The World According to Ashcroft

He’s suspended liberties and accused critics of aiding the enemy. For John Ashcroft, that’s just the beginning.

BY DAVID CORN

The Clean Room’s Dirty Secret

Is the semiconductor industry making its workers sick?

BY SUSAN Q. STRANAHAN

It Takes a Neighborhood

A Midwestern town’s quiet revolution in foster care

BY ROB GURWITT

MOLLY IVINS on the Mean Boys of Texas

JACK HITT on Downsizing Liberty

IAN FRAZIER on All-Consuming Patriotism
Outfront

Every major university has students burdened by massive debts they have little hope of paying off. Sean Moyer, a National Merit Scholar, racked up more than $12,000 on 12 credit cards while enrolled at the universities of Oklahoma and Texas. In 1998, even though he was working two jobs to pay off the cards, he believed his debt would prevent him from attending law school. “He just said he felt like he was a failure,” recalls his mother, Janne O’Donnell. Nine days after confessing his fears, the 22-year-old Moyer hung himself in his bedroom closet.

Congress is considering a bill that would require companies to offer students starter cards with lower credit limits and to provide more information about fees and penalties. “There simply has to be some limit on credit card companies before more students end up in bankruptcy,” says O’Donnell. Although the bill has support from Democrats, it is unlikely to win approval from the Republican-controlled House—ensuring that many students will have to work for years to pay off cards marketed to them when they were teenagers.

By the time Jon Selden graduated from Brigham Young last year, he had accumulated $8,000 in debt. Now enrolled in law school, he lives with his parents and waits tables rather than filing for bankruptcy. “Was I stupid to run up that debt?” says Selden. “You bet. But I was 18.” —Taylor Loyal

A Broken Trust

The government cannot account for billions of dollars it owes to Native Americans.

Josephine Wild Gun lives with her son’s family in a run-down house on the Blackfeet reservation in Heart Butte, Montana. Like many of her neighbors, she owns several tracts of reservation land that are held in trust by the U.S. government. Federal officials manage her nearly 10,000 acres, leasing much of the property to private interests for grazing and oil drilling. In return, Wild Gun is supposed to receive royalties from the Indian Trust Fund, created in 1887 to oversee such payments to Native Americans.

But despite the lucrative leases, Wild Gun has never received more than $1,500 a year from the trust fund. A few years ago, the payments began trickling off; one check totaled only 87 cents. When her husband died in 1994, Wild Gun had to borrow money to pay for the funeral. Now in her early 80s, she survives on less than $400 a month in Social Security. “I think they’re cheating her really big,” says Wild Gun’s daughter-in-law, Diana.

Wild Gun is one of approximately 300,000 Native Americans who are suing the Interior Department, claiming that they are owed at least $10 billion in payments on some 10 million acres. The fund is in such disarray, the government concedes, that it doesn’t have any way of knowing how much it actually owes—or to whom. “It’s a total mess,” says Eloise Cobell, the lead plaintiff in the class-action lawsuit. “They’ve stolen from the Indians because we’re minorities and we’re poor. It’s one of the biggest cover-ups in the history of the country.”

Cobell’s harsh assessment is shared by Republican John McCain of Arizona, a member of the Senate Indian Affairs Committee, who calls the fund’s mismanagement a “national scandal,” and by U.S. District Judge Royce Lamberth, who is hearing the case. “I’ve never seen more egregious misconduct by the federal government,” the

$5,000 Flashlights: They’re Not Just for the Pentagon Anymore

With last year’s tax cut leaving the budget surplus but a fond memory, the nation’s lawmakers are now scrambling for ways to supplement federal coffers. A logical place to start might be a crackdown on corporate tax trickery. In 2000 alone, according to a recent study conducted by two Florida International University researchers at the behest of Senator Byron Dorgan (D-N.D.), multinational corporations shirked more than $45 billion in U.S. taxes through an increasingly popular scheme known as transfer pricing.

The practice works something like this: The U.S. branch of a multinational imports goods from a foreign subsidiary at wildly inflated prices—say, $935 a pop for watch batteries. The U.S. arm might then export goods to its sister outfits offshore for drastically discounted prices—say, rocket launchers at $40 apiece. The net effect? The U.S. branch appears to bleed red ink, while the multinational parent rolls in profits safely out of Uncle Sam’s reach.

The examples of such “abnormal transactions” listed here are culled from Commerce Department trade data. (Note to the IRS: Enforcement might be easier if next time the department includes the names of the corporations involved.) —Tim Dickinson

U.S. IMPORTS

TOOTBRUSH: $5,655
DISPOSABLE RAZOR BLADE: $461
FLASHLIGHT: $5,000
VINYL RECORD: $5,670
INK-JET PRINTER: $179,000

U.S. EXPORTS

BULLDOZER: $528
FINE DIAMONDS: $3/CARAT
AUTOMATIC TELLER MACHINE: $36
PREFABRICATED METAL BUILDING: 82 CENTS
MILITARY AIRCRAFT: $20,000,