

# Former Detroit mayor convicted of racketeering and extortion

Jerry White  
12 March 2013

After a five-month trial a jury on Monday found Detroit's former mayor, Kwame Kilpatrick, guilty of 22 corruption charges including racketeering, extortion and fraud. The mayor—who faces 20 years in prison on the racketeering conviction alone, was denied bond and sent to jail.

The jury in the US District Court case concluded that Kilpatrick and longtime friend Bobby Ferguson ran a criminal operation out of the mayor's office—dubbed by prosecutors as the “Kilpatrick Enterprise”—to shake down contractors, rig bids and illegally steer municipal business worth \$84 million to Ferguson, a demolition contractor, in exchange for hundreds of thousands of dollars in kickbacks.

According to testimony cited by the *Detroit Free Press*, several businessmen said they lavished the mayor with luxury vacations, custom-made suits and jewelry to “keep him happy” and “help get city deals.” Their mantra was “No deal without me,” R. Michael Bullotta, an assistant US attorney, said in his closing statement.

The mayor also used his non-profit Kilpatrick Civic Fund—set up ostensibly for voter education and youth programs—as a personal cash cow, funding college tuition for relatives, personal vacations, golf clubs, yoga lessons, and spy equipment.

In 2010, Kilpatrick, his father Bernard Kilpatrick, Ferguson and ex-water department director Victor Mercado were indicted on 45 charges, stemming from a six-year federal investigation into municipal corruption that has led to the conviction of at least 35 people.

Large sections of the Democratic Party establishment in the Detroit area have been implicated. Payoffs for a \$1.2 billion sludge removal contract involved top aides to then-City Council President Ken Cockrel Jr. and then-Councilwoman Monica Conyers, the wife of long-time

US Congressman John Conyers, the ranking member of the House Judiciary Committee.

John Clark, Cockrel's chief of staff, resigned after admitting that he took bribes from James Rosendall, a representative from Houston-based Synagro Technologies, who was cooperating with federal agents. In 2009, Monica Conyers pled guilty to taking bribes from Synagro for changing her vote on the contract, and other bodies, including a city pension board, and was sentenced to 37 months in prison.

Last year, Kilpatrick and former city Treasurer Jeffrey Beasley, the mayor's former college fraternity brother, were charged by the Security and Exchange Commission with soliciting gifts—including private jet trips and entertainment in Las Vegas, Bermuda and Florida—in exchange for getting city pensions funds to invest in various schemes. Two Detroit pension funds lost \$84 million through such investments, including in an airline that went bankrupt after receiving pension funds.

There is widespread disgust with the grotesque levels of corruption, particularly in a city where 60 percent of the children live in poverty. However, the media and the political establishment have presented Kilpatrick as an exception to the rule.

In fact, Kilpatrick's lack of self-discipline and discretion became a liability in a city where the banks and big business are demanding massively unpopular austerity measures and far greater looting of public resources.

Michigan's Republican governor, Rick Snyder, is now preparing to appoint an emergency manager who will have sweeping powers to tear up labor agreements, dump pension obligations and sell off city assets. The city's current mayor, David Bing, fully supports this attack, while the City Council has argued that it can

more effectively impose the savage budget cuts without an emergency manager.

After the conviction, Bing, piously said, “We can finally put this negative chapter in Detroit’s history behind us” and move forward “with a renewed commitment to transparency and high ethical standards in our City government.” Bing is a multi-millionaire former auto executive and previous member of the board of directors of the city’s utility monopoly DTE Energy, who has done the bidding of big business.

Like Kilpatrick, Bing has handed over millions in tax concessions to General Motors and other major corporations to make the city more “business friendly,” bankrupting city finances and providing the banks and hedge funds with huge sums from their control of municipal bonds and other forms of debt.

The son of Carolyn Cheeks Kilpatrick, a US congresswoman from 1997 to 2011, and Bernard Kilpatrick, the chief of staff of former Wayne County Executive (and Democratic Party machine boss) Ed McNamara, Kilpatrick was hailed as a rising star in the Democratic Party and chosen as the keynote speaker, along with Barack Obama, at the Democratic National Convention in Boston in 2004.

Similar to Illinois Congressman Jesse Jackson, Jr., who pled guilty last month to criminal charges stemming from his personal use of \$750,000 in campaign funds, Kilpatrick embodies the degeneration of the black political establishment, which long ago repudiated the conceptions of equality associated with the civil rights era and embraced the reactionary politics of “personal responsibility” and the capitalist market.

In the aftermath of the ghetto uprisings of the 1960s, the corporate and political establishment in many US cities handed over power to a series of black mayors, nearly all elected as Democrats, who exploited illusions among minority workers and youth that their election constituted “black empowerment” and would alleviate the conditions facing black workers and youth. Coleman Young in Detroit was one of the most prominent representatives of this trend.

Defending corporate interests just as tenaciously as the Republicans, the Democrats cultivated a layer of black politicians and businessman who enriched themselves at the expense of the working class, both black and white.

Coined the “second generation of civil rights leaders” figures like Kilpatrick, Jackson and Harold Ford Jr. (Democrat—Tennessee) personify this grasping and reactionary social layer. Summing up their outlook, an earlier article on these figures quoted Cincinnati Councilwoman Alicia Reese who told the *Detroit News* the civil rights movement had been fought “to open the doors in the marketplace.” The struggle today, she said, was about establishing a “new generation of entrepreneurs. We’re talking about venture capital.”



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**