

City of Detroit Office of Inspector General

**Javion & Sam's, Gene's, Citywide, and B & G
Administrative Hearing**

OIG # 18-0008-INV

November 2, 2018



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INSPECTOR GENERAL

CITY OF DETROIT

OFFICE OF INSPECTOR GENERAL

REPORT OF ADMINISTRATIVE HEARING FINAL RECOMMENDATION

DATE:

11/2/2018

CASE NAME: Javion & Sam's, Gene's, Citywide, and B & G Administrative Hearing

OIG File No.: 18-0008-INV

I. Final Recommendation

On June 14, 2018, the Office of the Inspector General (OIG) held an administrative hearing for Javion & Sam's 24 Hour Towing Service, Inc. (Javion & Sam's), Gene's Towing, Inc. (Gene's), City Wide Towing, Inc. (Citywide), and B & G Towing (B & G). The purpose of the hearing was to provide the tow companies an opportunity to present evidence, testimony and any supporting information in response to the OIG's initial recommendation of May 7, 2018 to Mayor Mike Duggan that the City of Detroit Municipal Parking Department (MPD) and the Detroit Police Department (DPD) not consider bids for the present towing contracts from Javion & Sam's, Gene's, Citywide, and B & G. It was also recommended that Javion & Sam's, Gene's, and B & G be immediately suspended from the DPD towing rotation. After having reviewed thousands of pages of various documents; interviews, meetings, and conference calls with multiple individuals; and conducting an administrative hearing pertaining to the above-referenced tow companies, the OIG's final recommendation is as follows:

- The recommendation that **Javion & Sam's** not be allowed to bid on the current MPD and DPD towing contracts and be suspended from the DPD towing rotation is **upheld**.
- The recommendation that **Gene's** not be allowed to bid on the current MPD and DPD towing contracts and be suspended from the DPD towing is **upheld**.
- The recommendation that **Citywide** not be allowed to bid on the current MPD and DPD towing contracts is **upheld**.
- The recommendation that **B & G** not be allowed to bid on the current MPD and DPD towing contracts and be suspended from the DPD towing is **upheld**.
- The recommendation that **Javion & Sam's, Gene's, and B & G** be immediately suspended from the DPD towing rotation is **upheld**.

II. Complaint, OIG's Initial Findings & the Administrative Hearings

On January 24, 2018, the Office of Inspector General (OIG) received a confidential and privileged complaint from the City of Detroit Law Department, which alleged that the tow companies related to Gasper Fiore were engaged in fraudulent, corrupt, unethical, and/or criminal behavior while acting as a towing contractor for the City of Detroit and DPD. Among the tow companies identified by the Law Department were Javion & Sam's, Gene's Towing (Gene's), Citywide, and B & G. Consistent with the OIG's past practice and policy, we met and spoke with members of the Law Department and DPD to obtain additional information which would support the allegations contained in the complaint against certain tow companies.

Based on the initial investigation, the OIG had significant concerns pertaining to the tow companies' ability to act as responsible contractors. The OIG's concerns were primarily based on the guilty plea of Gasper Fiore and information contained in court filings. Therefore, on May 7, 2018, the OIG recommended to Mayor Duggan that MPD and DPD not consider bids for the present towing contracts from Javion & Sam's, Gene's, Citywide, B & G, and Citywide, among others. It was also recommended that Javion & Sam's, Gene's, and B & G be immediately suspended from the DPD towing rotation.

On May 18, 2018, Javion & Sam's requested an administrative hearing to dispute the findings of the OIG's initial investigation. On May 21, 2018, Gene's, Citywide, and B & G also requested an administrative hearing. On June 1, 2018, now former Inspector General James Heath, Deputy Inspector General Kamau Marable, and OIG Attorney Jennifer Bentley held a pre-hearing conference with David Fraser, attorney for Javion & Sam's, Gene's, Citywide, and B & G, and Nicholas Bachand, in-house counsel for the four (4) tow companies identified above. The purpose of the pre-hearing conference was to answer questions regarding the process and scope of the administrative hearing.

On June 5 and June 8, 2018, the OIG sent follow-up letters to Mr. Fraser which reiterated the information the OIG would need to amend or reverse its recommendations of May 7, 2018. More specifically, we suggested that Mr. Fraser's clients focus on the following subject-matters:

- Historical and present connections between Gasper Fiore and each towing company;
- Connections between Javion & Sam's, Gene's, Citywide, and B & G including but not limited to overlapping shareholders, employees, bank accounts, and locations;
- Business practices of each tow company; and
- Communications with Celia Washington and any other City of Detroit official who has been implicated in wiretap information.

The letter further explained that the administrative hearing was his clients' opportunity to present any testimony, documents, and supporting information in response to the OIG's May 7, 2018 recommendation. Mr. Fraser was encouraged to present any evidence which would support a finding that the four (4) tow companies are responsible contractors and have no ties or relationship with Gasper Fiore and his criminal conduct, including bribery of Celia Washington. He was also informed of the OIG Administrative Hearing Rules, which provides that the

“admission of evidence shall not be limited by the Michigan Rules of Evidence during the conduct of the hearings, except for those Rules with respect to privileged. . .”

On June 14, 2018, an administrative hearing was held for Javion & Sam’s, Gene’s, Citywide, and B & G. Each of the tow companies was represented by David Fraser and each called as a witness, Phillip Abraham, Certified Public Accountant (CPA). Nicholas Bachand testified as the corporate representative of Javion & Sam’s. Paul Ott testified on behalf of Gene’s and Citywide; and Anthony Thomas testified on behalf of B & G.

The record was held open at the conclusion of the hearing to allow for the submission of additional evidence. On June 21, 2018, the OIG sent a letter to Mr. Fraser requesting that he provide additional information within seven (7) calendar days pursuant to the administrative hearing rules. On June 28, 2018, the OIG received an email from Mr. Fraser asking for additional time to submit the documentation. On July 3, 2018, Mr. Fraser provided a portion of the requested documentation. The OIG sent follow-up emails to Mr. Fraser on July 18, July 31, and August 8 regarding the outstanding documents. On August 9, 2018, the OIG received additional information, after which time the hearing record was closed. However, not all documentation requested by the OIG was provided by Mr. Fraser.

III. Towing Overview

A. Audit(s) performed by the City of Detroit Office of the Auditor General

Private tow companies are used for the towing of vehicles booted by MPD. Private tow companies are also used by DPD for the towing of vehicles for evidence, removal of abandoned vehicles, safeguarding of recovered stolen vehicles, forfeiture of vehicles for offers to engage and for narcotics violations, parking violations, removal of road hazards, and for other reasons including vehicles that are disabled due to an accident. The past audits conducted by the City of Detroit Office of Auditor General (OAG) concluded the towing process in the City is plagued with inefficiencies and lack of oversight.¹

On March 7, 2011, the OAG released its *Audit of the City of Detroit Towing Processes April 2008 – June 2010*. The OAG found that DPD showed a disregard for the city’s policies and procedures when the department contracted with the police-authorized towing companies. The audit found several tow companies receiving an inordinate share of the towing business and ineligible towing companies had contracts with the City. The audit also revealed certain tow companies that had commingled assets, owners, and management were improperly treated as separate companies for towing assignments. More specifically, police-authorized towing contract applications for several companies, including Fiore owned companies, showed commingling of vehicles, storage facilities, company ownership, employees, insurance policies, and management.²

¹ The Office of the Auditor General. 2005. *Summary Report of the Police-Authorized Towing Process, December 2005* and The Office of the Auditor General. 2011. *Audit of the City of Detroit Towing Processes April 2008 – June 2010*.

² The Office of the Auditor General. 2011. *Audit of the City of Detroit Towing Processes April 2008 – June 2010*, p. 23.

Lastly, the OAG audit concluded the towing contracts did not comply with the requirements of the City of Detroit's purchasing ordinance, as the contracts were not approved by City Council. DPD agreed with the OAG's findings and further "agree[d] to adhere to the Finance Department- Purchasing Division's requirements for proper policies and procedures for contractual agreements."³

B. Detroit Police Department and the Board of Police Commissioner's Response to the OAG Audits

On December 15, 2010, the Board of Police Commissioners (BOPC) approved new towing rules and regulations regarding the selection of vendors to further address the OAG findings. However, the new rules and regulations adopted by the BOPC did not require towing contracts be processed through the Finance Department-Purchasing Division.

Instead, on January 17, 2011, DPD began issuing applications for "Non Consensual Towing Permits" based on this new policy. Under the new towing rules, DPD issued towing permits instead of towing contracts.⁴ Applicants for permits are required to provide the address, name of the president/ CEO, relationship to applicant, and percentage of stock or other form of ownership in applicant with regard to all parents, subsidiaries, divisions, affiliates, partners, and major stockholders or members (over 10%).⁵

The DPD Tower Rotation further provided that:

Each authorized tower will tow on a rotational basis within the respective district or precinct in which they are geographically located. Authorized towers which are cross owned on a basis which is greater than 10% or under common ownership to an extent greater than 10% or which are owned by members of the same family (spouse, sibling, parent, or child) will occupy only one position on the rotation roster and will receive towing assignments in succession. For purposes of this provision "cross ownership" refers to the ownership of one corporate entity by another. "Common ownership" refers to the ownership of two or more corporate entities by a single person or corporation.⁶

Selected tow companies must also notify DPD within 90 days if the company sells, or in any manner transfers, the entire company, a substantial portion of its assets, or 10% or more of the outstanding stock, or if there is a change in any of the partners, owners, or officers of the tow company.⁷ The policy allows DPD to terminate any towing permit in the event there is a breach

³ DPD's response to the *Audit of Police Authorized Towing Process*, dated February 25, 2011, p. 2.

⁴ On August 9, 2017, the City of Detroit Law Department issued an opinion stating that "all purported permits issued in 2016 for police authorized towing services were null and void ab initio."

⁵ *Application Process- Prospective Tow Company* enacted December 15, 2010, p. 2.

⁶ *Id.* at 8.

⁷ *Id.* at 10.

or violation of the policy. The policy also allows immediate termination of any towing permit for fraud or other criminal conduct by the company or its employees.⁸

When the BOPC issued the new towing rules and regulations, Celia Washington served as its in-house legal advisor. During that time period, DPD issued five year permits to towers in 2011. Because the tow contracts were renamed “tow permits” under the BOPC’s newly adopted policy, BOPC believed that the DPD did not have to follow the City of Detroit’s established procurement rules.

However, in reality, the DPD’s relationship with towers created by the tow permits was substantively identical to the relationship under the prior DPD towing contracts. The contract and permit process documents are nearly identical. In 2016, five year permits were again issued to towers under the same process as in 2011.

On May 31, 2017, Gasper Fiore was indicted on charges “stemming from activities conducted in Macomb County and dealing with corruption pertaining to contracts which involve towing.”⁹ The next day, on June 1, 2017, DPD Assistant Chief James White (AC White) appeared before the BOPC and expressed that DPD is “very concerned about how certain associations may affect the public’s trust in its police department.” He explained DPD is “of the opinion that the association with Boulevard & Trumbull Towing could be deleterious to the department’s image and may leave the department open to allegations, justified or not, with respect to its towing operations.”¹⁰

C. City of Detroit Law Department

On June 15, 2017, now former Corporation Counsel Butch Hollowell presented two resolutions to the BOPC. The first resolution recommended that the BOPC rescind the towing permits of Gasper Fiore, Boulevard & Trumbull and its corporate affiliates. The second resolution recommended that the process for awarding towing permits should be transferred from the BOPC to the City of Detroit Office of Contracting and Procurement.¹¹ The BOPC unanimously passed both resolutions.

On August 9, 2017, the City of Detroit Law Department issued an opinion stating that all “purported permits issued in 2016 for police authorized towing services were null and void ab initio.” It is the OIG’s understanding that the City, through its Law Department, is currently embroiled in litigation pertaining to legal issues arising out of this matter.

In that regard, it is important to note that the OIG’s investigation of the tow companies is independent and separate from the Law Department’s defense in the litigation. While both the Law Department and the OIG serve the City of Detroit and must act in the best interest of the City, they serve different purposes under the City Charter.

⁸ *Id.* at 11.

⁹ Board of Police Commissioners. (2017, June 1). *Weekly Afternoon Meeting*. Detroit, MI, p. 38.

¹⁰ *Id.*

¹¹ Board of Police Commissioners. (2017, June 15). *Weekly Afternoon Meeting*. Detroit, MI, p. 66.

The purpose of the OIG is limited by Article 7.5, Chapter 3 of the 2012 Charter of the City of Detroit which requires the OIG to “ensure honesty and integrity in City government by rooting out waste, abuse, fraud, and corruption.” Therefore, the OIG’s investigation and findings are only limited to: 1) whether the towing companies identified in this report were engaged in fraud and/or corruption; and 2) whether the OIG should recommend to the City that it continue business with the tow companies based on its investigation.

It is important to note that the OIG does not make legal determination or draw legal conclusion as that is the function of the Law Department. Likewise, the Law Department does not conduct the OIG’s investigations or make findings on behalf of the OIG. Both agencies are independent and are independent of each other. Most importantly, neither agency supersedes the other.

IV. Gasper Fiore and Celia Washington’s Indictments and Plea Agreements

On May 31, 2017, Gasper Fiore, former owner of Boulevard & Trumbull, who had financial and controlling interests in multiple tow companies, was indicted in federal court on charges of bribery, conspiracy, mail fraud, and wire fraud.¹² On December 20, 2017, he pleaded guilty to conspiring to commit bribery in connection with a municipal towing contract in Clinton Township. Mr. Fiore admitted at the plea hearing that he paid bribes to Clinton Township Trustee Dean Reynolds in March and May of 2016 in order to buy Mr. Reynolds’ vote to select Mr. Fiore’s company to receive the Clinton Township towing contract.¹³

On October 11, 2017, former Deputy Chief of Police and legal advisor to the Chief of Police, Celia Washington, was indicted for taking bribes from the owner of several towing companies. The indictment stated Ms. Washington was aware that the owner had “controlling ownership interest in multiple towing companies that had been placed in a single police district or precinct towing rotation in violation of the City of Detroit towing rules.” More specifically, the indictment states Ms. Washington told the owner she would use her official position as Deputy Chief of Police to assist Mr. Fiore with towing permits and rotation placement for the DPD tow permits.¹⁴

Our review of the indictment suggests that on April 28, 2016, Ms. Washington had a telephone conversation with Mr. Fiore during which she confirmed with him that he would be able to comply with a deadline that she would be setting for the application for towing permits in the City of Detroit. Thereafter, sometime in May 2016, Mr. Fiore had a telephone conversation with an associate and stated that Ms. Washington “wanted an email sent to [her] personal email address

¹² Department of Justice, U.S. Attorney’s Office Eastern District of Michigan (2017, May 31). *Garbage Executive and Tow Company Owner Charged with Bribery and Fraud* [Press Release]. Retrieved from <https://www.justice.gov/usao-edmi/pr/garbage-executive-and-tow-company-owner-charged-bribery-and-fraud>

¹³ Department of Justice, U.S. Attorney’s Office Eastern District of Michigan (2018, August, 2). *Towing Titan Gasper Fiore Sentenced to Prison for Bribery* [Press Release]. <https://www.justice.gov/usao-edmi/pr/towing-titan-gasper-fiore-sentenced-prison-bribery>

¹⁴ Department of Justice, U.S. Attorney’s Office Eastern District of Michigan (2017, October 11). *Former Detroit Deputy Chief of Police and Legal Advisor Charged with Bribery and Bribery Conspiracy*. [Press Release]. Retrieved from <https://www.justice.gov/usao-edmi/pr/former-detroit-deputy-chief-police-and-legal-advisor-charged-bribery-and-bribery>

that specified which towing rotations the owner wanted in the City of Detroit.¹⁵ In a separate telephone conversation with his family member, Mr. Fiore “instructed the relative to send [Washington] the desired police precinct rotations that the relative wanted for the owner’s towing businesses.¹⁶”

According to the indictment, in June 2016, “Ms. Washington assisted in issuing a towing rotation which violated the City of Detroit towing rules because the owner had multiple towing companies in a single precinct.” The indictment states that on June 3, 2016, Ms. Washington “had a telephone conversation with the owner and told him that she ‘did everything [she] could’ to help the owner get his towing businesses placed in the police precinct rotations that he wanted.”¹⁷

On January 2, 2018, Ms. Washington pleaded guilty to conspiring with Gasper Fiore to commit bribery, in connection with the corruption of towing permits in Detroit. According to the Department of Justice, Ms. Washington’s responsibilities included overseeing DPD’s permitting, licensing, and use of private tow companies. During her plea hearing, Ms. Washington admitted to accepting \$3,000 in cash from Gasper Fiore. Ms. Washington admitted that she knew that Mr. Fiore was using the cash bribe to seek to influence her in the selection of tow rotations in the City of Detroit for his towing companies.

When she accepted the bribe, Ms. Washington was aware Mr. Fiore was violating the City of Detroit’s rules prohibiting a tow company owner from having more than one company in the rotation for a particular police precinct or district. After she accepted the \$3,000 cash bribe from Mr. Fiore, Ms. Washington assisted in issuing a police towing rotation list that continued to allow Mr. Fiore to violate the city’s towing rules and that significantly benefited his companies. Although Ms. Washington had claimed that the \$3,000 in cash from Mr. Fiore was a loan, she admitted during her guilty plea that she kept the money and had spent some of it when she knew he was seeking to bribe her in connection with the city’s tow rotations.¹⁸

V. Business Ties and Shared Relationships Amongst Javion & Sam’s, Gene’s, Citywide and B&G

The OIG’s recommendation that Javion & Sam’s, Gene’s, Citywide, and B & G be suspended immediately and not be allowed to bid on current MPD and DPD towing contracts was made in part due to the multiple, common business ties amongst these companies as well as their shared connections to Boulevard & Trumbull, Gasper Fiore, and Joan Fiore. The companies’ connections with Mr. Fiore who bribed Ms. Washington, and the companies’ connections to Joan Fiore, who assisted Mr. Fiore in providing information to Ms. Washington is clearly evident in an email from Jennifer Fiore to Celia Washington on May 9, 2016 as well as the *Defendant’s Motion*

¹⁵ Indictment at 4, United States of America vs. D-1 Celia Washington, Case 2:17-cr-20662 (E.D. Mich. Oct. 17, 2017).

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 4-5.

¹⁸ Department of Justice, U.S. Attorney’s Office Eastern District of Michigan (2018, January 2). *Former Detroit Deputy Chief of Police and Legal Advisor Pleads Guilty to Bribery Conspiracy* [Press Release]. Retrieved from <https://www.justice.gov/usao-edmi/pr/former-detroit-deputy-chief-police-and-legal-advisor-pleads-guilty-bribery-conspiracy>

to Suppress Evidence Obtained by Wiretaps. It is unlikely that Mr. Fiore would advocate for Javion & Sam's, Gene's, Citywide and B&G unless he has an interest in those companies.

The administrative hearing provided an opportunity for Javion & Sam's, Gene's, Citywide, and B & G to provide clarity on the relationships that were of concern to the OIG during the initial investigation. As such, well in advance of the hearing, Mr. Fraser was informed that each of the four (4) companies should provide information concerning: 1) historical and present connections, if any, with Mr. Fiore; 2) the connections between Javion & Sam's, Gene's, Citywide, and B & G including but not limited to overlapping shareholders, employees, bank accounts, and locations; 3) the business practices of each towing company; 4) the context of the wiretap conversations which suggest connections between the tow companies and Mr. Fiore, who advocated on their behalf was false; and 5) any additional communications with Ms. Washington and any other City of Detroit official who has been implicated in the wiretap information which would dispel the relationship amongst the four (4) companies and Mr. Fiore or Ms. Washington. Mr. Fraser was also informed that he may present any other evidence he felt was necessary to assist the OIG in making a final determination.

During the administrative hearing, Phillip Abraham, certified public accountant for Javion & Sam's, Gene's, Citywide, B & G, and Boulevard & Trumbull, testified about the accounting and other work he has done for these companies over the last 15 to 16 years. Mr. Abraham testified that these companies share services which include insurance, equipment, accounting, legal, and payroll processing in an effort to save money.¹⁹ These companies also share the financial software Enterprise as well as the towing software TowXchange.²⁰

Mr. Abraham testified that based on his 31 years of experience in the field of accounting, the books and records of the four (4) tow companies appeared "very normal" and he has not seen anything which would "raise his concerns."²¹ However, Mr. Abraham testified that he only makes a compilation of reported numbers and does not review supporting documentation such as invoices or checks received. Therefore, he only knows the revenue number that is put into a software program. He further claimed he has never audited the four (4) companies, as to do so would be outside the scope of his employment engagement.²²

Each company representative also testified about the overlapping services shared by Javion & Sam's, Gene's, Citywide, B & G, and Boulevard & Trumbull. Paul Ott, owner of Gene's and Citywide, testified on behalf of his companies. He stated that he is aware that insurance, health care, software, and phone systems are pooled with the other Fiore-related companies, as he believes pooling resources leads to better pricing.²³ However, he does payroll and workers compensation for his own employees (Gene's and Citywide).²⁴

¹⁹ Transcript of Administrative Hearing at 46-48, 60, In the Matter of: Hearing on Inspector General's Recommendation to Mayor Duggan re: Javion & Sam's, Gene's, B & G and Citywide, dated May 7, 2018 (2018 June 14).

²⁰ *Id.* at 50-53.

²¹ *Id.* at 39.

²² *Id.* at 51-52.

²³ *Id.* at 159.

²⁴ *Id.* at 158, 161, 168-169.

Anthony Thomas is the owner of B & G and testified on behalf of his company. B & G shares a corporation counsel, an accountant, insurance policy, TowXchange, and the GPS system Fleetmatics Reveal with the other Fiore-related tow companies.²⁵ Mr. Thomas testified that he does not deal directly with insurance; however, Mr. Abraham (the shared CPA) would be the better person to explain the scope of the cooperative arrangements.²⁶ Mr. Thomas further stated that Jessica Lucas, owner of Boulevard & Trumbull among other tow companies, is in charge of the health insurance.²⁷ He noted that the companies may sit down or discuss different resources to pool over the phone. He said “everyone gets involved and tries to find something.”²⁸

Mr. Bachand testified as the corporate representative for Javion & Sam’s. He stated that the companies share resources for efficiencies, not to commit fraud, under-capitalize companies or take advantage of people.²⁹ While all of the tow companies have their own telephone number, they share a telephone system. Additionally, other cooperative pooling agreements that Javion & Sam’s has with Boulevard & Trumbull includes Fleetmatics Reveal. Mr. Bachand stated that Joan Fiore is involved in all the cooperative agreements because “she’s very knowledgeable in knowing this business for over 30 years and she knows what works and what doesn’t.” Mr. Bachand also noted that other operators, presidents, owners or employees may also be involved in the decision for cooperative agreements depending on what it is.³⁰

Although Mr. Bachand is the corporate representative of Javion & Sam’s, he was unable to answer questions regarding the ownership of the properties from which Javion & Sam’s operates. He testified he could not speak about Joan Fiore’s relationship to Boulevard & Trumbull.³¹ During this line of questioning by the OIG, Mr. Fraser objected to the questions being asked. Mr. Fraser stated that financial records “are of the most private people keep.” He further noted that Mr. Bachand had a privilege to maintain as an attorney.³²

Mr. Fraser was asked to submit information on Joan Fiore’s sale of B & G and Gene’s; ownership history of the real estate from which the companies operate as well as lease agreements and payments made; a description of the cooperative relationships between the companies with supporting documentation including licenses and receipts of payment for TowXchange; and information from Joan Fiore on her conversations with Gasper Fiore. Mr. Fraser was granted several extensions of time to provide the above-referenced information, the OIG only received selective documents from Mr. Fraser.³³ In addition, he did not call any witnesses or provide any

²⁵ *Id.* at 84, 90.

²⁶ *Id.* at 89, 124.

²⁷ *Id.* at 117.

²⁸ *Id.* at 118.

²⁹ *Id.* at 196-197.

³⁰ *Id.* at 225-227.

³¹ *Id.* at 203.

³² *Id.* at 204.

³³ In response to the OIG’s June 21, 2018 request, Mr. Fraser sent an email on June 28, 2018 requesting additional time to submit the requested information. The OIG granted an extension. On July 3, 2018, Mr. Fraser provided some of the requested information. Thereafter, on July 13, July 19, July 24, August 8, and August 9, 2018, Mr. Fraser submitted additional documentation, however, the OIG never received all of the information it requested. The OIG did not receive unredacted copies of lease agreements, the ownership history of the real estate companies prior to May 1, 2016 with supporting documentation, the promissory note for Anthony Thomas’ purchase of B & G

evidence that provided the explanation necessary for the OIG to change its initial finding of significant connections between the companies that led to the May 7, 2018 recommendation.

Mr. Fraser viewed the OIG's information request as a "fishing expedition not remotely related to the IG's initial allegation that his clients participated in or had knowledge of Gasper Fiore's crimes." Mr. Fraser also informed the OIG that contrary to the OIG's position, he believed the unredacted leases had no relevance to the OIG's final recommendation. He claimed whether the rent is "over market or under market," such information has no relevance to the OIG's investigation. He claimed "the amount of rent has no bearing on whether these companies participated in the crimes of Gasper Fiore," for the reason "the rent is not paid to Gasper Fiore."³⁴

However, the OIG has reminded Mr. Fraser on numerous occasions that financial details are relevant if Joan Fiore assisted Mr. Fiore in providing information to Ms. Washington, which would benefit all of the towers in question by way of illegal activity. Further, when Mr. Fraser was asked to provide any other relevant documentation which would clear his clients and therefore would allow the OIG to either amend or reverse its initial findings, he claimed he has "no idea what that means."

The OIG's recommendation is not merely predicated on the notion that Javion & Sam's, Gene's, Citywide, B & G, or their owners directly participated in Gasper Fiore's crimes. The OIG simply cannot recommend that the City of Detroit does business with any contractor that benefits from illegal activity due to their connections to an individual or company. Nor can it recommend that the City continue to conduct business with any contractor that had business and financial entanglements with an individual who engaged in illegal conduct to benefit the contractor. Therefore, it is necessary for the OIG to seek absolute clarity on the business and financial dealings of any contractor who may have benefitted from bribery to ensure that they did not actively participate nor merely turn a blind eye to the actions of another because it may benefit them.

Additionally, it is the duty of all contractors to cooperate with the Inspector General in any investigation. Anyone who "willfully or without justification or excuse obstructs an investigation of the Inspector General by withholding documents or testimony is subject to forfeiture of office, discipline, debarment, or any other applicable penalty."³⁵ By withholding requested information, not only did Javion & Sam's, Gene's, Citywide, B & G, and their owners violate §7.5-301 of the Charter, it made it impossible for the OIG to fully analyze the connections between these companies and owners in any meaningful way that would allow the OIG to consider overturning its recommendation.

VI. Wiretap/ Court Filings

Documents filed in the United States District Court for the Eastern District of Michigan for *United States of America v. D-1 Celia Washington* as well as hearing transcripts from the same suggests connections between Boulevard & Trumbull, Javion & Sam's, Gene's, Citywide, and B

from Joan Fiore, most of the information sought from Joan Fiore, or details regarding the cooperative agreements such as software licenses and invoices.

³⁴ Email from David Fraser sent to Jennifer Bentley on July 24, 2018.

³⁵ 2012 City of Detroit Charter, Sec. 7.5-310. Cooperation in Investigations; Obstruction.

& G. The documents also suggest that Gasper Fiore advocated to Celia Washington on behalf of these companies to get them favorable treatment in regards to the tow rotations. Detailed below is some of the relevant information from the court documents and transcripts.

A. Background Information

In a call on April 28, 2016, Ms. Washington told Mr. Fiore that this was a “me and you conversation.” She then asked Mr. Fiore if he could meet a May 1, 2016 deadline for permit applications. Ms. Washington told him that she did not want to set a deadline that Mr. Fiore could not meet.³⁶

On May 1, 2016, Gasper Fiore had a phone conversation with his daughter, Jennifer Fiore, about how she should fill out applications for towing in the City of Detroit. During this call, Mr. Fiore gave Jennifer Fiore instructions on how to fill out the application for multiple companies.

On May 6, 2016, Mr. Fiore had a phone conversation with employee Craig Tonon. Mr. Fiore instructed Mr. Tonon to dictate to a DPD police officer which precincts should be assigned to Mr. Fiore’s companies. Mr. Fiore spoke to Mr. Tonon about E & G, a tow company owned by Fiore associate Phil Sakalian. He stated that any tow permit given to E & G should not “interfere with none of the other interconnected companies that I... you know, that I-I lease out.” Mr. Fiore continued by saying “I don’t want to be taking Javion off to get ENG stuff.”³⁷

On May 6, 2016, Gasper Fiore called Joan Fiore. He told her that Celia Washington is going to get them what they want for towing rotations. Ms. Washington gave Mr. Fiore her personal email address to use, which Mr. Fiore then forwarded to Joan to give to Jennifer Fiore. During the conversation, Mr. Fiore stated that Ms. Washington was “asking for some information on this tow stuff so she can help us.”³⁸ He further stated that Ms. Washington wanted “Jennifer to send her those rotations and what she’s looking for and what she wants to be added on.”³⁹

Later on May 6, 2016, Mr. Fiore again spoke with Joan Fiore about getting Jennifer the necessary information about what Mr. Fiore wants in regard to the towing rotations. Joan Fiore stated “Jennifer is trying to get a hold of you. She needs to know about those rotations... She wants to know which ones you want. She wants to know which rotations you want. And she needs you to call her real quick. She’s working on it right now. She says she needs some help with the precincts.”⁴⁰ In another call on May 6, 2016, Mr. Fiore spoke with Jennifer. He became upset with her for not acting faster to get the information to Celia Washington. Jennifer Fiore responded by saying “I’m not doing anything. I just didn’t know if it was better to do it in person or (UI).”⁴¹

³⁶ Government Sentencing Memorandum as to Defendant Celia Washington at 2, United States of America vs. D-1 Celia Washington, Case 2:17-cr-20662 (E.D. Mich. April 12, 2018) and Transcript of Sentencing Hearing at 11, United States of America v. Celia Washington. Case No. 17-20662 (2018 April 18).

³⁷ Defendant’s Motion to Suppress Evidence Obtained by Wiretaps at 50, United States of America vs. D-1 Celia Washington, Case 2:17-cr-20662 (E.D. Mich. December 22, 2017). The court document transcribed the conversation and indicated that the company being discussed was ENG but it was E & G.

³⁸ *Id.* at 23.

³⁹ *Id.* at 24.

⁴⁰ *Id.* at 24-25.

⁴¹ *Id.* at 26.

On May 7, 2016, Gasper Fiore spoke with Jennifer Fiore. He directed her to write up the list of tow companies and described what rotations he wanted. Mr. Fiore told Jennifer Fiore to “redo the tow list like I showed you. Like for Abands [abandoned autos] B & G, ENG, B & T, yeah...” Mr. Fiore also told Jennifer Fiore during this conversation that he told Ms. Washington not to deal with a complaint she received about other towing companies sharing a location. He stated that he told Ms. Washington “don’t mess it up now, cause I’m housed in a couple spots.”⁴² Mr. Fiore and Joan Fiore discussed Celia Washington helping with towing and the exchange of email on this subject.⁴³

On May 9, 2016, Mr. Fiore called Ms. Washington to give her more information to use to advocate on his behalf. Mr. Fiore said that he has multiple companies at different locations that all pay taxes. He alleged that competitors have multiple companies at one location which pay taxes and permit for the one location. He also instructed Ms. Washington to go to the competitors’ places of business and review their equipment lists and compare the VIN numbers on their trucks. He said “It won’t match up.” Ms. Washington replied “I got you.”⁴⁴ On the same day, Mr. Fiore and Jennifer Fiore again discussed emailing information to Celia Washington. They talked about having someone from MDEQ sending emails. Jennifer Fiore said that an official was sending email from his government email address and she did not want him to do this.⁴⁵

Jennifer Fiore sent Ms. Washington the email regarding the tow rotations on May 9, 2016. The email discussed Boulevard & Trumbull, Javion & Sam’s, Gene’s, and B & G which had police rotations under the last permit. The email also requested that Ms. Washington add two additional companies, E & G and Troy Auto Abans to the police rotations.⁴⁶ Both E & G and Troy Auto Abans operate out of the same locations as the other tow companies listed in the email.

It appears that a lot of phone calls and emails were exchanged by Mr. Fiore on companies which he supposedly had absolutely no interest. Mr. Fraser made no attempt to explain the communications which were exchanged by Mr. Fiore and other individuals. He simply declared that the information gained from the wiretap is not admissible. On the contrary, the Honorable Laurie J. Michelson in *Joan Fiore v City of Detroit* ruled otherwise. Moreover, the OIG Administrative Hearing Rules specifically provides “the admission of evidence shall not be limited by the Michigan Rules of Evidence. . .”

B. Analysis

Under the 2012 Charter of the City of Detroit, the City has an obligation to work with responsible contractors only. Those contractors that do not act responsibly or demonstrate a satisfactory record of integrity, judgment, and performance should not be working with or for the City.

⁴² *Id.* at 27-28.

⁴³ *Id.* at 29.

⁴⁴ *Id.* at 31.

⁴⁵ *Id.* at 29.

⁴⁶ Government Sentencing Memorandum at 3.

It is undisputed that Ms. Washington pleaded guilty to conspiracy to commit federal program bribery. She acknowledged at her plea hearing that after she accepted money from Gasper Fiore, she was aware that he believed that she would help him with respect to the tow rotation.⁴⁷ United States Attorney Michael Bullotta stated during Ms. Washington's Sentencing Hearing that the wiretap evidence revealed that Ms. Washington told Mr. Fiore "send me the rotations you want and I'll try to get them for you."⁴⁸

In addition, it is irrelevant if Mr. Fiore or the companies he advocated for received a benefit. What is of importance is the actions taken or not taken by Mr. Fiore, the companies and all individuals referenced in the court filings and hearings in their attempt to receive a benefit from the illegal activity.

David Fraser, attorney for Javion & Sam's, Gene's, Citywide, and B & G argued during the administrative hearing that the money "Ms. Washington said she got from Mr. Fiore, in her plea deal and what she admitted to, occurred over a year before the email that's in question. So I submit it's an innocuous email. It certainly is because the money that exchanged happened over a year prior to her plea deal."⁴⁹ The OIG finds this argument unpersuasive based on the timeline of events that occurred between the bribe and the email.

Ms. Washington testified on May 11, 2018 in *Boulevard & Trumbull Towing, Inc. v City of Detroit, City of Detroit Police Department and Detroit Board of Commissioners* that she had a conversation with Mr. Fiore about the "loan" around September 15, 2015.⁵⁰ Ms. Washington accepted approximately \$4,000 in cash, in an envelope, shortly thereafter. Mr. Bachand testified during the administrative hearing that the tow applications came out in September 2015.⁵¹ In the Boulevard & Trumbull hearing Mr. Bachand stated he received a call from Police Officer Kenyatta Myers who oversaw towing. Mr. Bachand was told that DPD was going to start the application process to renew the permits and that he should get the information together. Though no deadline was established at that time, the process had to be completed by June 2016 when the permits issued in June 2011 expired.⁵²

Based on Ms. Washington's admission that Mr. Fiore was expecting to receive favorable treatment in the tow rotations, we conclude the paying of the "loan" and the timing of the permit application was not a mere coincidence. Mr. Fiore was aware that when the new towing permits were being issued in early 2016, there was potential to either lose or gain towing rotations for his tow companies. Therefore, more likely than not that Mr. Fiore would pay Ms. Washington several thousands of dollars for favorable treatment and persistently continue to pursue the issue because the tow permit deadline would not be set for another seven months.

⁴⁷ Government Sentencing Memorandum as to Defendant Celia Washington at 15.

⁴⁸ *Id.* at 22.

⁴⁹ Transcript of Administrative Hearing at 22-23.

⁵⁰ Celia Washington Deposition Transcript at 214-220. *Boulevard & Trumbull Towing, Inc. vs. City of Detroit, et al.* Case No. 17-010371-AW. (11 May 2018).

⁵¹ Transcript of Administrative Hearing at 220.

⁵² Transcript of Administrative Hearing at 78, In the Matter of: Hearing on Inspector General's Recommendation to Mayor Duggan re: Boulevard & Trumbull, dated May 7, 2018 (2018 June 24).

The wiretap interceptions of Ms. Washington and Mr. Fiore suggest that Ms. Washington was attempting to assist Mr. Fiore with the tow permits and the rotations for the specific tow companies he identified on a continuing basis. In a call on April 28, 2016, Ms. Washington sought approval from Mr. Fiore for a May 1, 2016 tow permit application deadline because she did not want to set a deadline he could not meet. In a later conversation, around May 6, 2018, Ms. Washington asked Mr. Fiore to send her the information about which rotations he wanted, but to send it to Ms. Washington's personal email address, rather than her DPD email address.⁵³

On May 9, 2016, Jennifer Fiore sent the email to Ms. Washington. This was done with the obvious knowledge of both Gasper Fiore and Joan Fiore. The email requested tow rotations for Boulevard & Trumbull, Javion & Sam's, Gene's, B & G, E & G, and Troy Auto Abans. The towing permits and rotations ended up staying the same for Boulevard & Trumbull, Javion & Sam's, Gene's, and B & G; and E & G and Troy Auto Abans did not receive any rotations. In a wiretapped call between Ms. Washington and Mr. Fiore on June 3, 2016, Ms. Washington was apologetic for not getting Mr. Fiore's other two towing companies added to the rotations. She told Mr. Fiore "I did everything I could."⁵⁴

Nicholas Bachand, corporation counsel for Boulevard & Trumbull, Javion & Sam's, Gene's, and B & G, testified during Javion & Sam's administrative hearing that he works with the owners of each tow company to complete the tow permit application. The applications, which were due May 1, 2016, required applicants to list the tow rotations they had and the rotations they wanted.⁵⁵ It is noteworthy that Ms. Washington had Mr. Fiore send her an email about his desired tow rotations about a week after the tow application process closed. This was a conversation that did not include Mr. Bachand who was responsible for completing the applications. In fact, Mr. Bachand testified that he was not asked to send an email to Ms. Washington with any information.⁵⁶ If Ms. Washington needed the information for any legitimate purpose, she could have presumably requested the application from Officer Myers or Mr. Bachand.

There is no reasonable explanation why Mr. Fiore was explaining to Jennifer Fiore how she should fill out the tow applications for multiple companies on May 1, 2016. Mr. Bachand testified he was the person responsible for completing this information and sending it to DPD. Based on this information, it seems it would have been more prudent for Mr. Fiore to coordinate this task with Mr. Bachand unless Mr. Fiore planned on providing Ms. Washington with conflicting information or information that needed to be conveyed outside the presence of an attorney.

Mr. Bachand testified during the administrative hearing that it was not the City's practice that information be delivered to the City only through a formal written submission. It was an open dialogue. He explained that there were many occasions when towing company representatives and attorneys were asked to sit down with BOPC and DPD representatives to discuss issues, concerns, and raise questions.⁵⁷ However, discussing issues during the performance of a contract

⁵³ Government Sentencing Memorandum as to Defendant Celia Washington at 2.

⁵⁴ *Id.* at 3.

⁵⁵ Transcript of Administrative Hearing at 217.

⁵⁶ *Id.* at 235-238.

⁵⁷ *Id.* at 232-233.

are very different from having outside communications with city employees during an application process.

Mr. Fraser also argued that none of the companies were incidental beneficiaries of wrongdoing because Ms. Washington never opened the email that was sent to her by Jennifer Fiore.⁵⁸ We find this argument unpersuasive. Contractors have an obligation to act with a satisfactory record of integrity, judgment, and performance. The performance of the contractors is not in question in this matter. The OIG did not receive a complaint about poor performance and provides no opinion on this subject. However, the OIG's focus is concerning the contractors' integrity and judgment. Therefore, it is incumbent upon the contractors to report any suspected wrongdoing as well as to cooperate fully in any OIG investigation. Due to the tow companies' lack of cooperation, the OIG is unable to support a finding whether the tow companies in question were "incidental beneficiaries" or not.

Mr. Fraser also claimed that "no reasonable business person is going to stop right there and say what the heck is going on" when Mr. Fiore called Joan Fiore to have Jennifer send Ms. Washington an email to her personal account.⁵⁹ Again, we find this argument unpersuasive. A reasonable business person who operates with integrity and good judgment should ensure that they are acting within the confines of the procurement process. Joan Fiore should have considered what she was asked to do and if she was at all unsure she should have referred this matter to her attorney.

Mr. Fraser further argued that the wiretap information is unreliable because the FBI Special Agent was biased in the information he presented to the judge.⁶⁰ The OIG finds this argument unpersuasive. First of all, the FBI Special Agent provided this information in an affidavit to the court and we have no reason to believe that he submitted fraudulent or misleading information to the judge. Further, Mr. Fraser had an opportunity to call witnesses who could have provided testimony and evidence to cast doubt on the validity of the information contained in the motion. He chose not to do so in this instance.

For example, rather than making Joan Fiore available for live testimony, he chose to provide an affidavit from Joan Fiore in which she stated that she had "no independent recollection of said conversations." However, nowhere in her affidavit, did she state that the wiretap information provided to the court by the FBI was false. Moreover, there was no explanation of what specific misleading information was provided to the court by the FBI agent. Lastly, because Joan Fiore was not made available, the OIG was precluded from obtaining additional information from her.

VII. Tow Companies

Mr. Fraser argued that each tow company is independently owned by unrelated individuals. However, despite their alleged independence, all four (4) companies were represented by the same attorney who presented overlapping witnesses.

⁵⁸ *Id.* at 14-15.

⁵⁹ *Id.* at 237-238.

⁶⁰ *Id.* at 7.

A. Javion & Sam's

Based on evidence presented by Mr. Fraser, Javion & Sam's is 100% owned by Joan Fiore. In December 1994, she purchased the business from Sam Jolly for \$200,000. Since the purchase of Javion & Sam's, Joan Fiore has been the only officer of the company. Gasper Fiore is not and has never been an owner of Javion & Sam's nor does it operate from any real estate currently owned by Mr. Fiore. The documentation also notes that Joan Fiore and Gasper Fiore were married June 27, 1981 and divorced August 26, 2013.⁶¹

Information contained in Javion & Sam's 2016 Towing Application to DPD states that the business pays property tax on 8100 Lynch which is owned by East Side Land; 2411 Vinewood which is owned by The Realty Company; and 9550 Conner which is also owned by The Realty Company. In 2017, Javion & Sam's submitted a bid in response to a Request for Proposal (RFP) issued by MPD for towing services. In their application, Javion & Sam's identified their address as 2416 Hubbard.

Yet, in their 2016 application for a DPD tow permit, Javion & Sam's submitted an introductory letter on letterhead showing their address as 2411 Vinewood. DPD determined that the two addresses occupy the same property. The 2416 Hubbard address is a small building which adjoins and opens into the main office at 2411 Vinewood. At the administrative hearing, Mr. Bachand testified that Javion & Sam's operates from 8100 Lynch and 2411 Vinewood. He confirmed that their office is at 2416 Hubbard which connects to 2411 Vinewood.⁶²

Boulevard & Trumbull, Javion & Sam's, Gene's, Citywide, and B & G are authorized to do business at locations that overlap with each other. The following chart illustrates where each company is authorized to do business:

⁶¹ Letter from David Fraser to James Heath dated May 18, 2018.

⁶² Administrative Hearing Transcript at 201-202.

Property	Company Authorized to do Business at Location ⁶³	Property Owner ⁶⁴
2411 Vinewood	<ul style="list-style-type: none"> • Boulevard & Trumbull • Javion & Sam's • E & G 	The Realty Company
8100 Lynch	<ul style="list-style-type: none"> • Boulevard & Trumbull • Gene's • Javion & Sam's • B & G • E & G 	East Side Land
9550 Conner	<ul style="list-style-type: none"> • Boulevard & Trumbull • Gene's • Javion & Sam's • B & G • E & G 	The Realty Company
2760 West Warren	<ul style="list-style-type: none"> • Boulevard & Trumbull • Gene's • B & G • E & G 	2760 West Warren, Inc.
7770/ 7900 Dix	<ul style="list-style-type: none"> • Gene's • Troy Auto Abans 	The Realty Company

Additionally, these properties operate from locations that are all owned by Joan Fiore through various real estate companies. The OIG requested documentation regarding the ownership history of these companies but were only provided information dating back to May 1, 2016. Mr. Fraser explained that he was providing the limited information as he believed the OIG request was a fishing expedition.

The OIG sought this information in an attempt to understand why Mr. Fiore was advocating for the companies associated with these properties if Mr. Fiore had no financial interest in the companies. The ownership history documentation prior to May 1, 2016 would have been useful for the OIG in making this determination since the money paid to Ms. Washington was prior to that date. Below is the information provided by Mr. Fraser in a memorandum dated August 8, 2018:

- The Realty Company for the period of May 1, 2016 through present: the shareholders of the corporation are Joan Fiore, Jennifer Fiore, and Jessica Lucas.
- East Side Land Co. for the period of May 1, 2016 through present: Joan Fiore has been the sole shareholder of the corporation.
- 2760 West Warren, Inc. for the period of May 1, 2016 through present: the shareholders of the corporation are Joan Fiore, Jennifer Fiore, and Jessica Lucas.

⁶³ Email sent from Jennifer Fiore to Celia Washington on May 9, 2016

⁶⁴ 2016 DPD Tow Permit Applications

Pursuant to Mr. Bachand's testimony at the administrative hearing, Mr. Fiore had an ownership interest in East Side Land until around 2014 when their divorce was finalized.⁶⁵ However, the documentation shows that Mr. Fiore was listed as a resident agent with The Realty Company as late as December 2015. When asked, Mr. Bachand was unable to speak to this.⁶⁶

Further, Joan Fiore testified during the preliminary injunction motion hearing in *Joan Fiore v City of Detroit* that Gasper Fiore has never had any interest in The Realty Company.⁶⁷ This testimony seems to be in conflict with the information provided to the Michigan Licensing and Regulatory Affairs (LARA) Department. According to the records from LARA, Mr. Fiore was listed as a resident agent of The Realty Company from at least 2008 to 2015. However, because the OIG's request was denied and/or ignored by the tow companies, whether Mr. Fiore retained some form of interest in the company has not been made clear to the OIG. We can only therefore infer from the lack of evidence, that Mr. Fiore had some interests in The Realty Company as its resident agent.

What seems to be clear is that Boulevard & Trumbull, B & G, Genes, and Citywide pay a substantial amount of rent to the real estate companies. Joan Fiore testified during the preliminary injunction motion hearing in *Joan Fiore v City of Detroit* that Boulevard & Trumbull pays The Realty Company \$15,000 a month in rent.⁶⁸ In a memorandum provided by Joan Fiore, it states that B & G pays \$10,000 per month to East Side Land for 8100 Lynch and Gene's pays \$12,500 per month to The Realty Company for 7900 Dix. A copy of the leases were provided to the OIG with the rent amounts redacted. An unredacted copy was requested but the memorandum stated that the location was unknown and the leases were believed to be in Florida.

These leases are for a substantial amount of money which leads us to question why such information would not be readily available. Additionally, B & G and Gene's operate from other locations yet no lease information was provided to the OIG. In fact, at the preliminary hearing, Joan Fiore testified that only B & G pays rent for 8100 Lynch.⁶⁹ This raises several questions including whether Gene's and B & G are allowed to operate from other locations for free and why that would be the case.

Joan Fiore owns 67% of The Realty Company and Jennifer Fiore and Jessica Lucas each own 16%.⁷⁰ However, Javion & Sam's does not pay rent to The Realty Company. At the preliminary injunction hearing, Joan Fiore testified that Javion & Sam's does not have to pay rent because she has an ownership interest in Javion & Sam's and The Realty Company.⁷¹ She stated that it was a business decision made by her as majority owner regardless of the fact that the other owners of The Realty Company have no ownership interest in Javion & Sam's.⁷²

⁶⁵ Administrative Hearing Transcript at 202.

⁶⁶ *Id.* at 203.

⁶⁷ Transcript of Preliminary Injunction Motion Hearing before the Honorable Laurie J. Michelson at 107, *Joan Fiore v. City of Detroit*. No. 18-11565. (2018 July 12).

⁶⁸ *Id.* at 135.

⁶⁹ *Id.* at 214.

⁷⁰ *Id.* at 111.

⁷¹ *Id.* at 202.

⁷² *Id.* at 107, 111, 287.

The sharing of properties apparently led these companies to engage in overlapping services and business practices. As previously stated, sharing services for the sake of efficiency and economy is not of any importance to the OIG. What is important is: 1) how these relationships impacted Mr. Fiore's decision to advocate on behalf of these companies to Ms. Washington; and 2) to what extent are the companies truly independent from Mr. Fiore for Mr. Fiore to advocate on their behalf.

Boulevard & Trumbull is owned by Fiore Ventures, II Inc. (Fiore Ventures II).⁷³ On August 29, 2016, a special meeting was held whereby Mr. Fiore stepped down as Director and President of Fiore Ventures II. He also transferred his shares of ownership to Jessica Lucas. According to the documentation, Jennifer Fiore was named President/ Treasurer and Jessica Lucas was named Vice President/ Secretary.

However, DPD has no record of being notified of this change until June 1, 2017, the day after Mr. Fiore was indicated. This is a violation of the DPD tow policy which states that tow companies must notify DPD within 90 days if the company sells, or in any manner transfers, the entire company, a substantial portion of its assets, or 10% or more of the outstanding stock, or if there is a change in any of the partners, owners, or officers of the tow company.⁷⁴

The OIG sought clarification on Joan Fiore's connections to Boulevard & Trumbull and Fiore Ventures II. This information is necessary for the OIG to make a determination on Joan Fiore's involvement with a company whose owner pleaded guilty to bribing a Macomb County official and was linked to bribing a City of Detroit official. Joan Fiore herself played a role in assuring that an email was sent to Ms. Washington with desired tow rotations after the application had closed. As sole owner of Javion & Sam's, it is important that she acts as a responsible contractor and shows a satisfactory record of integrity, judgment, and performance.

Unfortunately, the needed information was not provided. Mr. Bachand, who testified on behalf of Javion & Sam's at the administrative hearing, stated that he could not speak to Joan Fiore's relationship with Boulevard & Trumbull.⁷⁵ LARA documentation shows that she was listed as the Resident Agent for Fiore Ventures II from at least 2008 to 2017. However, the extent of her involvement and financial benefit is unknown as no explanation or evidence was provided pertaining to this matter. Mr. Bachand did testify at the Boulevard & Trumbull administrative hearing that Joan Fiore stopped working for Boulevard & Trumbull around the time of her divorce from Mr. Fiore but that "she would still be receiving some type of money in certain things" as a part of their sealed divorce settlement.⁷⁶ Given the above, it is questionable whether Joan and Gasper Fiore still have mutual financial ties.

At the preliminary injunction hearing, Joan Fiore testified that there is no address where Javion & Sam's did business where she would not have freely welcomed and allowed Boulevard & Trumbull to come in and do business with her before the City terminated Javion & Sam's.⁷⁷

⁷³ Boulevard & Trumbull's 2016 DPD Tow Permit Application.

⁷⁴ 2016 Tow Permit Application at 10.

⁷⁵ Administrative Hearing Transcript at 203-204.

⁷⁶ Boulevard & Trumbull Administrative Hearing Transcript at 91-92.

⁷⁷ Transcript of Preliminary Injunction Motion Hearing at 120-121.

This suggests that Joan Fiore continued to work with Boulevard & Trumbull despite Mr. Fiore's bribing a Macomb County official and Celia Washington admitting to accepting a bribe. Though he may have stepped aside as owner on August 29, 2016, Mr. Fiore continued to work for Boulevard & Trumbull until he resigned on May 31, 2017, the date he was indicted. This brings into question Joan Fiore's judgment and integrity that she would continue to share resources with someone who bribed city officials.

Joan Fiore also testified that after August 29, 2016, Javion & Sam's and Boulevard & Trumbull separated some of their respective resources. She was aware that there was a federal investigation involving Mr. Fiore prior to August 29, 2016. She explained that she wanted to separate from Mr. Fiore and Boulevard & Trumbull before any federal indictment or conviction occurred.⁷⁸

One way in which Javion & Sam's separated from Boulevard & Trumbull was to stop sharing employees. During the preliminary injunction hearing, Joan Fiore testified that Javion & Sam's and Boulevard & Trumbull shared employees and these employees shared a common space. This was different from the arrangement with Gene's and B & G whose employees worked at 7900 Dix and 8100 Lynch, respectively.⁷⁹ The employees for Javion & Sam's and Boulevard & Trumbull, whose uniforms did not always distinguish which tower they worked for, answered phones and dispatched for both companies.⁸⁰ Up until Javion & Sam's was terminated, Boulevard & Trumbull was sharing employees with and working actively together with Javion & Sam's.⁸¹

Joan Fiore testified that Javion & Sam's employees are leased through a company. She did not know if she or Jessica Lucas owned the company. She could only definitively say that it was owned by a member of the Fiore family.⁸² Joan Fiore testified that Javion & Sam's does not report a single employee to the City of Detroit because of this arrangement. Jessica Lucas administers payroll through a leasing company. Joan Fiore stated that though Javion & Sam's makes a payment to the leasing company for the employees, she is unaware whether the company makes any money from the lease.⁸³

At the preliminary injunction hearing, Joan Fiore testified that CPA Philip Abraham is responsible for tracking each companies' pro rata share of the shared resources. An exception to this practice is the towing companies' corporation counsel Nicholas Bachand. Mr. Bachand bills Boulevard & Trumbull. Jessica Lucas pays the bill on behalf of all the companies and then she charges them separately for their share.⁸⁴ Javion & Sam's, however, does not pay for their use of the corporation counsel. Their share is paid by the Realty Company which is not just owned by Joan Fiore but also by Jennifer Fiore and the owner of Fiore Ventures II Jessica Lucas.⁸⁵

⁷⁸ *Id.* at 127-129.

⁷⁹ *Id.* at 115-117.

⁸⁰ *Id.* at 103, 119.

⁸¹ *Id.* at 122.

⁸² *Id.* at 120.

⁸³ *Id.* at 1313-132.

⁸⁴ *Id.* at 252, 286.

⁸⁵ *Id.* at 294.

Joan Fiore also testified that she is aware of the allegations regarding Mr. Fiore's bribery of Ms. Washington. However, she stated that she does not recall any specific phone conversation from May 2016. She does not recall Gasper Fiore asking her to give Ms. Washington's personal email to Jennifer. She does not recall at any time in her life speaking with Gasper Fiore about Ms. Washington. Further, she stated that she does not recall telling Jennifer Fiore to send a list of the tow companies to Ms. Washington that should get favorable treatment.⁸⁶ She also denied being able to recall this information in an affidavit she provided to the OIG dated July 19, 2018.

Curiously, Joan Fiore initially acknowledged that a relative sent an email with the requested information as to which tow rotations Mr. Fiore wanted. After her attorney objected, she could no longer remember.⁸⁷ Later in her testimony she again contradicted herself by saying that she thinks she was copied on such an email but she never opened it.⁸⁸ Later she stated that she does not know if the list sent to Ms. Washington included Javion & Sam's.⁸⁹ Given the conflicting testimony, it seems highly unlikely that Joan Fiore would have zero recollection of events she was involved in that led to a high ranking City official pleading guilty to bribery.

Joan Fiore did not provide any direct verbal testimony to the OIG. Rather, the OIG was provided with an affidavit in which Joan Fiore provided no further clarification or context to the issues being considered by the OIG.⁹⁰ We note however, that she had no trouble coming to Detroit to provide live testimony in a lawsuit she filed against the City of Detroit.

At the preliminary injunction hearing, Joan Fiore testified that she had the opportunity to attend the OIG hearing but sent her attorney and accountant instead.⁹¹ She agreed with the attorney questioning her that those who went to the OIG hearing on Joan Fiore's behalf did not have all of the information that she had.⁹² She also acknowledged that she did not go through the wiretap evidence in the *Motion to Suppress* with her attorney and indicate whether or not they were accurate.⁹³ Mr. Fraser has argued that the wiretap information is unreliable and not completely accurate. However, Mr. Fraser was not a party to any of these conversations so it leads one to question how he can comment on the validity of the information, especially when his client (Joan Fiore) testified that she did not verify the information contained in the wiretap with him.

B. Gene's and Citywide

Public records indicate that a company named Metro Service Patrol, Inc. was incorporated in 2000. In July 2000, its name was changed to Citywide Towing with Michael Allen listed as president. In February 2001, Eddie Dennis became president and resident agent. The address of the registered office was 2760 West Warren and its mailing address was 2411 Vinewood. Citywide was purchased by Gene's in 2010. In 2010, the resident agent for Gene's was Joan Fiore.

⁸⁶ *Id.* at 154-156.

⁸⁷ *Id.* at 192.

⁸⁸ *Id.* at 241.

⁸⁹ *Id.* at 245.

⁹⁰ The OIG gave her attorney the option to have her appear via video conference, phone call, or, if necessary, an affidavit.

⁹¹ *Id.* at 182-188.

⁹² *Id.* at 197.

⁹³ *Id.* at 195-196.

On June 6, 2011, Joan Fiore was shown as the resident agent with listed addresses of 2760 West Warren and 2411 Vinewood. In December 2011, the resident agent was changed to Paul Ott. Citywide is owned by Gene's.⁹⁴ The only address listed in that filing is 2760 West Warren. Citywide did not have a DPD tow permit in 2011 or 2016. The company did submit a bid in response to an RFP issued by MPD for towing services in 2017 in an effort to become a city contractor. However, due to the OIG's pending recommendation, MPD did not consider their bid.

Public records indicate that Gene's was incorporated in 2001 by Joan Fiore. In a public filing dated June 13, 2011, the identity and address of Gene's resident agent was changed from Joan Fiore at 2411 Vinewood to Paul Ott at 7900 Dix. This change occurred shortly after the OAG issued its audit in March 2011 highlighting the Fiore family's domination of the tow rotations.⁹⁵

Currently, according to the 2016 DPD Tow Permit Application, Mr. Ott is the sole owner of Gene's and Citywide. At the administrative hearing, Mr. Ott testified that prior to working for Gene's he worked for Boulevard & Trumbull. He left Boulevard & Trumbull because he was "getting fed up, time to go someplace else and was told Joan was going to buy Gene's Towing and was told we're going to be partners and you can run Gene's Towing."⁹⁶ Mr. Ott explained that his arrangement with Gene's was that he would be a 25% owner and run it completely. He became Joan Fiore's partner on September 1, 2001.⁹⁷ He did not pay anything for his 25% interest in Gene's.⁹⁸

On June 13, 2011, Paul Ott became the sole owner of Gene's. He purchased the company, including 15 tow trucks, from Joan Fiore for \$4 million after DPD changed the tow rules.⁹⁹ Mr. Ott paid \$4 million to Joan Fiore without any negotiation because that is what Joan Fiore wanted. It is interesting to note that while there is a promissory note for the transaction, Mr. Ott testified he has not paid anything on it; he has only paid "a lot of rent" to Joan Fiore.¹⁰⁰ The promissory note shows that Mr. Ott agrees to pay Joan Fiore \$4 million with an interest rate on the note at a per annum rate which is 4% above the interest rate otherwise in effect. Interest only on the note is to be paid beginning on July 1, 2011 and on the first day of each month up to June 1, 2021, with the entire unpaid principal balance due on June 1, 2021. The \$4 million note may not be prepaid.

The OIG requested payment schedules, payment agreements, and payments made by Gene's to Joan Fiore. However, there was no record provided of Mr. Ott paying the monthly interest payment as required by the note, as Mr. Fraser chose not to provide this information. Pursuant to the note, Mr. Ott should have been making monthly interest payments even though he was not required to make a payment on the principal balance. In fact, Mr. Ott testified that he has not paid anything on the note. Therefore, without the supporting documents, we question whether

⁹⁴ Administrative Hearing Transcript at 149.

⁹⁵ 2011 OAG Report at 23.

⁹⁶ Administrative Hearing Transcript at 145.

⁹⁷ *Id.* at 146.

⁹⁸ *Id.* at 179.

⁹⁹ *Id.* at 147-148.

¹⁰⁰ *Id.* at 188.

this was a legitimate sale or whether the promissory note was created in order to get around the DPD tow rules.¹⁰¹

Gene's is headquartered at 7770 Dix which is owned by The Realty Company. According to Gene's 2016 DPD Tow Permit Application, Gene's has access to the following properties:

- 7900 Dix which is owned by The Realty Company
- 8100 Lynch which is owned by East Side Land
- 2760 West Warren which is owned by 2760 West Warren, Inc.
- 9550 Conner which is owned by The Realty Company

As stated above, The Realty Company is owned by Joan Fiore, Jennifer Fiore, and Jessica Lucas. Mr. Ott pays the company \$12,500 a month in rent for 7900 Dix. There is no record of him paying rent on any of the other properties he has access to. He testified that he runs a rotation out of 8100 Lynch but no lease agreement with East Side Land was provided to the OIG despite a request for all lease agreements.¹⁰²

Mr. Ott shares insurance, healthcare, and a phone system with the other Fiore-related towing companies.¹⁰³ He also shares a corporate attorney and an accountant. His backup towers are B & G and Official Towing.¹⁰⁴ Public records indicate that Official Towing is owned by Jessica Lucas, owner of Boulevard & Trumbull through Fiore Ventures II. Joan Fiore and Gasper Fiore's names have also appeared on some of the filings related to Official Towing. Mr. Ott stated that backup towers are used in the event the tow company is busy or if a tow truck operator calls in sick. Ms. Ott explained that backup towers get a fee for their services.¹⁰⁵

Another shared service is TowXchange, a computer program specifically designed for tow companies. Mr. Abraham, Gene's accountant, explained that TowXchange is an operating system for point-of-sale for the service side [of towing].” Information is then transferred to the financial software Enterprise which is where costs are kept.¹⁰⁶ A dispatcher creates a ticket in TowXchange when a call comes into the company. It is then dispatched to a tow truck operator.¹⁰⁷ Mr. Abraham stated that it is possible for a dispatcher to enter the wrong company into TowXchange though he also acknowledged that it is possible that Gene's is not authorized to put in tows for other companies.¹⁰⁸

Mr. Ott does the invoicing for Gene's.¹⁰⁹ TowXchange prints out the invoices for him with all the necessary information to submit to DPD.¹¹⁰ He stated that he was aware of a situation

¹⁰¹ The DPD tow rules prohibit an owner from having more than one company in the tow rotation unless those companies are counted as one for the purpose of distributing tows.

¹⁰² Administrative Hearing Transcript at 164-165.

¹⁰³ *Id.* at 158.

¹⁰⁴ *Id.* at 166.

¹⁰⁵ *Id.* at 166-167.

¹⁰⁶ *Id.* at 38.

¹⁰⁷ *Id.* at 53-57.

¹⁰⁸ *Id.* at 72-74.

¹⁰⁹ *Id.* at 169.

¹¹⁰ *Id.* at 176.

where DPD received a B & G invoice for a Gene's tow. He explained that "one of the B & G guys probably did it for me because I wasn't over there to do that."¹¹¹ We find there is no clear explanation of how TowXchange is actually used by Gene's and B & G. While each tow company has their own phone number, dispatchers, and license for TowXchange, when a call comes into Gene's, a Gene's dispatcher answers the phone and enters the information into TowXchange. A Gene's tow truck driver is then dispatched to the scene. If a Gene's driver is unavailable, then a backup tower is called. However, this should not have any impact on the initial information entered into TowXchange since backup towers submit an invoice to the tow company and they are paid the \$125 tow fee.¹¹² Therefore, according to this explanation, a backup tower's name should never appear on an invoice sent to DPD.

Additionally, an Office of Contracting and Procurement employee noticed that The Realty Company, Boulevard & Trumbull, Javion & Sam's, B & G, and Gene's changed banks approximately five times in an 18 month period. This raised a red flag for her because this amount of activity is unusual compared to other companies that do business with the City of Detroit. The employee stated that on August 24, 2016, she received notice from attorney Nicolas Bachand that the five companies listed above were all changing their bank to PNC. Mr. Bachand not only submitted paperwork to change Javion & Sam's and Gene's banking institution to PNC but he also attempted to change Javion & Sam's and Gene's to the same bank account. However, the City of Detroit would not permit this and separate accounts had to be opened. Mr. Ott does not recall this¹¹³ and Mr. Bachand stated that it was a "clerical error" on his part.¹¹⁴

Information contained in the *Defendant's Motion to Suppress Evidence Obtained by Wiretaps* provides a link between Gene's and Mr. Fiore. The filing sought, in part, to continue the interception of wire and electronic communications for a cellular phone number being utilized by Mr. Fiore. The phone number was subscribed to Gene's at 7700 Dix. Mr. Ott explained that Mr. Fiore asked him if he had an extra phone because his was broken. He does not recall the date. Mr. Ott said that he sent Mr. Fiore to his cell phone provider but did not tell him to get a phone under Gene's name. He said that the next thing he knew Mr. Fiore's phone was on his bill but he did not ask Mr. Fiore to get off his account.¹¹⁵

Jennifer Fiore advocated on behalf Gene's in an email she sent to Ms. Washington's personal email account on May 9, 2016. This information was sent at the request of Mr. Fiore. The email states, in part:

Genes (Genes owns City Wide Towing. City Wide Towing is located at 2760 W Warren in the former central district) – Originally awarded SW, Central and Eastern Districts which is now considered precincts' 1, 2, 3, 4, 5, 9. Genes would like to add 10 or 12. Genes is authorized to do business at 7770/7900 Dix, 2760 W Warren, 9550 Conner, and 8100 Lynch. Genes is a DBB and DSB.

¹¹¹ *Id.* at 170.

¹¹² *Id.* at 116.

¹¹³ *Id.* at 172.

¹¹⁴ Boulevard & Trumbull Administrative Hearing at 125.

¹¹⁵ Administrative Hearing at 156-157.

The email was sent to Ms. Washington well after the tow permit applications were due. Again, if Mr. Bachand was the person responsible for completing this information and sending it to DPD why was this email sent to Ms. Washington by Jennifer Fiore?

C. B & G

In 2000, B & G Towing was incorporated by Joan Fiore. B & G is owned by East Side Towing. Anthony Thomas became a 25% owner of B & G that same year. Mr. Thomas approached Joan Fiore after she purchased B & G to become a partner and to bring in the trucks and customers he already had. He became the sole shareholder on July 1, 2011 after changes were made to the DPD towing regulations.¹¹⁶ On July 6, 2011, a Certificate of Conversion was filed with the State of Michigan. It changed B & G from an Inc. to an LLC. It also named Anthony Thomas as the resident agent. B & G's registered office is listed as 8100 Lynch.

Mr. Thomas testified he purchased B & G for \$1.5 million. The OIG requested a copy of the associated promissory notes, payment schedules, payment agreements, and payments made by B & G. However, the information was not provided to the OIG. According to Mr. Fraser a copy of the promissory note could not be located. Instead, a *Memorandum of Promissory Note* was provided that stated that an agreement was entered into on or about July 1, 2011.¹¹⁷ The note was between Joan Fiore and Anthony Thomas. Mr. Thomas agreed to pay Joan Fiore \$1.5 million at an interest rate of 10%. The promissory note has a maturity date of 10 years and no payment is to be made until such time. It is unclear if interest payments are due each month like in the promissory note for Gene's. However, similar to the Gene's transaction, no interest payment information was provided to the OIG.

B & G operates out of 8100 Lynch which is owned by East Side Land. According to B & G's 2016 DPD Tow Permit Application and testimony provided, B & G has access to the following properties:

- 2411 Vinewood which is owned by The Realty Company
- 8100 Lynch which is owned by East Side Land
- 2760 West Warren which is owned by 2760 West Warren, Inc.
- 9550 Conner which is owned by The Realty Company

East Side Land is owned by Joan Fiore. Mr. Thomas pays the company \$10,000 a month in rent for 8100 Lynch. Javion & Sam's and Gene's also have a rotation out of 8100 Lynch.¹¹⁸ There is no record of Mr. Thomas paying rent on any of the other properties he has access to. He testified that his office is at 2411 Vinewood. He also has a couple of tow trucks at this location. 2411 Vinewood is owned by The Realty Company but he does not pay to utilize that property.¹¹⁹

¹¹⁶ *Id.* at 77-81

¹¹⁷ The promissory note memorandum is dated August 8, 2018 and is signed by Joan Fiore. Mr. Thomas' signature is not on the memorandum.

¹¹⁸ Administrative Hearing Transcript at 141.

¹¹⁹ *Id.* at 107-108, 130.

Mr. Thomas testified that it was convenient to have his office at 2411 Vinewood because of his working relationship with Boulevard & Trumbull. Mr. Thomas stated that he has always assisted Boulevard & Trumbull with heavy duty trucks and lowboys, which is his specialty. He also had an arrangement where he could go home at night and only be called for emergencies. Additionally, Mr. Thomas testified that if someone from B & G was not around to answer the phone, it would overflow to Boulevard & Trumbull.¹²⁰ He said that he stopped working with Boulevard & Trumbull after he found out about the federal investigation.¹²¹

B & G shares some services with the other tow companies. Examples of shared services include the phone system, TowXchange, Enterprise, legal, accounting, and Fleetmatics Reveal. Fleetmatics Reveal is a GPS system that B & G shares with Boulevard & Trumbull, Javion & Sam's, Gene's, and Official Towing. Mr. Thomas explained that this allows him to see where all the tow trucks are and which truck is useful for backup towing.¹²² Mr. Thomas stated that Javion & Sam's is the backup tower for B & G. In instances where a backup tower is used, the company that received the original call bills the City of Detroit for the \$125 tow fee. In this instance, Javion & Sam's, as the backup tower, would submit an invoice to B & G who then issues Javion & Sam's a check.¹²³

Detroit Police Officer Kenyatta Myers reported invoicing issues involving B & G. Officer Myers stated that, on multiple occasions, DPD has received bills on a B & G invoice that turned out to be tows handled by Gene's. The department has also received bills on a Boulevard & Trumbull invoice that were towed by B & G.¹²⁴ This information is disturbing as the companies' owners and representatives have all testified that they are completely separate except for their use of shared services which is done to save money.

They also testified that their TowXchange logins are all separate and that any tow called in by DPD is entered into the system for the tow company receiving the tow. TowXchange then creates an invoice based on the information entered. What remains unanswered is that if this is truly how these companies are functioning, why there would be so many issues with the invoices submitted to DPD. Mr. Thomas testified that he had no recollection of this occurring though he is the person who reviews the invoices sent to DPD.¹²⁵

According to the 2016 DPD Tow Permit Application, B & G has ten (10) vehicles. Six (6) vehicles are leased from JJG Equipment, LLC and four (4) are owned by B & G. Mr. Thomas testified JJG is not owned by Gasper Fiore nor is he a shareholder. Public records indicate that the company was established in 2014 by Jessica Lucas. As stated previously, Ms. Lucas is the owner of Boulevard & Trumbull via Fiore Ventures II. This is just another example of how closely B & G is connected to Fiore Ventures II.

¹²⁰ *Id.* at 129-130.

¹²¹ *Id.* at 120-121, 129.

¹²² *Id.* at 90.

¹²³ *Id.* at 94, 116.

¹²⁴ Officer Myers noted that these were just some examples and that these bills were returned for corrections and not maintained on file.

¹²⁵ Administrative Hearing Transcript at 110-111.

Information contained in the *Defendant's Motion to Suppress Evidence Obtained by Wiretaps* provides a connection between B & G and Mr. Fiore. Specifically, on May 7, 2016, Mr. Fiore directed Jennifer Fiore to write up the list of tow companies and described what rotations he wanted. Mr. Fiore told Jennifer Fiore to “redo the tow list like I showed you. Like for Abands [abandoned autos] B & G, ENG, B & T, yeah...¹²⁶” It stands to reason that Mr. Fiore would want to advocate on behalf of B & G, a company that pays money to both Jessica Lucas and Joan Fiore for equipment and land.

Jennifer Fiore advocated on behalf B & G in an email sent to Ms. Washington's personal account on May 9, 2016. This information was sent at the request of Mr. Fiore. The email states, in part:

B & G – Originally awarded Eastern District, which is now considered precincts' 5, 7, 9 and 11. B & G would like to add 12. B & G is authorized to do business at 8100 Lynch, 9550 Conner, and 2760 W Warren. B & G is a DBB and DSB.

Again, the email was sent to Ms. Washington well after the tow permit applications were due.

Mr. Thomas testified that he had no knowledge that Mr. Fiore was advocating on his behalf and he would never direct him to do that.¹²⁷ He does not dispute that Mr. Fiore attempted to advocate for B & G and Mr. Thomas did not ask him why he took those actions.¹²⁸ Mr. Thomas testified that he assumes or guesses that Mr. Fiore advocated for B & G because Mr. Thomas is leasing land from his ex-wife. “So I imagine that would be his only motivation, to make sure I was still in place so she didn't lose the tenant, but I can't say if that's for sure or not. That's what my thoughts were when this happened and I see my company involved in this and that's what I assumed.¹²⁹”

VIII. Conclusion

Based on the above, the OIG upholds its initial recommendation that MPD and DPD not consider bids for the present tow contracts from Javion & Sam's, Gene's, Citywide, and B & G; and to immediately suspend Javion & Sam's, Gene's, and B & G from the DPD towing list. Parties representing the tow companies failed to provide evidence that would allow the OIG to render a different recommendation from its initial findings. In short, they failed to show the companies are responsible contractors who conduct business in the City with honesty and integrity.

It is undisputed that Mr. Fiore pleaded guilty to bribing a Macomb County official and Ms. Washington pleaded guilty to accepting a bribe from Mr. Fiore to assist him with the tow companies he identified to her, through Jennifer Fiore. It is also evident that Joan Fiore and Jennifer Fiore were involved in sending an email regarding tow rotations to Ms. Washington well after the 2016 tow permit application deadline.

¹²⁶ ¹²⁶ Defendant's Motion to Suppress Evidence Obtained by Wiretaps at 58.

¹²⁷ Administrative Hearing Transcript at 103.

¹²⁸ *Id.* at 123.

¹²⁹ *Id.* at 128.

Further, it is apparent that Gene's, Citywide, and B & G are closely connected to Gasper Fiore, Joan Fiore, Jennifer Fiore, Jessica Lucas, and Boulevard & Trumbull. Gene's, Citywide, and B & G operate from land owned by Joan Fiore, Jennifer Fiore, and Jessica Lucas. Gene's and B & G also owe Joan Fiore a substantial amount of money for the companies they purchased from Joan Fiore in 2011 as the OIG was provided no record of any evidence that any lease or interest payments have been made to date. These companies also had a close working relationship with Boulevard & Trumbull during the time the bribery was occurring.

There are numerous inconsistencies in the information presented to the OIG as detailed in the report. For example, during her testimony at the preliminary injunction hearing, Joan Fiore gave conflicting statements about her knowledge of the email sent to Ms. Washington. If this email was as innocuous as Mr. Fraser claimed, the OIG has to question why Joan Fiore was not more forthcoming about its existence and her involvement with it. Additionally, conflicting information was provided as to why inaccurate invoices were submitted to DPD leading the OIG to question some of the information provided about TowXchange and backup towers.

Finally and most importantly, individuals representing Javion & Sam's, Gene's, Citywide and B&G were less than cooperative and forthcoming in that only selected information was provided to the OIG and several key witnesses refused to testify in the OIG's Administrative Hearing. Subjects of investigation cannot simply make representation without supporting documentation or testimony. Likewise, they cannot simply provide selective, self-serving information and expect the OIG to take their word for the rest of the information which was not provided to the OIG. The OIG is required by the 2012 Charter of City of Detroit "to ensure honesty and integrity in City government" and its jurisdiction extends to contractors and businesses seeking contracts or certification from the City.¹³⁰ Such lack of cooperation only obfuscates the OIG's investigation and certainly does not display honesty and integrity.

In fact, anyone who "willfully or without justification or excuse obstructs an investigation of the Inspector General by withholding documents or testimony is subject to forfeiture of office, discipline, debarment, or any other applicable penalty."¹³¹ This alone subjects the tow companies to discipline and/or debarment.

¹³⁰ See, Article 7.5, Chapter 3, Sections 7.5-301 and 306 of the 2012 Charter of the City of Detroit.

¹³¹ See, Section 7.5-310 of the 2012 Charter of the City of Detroit. Cooperation in Investigations; Obstruction.