

City of Detroit
Office of the Inspector General
FutureNet Debarment Matter
OIG Case No. 2016-0071
June 7, 2019



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Inspector General

CITY OF DETROIT
OFFICE OF INSPECTOR GENERAL

I. Final Recommendation

On March 27, 2019, the Office of Inspector General (OIG) held an administrative hearing for FutureNet Group, Inc. (FutureNet) and its CEO Parimal (Perry) Mehta. The purpose of the hearing was to provide FutureNet an opportunity to present evidence, testimony, and any supporting information in response to the OIG’s preliminary finding that FutureNet and Mr. Mehta have not acted as responsible contractors and should both be debarred for twenty (20) years. After having reviewed all evidence and conducting an administrative hearing on the matter, the OIG’s final recommendation is as follows:

- The initial recommendation that FutureNet be debarred for twenty (20) years be **AMENDED to fifteen (15) years with an effective date of September 30, 2016. The end date of the debarment is September 30, 2031.**
- The initial recommendation that Parimal “Perry” Mehta be debarred for twenty (20) years be **SUSTAINED. The end date of the debarment is September 30, 2036.**

II. Complaint

On September 28, 2016, the Office of Inspector General (OIG) received a complaint from the City of Detroit Law Department. The letter stated that on April 8, 2016, former Deputy Director of the City of Detroit’s Department of Information Technology Services (DoIT), Charles L. Dodd, Jr., entered into a plea agreement with the Public Integrity Section of the United States Department of Justice for the crime of Federal Program Bribery. He subsequently pled guilty on September 27, 2016. Mr. Dodd admitted to soliciting and accepting cash payments totaling more than \$15,000 from Perry Mehta, CEO and President of FutureNet, a contractor that provided information technology services and personnel to the City of Detroit. It was requested that the OIG investigate both the conduct of Mr. Dodd as well as FutureNet.

The OIG investigation was placed on hold due to the ongoing criminal investigation. On September 14, 2018, the OIG reopened its file after Charles Dodd was sentenced to twenty (20) months in US District Court. Therefore, on September 17, 2018, the OIG sent Perry Mehta and FutureNet a letter informing them that the OIG was proposing they be debarred for the maximum allowed period of twenty (20) years pursuant to the City’s Debarment Ordinance.

III. FutureNet Overview

a. Company Information

FutureNet provided information technology (IT) and consulting services to various clients. The company also engaged in the business of designing, manufacturing, installing, selling, and servicing antiterrorism force protection systems, including active and passible barrier systems and electronic monitoring products. It previously contracted with the City of Detroit to

provide technology resources in support of information technology related projects for DoIT as well as for other City agencies.¹ FutureNet was also awarded a sole source contract to assist the Building, Safety, Engineering, and Environmental Department (BSEED) with the implementation of a new software platform.²

At the time of the bribery of Mr. Dodd, Mr. Mehta was the President and CEO of FutureNet. On March 21, 2017, Perry Mehta resigned from

...all positions with Future Net Group, Inc. (“FutureNet”) and FutureNet Security Solutions, LLC (“Security Solutions”). This includes me resigning from the positions of Chief Executive Officer (“CEO”), President, Board of Directors member, Chairman of the Board of Directors, and Facility Security Officer at FutureNet, and from the positions of CEO and Manager at Security Solutions.³

Also on March 21, 2017, FutureNet’s Board appointed the following officers: Joginder Singh (CEO), Jignesh “Jay” Mehta (Senior Vice President), Krishal Dalal (Senior Vice President), Jeff Achten (Senior Vice President), and Brian Cooper (Vice President).⁴ On March 6, 2018, CEO Joginder Singh resigned as Chairman and CEO. Jay Mehta was elected by FutureNet’s Board to serve as the Chairman and CEO and Krishal Dalal was elected to serve as the Director of the Board and Senior Vice President.⁵

Currently, FutureNet has no remaining assets or employees. On May 7, 2018, Wayne County Circuit Court appointed Basil Simon as receiver for FutureNet. This occurred after the company became substantially indebted to several lenders.⁶ To date, Mr. Simon has sold all divisions of FutureNet Group under his direct supervision to multiple independent companies. As a result, FutureNet does not have any remaining employees and is essentially a dormant company.⁷

b. Contracts with the City of Detroit

The City of Detroit has had various contracts with FutureNet to provide technical resources to various city agencies to assist with their technology initiatives.⁸ Most recently, the City of Detroit entered into Contract No. 2896739 with FutureNet whereby the company

¹ 2014-2016 Professional Services Contract No. 2896739 between the City of Detroit Information Technology Services Department and FutureNet Group, Inc., Exhibit A: Scope of Services, pg. 30.

² Professional Services Contract No. 6000772 between the City of Detroit and FutureNet Group, Inc.

³ Perry Mehta Resignation Letter dated March 21, 2017.

⁴ March 21, 2017 Board Resolution/ Joint Written Consent of the Board of Directors and Common Shareholders of FutureNet Group, Inc.

⁵ March 6, 2018 Board Resolution/ Written Consent Resolution in Lieu of Meeting of the Board of Directors

⁶ Detroit Investment Fund, L.P., and Chase Invest Detroit Fund, LLC. v. FutureNet Group, Inc., FutureNet Security Solutions, LLC, Motor City Developer, LLC, and Parimal D. Mehta, Case No. 18-004682-CB Wayne County Circuit Court. Circuit Court Judge Lita M. Popke. Order Appointing Receiver.

⁷ Steve Fishman email to the OIG dated April 23, 2019.

⁸ The OIG had a contract with FutureNet for web-based case management system for production of secured files and reporting. It was Contract No. 2876477 for the amount of \$58,600. The contract began on March 22, 2013 and ended on June 30, 2016.

provided technology resources in support of information technology related projects for DoIT as well as for other City agencies.⁹ The contract began on October 1, 2014 and terminated on September 30, 2016, with two (2) one-year renewal options. The contract amount was not to exceed \$6,091,200. On April 20, 2015, the contract was amended to increase the amount of the contract, not to exceed \$8,968,839.¹⁰

On June 13, 2017, the Detroit City Council approved Contract No. 6000772.¹¹ The purpose of the contract was for BSEED to implement Accela which is a software platform designed for use by government agencies to administer a variety of tasks, including licensing, inspections, permitting, and right of way management. FutureNet was selected as the prime vendor through a sole source justification meaning they were identified as the only potential provider. The justification stated in part

FNG is the only **Detroit, Michigan based value added reseller for Accela solutions** including Software license, maintenance, managed services, implementation and training services. For City of Detroit, FNG is only single prime vendor for all Accela solutions related services.

IV. Indictment and Guilty Pleas

a. Charles L. Dodd, Jr.

On September 27, 2016, Mr. Dodd pleaded guilty in the U.S. District Court for the Eastern District of Michigan to one count of federal program bribery.¹² On September 11, 2018, he was sentenced to twenty (20) months in prison, to be followed by two (2) years of supervised release, for accepting more than \$29,500 in bribe payments from two IT companies providing services and personnel to the City of Detroit.

According to admissions made in connection with his plea, Mr. Dodd held numerous supervisory positions with the City of Detroit, including his appointment as Director of DoIT in 2014. Mr. Dodd exercised supervisory authority over a staff of dozens of public servants and contractors. He also held significant influence over the administration of multi-million dollar contracts between the City of Detroit and private IT companies.¹³

⁹ 2014-2016 Technical Resources Contract No. 2896739 between the City of Detroit Information Technology Services Department and FutureNet Group, Inc., Exhibit A, Scope of Services, pg. 30.

¹⁰ City of Detroit Amendment Agreement No. 1 to Contract No. 2896739, pg. 2. The contract was approved by the Financial Review Commission (FRC) on April 20, 2015.

¹¹ Contract No. 6000772 was approved by the FRC on June 26, 2017.

¹² Department of Justice, U.S. Attorney's Office Eastern District of Michigan (2016, September 27). *Former Director of Detroit Office of Departmental Technology Services Pleads Guilty to Bribery* [Press Release]. Retrieved from <https://www.justice.gov/opa/pr/former-director-detroit-office-departmental-technology-services-pleads-guilty-bribery>

¹³ Department of Justice, U.S. Attorney's Office Eastern District of Michigan (2018, September 11). *Former Director of Detroit Technology Office Sentenced to Prison for Bribery* [Press Release]. Retrieved from <https://www.justice.gov/opa/pr/former-director-detroit-technology-office-sentenced-prison-bribery>

According to Mr. Dodd's Plea Agreement¹⁴ and the Government Sentencing Memorandum,¹⁵ he solicited and accepted cash totaling around \$15,000, a trip to North Carolina and other things of value from FutureNet President and CEO Perry Mehta. Mr. Dodd admitted that he accepted these things of value from Mr. Mehta intending to be influenced and rewarded in connection with FutureNet's efforts to obtain business with Detroit, and that he used his official influence to provide preferential treatment to FutureNet in exchange for these things.

b. Perry Mehta

On May 30, 2018, Perry Mehta pleaded guilty to 18 U.S.C § 666(a)(2) Federal Program Bribery in the United States District Court for the Eastern District of Michigan. Mr. Mehta admitted that beginning in approximately 2009, and continuing through about August 2016, he gave, offered, and agreed to give things of value to Mr. Dodd in exchange for official acts which would benefit FutureNet. The official acts included the selection of FutureNet personnel to fill open positions in various city departments and the selection of FutureNet to implement particular technological projects in various city departments. Mr. Mehta also asked Mr. Dodd to provide confidential information regarding Detroit's internal operations and to expedite payments to FutureNet from Detroit.¹⁶

V. Administrative Hearing

On October 10, 2016, the OIG sent a letter to Mr. Mehta to inform him that on September 28, 2016, the OIG initiated an investigation into the circumstances surrounding the September 27, 2016 guilty plea of Mr. Dodd. The letter specified the basis of the OIG investigation was Mr. Dodd's admission to accepting more than \$29,500 in unlawful payments from two (2) information technology companies providing services and personnel to the City of Detroit, one of those companies being FutureNet.

The OIG investigation was subsequently placed on hold due to the ongoing federal investigation. On September 14, 2018, the OIG reopened the case after Mr. Dodd was sentenced. Based on the evidence gathered by the OIG, we found that FutureNet and Mr. Mehta are not a responsible contractors. Therefore, in a letter dated September 17, 2018, the OIG advised FutureNet and Mr. Mehta that we were initiating debarment proceedings. On October 15, Steve Fishman, Mr. Mehta and FutureNet's attorney, responded to the proposed debarment on behalf of his clients.

On November 9, 2018, the OIG offered FutureNet and Mr. Mehta the opportunity to have an administrative hearing to present evidence and testimony in response to the OIG findings. Section 7.5-311 of the Charter provides that "[n]o report or recommendation that criticizes an official act shall be announced until every agency or

¹⁴ Plea Agreement as to Charles L. Dodd Jr., United States of America v. Charles L. Dodd Jr., Case No. 2:16-cr-20629 (E.D. Mich. September 27, 2016).

¹⁵ Government Sentencing Memorandum as to Charles L. Dodd Jr., United States of America v. Charles L. Dodd Jr. Case No. 2:16-cr-20629 (E.D. Mich. August 28, 2018).

¹⁶ Plea Agreement as to Parimal Mehta, United States of America v. Parimal D. Mehta, a/k/a "Perry Mehta," Case No. 3:18-cr-20060 (E.D. Mich. May 30, 2018).

person affected is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel.”

a. FutureNet and Perry Mehta

On October 15, 2018, Mr. Fishman asked that the OIG delay making its final decision until after Mr. Mehta’s December 3, 2018 sentencing hearing. In a separate email dated October 26, 2018, Mr. Fishman stated that he was urging the OIG to consider Mr. Mehta’s conduct as separate and distinct from FutureNet as a whole. He stated that he believed the OIG would have more information about the critical issues once we had access to (1) Mr. Mehta’s sentencing memorandum; (2) the government’s memorandum; and (3) the transcript of the hearing which would include the judge’s comments. On October 29, 2018, the OIG agreed to postpone the hearing until the above-mentioned documentation could be obtained.

On January 29, 2019, Mr. Fishman provided the transcript of the sentencing hearing. Mr. Mehta’s sentencing memorandum as well as the government’s memorandum were also provided to the OIG. On February 8, 2019, he requested an administrative hearing for both FutureNet and Mr. Mehta. The hearing was held on March 27, 2019. FutureNet and Mr. Mehta were asked to provide any evidence or testimony that evidenced they are responsible contractors. Mr. Fishman provided additional documentation and presented information on behalf of his clients at the hearing. He called no witnesses.

b. Jay Mehta

On October 13, 2016, the OIG sent a letter to Jignesh “Jay” Mehta to inform him that on September 28, 2016, the OIG initiated an investigation into the circumstances surrounding the September 27, 2016 guilty plea of Mr. Dodd. At the time the bribery occurred, Jay Mehta was the Senior Vice President of FutureNet. The letter specified the basis of the OIG investigation was Mr. Dodd’s admission to accepting more than \$29,500 in unlawful payments from two (2) information technology companies providing services and personnel to the City of Detroit, one of those companies being FutureNet.

The OIG investigation was subsequently placed on hold due to the ongoing federal investigation. On September 14, 2018, the OIG reopened the case after Mr. Dodd was sentenced. Based on the evidence gathered by the OIG, as of September 14, 2018, we found that Jay Mehta is not a responsible contractor and thus the OIG was recommending discipline up to and including debarment.

Therefore, on September 17, 2018, the OIG sent a letter to Jay Mehta’s attorney, Marshall Goldberg, notifying him of the initiation of debarment proceedings. He was also notified that, if his client wished to oppose the debarment, a response was required no later than October 15, 2018. On October 12, 2018, Mr. Goldberg requested an extension to respond and the OIG denied the request in accordance with the City’s Debarment Ordinance. However, at that time, the OIG agreed to accept any supplemental response in addition to the October 15th response, the official deadline date in accordance with the City’s ordinance.

The OIG did not receive a response from Jay Mehta or his attorney. Therefore, on October 16, 2018, the OIG emailed Mr. Goldberg to confirm no response was received by the OIG. On November 5, 2018, the OIG sent Mr. Goldberg a letter stating that since the initiation of debarment proceedings against his client was unopposed, Jay Mehta was debarred for the maximum penalty of twenty (20) years, with an effective date of September 30, 2016 and an end date of September 30, 2036.

VI. Debarment Analysis

Debarment is reserved for city contractors who have been found to have engaged in improper, unethical, or illegal conduct related to their contractual agreement with the City of Detroit. The purpose of the Debarment Ordinance is to ensure that the City of Detroit solicits offers from, awards contracts to, consents to subcontracts with, or otherwise does business with responsible contractors only. Debarment is to be imposed only when it is in the public interest.¹⁷ There is no statute of limitations on investigations, findings of violation of the debarment policy or the initiation of debarment proceedings.¹⁸

The OIG's initial findings regarding FutureNet and Perry Mehta not being responsible contractors were based on Mr. Mehta's and FutureNet's conduct of bribing Mr. Dodd. In response to the initiation of debarment proceedings, Mr. Fishman argued that since "Mr. Mehta is solely responsible for his misconduct, neither FutureNet nor any other member of FutureNet should be punished."¹⁹ However, Mr. Mehta and FutureNet cannot be considered separate and distinct. While the bribery was occurring, Mr. Mehta was the Chairman, CEO, and President of FutureNet. His actions resulted in direct financial benefit to the company. Additionally, FutureNet did not have the proper policies and procedures in place to prevent or detect the bribery scheme which lasted from approximately 2009 through August of 2016.

In Defendant's *Motion for Variance*, it was argued that Mr. Mehta's case was different from the "ordinary bribery case," which lends support to a lenient sentence for Mr. Mehta.²⁰ Mr. Fishman argued the following points:

1. FutureNet was a long-established contractor dating back prior to Mr. Dodd's employment with the City of Detroit.
2. FutureNet received the City contracts in open competition and because of its performance.
3. The City of Detroit received full value for the services provided by FutureNet and those services, particularly involving the Accela contract, saved the City money.
4. It cannot be argued that FutureNet received the Accela contract because of anything having to do with the relationship between Mr. Mehta and Mr. Dodd.

¹⁷ Debarment Ordinance, Section 18-11-1. Purpose.

¹⁸ Debarment Ordinance, Section 18-11-5(c). Grounds for Debarment.

¹⁹ Letter from Mr. Fishman to the OIG Re: OIG Investigation File Nos. 2016-CC-0071 and 18-0031-INV dated October 15, 2018.

²⁰ *Motion for Variance*, United States of America v. Parimal D. Mehta, Case No. 3:18-cr-20060 (E.D. Mich. May 30, 2018), pg. 4-5.

5. Mr. Mehta and Mr. Dodd had a longstanding, friendly relationship that included socializing.²¹

The OIG finds these arguments unpersuasive in making its final debarment decision. Based on the evidence presented in court pleadings, Mr. Mehta's case was not different from the "ordinary bribery case" in both his actions and the harm it caused to the public trust. The actions of Mr. Mehta outlined in the *Government Sentencing Memorandum* dated November 19, 2018 are deeply troubling and reinforce Mr. Mehta and FutureNet's inability to act as responsible contractors. According to the *Government Sentencing Memorandum*, Mr. Mehta engaged in the following conduct:

- For approximately seven (7) years, Mr. Mehta bribed Mr. Dodd to obtain lucrative city business and confidential city information by providing Mr. Dodd with money, travel, gifts, and jobs for family members.²²
- On December 15, 2014, Mr. Mehta sought confidential information from Mr. Dodd to support FutureNet's proposal to implement Accela at BSEED. Mr. Mehta requested that Mr. Dodd "expedite this agreement." In response, Mr. Dodd advocated for FutureNet to city officials. He also provided Mr. Mehta with confidential information which Mr. Mehta then used in a meeting with city officials where they discussed "various aspects of purchasing and implementing [the] entire Accela solution." Soon after, FutureNet was awarded the sole source Accela contract.²³
- At the same time, and continuing through September 2016, FutureNet submitted proposals to implement and support Accela with other Detroit city agencies, which would result in millions of dollars in potential revenue for FutureNet. While these FutureNet proposals were pending, Mr. Mehta regularly met Mr. Dodd to exercise his influence in these matters and paid him bribes.²⁴
- During summer 2016, Mr. Dodd provided Mr. Mehta confidential budgetary information which Mr. Mehta used in negotiating with the Detroit Department of Public Works (DPW) and the Detroit Water and Sewerage Department (DWSD).²⁵ At a later date, Mr. Mehta requested the internal budgetary information for the Detroit Health Department (DHD) and the Housing and Revitalization Department (HRD) to use in FutureNet's Accela proposal to these City agencies.²⁶

As detailed above, the reasons given for Mr. Mehta's leniency in his criminal case do not support a reduction in the length of debarment proposed by the OIG against Mr. Mehta. FutureNet, through Mr. Mehta, used confidential budgetary information to help it secure the Accela contract. These actions cannot be considered as fair, competitive, or transparent. Mr.

²¹ *Id.* at 5-6.

²² *Id.* at 1.

²³ *Id.* at 4.

²⁴ *Id.* at 5.

²⁵ *Id.*

²⁶ *Id.* at 6-7.

Fishman argued that FutureNet was the only authorized Accela seller in the City of Detroit.²⁷ However, the City was considering using the State of Michigan's existing Accela contract. Therefore, it was not a given that FutureNet would have been awarded the contract without the assistance of Mr. Dodd.

Mr. Fishman also argued that the City of Detroit did not suffer a financial loss.²⁸ Indeed, no restitution was sought by the US Attorneys' Office from Mr. Mehta or FutureNet. However, the OIG is not convinced by this argument because it would be difficult, if not impossible, to calculate any potential financial loss to the City of Detroit. In addition to the Accela contract, the City contracted with FutureNet to provide IT personnel. It is unknown if any FutureNet personnel were hired at Mr. Dodd's urging despite other qualified, and perhaps for less amount through other IT personnel agencies.

While it is unknown if the City of Detroit suffered any actual financial loss by contracting with FutureNet, the loss of public trust and confidence in the City's contractual process cannot be underestimated. The public's trust is diminished anytime a public servant is corrupted. It weakens the citizens' confidence in the City of Detroit's bidding and contracting process as well as their confidence in the ability of public servants to act in the best interest of the public. Therefore, the OIG finds that it is not in the best interest of the City of Detroit or its citizens to continue to do business with Mr. Mehta and FutureNet.

a. Changes in Ownership and Leadership

On March 21, 2017, Perry Mehta submitted his resignation letter which stated that he resigned from

all positions with Future Net Group, Inc. ("FutureNet") and FutureNet Security Solutions, LLC ("Security Solutions"). This includes me resigning from the positions of Chief Executive Officer ("CEO"), President, Board of Directors member, Chairman of the Board of Directors, and Facility Security Officer at FutureNet, and from the positions of CEO and Manager at Security Solutions.

Also on March 21, 2017, the Board of Directors for FutureNet passed the *Board Resolution/ Joint Written Consent of the Board of Directors and Common Shareholders of FutureNet Group, Inc.* which appointed the following officers: Joginder Singh (CEO), Jay Mehta (Senior Vice President), Krishal Dalal (Senior Vice President), Jeff Achten (Senior Vice President), and Brian Cooper (Vice President). The officers again changed through a *Board Resolution/ Written Consent Resolution* on March 6, 2018. At that time, CEO Joginder Singh resigned as Chairman and CEO, Jay Mehta was elected to serve as the Chairman and CEO, and Krishal Dalal was elected to serve as the Director of the Board and Senior Vice President.

²⁷ Transcript of Administrative Hearing at 11, In Matter of: OIG Case No. 2016-0071 Debarment Matter, dated March 27, 2019.

²⁸ *Id.* at 8.

Though Perry Mehta ceased to have a role in the day-to-day operation of FutureNet beginning in March 2017, all of the above individuals held positions with the company during the ongoing bribery of Mr. Dodd. They benefited from Mr. Mehta's illegal actions and failed to put policies and procedures in place to prevent and detect such behavior from occurring. Additionally, Jay Mehta, who did not oppose his debarment, is now the Chairman and CEO of the company. Therefore, the OIG finds that these changes are not enough to demonstrate that FutureNet can act as a responsible contractor.

Further, Perry Mehta continued to have an ownership interest in the company for over a year after he resigned from FutureNet. In a letter dated March 26, 2018, Mr. Mehta stated that he "transferred the 100% ownership of [his] equity interest for FutureNet Group and subsidiaries including FutureNet Security Solutions, LLC to an independent trust." The beneficiaries of the trust are Mr. Mehta's children.²⁹ Though Mr. Mehta divested his ownership in FutureNet, it was not an arm's length transaction. He merely gave his ownership to his children. Additionally, he did not give up his ownership until over a year after he resigned and only a few months before the Wayne County Circuit Court appointed Basil Simon as the receiver. Mr. Simon was charged with managing the entire operations of the company including disposition of company assets due to FutureNet becoming substantially indebted to several lenders.

b. Remedial Actions Taken by FutureNet

FutureNet has taken some remedial measures to prevent future wrongdoing. The remedial measures taken include updating the *Employee Handbook* to provide employees with an overview of FutureNet's code of ethics and conflict of interest policy as well as requiring employees to watch an ethics training video. Employees are now required to sign an acknowledgement that they received the handbook and video training.

However, these actions were not taken on FutureNet's own initiative. The company undertook these remedial measures as part of an Administrative Agreement between the United States Department of Justice (DOJ) and FutureNet which was entered into on April 17, 2017. The DOJ required FutureNet to make changes due to the bribery scheme in order to be eligible to bid on federal contracts.

Nevertheless, because FutureNet has taken steps to prevent future wrongdoing and because we want to encourage wrongdoers to change and to correct their paths, we do not recommend the maximum debarment of twenty (20) years in this instance. FutureNet has fully cooperated with the OIG investigation and has provided the OIG with evidence that it has taken steps to institute new policies and procedures aimed at preventing improper, unethical, and illegal conduct from occurring in the future. For these reasons, the OIG finds that a period of fifteen (15) years is an appropriate length of debarment. If FutureNet had taken the steps to prevent wrongdoing on their own initiative, the OIG would have considered an even shorter period of debarment.

²⁹ Steve Fishman email to the OIG dated April 23, 2019.

VII. Conclusion

Based on the evidence above, the OIG finds that FutureNet and Perry Mehta are not responsible contractors. Mr. Mehta engaged in improper, unethical, and illegal conduct in the City of Detroit contracting process at the expense of the citizens of Detroit. Though FutureNet has started to take steps to prevent this from occurring in the future, more needs to be done. Additionally, Jay Mehta, who did not oppose his proposed debarment, is the current Chairman and CEO of FutureNet. The Debarment Ordinance prohibits any person who is currently debarred from doing business with the City as a contractor or subcontractor.

FutureNet's conduct under Perry Mehta's leadership and its continued ties to Jay Mehta, cannot easily be dismissed. Every action a contractor takes or does not take has consequences and every contractor must be held accountable for actions taken and not taken. The OIG is tasked with ensuring that the City solicits offers from and awards contracts to responsible contractors only. The serious nature of debarment requires that it is only imposed when it is in the public interest. Therefore, the OIG finds debarment to be in the public interest in this instance.

Section 18-11-12(a) of the Debarment Ordinance states that

The period for debarment shall be commensurate with the seriousness of the cause or causes therefore, but in no case shall the period exceed 20 years. Generally, debarment should not exceed five years, except: (1) Debarment for convictions of criminal offenses that are incident to the application to, or performance of, a contract or subcontract with the City, including but not limited to... bribery, falsification or destruction of records...

The OIG wants to encourage companies whose leadership and employees engage in improper, unethical, or illegal behavior to proactively identify deficiencies within their companies that allowed such behavior to occur and correct it. These companies should also act swiftly and decisively against those whose actions are in question. FutureNet has changed their policies and procedures in an attempt to prevent future issues. However, the company acted due to an Administrative Agreement with the DOJ and not on their own volition. Based on these reasons, the OIG finds that Perry Mehta should be debarred from contracting and subcontracting with the City of Detroit for a period of twenty (20) years and FutureNet should be debarred from contracting and subcontracting with the City of Detroit for a period of fifteen (15) years.