The End-State of Western Capitalism—People as Cash Cows

America is proud of capitalism. Proud of the competition which has produced a dazzling array of inventions and consumer products. Any incursion resulting in government control of the “free market” is generally met with outcries of that old bugaboo: “Communist infiltration!”

The activities of the United States abroad have become replete of resource grabs. Under the banner of “Making the world safe for democracy,” her aggression has resulted in an amalgamation of other countries’ resources. Oil and minerals top the list.

Far from protecting her own citizens’ property and economic interests, however, the domestic activities of the US increasingly reveal finely honed mechanisms resulting in asset seizure and transfer of wealth. In order to accomplish these aims, certain established checks and balances have been nullified or bought off.

Government regulatory agencies are thus high on capitalism’s “Enemies List.” Many of these regulatory agencies were rendered largely ineffective under former President George W. Bush. The EPA, the FTC and other agencies pledged to protect the public went under administrative chiefs who were unfriendly to regulation and believed that their best governance would be to subvert the regulatory agencies they were appointed to oversee.

As detailed by Thomas Frank, in his 2008 book, The Wrecking Crew, “… Fantastic misgovernment of the kind we saw during the Bush era was not an accident….It was made possible by the triumph of a particular philosophy of government, of a movement that understands the liberal state as a perversion and considers the market the ideal nexus of human society.”

There is a quasi-religious aspect to the worship of the free market. The free market, we are told, will inherently provide for the crème de la crème to rise to its proper altitude. The invisible hand of the free market will enable only the best products to succeed. And the devotees will tell you that this is in everyon's best interest.

However, consumerism has a dark side. Where everything is commodified, everything becomes gaged by its monetary value alone. Other considerations—truth, beauty and emotional attachment come to mind—may suffer under a bottom line valuation system.

And this brings us to a recent manifestation of trading people for money—selling Granny to the nursing home. Cash for Granny is exactly what Sunrise Senior Living is offering. The verbiage is slightly spun in an effort to obscure its crassly predatory intent, but the facts are in evidence: Sunrise will pay you $2000 for a successful recommendation of a vulnerable and elderly individual to its nursing facility.

The commodification of human beings is sometimes termed “human trafficking.” Americans were shocked and dismayed back in 2008 when the judicial scandal known now as “Kids for Cash” unfolded in the news. Two Pennsylvania judges were charged and subsequently found guilty for accepting kickbacks when they ordered juvenile offenders into private detention facilities. As it turned out, the judges had struck a backroom deal with Robert Merckle, the builder of two Pennsylvania detention facilities and were being handsomely remunerated in remanding children, including first time offenders with such minimal violations as mocking a principal on Myspace or trespassing in a vacant building, into extended detention in Merckle’s facilities.
The scandal rocked the nation. After an investigation determined that the two judges received over $2.6 million from PA Child Care and its sister facility, Western PA Child Care, and after an initial plea agreement did not produce what a federal judge determined to be satisfactory conduct on the part of the two judges, a criminal trial ensued.

Presiding Judge Mark Ciavarella was subsequently convicted of racketeering and sentenced to 28 years in federal prison. Senior Judge Michael Conahan was convicted of racketeering conspiracy and sentenced to seventeen and a half years in prison.

However, the business of judges adjudicating cases in gross self interest and contrary to statutory code continues. It is not only kickbacks from detention centers that constitute the pay off for judges fracturing the law and trafficking in the futures of those who trust in their impartiality.

According to sources within the legal system, the mechanism exists to pay off amenable legal professionals with the income from nursing home beds. A judge or an attorney who throws a case can be rewarded with the income from an assigned bed. According to sources, this is fairly widespread.

Retired attorney Ken Ditkowsky recalls when he was offered such a sweetheart deal, several years back. Ditkowsky, states that he was approached at one juncture and offered payment for his legal services with a nursing home bed. He states that he declined the offer.

Ditkowsky explains how this works:

“The nursing home industry generates very substantial profits. To maintain those profits I've found that United States currency is not the only currency used. In the course of my practice I had occasion to represent a lawyer who had interests in a number of nursing home ventures. Part of the fee he earned was paid in cash, but, a substantial portion was paid in nursing home beds. In the industry the beds had a fixed price and were traded very much like stock - except the nursing home operators participating in the industry created the market for the trading of the beds. The ownership of a bed entitled the owner to a limited partnership interest equal to a certain portion of income of the nursing home bed.

“To clarify, if there were 350 beds in the facility the ownership conveyed was 1/350th of the net operation. The 1/350th was determined after deductions for all expenses including sinking funds, contingent costs, etc. One of the facilities that I examined the books of during litigation had the following breakdown: set price for a bed $3500. This price was a set price that could be ascertained by any of the participating operators. The bed paid a yearly dividend of 15%. This dividend was declared by the managing partners each year and was in some manner based upon profit or loss. The bed could be redeemed by the liquidation of the facility which usually occurred after a fixed number of years of operation.”

Bribery is not as easy as you may think. Sudden and suspiciously large deposits into a public official's bank account may raise red flags. Accordingly, dirty politicos and hungry public servants look for new and innovative ways to launder their bribes. The big, fat envelope stuffed with about $300,000 in cash turned out to be an embarrassment for former Canadian Prime Minister Brian Mulroney. Mulroney, who was nailed for receiving the bundle, remained unrepentant. “I shouldn't have taken it,” he declared. But he wouldn't return the money.

Riverside County Presiding Judge Harold Hopp in Southern California seems to have hit on a pretty good deal. His wife, Sherry Lyn West, runs a “wealth management” advisory office in Palm Desert, which is a satellite for one of the largest financial management companies in the US, LPL.

According to the dictates of mandated financial disclosure law, Hopp should realistically cough up some evidence that West's business is not servicing the attorneys and other officers of the court who appear in Riverside County Courthouse.

Has he? Nope.

West has facilitated her hubby in hiding some of his financial transactions. Previous reports detailed the issue of the use of home loans to launder bribes and payoffs. It's a stunningly simple scam: Mr. X takes out a loan and Mr. Y pays it back.
Hopp's name dropped off his loan history back in 2006, following his appointment to the bench in 2005. According to the records, he still owns his personal residence along with West. But since 2006, all the loans appear in her name only.

And quite a loan history it is! In the last ten years, over fifteen transactional documents show up on their loan history. In the time that Hopp has been on the bench, he has reconveyed six loans.

In response to concerns raised about West and their home loan history, in a fax sent to this reporter on September 24 Judge Hopp replied:

“I have no obligation to provide any personal financial information that you request, nor any inclination to do so.”

Hopp has been caught repeatedly covering for unconstitutional decisions by judges in his courthouse, as well refusing to investigate judicial decisions which violate the California statutory code. Through these actions, Hopp's judges have been sending vulnerable and dependent adults off to early graves and also have participated in sacking their estates.

But for we mere mortals, who do not have access to such high tech ways of grabbing some extra dough, rest assured. You can always sell Granny to Sunrise.

Sunrise operates nursing homes in 29 states and the District of Columbia, as well as in Canada and the UK.

The home office of LPL Financial did not return this reporter's calls.

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