

# Forget the McDonnells. We're ignoring bigger, more pernicious corruption right under our noses.



By **Janine R. Wedel** January 12

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Last week, former Virginia governor Robert McDonnell was sentenced to two years in federal prison for accepting lavish vacations, sweetheart loans, and an engraved Rolex from an executive of a dietary supplement maker. His wife will be sentenced next month.

The pair seems like the poster children of corruption. But their bad behavior pales in comparison with the activities of those who practice what I call the “new corruption.” These players — some of them big names, some of them virtual unknowns — violate our health, pocketbooks, our trust. Their actions compromise our health, pocketbooks, or security and can lead to deep and lasting inequalities.

And their behavior is typically legal, making it next to impossible to hold them to account.

This [new corruption](#) is practiced by elite power brokers who assume a tangle of roles in government, business, nonprofits, and media organizations. These developments have offered up many new opportunities for private players to

assume public roles, with elite power brokers taking full advantage.

They are enmeshed in the systemic unaccountability that has come to flourish over the past several decades amid privatization, deregulation, the end of the Cold War, and the digital age. These developments have offered up many new opportunities for private players to assume public roles, with elite power brokers taking full advantage. Of course, while not everyone with a jumble of roles is ethically challenged or corrupt, in today's environment, we, the public, have an information problem. How can we know whom to trust when "experts" pronounce on crucial policy issues and present themselves as impartial, while concealing that they have a dog in the fight?

Compare the McDonnells's shenanigans with the activities of [so-called Key Opinion Leaders](#). These and other prominent physicians or medical researchers are paid or given perks by pharmaceutical and medical device companies to promote their products to fellow professionals (at the high end one reportedly took in upward of \$7 million over five months)

ProPublica investigators [dug into](#) the Open Payments Web site, launched in September 2014, as mandated by the 2010 Physician Payment Sunshine Act. They found that between August and December 2013, pharmaceutical and medical device companies spent \$3.5 billion on 546,000 physicians and 1,360 teaching hospitals. Of that \$3.5 billion, \$202.6 million was spent on promotional speaking engagements, \$158.2 million for consulting fees, and \$25.5 million for honoraria.

Our own doctors may be unaware when their own judgment has been swayed by a KOL. Bioethicist Carl Elliott of the University of Minnesota [put it this way](#):

If a company can manage the discourse effectively, it can establish the desperate need for its drug, spin clinical-trial results to its advantage, downplay the side effects of a drug, neutralize its critics, and play up the drug's off-label uses ... Virtually all physicians are on the receiving end of this communication.

Or [consider the activities](#) of 19 top academic economists tracked by a University of Massachusetts Amherst study. These economists promoted specific financial reform proposals in the media and advised governmental bodies such as congressional committees in the run-up to and just after the 2008 financial crisis — without disclosing their links to private financial institutions.

According to [the study](#), the “vast majority of the time, the economists did not identify these affiliations and possible conflicts of interest.” While they surely weren't paid for these appearances in an old-fashioned quid-pro-quo way, their failure to disclose their ties to financial institutions while touting reforms that align with the interests of those institutions is a major violation of our trust.

Consider, too, retired generals and admirals who advise military agencies or sit on advisory boards like the Air Force Studies Board, the Defense Science Board, or the Defense Business Board, soaking up insider information. Too often, these generals simultaneously serve as consultants to defense and intelligence contractors.

These officers can put the information gleaned in their government roles to use in their other roles, they can do so in a way that makes it very difficult for us to know what motivates their decision making, let alone whether they are

pushing a project that may even compromise national interests.

It's a dangerous trend. [The Boston Globe](#) amassed a database of 750 retired generals and admirals and found that, over the past several decades, these officers went mostly from actual retirement — that is, they stopped working when they retired from military service — to mostly continued “service.”

According to the Globe, “from 2004 to 2008, 80 percent of [these] retiring three- and four-star officers went to work as consultants or defense executives ... That compares with less than 50 percent who followed that path a decade earlier, from 1994 to 1998.”

As Sen. Jack Reed (D-R.I.), a West Point graduate, expressed to the Globe's Bryan Bender:

When I was an officer in the 1970s, most general officers went off to some sunny place and retired ... Now the definition of success ... is to move on and become successful in the business world.

These generals and admirals, like other high fliers mentioned here, no doubt believe they can police themselves. Many likely don't consider the unaccountability inherent in their overlapping roles. And they're mostly not bad apples. But their patterns of activity leave us, the public, without crucial information and no easy way to untangle their roles. How can we know whether they are more concerned about their own agendas, or ours?

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Also concerning are the players I call “shadow lobbyists.” Shadow lobbyists are

often former top government officials who advocate for wealthy clients. Some join top legal-lobby shops. But to skirt lobbyist registration rules, they spread their client list far and wide, so that they can say they don't spend most of their time on just one client. Or they give their contacts and know-how to underlings who are registered. Other shadow lobbyists set up their own consulting groups.

Many appear in the media as "experts," nearly always identified by their former public service titles, even if they get paid huge sums in the service of an unrevealed client. And they're unregulated and difficult to trace.

So prevalent have their activities become that shadow lobbyists may be giving registered ones a run for their money. The number of registered lobbyists fell by nearly 25 percent from 2007 to 2014, [according to the Center for Responsive Politics](#). As Dan Auble of the center writes:

More than 46 percent of lobbyists who were active in 2011 but not in 2012 continue to work for the same employers, suggesting that many have simply avoided the reporting limits while still contributing to lobbying efforts.

The American League of Lobbyists even decided in 2013 to change its name to the more innocuous "Association of Government Relations Professionals."

A-list public relations firms (as well as legal-lobbying firms) are also getting into the act. They take business from unsavory regimes such as Moammar Gaddafi's Libya to burnish their images — activity that, in the past, might have been seen as treasonous.

This activity is considered so serious that anyone engaged in it in the United States is required to register with the Department of Justice as a “foreign agent.” Yet we see cases where some firms simply don’t register, and among those that do, disclosure often fails to convey the whole picture and is well after the fact. One firm employs “all sorts of dark arts” (their words) on the Internet: editing Wikipedia entries deemed damaging; setting up third-party blogs that also appear independent; and gaming search results to ensure that positive content outweighs negative content. Such efforts sway public perception and mold policy yet are virtually invisible even to a trained observer.

More and more, the modus operandi of these players seems to be that’s the way things are done. Their “corruption” is elusive, hard to detect — and entirely legal. And while they betray our trust in ways far more insidious than the McDonnells, they’ll never see the inside of a prison cell.