Attorney General Frosh Leads Coalition Strongly Urging Representative Lamar Smith to End Congressional Interference with States' Exxon Investigation

Baltimore, MD (February 28, 2017) - Maryland Attorney General Brian E. Frosh, joined by a coalition of Attorneys General across the country, today again urged Rep. Lamar Smith, Chairman of the House Committee on Science, Space and Technology, to withdraw subpoenas sent to the Attorneys General of Massachusetts and New York, and to end the committee’s inquiry into investigations being conducted by the states of Massachusetts and New York into possible securities and consumer protection law violations by the ExxonMobil Corporation.

The letter signed by 15 Attorneys General, echoes an earlier letter sent on August 11, 2016 outlining why the unprecedented subpoenas exceeded the committee’s constitutional authority and depart from the “proper respect for state functions” that has traditionally been shown by Congress and the courts. In the letter sent today, the Attorneys General note recent developments that further support their request and underscore the importance of each state attorney general’s responsibility to enforce state laws for the protection of its citizens.

In March 2016, Massachusetts Attorney General Maura Healey announced her office was undertaking an investigation into whether Exxon made false statements, in violation of state law, to Massachusetts consumers and investors about its products’ impact on climate change and the risks to Exxon’s businesses. The Attorneys General specifically noted the January, 2017 Massachusetts Superior Court order affirming Massachusetts Attorney General Maura Healey’s authority to investigate whether Exxon engaged in unfair and deceptive acts or practices. The letter states: “In particular, the Massachusetts Superior Court…..concluded that the Attorney General is authorized to investigate whether Exxon presented to consumers ‘potentially misleading information about the risks of climate change, the viability of alternative energy sources, and the environmental attributes of its products and services.’”

In November 2015, New York Attorney General Eric Schneiderman launched an investigation into whether Exxon has violated New York securities laws by making false and misleading statements to shareholders, regulators, and the public about the financial risks posed to the company by climate change. The letter states: “At a New York state court hearing on the attorney general’s application for an order to compel, the presiding judge observed that neither Exxon nor its auditor had asserted any objection questioning whether the investigative subpoena was ‘reasonable and appropriate’ or whether the attorney general was acting in ‘good faith.’”
the same hearing, Exxon’s counsel conceded that Attorney General Schneiderman has ‘the right to conduct the investigation.’”

The letter went on to note that the Committee’s subpoenas may be an attempt by Exxon to obtain, via the Committee’s subpoena, discovery that it is seeking in the court proceedings and is unable to obtain by court order. “This possibility illustrates how the Committee’s subpoena not only impermissibly intrudes on the lawful authority of the attorneys general to conduct investigations into suspected violations of state laws, but also interferes with the authority of courts to oversee discovery in pending cases.”

Last year, in an attempt to thwart the independent investigatory powers of the States, Congressman Smith issued a series of letters to the Attorneys General of New York, Massachusetts, Maryland and others requesting that each state produce any and all documents pertaining to any undergoing investigations into the oil giant, Exxon. The states refused and Chairman Smith then issued subpoenas, without a Committee vote, to Massachusetts and New York.

In addition to Maryland, the letter sent today was signed by Attorneys General from California, Connecticut, Delaware, the District of Columbia, Illinois, Kentucky, Maine, Mississippi, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia and Washington.

A full copy of the letter can be found here.