



ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

# PRESS RELEASE

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## Attorney General's Tobacco Enforcement Unit Wins \$30 Million in Settlement Payments from Tobacco Companies

**BALTIMORE, MD (November 20, 2023)** - Maryland Attorney General Anthony G. Brown announced today that a panel of arbitrators unanimously [found in favor of Maryland](#) and against Philip Morris USA, the R.J. Reynolds Tobacco Company, and two dozen other tobacco companies, resulting in the state's recovery of more than \$30 million in withheld settlement funds.

The disputed payments were owed to the state according to the 1998 Master Settlement Agreement (MSA), which Maryland and other states created to recover billions of dollars in healthcare costs associated with treating smoking-related illnesses. The MSA's purpose is to reduce smoking in the U.S., especially among youth, by raising the costs of cigarettes through the imposition of payment obligations on tobacco companies, restricting tobacco marketing, eliminating industry practices that obscure tobacco's health risks, and supporting smoking prevention programs.

The arbitration put an end to the cigarette companies' attempt to avoid paying millions of dollars in settlement payments, based on their claims that Maryland had failed to diligently enforce a particular statute regulating the cigarette industry in 2005, 2006, and 2007. The arbitration hearing was conducted from March 14-21, 2023, before a panel of three arbitrators, each of whom is a retired federal judge. On November 17, 2023, the arbitrators issued a 50-page award that agreed with Maryland and unanimously found that Maryland had diligently enforced its tobacco laws.

"Tobacco companies harmed Marylanders, and in the late-1990s agreed to a significant settlement as a result of their actions. Now they attempt to backtrack on that settlement – but that won't happen on my watch," **said Attorney General Brown**. "Marylanders should not have to bear the high costs of treating illnesses caused by decades of big tobacco hooking people to its deadly products."

Attorney General Brown and other state Attorneys General are actively and successfully continuing to enforce the provisions of the MSA, which has had a profound effect on a decline in smoking in America, particularly among our youth. Between 1998 and 2019, U.S. cigarette

consumption dropped by more than 50%. During that same period, regular smoking by high schoolers dropped from its near peak of 36.4% in 1997 to a low 6.0% in 2019.

The case was tried by the attorneys from the Office of the Attorney General's Tobacco Enforcement Unit. Attorney General Brown thanked Assistant Attorneys General John Leovy, Anna MacCormack, and Aravind Muthukrishnan, along with People's Counsel David Lapp; William George from the Alcohol, Tobacco, and Cannabis Commission; and Christopher Byrd and Denise Davis from the Office of the Comptroller.

<https://www.marylandattorneygeneral.gov/press/2023/112023.pdf>