

BENEFICIARY OF REVOLVING DOOR PORK TO HEAD BLACKWATER ETHICS COMMITTEE

As Spencer reports, former Attorney General John Ashcroft just got named the-Company-formerly-known-as-Blackwater's ethics chief.

The consortium in charge of restructuring the world's most infamous private security firm just added a new chief in charge of keeping the company on the straight and narrow. Yes, John Ashcroft, the former attorney general, is now an "independent director" of Xe Services, formerly known as Blackwater.

Ashcroft will head Xe's new "subcommittee on governance," its backers announced early Wednesday in a statement, an entity designed to "maximize governance, compliance and accountability" and "promote the highest degrees of ethics and professionalism within the private security industry."

And while Spencer catalogs many of the reasons this is absurd...

To some, Ashcroft will be forever known as the face of Bush-era counterterrorism, the official who vigorously defended the Patriot Act's sweeping surveillance powers; told civil libertarians that their dissents "only aid terrorists"; and covered up the Spirit of Justice's boob.

He misses one of Ashcroft's key ethical highlights: how he benefited from close ties to his former subordinate Chris Christie when he won a tens of million dollar contract to monitor

a medical device company after it signed a Deferred Prosecution Agreement with Christie.

Are federal prosecutors using corporate crime prosecutions to reward cronies?

That seems to be the case in New Jersey, where U.S. Attorney Christopher Christie appointed his ex-boss, former Attorney General John Ashcroft, to be the corporate monitor of a company involved in a \$311 million deferred prosecution agreement (pdf) with Christie's office. The company in question, Zimmer Holdings, along with several other medical equipment manufacturers, was accused of paying kickbacks to get doctors to use their artificial hip and knee reconstruction and replacement products.

Ashcroft's consulting firm, the Ashcroft Group LLC, will earn between \$29 million and \$52 million (paid by Zimmer Holdings) to serve as a corporate watchdog for 18 months. It will oversee Zimmer Holdings, making sure it does not engage in misconduct and helping it adopt corporate reforms. As head of the Department of Justice, Ashcroft was Christie's boss from 2002 to 2005. Christie also served on an advisory panel that consulted regularly with the Attorney General.

Effectively, DPAs under Christie were a means of privatizing justice; Christie even justified limiting fines by pointing to the huge contracting fees his former DOJ buddies would get for monitoring the deal.

And so it's utterly appropriate that Ashcroft would head to the poster child for everything wrong with privatization to make sure it complies with some kind of ethics.