

THE NEW YORK TIMES BESTSELLER

# THE BEST DEMOCRACY MONEY CAN BUY

EXPANDED  
ELECTION  
EDITION

THE TRUTH ABOUT  
CORPORATE CONS,  
GLOBALIZATION,  
AND HIGH-FINANCE  
FRAUDSTERS



GREG PALAST

Courageous reporting." —MICHAEL MOORE,  
author of *Stupid White Men*

# **THE BEST DEMOCRACY MONEY CAN BUY**

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AN INVESTIGATIVE REPORTER EXPOSES THE  
TRUTH ABOUT GLOBALIZATION, CORPORATE  
CONS, AND HIGH-FINANCE FRAUDSTERS

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**GREG PALAST**

## PLUME

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"*The Best Democracy Money Can Buy* has fast become a cult fave among progressives."

—*The Village Voice*

"Greg is one of the last of a dying breed of real investigative reporters. He has more courage than most, and exposes the truth behind so many of the things we *never* get to hear about. From the stolen election in 2000 to Lobbygate, Greg mixes documents, facts, and his own particular brand of humor in one excellent book. A must."

—Meriah Heller, [www.meriaheller.com](http://www.meriaheller.com)

"Palast is angry, opinionated, and armed with a tireless desire to expose the truth. His stories about Bush's election theft and intelligence agency cover-ups—backed with smoking-gun documents, inside sources, and candid interviews—will shock even the most informed reader."

—WorkingForChange.com

"Palast, who now reports for *The Guardian* and *The Observer* in London, as well as the BBC, distinguishes himself from many other advocacy journalists both left and right with his near-obsession with documentary evidence—memos, correspondence, e-mail, briefing reports and raw data, much of it stamped confidential—and his painstaking research methods."

—*Chicago Tribune*

"Dare we call this loose network the new shadow media? And can it do the job the mainstream press could do—if it only would—with Greg Palast's brand of investigative journalism?"

—*The Baltimore Chronicle*

“Five years ago he hired on with London’s *The Guardian* and *The Observer*, and with the BBC, for which he’s since scored a string of astonishing scoops, many of them never making it into American papers. He sniffed out Enron before it was cool, went undercover exposing the cash-for-access scandal in Tony Blair’s cabinet, and collected piles of secret documents from whistleblowers in the World Bank, the IMF and the WTO.”

—*The Chicago Reader*

“The saying, ‘comfort the afflicted, afflict the comfortable,’ sometimes floats around newsrooms. For some, that’s bias. For others, it’s media’s ultimate purpose: to hold power accountable in our society. In a time when Americans have been reminded of the importance of news, the hard questions that Greg Palast raises are worth asking.”

—Alternet.org

“Because he is unimpressed by the worldliness commonplace in journalism, Palast’s capacity for outrage is undiminished, and with it his tenacity in unearthing facts.”

—*The Independent* (U.K.)

“The book’s opening chapter is . . . an investigation which should have Palast’s name up there with Woodward and Bernstein. Probably the easiest uneasy read of the year.

—*The Guardian* (U.K.)

“This is a great book, an essential book. Greg Palast is the most important investigative journalist of our time.”

—*Tribune* magazine (U.K.)

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# Who Gives a Shit?

## An Introduction to the Expanded Election Edition

You read the papers and you watch television, so you know the kind of spider-brained, commercially poisoned piece-of-crap reporting you get in America.

You could call this book *What You Didn't Read in the New York Times and What You Can't See on CBS*. For example:

Five months before the November 2000 election, Governor Jeb Bush of Florida moved to purge 57,700 people from the voter rolls, supposedly criminals not allowed to vote. Most were innocent of crimes, but the majority were guilty of being Black.

I wrote that exposé for page one of the nation's top newspaper. But it was the wrong nation: Britain. It ran in the *Guardian* of London and its Sunday sister paper, the *Observer*. You could see it on television too—in Europe, on BBC TV's *Newsnight*, which airs my investigative reports. (If you want to know what was in that diseased sausage called a presidential election, read Chapter 1, "Jim Crow in Cyberspace.")

A lot has happened since the last edition of this book. George

Bush landed on an aircraft carrier and marched around in an orange suit with the parachute clips around his gonads, looking a bit too much like the first chimp in space. Both Saddam Hussein and Al Gore grew beards. The number of HIV-infected increased by millions coincident with record drug company profits. Exxon's attorney opened a new office . . . in the White House. And the Bush family began planning for the election of 2004 or, more accurately, planned for the replacement of the election with something called the "Help America Vote Act."

We'll talk about these things in the new, final chapter of this special, expanded U.S. election edition of *The Best Democracy Money Can Buy*. Prior editions detail the "disappearing" of thousands of Black voters in Florida. In this edition, read about the bigger, better Purge 2004 plus the latest on how the party in power is finagling the elections machinery. They're going digital—you may have already voted! And an ugly new discovery. Katherine Harris let some Black citizens vote in 2000 in Florida, but that didn't mean their votes were *counted*. Altogether, in Florida and the forty-nine other states, some Black ballots were never added into the elections tallies. How many? About one million. In 2004 it will be more.

On September 11, we Americans were the victims of attack. By September 12, George Bush fingered us all as the suspects. The new edition brings the latest on the War on Terror, the Bush administration's update of "Duck and Cover."

Something else you didn't read: After the American electorate booted the senior Bush from the White House, he landed softly on the board of a gold-mining company originally funded by the Saudi Arabian Adnan Khashoggi, arms dealer to the Axis of Evil. The former president's gold-digger friends made a billion off changes in rules courtesy of the outgoing Bush administration. From there, the story gets more brutal and much bloodier (see Chapter 2, "The Best Democracy Money Can Buy," new to the American edition).

Then there's the story of Monsanto's genetically modified milk-making hormone. The stuff caused company test cows to drip

pus into milk buckets. Yummy. Monsanto fixed that problem the easy way—by burying test data. U.S. officials helped out, slipping the company confidential regulatory documents. American journals couldn't cover that. They were too busy licking the loafers of Monsanto's Robert Shapiro, GE's Jack Welch and Enron's Ken Lay to write something not cribbed off a company press release (see Chapter 5, "Inside Corporate America").

And you didn't read how the "Reverend" Dr. Pat Robertson secretly, illicitly used his Christian Crusade *jihad* assets to boost his berserker get-rich-quick business schemes (see Chapter 6, "Pat Robertson").

Nor did you get the news about Anibal Verón. In August 2000, Verón, a bus driver who hadn't received his pay for nine months, protested and was shot dead. Argentines believe the World Bank had a secret plan to force the nation to cut wages. Antiglobalization conspiracy fantasy? I'll show you the document.

Instead, American-style journalism gives you proglobalization gurus like Thomas Friedman. It tells you the new international financial order is all about the communications revolution and cell phones that will call your broker and do your laundry at the same time. Golly. And if you're against globalization, you're against the future. The kids protesting in the streets are just a bunch of unsophisticated jack-offs. And in the United States especially, there's no dissent from this slaphappy view. I'm not going to argue with Friedman and guys in favor of The Future. What I will do is take you through Country Assistance Strategies, Article 133 diplomatic letters and GATS committee memos. Most are marked "confidential" and "not for public disclosure"—having walked out of filing cabinets inside the IMF, World Bank, World Trade Organization. And there's nothing in there about cell phones for Incas.

If you read the original hardcover edition of this book, you'll see here a substantially different text. An awful lot has happened since we first met between these covers, and new material arrives daily. There were letters like this: "*You are a freak liberal asshole!*"

[signed] *A Reasonable American*.” That is not news. However, there was an extraordinary note from Florida. Katherine Harris, secretary of state, wrote that my reporting was “twisted.” Again, no news there; but I was astonished by the evidence she provided me in her lengthy high-volume screed. In this book’s first edition, I disclosed that Governor Jeb Bush’s office had knowingly blocked 40,000 legal voters from registering. Coincidentally, over 90 percent of those voters were Democrats. Bush’s office stone-cold denied it. Now, his buddy Harris faxed me the proof (unwittingly, I presume). You’ll see the documents in the new American edition.

The first edition of this book included ten pages introducing you to a company named Enron. “This is Enron. You’ve never heard of them.” Presumably, by now, you’ve heard. But if you think the truth has come out about Enron, Arthur Andersen, Global Crossing, Reliant and the host of other sharks in CEO clothing, don’t kid yourself: The U.S. media is still peeing on your leg and telling you it’s raining. You’re now being told that Harry Potter—magical accounting is a new, short-lived game limited to a couple of corporate rogues, a few bad apples. New? Limited? The apples are dropping because the U.S. corporate tree is rotten—root and branch. Andersen should have been indicted a decade ago. If you want to know why they weren’t, ask our president’s daddy—and read the new section on the Power Pirates in Chapter 3.

Also in this edition, new information indicating that U.S. financial institutions helped Argentina’s ruling families speculate on their nation’s death spiral. That opens the door to more tales of Enron, the kidnapping of the president of Venezuela and Bush’s gold mine, all new to the American edition.

Some of you may be wondering why I’d bother with more revisions. After all, in 2002 the U.S. Congress passed campaign finance reform. Our president signed it into law. The election process is “reformed.” Bush signed another law promising to jail corporate bad guys. But if we look closely, reform consists of *doubling* the amount of so-called “hard” contributions politicians may legally harvest, eliminating only “soft” contributions. Stiffening flaccid contribu-

tions may be Congress's idea of progress, but the financial poisoning of our body politic continues. And the corporate governance reforms, like the elections reforms, are simply covers for new mischief.

Am I a bit too rough on the Republicans? I recognize that the selling of America is a bipartisan business. If I spill more ink here on the Bushes than the Clintons, it's primarily because a journalist's first job should be to discomfit those *in* power. Regarding the Democrats, my policy is to let sleeping dogs lie and lying dogs sleep.

## Words in Exile

So why have you not seen these stories, or very few of them, in the mainstream media? Take that story of the theft of the U.S. election. In America, editors looked at their shoes and whistled—and hoped it would go away. Not everyone ignored it, of course—I got lots of letters like this one: “*Stay out of our politics, you English pig!*” I hate to quibble, but I’m not British.

I’m from Los Angeles. Actually, the scum end of L.A., in the San Fernando Valley, raised in a pastel house between the power plant and the city garbage dump. It was not as glamorous as abject poverty, but not far above it. Half the kids in my school were Mexican American and, brown or white, we were pretty much tagged as America’s losers. You graduated, worked minimum wage at Bob’s Big Boy on Van Nuys Boulevard, and got your girlfriend pregnant. If Vietnam didn’t kill you, overtime at the Chevy plant would.

America was a carnivore and we were just food. Anyway, I got out and so did my sister—how we did is neither interesting nor remarkable.

Am I bitter? Why shouldn’t I be when I look at the privileged little pricks that call the shots on this planet, whose daddies could make the phone calls, write the checks, make it smooth? Daddy Bush, Daddy Koch, Daddy bin Laden—I’ve got a list.

As a scholarship kid at the University of Chicago, I witnessed the birth of the New World Globalization Order. It was the mid-

1970s and I'd worked my way into Milton Friedman's postgraduate seminar and into a strange clique, which later became known as the "Chicago Boys." That was the little cabal of South America's budding dictators and right-wing economists who would turn Chile into an experiment in torture and free markets.

Even then I was undercover, working for Frank Rosen, head of the United Electrical Workers Union, and Eddie Sadlowski, the dissident steelworkers' leader, for a greater purpose I could understand dimly at best.

I avoided journalism. Starting in 1975, from a desk in the basement of the electrical workers' union hall, I began grinding through U.S. corporate account books. Using their own abstruse financial codes, I challenged gas company heating charges. I negotiated contracts for steel and iron workers. I was broke and I was in heaven.

My dad had been a furniture salesman. He hated furniture. If it were up to him, we would have eaten sitting on the floor. Mom worked in the school cafeteria (you know, hairnet and creamed corn) until she became a hypnotist for McDonald's (really—see Chapter 7). From them, I gained a deep and abiding fear of working for a living.

Bang: One minute I was this dead-broke anticorporate scourge with his head buried in bureaucratic file cabinets, and the next I was "America's number one expert on government regulation bar none" (wrote one kind newspaper). My office, on the fiftieth floor of the World Trade Center, was bigger than an L.A. bowling alley.

Still, I kept my nose in dusty files. I found things like this: Executives of a megalithic power company, Long Island Lighting of New York, swore under oath that their nuclear plant would cost \$1.8 billion. Internal confidential memos said the plant would cost \$3.2 billion. Then, in Chicago, eighteen buildings blew up, burning or crushing people dead, and I discover the local gas company had a map, from years earlier, marking the spot as one in danger of exploding. And, about the same time in Atlanta, I unlock secret account books of yet another power company taking their customers for millions. New coverage of these corporate cons? Little, none, or wrong.

\* \* \*

I finally quit. It was during my investigation of the *Exxon Valdez* crack-up (see Chapter 6). I was working for the Chugach natives of Alaska. Our team quickly discovered the oil spill was no accident: Before the tanker's grounding, Exxon shut off the ship's radar to save money and a British Petroleum affiliate had faked the safety equipment reports.

How could I get the real story out? From a kayak in the Prince William Sound, *who can hear you scream?* The press had f'd up the *Exxon Valdez* story something awful. That was six years ago. I decided from then on I'd write these stories myself, an idea immediately encouraged by the British *Guardian* and *Observer* papers and BBC's *Newsnight*.

While American journalists spent those years smothered in Monica Lewinsky's panties, I had the luxury of diving into the filing cabinets of the Reverend Pat Robertson, the World Trade Organization and George Bush's favorite billionaires.

I began in earnest in 1998 and my work quickly attracted a little more attention than I'd expected. On July 8 of that year, the entire front page of the *Mirror*, one of Britain's biggest-selling papers, was taken up by a picture of this nasty-looking bald guy—me—under a four-inch-tall headline: THE LIAR (figure i.1). And I thought, "*Damn, it doesn't get any better than this.*" The *Mirror*—and the man they loved, Britain's prime minister, Tony Blair—did not like a story I had written with Antony Barnett for the *Observer*. To get the story, "Lobbygate," I'd gone undercover and exposed a stinky little deal-making operation running through Blair's cabinet. That story and the others to follow grew out of this idea: *Why not apply the techniques of investigations I've conducted in government racketeering cases to news reporting?* This would be a quantum leap in dig-out-the-facts methodologies rarely used even by "investigative" journalists. That's what makes these writings a bit different—lots of facts, many from documents thought by their writers to be hidden away in desk drawers, from missent faxes and from tape recordings made when big mouths didn't know whom they were talking to.



Fig. i.1. In July 1998, I was in London and caught the front page of the *Mirror*, one of Britain's biggest-selling papers. On the front page was this nasty-looking bald guy—me. Britain's prime minister, Tony Blair, was unhappy with the *Observer's* undercover investigation into the U.S. corporate purchase of favors from his cabinet members.

If Britain's government was selling its nation, corporate America was buying. That's my main beat: "Inside Corporate America," the title of my column in the *Observer*. Those columns—updated, all fresh material—are in Chapter 5. There you will get, for example, the skinny on Wal-Mart ("What Price a Store-gasm?") and the tale of the strange little deal cut by a big-time environmental group and the number-one lobbyist representing polluters ("How the Filth Trade Turned Green").

The question remains, why were these stories (and their author) exiled to Europe? Where are you, America? Don't you want to know how your president was elected? How the IMF spends your money?

Mike Isikoff, a *Newsweek* reporter, suggested an answer. A couple of years ago, he passed me some truly disturbing information on President Clinton, not the usual intern-under-the-desk stuff. I said, "Mike, why don't you print this?" And he said, "*Because no one gives a shit.*"

But if you're one of the few who do, here's your book.

I'd like to name all those who made this new edition possible and those who tried to make it impossible. Space prevents the former, prudence the latter. But special thanks must go to those not in the original edition acknowledgments: Ina Howard, Matt Pascarella, Philippe Borde, Duane Moonwalker Fitzgerald Andrews Esq., Jello Biafra, Sue Christensen, Janeane Garofalo, Mary Lee Bussard, Ed and Cindy Asner, Eda Gordon, Clare Ferraro and Trena Keating at Penguin USA, Leni Badpenny von Eckardt, MLK III, Larry Flynt, Bruce David, Alan Chartock, BBC America, KGNU and Free Speech TV (Boulder), Working Assets, *Rolling Stone*, *Yes!*, *Punk Planet*, John Sugg and *Creative Loafing* (for their stellar work on ChoicePoint Inc.), investigative reporters Glenn Simpson, Neil King and Rebecca Smith of the *Wall Street Journal*, Global Exchange, Code Pink, Dred Scott Keyes, Jonathan Levin, Phil Tanfield, Andrea Friedell, Bill Perkins, Free Speech Radio, Ilene Proctor, Arianna Huffington, Wayne Madsen, Charles Lewis, Opensecrets.org, Al Franken, CBGB's, *Harper's*, *Harper's Index*, Project Censored, Alternet, Common Dreams NewsCenter, a hundred 'zines, Web sites, pamphleteers, copyright bookleggers, insomniac list-mailers of my Web log, and my lawyers.

