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Absolute Corruption is the Rule in America
Color of Law
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Often, people will look at a high-profile example of corruption, and conclude that the egregious act is an exception to the rule. In reality, it might be the tip of the iceberg.

On October 29, 2009, the Supreme Court of Pennsylvania did a wonderful thing when it <u>expunged the records of as many as 6,500 juveniles</u> in Luzerne County. That's not a misprint.

Two judges in that county were sent up the federal river for locking up thousands of innocent children over five years, in exchange for \$2.6 million in kickbacks from private juvenile detention centers. Judges Mark A. Ciavarella Jr. and Michael T. Conahan helped the developers secure the county contracts to build the prisons. Moreover, they filled the detention centers with warm bodies - many of whom were first-time offenders with minor infractions - and illegally denied the teens access to an attorney.

In the case of Luzerne, the "cash for kids" scheme was a coldblooded expression of greed, and we should not downplay the seriousness of the crimes committed. Yet, what happened in this rural county in northeastern Pennsylvania is a reflection of what America's criminal justice system has become - a for-profit, money-making enterprise.

Often, our poorer children, disproportionately of color, are funneled into a cradle-

to-prison pipeline through adulthood. With a criminally negligent public school system, and job opportunities outsourced abroad, many children at the bottom of the socioeconomic ladder are ensured a future of little else than street corners or prison bars. In fact, many urban schools are nothing more than prison prep, complete with police and metal detectors.

Interestingly, the children of Luzerne, a county which is nearly 97% white, did not resemble the "usual suspects" in the criminal justice system. But that really is not the point - when prisons are a capitalistic endeavor, warm bodies are needed as the raw materials, and so they must come from somewhere. And consequently, justice takes a backseat to dollars. From the foodservice industry and the phone companies, to the Wall Street bankers and the investors, many people have a vested interest in filling up those empty prison beds and maximizing their cut. American capitalism made the U.S. prison population the world's largest at 2.5 million, with mass incarceration for nonviolent drug offenses and victimless crimes.

And American-style capitalism is problematic for the culture of corruption it has enabled, in the absence of an effective regulatory framework. Much attention has been paid to Bernie Madoff, that poster child of the Ponzi schemes, who defrauded investors out of \$65 billion. The damage he created is impressive, from the family savings that were forever lost, to the charities that went under. But like the judges in Luzerne County, Madoff was merely a cog in a wheel of corruption that enabled greed.

Madoff himself said he was surprised <u>his scheme lasted so long</u>, and that the <u>Securities and Exchange Commission (SEC) investigators were so clueless</u> about his fraudulent activities over 16 years. The fact is, some members of the SEC staff were inexperienced or just idiots. Further, <u>Madoff had too much credibility</u> with the SEC and was not properly investigated, with red flags uncovered yet ignored.

With the deregulation of the financial sector and the evisceration of the Glass-Steagall Act came the financial crisis of 2008. The system had become the Ponzi scheme. The economy was built on paper shuffling and no tangible products. Consumers were preyed upon with sketchy, deceptive and destructive subprime mortgages. Banks gambled people's money in high-risk, high-stakes poker games. And with a <u>revolving</u> door between Wall Street and the Treasury department, the same people with the gambling problem are running the casino, and "monitoring" it as well.

The banks that ruined the country swore by the free market when it suited them. But now, they gladly accept their corporate welfare bailout checks, and scoff at the rest of us. Wall Street has rebounded, business as usual, and Gordon Gekko is smiling. Meanwhile, America's former middle class is joining the ranks of the poor, and the foreclosed are filling the nation's homeless shelters. Short of bold government action of Rooseveltian proportions, there will be no economic recovery for everyday people. After all, the unemployed, the homeless, and the soon-to-be unemployed and homeless generally are not big spenders.

The moneyed interests also have corrupted the political process, and a prime example is the behavior of Senator Joe Lieberman (I-CT) and the "Blue Dog" Democrats in the health care reform debate. Lieberman has earned a special place in the hearts and minds of progressives of late for vowing to stand with Republicans, and filibuster any

health care bill that contains a public option. He has even said he would rather have no bill at all than a bill with a public option.

In American political folklore, the Senate is presented as an august deliberative body where cooler heads prevail, where genteel statesmen and stateswomen put the brakes on rash and potentially harmful legislation, for the betterment of all. In reality, the Senate is a place where bold legislation for the public good is killed, because industries put a contract out on democratic ideas. And they instruct their employees, the senators, to stop these ideas in their tracks. This is a bipartisan endeavor. The Blue Dog Democrats, who are the self-proclaimed fiscal conservatives of their party, distinguish themselves from other Democrats by their greed and hypocrisy. They receive the most corporate money, and have rejected less costly health reform bills that would hurt their benefactors. Ask Sen. Max Baucus of Montana, chair of the Senate Finance committee, and a key player in this year's health reform debate. Baucus received \$3.4 million form health and insurance industry interests between 2003 and 2008, more than any other member of Congress. Judging from the sad excuse for a health reform bill that came out of his committee, the industry got its money's worth.

And Lieberman, the dirty dog that Democrats love to hate, is a fully-owned subsidiary of the insurance industry. Over the course of his career, he has received \$2.6 million from the insurance companies. In addition, his wife is a health care industry lobbyist. Despite the overwhelming popular support in Connecticut for a public option, Lieberman has decided to follow the money. The Democrats must take Lieberman to the tool shed for his double-crossing ways, and relieve him of his coveted chair in the Homeland Security and Government Affairs committee. Not to be outdone, Sen. Evan Bayh (D-IN), whose wife has made at least \$2 million sitting on the board of a major health insurance company, hinted that he would filibuster the public option as well. Apparently, faced with the prospect of the Democratic leadership opening a big can of whup ass on him, he backed off.

The problem here is not just Senators Lieberman, Baucus, Bayh and a few other unscrupulous politicians. The fact is the entire political game, the link between money and politics, is rancid and is killing democracy. In the case of health care reform, the corrupting influence of money is literally sucking the country's life blood.

As in the days of old before the 1929 stock market crash and the New Deal, corporations have far more influence in this society than they are entitled. Citibank gleefully proclaimed in a series of reports in 2005 and 2006 that the U.S. is a plutonomy - a system of wealth inequality in which the richest 1% hold a disproportionately large share of wealth. The rich are likely to get even wealthier, at the expense of labor. This rising inequality, Citibank predicts, will lead to a political backlash.

And some backlash is needed now. It is certain that the outrageous displays of greed and corruption deserve our attention and our outrage. But to dismiss them as exceptions to the rule, rather than products of a systemic, vulturous culture that must be attacked, is to choose a perilous path.

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