

US Law Week

March 23, 2023, 5:05 AM EDT

# Marines, Toxic Water and Lawyers: A Fight Over Billions in Fees

By Kaustuv Basu

Deep Dive

**Related Stories** [Veterans, Others Begin Suing Under New Camp Lejeune Injury Law](#) [Camp Lejeune Lawsuit Chaos Is Threatened By Obscure NC Rule](#) [Camp Lejeune Ads Surge Amid 'Wild West' Of Legal Finance, Tech](#) [Camp Lejeune Legal Fees Under Fire As Veterans' Claims Spike](#)

Feb. 13, 2023, 12:15 PM EST

Feb. 2, 2023, 5:30 AM EST

Jan. 30, 2023, 5:02 AM EST

December 29, 2022, 5:00 AM EST

- Caps on fees removed amid wave of lobbying, campaign donations
- US payout to vets and their families could top \$21 billion

A small South Carolina law firm angling to be the lead litigator in the Camp Lejeune toxic water cases spent \$1.9 million lobbying US lawmakers in the last two years, as Congress approved a multibillion-dollar payout to sickened veterans that dropped a provision to limit the fees their lawyers could charge.

The spending by Bell Legal Group to pass the Camp Lejeune Justice Act appears to be the most on lobbying by any self-identified law firm in the past five years.

Bell's founder and senior partner says he expects the firm to represent as many as 1,000 people in just the first wave of cases, and ultimately many more—a tally that could potentially net the 13-lawyer firm hundreds of millions of dollars.

The effort reflects the money and behind-the-scenes jockeying to shape a case that could rival the largest mass tort cases in history, and generate billions worth of legal fees. Hundreds of thousands of veterans and their relatives exposed to cancer-causing drinking water on the North Carolina Marine base are expected to file claims. Law firms and legal marketing agencies spent more than \$145 million on advertising last year in a bid to recruit them.

The bill lawmakers passed last summer acknowledged the government's culpability and had an estimated price tag of \$6.1 billion. The Congressional Budget Office says that total could balloon in later years by another \$15 billion.

An initial version of the legislation by Rep. Matt Cartwright (D-Pa.) barred lawyers from charging fees greater than 25 percent of any payout. That proposed cap was gone by the time the bipartisan bill became law, but lawmakers aren't done with the issue.

Citing reports of lawyers demanding 40 percent or more, members of Congress are pressing to reinstate the caps. Sen. Dan Sullivan (R-Alaska) has proposed a 17% limit; a bill from Rep. Jerry Nadler (D-N.Y.) would set the maximum at 33.3%.

J. Edward Bell III, the founder of the Bell Legal Group, acknowledged lobbying against fee caps in the legislation. He said he wouldn't object to such limits on cases resolved outside the court system, but that lawyers should be allowed to collect 40% of the payouts that come from litigation.

Bell said he has spent as much as \$15 million and more than a decade on behalf of Camp Lejeune veterans, including meeting with more than 200 members of Congress. "If there's anyone who owns this bill, I do. This would have never happened without our little group working like this," Bell said.

### **A decades-long battle**

Enacted as part of the Promise to Address Comprehensive Toxics Act, a broader law designed to respond to veterans' health care concerns, the Camp Lejeune Justice Act requires veterans, workers or others who believe they were poisoned by toxic waters on the base between 1953 and 1987 to register a claim with the Department of Navy by August 2024.

The Navy promises a ruling within six months; those denied or unsatisfied with the outcome of their claim can sue in the Eastern District of North Carolina.

Between October and mid-March, the Navy had logged about 22,000 claims, and court officials in North Carolina say they are bracing for a wave of related lawsuits. More than 300 have been filed so far.

The base started sampling drinking water for harmful chemicals in the early 80s and shut down 10 wells by 1985. Four years later, the Environmental Protection Agency deemed Camp Lejeune's water had been poisoned by sources that included waste disposal from a dry cleaner near the base.

## Camp Lejeune Toxic Water Timeline



Source: ATSDR, U.S. Marine Corps

**Bloomberg Law**

Studies and public health assessments over the next decade and a half raised more questions over the scope of contamination and its possible impacts, including stillborn births, Parkinson's disease and cancer in adults and children. In some cases, multiple members of the same family were sickened, lawyers say.

Individual veterans sued the government with mixed success. In 2019, a judge threw out a class-action over Camp Lejeune contamination, ruling that the statute of limitations for the claims had expired under state law.

"We were told by the Department of Navy and others, in order to prevail and in order to have at least a chance of going to court, we have to change the laws," said Bell, who was involved in that case. "So we wrote the bill."

Jerrold Parker, of Parker Waichman LLP, said Bell doesn't deserve all the credit. Parker, whose firm has offices in Florida, New York and New Jersey, said he had been representing Camp Lejeune victims since about 2009 and that he worked for years with Cartwright, the Pennsylvania representative, to help shape the legislation.

Bell didn't dispute others played a role.

"I've never said that other people didn't help," he said. "But the fact of the matter is that I wrote the bill."

Cartwright told Bloomberg Law that he recalled meeting with both Parker and Bell. He said he included caps for lawyers in a later version to match a Senate bill.

"I wasn't making a statement one way or the other about what an appropriate fee schedule would be," he said. Asked why the caps were ultimately removed from the final version of the law, he said he wasn't sure.

Cartwright, a former trial lawyer, said he hasn't made up his mind on what an appropriate cap should be. "Lawyers have other choices on the types of cases they handle," Cartwright said. "And if the Camp Lejeune camp cases were not as remunerative as other types of work they can handle, then they won't do those cases."

After the bill was passed, law firms and legal marketing agencies began flooding the airwaves and internet with ads promising to help veterans obtain payouts. The barrage was so intense that the Veterans of Foreign Wars warned its more than 1 million members to "avoid predatory law firms advertising endlessly on television and other media."

### Prepared in Mind

Established in 1983, the Bell Legal Group specializes in medical malpractice and auto safety cases and touts itself as "the Science Law Firm." Its website these days is almost entirely focused on representing Camp Lejeune claimants. Near the top is a video stream that shows marching Marines; text below it touts that Bell "led the charge" to pass the bill to help veterans.

"No one understands the nuances of the legislation better than Ed Bell," the website says.



J. Edward Bell III  
Bell Legal Group

Bell, 71, is a major benefactor for the Charleston School of Law; a partner in *Garden & Gun*, a Southern lifestyle magazine, and a co-owner of the weekly Charleston City Paper.

His firm's office in Georgetown, S.C., a waterfront town midway between Wilmington and Charleston, has grown from 20 employees to about 80 as it prepares for the flood of claims, he said. A few months ago, he opened a second office in Raleigh, N.C., home to the district court accepting the lawsuits. (An obscure North Carolina law limits out-of-state lawyers to appearing in only three unrelated cases each year.)

Lobbying disclosure records reviewed by Bloomberg Law show the Bell Legal Group spent at least \$1.9 million in the last two years, primarily on the Camp Lejeune legislation. According to OpenSecrets.org, which identifies lobbying expenditures by industry, that was more than any other law firm in the past five years.

The American Association for Justice, which represents trial lawyers, reported spending \$4.4 million on lobbying last year but that was spread across dozens of bills, including the Camp Lejeune legislation.

During the 2022 election cycle, Bell, his family and his firm also donated almost \$390,000 to the campaigns and leadership committees of individual lawmakers, and independent and party political action committees, mostly to Democrats, according to a Bloomberg Law review of donations. That was about two and a half times the total amount he, his family and his firm had donated in the previous decade.

On Aug. 10, Bell attended the White House ceremony where President Joe Biden signed the bill into law. Bell said he was an invited guest because of all he has done to highlight the issue.

### **Compromise in the Works**

His firm continued lobbying after the bill passed, as some lawmakers began arguing late last year for caps on legal fees, records show.

That debate continues. Sen. Thom Tillis (R-N.C.) who introduced the Camp Lejeune legislation in the Senate along with Richard Blumenthal (D-Conn.) said he was concerned about high attorney fees.

"This created an industry where it has become as much about the lawyers as it is about their clients," Tillis said.

Blumenthal told Bloomberg Law in an interview that he is talking to Sullivan and Sen. Richard Durbin, an Illinois Democrat and former trial lawyer, to find a compromise over the legal fee caps.

Limiting fees to one-third of any settlement, as Nadler has proposed, is typical in some jurisdictions. Elizabeth Burch, a law professor at the University of Georgia and author of a book on negotiations in mass tort cases, called 33.3% "very generous."

### *Insights: The Camp Lejeune Plaintiffs' Bar Is Monetizing Tragedy*

Fob James IV, an attorney whose law firm has offices in Birmingham and Montgomery in Alabama, said the Camp Lejeune cases were different from other typical tort cases involving toxicity, in which lawyers sue a well-funded company that will fight tooth-and-nail over the case.

He referenced the lawsuits involving Roundup, the Monsanto Co. weedkiller that allegedly caused cancer, which dragged for years before thousands of claims were resolved with a \$10 billion settlement.

With Camp Lejeune, the water contamination is not in dispute, James said.

"The government's own studies reflect that the toxicity levels were way higher than what's deemed safe," said James, whose grandfather and namesake was an Alabama governor. "We're not going to have to spend millions of dollars and fight five years on the issue."

Families have been devastated because the government wantonly covered up the harm, he said. He said he wasn't going to charge attorney fees of more than 25% for Lejeune clients.

"If there's a case where the plaintiffs bar doesn't try to screw over their clients, this is the case," James said. "I couldn't in good conscience sign somebody at 40% or 45%."

Carly Sfregola, a spokeswoman for the American Association of Justice, said the Nadler proposal to cap attorney fees at 33.3% was more reasonable than the 17% cap in the Sullivan bill, and would allow veterans to get the best representation possible.

## Back in DC

In May 2022, months before the bill passed, the Biden Administration was weighing whether to establish a compensation fund for Camp Lejeune victims, that would include much lower attorney fees. A Justice Department document obtained by Bloomberg Law proposed those fees be capped at a maximum of 10%.

Bell was among those objecting to the idea. "In this case, the fund would benefit the government to the detriment of the service people," he said.

Bell was back in Washington last week. He wouldn't disclose who he was meeting except to say his visit was connected to Camp Lejeune.

During an interview at the Ritz-Carlton, he again defended his efforts to eliminate caps on legal fees. He contends caps will deter "quality lawyers" from taking on the cases, many of which might involve veterans whose illness isn't on the list of Camp Lejeune presumptive diseases.

Lawyers should be allowed to collect 40% of any payout for cases that go to litigation, he said. "For non-litigation cases, we'll go down as low as 25%," he said.

He was a featured speaker at a February American Association of Justice event in Phoenix for trial lawyers and said he hopes to be appointed lead litigator in the case because of all the work he has done. Beyond giving him influence over the negotiations, that would also likely qualify him for extra fees.

His firm has now teamed up with more than a dozen others, as they start filing claims.

When asked about the potential payout for his firm reaching the hundreds of millions, Bell said: “There are some stupid people out there that might say that ...They just don’t know me. I don’t need \$200 million.”

Bell also said any focus on his lobbying or campaign spending or the amount his firm could collect—instead of on the Marines whose health concerns were ignored for years—is misguided.

“The only way to get something done was to go and get lobbyists and work its way through Congress,” he said. “You think that’s unusual? That happens every day. That’s the American system.”

— *With assistance from Alexander Cohen, Nicole Sadek and Roxana Tiron.*

To contact the reporter on this story: Kaustuv Basu in Washington at [kbasu@bloombergtax.com](mailto:kbasu@bloombergtax.com)

To contact the editor responsible for this story: John P. Martin at [jmartin1@bloombergindustry.com](mailto:jmartin1@bloombergindustry.com) and Bernie Kohn at [bkohn@bloomberglaw.com](mailto:bkohn@bloomberglaw.com)

© 2024 Bloomberg Industry Group, Inc. All Rights Reserved