

Justice Department Lets Giant Corporation Evade Prosecution for Deaths of Over 100 People

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The \$900 million settlement General Motors reached with the Justice Department over its defective ignition switches is being criticized as “unconscionable” for holding no executives criminally accountable for actions that lead to the deaths of over 100 people.

Reuters [sums up](#) the settlement:

GM admitted to failing to disclose to its U.S. regulator and the public a potentially lethal safety defect with the switches that kept airbags from deploying in some vehicles.

The largest U.S. automaker also admitted to misleading consumers about the safety of vehicles affected by the defect.

GM was criminally charged with scheming to conceal a deadly safety defect from its U.S. regulator, as well as wire fraud.

Under a three-year deferred prosecution agreement, GM must hire an independent monitor to oversee its safety practices, including its ability to fix defects and handle recalls.

The Associated Press [adds](#):

The statement of facts to which the company agreed describes in scathing terms GM’s deceitful and dismissive approach to handling a problem that was evident even before the defective switch went into production in 2002.

Danielle Ivory [reports](#) at the *New York Times* that the settlement “is, in effect, corporation probation.”

“This settlement is shamefully weak,” stated Rena Steinzor, a professor of law at the University of Maryland, and author of *Why Not Jail? Industrial Catastrophes, Corporate Malfeasance, and Government Inaction*.

“A GM engineer knew about the fatal defect even before the first car rolled off the line. He secretly changed the part in 2005 but left hundreds of thousands of cars on the road with the bad switch. GM lawyers conspired to delay the recall. Much harsher penalties and individual prosecutions are warranted. The deferred prosecution is a toothless way of approaching a very serious problem,” Steinzor said.

Robert Weissman, president of the watchdog organization [Public Citizen](#), lambasted the deal, stating Thursday, “Shame on the Department of Justice and shame on its prosecutors.”

“This deal will not deter future corporate wrongdoers, it will not hold GM accountable, and it sets back the demand for justice by the family members of victims of GM’s horrible actions,” Weissman continued.

“It is unconscionable that a giant corporation can conceal information about deadly safety defects for a decade, be responsible for the deaths of more than 100 people as a result and escape any criminal liability based only on a corporate fine and a promise not to do wrong again in the future,” he said. “It is equally unconscionable that none of the executives inside General Motors responsible for this disaster are going to be held criminally accountable, as now appears to be the case.”

Consumer advocate Ralph Nader similarly criticized the settlement, stating Thursday that “the exoneration of all GM personnel gives new meaning to the surrender of federal law enforcement that remains impervious to the preventable

hundreds of thousands of deaths and injuries resulting from documented corporate criminal negligence or outright criminality throughout our country every year.”

Writing in 2014, filmmaker Michael Moore [denounced](#) attempts to blame the faulty switches on GM’s “corporate culture.”

*No, the cause of this tragedy is an economic system that places profit above everything else, including—and especially—human life. GM has a legal and fiduciary responsibility to its shareholders to make the biggest profits that it can. And if their top people crunch the numbers and can show that they will save more money by NOT fixing or replacing the part, then that is what they are going to goddamn well do. F*** you, f*** me, and f*** everybody they sent to their deaths. That pretty much sums up their “culture”. They knew they wouldn’t get caught, and if they did, no one would ever serve any time.*

Laura Christian, whose 16-year-old daughter died in 2005 when the airbag in her Chevy Cobalt failed to deploy, [said](#), “If a person kills someone because he decided to drive drunk, he will go to jail. Yet the GM employees who caused 124 deaths are able to hide behind a corporation because our laws are insufficient.”

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Despite Epic Crash of World

Economy, White Collar Prosecutions at 20-Year Low

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by [Deirdre Fulton, staff writer](#)

Despite lofty rhetoric from politicians who vowed in the aftermath of the 2008 financial crisis to hold Wall Street accountable, U.S. Justice Department statistics [show](#) a “long-term collapse” of federal white collar crime prosecutions, which are down to their lowest level in 20 years, according to a new report from Syracuse University.

The [analysis](#) of thousands of records by the university’s Transactional Records Access Clearinghouse (TRAC) shows a more than 36 percent decline in such prosecutions since the middle of the Clinton administration, when the decline first began. While there was an uptick early in Barack Obama’s presidency, current projections indicate that by the end of the 2015 fiscal year, such prosecutions will be at their lowest level since 1995.

But that doesn’t mean white collar crime itself—which involves a wide range of activities such as health care fraud and the violation of tax, securities, antitrust, federal procurement, and other laws—is on the wane.

“The decline in federal white collar crime prosecutions does not necessarily indicate there has been a decline in white collar crime,” the researchers are swift to point out. “Rather, it may reflect shifting enforcement policies by each of the administrations and the various agencies, the changing availabilities of essential staff and congressionally mandated alterations in the laws.”

They add that “because such enforcement by state and local agencies for these crimes sometimes is erratic or nonexistent, the declining role of the federal government could be of great

significance.”

Furthermore, failure to prosecute white collar crimes does more than let individual fraudsters off the hook, as journalist Glenn Greenwald [argued](#) in 2013:

The harms from this refusal to hold Wall Street accountable are the same generated by the general legal immunity the US political culture has vested in its elites. Just as was true for the protection of torturers and illegal eavesdroppers, it ensures that there are no incentives to avoid similar crimes in the future. It is an injustice in its own right to allow those with power and wealth to commit destructive crimes with impunity. It subverts democracy and warps the justice system when a person’s treatment under the law is determined not by their acts but by their power, position, and prestige. And it exposes just how shameful is the American penal state by contrasting the immunity given to the nation’s most powerful with the merciless and brutal punishment meted out to its most marginalized.

But while news of the 20-year low is troubling, it’s not particularly surprising. As journalist David Sirota [noted](#) on Thursday for the *International Business Times*:

In 2012, President Obama pledged to [“hold Wall Street accountable”](#) for financial misdeeds related to the financial crisis. But as [financial industry donations](#) flooded into Obama’s reelection campaign, his Justice Department officials promoted policies that critics say embodied a “too big to jail” doctrine for financial crime.

Sirota went on to point out, both the former head of the Justice Department’s criminal division, Lanny Breuer, and [former Attorney General Eric Holder](#) made similar remarks at the time. “Prior to serving in the Obama Justice Department, both Breuer and Holder worked at white-collar defense firm

Covington & Burling,” Sirota wrote. “Both of them went back to work for the firm again immediately after leaving their government posts.”

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