

Former state treasurer gets job at firm cashing in from Detroit bankruptcy.

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Reports from late February show that former Michigan State Treasurer Andy Dillon has been hired as a “project advisor” by Conway MacKenzie, a “restructuring and financial advisory firm” prominent in the Detroit bankruptcy case. In his capacity as state treasurer, Dillon played a central role—along with Emergency Manager Kevyn Orr—in hiring the Birmingham, Michigan firm for a contract worth at least \$19 million.

Dillon, a Democrat and former investment banker, was chosen to head the treasury by Republican Governor Rick Snyder in 2011. He was a key player in the bipartisan conspiracy to install Orr as emergency manager and throw Detroit into bankruptcy in July 2013.

Testimony from the bankruptcy eligibility trial and pre-trial depositions show Conway MacKenzie representatives began private meetings with Dillon in 2012 in relation to the Detroit job. Charles Moore, top managing director at Conway, said in a deposition in September 2013, “My interactions have been essentially exclusively with the treasury department for the state of Michigan,” that is, with the department headed by Dillon.

A Treasury Department statement on Dillon’s hiring made the specious claim, “At no time while Mr. Dillon was State Treasurer or in a decision-making position, was there any discussion of potential future employment with the firm.”

Other sources indicate, however, that Dillon has long-term ties to the firm. According to anonymous sources cited by *Motor City Muckraker*, Dillon is a close friend of Conway MacKenzie executive Van Conway.

In his testimony during the bankruptcy trial Dillon repeatedly sought to dodge questions about the plan to deliberately throw the city into bankruptcy in order to

gut pensions and rob city assets like the collection of the Detroit Institute of Arts.

The release of a series of emails, however, exposed his role. In one particularly notorious exchange, on July 10, 2013, just days before the emergency manager filed for bankruptcy, Dillon urged Orr to redraft his proposed filing to make it look like bankruptcy was a last resort taken after the exhaustion of all other options. “I don’t think we are making the case why we are giving up so soon to reach an out-of-court settlement,” Dillon wrote, advising Orr to “say facts got worse as we dug into the numbers” He warns, “I don’t think we made the case” and it “[l]ooks premeditated.”

Dillon’s involvement underscores the bipartisan character of the entire bankruptcy operation. Dillon was a major figure in the state Democratic Party, serving as speaker for the Michigan House of Representatives. He launched a bid for the Democratic Party nomination for governor in 2010 but was defeated. Dillon was then appointed to the second most powerful office in Republican Governor Snyder’s administration.

There he served as a highly paid economic hit man for the Michigan establishment, overseeing the financial takeover of a multitude of municipal and local entities, during his term in office. He helped craft Public Act 4, the initial emergency manager law that spearheaded the imposition of direct rule by agents of the banks in cities and towns across the state.

Even before signing on with Conway, Dillon was being well rewarded for his services. He apparently remained on payroll long after resigning amidst rumors about alcohol abuse. According to the *Michigan Citizen* article, “Ex-treasurer Andy Dillon enriches himself off Detroit bankruptcy,” Dillon continued to receive his \$174,000 salary up through January 31, despite resigning on October 31.

The bankruptcy case has been filled with such blatant conflict of interests. Most notorious is the role of the Jones Day law firm, which was hired by the state well in advance of the bankruptcy, and was formulating the strategy of using Chapter 9 to overcome constitutional protections of pensions already in 2011. In 2013, Kevyn Orr, a top Jones Day law partner was elevated by Snyder and Dillon to the status of financial dictator of Detroit. Orr then approved the multi-million dollar contract to hire Jones Day as the city's "restructuring advisor."

Dillon is only one of many co-conspirators getting big payouts for participating in the rape of Detroit. The promise of lucrative positions for politicians was explicitly addressed in the internal correspondence of Jones Day. A January 31, 2013 email from Jones Day attorney Dan T. Moss to Orr makes the point that after "successfully" pulling off the bankruptcy operation, the top players were sure to receive cushy positions in the private sector or in government.

"Making this a national issue is not a bad idea. It provides political cover for the state politicians. Indeed, this gives them an even greater incentive to do this right because, if it succeeds, there will be more than enough patronage to allow either [former Detroit Mayor] Bing or Snyder to look for higher callings whether Cabinet, Senate, or corporate. Further, this would give you cover and options on the back end," the email read.

The case of Andy Dillon is not simply about corruption. It underscores the decay of any semblance of democracy and the resort to the methods of conspiracy and dictatorship for the corporate and financial elite whose policies are deeply opposed by the population.

Rather than being given a high-paid sinecure and to live out his days in luxury, Dillon should be indicted and imprisoned together with Orr, Snyder and the top Obama administration officials and the other financial criminals behind the bankruptcy heist.



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