

## Attorney General McGraw: An Economic Grim Reaper

Greater well-being for all within the state of West Virginia will be long in coming if the attorney general continues his misguided campaign against those who create true value and produce.

Story By John A. Dove

In the recent state elections, Attorney General Darrell McGraw was able to maintain his position even in the face of an intense negative campaign run against him by various groups.

In all likelihood, with his re-election an all too familiar course of action will be pursued against business. Unfortunately, this plan will continue to have many negative consequences for the state and its prosperity in general if it is allowed to occur.

One key issue within West Virginia, and one which must be addressed for this state to prosper, is the high level of corporate litigation that continuously occurs, perpetrated by the office of the attorney general.

On a recent episode of "Decision Makers," Deputy Attorney General Fran Hughes faced off against Steven Cohen of West Virginia Citizens Against Lawsuit Abuse. In the program, Ms. Hughes claimed: "We (the Attorney General's Office) have been able to go after multinational corporations and Wall Street firms and bring \$2 billion to the state of West Virginia." She further made the assertion that this has had no impact on tax liabilities paid by the citizens of West Virginia.

The attorney general further supports this claim on his Web site, which states, "General McGraw has returned over \$1.9 billion to West Virginia and its citizens for violations of the state's consumer protection act and antitrust laws."

Unfortunately, this claim that Ms. Hughes seemed to herald as an absolute positive benefit for the state of West Virginia and its citizens is anything but. Although it is true that these returns did not involve any increased tax rates for West Virginians to pay for this litigation, there is a much larger and more painful indirect tax that all citizens of this state must incur: a decrease in income and overall well-being because of firms choosing to do business elsewhere because of the negative perception that such lawsuits leave with anyone considering doing business within this state.

### Bottom Five States

State	Rank	Per Cap GDP	Unemployment
IL	46	38,215	4.60
AL	47	31,295	3.50
LA	48	30,952	3.90
MS	49	26,535	6.70
WV	50	27,897	4.70
AVERAGE		\$30,979	4.68

### Top Five States

State	Rank	Per Cap GDP	Unemployment
DE	1	39,022	3.50
MN	2	38,712	4.00
NE	3	34,397	3.00
ME	4	32,348	4.60
IA	4	33,236	3.80
AVERAGE		\$35,543	3.78

Listed above are the top five and bottom five states ranked by their tort and liability systems as ranked by the ALEC-

Laffer State Competitiveness Index compared to each state's unemployment rate and per-capita GDP compiled from the U.S. Bureau of Labor Statistics. The top five states averaged almost \$5,000 more in per-capita GDP and an unemployment rate more than a full percentage point lower than the bottom five states. Not surprisingly, West Virginia ranks dead last in this ranking, and the numbers only show just what impact the legalized plundering and arbitrary nature of Attorney General McGraw's campaign against business has truly done for this state -- a state the American Tort Reform Association has deemed a "Judicial Hellhole."

Although taxpayers do not feel any direct effect from these reckless attempts at legalized robbery in the long run, as the chart shows, there is a very detrimental effect from such arbitrary attacks. Many national corporations categorically refuse to conduct business within this state's borders because of the poor reputation of our judicial system. West Virginia continuously is perceived as a state in no way conducive to starting a business. This leads to an environment in which companies instead move elsewhere and subsequently take any potential jobs with them.

Overall, such random litigation by the state's attorney general leaves all West Virginians poorer. Although citizens may not pay for such litigation directly through taxation, they do pay for it when trying to find a job that although may have existed within a more favorable legal environment now will never be created because of the uncertainty such random attacks lead to. Although the attorney general and many in this state may find it attractive to attack "big business" and "big corporations," it is forgotten that in the end such litigation also attacks and hurts the individual trying to find employment.

Sadly, it is these very corporations and businesses that truly do bring a greater standard of living. Greater well-being for all within the state of West Virginia will be long in coming if the attorney general continues his misguided campaign against those who create true value and produce.

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