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Democracy:

Strengthening Democratic Participation

The winner-take-all system, while simple, often alienates voters who feel that they are unable to vote for the candidates and views they truly support. Two common alternative voting systems suggested for solving this problem are [proportional representation](#) and [instant runoff voting](#). The [Center for Voting and Democracy](#) provides information on both of these voting systems:

Proportional Representation (PR)

"Nearly all elections in the United States are based on the winner-take-all principle: voters for the candidate who receives the most votes win representation; voters for the other candidates win nothing. This system is unjust and unnecessary. It is unjust because it leaves minorities unrepresented with a resulting impact on majority rule as well as fair representation. It is unnecessary because we have immediate opportunities, at local, state, and national levels, to join the vast majority of mature democracies that have already adopted systems of proportional representation.

Proportional representation (PR) is based on the principle that any group of like-minded voters should win legislative seats in proportion to its share of the popular vote. Whereas the winner-take-all principle awards 100% of the representation to a 50.1% majority, PR allows voters in a minority to win their fair share of representation. There is a broad range of PR systems. Some are based on voting for political parties; others for candidates. Some allow very small groupings of voters to win seats; others require higher thresholds of support to win representation. All promote more accurate, balanced representation of the spectrum of political opinion in a given electorate."

(Center for Voting and Democracy) [\[source\]](#)

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[Instant Runoff Voting](#)

[Illinois Citizens for Proportional Representation](#)

[Washington Citizens for Proportional Representation](#)

[Money Is Not Democracy](#)

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Resources

[CVD - Instant Runoff Voting \(IRV\)](#)

[Election Reform - Instant Runoff Voting](#)

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Instant Runoff Voting (IRV)

"Instant runoff voting (IRV) corrects the defects in plurality elections and two-round runoff elections, the two most widely used voting systems in the country. Major efforts to replace plurality election laws with this more democratic alternative are underway in Alaska, New Mexico, Vermont, Washington, and California. Campaigns to replace traditional two-round runoff elections are taking place at a local level in Austin (TX), Oakland (CA), San Francisco (CA), Eugene (OR) and many other cities and counties.

Instant runoff voting allows for better voter choice and wider voter participation by accommodating multiple candidates in single seat races and assuring that a "spoiler"-effect will not result in undemocratic outcomes. Instant runoff voting allows all voters to vote for their favorite candidate without fear of helping elect their least favorite candidate, and it ensures that the winner enjoys true support from a majority of the voters. Plurality voting, used in most American elections, does not meet these basic requirements for a fair election system that promotes wide participation, and traditional runoff elections are costly to the taxpayer and often suffer from low voter turnout."

- Center for Voting and Democracy [\[source\]](#)

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Democracy:

Campaign Finance Reform:

The campaign finance system today operates like an exclusionary wealth primary, which pre-selects the candidates who can raise and spend the most money. Consider the facts:

- 1) The winners of the wealth primary almost invariably go on to win election. Ninety-two percent of U.S. House of Representative winners and eighty-eight percent of U.S. Senate winners first win the wealth primary - out-raising and outspending their opponents - and then go on to win election.
- 2) The vast majority of campaign money comes from a tiny and wealthy segment of our society. Less than one percent of the population contributes more than eighty percent of all money in federal elections in amounts of \$200 or more. A 1998 survey found that the vast majority of such contributors are wealthy white men with annual family incomes higher than \$100,000.
- 3) Elections are now auctioned to the highest bidder. A candidate running for the U.S. House of Representatives today must have, on average, half a million dollars in order to win. A U.S. Senate candidate must have \$4.6 million.
- 4) The wealth primary barrier maintains its strongest presence in communities of color. A recent study showed that the nation's top 100 communities in terms of campaign contributions are eighty percent white and that each of these communities gave an average of \$1.4 million. In contrast, the 100 communities with the highest concentration of people of color each gave an average of \$7,000.

Organizations

[Public Campaign \(Clean Money Campaign Reform\)](#)

- an organization that demonstrates real solutions to clean up campaign finance, spearheaded by the Clean Money Campaign Reform

[Opensecrets.org](#) - run by the Center for Responsive Politics; a comprehensive breakdown by district, state, party, and economic sector of campaign contributions, including soft money

[Common Cause](#)

- a nonprofit organization dedicated to promoting honest government; this site includes many studies conducted on campaign finance

[Fannie Lou Hamer Project](#)

- the project, "aims to create a national grassroots movement to redefine campaign finance as a civil rights issue" ; includes sections on money and race, press releases and articles, how to get involved with the project's various groups

Resources

[Common Cause - Campaign Finance Studies](#)

[Common Cause - Soft Money Laundromat](#)

- a searchable database of special interest soft money contributions to the Democratic and Republican national party committees


[Granny D](#)

- find out where one of America's most famous campaign finance reformers is and what she's doing

Action / Campaigns

[Common Cause - Action Center: Issues and Legislation](#)

- includes information on campaigns, key votes and legislation related to campaign finance reform



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Democracy:

Democracy in DC:

Most Americans do not know, and many would find it hard to believe, that under our current system DC residents are second-class citizens. The District is denied local control - Congress must approve the District's budget, and can override any action of the city government. At the same time, District residents do not have even one voting representative in the Congress which controls them. DC is effectively a colony, with all local decisions directly subject to change by a Congress largely out of touch with local realities.

Most people who live outside of the District do not know that DC citizens pay about \$2 billion a year in federal income taxes - more than several states - yet cannot elect people to decide how their money is spent. DC residents have served and died in our armed services over the last half century in disproportionately high numbers, but have no representation in the Congress that decides whether or not to go to war. The U.S. is the only democracy in the world that deprives the residents of its capital city the basic rights granted to other citizens.

Even more damaging than the lack of Congressional representation is the colonial-style control that Congress exerts over the District. Adding one, or three, DC representatives to the 535 members of Congress would, by itself, do little to solve this problem. Members of Congress regularly overturn the judgment of local elected officials - on public health, tax, budget, school issues - all with impunity.

The results of Congressional interference and the inefficiency of colonial-style management are as distressing as they are predictable. Poverty has increased, during a time of economic expansion, with the percentage of residents in poverty going from 16.6% in 1988 to an appalling 22.1% in 1998. Even more astonishing was the growth in income inequality. The richest 20% of DC residents

Organizations

[DC Citizens for Democracy](#)

- official site for the lawsuit by 20 DC citizens against the President, requesting full voter representation and equal treatment for DC residents

[Stand Up For Democracy - Free DC!](#)

[DC Vote - the Coalition for DC Representation in Congress Education Fund](#)

Resources

["The Difference Between DC Democracy and DC Representation"](#) - report by The Progressive Review

[Progressive Review - DC Statehood](#)

- articles on DC statehood facts and history, by Sam Smith, editor of the Progressive Review

Action / Campaigns

[DC Vote - Get Involved](#)

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earned 16.4 times as much as the poorest 20% in the late 80s, and 27.1 times as much in the late 90s.

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Democracy:

Antitrust

The merger wave of the last decade has reshaped the U.S. and world economies and led to the greatest concentration of corporate power in history, doing serious damage to our democracy, and serious economic damage to many.

Concentrated economic power leads to a variety of abuses: gigantic mergers and acquisitions are suppressing innovation, driving up consumer prices, facilitating mass layoffs and undermining customer service. Phone company mergers have slowed the introduction of local phone-service competition and ensured that if competition ever comes, it will be between fewer competitors. Consolidation in the banking industry has led to branch closures and more expensive customer service. Corporate combinations in everything from supermarkets to oil companies to office-supply stores have driven up consumer prices.

The merger-driven creation of megafirms often creates "too-big-to-fail" enterprises that are positioned to receive various sorts of bailouts from the federal government. Thus the unfettered capitalist drive to accumulate and consolidate gives rise to socialized insurance at taxpayer expense -- a burgeoning state capitalism or corporate socialism.

Concentrated economic power also translates into concentrated political power -- the marriages of corporate giants are enabling them to tighten their grip on the political process. Media mergers have left a handful of companies with unprecedented, national (and international) power over political reporting, and politicians. Microsoft has sought to use its political muscle to slash funding for the Justice Department's Antitrust Division -- the very agency that successfully sued to break up the software monopolist. Citibank and Travelers merged into Citigroup, using a temporary exemption to a law that prohibited such mergers, on the assumption that they would be able to force through a change in the law to legalize their marriage. Unfortunately, they succeeded in 1999 via the bank concentration bill.

Of course, monopoly abuses may result from market power gained largely apart from mergers, as has been the case with Microsoft. Bill Gates' firm has conspired to destroy competitors and block internet and software innovations.

The United States needs an antitrust policy that protects consumers and workers, assures the operation of a fair marketplace and prevents Goliath corporations from running roughshod over our political democracy. We need:

* A tenfold increase in the size of the antitrust enforcement budget -- the investment will be more than repaid in increased penalties and fines: the fines from last

year's giant vitamin price-fixing scheme alone could fund the Justice Department's current antitrust budget for more than 6 years;

* A moratorium on all mergers over \$10 billion, a more aggressive application of the existing merger guidelines (completely ignored in cases such as the Boeing-McDonnell Douglas merger) and a revamping of the merger rules to establish a strong presumption against new megamergers;

* Lower thresholds for merger moratoriums in specific industries, including agribusiness;

* An invigoration of antitrust policy with the recognition that concentrated economic power is incompatible with a functioning democracy.

* A resuscitation of the "incipiency doctrine" -- by which mergers can be blocked on the grounds that they are likely to spark future mergers that will over-concentrate an industry.

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Democracy:

Corporate Crime

Corporate crime and violence inflict enormous damage on society. Hundreds of billions of dollars are stolen from Americans every year as a result of corporate and white-collar fraud, and tens of thousands of Americans are injured or killed each year by corporate violence. The Clinton/Gore administration has failed to document the extent and nature of corporate crime and violence, to calculate the damage, or to seek effective legislative and enforcement remedies. The Federal Bureau of Investigation's annual report Crime in the United States focuses exclusively on street crime. And according to a recent study by Public Employees for Environmental Responsibility, criminal prosecutions of environmental crimes, for example, fell sharply during the Clinton-Gore administration, compared to the Bush-Dole years. A crackdown on corporate crime and violence requires the following initial steps:

Document the extent and nature of the problems, and publicize them aggressively. The Federal Bureau of Investigation (FBI) should be required to issue an annual report on Corporate Crime in the United States. To the Justice Department, "crime in the United States," means "street crime in the United States." The FBI's annual report on crime discusses burglary, robbery and theft, but says nothing about price-fixing, corporate fraud, pollution, or public corruption. And the Justice Department publishes no equivalent publication called Corporate Crime in the United States.

Establish a corporate crime-fighting agenda. The Justice Department must take more aggressive actions against violations of environmental, health and safety laws, fraud, corrupt practices, and other measures designed to control corporate and white-collar crime. Many of these violations have been investigated by reporters from the mass media, but to no avail.

Expand the staffs of the major law enforcement agencies with oversight over corporate crime and violence - including the FBI's white-collar crime units and the Justice Department's Criminal Division, and increase the budget for prosecution of white-collar crime.

Bar companies with records of criminal and other wrongdoing from federal contracts.

Introduction

Every year, the FBI issues its report Crime in the United States, which documents murder, robbery, assault, burglary and other street crimes. The report ignores corporate and white-collar crimes such as life-taking pollution, procurement fraud, financial fraud, public corruption and occupational homicide.

The FBI does not issue a yearly Corporate Crime in the United States report, despite strong evidence that corporate crime and violence inflict far more damage on society than all street crime combined.

The FBI estimates that burglary and robbery costs the nation \$3.8 billion a year. Compare this to the hundreds of billions of dollars stolen from Americans via systemic and episodic corporate and white-collar fraud. Health-care fraud alone costs Americans \$100 billion to \$400 billion a year. The savings and loan fraud - which former Attorney General Dick Thornburgh called "the biggest white collar swindle in history" - will cost us anywhere from \$300 billion to \$500 billion. There is also \$40 billion a year in auto repair fraud, at least \$15 billion a year in securities fraud, and a host of lesser frauds that cost consumers tens of billions a year.

And corporate crime is often violent crime. The FBI estimates that 19,000 Americans are murdered every year. Compare this to the 56,000 Americans who die every year on the job or from occupational diseases such as black lung and asbestosis. On-the-job deaths often result from criminal recklessness. They are sometimes prosecuted as homicides or as criminal violations of federal workplace safety laws. And environmental crimes often result in death, disease and injury. In recent examples of corporate violence twelve New Mexico campers were killed in August 2000 when a natural gas pipeline operated by El Paso Natural Gas Co. broke and exploded near Carlsbad, NM, and more than 100 Americans have died in crashes linked to Firestone tire separations that caused their Ford Explorer vehicles to crash. And Dr. Troyen Brennan, a leader of the Harvard University Medical Malpractice Study of New York State, has estimated that there are 100,000 deaths each year from hospital-based medical negligence.

Despite the failure of the federal government to systematically and regularly document corporate crime and violence, it exists, and it is sometimes prosecuted. A recent report by Corporate Crime Reporter, The Top 100 Corporate Criminals of the 1990s, focused on major American corporations that have pled guilty or no contest to crimes and been criminally fined. These corporate criminals fell into 14 categories of crime: environmental (39), antitrust (20), fraud (13), campaign finance (6), food and drug (6), financial crimes (4), false statements (3), illegal exports (3), illegal boycott (1), worker death (1), bribery (1), obstruction of justice (1) public corruption (1), and tax evasion (1). Six corporations on the list were criminal recidivists during the 1990s.

The Tip of the Iceberg

Companies that are criminally prosecuted represent only the tip of a very large iceberg of corporate wrongdoing. For every company convicted of health care fraud, hundreds get away with ripping off Medicare and Medicaid, or face only mild fines and civil penalties. According to a 1999 report from the National Institutes of Justice, criminals have found ways to easily circumvent existing controls, and fraud schemes are usually discovered by chance, if at all. For every company convicted of polluting the nation's waterways, there are many not prosecuted because their corporate defense lawyers offer up a low-level employee to go to jail or pay a fine in exchange for a promise not to prosecute the company or high-level executives. For every corporation convicted of bribery or of giving money directly to a public official in violation of federal law, thousands legally give money for expected favors to political parties through political action committees - and profit from a system that effectively legalizes bribery. For every

corporation convicted of selling illegal pesticides, hundreds more are not prosecuted because their lobbyists have ensured that dangerous pesticides remain legal. For every corporation convicted of reckless homicide of a worker, hundreds of others aren't even investigated when a worker is killed on the job. Only a few district attorneys across the country (Michael McCann, the District Attorney in Milwaukee County, Wisconsin, being one) regularly investigate workplace deaths as homicides.

As some of these examples suggest, corporations define the laws under which they live. For example, the automobile industry over the past 30 years has worked its will on Congress to bury proposed legislation that would impose criminal sanctions on knowing violations of the federal auto safety laws. In 1966, when the National Traffic and Motor Vehicle Safety Act was passed, Senator Vance Hartke argued that exempting a person or corporation from criminal penalties was "indefensible in law, reason or morality." As Hartke observed, "Criminal behavior is criminal behavior, whether done on a dark road or behind a corporate organization." But auto industry muscle trumped such common sense, and now, if an auto company is caught violating the law, only a modest civil fine can be imposed. Because of their immense political power, big corporations have big resources to win in courts of law and in the court of public opinion.

Few prosecutors are willing to take the heat that a major corporation can dish out. It is testament to the will of a few dedicated federal prosecutors that Royal Caribbean Cruise Lines, for example, was recently criminally convicted of polluting the oceans. The company faced a team of two criminal prosecutors whereas its defense team included: Judson Starr and Jerry Block, former heads of the Justice Department's Environmental Crimes Section; former Attorney General Benjamin Civiletti; former federal prosecutors Kenneth C. Bass III, and Norman Moscowwitz; and Donald Carr of Winthrop & Stimson. As experts on international law issues, the company hired former Attorney General Eliot Richardson, University of Virginia law professor John Norton Moore, former State Department officials Terry Leitzell and Bernard Oxman, and four retired senior admirals.

As the case proceeded to trial, Royal Caribbean engaged in a massive public relations campaign, taking out ads during the Super Bowl, putting a former Administrator of the Environmental Protection Agency (EPA) on its board of directors, and donating thousands of dollars to environmental groups. Federal prosecutors overcame this incredible effort and convicted the company. But that was an unusual prosecution by unusually determined prosecutors.

According to former New York Times reporter David Burnham, each of the past half-dozen Attorneys General have publicly committed the Justice Department to a war against white-collar crime. But, as Burnham reports in his study, *Above the Law: Secret Deals, Political Fixes and Other Misadventures of the U.S. Department of Justice*, the Department doesn't walk the talk. Burnham found that less than one half of one percent (250) of the criminal indictments (51,253) brought by the Department in 1994 involved environmental crimes, occupational safety and health crimes, and crimes involving product and consumer safety issues. Burnham doubts that these numbers reflect the true level of corporate crime in America.

"In August 1993, the National Law Journal did a survey of general counsels of major corporations," Burnham said. "Sixty-six percent of the

counsels said they believed that their companies had violated federal or state environmental laws in the last year. You have tens of thousands of major corporations. You have a substantial number of the general counsels of these companies saying they are committing crimes. That speaks for itself." Burnham believes that corporate criminals often get away because of "unacknowledged class biases, outright political deals, poorly drafted laws and incompetent investigators" at the Justice Department.

Lenient Treatment of Corporate Crime and Violence

There is a long history of authorities ignoring or dealing leniently with corporate crime and violence. Examples include:

Earlier in this century, General Motors, Standard Oil of California, and Firestone Tire and Rubber conspired to destroy inner city rail transit systems in more than 100 cities nationwide. In 1949, GM was convicted of ripping up the tracks, and replacing the trolleys with polluting buses. For perhaps the greatest economic crime in history, GM and the other companies convicted in the conspiracy, were fined \$5,000 each. One executive, also convicted, was fined \$1.

For decades, the makers of leaded gasoline systematically suppressed information about the severe health hazards of their product. According to an investigative article published in the Nation magazine (March 20), the auto and oil industries, as well as the makers of lead additive, knew from the mid-1920s on that leaded gasoline was a public health menace and that safe anti-knock substitutes were cheaply available, but rejected them because they would be unprofitable. According to automotive journalist Jamie Lincoln Kitman, who wrote the article, these manufacturers wildly exaggerated the benefits of leaded gasoline while downplaying or outright denying its dangers. No criminal prosecution was ever brought against the manufacturers. Fourteen years after the federal government banned lead from gasoline sold in the U.S., one American company (Ethyl) and one English company (Associated Octel) still sell leaded gasoline throughout the developing world and Eastern Europe, despite lead's clearly established dangers, particularly to children.

"The story of how millions of tons of lead, a potent neurotoxin, were spewed into the environment and people's blood for 60 years ranks beside tobacco and the exploding gas tank of the Ford Pinto in the annals of corporate crime in America," said Kitman. "And what's truly outrageous, leaded gasoline continues to be sold around the world." (Ninety-three percent of all gasoline sold today in Africa contains lead.)

Two years ago, corporate criminal recidivist Warner-Lambert began selling a diabetes drug called Rezulin. Earlier this year, the Food and Drug Administration forced the drug off the market, but only after 61 confirmed deaths and 28 non-fatal liver failures. Total sales of the drug brought in \$1.8 billion to the company's Parke-Davis unit. Earlier this year, Public Citizen's Dr. Sidney Wolfe called for a criminal investigation of Parke-Davis for failing to make timely reports of drug-induced liver toxicity in patients taking Rezulin. Wolfe said that prior to the marketing of Rezulin in March 1997, Warner-Lambert/Parke-Davis was aware of a significant number of cases in which liver toxicity developed in people given the drug. The Clinton administration did not bring any criminal charges against the company.

Weak Criminal Enforcement of Worker Deaths

Corporate violence that results in worker deaths is rarely prosecuted, either at the state or federal level. The National Safety Council estimates that since the passage of the Occupational Safety and Health Act in 1970, 250,000 workers have died on the job (this figure does not include occupational diseases). Yet, according to the Occupational Safety and Health Administration (OSHA), only a handful of individuals have done jail time for criminally violating that law.

Each year, OSHA refers only a small number of cases to the Justice Department for criminal prosecution. And Justice Department officials are reluctant to prosecute these cases, knowing that for a criminal violation that results in the death of a worker, federal workplace safety law allows for only six months in prison for a first offense. In contrast, the penalty for harassing a wild burro on federal land is one year in prison.

Labor union activists have sought to strengthen criminal and other provisions of the health and safety law over the years, but these efforts have been roundly defeated by big business interests in Congress.

Earlier this year, a massive explosion at a Phillips Petroleum plastics plant in Pasadena, Texas killed one person and injured 74. It was the third fatal accident at the sprawling petrochemical complex in the last 11 years - a 1989 blast killed 23 and an explosion in June 1999 left two dead. The explosion was also the fourth within the last year at the facility. This record of repeated disaster has produced no criminal prosecution, only minor fines from OSHA.

Three Strikes and You're Out

Corporate criminals are often caught by company whistleblowers and by federal or state officials under the nation's toughest anti-corporate wrongdoing civil law - the federal False Claims Act. In 1994, a group of the nation's largest defense contractors worked the halls of Congress in an effort to weaken this law. In response, a public interest group, the Project on Government Oversight, researched the histories of the companies seeking to weaken this popular anti-fraud law. It found that these companies had engaged in adjudicated fraudulent activities (some criminal) - many of them three or more times. The study found that General Electric engaged in fraudulent activities 16 times since 1990.

According to the study, a rule of "three strikes and you're out of federal contracts" applied to corporations engaged in fraudulent activity would have disqualified most major defense contractors from government contracts. Because of weak and ineffectual debarment policies, many corporate wrongdoers stay on as federal contractors.

A study by the General Accounting Office (GAO), the investigative arm of Congress, found that in 1993, eighty federal contractors receiving a total of more than \$23 billion in government business had violated the National Labor Relations Act.

Another GAO study found that in 1994, 261 federal contractors receiving more than \$38 billion from the government for goods and services were fined at least \$15,000 each for violations of the Occupational Health and Safety Act (OSHA). Behind the scenes, big business works tirelessly through the Congressmen and Congresswomen it finances to cut Labor Department funding for enforcement at OSHA.

Street vs. Suite: Disparities in Sentencing

Earlier this year, a Texas jury recommended that Kenneth Payne, 29, spend 16 years in jail. Payne's crime? Stealing a Snickers bar from a grocery store. When Smith county Assistant District Attorney Jodi Brown was asked by the Associated Press how she could justify a sentence of 16 years for the theft of a Snickers bar, she replied "It was a king size." A king size Snickers bar it was. Retail price: \$1.

In Texas, theft of property worth less than \$500 is usually charged as a misdemeanor punishable by a fine of \$500 with no jail time. The case was brought as a felony because Payne was a habitual offender - he had ten previous convictions (including one for stealing a bag of Oreo cookies) and had spent seven years in Texas prisons. When he took the king-sized Snickers bar, he was on parole for felony theft.

Compare Kenneth Payne's plight to that of a group of white-collar and corporate criminals who were also sentenced earlier this year.

Four Hoffman-LaRoche Ltd. executives pled guilty for their roles in an international conspiracy to suppress and eliminate competition in the vitamin industry - what the Justice Department said was perhaps the largest criminal antitrust conspiracy in history. The prison terms: four months, three and one-half months, three months and three months. (The four executives were also fined \$75,000 to \$350,000). Also earlier this year, three cruise line employees were sentenced for their role in dumping pollution into the Alaskan Inland Passage from a Holland America cruise ship. They were each sentenced to two years unsupervised probation and fined \$10,000.

Criminal Sanctions are Needed to Control Corporate Wrongdoing
Those who want corporate criminals coddled argue that the civil law is sufficiently broad to control corporate wrongdoing. Richard Parker, a professor at George Mason University Law School, argues that corporate crime simply doesn't and can't exist.

"Crime exists only in the mind of an individual," Parker said two years ago at a conference on corporate crime in Washington, D.C. "Since a corporation has no mind, it can commit no crime." Parker claims "there is no legitimate function to corporate criminal liability that cannot be served equally as well, if not better, by civil enforcement."

Other legal experts in the field, like Columbia University law professor John Coffee, agree that in theory civil penalties could effectively combat corporate wrongdoing - but in practice, they don't work as well as criminal prosecution. "When it comes to allocating blame, assessing responsibility, and shaming wrongdoers, the criminal law works much better than the civil law," Coffee said at the same conference.

If corporations were sanctioned exclusively by civil penalties, their wrongdoing would seem "less blameworthy than the conduct of individuals who were still being processed through the criminal justice system. Inevitably, there is a hierarchy between the criminal law, which is seen as front page news, and civil lawsuits, which are on page 17 of the business section [of the newspaper]," Coffee said.

What Needs to Be Done

The federal government needs to get serious about corporate crime. Any serious effort must be accompanied by the compilation and

publication of a Corporate Crime in the United States report, released every year by the FBI. This report would be similar to the FBI's Crime in the United States report, which documents street crime. The report would focus law enforcement, legislative and citizen attention on a growing and serious complex of harmful conditions.

The Justice Department also needs to lay out a corporate crime-fighting agenda. Rhetorical flourishes by the Attorney General about fighting white-collar crime are not enough.

Federal enforcement officials at the Justice Department need to broaden their horizons and reach out beyond traditional criminologists to corporate criminologists worldwide who have studied the issue and proposed innovative strategies to control corporate crime.

In addition to badly needed budget allocations for corporate crime prosecutors and agents in the field, a corporate crime fighting agenda might include: requiring publicly held corporations to report their histories of crime and wrongdoing to the Securities and Exchange Commission; creating a corporate crime strike force at the Department of Justice, similar to the organized crime strike force; encouraging private attorney general actions to relieve some of the burden on federal law enforcement; adding citizen bounty-hunting provisions to federal laws; strengthening federal whistleblower laws; executing corporations convicted of serious crimes; debarring recidivist corporate violators from federal contracts; mandating adverse publicity sanctions; and eliminating country club prisons.

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Democracy:

Corporate Welfare

Corporate welfare -- the enormous and myriad subsidies, bailouts, giveaways, tax loopholes, debt revocations, loan guarantees, discounted insurance and other benefits conferred by government on business -- siphons funds from appropriate public investments, subsidizes companies ripping minerals from federal lands, enables pharmaceutical companies to gouge consumers, perpetuates anti-competitive oligopolistic markets, injures our national security, and weakens our democracy.

At a time when the national GDP is soaring but one in five children live in deep poverty, one might expect that a public effort to curtail welfare would focus on big handouts for rich corporations, not small supports for poor individuals. But somehow the invocations of the need for stand-on-your-own-two-feet responsibility do not apply to large corporations.

At a time when even growing federal budget surpluses do not persuade our nation's political leaders to devote public resources to repairing and enhancing the built elements of our commonwealth -- such as the nation's schools, bridges, clinics, roads, drinking water systems, courthouses, public transportation systems and waste water treatment facilities -- somehow the cramped federal budget always has room for another corporate welfare program.

It is raw political power that creates and perpetuates most corporate welfare programs.

There is no serious public policy argument for why television broadcasters should be given control of the digital television spectrum -- a \$70 billion asset -- for free. The broadcasters obtained their bounty because of the political influence of the National Association of Broadcasters (NAB head Eddie Fritts is Senate Majority Leader Trent Lott's college friend), and because Members of Congress are afraid of antagonizing the local news broadcasting companies.

The endless tax loopholes that riddle the tax code -- such as an accelerated depreciation schedule that's worth billions to oil companies -- cannot be explained by any exotic theory of fair taxation, just by political influence and lobbying.

Local taxpayers rather than billionaire team owners pay for the new sports stadiums and arenas that dot the American landscape because of the political leverage that sports teams and their allies gain through corporate cash and the threat to move elsewhere.

The 1872 Mining Act -- a nearly 130-year-old relic of efforts to settle the West allows mining companies to claim federal lands for \$5 an acre or less and then take billions of dollars of gold, silver, copper or other

hard-rock minerals with no royalty payments to the public treasury -- survives thanks to the legislative maneuverings of senators from western states. These senators are standing up not for their states' best economic interests -- these giveaway mines create few jobs and massive environmental problems with high economic costs in foregone tourist and recreational revenues and uses -- but for the mining companies, which pour millions in campaign contributions into the Congress.

Consider the Partnership for a New Generation of Vehicles (PNGV). PNGV is a federal government subsidy program ostensibly designed to speed auto industry of more fuel efficient cars. Its real-world effect, however, has been to forestall any toughening of federal fuel efficiency standards. It has also vectored research investments to a dirty technology, diesel, and permitted the major U.S. automakers (now including DaimlerChrysler) to collude on do-nothing "research" -- suppressing the competition that might result in genuine innovation and, most importantly, deployment of new technologies.

It is now past time to End Corporate Welfare As We Know It.

The first step is to eliminate the corporate tax loopholes - which drain more than \$76 billion from the federal treasury in fiscal year 1999, according to conservative estimates by the Office of Management and Budget. Any meritorious corporate tax exemptions can be reenacted by Congress.

Second, all corporate welfare programs should be periodically sunsetted. If they deserve to continue, they can be reauthorized. But giveaways like the 1872 Mining Act should not be permanently enshrined in the law.

Third, where the government decides to give welfare benefits to corporations, it must exact reciprocal obligations -- agreements, as appropriate, to abide by high environmental standards, pay workers a living wage, charge consumers a fair price for products invented with government help (such as pharmaceuticals), enable consumers to band together through invitations included in billing envelopes or to otherwise advance broad public purposes.

Finally, we need a new framework for analyzing corporate welfare. We need to ask whether a corporate welfare program advances genuine public interests, whether the government has a proper role in a particular subsidizing sphere, whether there are democratic procedures in place for public participation, whether the government should charge market rates for services or assets it is providing corporations, whether the government is exacting appropriate reciprocal commitments from corporate welfare beneficiaries, whether the program or subsidy exceeds the authority of an implementing agency, and whether there are clear criteria for delineating subsidies' successes and failures.

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Democracy:

Occupational Safety and Health

The American mission of safe and healthful workplaces should be highly visible, heralded and backed by an adequately funded and enforced program. Far more Americans have lost their lives due to trauma and toxics in places of employment—especially factories, farms, construction sites and mines—than were lost in all of our nation's wars. Nonetheless, for generations it has been a reluctant push and a strained pull to eke out the most minimal governmental safety initiatives in these arenas.

The failure to act is all the more tragic because it is clear that occupational health and safety regulation works. For all their limitations and crises of underfunding, the Occupational Safety and Health Act and the agency it created, the Occupational Safety and Health Administration (OSHA), have dramatically reduced the death toll from workplace hazards in the United States. Since the passage of the Occupational and Safety Act in 1970, and despite the inconsistent enforcement of OSHA rules, overall industry fatality rates from trauma have fallen by 75 percent. Construction fatality rates have been cut by almost 80 percent, mining rates by 75 percent, agricultural rates by nearly two thirds, and manufacturing rates by 60 percent.

But the injury and death toll remains shamefully high. In 1998, over 6.2 million workplace injuries and illnesses were recorded in the private sector. More than 6,000 workers die annually from workplace trauma; the National Institute of Occupational Safety and Health estimates that another 50,000 workers die every year from workplace-related disease.

A national commitment to protecting the right to a safe workplace will require massively increased funding for OSHA, a renewed commitment to meaningful and regular inspections, a new penalty structure for OSH Act violations, a revamped system for the promulgation of regulations and, perhaps most importantly, strengthening existing legal rights and establishing new rights to allow workers to protect themselves from workplace hazards. We need:

To increase the OSHA budget 20 times, to at least \$7 billion, which is what the OSHA Administrator believes is necessary to meet the needs of worker health and safety.

Significantly increased penalties, so employers face a financial deterrent to endangering workers, and more extensive use of the criminal provisions of the OSH Act, including criminal penalties for the doctoring of employer workplace-safety records.

A revision of the standards-promulgation process, so that evidence-based standards can be rapidly implemented.

New, strong whistleblower protections, so that employees are not fearful of losing their jobs or other retaliation if they report dangerous working conditions.

A Right to Act—an unambiguous statutory right for employees to refuse dangerous work.

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Tools for Democracy

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Political Reform

End legalized bribery: PUBLICLY FINANCED CAMPAIGNS

Year after year, big business invests in politicians and political parties by giving them millions of dollars, and in return, those businesses get corporate welfare and tax breaks worth billions of dollars. This must end.

The biggest single obstacle to honest, just government action - government of, by and for the people - is the corruption of special interest money in our election campaigns. No one should have to sell out to big business in order to run a competitive campaign.

Political campaigns should be publicly financed, just like public libraries, parks and schools.

Take back the airwaves: FREE TIME FOR BALLOT-QUALIFIED CANDIDATES

The airwaves belong to the people, not the media corporations. We let them use the airwaves for radio and television broadcasting free of charge year after year, and then they collect hundreds of millions of dollars from political candidates paying for ads. This locks out progressive voices and must end.

There should be some free time on radio and television for all ballot-qualified candidates during election seasons.

Include everyone in elections: SAME DAY VOTER REGISTRATION

Just when most people get excited about politics, in the few weeks before the election, it is too late to register to vote in most states. Millions of people who want to vote are turned away from the polls, simply because they didn't register a month ahead of time. We need election-day voter registration in all 50 states, not just the six states that use it now. Just ask Jesse Ventura, governor of Minnesota. In his own words, he wouldn't have won without same-day registration.

Give voters the information they want: OPEN THE DEBATES

The presidential debates are controlled by the corporate-funded, Democrat- and Republican-controlled Commission on Presidential Debates, which has set arbitrary, unfair rules to exclude third-party candidates and the issues they represent from the televised debates.

We must open the debates to legitimate third-party candidates who are on the ballot in enough states to actually win the election, or those whom a majority of Americans want to see in the debates. Polls show that 64 percent of Americans wanted to see a four-way debate including Ralph Nader and Pat Buchanan.

Open up the two-party system: PROPORTIONAL REPRESENTATION

The two major parties, thanks to their addiction to big money, are converging into one corporate party with two heads. This leaves voters who are longing for alternatives without any significant choice on the ballot. This must change.

Every one of us has to stop saying that we are going to surrender to a winner-take-all political system. In our country we need a discussion about proportional representation and we're going to get it. With proportional representation, more votes count. There is greater voter turnout and more citizen interests can participate in government.

Gauge public opinion at the polls: NATIONAL NON-BINDING ADVISORY

We should put forth non-binding referenda on salient issues of the day to be voted on during Election Day.

Make every vote count: INSTANT RUNOFF VOTING

To win a presidential election, a candidate does not need a majority of votes, just a plurality. President Clinton, for instance, earned less than 50 percent of the vote. We should use the Australian system of Instant Runoff to ensure that the election winner earns a majority of votes.

Voters get to rank the candidates: 1, 2, 3; if no candidate gets a majority of the votes in the first count, the second choices are then counted until one candidate gets a majority. This liberates voters to choose their favorite candidate, and ignore the cries of "wasted votes" and "spoilers."

When there is no one worth your vote: BINDING NONE OF THE ABOVE OPTION

In so many elections, there is only one major-party name on the ballot, or a choice between two candidates with no significant differences and nothing new to offer voters.

Voters should be able to reject the candidates put forth by choosing None of the Above, and force a new election with new candidates. This binding measure would give voters an escape hatch out of an unsatisfactory election and give the disaffected a chance to shake things up.

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Democracy:

Tort Reform

For the last 16 years, the tobacco, pharmaceutical, auto, oil, chemical, and health care industries, and their insurers, have fought to limit peoples' rights to sue and to further limit their own liability for the damages they cause innocent victims. Aimed in the direction of Congress and the state legislatures, this coalition of insurance companies and corporate defendants' lobbies has relied on misinformation and anecdotal evidence to attack and destroy decades of slow but careful progress made by state court after state court respecting the physical integrity of human beings against harm. This wrongdoers coalition is out to convince lawmakers to view this progressive evolution not as a source of national pride, or as a source of public recognition that the weak and the defenseless sometimes get justice, but rather as a source of shame, as a source of economic destructiveness, as something that should be stopped.

The civil justice system provides our society with its moral and ethical fiber. When the rights of injured consumers are vindicated in court, our society benefits in countless ways: by compensating injured victims and shattered families for unspeakable losses (and saving taxpayers from having to assist them); by preventing future injuries by removing dangerous products and practices from the marketplace and spurring safety innovation; by educating the public to unnecessary and unacceptable risks associated with some products and services through disclosure of facts discovered during trial; and by providing authoritative judicial forums for the ethical growth of law where the responsibility of perpetrators of trauma and disease can be established. This authoritative expansion of respect for human life serves to distinguish our country from most other nations.

The tort reform legislation that has been proposed in Congress and in state legislatures around the country over the last 15 years undermines each of these functions. Under tort reform, the most severely injured or disease-afflicted Americans — seniors in nursing homes, quadriplegic workers or brain-damaged children who suffer most and suffer for a lifetime — are prohibited from obtaining fair compensation for their injuries and are unable to hold the perpetrators of their harm accountable. Indeed, "tort reform" laws take away the rights of 99 percent of the people who live in this country, while letting a handful of corporations escape accountability for reckless misconduct that causes injury and death. They are also unfair to the well-behaved companies. Business wrongdoers should be held responsible fully for their damage to innocent people. When courts make these defendants accountable for their damage, the companies have a greater incentive to produce safer products or conditions. This is the lesson of legal history.

Tort reforms are also a direct interference with the independence of the civil justice system, often the only place where an individual can effectively challenge raw corporate and financial power. Judges and

jurors are free from the influence of corporate lobbyists, who wine and dine regulators and use their influence to weaken regulations, and the lure of the corporate revolving door. Tort deforms tie the hands of our courts -- both judges and juries -- by legislators who never see, hear or evaluate the evidence in each specific case, thus undermining our uniquely individualized system of justice.

If judicial determinations are to be replaced by a codified system which can be later altered with the corruptive monies of political action committee and the special interest influence-peddling that often reached the ears and pockets of legislators, the answer must be premised on data. But the tort deform coalition relies on alarmist, prejudicial and often erroneous or unrepresentative anecdotes which either belie credulity or are so manipulated as to more closely resemble fiction than fact.

Here is what the data show: around the country machines break and chemicals burn their victims and the cost of the casualty count in the workplace and marketplace runs into the billions of dollars annually. We also know that at least 80,000 Americans die each year as a result of medical malpractice in hospitals alone. More die in a given year as a result of medical malpractice than from motor vehicle accidents (43,458), breast cancer (42,297) or AIDS (16,516).

Yet eight times as many patients are injured by medical malpractice as ever file a claim; 16 times as many suffer injuries as receive any compensation. Indeed, very few injured Americans file lawsuits. Overall, only 10 percent of injured Americans ever file a claim for compensation, which includes informal demands and insurance claims. Only two percent file lawsuits. Compensation for Accidental Injuries in the United States, Rand Institute for Civil Justice (1991). Moreover, the number of tort lawsuits filed in state courts is steadily dropping, down 16 percent since 1996, according to the National Center for State Courts.

Major corporations and their allies have also been feeding the public misinformation about the alleged need for tort reform legislation, including arguments that they are economically necessary. There is no basis for this view. The annual survey of business insurance conducted by Ernst & Young and the Risk & Insurance Management Society calculates annual insurance and claims costs for U.S. businesses, including property damage, workers compensation, and all other liability costs. These liability costs are minimal and generally declining -- only \$5.71 for every \$1000 in revenue in 1998, down from \$7.10 in 1992. This important fact (not to mention record corporate profits year after year) makes it impossible for corporations or politicians to even argue there is any economic need to ration justice or to limit compensation for people injured by their products or services.

Similarly, according to a report by the Consumer Federation of America (CFA) based on data collected by the National Association of Insurance Commissioners, products liability insurance costs only 16 cents per \$100 of a retail product -- a tiny fraction equaling less than 2/10 of 1 percent. Adjusted for inflation, products liability insurance costs have fallen about 75 percent over the last decade. Moreover, according to the CFA, total products liability verdicts and settlements nationwide for insured and uninsured manufacturers cost \$4.1 billion in 1993. By comparison, Americans spend about twice that much -- about \$8 billion -- on dog and cat food each year. This figure is an incredible bargain for reckless perpetrators since 90 percent of those injured by medical malpractice, product defects and toxic harm each year do not even file

a claim for compensation. Therefore, wrongdoers are paying only a fraction of the harm they are costing the family pocketbook, workers and the health care industry. And when someone is hurt and the wrongdoer doesn't pay, it's the taxpayer who often must pick up the tab in the form of taxpayer-funded health and disability programs. Either the wrongdoer pays or the taxpayers pay.

In addition, there is no "crisis" or "explosion" in punitive damages awards to suggest any need for legislators to curb the power and authority of judges and juries. Punitive damages are rarely awarded. A new report by the Bureau of Justice Statistics and the National Center for State Courts, which looks at 1996 state court data in the nation's 75 largest counties, shows that punitive damages are awarded in only 3.3% of cases won by plaintiffs, and that the median punitive award is less than \$40,000 (excluding the unusual, recent punitive damages award in Florida's tobacco litigation that is under appeal). The median punitive damages awarded by a judge is \$75,000, \$48,000 higher than the median punitive jury award of \$27,000.

Lawmakers considering whether to enact tort reform rarely ask the opinion of judges, who have more intimate knowledge of the system than anyone. A recent survey of federal and Texas judges appearing in the May 7, 2000, Dallas Morning News shows that judges are extraordinarily supportive of the civil jury system. According to the article, "The judges' responses reflect a high level of day-to-day confidence in the jury system.... Only 1 percent of the judges who responded gave the jury system low marks....Ninety-one percent believe the system is in good condition needing, at best, only minor work.... Overwhelmingly...judges said they have great faith in juries to solve complicated issues....Ninety-six percent said they agree with jury verdicts most or all of the time. And nine of 10 judges responding said jurors show considerable understanding of legal issues involved in the cases they hear."

Tort limits do not reduce insurance rates. The only study ever conducted of the impact of tort restrictions on insurance rates in every state in the country finds absolutely no correlation between enactment of tort reform and insurance prices. Some states without tort reform have experienced low rate increases while other states with major tort reform laws have seen very high rate increases relative to national trends. Premium Deceit -- the Failure of "Tort Reform" to Cut Insurance Prices, Citizens for Corporate Accountability & Individual Rights (1999). In 1995, under the lobbying of Governor George W. Bush, Texans were forced to trade away their legal rights through the enactment of a series of repressive tort reform measures in exchange for the promise of \$864 million a year in insurance savings. But a recent study by J. Robert Hunter, Director of Insurance for the Consumer Federation of America (former Texas Insurance Commissioner and Federal Insurance Administrator under Ford and Carter), found that overall insurance premium savings, including any that might be attributed to these tort reforms, have been a "small fraction of the amount predicted by the legislature and claimed by the proponents." In fact, as the study found, "on an overall basis, premiums in Texas in the lines containing liability components have risen by 6.9% from 1995 to 1997, whereas the same lines saw a premium increase of 5.9% nationally. On an annualized basis, Texas premiums rose by 3.4% vs. 2.9% nationally. So, despite the 'savings' claimed for tort reform, premiums in Texas are going up for liability lines at a faster rate than the national average."

Among the positive steps Congress should take are:

Repealing the provision under the Employment Retirement Income Security Act of 1974 (ERISA), to allow patients injured by their employer-provided managed care health plans to sue their HMOs for malpractice.

Repealing the special privileges enjoyed by the property/casualty insurance industry, including the McCarran-Ferguson Act which exempts the unharnessed and grossly unscrutinized insurance industry from antitrust laws.

Enacting strong anti-secrecy legislation to prevent corporations from insisting on protective orders and confidential settlements preventing regulators, lawyers and the public from learning about hazardous products and practices. Such gag orders should not be allowed particularly when the material in question conceals a product defect or public hazard, or concerns information useful to the public in protecting themselves.

Strengthening Federal court rules regarding the discovery obligations of the parties and their lawyers, so that courts are encouraged to punish parties in all lawsuits that withhold discovery materials, that destroy documents and that lie about the existence of documents or witnesses.

According to a tabulation by the National Law Journal, President Clinton on 11 different occasions signed bills that limit remedies of injured people and their lawyers in cases involving defective aircraft, faulty medical implants, Y2K glitches, securities fraud and railroad accidents, among other things. These laws should be repealed to restore consumers' rights in the courts.

Tort reforms make it difficult or impossible for American consumers who suffer death, brain injury, amputation, paralysis, quadriplegia, cancer and other devastating injuries at the hands of corporate wrongdoers, to be fully compensated for their harm. They increase the many obstacles faced by consumers who are hurt by defective products, toxic chemicals and dangerous drugs, already face in bringing offenders to justice. Tort reform is nothing more than a bailout from liability and responsibility for corporations, including the largest and richest corporations in the world at the expense of all Americans. The tragic costs, human and economic, are born by the wrongfully injured and their families, not by the wrongdoers themselves.