

Asbestos Trust Fraud - Criminal Referral

Dear Department of Justice -

Please forward this Complaint of Asbestos Bankruptcy Trust Fraud and Misappropriation of Funds to your Investigators

Individual committing Bankruptcy Crimes: Marla Eskin, Attorney, Campbell & Levine - Delaware (302-426-1900) - Serves as Trust Counsel (a Fiduciary) on the Federal Mogul Trust

Bankruptcy Case Number - Federal-Mogul Corporation ("Federal-Mogul"), the Debtor and debtor-in-possession in jointly-administered cases docketed under Case No. 01-10578 RTL in the United States Bankruptcy Court for the District of Delaware

Chronological Summary: Prior to the confirmation of the Federal-Mogul Chapter 11 Trust, Marla Eskin was employed at the Law Firm of Jacobs and Crumpler (DE) handling cases for victims of asbestos diseases. Eskin was Plaintiff's asbestos lawyer with close relationships with other Plaintiff lawyers (i.e. Weitz and Luxenberg) serving as Asbestos Claimant's Committee Members on other Asbestos Trusts.

Chapter 11 DOJ Trust rules **require** the employment of individuals: 1) free of disqualifying conflicts of interest, 2) That can prove they are capable of serving as an independent fiduciary; and 3) Can adequately represent the interest of Claimants. **See: Objection of the United States Trustee, Chapter 11 Case No. 18-27963 (MBK) - attached for applicable case law.**

Since the confirmation of the Federal-Mogul Chapter 11 Trust on November 8, 2012 - Marla Eskin has served as Counsel to the Federal Mogul Trust (the debtors) - a position where she has acted with conflicts of interest, failed to act independent, and has 'harmed' the very individuals (thousands) she is required to "independently" represent.

Crimes (18 U.S.C. 152-157) -Committed by Marla Eskin:

1. Making a False Declaration in the Federal Mogul Proceedings - Eskin provided a Declaration certifying she was free of conflicts of interest, that she was independent, and that she can adequately represent Claimants. Eskin lied and concealed relevant facts in order to gain employment

a) Eskin failed to disclose her pre-petition employment, including her work for claimants who would be submitting claims to the Trust/Debtor.

b) Eskin held a personal financial interest in the outcome of the plan - If the plan was approved, Eskin was guaranteed 'legal billings' to the Trust for the next 30 years.

c) Eskin did not disclose her dealings with attorneys for current asbestos claimants, including Asbestos Claimants Committee Members Steven Kazan and Alan Brayton.

d) Eskin did not disclose potential conflicts arising from her Employment by post-bankruptcy asbestos trusts. Eskin serves/works for at least 10 *other* asbestos trusts, including the Babcock and Wilcox, Owens Corning, Flintkote, Fibreboard, W.R. Grace asbestos Trusts.

- 2. Making a False Oath or Account in Relation to a Bankruptcy Case (see above)**
- 3. Receiving a Material amount of Property (millions) from the Debtor with the intent to defeat the Bankruptcy Code** - Eskin is an interested party. No doubt. Since the inception of this Trust, she has 'billed' the Trust millions of dollars. Interested parties are prohibited from working for Trusts. All monies paid to Eskin should be disgorged by the DOJ/U.S. Trustee.
- 4. Falsifying Documents related to the Debtors Affairs** - Since the inception of this Trust, Eskin (and her cohorts) have actively concealed "sites" where Federal Mogul asbestos products was present. As a result, she falsified documents relating to debtors liabilities (to preserve the funds for her 'mass' billings). Every Annual Report approved by Eskin contained false statements.
- 5. Embezzlement (through sham billings)**
- 6. Fraudulent misappropriation and Transfer of Property of the Estate** - Discovery will prove Eskin pays fraudulent claims to "favored counsel" on the Asbestos Claimant's Committee - including Steven Kazan, Alan Brayton and others.
- 7. Fraudulent Representations relating to the Debtors Proceedings** - See above.
- 8. Violation of the Sarbanes-Oxley Act of 2002** - Eskin falsifies records.

Narrative - The concern of the Department of Justice in the filing of an Objection in Duro-Dyne Bankruptcy has been realized in the Federal Mogul Bankruptcy - and every other Bankruptcy Trust in the Country: Interested Parties are selected as "Fiduciaries" for the Debtor/Trust, those "Fiduciaries" then submit false and misleading information in order to be approved by the Court. The "Fiduciaries" then act in bad faith, with conflicts of interest, pay fraudulent claims (to those same individuals who approve the Fiduciaries bills). In this case - the criminal is Marla Eskin. As a former Plaintiff asbestos lawyer, Eskin is prohibited from working for Trusts as an "interested" party. However, by submitting a false and fraudulent Affidavit before the Federal Mogul Court, Eskin (and her corrupt Firm Campbell & Levine) was approved as "Attorney for the Debtor". In this role, Eskin oversees the claims and claim filing of all Plaintiff asbestos Firms, direct audits of claims and Doctors, and has virtually complete control of "who" (which Law Firms) can file claims, from "which" Doctors the Trusts will accept reports, and most importantly, claim valuations (for those very individuals who approved her selection as Counsel). The selection process was not unbiased. Eskin's self interest is extensive in the Federal Mogul case - Eskin has acted (at all times) with self interest, favoritism, and bad faith.

Examples of Eskin Criminal Self Dealing/Fraud/Bad Faith:

1) Exclusion of Law Firms from Filing Claims w/out ever conducting an Audit - The Mandelbrot Law (my office) filed over 1000 Federal Mogul Claims as of 2012 -. At the time of the filing of the Federal Mogul Claims, my office had an unrelated dispute with another Trust (located in Reno, Nevada) which has Trustees/Asbestos Claimants Committee Members identical to those who serve on the Federal Mogul Trust as Fiduciaries. In November 2011, Eskin (to please her 'favored' counsel and in bad faith) banned my office from filing claims with the Federal Mogul Trust and all other Trusts she oversees. No audits were ever done (although any audits they do conduct are a sham). In bad faith and to harm Beneficiaries, Eskin 'blackballed' thousands of claimants from the Federal Mogul Trust. The exact concern of the Department of Justice in the Duro-Dyne confirmation (selecting an "interested" party to serve as

a Fiduciary) has been realized in the Federal Mogul Bankruptcy by Eskin - Conflicts of interest, bad faith, fraud, favoritism, lack of disinterested treatment.

2) Exclusion of Doctors/Physician who Submit Federal Mogul Claim Reports through 'sham audits' - See the attached letter. Eskin, through a sham audit, has excluded a very credible Doctor from submitting reports to the Federal Mogul Trust (Dr. William Durham). Why are the audits a sham? 1) the Audits are being conducted by Ankura Consulting (who are required to be disinterested). Who are partners in "Ankura consulting" overseeing the audits? Asbestos Trust Fiduciaries Tom Florence and John Brophy. Florence and Brophy are literally diverting asbestos Trust monies to themselves to conduct the audits - which are a complete sham. Audits are not conducted on "favored" counsel (those plaintiff lawyers proven to be involved involved in RICO in North Carolina *Garlock* cases) **Why are the audits being conducted?**

1) Eskin is trying to **deceive** the DOJ that she is trying to fetter out fraudulent claims and Doctors; 2) Misappropriate monies (millions) to Interested Parties - Tom Florence/John Brophy. (see #6 above). This is a fraudulent misappropriation of Trust assets.

3. Withholding Monies due Claimants in Bad Faith - My office, the Mandelbrot passed approximately 125 claims with the Federal Mogul Trust prior to 2011 when Eskin, in bad faith, blackballed my office. In 2018, the Federal Mogul Trust announced it was awarding additional Trust funds to claims which were already paid. In June 2018, I sent Eskin an e-mail requesting that my clients be paid as the same time as all other Beneficiaries. Eskin assured me they would. I summarily followed up in July and August 2018. Eskin never indicated that Trust would NOT pay these beneficiaries claims. On September 22, 2018, the Federal Mogul Trust paid every other claimant in the County -- except those represented by my office. When I reached out to Eskin on September 28, 2018 - Eskin indicated it was "under review" whether these vested Beneficiaries would ever be paid. Given Ms. Eskin's long history of fraud, favoritism, and bad faith, I doubt it.

I urge the Department of Justice to investigate Marla Eskin and her Law Firm Campbell and Levine. Eskin has engaged, in criminal fraud, favoritism and has misappropriated millions of dollars from asbestos trusts, which acting with conflicts of interest. This complaint only provides examples of Eskin's bad faith and criminal conduct. Disgorgement is appropriate given Eskin's fraudulent Declaration.

Please contact me at anytime as I will testify under oath to the facts above (and many more relating her criminal conduct). The exact concerns of the DOJ in the Duro-Dyne Bankruptcy are taking place in the Federal Mogul Bankruptcy. It should be noted that Mr. Fitzpatrick's former co-workers at CCR (improperly) serve as Fiduciaries on these Trusts as well, including Mary Ellen Nickel (former CCR lawyer - now Trust Executive Director) and Greg McHugh (former CCR - now Trust lawyer).

Thanks,
Mike

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