



December 22, 2022

The Honorable Merrick B. Garland  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue NW  
Washington, DC 20530

Mr. Mathew G. Olsen  
Assistant Attorney General  
National Security Division  
U.S. Department of Justice  
950 Pennsylvania Avenue NW  
Washington, DC 20530

The Honorable Lisa O. Monaco  
Deputy Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue NW  
Washington, DC 20530

Re: Threats Posed by Third-Party Litigation Funding

Dear Attorney General Garland,

The undersigned State Attorneys General write to ask the United States Department of Justice what steps are being taken to protect the country against potential threats posed by third-party litigation funding (“TPLF”) in civil matters by foreign entities hostile to the United States. As you know, TPLF refers to the practice of an outside third party providing resources to fund civil disputes with the understanding that if the claim is successful, the third party will receive a share of the recovery. This practice has become quite lucrative, as the market has swelled to an estimated value of between \$2.3 and \$5 billion invested in lawsuits in the United States.<sup>1, 2</sup> It is impossible to know the extent that foreign adversaries are spending on American litigation through TPLF, which leads to significant concern that TPLF is being used to harm our States and threaten our country’s economic and national security.

---

<sup>1</sup> <https://www.natlawreview.com/article/considerations-aba-s-best-practices-litigation-funding>

<sup>2</sup> <https://www.law360.com/articles/992299>

Foreign adversaries leveraging our judicial system in order to undermine our nation's interests is a grave concern to our States. Through strategic lending, foreign adversaries could threaten our economic and national security by weaponizing the U.S. judicial system.<sup>3</sup> For instance, foreign countries such as China and Russia could use TPLF to fuel targeted lawsuits designed to weaken U.S. national defense companies in the business of protecting our national security interests. Likewise, costly litigation aimed at sabotaging major energy sectors that are vital to our economy poses a direct threat to our economic security interests and global independence.

Despite several reports and public discussion on TPLF, the federal government has not implemented a strategy to protect our nation's court system from foreign interference by adversaries set on damaging American institutions. Concerns have been raised about cases being funded to target specific individuals or businesses, or simply to further backlog our courts at the expense of the American taxpayers.<sup>4</sup> Nevertheless, the federal government has remained silent.

Ensuring that our justice system remains protected from foreign interference is of paramount importance. We are requesting information about what the Justice Department has done or is currently doing to address these concerns. The security concerns posed by foreign TPLF cannot be ignored any further without risking serious consequences to our nation. State Attorneys General stand ready to be part of the solution and we ask that our federal partners take action to help ensure that TPLF by foreign adversaries plays no role in American justice, our economy, or our national security.

Sincerely,



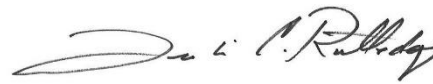
Christopher M. Carr  
Georgia Attorney General



Jason Miyares  
Virginia Attorney General



Steve Marshall  
Alabama Attorney General



Leslie Rutledge  
Arkansas Attorney General

---

<sup>3</sup> <https://instituteforlegalreform.com/research/ilr-briefly-a-new-threat-the-national-security-risk-of-third-party-litigation-funding/>

<sup>4</sup> <https://thehill.com/opinion/national-security/3758137-foreign-state-sponsors-of-litigation-should-lose-sovereign-immunity-from-being-sued/>



Todd Rokita  
Indiana Attorney General



Derek Schmidt  
Kansas Attorney General



Daniel Cameron  
Kentucky Attorney General



Austin Knudsen  
Montana Attorney General



Douglas J. Peterson  
Nebraska Attorney General



Dave Yost  
Ohio Attorney General



Alan Wilson  
South Carolina Attorney General



Jonathan Skrmetti  
Tennessee Attorney General



Sean D. Reyes  
Utah Attorney General



Patrick Morrisey  
West Virginia Attorney General