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Topic Code 48

Legal Services Corporation: Working Against Taxpayers

To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves is sinful and tyrannical.

Thomas Jefferson, Virginia Statute of Religious Liberty

The Legal Services Corporation (LSC) was created by Congress in 1974, supposedly to guarantee poor Americans legal representation in civil cases. Since that time, federal funding for the LSC has increased to an estimated \$435 million in 1996, even though Congress has not formally authorized it since 1977. Although the Budget Resolution Conference Report does not directly address the future of the LSC, the House resolution contained a three-year phaseout of LSC funding while the Senate amendment reduced LSC funding by only 35 percent. In this time of fiscal discipline, the LSC is a program that should be eliminated.

The budget of the LSC may look small compared to some other agencies, but for American taxpayers, the LSC has a much greater cost than its federal appropriation. In fact, the major goal of many LSC-initiated lawsuits is to look for ways to spend even more taxpayer dollars. The LSC works against attempts to control welfare spending, instead trying to guarantee a constitutional right to welfare. LSC lawyers also spend taxpayer dollars litigating on behalf of prisoners—leading to changes which must also be funded by the taxpayer. Thus, any calculation of the real cost of the LSC must take into account not only its federal appropriation, but also the increased government spending which results from lawsuits it initiates.

Fighting for the “needy”? One egregious example of how the LSC spends federal funds is the case of *Jones v. Shalala*. In this case, the Legal Assistance Foundation of Chicago—an LSC grantee—argued that a 44-year old man was disabled because he was addicted to alcohol and opium, in addition to having a “personality disorder”. Even though the man admitted in court that he was stealing \$60 per day to support his drug habit, LSC lawyers argued that the man was incapable of work and should thus receive Supplemental Security Income (SSI) benefits. The LSC

thus spent taxpayer dollars arguing that a drug user and admitted thief had a "right" to receive even more of our tax dollars.

How to stay on welfare. The Western Massachusetts Legal Services Corporation publicly advises welfare recipients who win the lottery or receive an inheritance to "spend the money fast to stay on public assistance." This LSC grantee used taxpayer dollars to print a brochure which suggests to "prepay a portion of your rent or mortgage so that you can use the welfare money for other things. Buy a special gift, take a vacation, or put the windfall money into savings." And when a 47-year old Springfield welfare recipient who had won \$75,000 in the lottery wasn't able to hide the money from the Massachusetts state welfare board, Western Massachusetts Legal Services initiated a suit on the man's behalf—even though the man admitted that he spent most of his \$75,000 on "drugs and gambling". In a time when both Congress and the President agree that we should be working to move people off of welfare, it is indefensible to spend taxpayer dollars instructing people how to abuse the welfare system.

No accountability. It is almost impossible to assess exactly how much the taxpayer has lost from LSC-initiated lawsuits and subsequent rulings. Estimates range as high as \$2 trillion over the past thirty years. Moreover, LSC attorneys do not bill their hours, making it nearly impossible to tell how much taxpayers are spending on these types of cases. Nonetheless, it is clear that the LSC spends hundreds of thousands of taxpayer dollars while working against the taxpayer's interest. In a time when spending must be controlled, it is counterproductive to continue funding a program which looks for places to spend even more. The Legal Services Corporation should be defunded.



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