

JUSTICE FOR SALE - PART 3: GREED BREED'S CORRUPTION

A series by Nolan Higdon

This is the third article (PART 1 & PART 2) in a five part series examining the US legal system. The series collectively argues that corporate media and political rhetoric have made Americans acquiescent toward corruption in the US legal system. This piece examines how public ambivalence toward a justice system which operates for profit not public good has created a breeding ground for corruption.

On September 15, 2008, the corporate media obsessively reminded viewers that the 158 year old, services financial global giant Lehman Brothers was bankrupt. Reporters wondered *How did this happen? How did a reputable firm like Lehman go bankrupt?* It did not add up. The Chairman and CEO of Lehman Brothers, Richard Fuld, A.K.A. the "Gorilla" for his competitiveness on Wall Street, was emblematic of Wall Street success. He had gone from commercial paper trader at Lehman in 1969 to leading the firm by 1994.ⁱ Yet, in September 2008 he was at the center of the biggest bankruptcy case in US history. Fuld's leadership had bred a culture of corruption at Lehman. The greedy financial giant ultimately destroyed itself through the falsification of its balance sheets, especially its abundance of risky mortgages.ⁱⁱ Congressional investigations found that Lehman had "no accountability for failure."ⁱⁱⁱ Lehman's fall from grace contributed to an international financial collapse which cost US taxpayers \$613 billion in aid for the nation's failing institutions.^{iv}

Lehman like Enron, World Com, Goldman Sachs, Bear Sterns, AIG and countless other companies is an example of how a business's greedy pursuit of profits breeds corruption. Yet neo-liberals continue to argue that the US should "run public institutions like a business"^v Since the 1970s, neo-liberals have made large strides in achieving their goal of transferring government run institutions to corporations. This includes the prison and related industries. Not surprisingly, the corruption engendered by the privatized justice system's greedy pursuit of profits has huge costs for tax payers. Yet, Americans remain largely acquiescent toward the corrupt practices of the police, judges, and politicians when it comes to their involvement in abusing the justice system through traffics violations, court cases, and prisons.

Corruption and Death

Corruption in the justice system costs tax payers both financially and physically. For example, at tax payer's expense, Corrections Corporation of America (CCA) employees in Idaho falsified nearly five thousand hours of work to hide that they were understaffed for over seven months.^{vi} In 2014, the CCA further hoodwinked Idaho tax payers, by charging "thousands of dollars" for medications which did not exist.^{vii} Similarly, children in Pennsylvania were incarcerated in the Kids for Cash scandal; two judges, Mark Ciavarella and Michael Conahan took \$2.6 million in bribes to incarcerate youths at Mid Atlantic Youth Service Corporation facilities. More than 5,000 youths were incarcerated for such crimes "as stealing DVDs from Wal-Mart and trespassing in vacant buildings."^{viii}

Prison industry corruption has come to include a black market for execution drugs. In 2011, the manufacturer of Pentobarbital — often claimed to be part of the quickest and most painless way to execute prisoners — removed the drug from the market for capital punishment.^{ix} States eager for a replacement, began buying untested drugs from unknown manufacturers with

public money.^x Oklahoma, Missouri, and Texas refuse to reveal the sources of their lethal injection drugs which cost over \$11,000.^{xi} The profit to the manufacturers comes at the expense of the citizens who are given the untested drugs. In 2014, Arizona officials gave death row inmate Joseph Woods, fifteen separate injections of experimental drugs causing him to suffocate to death over two hours.^{xii} Similarly in 2014, Oklahoma inmate Clayton Lockett, went unconscious 10 minutes after an experimental drug and then died of a heart attack a half an hour later.^{xiii} In 2015, Oklahoma inmate Charles Warner's last words were "my body is on fire" after being injected with an unknown lethal injection drug.^{xiv}

The profits made from executions are even more egregious considering that not all death row inmates are guilty. Since 1989, 317 death row convictions have been overturned in 38 states and tens of thousands of suspects have been cleared by DNA.^{xv} Justice system biases, corruption and racism result in an unknown amount of wrongful convictions annually.^{xvi} The majority of inmates cleared by DNA have been African Americans.^{xvii} In fact, lawyers who are aware of the racial bias in the legal system, often encourage their innocent non-white clients to plead guilty to a crime rather than face a trial.^{xviii} In fact, thirty citizens exonerated by DNA pled guilty to crimes to attain a lighter sentence.^{xix} In a legal system dominated by the greedy pursuit of profit, bribery engenders wrongful convictions. For example, a wealthy rancher paid thousands of dollars for Johnny E. Webb's false testimony against Cameron Todd Willingham. As a result, Willingham was found guilty and executed for murdering his three young daughters in a house fire.^{xx}

Tantamount to the lack of accountability at Lehman, even when corruption is unearthed the legal system is not forced to provide restitution to exonerated inmates. Only sixty-five percent of exonerated inmates are compensated.^{xxi} Many take the Alford Plea which originates from a 1963 case in North Carolina. The plea allows a defendant to declare their innocence in court while simultaneously admitting that the prosecution had enough evidence to prove their guilt beyond a reasonable doubt. The Alford Plea gives defendants a choice between remaining in prison or being released with the promise of no justice for their wrongful conviction. Local courts allow it because it shields them from having to pay any compensation for a wrongful conviction since the defendant admitted that the prosecution had enough evidence to convict. Basically, it is a conditional release, where the court grants an inmate freedom in exchange for giving up their right to sue the local government for its wrongful conviction.^{xxii}

Minor Crimes, Major Profits

The tax payer funded corruption in the legal system includes abuses for traffic violations. Many state and local governments have faced a budget shortfall since the late 1970s. As a result, they have sought to maximize profits for minor crimes. In 2006 local governments increased traffic citation revenue nearly half a percent for every 1% decline in other revenue.^{xxiii} Randolph Missouri, a town of 47 people garners \$202,500 or 75% of its annual budget from traffic penalties.^{xxiv} Many local governments add a "surcharge" of \$100 to \$2,000 per violation.^{xxv} In places like Virginia, violators can pay 2.38 times the cost of the ticket.^{xxvi} In 2009, California nearly doubled its DMV registration fees.^{xxvii} Citizens support high fees falsely assuming the revenue comes from outside the community. However, receiving just one ticket can increase insurance rates \$5000 a year.^{xxviii}

Just as the prison industry claims to alleviate state costs, red-light camera companies promise to seize more local revenue through the ticketing of violators. Across the US, red-light cameras are being installed. They capture videos and images of a car crossing an intersection while the stop light is red and then mail it to the automobile owner's home address. It is suspected that most people do not go to court upon seeing the evidence of their guilt which saves the city the costs incurred by having a police officer on the street to ticket and a court trial. The red-light cameras have grown in popularity from a 155 city-contracts in 2005 to 689 contracts by 2012.^{xxix} There are two kinds of contracts, the first splits revenue among the city and the red-light company.^{xxx} As Berkeley, California, proposed in 2003, by giving the red-light camera manufacturer \$48 of every \$209 ticket.^{xxxi} The other type of contract charges the city a monthly fee for using a companies red light cameras. Every contract is different in their requirements. Some require an agreed upon percentage of guilty verdicts from those ticketed. If that percentage is not met then the city pays a penalty. For example in Walnut, CA, the town is penalized for waiving more than 10 percent of violations.^{xxxii} Red light camera manufacturer, Lockheed Martin is known for creating contracts with high penalties when states waive too many cases.^{xxxiii} Even more egregious, contracts are binding, with cities paying huge penalties for terminating them. American Traffic Solutions took home \$12 million from Houston in 2010 and \$1 million from Baytown, Texas for early termination of their contracts.^{xxxiv}

Both local governments and the red-light companies seek profits not safety. In Virginia and California, contracts forbid cities from increasing the length of yellow light time which decreases violations and accidents.^{xxxv} Lockheed Martin often reserves the right to remove cameras from intersections that have few violations.^{xxxvi} Thus, demonstrating that the cameras are in place to generate revenue not produce safety by deterring violations. The profits are too large for corporations to use materials at low revenue generating intersections. For example, in California a violation costs \$480.^{xxxvii} In 2010, Los Angeles began to double the amount of red light cameras to 64 intersections. In 2009, LA cited 44,000 drivers for red-light camera violations netting the city more than \$6 million.^{xxxviii}

Despite the large amounts collected, it is often the contracted companies not the city or the state reaping the profit. In 2010, Arizona drivers paid more than \$20 million in camera ticket fines, but a majority of the programs cost more to administer than to collect.^{xxxix} The costs for running the courts are colossal. California tax payers spend \$3 billion annually on their courts, but need an additional \$266 million to stay operational, \$612 million to be fully functional, and \$1.2 billion to be solvent.^{xl} Where does the money go? It goes to insurance, red-light, and other private companies. An estimated 25 to 50 million traffic tickets are issued annually leading to \$3.75 to \$7.5 billion in fees coupled with another \$3.75 to 7.5 billion in profits for insurance companies.^{xli}

Profits Breed Corruption

The potentially large profits have bred corruption in the form of bribery. In August 2014, Redflex chief executive officer Karen Finley and contractor Martin O'Malley were indicted in a \$2 million bribery scandal. They allegedly bribed Chicago official John Bills with "hotel rooms, car rentals, meals, golf games, computers, and other personal items," in exchange for his support of a contract in the city. The 10 year contract, generated nearly \$500 million in tickets.^{xlii} It led to

the loss of the Chicago contract as well as Florida, California, and Arizona backing out of contract negotiations with the company.^{xliii}

The need for profits by companies has led to a corrupt redesign of the court system at tax payer's expense. For example, in Fremont California, when a suspect appears in court to challenge the violation, the citing officer is not present. Instead the prosecutor is a retired officer for the red-light camera company who refuses to answer questions from the defendant. Rather than a defendant making the prosecution prove their guilt – in the tradition of the western legal system- a judge makes the defendant prove their innocence. More egregious, in a clear conflict of interest, since the city depends on the revenue as does the red light company, both the judge and the company representative have a vested interest in a guilty verdict.^{xliv}

Conclusion

The corporate media and politicians have acted as a conduit for neo-liberal rhetoric. The American people are inundated with false information which justifies the corruption of the legal system. For the most part, Americans are acquiescent to the corruption of police, politicians, and the prison and red light industry. Yet, the colossal profits being generated from the corruption come at their expense. The next article will examine corruption inside US legal institutions by looking at Coalinga State Hospital.

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