Armed US marshals arrest man over 30-year-old student loan debt

David Brown
18 February 2016

On February 11, seven US federal marshals with automatic weapons arrested Paul Aker at his home in Houston, Texas over an unpaid $1,500 student loan dating back to 1987. Aker, 48, told the *New York Daily News*, "They grabbed me, they threw me down."

Aker, who says he had received no advance warning, told the *News*: "I say, 'What is this all about?" They say, "Shut up, you know what this is all about.'"

The marshals handcuffed Aker, put him in the back of a truck and placed him in a cell in the federal building in downtown Houston. Later, he was brought to federal court. The prosecuting attorney, he claims, was a collection agency lawyer.

Aker was forced to pay $5,700 for the loan, including interest, as well as nearly $1,300 to cover the cost of his arrest. He was told that if he did not pay the total amount by March 1, he would be arrested again. He says he was never read his rights during the entire ordeal.

Texas Congressman Gene Green told the press that the federal government is now using private debt collectors to pursue people who owe student loans. The debt collectors and their lawyers are obtaining judgments in federal court and requesting that judges use the US Marshals Service to arrest those in arrears.

Press reports, citing a source within the US Marshals office in Houston, say marshals are planning to serve between 1,200 and 1,500 warrants to people who had failed to repay their federal student loans.

Student debt is a massive industry in the US. By the end of 2014, some 43.3 million Americans had student loans totaling $1.3 trillion, making student loans the biggest non-mortgage household debt in the country—ranking above auto-related and credit card debt. The government plays an active role in lending this money and pockets roughly $10 billion a year in profit from the business.

According to the US Federal Reserve, 4.8 million Americans are in default, meaning that they are more than nine months behind in their payments.

Unlike most loans, student loans cannot be discharged under bankruptcy and the government can garnish salaries, social security benefits and tax refunds in order to collect. Failure to make payments is not a criminal offense and Congress officially abolished debtors prisons in the US in 1833. But the reality of 21st century America is that low-income people who are unable to pay their debts, including traffic tickets and other fines, increasingly end up in jail.

This is one expression of class justice in the United States, where the "justice system" treats the working class and poor with remorseless brutality while it allows bankers and hedge fund billionaires to swindle and rob with impunity.

The US Marshals Service issued a statement on Tuesday defending its treatment of Aker. The marshals claimed they were asked to serve Aker a court summons in November of 2012 and spoke to him by phone, but that he failed to appear for a hearing in December of that year. They said a federal judge issued a warrant for his arrest and they were assigned to carry it out.

These techniques are not limited to the collection of student debt owed to the government. They are used as well by private lenders.

Especially since the 2008 economic crisis and ensuing budget cuts, cash-strapped courts have used coercion to extract fines and fees from defendants, charging for the use of public defenders, probation or parole, and then jailing those who cannot pay.

Workers can expect an increase in state efforts to collect debts as the default rate rises. Over a third of students from poor zip codes who graduated in 2009 had defaulted on their loans by 2014. Student debt continues to grow alongside tuition hikes, while the job market and wages remain stagnant.

Recent years have seen increasingly predatory and illegal lending by for-profit colleges. In March 2015, one of the largest for-profit college systems, Corinthian College Inc. (CCI), was bought by the ECMC Group, a student loan guarantor and debt collector, in a deal engineered by the Obama administration's Department of Education.

Corinthian had been sustained since July 2014 by a $16 million federal bailout and $35 million in accelerated federal loan disbursements after it was unable to prove its advertising claims. It was under investigation by 20 different states, the federal Securities and Exchange Commission, the Consumer Financial Protection Bureau and the Justice Department for its fraudulent activities.

CCI was known to prey on the poor with inflated claims of job placements and high wages for graduates. Tuition at CCI could reach four times the cost of comparable programs at local community colleges.

If the Obama administration had allowed CCI to collapse, up to $1 billion in federal student loans could have been canceled under a "closed school" provision. With the sale of CCI to ECMC, the government sought to secure the repayment of those loans.

Some former students of CCI have called for a "student loan strike" and are refusing to repay their loans.