

Special Report

Cronyism and capitulation: The scoop on Harriet Miers

By Joshua Frank

Online Journal Contributing Writer

October 6, 2005—So you thought that Harriet Miers, George W. Bush's new Supreme Court pick has no paper trail. You were wrong. One of Miers' only qualifications for the high court—as she hasn't an ounce of judicial experience—is that she was the head of Locke, Liddell & Sapp; a sleazy corporate law firm based in Dallas, Texas.

According to the InterNet Bankruptcy Library (IBL), Locke Liddell & Sapp paid \$22 million in a suit alleging it aided a client in defrauding investors. The Dallas-based firm agreed in April of 2000 to settle a suit stemming from its representation of Russell Erxleben, a former University of Texas football star whose foreign currency trading company, Austin Forex International, was a pyramid get-rich Ponzi scheme.

Erxleben later pleaded guilty to federal conspiracy and securities-fraud charges. "It's a very simple legal proposition: a lawyer can't help people steal money," George, of George & Donaldson told reporters at the time. George's firm had represented investors who lost close to \$34 million in Erxleben's company.

All this was going on while Harriet Miers was co-managing partner of the law firm at the time. Miers denied that settling the suit indicated that they her firm was somehow complicit in Erxleben's criminal activities. "Obviously, we evaluated that this was the right time to settle and to resolve this matter and that it was in the best interest of the firm to do so," Miers said.

Miers' scandal laden past goes deeper than her ties to corporate crooks in Texas. According to Newsweek, she's also played a role in maintaining Bush's National Guard credibility. As Michael Isikoff wrote in July of 2000:

"The Bushies' concern began while he was running for a second term as governor. A hard-nosed Dallas lawyer named Harriet Miers was retained to investigate the issue; state records show Miers was paid \$19,000 by the Bush gubernatorial campaign. She and other aides quickly identified a problem—rumors that Bush had help from his father in getting into the National Guard back in 1968. Ben Barnes, a prominent Texas Democrat and a former speaker of the House in the state legislature, told friends he used his influence to get George W a guard slot after receiving a request from Houston oilman Sid Adger. Barnes said Adger told him he was calling on behalf of the elder George Bush, then a Texas congressman. Both Bushes deny seeking any help from Barnes or Adger, who has since passed away. Concerned that Barnes might go public with his allegations, the Bush campaign sent Don Evans, a friend of W's, to hear Barnes's story. Barnes acknowledged that he hadn't actually spoken directly to Bush Sr. and had no documents to back up his story. As the Bush campaign saw it, that [sic] let both Bushes off the hook. And the National Guard question seemed under control."

It gets better, if not dirtier. At roughly the same time Miers was helping Bush dodge National Guard questions; Bush had named her chairman of the Texas Lottery Commission, which had been scandal-plagued for years. The chief issue before Miers and the commission was whether to retain lottery operator Gtech, which had been implicated in a huge Texas bribery scandal.

According to the Philadelphia Daily News, Gtech's main lobbyist in Texas in the mid-1990s was none other than Benjamin Barnes, who just happened to have the low-down on how Bush got into the National Guard to avoid going over to Vietnam.

Gtech fired Barnes in 1997. A short time after Barnes was fired, Gtech had its lottery contract renewed even though two companies had bid-lower than Gtech had.

Former Texas lottery director Lawrence Littwin filed suit, as he thought the whole charade smelled of scandal. Littwin's lawyers suggested in court filings that Gtech was allowed to keep the lottery contract, which Littwin wanted to open up to competitive bidding, in return for Benjamin Barnes's silence about Bush's entry into the National Guard.

Barnes and his lawyers denounced Littwin's theory as "favor-repaid" theory in court pleadings as "preposterous . . . fantastic [and] fanciful." According to the Philadelphia Daily News, Littwin was "fired after ordering a review of the campaign finance reports of various Texas politicians for any links to Gtech or other lottery contractors. But Littwin wasn't hired, or fired, until months after Barnes had severed his relationship with Gtech."

Littwin later settled with Gtech for a hefty \$300,000.

And here we have Republicans more upset about Bush's Supreme Court choice than Democrats. Well, they have a reason to be skeptical, if not upset. As William Kristol recently noted that Bush's pick "will unavoidably be judged as reflecting a combination of cronyism and capitulation on the part of the president."

For once the old windbag may be right.

Joshua Frank is the author of "Left Out! How Liberals Helped Reelect George W. Bush," just published by Common Courage Press. Visit www.brickburner.org to learn more.