



American Tort Reform Association

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VIRGINIA REFORM CLARIFIES ACCOUNTABILITY FOR MAJOR LITIGATION RECOVERIES

BUDGET AMENDMENT CONSISTENT WITH ELEMENT OF ATRA'S PROPOSED 'TRANSPARENCY CODE'

WASHINGTON, D.C., April 24, 2008 – The American Tort Reform Association today applauded the Virginia General Assembly's work in finalizing an amendment to the state's biennial budget that will require all recoveries in excess of \$250,000 won by the commonwealth in litigation to be deposited directly into Virginia's treasury for appropriation by the General Assembly. Currently, there is no clear statutory mandate requiring such deposits.

"This important statutory milestone provides an important new protection for Virginia's fiscal integrity," explained ATRA president Sherman "Tiger" Joyce. "It formally clarifies the state constitution's separation of powers, which plainly vests in the legislative branch the power of the purse.

"Significant legal recoveries should be treated no differently than revenue collected from taxpayers," Joyce continued, noting that Virginia's new budgetary provision tracks with one of five commonsense reforms in the Transparency Code for state attorneys general that ATRA proposed for discussion last September.

Other reforms proposed by ATRA would require competitive bidding by private sector law firms for legal contracts with the state, Internet posting of those contracts, strict accountings of hours worked and services provided by outside lawyers and legislative oversight of such contracts.

"Virginia's citizens are fortunate to have state leadership that practices responsible government today while safeguarding good government tomorrow," Joyce observed. "Directing litigation recoveries into state treasuries where they can be appropriated with proper oversight by state legislatures is a reform needed in many other states where attorneys general instead maintain personal, sometimes capricious control over such funds.

"With persuasion by citizens and good-government organizations, perhaps those states will follow the leadership example set by Virginia's General Assembly and Attorney General Bob McDonnell who have responsibly embraced reform. As state budgets tighten, only those duly elected to do so should make critical decisions about state spending priorities and policies," Joyce concluded.

States that have taken similar steps toward greater transparency and accountability this year include Florida, West Virginia and Wisconsin. Full text of ATRA's proposed Transparency Code is posted at <http://www.agwatch.org/about/AGTransparencyCode.cfm>.

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The American Tort Reform Association, based in Washington, D.C., is the only national organization dedicated exclusively to tort and liability reform through public education and the enactment of legislation. Its members include nonprofit organizations and small and large companies, as well as trade, business and professional associations from the state and national level. AG Agenda Watch is a project of ATRA which monitors the litigation and political agendas of state attorneys general who, since the mid-1990s, have worked with personal injury lawyers to turn accepted legal practices and theories on their heads, using the courts to create public policies once enacted by legislatures and targeting entire industries for lawsuits, all while resisting greater public scrutiny of their contracts and relationships.