



Pay-to-Play

Private Law Firms Make Big Campaign Contributions, Receive Big Public Contingency Fee Contracts

Mississippi

- In a five-year span, Attorney General Jim Hood's office retained 27 law firms to represent Mississippi in 20 separate lawsuits after partners at those firms contributed more than \$500,000 to Hood's reelection campaigns.
- In a series of donations made in February 2006, Hood's campaign received \$25,000 from attorneys at Bernstein Litowitz Berger & Grossman. A few days after the last contribution, on February 21, 2006, Hood chose the firm to represent the Mississippi Public Employees Retirement Fund (MPERS). Bernstein Litowitz, which donated \$36,500 to Hood in 2007 alone, has represented MPERS 15 times since 2004.
- In 2007, Hood received \$75,000 in campaign contributions from Houston attorney F. Kenneth Bailey, who represents the State of Mississippi in litigation against several pharmaceutical companies.

Pennsylvania

- Governor Ed Rendell accepted more than \$91,000 in campaign contributions between February and October 2006 from Houston, Texas attorney F. Kenneth Bailey. During the same nine month period the governor's general counsel negotiated a lucrative no-bid contingency fee contract with Bailey to represent the state in litigation against a pharmaceutical company. Seven days after the signed contract was sent to Bailey, the Texas lawyer sent a \$25,000 check to the governor's reelection campaign.

West Virginia

- For a 2001 lawsuit against OxyContin-maker Purdue Pharma, Attorney General Darrell McGraw hired outside counsel that contributed to his campaigns, resulting in more than one-third of a \$10 million settlement going to the attorneys. Instead of distributing the settlement funds to the three state agencies represented in the suit, McGraw kept the money for his office, funding substance abuse programs around the state and giving \$500,000 to the University of Charleston for a pharmacy school. McGraw is currently appealing a decision by the federal Centers for Medicare and Medicaid Services to withhold \$4,099,452 from its next appropriation to the state because of McGraw's misuse of the settlement funds.
- About half of the personal injury lawyers who contributed to McGraw's 2008 reelection campaign with large contributions have worked as special assistant

AGs for his office. Those appointments mean the attorneys could reap millions of dollars in legal fees at public expense.

- Those hired by McGraw for a recent suit against Rite-Aid have contributed more than \$60,000 to McGraw.

Ohio

- In the last five years, the Ohio Attorney General's office filed more than 15 securities class action lawsuits on behalf of the state's pension funds, and employed outside counsel in each suit.
- Kaplan Fox & Kilsheimer LLP has represented Ohio's public pension funds more than any other firm in the past few years. In the 2006 race for Attorney General, every single one of Kaplan Fox's 10 partners contributed \$1,000 to the campaign of Republican candidate Betty Montgomery. After Democrat Marc Dann defeated Montgomery, these same partners crossed the aisle and contributed five times that amount to the Democratic Party of Ohio—for a total of \$50,000. Kaplan Fox & Kilsheimer's efforts were not in vain—the Attorney General recently selected the firm to represent the state pension funds in its litigation against a large nationwide bank.

New Mexico

- Attorney General Gary King received \$50,000 in campaign contributions in the fall of 2006 from Williams & Bailey, the former law firm of Houston attorney F. Kenneth Bailey. In 2008, King extended Bailey's current law firm's contract to represent the state in litigation against a pharmaceutical company without soliciting any bids.
- The political action committee (PAC) of King's predecessor Attorney General Patricia Madrid, received a \$25,000 from Williams & Bailey in August 2005. A year later Attorney General Madrid signed the original contract with Bailey to represent the state in the pharmaceutical lawsuit.

Massachusetts

- Lawyers at the New York law firm of Labaton & Sucharow LLP have donated more than \$100,000 to state Treasurer Timothy P. Cahill and two county treasurers whose offices have used the law firm to represent the Plymouth and Norfolk County pension funds in 10 cases.

Rhode Island

- General Treasurer Frank T. Caprio received \$4,000 in campaign donations from lawyers for the Delaware and New York law firm Grant & Eisenhofer three months before he urged the state investment commission, which he chairs, to hire the firm to represent Rhode Island in a securities class action law suit brought against Security Capital Assurance Ltd. In August 2009, after inquiries from the *Providence Journal*, Caprio acknowledged the perception of a conflict of interest and returned the Grant & Eisenhofer contributions along with those from seven other out-of-state securities class action law firms.