

# Detroit Public Schools principals charged with taking kickbacks

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Thirteen DPS principals and one businessman were charged this week in a kickback scheme for contracts, scamming the district out of nearly \$2.7 million over 13 years. U.S. Attorney Barbara McQuade said Tuesday that the school officials were paid more than \$900,000 in cash, gift cards and checks.

Norman Shy, who ran supply company Allstate Sales, is charged with bribery, while 13 principals and administrators, have been charged with taking bribes to award Shy lucrative contracts and pay invoices for goods that were never delivered. Among the schools losing funds in the scheme are special education school Jerry L. White Center High School, as well as Spain Elementary, recently in headlines for deplorable conditions.

The scandal comes on the heels of months of teacher and student protests for better conditions. In a decades-long bipartisan effort, the Democratic and Republican parties have drastically cut funding to Detroit Public Schools, creating desperate conditions for teachers and students. The Detroit Federation of Teachers has been complicit in this destruction, receiving benefits after cuts and layoffs were imposed.

Notably, the source of the bribery allegations is the head of the Education Achievement Authority (EAA), Veronica Conforme, a close contact of the administration of Republican Governor Rick Snyder, who cooperated with the Department of Justice investigation into the kickbacks.

The EAA is made up of former DPS schools transferred without public consent to state control and is notorious for its own corruption. In January, a prominent EAA principal, Kenyetta Wilbourn-Snapp, pled guilty to bribery.

The scandals plaguing the district are driven by the longstanding effort to gut the Detroit Public Schools.

Schools are run separately from the district, meaning that in the recent years of budget cuts principals have been compelled to find their own cost-cutting measures in order to please emergency managers and district administrators. The immense pressure to cut costs can lead to allowing powerful interests to win bids and then provide subpar or nonexistent services.

Wilbourn-Snapp described the atmosphere surrounding the pervasive outsourcing of services in an interview with the *Detroit Free Press*. “When I got there, it was like Brewster’s Millions,” she said, in a reference to the 1985 Richard Pryor movie whose main character must spend \$30 million in 30 days to inherit \$300 million. She said officials told her, “You have to spend almost a million dollars.”

Eight years of emergency management imposed on the district by Democrats and Republicans, under the guise of balancing budgets, have been exposed as a fraud. In fact, the emergency managers themselves have condoned and participated in the same type of giveaway schemes as the principals charged this week.

Emergency managers have given no-bid contracts to friends, or even their own companies. Former EM Jack Martin famously switched the district healthcare benefits to HAP, where he sat on the board of directors. Former EM Robert Bobb hired his former firm to help create a “deficit-elimination plan.” Conforme hired a group of her colleagues from New York at double the rate of the lowest bidder.

The timing of the charges is suspect given the current plans aimed at completely restructuring the school district. Republican state Senator Arlan Meekhof immediately seized on the charges, commenting that the kickback charges are “further evidence of the need for reform and oversight of the schools in Detroit.”

Former bankruptcy judge Steven Rhodes, the current

Detroit Public Schools emergency manager, wrote to the district, “We want to do whatever is necessary to prevent this from happening again.”

As the judge overseeing the bankruptcy of Detroit, Rhodes worked with the Democratic and Republican parties and the trade union bureaucracy to cut the pensions and healthcare of tens of thousands of city workers. Rhodes’ task in overseeing DPS is to sell the restructuring of the district to the teachers and community.

On Tuesday, Snyder signed legislation that gives Detroit Public Schools a \$48.7 million package in order to maintain operations until the end of the school year. Prior to this legislation, teachers were faced with the threat of payless paydays after April 8.

The funding package comes with a stopgap measure to ensure a dictatorship over the district. Any time the district is without an emergency manager it will be under the dictates of a Financial Review Commission (FRC). The FRC is a nine-member team of Detroit business representatives, Detroit city councilors, and state representatives that was created through the 2013 Detroit bankruptcy.

Meanwhile a deal for the restructuring of DPS is currently being worked out in the state legislature. One version of the deal puts the new district under another “education commission” and creates an A-F school rating system to expedite the school closure process. Another version would provide for “more oversight” over the district and limit collective bargaining for teachers.

Regardless of their slight differences, the restructuring plan is meant to end public education and allow private interests free rein over the funds allocated for public education. Millions of dollars stand to be made. Through schemes like public-private partnerships, private corporations will extend their influence to run schools as a profiteering business: cutting labor costs, cutting education costs, and controlling the curriculum.

As in the bankruptcy, what happens in Detroit will be used as the model for attacks on social rights throughout the United States. The DPS restructuring scheme will be replicated throughout the country. The conditions for teachers in public schools will continue to decline, with further cuts to salaries and benefits for teachers and staff, the removal of seniority rights, and

major changes in work standards.



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