

CHRIS CHRISTIE-PATTON BOGGS CONTRACT SHOWS DISTURBING TREND

New Jersey Governor Chris Christie, in one of his first major acts in office, killed the NJ-NY Hudson River Tunnel Project that had already been agreed to and would have brought much needed transportation congestion relief as well as billions in long term Federal construction spending, and related job creation, for his state. Christie said New Jersey could not afford to participate. As a result of Christie's breach of the agreement and withdrawal, the Federal government, via the FTA, formally noticed demand for losses and expenses in the amount of \$271 million dollars that resulted.

Christie, of course, doesn't want to honor the government's loss claim any more than he does the tunnel agreement. So Christie has hired the ultra high dollar white shoe Washington DC power law firm Patton Boggs to fight the claim:

New Jersey Governor Chris Christie has hired a law firm to challenge a \$271 million tab the federal government says the state owes for the canceled ARC rail tunnel. Christie says he's approved the selection of the high-powered Washington, D.C. firm of Patton Boggs.

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A Christie spokesman Michael Drewniak defended the hire, saying "We're much better off using a firm like this than using our own in-house attorneys or attorneys general. Not to knock their expertise, but let's face it, that's what these attorneys [at Patton Boggs] do for a living."

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Drewniak said the firm would be charging \$485 an hour. He wasn't sure where the

money to pay that rate would come from – only that it would be found. “There are always contingencies for every agency of government for conducting legal affairs,” he said. “Everybody has to budget money.”

Patton Boggs is listed by the Center for Responsive Politics, a non-profit group that tracks influence in Washington, as the nation’s top lobbyist over the last twelve years, with about \$400 million in billings since 1998. Its clients include Walmart, several health-care related companies and local governments.

Only \$485.00/hr. for a high powered firm like Patton Boggs, the kind of firm where senior level counsel regularly charge \$800-\$1,000 an hour, looks pretty reasonable on the surface doesn’t it? Looks like Christie actually negotiated a pretty fair deal on outside lawyers, if he is not going to use any of the hundreds of state attorneys he already has on the payroll, doesn’t it? Well, not so much.

\$485 an hour for a firm like Patton Boggs means they are using “blended rate” on their RFP response. They put in an estimate that shows a small number of partner hours at \$800+, and large number of low level associate and paralegal hours at much lower rates.

After they get the contract, there will be lots more partner hours billed than in the estimate. The final bill will be a multiple of the estimated bill in the RFP.

This is how big white shoe law firms, with huge and expensive overhead, compete with small firms who legitimately charge less than \$500 an hour for partner time on governmental contracts. It is a scam that was invented so politicians can funnel lucrative steady contract money to big powerful supporters and the big firms can siphon money from government coffers.

In the old days, the government would set a

maximum "government rate" per hour they were willing to pay, and the big firms would not touch the work. Mid sized and smaller law firms specializing in such work, manned by ex-prosecutors and other government lawyer types who still wanted to do "public good work" would open boutique firms that charged less than 1/2 the per hour rate for senior attorneys the big firms could and would get these assignments because the big firms wouldn't take the government rate. These firms often consisted of attorneys with substantial federal agency or DOJ experience, wanting to actually do more than get rich, and gave the taxpayers a far better deal, and just as good, if not far better, results because the firm was not beholden to Washington DC masters and political and lobbying affiliations.

So, if past practice in such situations is prologue, Chris Christie's contract with Patton Boggs is not only questionable because the State of New Jersey has plenty of capable attorneys already on its payroll, it is also far from the reasonable deal it is being pitched as.