

The ten worst corporations of 2003

GIVEN recent history, it's quite difficult to compile a "ten worst" list of corporations. In the eyes of many Americans, the word "corporation" itself has become synonymous with crime. In this age of unbridled greed, the notion of corporations conjures images of illegal dumping of toxic wastes, insider trading deals and deceptive accounting scams. We think of corporations as knowingly selling tainted products. We picture them using their financial clout to usurp democratic governance and force anti-environment anti-worker policies on the American public. And we picture them growing fat off of military contracts while stashing their booty in offshore tax havens while their cronies in Washington send American service personnel off to their deaths.

Picking the ten worse from this year's contenders seems like a daunting task. Multinational Monitor magazine, however, has once again done just that, releasing its annual list of Wall Street's most dastardly demon spawn. Founded by Ralph Nader in 1982, the not-for-profit magazine serves as a tool for disseminating research about corporations and corporate crime. It has since evolved into a guide to the global economy and a respected watchdog of corporate crime.

Their picks for the Ten Worst Corporations for 2003, in alphabetical order, are Bayer,

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Boeing, BrightHouse, Clear Channel, Diebold, Halliburton, HealthSouth, Inamed, Merrill Lynch and Safeway. What follows is a summation of my own research and that published by Multinational Monitor.

Bayer - unrepentant Nazis?

The German-based multinational Bayer has had a busy year, pleading guilty to defrauding the Medicare system out of approximately \$100 million dollars. Their scheme was both deliberate and complex, with the company providing the federal government with false pricing information for prescription drugs, preventing Medicare from obtaining current discount prices.

I use the term "busy year" instead of "bad year," since Bayer doesn't quite seem to be playing the convict role. Sure, they'll be paying a fine and a settlement, but that's it. Unlike your average bunko artist, Bayer won't be seeing jail time for any of its executives. And unlike your more typical mob engaging in racketeering, Bayer's organization isn't being broken up. To the contrary, their year ended on good fortune with the new Bush prescription drug plan allowing them to more or less continue charging inflated drug prices, only now it's legal. Bayer hasn't had such good fortune since the anthrax scare, which saw sales of their Cipro vaccine soar.

Bayer also got busted this year by The Times of London for using British college students as guinea pigs in a rather crude pesticide study. Between 1998 and 2000, Bayer paid college students roughly \$450 each to ingest their Baygon pesticide. When the students showed no short-term ill effects, Bayer argued that the British government should loosen restrictions on the use of pesticides. Most pesticide damage, however, is long term, including central nervous system damage, cancer and birth defects in offspring. This reality, of course, doesn't bode well for the students involved in Bayer's "study." Antics like this make it hard to forget that Bayer's parent company, I.G. Farben, was involved in similar acts of "science" carried out in Nazi-era concentration camps.

Bayer was also active this year settling lawsuits over deaths and injuries resulting from the use of their anti-cholesterol drug, Baycol. Especially embarrassing for the company was a New York Times piece documenting that they knew their drug was linked with causing a deadly muscle disorder, but kept it on the market none-the-less. In a similar story, The Times reported that Bayer knowingly sold a blood-clotting medication that was tainted with HIV+ blood cells in the mid 1980s, infecting hemophiliacs with AIDS. It turns out that they fixed the problem, but continued to sell the old tainted formula overseas until the supply ran out. Nice people.

Boeing made it on the list for the rather pedestrian crime of ripping off the federal

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government in the presence of winking regulators. In a recent case, the company leased 767 air-refueling tankers to the military. The catch was that it was more expensive for Uncle Sam to rent these war birds than it would have been to buy them. The Pentagon official who set up the deal, later went to work as an executive at Boeing. There were the regular announcements of resignations and firings, but Boeing, the company that ultimately profited from the deal, incurred no punishment. The company is also accused of industrial espionage – stealing documents from rival military contractor, Lockheed Martin. It's still a bit of a mystery why Multinational Monitor put Boeing on this list when hundreds of other government contractors engage in similar rip-offs. Perhaps it's due to their involvement both as a major Bush campaign contributor and a major war profiteer.

Halliburton – corporation from hell

Another military contractor and Bush campaign contributor on the top ten list is Dick Cheney's employer, Halliburton. (Cheney still gets \$150,000 per year from the company he formally headed before claiming the Vice Presidency). Cheney seems to have used his Pentagon connections during his tenure as Halliburton CEO to spin the relatively unknown oil drilling services company into a major military contractor. Since Cheney stepped from the position of Halliburton CEO to vice presidency of the United States, the company has grown to become one of the world's largest military contractors, regularly winning no-bid multi-billion dollar contracts from the Bush administration for work in Iraq. Much of Halliburton's work involves rebuilding Iraqi infrastructure destroyed by the Boeing refueled planes.

Like Boeing, Halliburton also is accused of ripping off the federal government. In one infamous instance, the company charged the US government \$2.64 cents per gallon of gasoline, despite the fact that the average spot price in the region was less than 75 cents per gallon. The new Bush administration ban preventing companies from nations opposing its illegal war to bid on Iraqi contracts also bodes well for Halliburton, locking their prime competitors out of the market. Given the Bush administration's shameless track record of awarding no-bid contracts to Cheney's company, however, locking the competition out of the bid process seems almost redundant. The skinny on Halliburton is that their cronies started this needless war, and now they are the fattest pig at the trough getting rich off of it – all while American service personnel and Iraqi civilians are dying by the hundreds.

Clear Channel – ripping the heart out of radio

Clear Channel Communications – the octopus that's gobbling up the public's airwaves, ripping the heart and soul from American radio, won their first honor on the top ten list

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this year. The company now owns 1,225 US radio stations and a part ownership in another 240 stations overseas. They buy multiple stations in a market, usually dominating the airwaves in the cities where they operate. Currently they control over 60% of the "rock" stations in the US, where DJs are stripped of creative control and forced to play music programmed by Clear Channel. In the past this has translated into a ban on anti-war songs and other forms of music that question the dominant political paradigm.

In recent years Clear Channel has used its political clout to support a reactionary political agenda. The Chicago Tribune, for example, reports that Clear Channel is unique among large media conglomerates in that it went from reporting the news to creating the news, sponsoring pro-war rallies across the US. As the Bush administration moved to war, it turns out, most public pro-war rallies were organized by Clear Channel stations and related organizations, and supported by Clear Channel personalities such as Rush Limbaugh. The payback was in the form of Bush administration FCC Chair Michael Powell's attempts to further deregulate the public airwaves. Multinational Monitor points out that Clear Channel has also had a pretty lawless year in 2003, engaging in deceptive advertising, violation of privacy and animal cruelty, to name a few legal transgressions. In one particularly cheesy case, the winners of a "So You Want to Win 10,000" contest, received checks not for \$10,000 dollars, but for 10,000 Italian Lire, or about \$53.

Brave new world of advertising

This year an advertising agency, Brighthouse Consulting, made Multinational Monitor's list. Given the fact that the advertising industry, with few exceptions, is all about manipulating consumers into buying products that they and the earth cannot afford – and that they do this by manipulating people into feeling incomplete and unfulfilled without these products.

Brighthouse is breaking new ground, using MRI technology to take consumer research to the next level. Using the Brighthouse Neurostrategies Institute, the company observes people viewing advertising and making brand-related consumption decisions. When they see activity in the medial prefrontal cortex, they've struck behavior control pay dirt. With their help, clients such as Coca Cola can design seemingly bizarre advertising campaigns that leave confused viewers jonesing for the next coke. Other clients include Home Depot and K-Mart. So if you're wondering why your idea of enjoying a day off suddenly includes a trip to the sprawl mart, wonder no further. Resistance is futile.

Diebold, a voting technologies company with close connections to the Bush administration, also made the list this year. Of course, there's no surprise here. Diebold has won contracts to oversee new voting systems for states such as Georgia and

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Maryland. Their current contracts protect voting machine programming as their proprietary property and prohibit independent recounts. Their machines leave no paper trails. Diebold's programmer themselves have expressed concerns with the programming. Researchers from MIT, Cal Tech and Johns Hopkins University have found major security flaws in Diebold's programming, allowing votes to be changed and elections to be hacked.

Immediately after Diebold took control of Georgia's election tallies, that state's popular incumbent Democratic senator lost in an upset election whose results were 13% off from pre-election polls. The state also, in a surprise upset 16% off from the pre-election polls, elected its first Republican governor in 134 years. Diebold's CEO, Wally O'Neil, raised the alarm level, loudly proclaiming after visiting the Bush Ranch in Crawford, that he was "committed to helping Ohio deliver its electoral votes to the President..."

More sleaze

The health care giant HealthSouth made the list after 16 of its top executives pled guilty to fraud, bilking their own investors out of up to \$4 billion dollars. Silicone breast implant manufacturer Inamed made the list for recent efforts to lobby the FDA to rescind its 11 year ban on selling such implants in the US, despite the fact that more than half of those implants sold before the ban have ruptured, causing silicone to travel throughout the victims' bodies. Other side effects include breast deformity, loss of sensation, rashes and the painful hardening of dead breast tissue.

Merrill Lynch made the list for telling customers to buy bad stocks that they had interests in propping up. The firm paid a \$100 million dollar fine, but, according to Multinational Monitor, "keep messing up," playing with their own books while allowing companies such as Enron to "park" assets with them. The Safeway supermarket chain also made the list due to their ongoing struggle to roll back health benefits for their unionized workforce – costing employees \$4,000 to \$6,000 apiece. The company blames anticipated competition from Wal-Mart, a 2001 Ten Worst winner. Multinational Monitor, however, points out that Wal-Mart does not and will not offer major competition to the entrenched Safeway chain. They're just being "greedy" and trying to stick it to their workers in a region where supermarket employees are typically unionized and earning a living wage. This is the common theme among all of these corporations gone bad. They don't give a damn about people. They don't even give a damn about themselves, their own reputations or long-term financial health. They just want a quick buck. This is not good citizenship. And it's not good business.

* *Multinational Monitor is available online at www.multinationalmonitor.org.*