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## **Cronyism and Corruption**

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Corruption in government is a re-current theme in American politics. The bedrock of the current scandals plaguing Florida government was laid in the halls of Washington politics with the Civil Forfeitures legislation and the creation of 527 groups.

Civil forfeitures legislation marked a turning point in American politics from 'protect and serve' to 'cultivate and harvest' the gains of criminality. For the last 30 years, the government has been attacking the supply side of the war on drugs without touching the demand curve. The proceeds are worth billions of dollars in expenditures for enforcement, prosecution and prisons as well as gains harvested from civil forfeitures.

A 527 group is a tax-exempt organization created primarily to influence the nomination, election, appointment or defeat of candidates for public office. In theory, such groups are independent of a candidate's official campaign.

The reality is that they serve as a mechanism to bypass campaign restrictions imposed by federal and state election laws. These are groups that raise unlimited "soft money" while providing the necessary disconnect for candidates from the revenues and donors. Cronyism is the bridge between the 527 group and the candidate.

The most conspicuous and clearest case of this corruption is the recent investigation in the Department of Corrections (DOC) prison canteens operating in the visitor parks. This is part of the Inmate Welfare Fund, which generated \$37 million in revenues and commissions last year. Audits of the fund have shown a record of continuous abuse, corruption and ineptitude for decades.

It may seem fair to fleece inmates through exorbitant prices at the canteen. The reality is that families often make a drive of several hours for a 6 to 8 hour visit. The only food available is what the canteen provides and it is paid for in cash by the inmate's family. For the most part, these are families operating at or near the poverty level who are trying to make the most of a bad situation.

Former DOC head James Crosby and one of his regional directors, Allen Clark, both pleaded guilty to corruption charges stemming from taking \$130,000 in kickbacks from the operations of the visitor park canteens. American Institutional Services (AIS) is a Gainesville based company operated by Edward Dugger. He operated the canteens through a no bid contract obtained with the help of Crosby and Clark.

Crosby and Clark were not the only public servants who received funds from AIS. State politicians Tom Gallagher and Charlie Crist received \$500 in political contributions from the company. State Senator Rod Smith received \$3,250. All three returned the funds within a week of the FBI raid on the Gainesville offices of AIS.

Although Smith returned campaign contributions associated with Dugger and AIS, his gubernatorial bid still benefitted from the corruption associated with the DOC scandal. A total of \$30,000 found its way from AIS operations to Smith's campaign efforts. This money passed through AIS to a 527 group called Floridians for Responsible Government. This group closed a week after the FBI raid.

Floridians for Responsible Government was formed by Michael Spellman, a friend and supporter of Rod Smith. This 527 group actively worked for Smith's campaign by making automated phone calls, conducting a poll, and distributing fliers for Smith's candidacy throughout the state.

According to federal records, the group raised \$90,000 for this effort, half of which came from prison related industries. AIS provided \$30,000 and the Geo Group of Boca Raton gave \$15,000. It is worth noting that the Geo Group, which runs private prisons in Florida, got in trouble last year when an audit showed it over billed the state by at least \$5,000,000. The state has declined to collect the money.

Of interest is the fact that Rod Smith is Vice Chair of the Criminal Justice Committee and Vice Chair of the of the Justice Appropriations Committee of the Florida legislature. These are committees that have oversight of prisons in Florida.

Dugger, Spellman, and Crosby are long term cronies of Smith, which he has publicly acknowledged. In an interview with the St. Petersburg times "Smith defended his friend Spellman's political committee as perfectly legal. I'm allowed to have these and I'm not going to back away from what is legal."

As stated above, this perfectly legal group disbanded within a week of the FBI raid of AIS, from which it raised a third of its \$90,000 of "soft money" that benefitted Smith's campaign.

The corruption within the leadership and abuse of the Inmate Welfare fund has gone on for decades. This corruption was transparent to many of the workers in DOC and they were doing nothing more than following the led of our elected and appointed officials. To this they added sexual harassment, substance abuse, and physical abuse that lead to the murder of Frankie Valdes.

The AIS scandal is only one case and it is important to note that it came to light with the FBI's involvement and convictions were obtained in federal courts. The argument has been voiced that nothing would have come of it if it had been tried in state courts as were the killers of Frankie Valdes.

Indications from the plethora of 527 groups and the nature of their supporters are that the practice of cronyism and corruption has grown far beyond the 'war on crime'.

It appears our political leaders have disconnected politics from ethical principles in the cultivation their individual careers.