

POLICE BRUTALITY BONDS

**How Wall Street Profits from
Our Abusive Policing System**



MILWAUKEE CASE STUDY

As the costs of police misconduct rise, cities and counties across the United States are going into debt to pay for it. Often this debt is in the form of bond borrowing. When cities or counties issue bonds to pay these costs, banks and other firms collect fees for the services they provide, and investors collect interest. The use of bonds to pay for settlements and judgments greatly increases the burden of policing costs on taxpayers, while producing a profit for banks and investors. Using bonds to pay for settlements or judgments can nearly double the costs of the original settlement, and all of this is paid for by taxpayers.

We call the bonds used to cover police related settlement and judgment costs “police brutality bonds”, because they quite literally allow banks and wealthy investors to profit from police violence. This is a transfer of wealth from communities -especially over-policed communities of color - to Wall Street and wealthy investors.

MILWAUKEE’S POLICE BRUTALITY BONDS

We found:

- ▶ Since 2008 Milwaukee has authorized about \$26.1 million in borrowing to pay for police settlements and judgments, with \$18.3 million of that just since 2015.
- ▶ Milwaukee’s borrowing is habitual; the city authorized borrowing for settlements or judgments in eight of the ten years between 2008 and 2017.
- ▶ We estimate that the use of borrowed money has added about \$3.7 million in interest payments to the cost of settlements.
- ▶ We estimate that Bank of America, Wells Fargo, and other firms have collected at least \$261,000 for their services related to police brutality bonds.



Milwaukee's police brutality bonds have been used to cover settlements that include:

- ▶ A \$6.5 million settlement for Chante Ott, a Black man who spent 13 years in prison for a murder he didn't commit after police pressured witnesses into making false testimony.
- ▶ \$5 million for a class section settlement of a suit filed by 74 men against several police officers who for years did hundreds of illegal, dehumanizing body cavity searches on Black male victims. The worst offending officer, a white man, was sentenced to 26 months in prison.
- ▶ \$2.5 million to a woman who was strangled and raped by an officer after she called 911 for help. Before the rape, the officer had been kept on the force without ever being disciplined despite a long record of complaints, including sexual misconduct and an arrest for domestic violence.

Milwaukee budgets about \$1.2 million per year to cover police settlements and judgments. But in 2017 alone, the city authorized more than \$7.43 million in settlement payouts and related expenses, and between 2014 and 2017, the city authorized nearly \$28 million in spending for settlements and other costs related to claims involving the police department. Those figures include funds to pay for the defense of Officers Zachary Thoms and David Latteer, who were involved in the arrest and death of Derek Williams. Williams, a 22-year-old Black man, died while in the officers' custody, after repeatedly telling them that he could not breathe.

While Milwaukee borrows money to cover the costs of its aggressive policing, the city in late 2017 passed a budget that raises property taxes, and closes six out of its 36 fire stations, and eliminates 75 firefighter positions.

RECOMMENDATIONS:

Police violence should never be a source of profit for banks or investors, or a reason we do not have the resources we need to invest in the infrastructure and services that make our communities safer and more livable. We need to dismantle this system of policing and build a justice system that prioritizes the needs and well-being of all people. While we work toward that, here are our key recommendations:

1. If cities must borrow to pay for settlements and judgments, banks and investors should not be allowed to profit from that.
2. Police officers must be forced to take out individual liability insurance policies to cover the costs of settlements and judgments caused by their misconduct.
3. Governmental bodies at the local, state, and federal levels must account for and provide full transparency about which officers are behaving in ways that lead to settlements, how they are or are not being held accountable, who is paying for it and how, and who is profiting.

Please see ACRE's full report "**Police Brutality Bonds: How Wall Street Profits from Our Abusive Policing System**" available at <https://www.acrecampaigns.org/>