Summary: The Environmental Working Group claims to “expose threats to your health and the environment.” However, its shoddy research and shady tactics serve another purpose—helping trial lawyers get rich by suing big business like Monsanto and DuPont.

The Environmental Working Group (EWG) has an influence that is far out of proportion to its relatively small annual budget of around $2 million. It has its fingers in many pies: it fights farm subsidies and industrial companies and it engages in dozens of legal and policy battles over health and environmental issues, always with an eye to attracting public attention.

When members of the press write about the Environmental Working Group, they generally treat it as a benign truth-teller with no ideological axe to grind. The group, reports the Chronicle of Philanthropy, “has acquired a reputation for producing reports that often combine extensive research and sophisticated data analysis with a flair for finding the human-interest element that can animate their presentation of a particular environmental policy issue.”

What’s generally not known about the EWG is its close relationship with trial lawyers. Over the past four years, EWG has got hold of documents obtained during the discovery process by trial lawyers suing corporations. It then posts the documents on the Web and alerts friendly journalists, who access them for critical stories they write about the lawsuits and the defendants. The effect, of course, is to influence public opinion and public policy. The stories may also affect the juries in these cases, which frequently side with the plaintiffs.

How does the process work? Here are two case studies showing how EWG worked hand-in-glove with trial lawyers in lawsuits against two of America’s biggest corporations—Monsanto (later Solutia) and DuPont. These case studies show that the Environmental Working Group is far from the benign truth-teller it pretends to be.

Chasing Monsanto

Of all the class actions in which the Environmental Working Group has been involved, by far the largest was a class-action lawsuit by residents of Anniston, Alabama, against Monsanto and its successor, Solutia. The suit charged that between 1929 and 1971 the firm had fouled the water, air, and soil of that city with PCBs (referring to polychlorinated biphenyl, a family of industrial compounds). PCB production was banned in 1979 after regulators found that the chemical accumulates in animal tissue with carcinogenic effects.

Two class-action suits against Monsanto were settled in 1999 for $2.5 million and $43.7 million, and a third was settled in 2001 for $42.7 million. In 2002 the Anniston plant was making chemicals used in Tylenol.

In January 2002 the Environmental Working Group fed to the Washington Post and the St. Louis Post-Dispatch documents that were obtained during the discovery process

Chasing DuPont

The DuPont Washington Main Works Plant on the Ohio River. A lawsuit filed on behalf of nearby Parkersburg, West Virginia residents claims DuPont misrepresented the alleged dangers of a chemical processing agent used at the plant.
in a fourth Monsanto class-action suit, Abernathy v. Monsanto. (Monsanto’s corporate headquarters was in St. Louis.) The documents, EWG’s Mike Casey told the Washington Post, showed “a corporate culture of deceiving the public.”

The front-page stories based on the EWG reports appeared on January 1 and January 6, 2002—just days before a jury began to hear the Abernathy suit. While the stories mostly reported the trial lawyers’ side of the story, they did attempt to provide some balance. The Washington Post’s Michael Grunwald, for example, stated, “[N]o one has found a link between PCBs and any cancer as definitive as the link between, say, cigarettes and lung cancer. A recent GE-funded study—conducted by the same toxicologist who originally discovered that PCBs cause cancer in rats—found no link to cancer in humans. And some independent scientists remain skeptical of any serious health effects from real-world PCB exposure.”

Solutia director of environmental affairs Robert Kaley told the St. Louis Post-Dispatch that Monsanto was “the first company that ever had to deal with an environmental chemical. We had a product that was a good product, a product that was saving lives in the electrical industry. It wasn’t something we just wanted to throw away. You looked at [loss of] profits; that’s what businesses do. That was the reasonable thing to do. But when push came to shove, we took what I think were very responsible positions.”

In February 2002 the jury that heard the Abernathy suit reached its verdict. Monsanto, it concluded, was not only guilty; it had conducted itself in a way that was “so outrageous in character and extreme in degree as to go beyond all possible bounds of decency so as to be regarded as atrocious and utterly intolerable in civilized society.” Solutia’s stock fell to $5.80 a share, a 59 percent drop from the $14.02 the firm’s stock was trading at before the EWG-planted stories broke.

While Solutia appealed the Abernathy decision, a fifth class-action suit against Solutia wended its way through federal courts. Tolbert v. Monsanto was far larger than the earlier suits; there were 14,000 members of the Tolbert class, while Abernathy had 3,500 members. And Tolbert was a federal suit, whereas Abernathy was tried in state courts.

While the Tolbert case was continuing, the EWG anti-Monsanto documents were the basis of a “60 Minutes” television program segment broadcast in November 2002. Here is how “60 Minutes” reporter Steve Kroft used the EWG documents to confront Solutia CEO John Hunter. Kroft repeated the Abernathy jury’s finding that Monsanto’s dumping was “outrageous in character.”

KROFT: I’ve never heard a finding like that before.

HUNTER: I don’t know what influenced the jury in their finding.

KROFT: I think the fact that there were documents going back showing that the company knew it was toxic, that it has possible effects on humans, and yet continued to dump large quantities of it in the streams and creek beds was one of the reasons.

HUNTER: Steve, there are a lot of documents in the trial, and as I have said, I can’t speculate on all of those documents or what decision process led to those documents. What I do know is that we’re committed to cleaning up the PCBs.

The Environmental Working Group was not content to let the Tolbert jury render its verdict solely on the basis of decades-old documents. In June 2003, the EWG announced that an agreement the Environmental Protection Agency had made with Solutia had been watered down. EWG produced internal EPA documents charging that a provision in the agreement was removed after a draft of the consent agreement was sent from EPA regional headquarters in Atlanta to Washington. The provision would have had Solutia pay for health care for Anniston residents with high PCB levels as well as requiring Solutia to pay for a major health screening of Anniston residents. EWG president Ken Cook told the Birmingham News that the EPA-Solutia deal, “negotiated in secret, seems to us to have severely weak-

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to influence a witness.” Justice Department spokesman Blain Rethmaier said that Weinischke was having “an open and frank discussion” about the facts of the EPA settlement. Weinischke’s telephone call was disclosed during MacGillivray’s testimony, and the judge took no action.

Around this time, the Abernathy case (a state case) and the Tolbert case (a federal case) were consolidated. After the creation of this megacase, the plaintiffs’ counsel, the Montgomery, Alabama firm of Beasley, Allen, Crow, Methvin, Portis & Miles (headed by former Alabama lieutenant governor Jere Beasley) brought in a co-counsel: Johnnie L. Cochran.

In October 2003, shortly before the case was scheduled for trial, Solutia and the plaintiffs of the Tolbert and Abernathy cases reached a deal: a combined settlement of $700 million. Solutia admitted no wrongdoing, and because the Tolbert case was never tried, a jury never found whether or not the Monsanto-produced PCBs ever caused the Anniston cancers. Of this sum, $300 million went to Abernathy victims (and their lawyers) and $300 million to Tolbert victims (and their lawyers); $100 million from the Abernathy portion of the settlement was put aside for community health clinics and other local programs.

“The fact that this is the largest judgment of its kind in U.S. history,” Cochran told Jet magazine. “It’s more than twice what they got in the similar case against Pacific Gas & Electric in that Erin Brockovich movie. They got around $300 million.”

Solutia, Cochran added, “knew that I was prepared to go to court. I’m committed to fighting these corporate giants. They came in and sat down at the table and it took three months. The word has gotten out that I don’t play!”

As in most class-action suits, the big winners were trial lawyers, who received massive contingency fees. Eight law firms split a $120 million pot, with the largest winners being Beasley Allen ($34 million) and the Cochran Law Firm ($29 million).

In March 2004, Circuit Court Judge Joel Laird ordered an additional $856,000 withheld from the payments to 125 members of the Abernathy class to be used for unpaid child support and court-ordered restitution plans. One of the plaintiffs had $58,000 withheld by the courts.

After the court-ordered withholdings as well as the lawyers’ fees, some of the plaintiffs received less than a thousand dollars from the Tolbert decision. A few angry plaintiffs vented their rage at the people responsible for the decision. David Baker, head of the Anniston-based Communities Against Pollution, helped organize the lawsuit. His reward, he told the Atlanta Journal-Constitution, was death threats from plaintiffs who were convinced that he was responsible for the high contingency fees.

“I was one of the claimants, and I didn’t get a whole lot myself,” Baker said. “So, I’m asking that people stop making death threats against me.”

In November 2004, Judge Laird dismissed two lawsuits from plaintiffs attempting to sue Tolbert lawyers for a share of the contingency fees. Judge Laird was forced to clear the courtroom after outbursts from some of the plaintiffs. Two of the plaintiffs were arrested.

“Tolbert is the most ungrateful community I’ve ever seen,” Judge Laird said after the courtroom was cleared.

As for Solutia, the costs of the Tolbert decision as well as mounting pension costs forced the company into bankruptcy in December 2003, even though the firm had nearly $3 billion in assets. Solutia remains in Chapter 11 today, although in July 2005 the firm announced that it might emerge from bankruptcy thanks to aid from Monsanto.

CRC President Terrence Scanlon wrote in the Charleston Daily Mail, “I studied the Teflon issue” when at the Consumer Product Safety Commission and “the health and safety issues were unfounded then and are unfounded now.”

At issue is a chemical processing aid, perfluorooctanoic acid, known either as PFOA or C8. (I will refer to it as “C8” throughout.) Does C8 leach into the environment and cause harm to people, as its opponents allege?

The battle was launched in March 2003, when reporter Michael Hawthorne, then of the Columbus Dispatch, wrote a front-page story about documents obtained in a class-action suit filed in Wood County, West Virginia against DuPont; the lawsuit was filed on behalf of thousands of residents of Parkersburg, West Virginia, the location of a DuPont plant. The article used the documents to charge that DuPont knew that C8 was hazardous and had leached into the water supply, and that the company made no attempt to stop C8 discharges.

Hawthorne also quoted internal DuPont documents that showed that the company considered one-part-per-billion of C8 in drinking water a safe level. In 2002 the West Virginia Department of Environmental Quality had declared that 150 parts per billion of C8 in the water supply was acceptable.

There’s no evidence that the Environmental Working Group supplied this first group of DuPont documents to Hawthorne. But the story did quote EWG senior vice president Richard Wiles, who took the opportunity to denounce West Virginia’s environmental regulators for setting too high a limit for C8 discharges. West Virginia, Wiles said, “used selective science to mislead the public. They appear to have come down on the side of being less protective of public health and more protective of DuPont.”

Shortly after this, EWG petitioned the EPA to invoke section 8(e) of the Toxic Substances Control Act, which allows the EPA to punish corporations that fail to report information about toxic substances to the agency. The EWG asked the EPA to fine DuPont $25,000 per day for allegedly not reporting information about C8 water discharges to the EPA for 17 years.
As part of its campaign, EWG released a draft risk assessment from the EPA on C8. The draft assessment said “there remains considerable uncertainty regarding potential risks” of C8 and that the EPA should “soon announce a series of aggressive steps” to find out how risky C8 was. Richard Wiles declared that the draft showed that EPA “is on the right track, but it’s [C8] even more toxic than the EPA is saying. This confirms the concerns of the people around Parkersburg that [C8] is more toxic than DuPont says it is. EPA has confirmed that DuPont is wrong.”

DuPont vice-president Richard J. Angiullo responded that C8 “has been used safely for more than 50 years with no known adverse effect to human health.” He also noted that the EPA risk assessment draft “is clearly marked by EPA as an ‘internal deliberative draft’ that should not be cited or quoted. Clearly, this document has not been subject to full EPA review.”

In July 2004 the Environmental Protection Agency filed suit against DuPont. DuPont, the agency declared, was guilty of “multiple failures to report information to EPA about substantial risk of injury to human health or the environment from a chemical during a period beginning in June of 1981 through March of 2001.” The fine under the Toxic Substances Control Act—as much as $25,000 per day for violations before January 30, 1997, and $27,500 for violations after that—could have amounted to as much as $300 million. (The EPA and DuPont settled in May 2005 for a sum neither side disclosed, though DuPont admitted it had set aside $15 million to pay the potential fine.)

When releasing its second-quarter earnings report in July 2004, DuPont announced that it was setting aside $45 million to pay for the costs of settling the West Virginia suit. But the company would need more money. DuPont settled in September 2004, one month before the suit was to come to trial. Under the settlement, DuPont agreed to pay $70 million in cash (including $20 million for unspecified “health and education projects”), pay $22.6 million in legal fees for the plaintiffs, build a water treatment plant valued at $10 million, and spend $5 million to create an independent panel to investigate whether C8 caused birth defects or other diseases. If the panel found that C8 caused diseases in people, DuPont would spend an additional $235 million on medical monitoring for the 50,000 members of the class. Plaintiffs would be free under the settlement to file personal injury suits for any diseases caused by C8. It in all likelihood will be several years before the independent panel created as a result of the Wood County class action suit completes its findings.

DuPont general counsel Stacey J. Mobley told the Charleston Gazette “settling the lawsuit in no way implies any admission of liability on DuPont’s part.” However, EWG’s Ken Cook said “DuPont wouldn’t have settled for $342 million…if company officials didn’t think they were guilty of polluting local tap water and the people themselves.”

Because the suit was settled before it ever went to trial, a jury never determined whether or not C8 caused cancer or birth defects. Skeptics have argued that a link could not be made between C8 and disease because no link exists. Capital Research Center president Terrence Scanlon served as chairman of the U.S. Consumer Product Safety Commission (CPSC) during the Reagan Administration. In March 2005, he wrote an op-ed for the Charleston Daily Mail in which he stated, “I studied the Teflon issue” when at the CPSC and “the health and safety issues were unfounded then and are unfounded now.”

Scanlon observed that one fundamental rule of toxicology was “the dose makes the poison,” and that EWG and its trial-lawyer allies were detecting extremely low doses of C8—four parts per billion, or the equivalent of “a shot glass…spread among 250 railroad tankers of water. That’s still a negligible concentration, and within government safety standards.”

This August the University of Pennsylvania’s Edward Emmett released his findings in an independent study. While Emmett found that residents who lived near the Wood County DuPont plant did have C8 levels of between 270-300 parts per billion in their blood, “people with high C8 levels did not have high levels of any other blood tests (such as cholesterol, liver, kidney or thyroid tests) or a medical history of thyroid or liver disease.”

Emmett also noted results from residents of Washington County, Ohio, located across the river from the Wood County plant. “The rate of cancer in Washington County, reported by the Ohio Department of Health, is no higher than any other county in the state,” Emmett reported.

In June, an early draft released by a scientific advisory panel of the EPA recommended that the agency declare C8 a “likely carcinogen.” As of this writing, EPA administrator Steven Johnson has not made such a declaration, and subsequent public discussions of the advisory panel showed no consensus on the recommendation. Richard Wiles declared the panel’s decision “huge,” while DuPont spokesman R. Clifton Webb told the Washington Post that “to date, no human health effects are known to be caused by PFOA [C8], even on workers who have significantly higher exposure levels than the general population.” The EPA’s scientific advisory panel is expected to produce another draft soon.

Trial lawyers are pursuing two class action suits involving C8. In one suit, plaintiffs in Cottage Grove, Minnesota and Decatur, Alabama, are suing 3M, which
produced C8 in these two cities. Among the plaintiff law firms in the suit: Beasley Allen, one of the firms involved in the Solutia suit.

The second class-action suit concerns whether or not Teflon gives off cancer-causing gases when it is subject to high heat for an extended period of time. DuPont scientist Dave Boothe told the San Francisco Chronicle this June that “you get more toxic fumes from the food you’re cooking than from the pans themselves.” At most, according to Boothe, consumers who cook in a Teflon pan heated to over 570 degrees for a long period of time might get mild flu-like symptoms—not exactly normal kitchen conditions.

The EWG claims that more gases are emitted from Teflon at lower temperatures.

“There is no hard evidence that Teflon-coated cookware—or any other products that incorporate Teflon, from clothing to cleansers to fast-food packaging—pose the same threat” as C8, the New York Times noted this July. But this hasn’t stopped two Florida law firms from launching a multi-state $5 billion lawsuit against DuPont, charging that the firm sold Teflon-based products produced with C8 for years without warning consumers. “The class of potential plaintiffs,” attorney Alan Kluger told the New York Daily News, “could well contain almost every American that has purchased a pot or pan coated with DuPont’s nonstick coating.” DuPont responded that “cookware coated with nonstick Teflon coatings” does not contain C8. That hardly deter Antis Kluger, for whom logic is of little value; he astonishingly admitted to the Associated Press, “I don’t have to prove that it causes cancer. I only have to prove that DuPont lied in a massive attempt to continue selling their product.” And of course, with the EWG sullying DuPont’s name in the press, a jury just might buy that.

**Quid pro quo?**

As was noted in the January 2004 Organization Trends, the findings of EWG reports on arsenic, asbestos, vehicles, and anything likely to engender a personal injury lawsuit have appeared on InjuryBoard.com and other online organs that trial lawyers have created to solicit class members. Trial lawyers benefit greatly from EWG’s slanted research, and EWG in return benefits from those trial lawyers. Tort-reform advocate and Manhattan Institute senior fellow Walter Olson noted on his website, overlawyered.com, that the Association of Trial Lawyers of America (ATLA) paid for EWG’s advertisements (dealing with the effects of gasoline additives) in the Beltway newspapers Roll Call and The Hill in 2003. EWG’s website acknowledges this openly, even if the ads neglected to mention it. Furthermore, Olson reported that a 2004 EWG report purporting to show a rise in asbestos-related disease—a boon for personal injury lawyers—according to EWG’s own website, “would not have been possible without the financial, intellectual and material support of the Association of Trial Lawyers of America” in the form of “a grant in the amount of $176,000… to the EWG Action Fund.” It was a wise investment for ATLA.

In April 2005 Pennsylvania Senator Arlen Specter introduced a bill that would create a national trust fund for awards in asbestos suits—and cap attorneys’ fees at 5 percent. ATLA announced its opposition to the bill on the pretense that the $140 billion fund would be deficient in light of an alleged increase in asbestos-related disease; it cited—you guessed it—the EWG report. The Minneapolis Star-Tribune (June 5, 2005) also reported that EWG has aired national TV ads opposing the bill, to the tune of $3 million, also “financed by trial lawyers.” This should cast other EWG reports benefiting trial lawyers in a different light.

**Conclusion**

One good question that reporters should ask when they think about class-action lawsuits is “Cui bono?”—Who benefits? Does a lawsuit benefit consumers scared by a tiny risk (if any) that using their Teflon-coated frying pan at a very high heat might give them cancer? Would their risk be less or more if they switched from Teflon to using more cooking oil that could more easily cause a kitchen fire?

And what about class action suits? Did the plaintiffs who had to be thrown out of Judge Joel Laird’s courtroom think they benefited? Clearly, when they tried to sue their own lawyers they signaled that the real winners were the trial lawyers, who made tens of millions of dollars.

Journalists and consumers ought to treat the Environmental Working Group’s analysis with more skepticism. Here’s a fundamental question that every journalist ought to ask EWG spokesmen during interviews. Is the Environmental Working Group taking a particular position because it’s the right thing to do? Or is it taking a side that will make its trial-lawyer allies rich?

Martin Morse Wooster is a visiting fellow at the Capital Research Center.

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1When Monsanto merged with Pharmacia in 1997, it spun off its chemical business as Solutia. In 2002, Pharmacia merged with Pfizer, and the agricultural divisions of the two companies were spun off as a second company named Monsanto. I refer to “Monsanto” when discussing activities at the Anniston plant prior to 1997 and “Solutia” to refer to activities at the plant since then.
On October 27 the U.S. House of Representatives passed the Federal Housing Finance Reform Act of 2005 (HR 1461), which will bar nonprofits from receiving federal money from a new housing fund if they have lobbied or engaged in advocacy (including voter registration) within one year of applying for a grant. Republicans inserted the language into the bill in response to the voting irregularities—including registration of such voters as Dick Tracy, Mary Poppins, and Jive Turkey, Sr.—allegedly connected to voter registration drives by such groups as ACORN and NAACP. Those groups vocally opposed the measure. So did Democratic Rep. Barney Frank; maybe Mr. Turkey is one of his constituents.

On November 14, the CBS program “60 Minutes” profiled the eco-terrorist group Earth Liberation Front (ELF). Particularly chilling were the comments of ELF’s spokesman, Dr. Jerry Vlasak. Vlasak told interviewer Ed Bradley, “I think people who torture innocent beings should be stopped. And if they won’t stop when you ask them nicely, they won’t stop when you demonstrate to them what they’re doing is wrong, then they should be stopped using whatever means necessary.” In his October 26 testimony before the Senate Committee on the Environment and Public Works, the good doctor made similar comments, telling Senator James Inhofe that murdering those who harm animals is a “morally justifiable solution.” While this exposé was welcome, “60 Minutes” did not investigate the radical group’s funders and ties to supposedly “reputable” animal-rights groups, including People for the Ethical Treatment of Animals (PETA), which donated $1,500 to ELF in 2001.

On November 9 the Washington Post ran a puff piece on Nan Aron, president of the liberal Alliance for Justice, one of the leading judicial activist groups gearing up for a fight over the nomination of Judge Samuel Alito to the U.S. Supreme Court. As an example of her single-mindedness, the article notes that Aron was so consumed by the fight over Chief Justice John Roberts’s nomination that she forgot to feed the 20 goldfish and koi in the pond of her Washington, DC home. PETA has yet to release a statement on Ms. Aron’s victims.

The October 31st edition of Forbes magazine contained an interview with former Greenpeace executive director Paul Gilding, “a former Maoist unionist,” who “now believes, ‘If you want to change the world, save it through markets.’ He openly admits to having a mind changing epiphany years ago that, ‘business guys aren’t so evil after all.’” And all it took was for big business to pay him handsomely to green their companies! Well, Gilding himself may not be so evil after all.

The Provo, Utah Daily Herald reported on November 9 that the Center for Biological Diversity, “representing five other environmental and conservation groups, has petitioned the secretaries of the interior and agriculture to change grazing fee regulations to reflect fair market value of government grass.” But don’t get the wrong idea—it’s not any regard for the free market that motivates these environmentalists. They see a price-jump as justified deterrence. One spokesman for CBD warned against the supposed results of cattle grazing: “Impaired watersheds, accelerated erosion, invasive weeds, and degraded habitat for wildlife.” Cattle, it seems, aren’t eco-friendly.

Word has been spreading about Project VESA: Victims of the Endangered Species Act. Its website, www.vesa.tv, states, “Environmentalists claim that no humans have been hurt by the ESA. We know better.” It urges anyone—ranchers, farmers, homeowners—to share their stories.

Environmental Defense is asking, “Have you seen an endangered species?” Its website urges supporters to share inspiring stories: “As we prepare to meet with key senators [to fight the reformed Endangered Species Act], your story will help us illustrate how much Americans care about endangered species.” How likely is the average environmentalist—or anyone else—to see an endangered species if it’s so rare? With any luck, greens everywhere will be too busy trying to catch a glimpse of stump-tailed Macaques to fight the improved ESA.

PETA has attacked the World Wildlife Fund, launching a website called WickedWildlifeFund.com. At issue is the WWF’s pressure on governments worldwide to require greatly increased testing of new and existing pesticides. The problem is that the tests would be conducted on animals. Don’t mind the animals, it’s the increased government regulation that’s a greater threat. Still, it will be fun to see how this animal-rights catfight plays out.