



Contact: Jennifer Fuson
(Jennifer.fuson@Justice.org)
202-965-3500 x8609

Timeline of Key Events Regarding Defective Chinese Drywall¹

- 2005** Major hurricanes in 2004 and 2005, including Hurricane Katrina, coupled with a nationwide housing boom spur a demand for drywall.
- 2006** Imports of Chinese drywall spike to nearly 500 million pounds, up from less than 2 million pounds in 2005. The drywall is shipped to more than 15 U.S. cities, including New York, Houston, Los Angeles, New Orleans, Wilmington, Miami, Port Everglades, Tampa, Pensacola, Port Canaveral, Manatee and Jacksonville.
- Complaints surface about an odor in the drywall and Knauf Tianjin hired experts to investigate testing air quality in homes in South Florida. They found no health concerns related to the odor or any emissions in the residences.
- 2007** After the housing boom crashes, most Chinese manufacturers stop shipping drywall to the U.S. However, Taishan (Chinese drywall manufacturer) still sends 4.7 million pounds of drywall to the U.S.
- June 2008** Florida Department of Health (DOH) receives its first call from homeowner about sulfur and carbon disulfide odor related to the imported drywall.
- August 2008** Florida DOH receives inquiries about homes with mysterious sulfur-like odor and copper corrosion from a private consultant and the US Environmental Protection Agency (EPA). The EPA considers gypsum drywall as a possible source of odors and corrosion, but believes the problem is likely not widespread.
- September 2008** A consultant, Environ, investigates odors and corrosion in homes with Chinese drywall for a south Florida homebuilder, Lennar, and offers to share their findings with Florida DOH.
- October 2008** Florida DOH hires Dr. David Krause as the state toxicologist.

November 2008 Florida DOH makes initial contact with the federal Consumer Product Safety Commission (CPSC).

December 2008 Forensic inspectors start to investigate allegedly toxic drywall.
CPSC first discovers tainted drywall.

January 2009 Florida health officials log more than 50 complaints stemming from Chinese drywall.
Florida DOH receives a report from Lennar's consultant, Environ, and Knauf regarding testing done on homes with failures of AC evaporator coils.

In Florida, the Environmental Health division of DOH conducts an inspection of 12 homes affected by the drywall in six counties to identify any common traits, develop a case definition, and collect samples of drywall for analysis.

The first class action lawsuit is filed in federal court in Fort Myers on January 30 regarding defective Chinese drywall.

February 2009 Florida DOH meets with representatives from the Department of Agriculture and Consumer Services (DoACS), the Florida Department of Consumer Affairs (DCA), and the Attorney General's office.

U.S. Senator Bill Nelson (D-FL) asks CPSC to consider adding drywall to the existing standards for consumer products and to work with the EPA in investigating and potential health threats posed by the defective drywall. The CPSC and EPA launch a federal investigation of Chinese drywall problems.

Homebuilder Lennar Corp. files suit against Knauf Tianjin, a Chinese export company, and several drywall suppliers.

So far, 90 complaints have been filed with Florida DOH from 14 counties.

Defective drywall in homes is confirmed in Florida, Michigan, Virginia, Georgia, Mississippi, Alabama, Louisiana, Texas, Maryland, North Carolina, South Carolina, New York, New Jersey, Arizona, Colorado, Nevada, and New Mexico.

March 2009 Florida DOH receives a memo from Environ concerning detection of elemental sulfur at a concentration 20 times higher in Chinese versus domestic drywall.

Testing commissioned by Florida DOH and conducted by a private lab, Unified Engineering, Inc., finds that samples of Chinese manufactured drywall contained trace levels of strontium sulfide.

Florida DOH receives at least 155 homeowner complaints.

Environmental testing shows defective drywall has been found in homes in 41 states.

At least 4 class actions are filed in Florida, with others filed in California, Louisiana and Alabama.

Governor Charlie Crist (R-FL) requests assistance from the EPA and Centers for Disease Control and Prevention (CDC).

U.S. Sen. Bill Nelson, (D-FL) and Sen. Mary Landrieu, (D-LA) introduce federal legislation, the Drywall Safety Act of 2009, S.739, calling for the CPSC to recall defective Chinese drywall, ramp up its investigation and temporarily prohibit further importation of drywall and similar building products from China until new safety standards can be created.

April 2009

Florida DOH Surgeon General and Representative Robert Wexler (D-FL) tour homes; DOH Chief of Staff and DOH State Toxicologist tour homes with Senator Bill Nelson (D-FL).

Florida DOH requests a health hazard evaluation to assess occupational hazards related to cleanup of homes with Chinese drywall from the National Institute for Occupational Safety and Health (NIOSH).

Florida begins to test the air in homes with Chinese drywall in order to determine whether fumes emitted are actually sickening people.

China offers to send someone to the CPSC to help with the investigation into tainted Chinese drywall.

Florida DOH complaints grow to 265 cases.

The Louisiana state health department receives complaints from at least 350 people.

U.S. Rep Robert Wexler, (D-FL), sends a letter to Gov. Charlie Crist (R-FL) asking him to declare a state of emergency, which would make residents eligible for federal funds for assistance.

Gov. Crist sends requests to the EPA and CDC asking for help- with problems attributed to tainted Chinese drywall.

U.S. Rep Robert Wexler (D-FL) introduces legislation, H.R. 1977 (a companion to the Drywall Safety Act of 2009 introduced in the Senate) in Congress calling for a study and federal ban on dangerous drywall.

State Sen. Dave Aronberg, (D-Greenacres), asks Gov. Crist (R-FL) to create a task force to investigate the drywall problem and develop statewide policies and possibly legislation related to the defective drywall.

Senator Mary Landrieu, (D-LA), sends a letter to the Senate Commerce Committee requesting a hearing on the Chinese drywall problem.

U.S. Sen. Nelson (D-FL) calls for CPSC Chairwoman Nancy Nord's resignation over Chinese drywall.

The Drywall Safety Act of 2009 is introduced in Congress. The legislation requires the CPSC to study drywall that was imported from China and initiate a proceeding on whether a safety standard regulating drywall materials is necessary.

May 2009

CPSC submits an emergency budget request to Congress asking for \$2 million to pay for various expenses related to its probe of tainted Chinese drywall. CPSC is working with the EPA and health departments, the CDC, the Agency for Toxic Substances and Disease Registry, and U.S. Customs and Border Protection.

Number of complaints received by Florida DOH now 365.

CPSC has more than 18 complaints from 13 states and D.C. of health problems or corrosion of metal components.

At least 150 lawsuits have been filed across Florida representing at least 15,000 plaintiffs.

Chinese drywall lawsuit consolidation hearing is scheduled for May 27, 2009

The first piece of legislation related to defective Chinese drywall is passed by Congress: an amendment to the Mortgage Reform and Anti-Predatory Lending Act, which calls for the Secretary of Housing and Urban Development (HUD), in consultation with the Secretary of Treasury, to conduct a study of the effect of the presence of contaminated Chinese drywall on residential mortgage loan foreclosures. The amendment also requires these agencies to study the availability of property insurance for homes where Chinese drywall is present.

The Senate Subcommittee on Consumer Protection, Product Safety and Insurance holds a hearing on Chinese drywall and the Senate Committee on the Judiciary, Subcommittee on Administrative Oversight and the

Courts holds a hearing on holding foreign manufacturers accountable, using Chinese drywall as an example.

The EPA tests confirm Chinese drywall contains sulfur not found in U.S. drywall tested, also contains strontium, at ten times the level of domestic drywall, and identifies two compounds found in acrylic paint.

Sen. Bill Nelson (D-FL) and Sen. Landrieu (D-LA) file a budget amendment seeking \$2 million in emergency funding for Chinese drywall testing. This request fails to move forward in the U.S. Senate after procedural wrangling blocks its advance.

Senator Daniel Inouye (D-HI) pledges to help CPSC get necessary testing done using their current budget. CPSC says resources are being moved around to allow testing of drywall to begin in case additional \$2 million is not approved.

June 2009

Representatives Robert Wexler (D-FL) and Mario Diaz-Balart (R-FL) send a letter to respective leaders of the House and Senate Committees on Appropriations urging for emergency funding be included in the Supplemental Appropriations Act of 2009 for Chinese drywall investigations by the CPSC and other federal agencies.

The Florida Department of Health completes three days of air-quality tests at a home in Parkland, FL built with defective Chinese drywall.

CPSC launches the Drywall Information Center, where consumers can report incidents and track the CPSC's investigation. As of June 26, 2009, CPSC has received more than 460 reports from residents in 19 states and the District of Columbia. The majority come from consumers residing in Florida while others come from consumers in Alabama, Arizona, California, Georgia, Kentucky, Louisiana, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Tennessee, Texas, Virginia, Washington, Wisconsin, Wyoming, and the District of Columbia.¹¹

The Judicial Panel on Multidistrict Litigation assigns U.S. District Judge Eldon Fallon in New Orleans to hear a batch of lawsuits against Chinese drywall manufacturers and other companies linked to the product. The judges consolidated cases from Louisiana, Florida, Ohio and other states.

Senators Mark Warner (D-VA), Jim Webb (D-VA), Bill Nelson (D-FL), and Rep. Glenn Nye (D-VA) write to the Internal Revenue Service (IRS) asking the agency to provide clarity on whether casualty loss deductions could apply to effected homeowners. Casualty loss deduction is meant to cover losses from the complete or partial destruction of property resulting from a sudden, unexpected and unusual identifiable event.

The lawsuit over Chinese drywall brought by Melissa and Jason Harrell against South Kendall Construction, Palm Holdings, Keys Gate Realty and

Banner Supply Co. has been scheduled to go to trial in Miami-Dade Circuit Court in September 2010.

Two experts with China's General Administration for Quality Supervision, Inspection and Quarantine -- known as AQSIQ -- arrived in the U.S. the week of June 15 to investigate Chinese drywall in the United States and meet with CPSC officials.

CPSC awards a contract to Environmental Health and Engineering (EHE) to carry out in-home indoor air sampling on 50 homes—35 target homes selected from CPSC's incident and investigation databases, plus 15 control homes.

July 2009

The U.S. District Court for the Eastern District of Louisiana designates Russ Herman as Plaintiffs' Liaison Counsel and appoints Kerry J. Miller as Defendants' Liaison Counsel for the consolidated Chinese drywall cases, MDL 2047.

The initial monthly status conference is held on July 9 in New Orleans, LA. The Court considers numerous issues, including separation of property damage from personal injury claims, deferral of class certification, preservation of evidence, and service and personal jurisdiction on foreign defendants.

On July 27, the Court appoints Defendants' and Plaintiffs' Steering Committees, with Arnold Levin as lead counsel for the Plaintiffs' Steering Committee.

August 2009

As of August 6, 2009, CPSC has received more than 810 Chinese drywall incident reports from residents in 23 states and the District of Columbia. In-home sampling by EHE is expected to be completed by the end of August.

Sen. Nelson went to Shanghai to discuss the issue of toxic drywall and other issues with Chinese officials.

Senators Sheldon Whitehouse (D-RI), Jeff Sessions (R-AL), and Assistant Senate Majority Leader Dick Durbin (D-IL) introduce the "*Foreign Manufacturers Legal Accountability Act of 2009* (S. 1606), legislation that would make it easier to hold foreign manufacturers accountable in the U.S. civil justice system.

The status conference for the consolidated Chinese drywall cases held on August 11.

CPSC releases a statement saying that Chinese drywall is not radioactive.^{III}

- September 2009** On September 4, photos of toxic drywall trademarks are released by the multidistrict litigation panel for the Chinese-Manufactured Drywall Products Liability Litigation.^{IV}
- CPSC announces drywall test results have been pushed back from September to October. The results of air testing will be released in November.
- September 14 A Miami-Dade County Circuit Court Judge holds a hearing to determine if a class action can be certified for homeowners with Chinese drywall in the Keys Gate subdivision in Homestead, FL.
- September 22 Louisiana Recovery Authority set aside \$5 million of federal Community Development Block Grant disaster recovery money to help homeowners who rebuilt their houses with contaminated drywall. The program for distributing the money has not been developed yet.^V
- September 22 Sen. Warner (D-VA) sent a letter to the CPSC scolding them for their slow response to the Chinese drywall problem.^{VI}
- September 23 Members of Congress, CPSC and other federal agencies meet to discuss the slow response of the federal agencies to the Chinese drywall problem, and possible creation of a federal remediation program. CPSC acknowledges recall of drywall unlikely because of complexity with having drywall installed in consumers' homes.^{VII}
- Lawyers discuss publicly considering seizing Chinese government owned ships that come into U.S. harbors and holding U.S. investment bankers responsible for Chinese drywall. This is in direct response to only two of the 28 companies identified with drywall responding to U.S. filed lawsuits.^{VIII}
- In Louisiana, homeowners have until the end of October to file suits related to Chinese drywall.
- September 24 U.S. District Court found, Taishan Gypsum in preliminary default for failing to respond to the court proceedings.^{IX}
- October 2009** CPSC has received about 1,501 reports from residents in 27 states, the District of Columbia, and Puerto Rico who believe their health symptoms or the corrosion of certain metal components in their homes are related to the presence of drywall produced in China. CPSC staff confirms that nearly 7-million (6,997,456) sheets of Chinese drywall were imported into the U.S. in 2006.
- October 1 Louisiana State Sen. Julie Quinn (R-Metairie) visits Washington, DC on behalf of victims of Chinese drywall to meet with members of the Senate

Judiciary Committee. State Senator Quinn calls on President Barack Obama to bring up the Chinese drywall issue, and China's responsibility, when he visits China in November.

- October 7 Florida Senate's Community Affairs Committee holds a hearing to address toxic drywall. To date it is still legal to sell toxic Chinese drywall and there is no relief in place for homeowners.
- October 7 U.S. Sen. Bill Nelson and three other senators sent a letter to the Federal Emergency Management Agency (FEMA) requesting rental and other emergency assistance for homeowners affected by Chinese Drywall. They gave FEMA until Nov. 7 to respond.
- October 14 The Wall Street Journal reports insurance companies are canceling coverage to homeowners who have Chinese drywall in their homes.
- October 15 U.S. District Court Judge Eldon E. Fallon issued his strongest warning against Taishan Gypsum, a company that was found in preliminary default at the September hearing. The judge said as soon as attorneys are ready to submit evidence of monetary damages, he is prepared to move forward and will consider seizing any U.S. assets of the company to help pay the judgment.
- Also, attorneys for Knauf Gips argued they should not be held liable in the U.S. courts, and instead argued the court should cede authority to German courts and the Hague Convention. Judge Fallon gave reasons why he will deny the motion, saying, "It's not a case that can wait." He said he will issue a paper motion in a few days.^x
- October 15 President Obama visits Gulf Coast to visit areas continuing to recover from Hurricane Katrina. He does not address drywall.
- October U.S. Sen. Bill Nelson of Florida sends letters to 11 insurance companies requesting policy guidelines on Chinese drywall and expressing outrage at cancellations.
- October 21-26 Consumer Product Safety Summit between the CPSC and its counterpart agency, the General Administration of Quality Supervision, Inspection, and Quarantine of the People's Republic of China (AQSIQ), held in Wuxi, Jinhua, and Beijing, China, October 21-26, 2009. The U.S. asks China to aid in the drywall investigation.
- October 22 Citizen Property Insurance Corp. reverses its decision to not insure people with Chinese drywall in their homes. It continues to cover homes with Chinese drywall.
- October 29 Consumer Product Safety Commission (CPSC), Environmental Protection Agency (EPA), Department of Housing and Urban Development, Centers for Disease Control and Prevention (CDC), and Agency for Toxic

Substance and Disease Registry (ATSDR) release their initial findings in the drywall investigation. Findings suggest increased level of elemental sulfur and strontium.^{XI} There is still no recall or ban on any brand of Chinese drywall.

- October 29 Senator Bill Nelson (FL-D) asks President Obama to seek China's cooperation in the investigation of Chinese drywall when he visits the country in Nov.
- November 2009** To date, The CPSC has spent \$3.5 million on their investigation, and received at least 1,897 reports from residents in 30 states, the District of Columbia, and Puerto Rico who believe their homes contain toxic drywall.
- November 4 Sens. Bill Nelson, George LeMieux, Mary Landrieu, David Vitter, Mark Warner, and Jim Webb encourage lenders to delay or suspend mortgage payments, without penalty, for families with contaminated drywall.
- November 12 Louisiana Recovery Authority approves \$5 million plan to help homeowners with Chinese drywall.
- November 15-18 President Obama visits China; Chinese drywall on agenda.
- November 16 Senators Bill Nelson, David Vitter, Thad Cochran, Roger Wicker, and Jim Webb sent a letter urging the Federal Trade Commission to crack down on Chinese drywall scams.
- November 18 Rep. Charlie Melancon introduces the Drywall Victims Insurance Protection Act.
- November 19 U.S. District Court in New Orleans status hearing in New Orleans.
- November 23 The CPSC releases second set of testing results linking corrosion to drywall.^{XII}
- December 2009**
- December 2 Deadline for homeowners to be included in omnibus complaint against Knauf Plasterboard. Knauf has agreed to accept service of process for this complaint only, instead of the typical procedure of going through the Hague Convention to file a complaint. All cases need to be in to Arnold Levin of Levin, Fishbein, Sedran & Berman in Philadelphia.
- December 3 Tax breaks for certain homeowners seriously impacted by Chinese drywall are proposed.^{XIII}
- December 3 Mayor Carlos Alvarez of Miami-Dade said that the county is eliminating about \$1,200 permitting and inspection fees to replace bad drywall.^{XIV}
- December 9 Complaint against Knauf to be filed.

- January 2010** Trial to begin in multidistrict litigation on Chinese drywall in New Orleans.^{xv}
- January 13, 2010 Attorney General James Caldwell of Louisiana files a lawsuit in state court against building supply manufacturers and home developers over imported Chinese drywall. The suit is to help state and local governments recoup the cost of dealing with the drywall.
- January 13, 2010 Florida's Broward County seeks an emergency declaration for help with tainted Chinese drywall. An emergency declaration would allow the Federal Emergency Management Agency (FEMA) to provide financial assistance to impacted homeowners and renters that have sustained uninsured losses from the Chinese drywall. The county commission says too many insurers are denying homeowners' claims.
- January 22, 2010 U.S. Rep. Vern Buchanan, of Sarasota, writes to Florida Gov. Charlie Crist to urge him to conduct a damage assessment to determine whether an emergency declaration is warranted.
- January 25, 2010 Parkland, Florida's City Commission has agreed to eliminate building permit fees for defective drywall repairs, which could run from \$1,700 to \$3,000 per household.
- January 26, 2010 Palm Beach County commissioners voted unanimously on a resolution calling on Gov. Charlie Crist to ask for money from FEMA and other stimulus grants to help repair homes that have Chinese drywall.
- January 29, 2010 A *Daubert* hearing in the *Germano v. Taishan Gypsum Co.* case will be held in New Orleans, U.S. District Court, Eastern District of Louisiana.
- February 2010**
- February 11, 2010 The monthly status conference will be held in the New Orleans.
- February 19, 2010 The *Germano v. Taishan Gypsum Co* confirmation of default judgment hearing will begin in New Orleans.
- March 15, 2010 The *Hernandez family v. Knauf Gips* bellwether trial will begin in New Orleans, in the U.S. District Court, Eastern District of Louisiana.

ⁱThis timeline is periodically updated on AAJ's Newsroom Web page, <http://www.justice.org/cps/rde/xchg/justice/hs.xsl/743.htm>. For updated current developments in MDL 2047, see the Web site for the United States District Court for the Eastern District of Louisiana at <http://www.laed.uscourts.gov/Drywall/Drywall.htm>.

ⁱⁱ CPSC's website on the drywall can be found at: <http://www.cpsc.gov/info/drywall/index.html>.

ⁱⁱⁱ CPSC's press statement: <http://www.cpsc.gov/info/drywall/phosphogypsum.pdf>.

^{iv} Photos of drywall samples: <http://www.laed.uscourts.gov/drywall/drywall.htm>.

-
- ^v See http://www.nola.com/politics/index.ssf/2009/09/ira_sets_aside_5_million_for_p.html.
- ^{vi} See http://warner.senate.gov/public/index.cfm?p=Blog&ContentRecord_id=ffb53b0e-cdc3-48dd-bfbc-fe37550fc265.
- ^{vii} See <http://www.heraldtribune.com/article/20090924/ARTICLE/909241080/2107/BUSINESS?Title=Quicker-pace-urged-in-tackling-drywall-problems>.
- ^{viii} See <http://www.cbsnews.com/stories/2009/09/28/ap/national/main5346998.shtml>.
- ^{ix} For AAJ's press statement, see <http://www.justice.org/cps/rde/xchg/justice/hs.xsl/10537.htm>.
- ^x For more details, see <http://www.heraldtribune.com/article/20091016/ARTICLE/910161016>.
- ^{xi} Report available at www.drywallresponse.gov.
- ^{xii} Report available at www.drywallresponse.gov.
- ^{xiii} For more info, see <http://www.naplesnews.com/news/2009/dec/03/chinese-drywall-victims-could-get-big-tax-breaks/>.
- ^{xiv} See <http://www.nbcmiami.com/news/local-beat/county-helping-drywall-victims-78453672.html>.
- ^{xv} See <http://www.laed.uscourts.gov/drywall/drywall.htm>.