

City of Detroit
Office of the Inspector General
Environmental Specialty Services, Inc.

OIG Case No. 19-0015-INV

March 9, 2020



Ellen Ha, Esq.
Inspector General

Executive Summary

On April 23, 2019, the Office of Inspector General (OIG) initiated an investigation into the alleged criminal activity of Environmental Specialty Services, Inc. (ESS) and its representative, Richard Berg, which was predicated on an investigation completed by special agents of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). The SIGTARP investigation resulted in the guilty pleas of Aradondo Haskins and Anthony DaGuanno. Court records and other information indicated that Richard Berg bribed Mr. employee of the Detroit Building Authority (DBA). Mr. DaGuanno, a now former Adamo Group (Adamo) employee, received bribes from ESS in exchange for helping the contractor ensure that it could submit a lower bid.

On September 20, 2019, the OIG issued an interim suspension to Environmental Special Services, Inc. (ESS) and Richard Berg pursuant to Section 18-11-10(a) of the City of Detroit Debarment Ordinance. On January 2, 2020, the OIG issued a draft report to ESS and Richard Berg outlining our draft findings and recommendations. On January 15, 2020, ESS and Richard Berg's attorney requested an administrative hearing on behalf of both of his clients which was held on February 18, 2020. After a thorough investigation and review of this matter, the OIG now finds the following:

- **ESS is debarred for twenty (20) years. The debarment has an effective date of September 20, 2019 with an end date of September 20, 2039.**
- **Richard Berg is debarred for twenty (20) years. The debarment has an effective date of September 20, 2019 with an end date of September 20, 2039.**

The debarment is based on the OIG investigation which found that ESS and Richard Berg are not responsible contractors. Richard Berg engaged in improper, unethical, and illegal conduct in the City of Detroit and ESS took only minimal steps to prevent this from occurring in the future. Bribery undermines a fair, open, and transparent government contracting process. As such, we do not find that ESS's response to Richard Berg's actions adequately addressed the harm caused by Richard Berg to the City of Detroit or the other abatement contractors who were not awarded work because of ESS's illegal actions. Therefore, we find Richard Berg's actions and ESS's insufficient action against Richard Berg to be in violation of the public's trust in honest governance.

CITY OF DETROIT
OFFICE OF INSPECTOR GENERAL

I. Recommendation

On September 20, 2019, the Office of Inspector General (OIG) issued an interim suspension to Environmental Specialty Services, Inc. (ESS) and Richard Berg pursuant to Section 18-11-10(a) of the City of Detroit Debarment Ordinance. The OIG's preliminary review of records and information suggested that ESS and Mr. Berg, as its representative, were involved in criminal activity which included bribing a now former City of Detroit Building Authority (DBA) employee. Therefore, the OIG issued an interim suspension because ESS performs asbestos abatement services which could impact the health, safety, and welfare of Detroit residents.

On January 2, 2020, the OIG issued a draft report to ESS and Richard Berg outlining our draft findings and recommendations. On January 15, 2020, ESS and Richard Berg's attorney requested an administrative hearing on behalf of both of his clients which was held on February 18, 2020. After a thorough investigation and review of this matter, the OIG now finds:

- The initial recommendation that **ESS** be debarred for **twenty (20) years** is **SUSTAINED. The debarment has an effective date of September 20, 2019 with an end date of September 20, 2039.**
- The initial recommendation that **Richard Berg** be debarred for **twenty (20) years** is **SUSTAINED. The debarment has an effective date of September 20, 2019 with an end date of September 20, 2039.**

II. Complaint

On April 23, 2019, the OIG initiated an investigation into the alleged criminal activity of ESS and its representative, Richard Berg, which was predicated on an investigation completed by special agents of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). The SIGTARP investigation resulted in the guilty pleas of Aradondo Haskins and Anthony DaGuanno. Court records and other information indicated that Richard Berg bribed Mr. Haskins on behalf of ESS while Mr. Haskins was an employee of the DBA. In 2015, ESS was awarded \$545,000 in federally funded Hardest Hit Funds (HHF) work from the Detroit Land Bank Authority (DLBA) for asbestos abatement remediation involving 55 properties. This does not include any federal dollars ESS received as a subcontractor for demolition companies in the City's Demolition Program. Mr. DaGuanno, a now former Adamo Group (Adamo) employee, received bribes from ESS in exchange for helping the contractor ensure that it could submit a lower bid.

Shortly after the OIG initiated its investigation, the OIG placed the matter on hold pending the sentencing hearings of Mr. Haskins and Mr. DaGuanno. As such, after the sentencings, the OIG reopened the investigation and issued interim suspensions to ESS and Richard Berg. On January 2, 2020, the OIG sent ESS and Richard Berg the draft report informing them that, unless they opposed the debarment, the OIG was recommending both ESS

and Richard Berg be debarred for twenty (20) years pursuant to the City of Detroit's Debarment Ordinance.

III. Overview of Environmental Specialty Services, Inc. (ESS)

ESS provides asbestos abatement services. On December 4, 2015, the DLBA entered into Contract No. RFP AA 11.20A with ESS for asbestos abatement work. The company was awarded 55 properties at a total cost of \$545,000.¹ Pursuant to the contract, ESS agreed to “comply, and shall require all employees, contractors, consultants and subcontractors to comply with all applicable Federal, State, and local laws, ordinances, codes, regulations, and policies.”²

ESS also provided asbestos abatement services to companies that contract with the City of Detroit to demolish residential and commercial structures. As a subcontractor for the City, ESS is required to comply with all applicable Federal, State, and local laws, ordinances, codes, regulations, and policies.

IV. Criminal Charges and Guilty Pleas

a. Aradondo Haskins

On April 9, 2019, Mr. Haskins pleaded guilty in the U.S. District Court for the Eastern District of Michigan to one count of Conspiracy to Commit Honest Services Fraud, in violation of 18 U.S.C. § 371. He “knowingly devised or participated in a scheme to defraud his employer of its rights to the honest services of the defendant through bribery or kickbacks.”³ Mr. Haskins was sentenced to 12 months in prison and 2 years of supervised release. He was also ordered to pay a \$5,000 fine.⁴

From January 2013 to April 2015, Mr. Haskins was an estimator for Adamo. Adamo is a demolition company that has had numerous contracts with the City of Detroit to provide demolition services. Mr. Haskins' job responsibilities included assembling bid packages in response to Requests for Proposals (RFPs) issued by the City of Detroit. Adamo then submitted the bids to the City in an attempt to be awarded the contract as the lowest bidder.⁵

Mr. Haskins contacted subcontractors to request bids for work that was necessary to assemble the bid packages. ESS was one such contractor that received an invitation to bid.

On several occasions, [ESS] paid [Mr.] Haskins money for

¹ Contract No. RFP AA 11.20A, Exhibit A, pg. 59. ESS submitted a Change Order on January 11, 2016 whereby the contract amount was increased to \$557,620.

² Id. at pg. 10.

³ Rule 11 Plea Agreement, United States of America v. D-1 Aradondo Haskins, Case No. 19-20159 United States District Court Eastern District of Michigan, April 9, 2019.

⁴ Judgment in a Criminal Case, United States of America v. D-1 Aradondo Haskins, Case No. 19-20159 United States District Court Eastern District of Michigan, September 23, 2019.

⁵ Rule 11 Plea Agreement, United States of America v. D-1 Aradondo Haskins, Case No. 19-20159 United States District Court Eastern District of Michigan, April 9, 2019.

disclosing confidential⁶ information about bids from [ESS's] competitors. In return for these payments, [Mr.] Haskins disclosed confidential information about the lowest competitor bid which allowed [ESS] to submit an even lower bid, ensuring that [ESS] was awarded lucrative contracts.⁷

ESS, through its Vice President Richard Berg,⁸ paid Mr. Haskins at least eight (8) times for a total of approximately \$14,000 while he worked for Adamo.⁹

Mr. Haskins also accepted bribes from ESS after he was hired by the DBA as a Field Operations Manager for its demolition program. At the DBA, he was the primary point of contact for demolition contractors. Therefore, he opened and read the bids contractors submitted in response to RFPs. ESS continued to pay Mr. Haskins to

use his official authority to influence the awarding of demolition related contracts to [ESS]. [Mr.] Haskins accepted the cash bribe payments from [ESS] in exchange for providing [ESS] confidential information about bids submitted to the DBA. With the confidential information, [ESS] was able to submit bids low enough to ensure that [ESS] was awarded City of Detroit demolition related contracts.¹⁰

According to court documents, Mr. Haskins accepted approximately \$4,000 from ESS Vice President Richard Berg while working at the DBA.¹¹

b. Anthony Daguanno

On April 9, 2019, Mr. Daguanno pleaded guilty in the U.S. District Court for the Eastern District of Michigan to one count of Conspiracy to Commit Honest Services Fraud, in violation of 18 U.S.C. § 371. He “knowingly devised or participated in a scheme to defraud his employer of its rights to the honest services of the defendant through bribery or kickbacks.”¹² Mr.

⁶ At ESS and Richard Berg’s Administrative Hearing on February 18, 2020, Mr. Weisberg stated that the abatement bids submitted to demolition contractors were not “confidential.” He stated that the submissions were instead “private” bids. However, the court filings refer to these bids as “confidential.” Therefore, the OIG also refers to these bids as “confidential.” The four (4) references in the report made by the OIG to the “confidential” bids sent to contractors are direct quotes from various court filings. See the Transcript of the Administrative Hearing, In the Matter of: OIG Case No. 2019-0015-INV Environmental Specialty Services, Inc., pgs. 12-14.

⁷ Government’s Sentencing Memorandum, United States of America v. D-1 Aradondo Haskins, Case No. 19-20159 United States District Court Eastern District of Michigan, August 16, 2019, pgs. 1-2.

⁸ Haskins Plea Hearing Transcript, April 16, 2019, pg. 20.

⁹ Rule 11 Plea Agreement, pgs. 4-5.

¹⁰ Government’s Sentencing Memorandum, pgs. 2-3.

¹¹ Haskins Plea Hearing Transcript, April 16, 2019, pgs. 20 and 22.

¹² Rule 11 Plea Agreement, United States of America v. D-2 Anthony Daguanno, Case No. 19-20159 United States District Court Eastern District of Michigan, April 9, 2019.

Daguanno was sentenced to 12 months in prison and 2 years of supervised release. He was also ordered to pay a \$10,000 fine.¹³

From January 2010 until his termination in January 2019, Mr. Daguanno worked as an Estimator and then Senior Estimator for Adamo.¹⁴ His job responsibilities included “keeping track of City of Detroit [RFPs], soliciting bids from subcontractors and communicating directly with subcontractors during the process.”¹⁵ On numerous occasions, ESS paid Mr. Daguanno money for

disclosing confidential information about bids from [ESS’s] competitors. In return for these payments, [Mr.] Daguanno disclosed confidential information about the lowest competitor bid which allowed [ESS] to submit an even lower bid, ensuring that [ESS] was awarded lucrative contracts.¹⁶

ESS, through Richard Berg, paid bribe money to Mr. Daguanno on at least seventy one (71) occasions over eight (8) years, which totaled approximately \$372,750.¹⁷

V. Debarment Analysis

a. Ownership/ officers

On April 17, 1996, ESS was incorporated by Michael Berg, Sr.¹⁸ He has been the President and sole owner of the company since its incorporation.¹⁹ Richard Berg began working at ESS approximately eight (8) years ago and was the company’s Vice President.²⁰ Richard Berg took over the day-to-day operations of the company approximately six (6) years ago when Michael Berg, Sr. went into semi-retirement. Michael Berg, Jr. was rehired by ESS sometime after Richard Berg was hired. Michael Berg, Jr.’s job responsibilities include estimating, scheduling, hiring, and project management.²¹ Mark Weisberg, who worked for ESS from approximately 2017 until February 2020, was the Chief Financial Officer (CFO) and Acting Secretary. He was involved with the “financial aspects of the company.”²² He also oversaw the

¹³ Judgment in a Criminal Case, United States of America v. D-2 Anthony Daguanno, Case No. 19-20159 United States District Court Eastern District of Michigan, September 10, 2019.

¹⁴ According to the Government’s Sentencing Memorandum, United States of America v. D-2 Anthony Daguanno, Case No. 19-20159 United States District Court Eastern District of Michigan, August 16, 2019, pg. 2, Mr. Daguanno was terminated after Adamo was informed of his criminal conduct.

¹⁵ Government’s Sentencing Memorandum, United States of America v. D-2 Anthony Daguanno, Case No. 19-20159 United States District Court Eastern District of Michigan, August 16, 2019, pg. 2.

¹⁶ Rule 11 Plea Agreement, pgs. 3-4.

¹⁷ Rule 11 Plea Agreement, pg. 4.

¹⁸ ESS 2018 Tax Return for an S Corporation and LARA Articles of Incorporation.

¹⁹ Transcript of Administrative Hearing at 15, In the Matter of: OIG Case No. 2019-0015-INV Environmental Specialty Services, Inc., dated February 18, 2020.

²⁰ On September 23, 2019, Richard Berg was suspended as Vice President and given the title of “Estimator” at an ESS Board Meeting.

²¹ Id. at 16.

²² Interview of Mark Weisberg, December 3, 2019.

internal operations and administrative side of the business.²³ It is unclear who now holds these responsibilities at ESS since Mr. Weisberg's departure.

b. ESS's Knowledge of Richard Berg's Actions

ESS, through Michael Berg, Sr. and Mark Weisberg, became aware of Richard Berg's improper, unethical, and illegal actions in 2017. Initially, the U.S. Attorney's Office subpoenaed ESS's records, including but not limited to contracts, checks, and bank statements, pursuant to an investigation led by SIGTARP into Detroit's Hardest Hit Fund (HHF) demolition program. Approximately two (2) months later, in 2017, Mark Weisberg met with Richard Berg's attorneys regarding the documentation subpoenaed by the U.S. Attorney's Office.²⁴ Around this time, Mark Weisberg was also informed by Richard Berg's attorneys that the U.S. Attorney's Office was investigating payments made by ESS, through Richard Berg, to Mr. Haskins and Mr. Daguanno.²⁵

During his OIG interview, Mark Weisberg stated that Richard Berg was given a proffer agreement by the U.S. Attorney's Office. Mark Weisberg further said that Richard Berg then "told the truth" regarding the payments made to Mr. Haskins and Mr. Daguanno. Some of the payments were for legitimate estimation work that the two performed for Richard Berg and ESS on a contractual basis. However, other payments were for bid information submitted by ESS's competitors.²⁶

Despite Richard Berg's participation in the bribery scheme, his role at ESS did not change until approximately March of 2018. At that time, ESS, through Michael Berg, Sr. and Mark Weisberg, decided that Richard Berg did not need to "be in the limelight" due to the negative connotation associated with his name. Therefore, his job duties were limited to estimating ESS's bids on select projects which effectively reduced his time in the office to about twenty (20) hours per week. However, despite the reduction in responsibilities and the number of work hours at ESS, Richard Berg's compensation did not change. Mark Weisberg took over the day-to-day operations of ESS, which also included bid estimations and sales. In addition, Michael Berg, Jr., who joined the company sometime after Richard Berg, began transitioning from field work to bid estimations and other office functions.²⁷

c. ESS Board Meeting

On September 20, 2019, the OIG issued an interim suspension to ESS and Richard Berg. It stated

Based on our preliminary review of records and information we have gathered against ESS, we believe ESS, including [Richard Berg] as its representative, were involved in criminal activity.

²³ Transcript of Administrative Hearing at 15.

²⁴ Transcript of Administrative Hearing at 10-11.

²⁵ Transcript of Administrative Hearing at 10-11 and Interview of Mark Weisberg, December 3, 2019.

²⁶ Id.

²⁷ Id.

Because asbestos abatement involves and impacts the health and safety of our residents, we are issuing an Interim Suspension...

On September 23, 2019, ESS Board Members held a meeting. Michael Berg, Sr., President and Sole Shareholder; Richard Berg, Vice President; and Mark Weisberg, CFO, Acting Secretary were present. A letter detailing the Board Meeting stated

At a special board meeting held on [September 23, 2019], Richard Berg was suspended as Vice President of Environmental Specialty Services, Inc. during the investigation by the governmental agencies, presently the City of Detroit, Genesee County Land Bank Authority and HHF. This suspension will be in place until the resolution of the agencies. In addition, Richard Berg's responsibilities will be limited to estimating. This will include, no contact with Customers. All Customer responsibility will be direct to Michael Berg, Jr. In addition, Richard Berg's responsibilities regarding vendors will be suspended. All vendor responsibility will be handled by Mark Weisberg.

The letter was signed by Mark Weisberg as ESS CFO and Acting Secretary.

d. Continued Employment of Richard Berg

It should be noted that Richard Berg was suspended as Vice President and removed as a Board Member only after the OIG issued an interim suspension. The OIG acknowledges ESS's earlier efforts to remove Richard Berg from the company's day-to-day operations as well as to minimize his contact with its vendors.²⁸ However, based on the facts presented to the OIG, ESS's actions against Richard Berg prior to the OIG's interim suspension was too little too late to show that improper, unethical, and illegal conduct will not be tolerated by ESS. For example, Michael Berg, Sr., owner of ESS, did not consider taking more serious actions against Richard Berg, such as termination, at that time. Mark Weisberg explained that ESS is "a small family owned business."²⁹ Richard Berg "had been running the company for a number of years on behalf of his father. So it wasn't something that his father was going to just cut him off at that point in time."³⁰ Such actions do not evidence ESS's commitment to being a responsible contractor.

Richard Berg continues to have a significant role in the company and continues to be paid his full salary even after the OIG issued the interim suspension. He is also eligible to receive a bonus based on the overall profitability of the company.³¹ Terminating Richard Berg as an ESS employee was not discussed until the OIG issued its draft report with a recommendation of debarring both ESS and Richard Berg for the maximum allowable debarment period of twenty

²⁸ Id. at 24.

²⁹ Id.

³⁰ Id.

³¹ Id at 10-11.

(20) years.³² During the Administrative Hearing, Richard Berg's attorney stated that Richard Berg would

no longer be involved in the company at all. He would completely divest. He would remove himself from the company. He would not receive a paycheck. He would have no official role with the company at all. He would not be involved in any bidding or any action with any potential person that would be doing business with ESS.³³

ESS's attorney was reminded during the hearing that the Administrative Hearing Rules require the OIG to finalize our report within a specified timeframe.³⁴ Therefore, he was informed that any actions ESS may take must be completed within that time to be reflected in the OIG's final determination. ESS's attorney also stated that he would provide the OIG with a "notarized letter effectively voluntarily firing [Richard Berg]" the next day.³⁵

On February 26, 2020, seven (7) days after the hearing, and after the OIG's reminder email to ESS's counsel, the OIG received a "Resolution" stating that

In resigning from ESS, [Richard Berg] voluntarily, knowingly, willingly and unequivocally resign from the company as a fiduciary, board member, check signer, employee and consultant, and that I [Richard Berg] in doing so I [Richard Berg] will not seek or accept any remuneration, benefits or other compensation from any owner or employee of ESS in the future.³⁶

However, the "Resolution" was unsigned and undated. On March 2, 2020, the OIG requested Richard Berg's signed and notarized resignation later due by the end of the business day on March 6, 2020. On March 6, ESS's attorney sent the following email

I have been unable to obtain Mr. Berg's signed resignation letter. In talking to him at length this week I am aware that he is in the process of resigning from Environmental Specialty Services (ESS) but is in need of some additional time to do so. As you know from our previous meetings Mr. Berg is currently the main producer for ESS. In order for him to properly resign and divest from the company the process requires numerous steps be taken in order to keep ESS afloat following his resignation. While Mr. Berg's father is a fiduciary he is out of town for the winter and not due back until June.

³² Id. at 8.

³³ Id. at 8.

³⁴ *The City of Detroit Office of Inspector General Rules for the Conduct of Hearings Held Pursuant to Chapter 3 of Article 7.5 of the 2012 Detroit City Charter* states "[w]ithin thirty (30) calendar days of the hearing or within ninety (90) days of the hearing if the OIG determines that additional information or investigative action is required, the OIG shall prepare an official record of the hearing and close its file."

³⁵ Id. at 25.

³⁶ Environmental Specialty Services Resolution, dated February 2020.

Upon Mr. Berg's resignation, Mr. Berg's brother will be assuming control over the day to day management of the company but requires substantial training to do so. Up until now he has been a project manager on big jobs but essentially has no leadership experience and no financial knowledge of how the company operates.

Lastly, I was just informed that Mr. Weisberg is no longer with ESS and there is a need of time to shore-up some projects that were under his control. In order to faithfully resign from ESS so that the company can survive and maintain its 30 year legacy in the industry, would the City of Detroit permit Mr. Berg to sign the resignation letter and have it take effect on August 1, 2020? We believe this time will permit ESS to put in place a survival plan that will work without major complications to the company or its customers.

The OIG takes into consideration a company's response to the improper, unethical, and illegal actions of its employees when determining debarment length. Section 18-11-1 of the Debarment Ordinance states that the "City shall solicit offers from, award contracts to, consent to subcontracts with, or otherwise do business with responsible contractors only." A company that fails to act when it learns of such actions is not acting as a responsible contractor. Therefore, the OIG finds that it is not acceptable to permit Richard Berg to continue to work for ESS until August 1, 2020 for several reasons.

First, ESS, through Michael Berg, Sr. and Mark Weisberg, were aware of Richard Berg's illegal conduct as early as 2017. Despite this, Richard Berg was allowed to continue his employment as if nothing happened. On September 20, 2019, ESS and Richard Berg were issued interim suspensions by the OIG due to Richard Berg's criminal activity and the nature of their business. Again, ESS continued to allow him to work for the company. The OIG finds that these actions taken by ESS against Richard Berg, prior to the OIG's Administrative Hearing, were seriously deficient for his participation in the bribery. ESS could have begun the process of divesting Richard Berg from the company as well as transitioning Richard Berg's responsibilities to other employees when they first learned of his behavior. ESS's lack of action leads the OIG to question ESS's actual commitment to ensuring that they conduct business with honesty and integrity. ESS has had sufficient time to transition away from Richard Berg. Therefore, the OIG concludes ESS simply failed to act in a timely manner.

Secondly, it is concerning to the OIG that Richard Berg is so integral to the restructuring of ESS. Richard Berg's actions show a lack of honesty and integrity and demonstrate that he is not a responsible contractor. ESS's March 6, 2020 email states that "[w]hile [Richard] Berg's father is a fiduciary he is out of town for the winter and not due back until June." ESS's unwillingness to take necessary and timely steps to become a responsible contractor are a strong indication of ESS's lack of commitment to working with the City of Detroit with honesty and integrity.

Finally, the Debarment Ordinance does not allow for the consideration of potential future action. If the OIG takes into account Richard Berg's pending August 1, 2020 resignation and lessens the debarment period against ESS, the OIG has no recourse if ESS fails to follow through with its promise. Companies must be proactive in their commitment to be a responsible contractor and not simply take action because they are trying to lessen a period of debarment.

The OIG finds that ESS did not take any meaningful action against Richard Berg who bribed two individuals, including a City employee. He was able to maintain his employment at his previous rate of pay while Mr. Haskins and Mr. Daguanno are incarcerated. In fact, ESS's did not consider taking serious action against Richard Berg until they received the OIG draft report indicating they would be debarred for twenty (20) years, in part for their failure to take any actions that indicate their unwillingness to allow improper, unethical, and illegal conduct. ESS's continued relationship with Richard Berg raises serious concerns about the type of behavior they are willing to tolerate. As such, the City of Detroit cannot continue to do business with ESS who is not acting as a responsible contractor.

e. Lack of Remedial Actions taken by ESS

Richard Berg had the authority to request and sign checks for ESS at the time the bribery of Mr. Haskins and Mr. Daguanno occurred. He was not required to provide any documentation showing what the payments were for nor was anyone reviewing his requests for checks. After ESS was made aware of Richard Berg's criminal actions, ESS claims it adopted a multistep approval process for payments and checks.

According to Mark Weisberg, he took over writing the checks for ESS and Michael Berg, Sr. approved and signed the checks. Since Mr. Weisberg's departure from ESS, it is unclear who now writes the checks for the company. Michael Berg, Sr. also reviews the monthly bank reconciliation and check register each month. However, at the time of the Administrative Hearing, Richard Berg still had check signing authority and signed checks when Michael Berg, Sr. was not available. The OIG finds this troubling. Richard Berg's check signing authority enabled him to engage in bribery. Therefore, we find the changes made by ESS in response to Richard Berg's actions were insufficient and would likely not deter anyone from engaging in such behavior in the future. The OIG considers the actions taken by companies once it learns of the questionable behavior when analyzing if debarment is appropriate. In this instance, ESS failed to act decisively and in a manner that would likely eliminate future illegal actions. It also calls into question their commitment to act as a responsible contractor.

In addition to the multistep approval process for checks, ESS drafted the *Standards of Conduct and Employee Performance*. This policy addresses Anti-Harassment and Discrimination, Attendance, and Discipline and Standards of Conduct. Similar to ESS's employee handbook entitled *Employee Handbook, Environmental Specialty Services, Inc. A Guide for Our Non Union Office Employees*, neither policy addresses ethics or employee expectations involving his/her interactions with public bodies. The *Standards of Conduct and Employee Performance* merely states that employees may be disciplined, up to and including termination, for actions including dishonesty, falsification of company records, and unauthorized

use or disclosure of the company's confidential information.³⁷ Further, ESS did not provide any evidence that employees have been provided with the updated policy despite acknowledging at the Administrative Hearing that the OIG required such documentation.³⁸

Moreover, there is no evidence that employees have undergone any training that would help to deter future criminal behavior. In fact, Mark Weisberg stated that ESS does not have any ethics training because "ethics really didn't have a place" due to the size of the business.³⁹ We find this statement troubling. Regardless of the size of the business, the Charter requires the City to conduct business with its contractors with honesty and integrity. Small businesses are not an exception to the requirement under the Charter. Therefore, the few actions ESS took against Richard Berg do not evidence that the company is taking the necessary steps to be a responsible contractor.

f. Length of Debarment

The OIG's finding that ESS and Richard Berg be debarred for twenty (20) years is consistent with Section 18-11-12 of the Debarment Ordinance states, in part, that

- (a) The period of debarment shall be commensurate with the seriousness of the cause or causes therefor, 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, embezzlement, theft, forgery, bribery...may receive the maximum period.

Richard Berg's attorney stated that "[Richard] Berg understands that while he was not charged with bribery by the United States Attorney's Office he did offer a proffered statement to the U.S. Attorney's Office and acknowledged that he was involved with Mr. Haskins and Mr. Daguanno.⁴⁰" The OIG does not take into account whether Richard Berg assisted the U.S. Attorney's Office. The simple fact is that Richard Berg participated in bribery, from which ESS gained financial benefit to the detriment of other contractors. Richard Berg must therefore be held accountable for his illegal conduct just as Mr. Haskins and Mr. Daguanno are being held accountable for their actions. All who engage in improper, unethical, and illegal conduct must have a clear understanding that there are real consequences for their misconduct. Debarment serves as an importance deterrence to others and sends the message that such behavior will not be tolerated in the City of Detroit.

³⁷ *Standards of Conduct and Employee Performance*, Section 4.3 Discipline and Standards of Conduct, (a), (b), and (k).

³⁸ Transcript of Administrative Hearing at 29-30.

³⁹ *Id.*

⁴⁰ *Id.* at 7.

VI. Conclusion

Based on the evidence above, the OIG finds that ESS and Richard Berg are not responsible contractors. Richard Berg engaged in improper, unethical, and illegal conduct in the City of Detroit and ESS only took minimal steps to prevent this from occurring in the future. Bribery undermines a fair, open, and transparent government contracting process. As such, we do not find that ESS's response adequately addressed the harm caused by Richard Berg to the City of Detroit or the other abatement contractors who were not awarded work because of ESS's illegal actions. Therefore, we find Richard Berg's actions and ESS's insufficient action against Richard Berg to be in violation of the public's trust in honest governance.

ESS's conduct under Richard Berg's leadership cannot easily be dismissed. Every action a contractor or subcontractor 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 the twenty (20) year debarments against ESS and Richard Berg to be in the public interest in this instance.



**CITY OF DETROIT
OFFICE OF INSPECTOR GENERAL**

Ellen Ha, Esq.
Inspector General

January 29, 2020

Lawrence J. Leib, Esq.
Law Offices of Lawrence J. Leib
30445 Northwest Highway, Suite 230
Farmington Hills, MI 48334
VIA Certified Mail, Regular Mail, and Email

RE: OIG Investigative File No. 2019-0015-INV

Dear Mr. Leib,

An administrative hearing for the above-reference matter has been scheduled for **Tuesday, February 18, 2020 at 10 am** at the Detroit Office of Inspector General (OIG) located at

OIG Conference Room
65 Cadillac Square, Suite 3210
Detroit, MI 48226

The purpose of the administrative hearing is to give you an opportunity to present testimony and any supporting information you would like the OIG to consider in making a final determination. Any written response must be accompanied by a notarized affidavit attesting to the veracity of the statement under oath. The administrative hearing is not an adversarial process and shall not be conducted as such. The submission of information is not limited by the Michigan Rules of Evidence.

Please keep in mind that the OIG is not trying to prove its case against you. Therefore, the OIG does not present its case or call any witnesses. The hearing is your opportunity to present any additional testimony or evidence that shows information in the OIG's draft report is inaccurate. The Inspector General will take that information under consideration and amend the draft report as necessary and required by the evidence.

Additionally, the investigation is still considered open until a final report is issued by the OIG which occurs after the administrative hearing. Therefore, Section 7.5-313 of the City of Detroit Charter requires that "all investigative files of the Office of Inspector General shall be confidential and shall not be divulged to any person or agency." The only exception is that you may share the draft report with your attorney.

If you plan on calling any witnesses, please provide their names as well as their role/ purpose at least five (5) business days in advance of the scheduled hearing date.



**CITY OF DETROIT
OFFICE OF INSPECTOR GENERAL**

Ellen Ha, Esq.
Inspector General

Included with this letter is a copy of the Administrative Hearing Rules and the OIG Hearing Information Sheet on what to expect regarding the hearing. Should you have any questions about the hearing process, you may contact Jennifer Bentley, Attorney for the OIG, at bentleyj@detoig.org or (313) 628-5758.

Sincerely,

Jennifer Bentley

Enclosures: OIG Administrative Hearing Rules
OIG Hearing Information Sheet

**THE CITY OF DETROIT OFFICE OF INSPECTOR GENERAL
RULES FOR THE CONDUCT OF HEARINGS HELD PURSUANT TO CHAPTER 3 OF
ARTICLE 7.5 OF THE 2012 DETROIT CITY CHARTER**

Pursuant to Section 7.5-311 and Section 2-111 of the 2012 Detroit City Charter, the City of Detroit, through its independent Office of Inspector General (the "OIG"), adopts the following Rules for conducting hearings pursuant to Chapter 3 of Article 7.5 of the 2012 Detroit City Charter (the "Charter").

APPLICABLE CHARTER PROVISIONS

Article 7.5 Independent Departments and Offices, Chapter 3. Office of Inspector General, provides the Charter provisions relative to the OIG.

Section 7.5-305 of the Charter sets forth the jurisdiction of the Inspector General. It specifies that the powers and duties "shall extend to the conduct of any Public Servant and City agency, program or official act, contractor and subcontractors providing goods and services to the City, business entities seeking contracts or certification of eligibility for city contracts and persons seeking certification of eligibility for participation in any city program."

Section 7.5-311 of the Charter provides that "1. No report or recommendation that criticizes an official act shall be announced until every agency or person affected is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel. In accordance with section 2-111 of this Charter, the Inspector General will promulgate procedural rules for hearings. 2. After the hearing, if the Inspector General believes it necessary to make a formal report, a copy of any statement made by an agency or person effected shall accompany the report."

Section 2-105(A)(24) defines "Official Act" as "any action, omission, decision, recommendation, practice, or procedure of any agency."

Section 2-105(A)(1) defines "Agency" as "where appropriate and unless indicated otherwise, one or all of the following: any department, office, multi-member body, subdivision of the Legislative branch of City government or other organization of city government and includes any elective officer, appointee, employee, or person acting or purporting to act in the exercise of official duties."

AVAILABILITY, SCHEDULING AND NOTICES OF HEARING

1. ***Duty to Report Illegal Acts.*** If during the course of an investigation, the Inspector General has probable cause to believe that any Public Servant or any person doing or seeking to do business with the City has committed or is committing an illegal act, the matter shall be promptly referred to the appropriate prosecuting authorities. A recommendation/report to the appropriate prosecuting authorities does not invoke a person's right to an administrative hearing.

2. **Availability.** Where the OIG has conducted an investigation and its findings, whether a report or recommendation, criticize an official act as defined by the Charter, no such report or recommendation may be announced or made public until every agency or person affected is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel. An affected agency or person may also submit a written response to the OIG in lieu of or in addition to a hearing. Pursuant to Section 7.5-311(2) of the 2012 Detroit City Charter, any statements made shall accompany the OIG materials if the Inspector General elects to issue a formal report.
3. **Purpose.** The purpose of the hearing is to permit an affected agency or person an opportunity to present testimony and any supporting information in response to the OIG findings. The hearing is not an adversarial process and shall not be conducted as such. The affected agency or person may submit a written response, including any supporting information, in addition to or in lieu of the request for a hearing.
4. **Timing and Scheduling.** Where the OIG has forwarded its findings to an affected agency or person that agency or person must submit a written request for a hearing within fourteen (14) calendar days from the date of the findings, or such hearing shall be waived. Hearings shall be scheduled no later than forty-five (45) calendar days from the date of the receipt of the written request for a hearing. The location, date and time for the hearing shall be scheduled by the staff of the OIG. The affected agency or person shall be notified by certified mail of the date, place, and time of the hearing.
5. **Conduct of Hearing and Attendees.** The Inspector General, or the Deputy Inspector General, shall conduct the hearing. Hearings shall be closed to the public and are not subject to the Open Meetings Act, MCL 15.261 *et seq.* Attendees are limited to OIG staff, the affected agency or person including counsel, and witnesses providing testimony. The identity and purpose/role of any additional attendees must be coordinated through and approved by the OIG at least five (5) business days in advance of the scheduled hearing date. Examples of additional attendees include an interpreter or union representative.

HEARING AND DISPOSITION PROCEDURE

6. **Representation by Counsel or In Pro Per.** An affected person may represent himself or herself, or may be accompanied and represented by an attorney who is licensed to practice law in the State of Michigan. An affected agency, corporation or any other artificial entity may represent itself through a duly authorized representative, officer, agent or may be accompanied and represented by an attorney who is licensed to practice law in the State of Michigan.
7. **Hearing Record.** Each hearing shall be recorded by electronic or stenographic means to preserve the evidence.
8. **Oath of witnesses.** All witnesses, including the affected agency or person, shall be placed under oath prior to the commencement of their testimony.

9. **Professionalism.** The hearings shall be conducted in a professional manner.
10. **Presentation and Admission of Evidence.** 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 privilege which are governed by common law as modified by statute or court rule. The Inspector General or the Deputy Inspector General conducting the hearing are free to question the hearing participants, directly or through an attorney.
11. **Written Responses.** An affected agency or person may submit a written response to the OIG report or recommendation that criticizes an official act. This written response may be submitted in lieu of or in addition to a hearing. Any written response must be accompanied by a notarized affidavit attesting to the veracity of the statement under oath.
12. **Issuance of Report.** If the Inspector General elects to issue a formal report based on the findings from the investigation, a copy of any written response and/or a transcript of the hearing shall accompany the report. If the Inspector General elects not to issue a formal report, the affected agency or person shall be notified in writing.
13. **Supplemental Information.** Where deemed necessary, the Inspector General may require additional information from an affected agency or person. This information, if requested, shall be submitted within seven (7) calendar days from the conclusion of the hearing or, if no hearing is requested, within seven (7) days of the Inspector General's written request for the information.
14. **Official Record.** Within thirty (30) calendar days of the hearing or within ninety (90) days of the hearing if the OIG determines that additional information or investigative action is required, the OIG shall prepare an official record of the hearing and close its file. The official record shall include the notice of hearing, OIG report, response from the affected agency or person, all documents submitted by the affected agency or person, and a transcript of the evidence presented at the hearing. One (1) copy of the official record shall be provided to the affected agency or person and one (1) copy shall remain in the OIG file.

Adopted: November 13, 2015
Published: November 19, 2015
Effective: November 19, 2015



CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Ellen Ha, Esq.
Inspector General

OIG HEARING INFORMATION SHEET

Before the hearing:

- You and your attorney, if you choose to hire one, may provide a written response, including any supporting information, which is relevant to the OIG draft report.
- You or your attorney must submit a witness list, including the names and purpose of each witness, at least 5 business days in advance of the hearing.
- You are responsible for requesting and arranging for the attendance of any witnesses you would like to call during your hearing.
- The OIG **does not** provide its investigative file prior to the hearing or at the hearing. The draft report clearly details the evidence relied upon in making its initial determination. The purpose of the hearing is for you to present any evidence or testimony in response to the OIG draft findings.

At the hearing:

- The Inspector General reads a basic statement of facts regarding your case as well as the areas in which the OIG was critical of you and/or your department's actions.
- You and/or your attorney may make an opening statement.
- You and/or your attorney, if you have one, may question any witnesses, including you, and submit evidence.
- OIG staff may also ask questions of you as well as any witnesses you call. The purpose of this is to ensure the OIG has all of the necessary facts to conclude its investigation.
- All questions are answered under oath.
- All information presented must be related to the OIG's draft findings.
- The hearing is informal but a court reporter is present. A copy of the transcript will be included with the OIG's final report along with any other documentation you submit related to the OIG's draft report.

After the hearing:

- Within thirty (30) days of the hearing or within ninety (90) days of the hearing if the OIG determines that additional information or investigative action is required, the OIG will provide you, and your attorney, if you have one, with a copy of the final report and close its investigative file.
- The final report will include the notice of hearing, responses from all affected parties, all documents submitted by the affected parties, and a transcript of the hearing.

CITY OF DETROIT

OFFICE OF THE INSPECTOR GENERAL

In the Matter of:

OIG Case No. 2019-0015-INV

Environmental Specialty Services, Inc.

The proceedings had and testimony taken in the above-entitled matter before me, Deborah A. Elliott, CSR0129, notary public for the County of Oakland, acting in Wayne County, State of Michigan at 65 Cadillac Square, Suite 3210, Detroit, Michigan on Tuesday, February 18, 2020 at 10:00 a.m.

PRESENT:

OFFICE OF INSPECTOR GENERAL
65 Cadillac Square, Suite 3210
Detroit, Michigan 48226
(By Ellen Ha, Kamau Marable, and
Jennifer Bentley)
Appearing on behalf of OIG

MR. LAWRENCE J. LEIB (P45040)
Law Offices of Lawrence J. Leib
30445 Northwestern Highway, Suite 140
Farmington Hills, MI 48334
(248) 851-1818
ljleib@aol.com

ALSO PRESENT:

Mr. Mark Weisberg

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WITNESS:

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Mark Weisberg

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E X H I B I T S

1 Detroit, Michigan

2 Tuesday, February 18, 2020

3 10:00 a.m.

4 - - -

5 MS. HA: Today is Tuesday, February 18,
6 2020. This is administrative hearing for Office of
7 Inspector General, File number 19-0015-INV. We are
8 holding this hearing pursuant to a request made by
9 Environmental Specialty Services (ESS) and Richard Berg
10 on January 14, 2020 in accordance with Section 7.5-311 of
11 the 2012 Charter of the City of Detroit and pursuant to
12 the OIG's written notices sent to the attorneys for ESS
13 and Richard Berg, Larry Leib on January 29th, 2020.

14 The record should further reflect that
15 based on our preliminary review of the record and
16 information pertaining to ESS and Richard Berg on
17 September 20, 2019 the City of Detroit's Office of
18 Inspector General (OIG) issued an interim suspension to
19 ESS, Richard Berg and any companies Mr. Berg has
20 ownership or financial interest pursuant to Section
21 18-11-10 and (a) and (b) of the City of Detroit Debarment
22 Ordinance.

23 On September 3rd -- I'm sorry, on December

1 3rd, 2019 Mark Weisberg, currently the CFO and controller
2 of ESS, represented by counsel was interviewed by the
3 OIG. Thereafter, in accordance with Section 18-11-10 (b)
4 and (d) on December 19, 2019 the suspension was extended
5 to January 18, 2020. On January 22nd, 2020 the OIG
6 issued a letter with a copy of the OIG's draft report
7 which recommended Debarment of 20 years based on its
8 findings detailed in the draft report. Pursuant to Rule
9 3 of the OIG's Administrative Hearing Rules the purpose
10 of this hearing is to permit ESS through Mr. Weisberg
11 representing ESS and Mr. Leib, attorney for ESS and
12 Richard Berg, with an opportunity to present testimony
13 and any supporting information in response to the OIG's
14 findings as stated in our draft report dated January 2nd,
15 2020.

16 Now, I understand that Mr. Leib, counsel
17 for ESS, is also representing Richard Berg in this
18 hearing today. Because the primary reason for debarring
19 ESS is due to largely in part to Mr. Berg's actions, it
20 is important to note that Mr. Leib's dual representation
21 may result in conflict of interest. Therefore, I'd like
22 to confirm on the record that Mr. Weisberg and Mr. Leib
23 are waiving any conflict of interest in this proceeding.

1 MR. LEIB: I do.

2 THE WITNESS: I am.

3 MS. HA: Moreover, everyone in the room is
4 reminded again this hearing is not an adversarial
5 proceeding and as such will be heard in a manner pursuant
6 to the OIG's Administrative Hearing Rules, a copy of
7 which was provided to Mr. Leib prior to today's hearing.
8 The hearing is not for the OIG to present its evidence or
9 witnesses. The purpose of this hearing is solely for ESS
10 and Richard Berg to provide the OIG with testimony or
11 evidence which would show that the OIG's findings
12 outlined in the draft report against ESS and Richard Berg
13 are incorrect or inaccurate. Can I have appearances?
14 I'll start. Ellen Ha, Inspector General.

15 MR. MARABLE: Kamau Marable, Deputy
16 Inspector General.

17 MS. BENTLEY: Jennifer Bentley, OIG
18 attorney.

19 THE WITNESS: Mark Weisberg, Environmental
20 Specialty.

21 MR. LEIB: Larry Leib attorney for ESS and
22 Richard Berg.

23 MS. HA Would you swear the witness in,

1 please?

2 M A R K W E I S B E R G

3 after being sworn by the notary public testified as
4 follows:

5 MS. HA: Go ahead, Mr. Leib.

6 MR. LEIB: Good morning, everybody. The
7 purpose I think that we wanted this hearing this morning
8 was for a number of reasons. First of all, we received a
9 copy of the OIG predraft report. We went through it with
10 Mr. Berg. We went through it with Mr. Weisberg. We had
11 some questions and wanted to come today for the purposes
12 of addressing a couple of the discrepancies in the report
13 and just to correct the record at least from
14 Mr. Weisberg's perspective.

15 We also recognize that Mr. Berg's actions
16 greatly contributed to the City's position in terms of
17 the request for Disbarment. We also understand and I've
18 had long conversations with Mr. Berg about his
19 responsibility as a fiduciary of the company to be a good
20 contractor. I've also counseled him that based upon the
21 record while he was alleged to have committed crimes for
22 which he was not prosecuted he still bears the
23 responsibility of what other people have said about his

1 actions and his involvement in the crimes that they pled
2 guilty to. I'm referring specifically to Mr. -- forgive
3 me and I don't want to a butcher his name -- Aradondo
4 Haskins and Anthony Daguanno. Mr. Berg understands that
5 while he was not charged with bribery by the United
6 States Attorney's Office he did offer a proffered
7 statement to the U.S. Attorney's Office and acknowledged
8 that he was involved with Mr. Haskins and Mr. Daguanno.

9 That being the case Mr. Berg bears certain
10 responsibilities for his actions, and I've also counseled
11 him that when Mr. Haskins and Mr. Daguanno entered their
12 pleas in United States District Court their pleas were a
13 reflection of some of the actions that Mr. Berg
14 participated in. I told him, I said, you were fortunate
15 that you were not charged by the United States' Attorney.
16 However, your actions were reflected in Mr. Haskins' and
17 Mr. Daguanno's plea; and therefore the City can view that
18 as actions that are counter-productive to you being a
19 good contractor who the City is willing to do business
20 with. Because of that Mr. Berg understands now the
21 reasons for the OIG report in which certain things were
22 specified, particularly on Page 4. ESS knowledge of
23 Mr. Berg's actions in which while Mr. Berg was involved

1 in these alleged schemes that Mr. Haskins and
2 Mr. Daguanno pled guilty to, the company, ESS, has not
3 taken the appropriate actions that were necessary to
4 satisfy the City that ESS can remain a good partner.

5 So we have talked to Mr. Berg considerably
6 since we were here in December and we received the OIG's
7 preliminary findings, and Mr. Berg understands that and
8 at the conclusion of this hearing we have talked with
9 Mr. Berg about what his intentions are in terms of his
10 own personal Disbarment and his willing to voluntarily
11 disbar from the City and any work that the City would be
12 doing. Mr. Berg would no longer be involved in the
13 company at all. He would completely divest. He would
14 remove himself from the company. He would not receive a
15 paycheck. He would have no official role with the
16 company at all. He would not be involved in any bidding
17 or any action with any potential persons that would be
18 doing business with ESS. I've talked to him and I've
19 said, Mr. Berg, the company has been around a long time.
20 The company has done a very good job as a contractor for
21 the City and has never had a complaint about any illegal
22 activity until now. I said you are the main source of
23 this question. In order for ESS to remain a business

1 partner with the City and do City work you have to
2 acknowledge that your own actions have caused the City to
3 look at ESS and say we can't do business with you because
4 of your past actions with Mr. Haskins and Mr. Daguanno.

5 So that being the case what we would like
6 to now do is correct the record on a couple of things
7 that Miss Bentley asked Mr. Weisberg about in December
8 and make a proposal to the City which we hope the City
9 would accept knowing that we read the OIG report. We
10 take it seriously. There is a strong interest in ESS
11 remaining a company and being able to do business with
12 the City; and Mr. Berg understanding that he can no
13 longer be a part of the company if the company survives
14 and the company is going to do business with the City;
15 and that he for his own actions while he wasn't
16 prosecuted criminally has to suffer some sanction as a
17 result of his actions. Is that fair, Mr. Weisberg?

18 THE WITNESS: Yes.

19 MR. LEIB: Okay. Mr. Weisberg, I'm now
20 going to turn it over to you. You have read the OIG's
21 preliminary draft. You were here on December 3rd when we
22 made representations to Miss Bentley and the Office of
23 Inspector General. What are some of the things that you

1 would like to correct in the record?

2 THE WITNESS: Okay. On Page 4 of 7 under
3 Paragraph B the knowledge of Richard Berg's actions, one
4 thing that is stated here it says Mark Weisberg and
5 Richard Berg met with the attorneys from the U.S.
6 Attorney's Office; and whether or not I misspoke or it
7 was misinterpreted, it's the first paragraph, I did not
8 meet with the U.S. Attorney. I met with Mr. Berg's
9 attorneys who then only they met with the U.S. Attorney.

10 MR. LEIB: Who is Mr. Berg's attorney if
11 you know?

12 THE WITNESS: Oh, there were two
13 attorneys. I can't recall Brian's last name --
14 Beckerman, Brian Beckerman was one and Chris, Chris --

15 MR. LEIB: Andreoff?

16 THE WITNESS: Andreoff. I always mess up
17 his last name. And Chris Andreoff, they both represented
18 him and with the U.S. Attorney. So I did not have any
19 part of any of those conversations. I did have
20 conversations with the attorneys when they directed me
21 for what documentation that we needed to bring or I
22 needed to accumulate to bring for the U.S. Attorney to
23 review.

1 MS. BENTLEY: So that came from Mr. Berg's
2 attorney telling you what documents, not the U.S.
3 Attorney telling you what documents?

4 THE WITNESS: Correct. We did have a
5 subpoena and the subpoena was then given to both
6 attorneys for Mr. Berg, and then we sat and they told me
7 exactly what they needed to see in the way of documents.

8 BY MR. LEIB:

9 Q Let me back up for just one second. Mr. Weisberg, when
10 did you begin working at ESS?

11 A My contract with them started in the latter part of
12 September of 2016.

13 Q So the allegations that were made against Mr. Berg by the
14 U.S. Attorney's Office which precipitated that meeting
15 regarding Mr. Haskins and Mr. Daguanno you were not at
16 all involved with ESS at the time these allegations were
17 alleged to have taken place?

18 A That is correct.

19 Q Did you even know about any of this stuff until Mr. Berg
20 was approached by the U.S. Attorney's Office?

21 A I did not.

22 Q Continue.

23 A So just to expand on that, when I started the role that I

1 took on was to do projections and cash flows and dealing
2 with some of the vendors. My hours were between four and
3 six hours per week during the first few months of when I
4 was there. Then it was determined that there was a lot
5 of overlap in the way of employees that were there, so
6 several of them were let go and then my hours increased a
7 little bit to take care of those aspects of the
8 accounting side. Then it wasn't until the first part of
9 2017 when I had gained the knowledge of the U.S. Attorney
10 investigating ESS and Mr. Berg.

11 Q Were you at all ever interviewed by the U.S. Attorney's
12 Office?

13 A No, I was not. I was never a witness for anything and
14 even from the documents that we presented I was never
15 brought in and deposed with regards to what the documents
16 were.

17 Also, in a number of places in the
18 document in the draft it references that the bids were
19 confidential. The bids that went to the demolition
20 contractors, those were not confidential bids. So the
21 people that were working at the different contractors,
22 the different demo contractors who were mainly the people
23 that received the contracts for the DLBA, those were and

1 I'll use my -- those are private bids if you will, and my
2 definition is we give a bid to them. Do they shop our
3 bid around and did they shop other people's bid? Yes,
4 that's an every day occurrence when contractors put their
5 final bid in. So they take three bids, they kind of look
6 at them. They may call you and say sharpen your pencil,
7 be below this number, you know that's an every day
8 occurrence. Where you're referring to a confidential bid
9 I look at it as more a private bid to be -- it's
10 mentioned in a number of different places throughout, but
11 this one that I have circled here is on Page 4, the
12 second paragraph.

13 MS. HA: So, you're talking about
14 subcontracting bids to the general contractor?

15 THE WITNESS: Yes, correct. Not the bids
16 that go to the City of Detroit. The only contract that I
17 know of that ESS had with the City of Detroit was a
18 sealed public opening which is referenced on Page 1, I
19 believe that's in the complaint. That's the only one
20 that ESS has ever bid, as far as I know has only bid and
21 has only been awarded that one contract.

22 Then I just have a note with regards to
23 the bids that were put in by ESS all but the one bid

1 which was for that one contract to the City, all their
2 bids go to the demo contractors who then submit their
3 sealed bid to the City of Detroit or it might be to the
4 DLBA depending on where the funding source was for the
5 work being done. That's all I have.

6 BY MR. LEIB:

7 Q Mr. Weisberg, you have reviewed the OIG report in detail,
8 haven't you?

9 A Yes.

10 Q You confirmed to Mr. Berg regarding the findings, is that
11 true?

12 A Correct.

13 MS. HA: Richard Berg.

14 MR. LEIB: Richard Berg.

15 Q By the way, have you spoken with Michael Berg about this
16 at all?

17 A I have not.

18 Q Do you know whether or not Michael Berg is aware of any
19 of the issues that we're discussing today?

20 A I do know he is aware of them because he also received a
21 copy of the letter and the draft from the OIG. So I have
22 not had direct conversation with him. All conversation
23 has been through either one of his two sons, Richard Berg

1 or Mike Berg, Jr.

2 Q Let's discuss who is involved with ESS today. Who are
3 the primary owners and who is responsible for the
4 day-to-day operations of the company?

5 A Mike Berg, Sr. is the 100 percent shareholder of the
6 company.

7 Q Where does he reside?

8 A He resides in I think it's Mt. Clemens or Shelby
9 Township. I'm not sure exactly his address.

10 Q Does he play an active role with running the company?

11 A He does not.

12 Q When was the last time he played an active role with
13 running the company if you know?

14 A Been more than five years that I'm aware of.

15 Q Long before you were employed?

16 A Long before I was, yes.

17 Q Who else is involved in running the operation at ESS?

18 A Today the internal operations, the administrative side
19 I'm the overall seer of the financial aspects dealing
20 with vendors, getting putting together packages for the
21 bids; and then I also have, there is an administrative
22 assistant that works about 30 hours a week that she helps
23 to do that. She answers the phones, takes care of

1 payroll.

2 Q Other than you and your assistant does anybody else have
3 a role in running the administrative part of the
4 business?

5 A No.

6 Q Who else is involved in running the business?

7 A Then Mike Berg, Jr. was brought back. He started out
8 working in the field and he basically ran the field
9 operations, scheduled the manpower, and then did the
10 timelines for the scheduling for the work that was done,
11 hired the men to do the work, and then when this whole
12 thing became an issue he was then brought in from the
13 field and then was put into the position of more or less
14 I don't want to call him the COO. He wasn't given that
15 title, but he was put in the position of then to deal
16 with the customers, do estimating and doing the
17 scheduling and hiring the manpower and more or less doing
18 the project management of the jobs that we did have.

19 Q Who else is involved in running ESS?

20 A That would be, that would be it.

21 Q What role does Richard Berg play with the company at this
22 point?

23 A At this point we have him doing more or less reviewing

1 bids that Mike does that he's not comfortable with to see
2 if there is something that he missed if it's a larger
3 bid. Smaller bids are very easy. They can be done
4 without anybody reviewing them. The larger ones, when
5 I'm talking about larger ones I'm talking about a million
6 dollar plus size projects that they're looking at you
7 know for an extra set of eyes.

8 Q Other than Richard Berg has anyone else at ESS or anyone
9 been involved with ESS since it's founding ever been the
10 subject of a criminal or ethics investigation?

11 A Not to my knowledge.

12 Q Was Michael Berg, Sr. investigated in this alleged
13 bribery scheme?

14 A He was not.

15 Q Was Michael Berg, Jr. investigated in this alleged
16 bribery scheme?

17 A He was not.

18 Q Were you investigated at all in this alleged bribery
19 scheme?

20 A I was not.

21 Q Was your assistant involved in this scheme?

22 A No. To back up, the assistant Sandy was hired in
23 December of 2018.

1 Q So if you take Richard Berg out of the picture is there
2 anybody else at ESS that has been involved in any way,
3 shape or form in any allegations of bribery or unethical
4 behavior?

5 A No.

6 Q You have spoken with Mr. Berg about the OIG report?

7 A Yes.

8 Q You have gone through it with him?

9 A Yes.

10 Q To your knowledge does Mr. Berg contest any of the
11 findings of the OIG?

12 A He does not.

13 Q He understands what the OIG report says?

14 A He does.

15 Q He understands that the City is requesting that he be
16 disbarred for 20 years?

17 A Yes.

18 Q To your knowledge is Mr. Berg willing to withdraw from
19 the company?

20 A Yes.

21 Q Discuss with everybody what that means. What would
22 Mr. Berg do in terms of his role with the company?

23 A He would no longer have a role of any type with the

1 company.

2 Q Is he a current shareholder?

3 A He is not.

4 Q So if he was a shareholder he would have to divest?

5 A Yes.

6 Q Going forward would he have any role at all whether as an
7 employee, estimator, contract employee, any role
8 whatsoever?

9 A No.

10 Q Will he receive any paycheck or any other financial
11 remuneration from the company?

12 A No.

13 Q Mr. Berg is willing to accept that with the understanding
14 that ESS, the company, would be permitted to remain
15 without Disbarment and unsuspended?

16 A Correct.

17 Q If Mr. Berg were to be removed from ESS what, if
18 anything, do you know would he do?

19 A I do not know. I mean he has his own contacts. He could
20 incur a position with some other company.

21 Q He would know full well that he would be disbarred from
22 doing any work with the City?

23 A Yes, that was very clear.

1 Q Do you know whether or not Mr. Berg has any contacts with
2 the U.S. Attorney's office going forward?

3 A No. I believe the last contact was sometime in April or
4 May of 2019.

5 Q Is ESS at all under investigation by any investigating
6 authority?

7 A No.

8 Q Has anybody ever, has any entity ever alleged that ESS,
9 the company, has done anything illegal or unethical
10 concerning any of the things that we've talked about?

11 A Not to my knowledge, no.

12 Q So the only time with ESS is Richard Berg?

13 A Correct.

14 Q Is it your opinion, Mr. Weisberg, that if Mr. Berg was
15 out of the company that ESS could be a respected
16 contractor and able to do business with the City without
17 any ethics issues?

18 A Yes.

19 Q Is there any reason to think that they wouldn't be?

20 A No.

21 Q What is a current list of potential projects that ESS has
22 with the City if you know?

23 A There is no current backlog of projects, but there are

1 projects that, and I'm not aware if the City itself has
2 any kind of financial interest in them, but we are
3 looking at a number of different buildings that are under
4 renovation here, United Artist project, the Bonstelle
5 Hotel just got purchased by -- I can't remember the name
6 of the company that just purchased it. They are going to
7 renovate it. I don't know how much the City has as part
8 of that, but if they had a financial interest in that we
9 wouldn't be -- if we were all barred, both Rich Berg and
10 ESS, we would not have been allowed to bid on those.

11 Q The fact that you have potential business you have, that
12 meaning not you personally, but ESS and Mr. Berg had
13 followed the order of the Inspector General from
14 September in that you have not bid any jobs in the City?

15 A Correct.

16 Q So they are not going to be able to go and find somebody
17 some how some way has had any quiet involvement with ESS
18 or Mr. Berg since September?

19 A Correct. Yes. We haven't bid any -- our biggest
20 projects that we in the past had bid were with the --
21 I'll call it the blight projects, the houses to be
22 demo-ed, and we have not bid on any of those projects
23 that have been since I'm going to say probably last

1 April or May of 2019.

2 Q In terms of ESS are there other contractors like ESS in
3 the City currently?

4 A That are actually housed here in the City?

5 Q Or doing work.

6 A Yes. There are others that do work here in the City.

7 Q Is it fair to say that ESS over the years has been a good
8 business partner with the City?

9 A Yes, and with our demo contractors where normally our
10 contracts are with.

11 Q There's been no ethics complaints with any of them?

12 A No.

13 MR. LEIB: I have nothing further.

14 MS. BENTLEY: So, you mentioned that
15 Mr. Berg, Richard Berg, might part ways with the company.
16 So what would precipitate that?

17 MR. LEIB: We had a discussion yesterday
18 with him. I told him quite bluntly you are the cancer
19 within the company and you are the reason why we are in
20 front of the City, and you have no choice but to divest
21 from the company and accept Disbarment. You, Rich, are
22 fortunate that you were not criminally charged in this.
23 I said Mr. Haskins and Mr. Daguanno offered pleas in

1 which you were named. You could have easily been charged
2 by the U.S. Attorney's Office for bribery, and
3 fortunately for you you were not, but you know you are
4 the reason why ESS is having problems with the City right
5 now. We have no choice whatsoever but to have you be
6 disbarred; and he is willing to accept a voluntary
7 Disbarment. The number of years I think he's concerned
8 about. He is a young man who this is basically all he's
9 known his whole life; and his ability to go out and get a
10 job and do other things I think is a question for him.
11 But he accepts responsibility, and I think he would
12 disbar forthwith.

13 THE WITNESS: Uh-huh, yes.

14 BY MS. BENTLEY:

15 Q Was there any conversation with him once his actions
16 became known to ESS that he leave the company?

17 A No, not at first. At first there wasn't enough
18 information that was disseminated down to really
19 understand what it was that the U.S. Attorney had
20 brought forth. His attorneys were -- the attorneys that
21 were brought on that were retained were representing him.
22 ESS did not have representation because ESS was not named
23 in the document. So there was very little that was

1 actually passed down to myself and to his brother, Mike
2 Jr. I don't know if he had any lengthy conversations
3 with the owner (indicating) Mike, Sr. I'm sorry, I
4 didn't mean to air quote there. I forgot we were doing
5 the on the record. But then when those conversations did
6 come to more of a fruition, especially when we received
7 the letter from the OIG with the temporary Disbarment or
8 suspension, then the company took action and said okay
9 you no longer can be out representing the company at bids
10 or contacting customers. So that part is when we really
11 took a stance if you will.

12 Q Was termination considered at that time?

13 A No, it was not. It's a small family owned business.
14 Rich Berg, Jr. or Rich Berg, Sr. had been running the
15 company for a number of years on behalf of his father.
16 So it wasn't something that his father was going to just
17 cut him off at that point in time.

18 Q So if Richard Berg leaves the company will he receive any
19 kind of bonus or severance?

20 A No.

21 MR. LEIB: He's done. He understands that
22 he's done and he's no longer in the business, no longer
23 can be involved in any way. But Paychecks, going out and

1 quietly bidding jobs, no. He knows that he's done.

2 MS. HA: Is it in writing?

3 MR. LEIB: It's not in writing, but it
4 will be in writing and we'll be happy to do that if
5 that's what you would like. We had a discussion with him
6 yesterday. We were going to be here and offered him an
7 opportunity to appear and he chose not to. He has asked
8 myself and Mr. Weisberg to speak on his behalf. He gets
9 it and understands it. We will be happy to get a
10 notarized letter effectively voluntarily firing him; and
11 the question is the length of time because as I said, you
12 know, I don't think it should be a death penalty, but it
13 should be a strong enough penalty that years go by before
14 he would ever be able to get involved again.

15 MS. HA: Just to make the record clear so
16 there's no misunderstanding, when there's a Debarment of
17 companies or individuals that is a Disbarment which would
18 preclude the company and the individual from working for
19 the City of Detroit.

20 MR. LEIB: I understand.

21 MS. HA: And any general contractors who
22 work for the City of Detroit.

23 MR. LEIB: Right. Our goal ESS has been a

1 company that's been in existence for a long time. They
2 have never had criminal activity or ethics or issues as
3 it relates to the company itself. Michael Berg, Sr. and
4 family and Mr. Weisberg are running the company and they
5 are doing a good job. There's not an issue with them.
6 We understand the City's position and we believe too that
7 Mr. Berg, Richard Berg is the cancer within the company
8 that's causing the questions to be asked; and we
9 understand the OIG's report where it says the City can't
10 trust ESS as long as Mr. Berg is there. We also
11 understand the fact that at the time we met with Miss
12 Bentley in December ESS had not taken enough or done
13 enough to assure the City that Mr. Berg was no longer
14 involved in running the business, and we have done that
15 and we will gladly put that in writing that he is going
16 to divest from the company in whatever capacity he is in.
17 He will no longer have any role with the company,
18 wouldn't receive any remuneration from the company, no
19 bonus, nothing that relates to ESS at all. He'll be
20 responsible for his own livelihood at that point.

21 MS. HA: So what some of the companies
22 have done is they would divest the individual from the
23 company but their immediate family members become the

1 beneficiary from the company. Is it one of those
2 situations?

3 MR. LEIB: I don't believe so.

4 THE WITNESS: No. There is no succession
5 planned for Environmental Specialty from Mike Berg, Sr.
6 to any of his children.

7 MS. HA: Okay.

8 THE WITNESS: The company will maintain
9 until such time as Mike Berg, Sr. chooses to more or less
10 just liquidate the company.

11 MR. LEIB: And that could come at any
12 time. I mean it could be six months from now. We would
13 like the opportunity to right ship and be a constructive
14 and good ethical company that the City is willing to do
15 business with, and we understand that Rich Berg has to be
16 out of the company and out of the family business. So I
17 understand your position, Miss Ha, and I understand that
18 he can no longer be involved in any of the family
19 structure of the business itself.

20 MR. MARABLE: I just want to further
21 clarify. That action reflects on the company and not
22 him. So voluntary or not the action that this office
23 will take will be reflected on the company's ability to

1 do business with the City. So it's a reflection on the
2 company not him by agreeing to step down. So just want
3 to be clear the whole voluntary thing and it reflecting
4 on him is not a thing, where we in these cases look for
5 is what is the company doing to show us that they are a
6 good partner and going forward want to behave in a
7 responsible manner as a contractor.

8 MR. LEIB: I understand your position,
9 Mr. Marable. I think one of the things that ESS needs to
10 do is to create an ethics policy which would reflect in
11 the OIG's report that they do not have one. They need to
12 have an ethics policy. They have a handbook like every
13 company does today, they don't have an ethics policy that
14 would address some of the concerns that Miss Bentley
15 wrote in the OIG report. So I agree with you. I think
16 the company should take the effort to prepare an ethics
17 policy that everybody that's involved, whether it's
18 Michael Berg, Sr. or Mr. Weisberg or his assistant,
19 anybody, signs and understands that if we do work with
20 anybody it should be ethical and above board, not just
21 the City.

22 MR. MARABLE: Just wanting to be clear on
23 our process, in a fairly short timeline where the office

1 is going to finalize this report so if those actions are
2 going to be taken and if you want them reflected in the
3 decisions of the office they need to be done quickly; and
4 not to say it will impact one way or the other. If that
5 is something that the company plans to do it needs to be
6 done quickly because we have some pretty hard deadlines
7 that kind of go forward from that.

8 MS. BENTLEY: Supplemental information
9 it's supposed to be submitted within seven days of the
10 conclusion of this hearing. Now, it seems like with
11 Richard Berg leaving that's something you can give us
12 notarized pretty quickly.

13 MR. LEIB: We can get you the letter
14 tomorrow.

15 MS. BENTLEY: If you do decide to update
16 an ethics policy you can give us in writing that you're
17 working on something like that, we can give a little
18 extra time.

19 MR. LEIB: We can do that.

20 THE WITNESS: We can do that within a day
21 or so, add ethics policy within a day or write it up and
22 you review this for us.

23 MR. LEIB: But I think you need to have

1 everybody sign it.

2 MS. BENTLEY: Right.

3 MR. LEIB: You would want verification for
4 that.

5 THE WITNESS: That wouldn't be an issue.

6 MR. LEIB: Is there anything else you
7 would recommend?

8 MS. BENTLEY: It's really up to you guys
9 to take a look at what the report says.

10 MR. LEIB: Our goal is to save the
11 company. They have a long history of doing business with
12 the City. They have a good reputation with contractors.
13 But for Mr. Berg's actions we wouldn't be here. The fact
14 is that Mr. Berg has to accept responsibility for his
15 actions and -- but I also believe in fairness and there
16 are other people that are involved with the company that
17 have a long history with the company who did not benefit
18 at all from Mr. Berg's actions and would be greatly hurt
19 if the company was disbarred. It's not like Michael Berg
20 can go out and start another firm. It's very difficult
21 to do that and gain a reputation with the City and the
22 contractors and the union. So it's not an easy chore.
23 But we're willing, we read the report, we are willing to

1 make adjustments and willing to do the things that are
2 needed in order for ESS to remain an ethical business
3 partner.

4 MS. HA: Anything else?

5 MR. LEIB: Anything else, Mark?

6 THE WITNESS: I do not have anything else.

7 MR. LEIB: Who would we send that
8 information to?

9 MS. BENTLEY: Me.

10 MR. LEIB: Okay.

11 MS. HA: It is 10:35 a.m. and we are
12 officially closing the record on the hearing.

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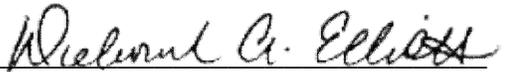
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1 STATE OF MICHIGAN)
 2) ss
 3 COUNTY OF OAKLAND)

4 I, Deborah A. Elliott, do hereby certify
 5 that I have recorded stenographically the proceedings had
 6 and testimony taken in the above-entitled matter at the
 7 time and place hereinbefore set forth, and I do further
 8 certify that the foregoing thirty-one (31) typewritten
 9 pages, is a true and correct transcript of my said
 10 stenographic notes.

11 
 12 Deborah A. Elliott, CSR-0129
 13 Oakland County, Michigan
 My commission expires:6-30-24

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 15 February 25, 2020
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Standards of Conduct and Employee Performance

4.1 Anti- Harassment and Discrimination

The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. Harassment or unlawful discrimination against individuals on the basis of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by local, state or federal laws is illegal and prohibited by Company policy. Such conduct by or towards any employee, contract worker, customer, vendor or anyone else who does business with the Company will not be tolerated. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including termination of his or her employment or engagement. To the extent a customer, vendor or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

Prohibited Conduct:

Prohibited harassment or discrimination includes any verbal, physical or visual conduct based on sex, race, age, national origin, disability or any other legally protected basis if:

- a. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement;
- b. submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement;
- c. it creates a hostile or offensive work environment.

Prohibited harassment includes (but is not limited to) unwelcome sexual advances, requests for sexual favors and lewd, vulgar or obscene remarks, jokes, posters or cartoons, and any unwelcome touching, pinching or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs and derogatory remarks, stereotypes, jokes, posters or cartoons based on race, national origin, age, disability, marital status or other legally protected categories. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other on-line conduct.

Complaint Procedure:

Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.

Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation which may involve interviewing witnesses if warranted and, if improper conduct is found, take appropriate corrective action.

To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

4.2 Attendance

Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify his or her supervisor before his or her starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of his or her supervisor prior to leaving. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

4.3 Discipline and Standards of Conduct

As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be terminated immediately.

Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate). Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property). Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination.

- a. Dishonesty;
- b. Falsification of Company records;
- c. Unauthorized use or possession of property that belongs to the Company, a coworker, or of the public;

- d. Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials;
- e. Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes or other disorderly conduct that may endanger others or damage property;
- f. Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety or other rules;
- g. Unauthorized or careless use of the Company's materials, equipment or property;
- h. Unauthorized and/or excessive absenteeism or tardiness;
- i. Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace;
- j. Sexual or other illegal harassment or discrimination;
- k. Unauthorized use or disclosure of the Company's confidential information;
- l. Violation of any Company policy.



Jennifer Bentley <bentleyj@detoig.org>

Re: Additional Documentation

8 messages

Larry Leib <ljl Leib@aol.com>

Wed, Feb 26, 2020 at 3:30 PM

To: bentleyj@detoig.org

Cc: markw@essdirect.com, ljl Leib@aol.com

Hi Jennifer:

Please find the attached documentation which has been provided to Environmental Specialty Services and Mr. Berg per our hearing last week.

We are awaiting Mr. Berg's signature.

In support of the same I have copied Mr. Weisberg on this email.

Larry

Law Offices of Lawrence J. Leib
30445 Northwestern Highway, Ste. 230
Farmington Hills, MI 48334

-----Original Message-----

From: Jennifer Bentley <bentleyj@detoig.org>

To: Larry Leib <ljl Leib@aol.com>

Cc: Mark Wiseberg <markw@essdirect.com>

Sent: Fri, Feb 21, 2020 9:57 am

Subject: Additional Documentation

Mr. Leib,

Good morning. Please note that any documentation you would like to submit related to the administrative hearing is due by the end of business on Wednesday, February 26 pursuant to the administrative hearing rules.

Jennifer Bentley, Esq., CIGI
Attorney
City of Detroit-Office of Inspector General
65 Cadillac Square - Suite 3210
Detroit, MI 48226
Office: 313-628-5758
Email: bentleyj@detoig.org

Follow us on Twitter @DetroitIG

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2 attachments**ESS Proposed Standards of Conduct and Employee Performance 2-19.pdf**

77K

**Richard Berg Resignation from ESS.pdf**

77K

Jennifer Bentley <bentleyj@detoig.org>
To: Larry Leib <ljeib@aol.com>
Cc: Mark Wiseberg <markw@essdirect.com>, Larry Leib <ljeib@aol.com>

Wed, Feb 26, 2020 at 3:37 PM

Received, thank you.

Jennifer Bentley, Esq., CIGI
Attorney
City of Detroit-Office of Inspector General
65 Cadillac Square - Suite 3210
Detroit, MI 48226
Office: 313-628-5758
Email: bentleyj@detoig.org

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[Quoted text hidden]

Jennifer Bentley <bentleyj@detoig.org>
To: Larry Leib <ljeib@aol.com>
Cc: Mark Wiseberg <markw@essdirect.com>, Larry Leib <ljeib@aol.com>

Mon, Mar 2, 2020 at 9:52 AM

Good morning. Do you have a signed copy of the resignation letter?

Jennifer Bentley, Esq., CIGI
Attorney
City of Detroit-Office of Inspector General
65 Cadillac Square - Suite 3210
Detroit, MI 48226
Office: 313-628-5758
Email: bentleyj@detoig.org

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On Wed, Feb 26, 2020 at 3:30 PM Larry Leib <ljeib@aol.com> wrote:

[Quoted text hidden]

Jennifer Bentley <bentleyj@detoig.org>
To: Larry Leib <ljeib@aol.com>
Cc: Mark Wiseberg <markw@essdirect.com>, Larry Leib <ljeib@aol.com>

Tue, Mar 3, 2020 at 11:50 AM

Please send the notarized and signed copy of Richard Berg's resignation letter by the end of the day Friday, March 7.

Thank you,

Jennifer Bentley, Esq., CIGI
Attorney
City of Detroit-Office of Inspector General
65 Cadillac Square - Suite 3210

Detroit, MI 48226
Office: 313-628-5758
Email: bentleyj@detoig.org

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[Quoted text hidden]

Jennifer Bentley <bentleyj@detoig.org>
To: Larry Leib <ljleib@aol.com>
Cc: Mark Wiseberg <markw@essdirect.com>, Larry Leib <ljleib@aol.com>

Tue, Mar 3, 2020 at 11:51 AM

CORRECTION: Please send the notarized and signed copy of Richard Berg's resignation letter by the end of the day **Friday, March 6.**

Jennifer Bentley, Esq., CIGI
Attorney
City of Detroit-Office of Inspector General
65 Cadillac Square - Suite 3210
Detroit, MI 48226
Office: 313-628-5758
Email: bentleyj@detoig.org

Follow us on Twitter @DetroitIG

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[Quoted text hidden]

Larry Leib <ljleib@aol.com>
To: bentleyj@detoig.org
Cc: ljleib@aol.com

Fri, Mar 6, 2020 at 11:40 AM

Good morning Ms. Bently:

I have been unable to obtain Mr. Berg's signed resignation letter.

In talking to him at length this week I am aware that he is in the process of resigning from Environmental Specialty Services (ESS) but is in need of some additional time to do so.

As you know from our previous meetings Mr. Berg is currently the main producer for ESS.

In order for him to properly resign and divest from the company the process requires numerous steps be taken in order to keep ESS afloat following his resignation.

While Mr. Berg's father is a fiduciary he is out of town for the winter and not due back until June.

Upon Mr. Berg's resignation, Mr. Berg's brother will be assuming control over the day to day management of the company but requires substantial training to do so.

Up until now he has been a project manager on big jobs but essentially has no leadership experience and no financial knowledge of how the company operates.

Lastly, I was just informed that Mr. Weisberg is no longer with ESS and there is a need of time to shore-up some projects that were under his control.

In order to faithfully resign from ESS so that the company can survive and maintain its 30 year legacy in the industry, would the City of Detroit permit Mr. Berg to sign the resignation letter and have it take effect on August 1, 2020?

We believe this time will permit ESS to put in place a survival plan that will work without major complications to the company or its customers.

I await your favorable reply.

[Quoted text hidden]

Jennifer Bentley <bentleyj@detoig.org>
To: Ellen Ha <hae@detoig.org>

Fri, Mar 6, 2020 at 11:45 AM

Jennifer Bentley, Esq., CIGI
Attorney
City of Detroit-Office of Inspector General
65 Cadillac Square - Suite 3210
Detroit, MI 48226
Office: 313-628-5758
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[Quoted text hidden]

Jennifer Bentley <bentleyj@detoig.org>
To: Ellen Ha <hae@detoig.org>, Kamau Marable <marablek@detoig.org>

Fri, Mar 6, 2020 at 11:45 AM

Jennifer Bentley, Esq., CIGI
Attorney
City of Detroit-Office of Inspector General
65 Cadillac Square - Suite 3210
Detroit, MI 48226
Office: 313-628-5758
Email: bentleyj@detoig.org

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[Quoted text hidden]