmental litigation in Louisiana, Talbot, Carmouche, Marcello, is represented by lobbyist Dan Robbin.

Meanwhile, veteran lobbyist Alton Ashy represents three major plaintiffs’ firms: Baron & Budd, which specializes in asbestos and environmental litigation, the New Orleans-based firms Herman, Herman & Katz and the Law Office of Fred L. Herman, which primarily handle class action litigation.

The New Orleans-based firm Jones, Swanson, Huddell & Garrison, L.L.C. is represented at the Capitol by Randy Haynie, whose diverse client portfolio includes a large number of business interests.

LAJ is funded though a combination of membership dues, contributions, and revenue generated from events and fundraising activities such as sponsorships and hosting CLE conferences. In 2013, this powerful organization had an operating budget of over $2.5 million, much of which was dedicated to influencing Louisiana’s political system.

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**LAJ Lobbying And Political Expenditures**

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<tr>
<td>2012</td>
<td>$772,744</td>
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**Lobbying & Political Expenses**

**Total Expenses**

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**LAJ SPONSORS MAJOR FUNDRAISER FOR REPUBLICANS IN THE LEGISLATURE**

The Louisiana Association for Justice was one of the main sponsors of the 2015 Elephant Stomp, an annual fundraiser for the Louisiana Republican Legislative Delegation. Held at the Country Club of Louisiana in Baton Rouge, corporate sponsorships for this swanky event cost $6,000.
The August Group

The August Group is a political action committee formed in 2008 as a successor to the association’s previous PAC, Lawyers for Louisiana. It receives funding from plaintiffs’ lawyers and their firms and makes direct contributions to candidates and/or political campaign committees on behalf of the Louisiana Association for Justice.

LAJ President Stephen J. Herman serves as the PAC Chair and Dan Foley, LAJ’s Immediate Past President, serves as PAC Treasurer. From 2008-2014, The August Group contributed more than $132,200 to candidates and campaign committees in Louisiana. More than $74,000 of those contributions went to state lawmakers.

The August Group Campaign Contributions Over Time

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<thead>
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<th>Year</th>
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<tr>
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Citizens for Clean Water and Land PAC

Citizens for Clean Water and Land (CCWL) is a political action committee founded by Baton Rouge-based attorney John Carmouche, of Talbot, Carmouche & Marcello, and a small group of plaintiffs’ lawyers heavily involved in legacy lawsuits.

In 2012, CCWL raised more than $750,000 and spent more than 40% of that on independent expenditures in support of Louisiana Supreme Court 5th District candidate Jeff Hughes.

CCWL spent more than five times the amount otherwise raised by Hughes in his primary election—including more than $300,000 spent on a television advertising blitz that increased Hughes’ name recognition with voters in the final days leading up to the primary race. CCWL contributions also paid for radio ads, fliers, polls, and political consulting fees in support of Hughes’ candidacy.

After Hughes’ election to the state’s high court, the legacy attorneys then took the extra step of assisting Justice Hughes with the retirement of debt he incurred during his campaigns—to the tune of more than $84,000. This furious political activity took place while Carmouche and his associates had legacy cases pending before the Supreme Court.

Discussing the ethical challenges raised by CCWL’s role in the state Supreme Court race, UNO political science professor Ed Chervenak said the strategy behind the law firm’s dramatic plunge into politics should be obvious. “Raising a lot of money from just a very few individuals raises a lot of red flags. What’s your agenda here? And obviously their agenda is to get someone on the court who is more amenable to these legacy lawsuits,” Chervenak said.xxxv

Since the 2012 state Supreme Court race, CCWL has continued collecting funds, bringing the total amount raised to date to $835,595. A staggering 99% of those funds, or $835,000, came from just eight law firms, all of which specialize in filing legacy lawsuits.
WHAT ARE LEGACY LAWSUITS?

For more than a decade, this booming litigation racket has put millions of dollars into the pockets of aggressive lawyers and landowners who lodge environmental contamination complaints, many of which are unsubstantiated, against Louisiana oil and gas producers for activity that took place decades and sometimes a century ago. Economists estimate this niche sector of environmental litigation, which is unique to Louisiana, has cost the state thousands of jobs and billions in foregone investment. The legislature has passed a series of reform bills to improve the regulatory process for handling these lawsuits and to discourage the filing of frivolous claims, but challenges remain.

---

**Trial Lawyer Contributions to CCWL**

<table>
<thead>
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<th>Name</th>
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</thead>
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<tr>
<td>John H. Carmouche</td>
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<td>Victor Marcello</td>
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<td>Smith Stag LLC</td>
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<tr>
<td>Weeks &amp; Gonzales APLC</td>
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**Total: $835,000**

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**Gumbo PAC**

It is no surprise that super PACs are playing a huge role in the 2015 Louisiana election cycle. With the wide-open race to replace Gov. Bobby Jindal heating up, political donors are contributing millions of dollars to these new political action committees, which can raise unlimited sums of cash.

But some may be shocked to learn about the lengths that a few super-rich personal injury trial lawyers are going in an attempt to mask the depth and size of their influence on elections in Louisiana. Gumbo PAC and the Louisiana Water Coalition are the most recent examples of this misleading, but still legal, campaign strategy.

According to campaign finance reports filed with the Louisiana Ethics Administration, Gumbo PAC raised $222,000 from April-September 2015. Eighty five percent of that, or $190,000, came from just six law firms. In addition to the money these trial lawyers poured into the PAC, some provided in-kind contributions to pay for billboards and DC-based political consultants.

Clearly, Gumbo PAC is not a group that represents people of “varied backgrounds, industries and political philosophies” as its website claims.

By establishing innocuous sounding groups like Gumbo PAC, the Louisiana Water Coalition and the aforementioned Citizens for Clean Water and Land, the Louisiana trial bar is following a script written by millionaire personal injury lawyers in Texas. In 2012, Houston-based attorney Steve Mostyn, who made his fortunes from hurricane lawsuits, set up six ambiguously-named PACs, such as Texans for Insurance Reform and the Back to Basics PAC, among others. Mostyn used these PACs to funnel more than $10 million of his own cash into elections throughout the Lone Star State. A similar strategy is now playing out in Louisiana.
PHILLIP F. COSSICH, JR.
Cossich, Sumich, Parsiola & Taylor, LLC, Belle Chasse, LA

**GUMBO PAC CONTRIBUTION: $50,000**
Notable: Serves on the Plaintiffs’ Steering Committee in Deepwater Horizon litigation; this politically active firm also represents Jefferson and Plaquemines parishes in the environmental damages lawsuits filed against energy producers in 2013.

---

GORDON MCKERNAN
Gordon McKernan Injury Attorneys LLC, Baton Rouge, LA

**GUMBO PAC CONTRIBUTION: $50,000**
Notable: Personal injury firm primarily handling “crash cash” litigation with a massive media presence throughout the Baton Rouge area.

---

STEPHEN HERMAN
Herman, Herman & Katz LLC, New Orleans, LA

**GUMBO PAC CONTRIBUTION: $50,000**
Notable: Son of the infamous class action trial lawyer Russ Herman, Herman serves as co-lead counsel for the Plaintiffs’ Steering Committee in Deepwater Horizon litigation.

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PATRICK MORROW
Morrow, Morrow, Ryan & Bassett, Opelousas, LA

**GUMBO PAC CONTRIBUTION: $25,000**
Notable: Politically active “Super Lawyer” serves as a City Attorney for several cities in addition to representing plaintiffs in personal injury lawsuits and the state in pharmaceutical class actions.

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STEPHEN MURRAY, SR.
Murray Law Firm, New Orleans, LA

**GUMBO PAC CONTRIBUTION: $10,000**
Notable: Well-connected personal injury firm handling class action litigation and government-sponsored lawsuits.

---

THOMAS FILO
Cox, Cox, Filo, Camel & Wilson, Lake Charles, LA

**GUMBO PAC CONTRIBUTION: $5,000**
Notable: From automobile accidents to workers compensation claims and class action litigation, this politically active firm is a driving force behind many personal injury lawsuits in Louisiana.
Millionaire trial lawyer Don Carmouche, who has made a fortune off of controversial legacy lawsuits, is single handedly bankrolling a deceptively named super PAC that’s responsible for a series of ads attacking U.S. Senator and Republican candidate David Vitter in the 2015 race for governor.

According to campaign finance reports, the Carmouche law firm Talbot, Carmouche & Marcello made a $600,000 contribution and an additional $500,000 loan to the effort for a total $1.1 million investment in the Louisiana Water Coalition. As of the September 2015 filing deadline, the super PAC had spent $795,000 of its budget on TV and radio ads across the state. Vitter, who has been an outspoken proponent of legal reform, is the sole target of the advertising campaign.

As previously noted in this report, this is not the first time the Carmouche firm has resorted to misleading, hard-hitting campaign tactics to influence the outcome of a high-stakes election. In 2012, John Carmouche established a similar effort called the Citizens for Clean Water and Land. According to state records, Carmouche used that PAC to pump more than $300,000 into Justice Jeff Hughes’ successful campaign for a seat on the Louisiana Supreme Court. Carmouche and his firm have also personally contributed more than $264,000 to politicians across the state since 2009 when legacy lawsuit reform surfaced as a major issue at the Capitol.

This multi-year, multi-million dollar effort to steer elections is a clear indicator of just how far the Carmouche firm will go to protect its profits and advance its narrow, pro-lawsuit agenda.
CHAPTER 5
BILLIONS FLOWING TO TRIAL LAWYERS AS A RESULT OF THE BP SETTLEMENT; HOW WILL IT INFLUENCE FUTURE ELECTIONS?

The Plaintiffs’ Steering Committee (PSC) spearheading litigation stemming from the 2010 Deepwater Horizon Oil Spill is dominated by Louisiana lawyers.

Eight of the 18 attorney-members selected by U.S. District Judge Carl Barbier to serve on the PSC are from the Pelican State, including:

- Co-counsel Stephen J. Herman, Herman, Herman & Katz, New Orleans
- Co-counsel James Roy, Domengeaux, Wright, Roy, Edwards & Colomb, Lafayette
- Philip F. Cossich, Jr., Cossich, Sumich, Parsiola & Taylor, Belle Chasse
- Calvin C. Fayard, Jr., Fayard & Honeycutt, Denham Springs
- Matthew E. Lundy, Lundy, Soileau & South, Lake Charles
- Michael C. Palmintier, DeGravelles, Palmintier, Holthaus & Frugé, Baton Rouge
- Paul M. Sterbcow, Lewis, Kullman, Sterbcow & Abramson, New Orleans
- Conrad S. P. “Duke” Williams, Williams Law Group LLC, New Orleans

All of these plaintiffs’ attorneys are heavily involved in elections across the state, and they have all served or are serving in leadership roles with the Louisiana Association for Justice.

It is estimated the PSC stands to make more than $2.5 billion from client and negotiating fees when the process is complete.xxxviii That translates to an average of $138.89 million for each law firm on the PSC. Inevitably, a large portion of these massive fees will get channeled back to candidates at all levels of government enabling the already powerful trial bar to further increase its influence.

PSC member Calvin Fayard is a prime example of how this might play out. Fayard, who made a fortune off mass tort litigation in the 1980s and 1990s, has since used his legal profits to invest heavily in political candidates. State records show that from 2009 to 2012, Fayard, his firm, family members, and close associates donated a combined $814,000 to legislative, judicial and statewide candidates.xxxix

Large portions of those contributions were directed in support of his daughter, Caroline Fayard, in her unsuccessful bid to become Lt. Governor. Interestingly, Fayard used a favorite trial lawyer tactic of sidestepping campaign finance limits by giving $675,000 to the Louisiana Democratic Party, which quickly turned around and purchased advertisements in the same amount to support Caroline Fayard’s campaign. Louisiana law limits individuals to a maximum contribution of $5,000 to candidates for statewide office. However, individuals can contribute as much as $100,000 to political parties, and party contributions to candidates are unlimited, thus allowing Fayard to use his firm and family members to funnel massive sums of cash through the state Democratic Party to his daughter. It is illegal to earmark donations to a state party for a specific candidate, and the Louisiana Ethics Administration investigated the Fayard money-funneling scheme, but no formal charges have been filed to date. As part of his campaign donation strategy, Fayard’s wife has also been found to use her maiden name to make large contributions, in an apparent attempt to obscure the source of the funds.

But the political largesse demonstrated by this nouveau riche trial lawyer class stretches far beyond Fayard.

As previously noted in the report, two other PSC firms, Herman, Herman & Katz and Cossich, Sumich, Parsiola & Taylor, have contributed a combined $100,000 to Gumbo PAC in an attempt to influence the outcome of the race for governor.
Excessive jury verdicts, unpredictable courts and unfair laws have long been a problem in the Pelican State. But in recent years, the plaintiffs’ bar has significantly expanded its influence over Louisiana politics—collectively spending more than $8.5 million from 2008-2014 to steer elections and defeat reform legislation at the Capitol.

The growing influence of the trial bar represents a significant threat to Louisiana’s business community and to the energy industry in particular. Over the last decade, trial lawyers have made millions of dollars suing thousands of companies by lodging environmental complaints backed up with little or no evidence.

In addition, dozens of new government-sponsored lawsuits have been filed in recent years targeting hundreds of oil and gas companies seeking billions of dollars to restore Louisiana’s coastline.

In recent years, trial lawyers have also successfully killed legislative reforms that would have:

- Limited or reduced meritless claims for environmental damage in legacy lawsuits.
- Increased transparency and accountability in our courts.
- Prevented abusive “double dipping” in asbestos and exposure cases, which ultimately preserves money for individuals who are truly injured.
- Established proper venue and discouraged forum shopping in civil litigation.
- Eliminated the $50,000 barrier to obtaining a jury trial in Louisiana.

Taken together, these actions reflect an unrelenting, all-out assault by plaintiffs’ lawyers on individuals and businesses that provide thousands of high-paying jobs for Louisianans and contribute billions in tax revenue.

In this context, it is more important than ever before to keep a watchful eye on the political activities of the plaintiffs’ bar. This powerful special interest group is expending unprecedented resources to support candidates and legislation to expand the boundaries of civil liability in Louisiana.
**APPENDIX A**

Contribution of Louisiana’s Top 100 Political Contributors from 2009–2012

*Ranked by Industry:*

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>CONTRIBUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trial Lawyers</td>
<td>$2.91 million</td>
</tr>
<tr>
<td>Other</td>
<td>$2.4 million</td>
</tr>
<tr>
<td>General Business Industry (LABI)</td>
<td>$2.28 million</td>
</tr>
<tr>
<td>Engineering/ Construction/ Architecture</td>
<td>$1.85 million</td>
</tr>
<tr>
<td>Unions</td>
<td>$1.63 million</td>
</tr>
<tr>
<td>River Pilots</td>
<td>$1.5 million</td>
</tr>
<tr>
<td>Defense Law Firms</td>
<td>$1.48 million</td>
</tr>
<tr>
<td>Other Association PACS</td>
<td>$1.37 million</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1.3 million</td>
</tr>
<tr>
<td>Medical</td>
<td>$1.23 million</td>
</tr>
<tr>
<td>Nursing Home Industry</td>
<td>$1.09 million</td>
</tr>
<tr>
<td>Insurance Industry</td>
<td>$1.04 million</td>
</tr>
<tr>
<td>Alcohol, Tobacco &amp; Casinos</td>
<td>$963,779</td>
</tr>
<tr>
<td>Shipping/ Maritime</td>
<td>$946,970</td>
</tr>
<tr>
<td>Energy</td>
<td>$820,101</td>
</tr>
<tr>
<td>Lobbyists</td>
<td>$665,990</td>
</tr>
<tr>
<td>Real Estate Development/ Investment</td>
<td>$538,975</td>
</tr>
<tr>
<td>Landfill/ Garbage Disposal</td>
<td>$488,330</td>
</tr>
<tr>
<td>Chemical Industry</td>
<td>$483,025</td>
</tr>
<tr>
<td>Bankers</td>
<td>$363,322</td>
</tr>
<tr>
<td>Realtors</td>
<td>$358,300</td>
</tr>
</tbody>
</table>

*Political spending by state political parties and politicians that self financed their own campaigns are excluded from this list.*
# Appendix B

## Top 25 Trial Lawyers Contributing to State Lawmakers 2008–2014

<table>
<thead>
<tr>
<th>Trial Lawyer</th>
<th>Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talbot, Carmouche &amp; Marcello</td>
<td>$139,750</td>
</tr>
<tr>
<td>Herman, Herman, Katz &amp; Cotlar</td>
<td>$128,250</td>
</tr>
<tr>
<td>Glenn Armentor</td>
<td>$94,490</td>
</tr>
<tr>
<td>The August Group</td>
<td>$74,300</td>
</tr>
<tr>
<td>Cossich, Sumich, Parsiola &amp; Taylor</td>
<td>$72,650</td>
</tr>
<tr>
<td>Bruno &amp; Bruno</td>
<td>$52,250</td>
</tr>
<tr>
<td>Morrow, Morrow, Ryan &amp; Bassett</td>
<td>$52,000</td>
</tr>
<tr>
<td>Jack Bailey</td>
<td>$48,500</td>
</tr>
<tr>
<td>Fayard &amp; Honeycutt</td>
<td>$45,750</td>
</tr>
<tr>
<td>Barker, Boudreaux, Lamy &amp; Foley</td>
<td>$44,500</td>
</tr>
<tr>
<td>Chaisson &amp; Chaisson</td>
<td>$39,080</td>
</tr>
<tr>
<td>Baron &amp; Budd</td>
<td>$39,000</td>
</tr>
<tr>
<td>Veron, Bice, Palermo &amp; Wilson</td>
<td>$38,400</td>
</tr>
<tr>
<td>Due, Price, Guidry, Piedrahita &amp; Andrews</td>
<td>$30,350</td>
</tr>
<tr>
<td>Dodson Hooks</td>
<td>$28,800</td>
</tr>
<tr>
<td>Cummings, Cummings &amp; Dudenhefer</td>
<td>$28,250</td>
</tr>
<tr>
<td>Jones, Swanson, Huddell &amp; Garrison</td>
<td>$28,000</td>
</tr>
<tr>
<td>Degravelles, Palmintier, Holthaus, Fruge</td>
<td>$26,950</td>
</tr>
<tr>
<td>Murray Law Firm</td>
<td>$26,700</td>
</tr>
<tr>
<td>Leger &amp; Shaw</td>
<td>$26,500</td>
</tr>
<tr>
<td>Smith Stag</td>
<td>$26,200</td>
</tr>
<tr>
<td>Landry, Swarr &amp; Cannella</td>
<td>$25,750</td>
</tr>
<tr>
<td>Henry Braden</td>
<td>$25,150</td>
</tr>
<tr>
<td>Martzell &amp; Bickford</td>
<td>$25,100</td>
</tr>
<tr>
<td>Rebecca Cunard</td>
<td>$24,250</td>
</tr>
</tbody>
</table>