

Who's who on Detroit's financial review panel

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On December 27, Michigan Governor Rick Snyder announced the appointment of a 10-member review board to examine the finances of the city of Detroit. The panel has 60 days to decide whether to recommend a state takeover of the city's finances.

The panel is made up of representatives of the state's political and business elite. Those chosen include Michigan Treasurer Andy Dillon, a Democrat and former speaker of the Michigan House of Representatives, who is now heading up the austerity drive of Republican Governor Snyder.

It is hard to imagine a group less representative of the population of the city of Detroit, the poorest big city in America, with more than half of all children living in poverty. These individuals will decide on cost-cutting measures that will further impoverish the population of the city.

If the review board determines that a "financial emergency" exists, it can ask Governor Snyder to appoint an emergency financial manager with dictatorial powers to rip up collective bargaining agreements and slash city services. Alternatively, the review panel can propose a consent agreement that would give the mayor and the City Council sweeping powers to slash city services and impose concessions on city workers when the current union contracts expire next June.

Detroit Mayor Dave Bing, along with the City Council and the municipal unions, has launched a public campaign opposing the appointment of an emergency financial manager. They are seeking to present themselves as defenders of the sovereignty and democratic rights of Detroiters. While the emergency financial manager law is reactionary and anti-democratic—enabling the state to override elected officials and unilaterally impose cuts in jobs, wages and services—there is no genuinely democratic content to the campaign being mounted by Bing and company.

Bing, the Democrats and the unions are negotiating behind the scenes with Snyder and the Republicans in an attempt to work out the most effective means for imposing sweeping

cuts. There is no disagreement on the imposition of austerity measures on city workers and the population as a whole.

At the same time, the official campaign against an emergency financial manager, which is supported by an array of middle-class pseudo-left organizations, is seeking to cast the issue in racial terms—as a conflict between the "white" suburbs and "black" Detroit. The aim is to divert attention from the anti-working class policies of the Democrats and prevent a united struggle of workers in Detroit and Michigan against unemployment and austerity.

Bing is calling for city workers to take a 10 percent pay cut and pay more into their pension and retiree health plans, and has announced plans to carry out 1,000 layoffs. The Detroit City Council is calling for even more cuts, including 2,300 layoffs.

Predictably, the corporate-controlled media and the Detroit political establishment have heaped praise on the financial review panel. Little, however, is being revealed about the finances, careers and corporate connections of its members.

Who are the members of the review panel?

Irvin D Reid: First African-American president of Wayne State University. Previously served on the board of the Federal Reserve Bank of Chicago. A member of the exclusive Detroit Economic Club, Reid receives an annual salary of \$317,000 as the Eugene Applebaum chair in community engagement at Wayne State.

Conrad Mallett Jr.: Michigan Supreme Court justice from 1990 to 1999, serving as chief justice beginning in 1997. Mallett has held the position of president and CEO of DMC Sinai-Grace Hospital since 2003. Last year he supported the sale of the nonprofit Detroit Medical Center to the private equity firm Vanguard. As part of the deal, the Bing administration promised to create a "renaissance zone" that would exempt Vanguard of virtually all taxes.

Mallett was the chief operating officer for the city of Detroit under the scandal-plagued administration of former mayor and convicted felon Kwame Kilpatrick. He served as president and general counsel of La-Van Hawkins Food Group LLC between 2002 and 2003. The company's owner,

La-Van Hawkins, was later convicted on federal tax evasion charges. Federal officials alleged that between 2001 and 2003, Hawkins failed to pay \$5.3 million in withholding taxes deducted from workers' paychecks. Hawkins also served a 33-month prison sentence following a bribery conviction involving the city treasurer of Philadelphia. In 2010, Mallett earned \$251,978 in director's fees and restricted stock as a director of auto seat manufacturer Lear Corporation.

Glenda Price: A former president of Marygrove College, Glenda Price is a member of the board of directors of Detroit-based Compuware, where she took in \$208,000 in director's fees and stock in 2010. She currently serves on the audit committee for Art Serve Michigan and the executive committee of the Detroit Symphony Orchestra, where she played a role in imposing drastic concessions on musicians during their 2010-2011 six-month strike. In 1999, Price was named to a state-imposed school board to replace the elected Detroit school board. The appointed school board demanded sweeping concessions from teachers, provoking a nine-day strike.

Jack Martin: Chief financial officer of the US Department of Education in the George W. Bush administration and former acting chairman of the board and acting CEO of Home Federal Savings Bank of Detroit. He is founder and chairman of the accounting firm Martin, Arrington, Desai and Meyers P.C. Among his many other corporate connections, Martin is a member of the board of directors of Knowledge Investment Partners, a private equity firm.

Shirley Stancato: Former Bank One senior vice president and current president of New Detroit. She shares the leadership of New Detroit with William Taubman, son of Michigan billionaire Alfred Taubman. According to *Crain's Detroit Business*, Stancato earned \$280,783 in total compensation from New Detroit in 2008. In 2003, Stancato was named by *Corp! Magazine* as one of Michigan's most powerful African-American women and cited by *Crain's Detroit Business* in 2003 as a regional power broker.

Andy Dillon: A leading figure in the state Democratic Party and former speaker of the Michigan House of Representatives, he is currently Michigan secretary of state. A former investment banker, Dillon served as president of Detroit Steel (formerly McLouth Steel) and vice president of GE Capital's Commercial Financial Group. He was also a managing director of private equity firm Wynnchurch Capital Partners, a company notorious for buying up struggling businesses, imposing massive job cuts and pay cuts on workers, and then selling the stripped-down companies for a profit.

Isaiah McKinnon: Detroit police chief from 1993 to

1998, he is now a professor at the University of Detroit Mercy. McKinnon is also a motivational speaker who hosts a TV show in Detroit. He is a graduate of the FBI academy in Virginia and the United States Dignitary Protection School in Washington, DC.

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The remaining three panel members have previously served on Michigan financial review teams, where they made recommendations for the appointment of emergency financial managers.

Doug Ringler: Director of the Office of Internal Audit Services in the Department of Technology, Management and Budget for the state of Michigan. Ringler was appointed by Snyder to the Flint, Michigan emergency financial review team. Last November, the Flint review team issued a report recommending that the governor appoint an emergency financial manager to take control of the city. On November 3, Snyder appointed Ringler to head the financial review team examining the Highland Park School District's finances.

Frederick Headen: Director of the Michigan Department of Treasury's Local Government Services Bureau, he was also appointed by Snyder to state review boards examining the finances of Flint and the Highland Park School District. Headen was appointed in 2009 to a review team examining Benton Harbor's finances, where he recommended a state takeover.

Brom Stibitz: Appropriations coordinator of the Michigan House Democratic caucus and a senior policy advisor for the Michigan Department of Treasury. He formerly worked as a legislative director for Andy Dillon. He served alongside Ringler and Headen on review teams examining the finances of Flint and the Highland Park School District.



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