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Politics

Politically connected lawyers cashing in under Murphy. Just like when Christie was here.

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The state is spending about the same amount of money each year in outside counsel under Gov. Murphy that it did under former Gov. Christie's administration. Thinkstock

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By Matt Arco | NJ Advance Media for NJ.com

Gov. <u>Phil Murphy</u> has often criticized former Gov. <u>Chris Christie</u> over the way he ran the state for eight years. But one thing hasn't changed: Spending tens of millions of taxpayer dollars to pay for work by politically connected law firms.

The Murphy administration spent \$22.3 million in outside counsel legal bills his first full year in office. Currently, the administration is on pace to match that amount based on the first seven months of the year, according to documents obtained through a public records request.



That's just about what Christie's administration spent in his last two years: \$20.1 million in 2016 and \$26 million in his final year.

Hiring private lawyers is a practice that's regularly used by the Office of the Attorney General to supplement its hundreds of attorneys to help battle lawsuits on everything from medical malpractice to complex financial deals when it has a conflict of interest or needs specialized expertise.

Christie was criticized by good-government advocates for his administration's willingness to spend millions of taxpayer dollars for outside lawyers.

Now, those same people are criticizing Murphy.

"It's a billing frenzy and I don't know why the attorney general's office allows it," said Nancy Erika Smith, a private practice attorney who has won judgements against NJ Transit over racial bias lawsuits.

In an ongoing lawsuit against NJ Transit, Smith said she sees as many as four attorneys for the state show up for mundane court hearings. The state regularly insists on having oral arguments before a judge rather than submitting motions through court documents — a practice that's more expensive to taxpayers, she said.

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She provided NJ Advance Media with a petition to the judge in her current lawsuit that objects to the state's request for oral arguments and instead "hear them on paper," according to the document.

"Apparently nobody is looking into it," said Smith. "It's crazy."

A big reason for the continued use of outside counsel has to do with cuts to the number of public workers during the Christie years, said Leland Moore, a spokesman for the attorney general.

The state's Division of Law, the unit of the attorney general's office that handles litigation, has been understaffed after Christie succeeded former Gov. Jon Corzine, he said.

"With the total number of DOL lawyers dropping from 600 in the Corzine years to less than 450 today, we need to retain outside counsel to handle the overflow," Moore said. "Generally speaking, it's much cheaper to have in-house lawyers do the work, and we're trying to hire more lawyers to handle the cases."

Other times the state will seek outside firms and attorneys who specialize in the litigation at hand, he said.

Usually in general litigation cases, partners tapped as outside counsel earn \$200 an hour, while associates receive \$150 and law assistants can earn \$125 an hour.

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Which lawyers get big contracts

One of the biggest winners under Murphy is the law firm Genova Burns, which got little state business during the Christie years.

Angelo Genova, the firm's chairman and managing partner, was once a prolific Democratic donor and served as the top lawyer for the New Jersey Democratic Committee.

Since Murphy was sworn in, Genova Burns' payment for work jumped to \$579,500 from \$12,500 it got from the state during Christie's last two years, according to public documents.

While Genova donated \$5,000 to a group affiliated with state Senate President <u>Stephen Sweeney</u> — once considered a potential Murphy gubernatorial rival — in 2016, five of the firm's 20 partners donated a total of \$6,700 to Murphy's gubernatorial campaign or inaugural committee, according to New Jersey Election Law Enforcement Commission fillings.

Other attorneys at the firm donated nearly \$15,000 to Murphy's gubernatorial campaign, according to the filings.

Some law firms that get hundreds of thousands of dollars in outside counsel fees from the Office of the Attorney General also have other public contracts across the state.

Archer & Greiner has received more than \$556,000 from the attorney general's office since Murphy was sworn in.

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Last year, the firm took in nearly \$3.6 million from various local public contracts around the state, according to the most up-to-date filings from the New Jersey Election Law Enforcement Commission. Archer & Greiner members made more than \$108,000 in contributions to elected officials and independent expenditure groups that same year.

Capehart Scatchad made more than \$134,000 in political contributions and took a little more than \$12 million in various public contacts last year, according to ELEC.

Since Murphy took office, the firm billed the attorney general's office at least \$437,261.

Others include DeCotiis, FitzPatrick, Cole & Giblin, which billed the state nearly \$600,000 in outside counsel fees the first seven months of this year. It earned more than \$11 million in public contracts and made \$46,800 in public contributions in 2018.

The pendulum swinging back for Genova Burns mirrors what happened under Christie's tenure.

In his first term, his allies prospered while those often used by his Democratic predecessor, Gov. Jon Corzine, lost ground.

One of them <u>was McElroy, Deutsch, Mulvaney & Carpenter</u>. The firm received more than \$8.1 million from the state since Christie took office in 2010 through 2015. That represented a \$7.7 million increase from what the firm made in the four years before Christie took office.

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Scandals cost us money

An easy way to run up big legal bills to throw at the foot of taxpayers is a high-profile scandal.

Christie's administration spent more than \$11 million during his second term to a firm with close ties to him that investigated the Bridgegate scandal.

Murphy, meanwhile, has shelled at least \$1.6 million in legal fees after Katie Brennan, a top staffer, went public with her her accusation that a Murphy aide raped her. Murphy's administration hired a firm to investigate his administration's hiring practices and retained another firm to represent its members during public hearings.

The firms that did that work are Lowenstein Sandler LLP and Sills Cummis & Gross — both politically connected.

Murphy hired former state Supreme Court justice Peter Verniero to investigate his administration's hiring practices. The job paid more than \$500,000 in the first seven months of the year to Verniero's firm, Sills Cummis & Gross.

According to ELEC, Sills Cummis & Gross members made \$28,600 in political contributions last year and earned just less than \$500,000 from public work.

Lowenstein Sandler LLP billed the state at least \$916,000 the first seven months of this year. Much of that was for legal work handled by Christopher Porrino, a former attorney general under Christie, and Matthew Boxer, a former state comptroller.

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The state has also paid <u>\$133,780 and counting in legal bills</u> to review hiring practices at the state's Schools Development Authority, which was once headed by a Murphy aide who was accused of running a patronage pit.

In addition, the Murphy administration's investigation in over how state's Economic Development Authority doled out corporate tax incentives during the Christie years has <u>cost taxpayers at least \$3.14 million</u>.

"Some costs arise from a small number of major cases, like Bridgegate or sports betting," Moore said. "In this administration, one of the biggest cases is the (governor's) tax incentive task force."

Most of that money went to the New York-based firm Walden Macht & Haran LLP. The investigation is ongoing, so more bills will be submitted to the state.

Murphy's administration, however, argues the investigation into the tax incentive program could end up saving the state money in the long run.

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