

# Who ordered the water shutoffs in Detroit?

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In an act of brutality, water service has been disconnected to more than 14,000 homes in Detroit, with private contractors continuing to turn off the taps at the rate of 3,000 households per week. The shutoffs are part of the bankruptcy process overseen by the city's unelected emergency manager Kevyn Orr, which includes privatizing the nation's third largest municipally owned water system and driving out large numbers of residents living in neighborhoods deemed too poor for investment.

In a statement in the bankruptcy court Tuesday, Darryl Lattimer, deputy director of the Detroit Water and Sewerage Department (DWSD), testified that his department did not have the resources to knock on doors and work out payment plans with residents to prevent shutoffs, or even calculate how many people would be affected by cutting service. This was because the department was involved in a cost-cutting campaign, which, he claimed, was to keep water rates from rising.

Lattimer further testified that his department routinely carried out shutoffs—from the end of March to the middle of December, when temperatures were regularly above freezing—but had been forced to increase the number because of the growth of “delinquencies.” Most of those targeted for shutoffs, he asserted, just did not want to pay.

Last April, the DWSD signed a \$6 million contract with Carlton, Michigan-based Homrich Wrecking, Inc. to implement a “Water Shut-off/Turn-on Project.” According to the contract, “DWSD’s current staff averages 1,500 to 2,000 water shut-offs per month. The fact that DWSD has 150,000 delinquent water accounts will require additional staff to help address this ongoing issue.

“The objective of this project is to provide shut-off crews to turn off water on accounts with outstanding balances and restoring water service once the bill is paid. This project will target approximately 70,000 residential accounts throughout the City of Detroit over a period of two (2) years.”

Who runs the DWSD?

In February 2011, a federal court order mandated the formation of the Board of Water Commissioners, a seven-member committee that oversees and manages DWSD operations and major contracts, and sets rates for water and

sewer services.

While ostensibly a municipally-owned water company, the DWSD is in fact run by individuals who are drawn from the corporate boardrooms of some of the largest and most powerful companies in Detroit. They are answerable to these corporate interests, not the public.

In addition to ordering the water shutoffs, the board has passed crippling increases in water rates to make up for the loss of federal and state aid for infrastructure and rising debt servicing costs—which claim 50 cents out of every dollar in bill payments. It has also outlined plans to reduce the number of water and sewerage workers by 80 percent, from 1,978 to 374.

To add insult to injury, board members receive \$10,000 in compensation, plus \$250 per meeting for doing the bidding of their former corporate employers.

The seven members on the board are: Mary E. Blackmon, Linda Forte, Conrad L. Mallett Jr., James Fausone, Bradley Kenoyer, Fred Barnes and J. Bryan Williams.

These are their profiles:

**Conrad L. Mallett, Jr.:** Michigan’s first African American Supreme Court Justice, a member of the court from 1990 to 1999. In 1999 he was a partner in the law firm Miller Canfield, Paddock & Stone, which would later play a leading role and cash in on the Detroit bankruptcy. Mallett has held the position of both president and CEO of DMC Sinai-Grace Hospital since 2003. In 2011, he supported the sale of the nonprofit Detroit Medical Center to the private equity firm Vanguard. As part of the deal, the administration of Mayor David Bing promised to create a “renaissance zone” that would exempt Vanguard from virtually all taxes.

Mallett also served as the chief operating officer for Detroit’s former Democratic mayor and now convicted felon, Kwame Kilpatrick. Between 2002 and 2003, he served as president and general counsel of La-Van Hawkins Food Group LLC. The company’s owner, La-Van Hawkins, was convicted on federal tax evasion charges, having failed to pay \$5.3 million in withholding taxes deducted from workers’ paychecks. Hawkins would also serve 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. He currently sits on the board of directors of temp agency Kelly Services.

**Linda D. Forte:** Forte is presently the senior vice president for Comerica Inc. and is also a member of Comerica's senior leadership team. Comerica Bank is one of the world's leading financial companies and is ranked as one of the top ten banks in commercial loan volume. Comerica, along with other private firms in the city of Detroit, including Quicken Loans, Detroit Medical Center and DTE Energy, were awarded up to \$20 million per year in tax abatements from 2011 through 2013.

**Mary E. Blackmon:** Currently serving as treasurer of the Wayne County Regional Educational Service Agency (WRESA), she has been a member of the WRESA Board since 1981. She also served on the Detroit Board of Education for ten years. She currently serves on the executive board of the Southeast Michigan Council of Governments.

WRESA is a regional educational service agency that oversees charter schools in the city of Detroit. Between 2006 and 2010, more than half of Detroit's public schools were shut down, and by the end of 2013, more than 100 Detroit Public Schools had been closed. Some 51 percent of Detroit's K-12 school students are now being educated in for-profit charter schools.

**James Fausone:** Elected by the Board to serve as chair in 2011, Fausone is a partner at Fausone Bohn LLP, where he practices business law, municipal law, veterans' disability law and environmental law. He was also the President of K&D Industrial Services, a multi-million-dollar industrial services, waste transport and environmental contracting company.

**Fred Barnes:** Barnes owns and operates Fred W. Barnes Associates Inc., a consulting engineering firm. He is a former chief engineer with the Office of the Macomb County Public Works Commissioner and was a senior project engineer with Atwell-Hicks Inc.

**J. Bryan Williams:** Williams is an attorney with the Dickinson Wright law firm, where he practices corporate and municipal law. Serving as counsel to the Oakland County water resources commissioner in municipal bond financings, he also has connections with the privatization of Oakland County's medical care facility.

**Bradley Kenoyer:** Appointed by Detroit Mayor David Bing in 2011, he now serves as vice chair of the Board. Kenoyer is a mechanical engineer with Ford Motor Company. He has also served on the Board of Directors of Preservation Wayne.

Of particular political significance are the African American board members—Mallett, Forte and Blackmon—who ostensibly represent the interests of Detroit citizens. In fact, the three come from the same layer of upper-middle class and wealthy blacks who were inserted into Detroit's political and corporate establishment in the aftermath of the urban riot in 1967. Over the last four decades, this social layer, generally connected to the Democratic Party, enriched itself by impoverishing the working class, black and white. Like President Obama and Emergency Manager Kevyn Orr, they are tools of Wall Street and corporate America, no less than their white counterparts.



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