



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

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State Receives \$56 Million From Tobacco Companies

OKLAHOMA CITY – Attorney General Drew Edmondson and State Treasurer Scott Meacham said Oklahoma received more than \$56.3 million from the tobacco industry yesterday afternoon, 70 percent of which went directly into the Tobacco Settlement Endowment Trust Fund.

Meacham's office confirmed receipt of a wire transfer in the amount of \$56,330,653.16 from the trustee of the tobacco settlement funds. More than \$39.4 million was deposited in Oklahoma's Tobacco Settlement Endowment Trust Fund, which now has a balance of more than \$300 million.

"Including yesterday's installment, Oklahoma has received more than \$491.1 million from the tobacco industry since 1998," Edmondson said. "The Master Settlement Agreement requires the industry to make payments to the states in April each year."

The Tobacco Settlement Endowment Trust Fund was created by a voter-approved amendment to the Oklahoma Constitution in 2000, which specifies that only the earnings from the trust fund may be spent on programs to improve the health and well being of Oklahomans, particularly children and senior adults.

Meacham, who chairs the trust fund's board of investors, said more than \$8 million has been earned for use on public health programs during the past five fiscal years. Each year's earnings have shown steady increases. In Fiscal Year 2001, earnings were just over \$650,000. Last year, earnings topped \$4.5 million. This year, Meacham said, the earnings will again be strong.

"Helped by this deposit, we anticipate certifying as much as \$6 million in investment earnings at the end of this fiscal year for use on programs to end smoking and help Oklahomans become healthier," Meacham said. "This represents an almost ten-fold increase in annual earnings since the program was started."

In November 1998, Edmondson and seven other attorneys general announced they had, on behalf of the states, negotiated a historic settlement with big tobacco. The settlement imposes sweeping bans on tobacco advertising, stops the tobacco companies from targeting children, allocates funding for tobacco education efforts and pays the states annual amounts based on the number of cigarettes sold in the country. The total of payments over 25 years was projected to be in excess of \$206 billion. Payments will continue as long as cigarettes are sold.

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Oklahoma filed its lawsuit in August 1996, becoming the 14th state to file a lawsuit against the tobacco companies. The lawsuit asked for restraints against the industry and about \$1 billion in damages for funds spent for treatment of smoking related illnesses. Oklahoma's share of the settlement is estimated to be \$2.03 billion over the next 25 years. An additional

\$268 million was awarded to the state for the strategic contribution Edmondson, his office and local counsel made to the prosecution of the lawsuit. The counsel fees were paid by the tobacco industry and did not come from Oklahoma's share of the settlement.

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For more information contact:

Contact: Charlie Price, AG's Office, 405-522-4400

Tim Allen, Treasurer's Office, 405-522-4212