

Killing For Capital

Corporate Crime and the Dual Standard of Justice



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As of early 2001, the National Highway Traffic Safety Administration (NHTSA) recorded 203 deaths, more than 700 injuries, and thousands of complaints involving rollover-prone Ford Explorers crashing following sudden tread separation on factory-installed Firestone tires. The deadly duo also was implicated in at least 48 deaths in Venezuela and the Middle East.

Despite evidence that officers at both corporations knew they were killing people by keeping defective products on the market, there has not been a single indictment of either corporation, nor of any culpable corporate officers to date. Why?

In August 2000, the tire manufacturer Bridgestone/Firestone Inc. announced a voluntary recall of 6.5 million tires, most of which were original equipment on the Explorer. By that time, Firestone already had been replacing the defective tires in 16 other countries for up to a year, all the while concealing the danger from U.S. citizens.

Ford and Firestone officials received complaints as early as 1997 and knew of at least 35 deaths and 130 injuries before the federal government launched a probe early last year. How do we know? They were defending lawsuits from scores of survivors and the families of dead victims.

Clearly, executives at Ford and Firestone willfully kept products on the market that they knew to be unsafe, and that they knew would kill many more innocent people.

Comparing the lack of criminal investigation in this case to the resources often devoted to resolve a single "street crime" killing graphically illustrates a dual standard for accountability and justice in American society. While nearly every candidate for public office talks tough on street crime, they ignore the fact that societal costs from corporate crime exceed that of street crime in both dollars and lives lost. Individuals acting in the capacity of corporate managers, such as those from Ford and Firestone, literally can kill with impunity.

Corporate executives regularly deploy cost-benefit analyses that weigh the potential cost of civil lawsuits or fines for criminal convictions (such fines are tax-deductible as a cost of doing business) against the cost of recalls or other safety measures. Their job simply is to decide which

option is more lucrative, as demonstrated by a 1973 memo that Ford executives wrote about the Ford Pinto gas tank problem.

Then-president Lee Iacocca and other Ford executives used a human life value estimate of \$200,000, --a number created by the NHTSA at the auto industry's urging--and priced the company cost from severe burn injuries at \$67,000 per incident. Next they calculated the cost of saving an estimated 180 people from being burned to death (actually, over 500 were killed) and preventing scores of serious injuries by recalling the Pintos and fixing the fuel tank. Their conclusion? Killing 180 people, maiming hundreds more and shattering families' lives was more profitable than spending \$11 per auto (Ford's estimate) to make them far safer.

So how can we prevent corporate crimes from killing more innocent people? First, we must remove the liability shield for crimes committed on company time. Corporate officials, like Ford CEO Jacques Nasser, Masatoshi Ono (who since resigned as Firestone Inc.'s CEO) and their respective boards must be held accountable for fatalities, injuries, and illnesses caused by their actions.

But we're deceiving ourselves if we believe serious corporate crime could be blamed on a few bad actors. A system that permits cost/benefit analyses to take precedence over human health and life must be changed radically.

To reclaim democratic authority over corporations and protect ourselves from recidivist corporations, we can learn much from our country's founders. They regularly exercised a corporate "death penalty" by revoking the charters of corporations whose products or actions harmed society and refused to let individuals use the corporate form to hide from personal accountability.

While terrorist acts that justifiably have commanded so much public attention are difficult to predict and prevent, the criminal actions in corporate boardrooms that kill many more Americans are neither. A smart cost-benefit analysis would direct us to focus substantial attention to these preventable threats to our lives.

Let's protect ourselves and preserve incentives for law-abiding businesses to prosper by reinstating appropriate punishments for criminal corporations and those who run them.