# City of Detroit Office of Inspector General

**Debarment Matter** 

OIG Case No. 2016-0071

May 7, 2019



Ellen Ha, ESQ.
INSPECTOR GENERAL

#### CITY OF DETROIT

#### OFFICE OF INSPECTOR GENERAL

### I. Final Recommendation

On March 1, 2019, the Office of Inspector General (OIG) held an administrative hearing for Computech Corporation (Computech). The purpose of the hearing was to provide Computech an opportunity to present evidence, testimony, and any supporting information in response to the OIG's preliminary finding that Computech and Ram Kancharla have not acted as responsible contractors and should each be debarred for twenty (20) years. After reviewing all evidence and conducting an administrative hearing, the OIG's final recommendation is as follows:

- The initial recommendation that Computech be debarred for <u>twenty (20) years</u> be <u>AMENDED</u>.
- The OIG recommends that Compute hbe <u>debarred</u> for <u>ten (10) years with an effective</u> date of September 30, 2016.
- The initial recommendation that Ram Kancharla be debarred for <u>twenty (20) years</u> be <u>SUSTAINED</u>

# 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 \$6,000 from Ram Kancharla, CEO of Computech Corporation (Computech), 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 Computech.

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 Mr. Kancharla and Computech 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. Computech Overview

# a. Company Information

Computech provides information technology (IT) and consulting services to various clients, including software building and staffing.<sup>1</sup> It previously contracted with the City of Detroit to provide technology resources, including staffing, in support of technology related projects for DoIT as well as for other city agencies.<sup>2</sup>

Gregory Cheesewright is the current CEO of Computech. He joined the company in 2006 as the President of Global Operations. On June 23, 2017, he became the CEO.<sup>3</sup> According to Computech's most recent Organization Chart, the Executive Board is comprised as follows:<sup>4</sup>

- CEO- Gregory Cheesewright
- President- Sachin Shriyan
- Executive Vice President- Albert Fields
- Vice President Finance & Operations- Ramesh Tavva
- Vice President Cloud Computing- Pardeep Sidhu
- Vice President Strategic Development- Brian Koehl
- Manager Customer Relations- Claire Phillips

At the time the bribery of Mr. Dodd, Ram Kancharla was the CEO and Mr. Cheesewright was the President of Global Operations for the company. According to Computech's June 22, 2016 Organization Chart the Executive Board was comprised as follows:

- CEO- Ram Kancharla
- President Global Operations- Gregory Cheesewright
- Vice President Strategic Accounts- Sachin Shriyan
- Manager Strategic Accounts- Ayyappa Puranam
- Executive Vice President- Albert Fields
- Vice President Finance & Operations- Ramesh Tavva

#### b. Contract with City of Detroit

The City of Detroit has had various contracts with Computech to provide technical resources to various city agencies to assist with their technology initiatives. Most recently, the City of Detroit entered into Contract No. 2896736 with Computech. It was for Computech to provide technology resources in support of information technology related to projects for the City Information Technology Services Department as well as other city agencies. 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 \$3,775,500.6

<sup>&</sup>lt;sup>1</sup> Transcript of Administrative Hearing at 10, 21, In the Matter of: OIG Case No. 2016-0071 Debarment Matter, dated March 1, 2019.

<sup>&</sup>lt;sup>2</sup> 2014-2016 Technical Resource Contract No. 2896736 between the City of Detroit Information Technology Services Department and Computech Corporation, Exhibit A: Scope of Services, pg. 30.

<sup>&</sup>lt;sup>3</sup> Transcript of Administrative Hearing at 87.

<sup>&</sup>lt;sup>4</sup> Computech Corporation Organization Chart, June 24, 2018.

<sup>&</sup>lt;sup>5</sup> Contract No. 2896736, Exhibit A, Scope of Services, pg. 30.

<sup>&</sup>lt;sup>6</sup> Contract No. 2896736, Article 7. Compensation, 7.01, pg. 10

Shortly after Mr. Dodd's plea agreement, on September 30, 2016, Office of Contracting and Procurement (OCP) Chief Procurement Officer, Boysie Jackson, notified Mr. Kancharla and Computech General Manager Ramesh Tavva that Contract No. 2896736 would not be extended. However, pursuant to Section III of Exhibit A of the contract, "Retention of Contractor's Employees at Termination," OCP exercised its option to retain the employees provided by Computech, who were working with the City at the time.

# 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. 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.<sup>8</sup>

According to Mr. Dodd's Plea Agreement<sup>9</sup> and the Government Sentencing Memorandum,<sup>10</sup> he solicited and accepted cash totaling more than \$8,000 from Computech CEO Ram Kancharla and Computech employee Karthik Aramugum. In exchange for cash payments, Mr. Dodd advised other city officials to select particular personnel from Computech to fill open IT positions. He also recommended that city departments select Computech to implement lucrative technological projects.

#### b. Ram Kancharla

On June 28, 2017, Computech CEO Ram Kancharla pleaded guilty to tampering with documents in violation of 18 U.S.C. §1512(c). On September 10, 2010, a federal grand jury in the United States District Court for the Eastern District of Michigan issued a subpoena to Computech for the production of certain records and documents, including financial records and

<sup>&</sup>lt;sup>7</sup> 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

<sup>&</sup>lt;sup>8</sup> 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 <sup>9</sup> 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).

<sup>&</sup>lt;sup>10</sup> 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).

expense reports, for Computech and for its specific employees. Mr. Kancharla admitted he knowingly authorized Computech employee Karthik Aramugum to alter certain documents responsive to the subpoena. Specifically, Mr. Kancharla authorized the alteration of certain expense reports and calendar entries with corrupt intent. On October 7, 2010, Computech, through its counsel, produced the altered documents in response to the grand jury subpoena. The altered documents were related to the bribery of Mr. Dodd.

#### V. Atlanta

The bribery of Mr. Dodd was not an isolated incident by Computech CEO Ram Kancharla and Computech employee Karthik Aramugum. Prior to the criminal activity occurring in Detroit, both individuals engaged in bribery of an Atlanta public servant. Though the bribery in Atlanta is not related to the bribery in Detroit, the Atlanta incident plays a significant role in the OIG's determination pertaining to debarment. The facts of the bribery in Atlanta is detailed below.

In January 2007, the Atlanta Public Schools (APS) issued a Request for Proposal (RFP) for a data warehousing project. Mr. Kancharla and Mr. Aramugum paid kickbacks to Jerome Oberlton, APS Chief Information Officer (CIO), with the assistance of Mahendra Patel, who acted as an intermediary. The conspiracy was launched in April 2006 when Mr. Oberlton and Mr. Patel traveled to Detroit to meet with Mr. Kancharla and Mr. Aramugum. These individuals devised a scheme whereby Computech would bid on the APS data warehousing project using inflated hourly costs for contractors working on the project. Mr. Oberlton, in his role as CIO, ensured that Computech was awarded the project. Once the project was awarded to Computech and it started to receive funds from APS, Mr. Oberlton and Mr. Patel were paid a percentage of the data warehousing project in a side deal. Mr. Oberlton and Mr. Patel pleaded guilty to their roles in scheme.

# VI. Administrative Hearing

12 Id.

On October 10, 2016, the OIG sent a letter to Computech's attorneys to inform them 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 Computech.

<sup>&</sup>lt;sup>11</sup> Department of Justice, U.S. Attorney's Northern District of Georgia (2016, August 13). Former Consultant Pleads Guilty to His Role in Atlanta Public Schools Kickback Scheme [Press Release]. Retrieved from <a href="https://www.justice.gov/usao-ndga/pr/former-consultant-pleads-guilty-his-role-atlanta-public-schools-kickback-scheme-0">https://www.justice.gov/usao-ndga/pr/former-consultant-pleads-guilty-his-role-atlanta-public-schools-kickback-scheme-0</a>

 <sup>&</sup>lt;sup>13</sup> Transcript of Change of Plea Proceedings at to Mahendra Patel, United States of America v. Mahendra Patel Case
 No. 1:13-cr-00221 (2013 August 16).
 <sup>14</sup> Id.

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 Computech is not a responsible contractor. Therefore, we advised Computech and Mr. Kancharla's attorneys that the OIG is recommending discipline up to and including debarment.

On November 9, 2018, the OIG offered Mr. Kancharla and Computech 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 person affected is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel."

#### a. Ram Kancharla

On November 20, 2018, Mr. Kancharla's attorney sent a letter to the OIG declining the offer to participate in an administrative hearing. However, in considering the period of debarment for Mr. Kancharla, the attorney requested that the OIG consider the following factors in our recommendation of debarment.

- The actions that led to Mr. Kancharla's criminal conviction occurred over eight (8) years ago, with no subsequent violation of the law.
- Mr. Kancharla voluntarily surrendered all positions of authority at Computech, after his cooperation with the government was completed.
- Mr. Kancharla and his family have done many positive things in and for the City of Detroit and its residents.

The OIG considered the factors put forth by Mr. Kancharla's attorney. Upon review and consider his egregious actions, the OIG finds that a twenty (20) year period of debarment is appropriate.

#### b. Computech

On November 20, 2018, Computech's attorneys requested an administrative hearing. The hearing was held on March 1, 2019. Computech was asked to provide the OIG: (1) details of the bribery that occurred in Atlanta including but not limited to Ram Kancharla's and any other employees' involvement as well as the steps Computech took to prevent such conduct in the future; (2) details on any Computech employees terminated due to bribery; (3) information on Ram Kancharla's role as an independent contractor including but not limited to his duties and contract details; (4) information on any other City of Detroit employee or elected official who either participated in or requested bribes from Computech; and (5) details of Mr. Kancharla's cooperation with the federal government including but not limited to what precipitated Computech to "fully and extensively" cooperate in the federal investigation.

Computech CEO Gregory Cheesewright testified on behalf of Computech. On March 6, 2019, OIG sent a request to Computech's attorneys for additional documentation which was discussed at the administrative hearing. Thereafter, in accordance with our request, Computech provided the additional requested information on March 19 and March 28. It is important to note that, at all times during the investigation, Computech was fully cooperative with the OIG.

# VII. 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. There is no statute of limitations on investigations, findings of violation of the debarment policy or the initiation of debarment proceedings. <sup>16</sup>

The OIG's initial findings regarding Computech not being a responsible contractor was based on Ram Kancharla's and Computech's conduct, through Ram Kancharla, in both Atlanta and Detroit. At the administrative hearing, Computech attorney George Donnini stated that "the bribery that you talk about is all pre-2009" and that "we need to obviously look to the past, but in our opinion this proceeding is not about punishing for past behavior, it's about the future and the present responsibility of Computech under new leadership.<sup>17</sup>"

Mr. Donnini is accurate in noting that much of Mr. Kancharla's misconduct occurred several years ago. The bribery in Atlanta was in January 2007 and the bribery involving Mr. Dodd was in 2009. The OIG also now recognizes that the payments made to Mr. Dodd after 2009 were part of Mr. Kancharla's cooperation with the government. While the OIG acknowledges that the actions in question occurred several years ago, it is necessary to note that Mr. Kancharla's cooperation with the government began only after he was caught producing altering documentation in response to a federal grand jury subpoena, a very serious offense involving intentional fraud. Additionally, no one at the City of Detroit was made aware of Mr. Kancharla and Mr. Dodd's actions until October of 2016. Despite our serious concerns regarding Mr. Kancharla and Computech's abilities to act as responsible contractors at the time, the OIG was asked to put our investigation on hold until the federal investigation was completed.

The OIG is in agreement with Mr. Donnini that Mr. Kancharla and Computech's past behavior must be considered with their present and future behavior. The OIG acknowledges and applauds Computech's proactive approach to strengthening its corporate policies and procedures as well as making some leadership changes in an effort to prevent such improper, unethical, and illegal conduct from occurring again. However, based on the evidence presented, the OIG finds

<sup>&</sup>lt;sup>15</sup> Debarment Ordinance, Section 18-11-1. Purpose.

<sup>&</sup>lt;sup>16</sup> Debarment Ordinance, Section 18-11-5(c). Grounds for Debarment.

<sup>&</sup>lt;sup>17</sup> Transcript of Administrative Hearing at 6.

<sup>18</sup> Id. at 8.

that Computech has not done enough to fully alleviate our concerns about their ability to act as responsible contractors.

During the administrative hearing, Computech CEO Gregory Cheesewright stated that what Mr. Kancharla did was contrary to his duties as the CEO as well as the company's policies at the time. Mr. Cheesewright argued that Mr. Kancharla's actions should not be attributed to the company even though he was CEO of Computech during the time the improper, unethical, and illegal conduct occurred.<sup>19</sup>

# Changes in Computech's Company Culture and Leadership

In support of his argument, Mr. Cheesewright described Computech's company culture at the time the bribery occurred. According to Mr. Cheesewright, fostered an atmosphere where people in the company were competing with one another to be Mr. Kancharla's "right-hand man.<sup>20</sup>" individuals "would literally not even like each other" if they knew someone was outperforming them.<sup>21</sup> Mr. Cheesewright explained that individuals were allowed to work in "silos" so employees did not know what was going on within the company.<sup>22</sup> This created a situation where people were in competition with each other to get ahead.<sup>23</sup>

Mr. Cheesewright explained that this culture of "silos" was so pervasive that he knew nothing of the bribery until Mr. Kancharla showed him an organization chart that had Mr. Cheesewright listed as the CEO.<sup>24</sup> Mr. Cheesewright also claimed the people he has "working at the headquarters" and his president had nothing to do with the improper, unethical, and illegal conduct.<sup>25</sup> However, the people working at Computech, especially those in leadership, have remained largely unchanged since the improper conduct occurred.

As the chart below indicates, six (6) individuals who were on the organization chart in 2015 remained in the executive positions in 2018. This includes Gregory Cheesewright and Sachin Shrivan who presumably lead Computech as the CEO and president.

<sup>&</sup>lt;sup>19</sup> *Id.* at 10.

<sup>&</sup>lt;sup>20</sup> *Id.* at 15.

<sup>&</sup>lt;sup>21</sup> *Id.* at 15-16.

<sup>&</sup>lt;sup>22</sup> *Id.* at 17.

<sup>&</sup>lt;sup>23</sup> *Id.* at 21.

<sup>&</sup>lt;sup>24</sup> *Id.* at 45.

<sup>&</sup>lt;sup>25</sup> *Id.* at 51.

Officer	Organization Chart- February 16, 2015	Organization Chart- October 24, 2018	
Chief Executive Officer	Ram Kancharla	Gregory Cheesewright	
President Global Operations	Gregory Cheesewright		
President	Sachin Shriyan	Sachui Shrivan	
Vice President, Finance & Operations	Ramesh Tavva	Ramesh Tavva	
<b>Executive Vice President</b>	Albert Fields	Albert Fields	
Vice President, Banking & Finance	Girish Nair		
Vice President Cloud Computing		Pardeep Sidhu	
Project Manager- Technology Support	Pardeep Sidhu		
Vice President Strategic Development		Brian Koehl	
Business Development Manager	Brian Koehl <sup>26</sup>		
Manager Customer Relations		Claire Phillips	

Mr. Cheesewright indicated that he is working to change the culture of Computech and we have no reason not to believe him based on his testimony and evidence presented to the OIG. He stated he is working to create a more open environment in which employees do not work in silos but, instead, work more cooperatively with each other. However, this process takes time. Many of the individuals who were part of the executive management team under Mr. Kancharla are in the same or similar positions under Mr. Cheesewright. These are the same individuals who worked in "silos" according to Mr. Cheesewright. While a cultural shift may be occurring under Mr. Cheesewright's leadership, the OIG believes that it is not currently in the best interest of the City of Detroit or its citizens to work with a contractor whose leadership is largely the same as when the bribery of public officials occurred.

#### Changes in Computech's Ownership

In addition to few changes being made to the leadership of Computech, the ownership of Computech remains largely unchanged. Therefore, those who benefited from Mr. Kancharla's bribery of public officials could continue to benefit from any contracts awarded by the City of Detroit. The ownership of Computech during the time the improper, unethical, and illegal conduct occurred versus how it exists today is detailed below:

<sup>26</sup> These individuals were on the February 16, 2015 organization chart but were not listed at the executive members. However, the October 24, 2018 has these employees listed as executive members.

Shareholder Name	Original Percentage Owned	Current Percentage Owned	
Mrs. Ramadevi Davarapalli	36.10%	36.10%	
Mrs. Sreevani Kancharla <sup>27</sup>	19.30%	24.93%	
Trust for Mr. Sunil Kancharla	12.47%	12.47%	
Trust for Mr. Sai Krishna Kancharla	12.47%	12.47%	
Mr. Venkat Davarapalli	8.75%	8.75%	
Mr. Ram Kancharla	5.63%	0.00%	
Trust for Ms. Nidhi Sri Davarapalli	2.51%	2.51%	
Trust for Ms. Nitya Sri Davarapalli	2.51%	2.51%	
Mr. Srini Donepudi	0.27%	0.27%	
Total	100%	100%	

On January 1, 2017, Mr. Kancharla divested his ownership interest in Computech to his wife, Sreevani Kancharla. As to his children, Sunil Kancharla and Sai Krishna Kancharla, their shares remain unchanged. On March 31, 2017, Mr. Kancharla resigned from his management positions at Computech.

Despite Mr. Kancharla relinquishing his management positions and transferring his shares, the evidence suggests Mr. Kancharla continued to work for Computech since the bribery allegations came to light in October 2017. Moreover, Mr. Kancharla's wife and children continue to hold just short of 50% (49.87% to be exact) of Computech's ownership.

Mrs. Kancharla also sits on the Board which consists of the same individuals who have ownership interest in Computech.<sup>28</sup> Mr. Cheesewright stated during the administrative hearing that owners do not make any business decisions. However, they receive profits at the end of the year.<sup>29</sup> Therefore, Mr. Kancharla, through his wife, continues to benefit from the success of Computech.

#### **Computech's Board of Directors**

On March 26, 2019, the Board passed the Computech Corporation Written Consent Resolutions of the Board of Directors which

resolved that the net profit realized by the corporation during any calendar year from any contract awarded to the corporation by Detroit over the next five (5) years shall be segregated from funds otherwise available for distribution to the stockholders of the corporation, and shall be used to fund bonuses to be paid to the

<sup>&</sup>lt;sup>27</sup> The January 1, 2017 assignment of Mr. Kancharla's shares to his wife has her name spelled as "Sreevani." However, Computech Corporation Ownership Information provided by Computech's attorneys to the OIG has her name spelled as "Srivani."

<sup>&</sup>lt;sup>28</sup> Transcript of Administrative Hearing at 107.

<sup>&</sup>lt;sup>29</sup> Id. at 112.

persons holding (as of December 31 of such calendar year) the following officer positions in the corporation in the percentages indicated opposite their positions, such bonuses to be paid annually within sixty days of such calendar year-end with respect to net profit from Detroit contracts, if any, realized in such calendar year:

Officer	Percentage of Net Profit
Chief Executive Officer	25%
President	25%
Vice President, Finance & Operations	25%
Vice President, Cloud Computing	12.5%
Vice President, Strategic Development	12.5%

This arose out of a concern that the net profits from any such contract not inure to the benefits of Ram Kancharla, a former shareholder of the Corporation, indirectly through shares held by any current shareholder.

The resolution shall cease to be of any further force or effect upon the consummation of any transaction during the next five (5) years as a results of which Ram Kancharla cease to be the direct or indirect beneficiary of any potential Detroit contracts.

The OIG recognizes Computech's attempt to limit any benefits derived from contracts with the City of Detroit to Mr. Kancharla. However, this resolution does not go far enough. The OIG proposed a twenty (20) year debarment for Computech and Mr. Kancharla based on the guidelines of the Debarment Ordinance. Section 18-11-12 of the Debarment Ordinance states that any conviction incident to a contract with the City of Detroit, including bribery, is subject to a twenty (20) year debarment. However, the resolution only contemplates the next five (5) years which the OIG finds is an inadequate solution. Because of the harm Mr. Kancharla's actions caused the City of Detroit as well as the harm it caused to the citizens' trust in the honesty and integrity of government contracting, the OIG finds that Computech is not a responsible contractor with whom the City of Detroit should be doing business with at this time.

#### Mr. Kancharla's Continued Employment with Computech

On June 28, 2017, Computech CEO Ram Kancharla pleaded guilty to tampering with documents. It is also undisputed that he participated in the bribery of public officials in Detroit and Atlanta. Despite the seriousness of Mr. Kancharla's actions and the harm it caused to Computech and its employees, Mr. Kancharla was hired by the company to work as an independent contractor.

During the administrative hearing, Mr. Cheesewright admitted Mr. Kancharla became an independent contractor after he resigned. It was also at this time that Mr. Cheesewright became

CEO.<sup>30</sup> Mr. Kancharla's *Offer for Independent Contractor Services* states that it "is with great pleasure that we offer you this offer from Computech Corporation, seeking your services as an independent contractor." He was contracted as the Project Manager/ Software Architect for the Vision Insurance Management Services project. The contract was for a term of nine (9) months and his compensation was \$90,000. Mr. Kancharla's job as an independent contractor ended in August 2018.<sup>31</sup> Currently, he is not employed with Computech in any capacity.

Mr. Kancharla engaged in illegal behavior that damaged Computech's reputation, negatively impacted Computech's employees, and called into question the company's ability to act as a responsible contractor. Computech had an opportunity to end its working relationship with Mr. Kancharla to send a message to all employees that such actions will not be tolerated. Instead, the company continued its relationship with Mr. Kancharla. This calls into question Computech's commitment to act as a responsible contractor and its willingness to do whatever is necessary to ensure such actions do not occur in the future.

On March 18, 2019, Mr. Cheesewright submitted an affidavit to the OIG. It stated, in part, that

As CEO of Computech, I have no present intention of hiring Mr. Kancharla as a W-2 employee or engaging Mr. Kancharla as an independent contractor... I hereby declare and undertake that so long as I remain in my current position, and in my official capacity, Computech will neither hire Mr. Kancharla as an employee nor engage him as an independent contractor in the future on any specific projects.

This affidavit was submitted to the OIG only after we raised concerns about Mr. Kancharla's potential future involvement with Computech. In a previous affidavit dated October 15, 2018, Mr. Cheesewright stated

In 2017, Mr. Ram Kancharla resigned from Computech. Since that time, Mr. Kancharla's role with the company has been limited to writing code on an independent contractor basis on one project. His work on that project is complete, however he may be called to perform similar work on an as needed basis.

Computech fired Mr. Aramugum for his role in the bribery. Yet the company continued to do business with Mr. Kancharla, the individual who approved the payments for the bribery and then gave orders to alter documentation to cover it up. Therefore, the OIG simply cannot recommend that the City of Detroit does business with a contractor who seemed reluctant to distance itself from someone who engaged in illegal conduct because he was able to perform a task beneficial to the company.

-

<sup>30</sup> Id. at 87.

<sup>&</sup>lt;sup>31</sup> Id. at 116.

# Remedial Actions Taken By Computech

Nevertheless, because Computech has taken some remedial actions on its own to prevent future wrongdoing and because we want to encourage the wrongdoers to change and to correct their paths, we do not recommend the maximum debarment of twenty (20) years in this instance. Computech has fully cooperated with the OIG investigation and has provided the OIG with evidence that it has taken steps on its own to institute new policies and procedures aimed at preventing improper, unethical, and illegal conduct from occurring in the future.

Mr. Cheesewright proactively updated the company's *Employee Handbook*, including how expenses are reimbursed.<sup>32</sup> Based on the handbook, two (2) members of the Executive Board must independently review reimbursement requests. Receipts and documentation must be submitted to substantiate all requests for approval.<sup>33</sup> An *Ethics Policy Addendum* was also completed, effective April 2018.<sup>34</sup> Further, Computech conducts annual compliance training so all employees are aware of the company's policies and procedures.<sup>35</sup> Finally, Computech no longer has a bonus structure for certain employees involved with the company's public sector business.<sup>36</sup>

For these reasons, the OIG finds that a period of ten (10) years is an appropriate length of debarment.

#### VIII. Conclusion

Based on the evidence above, the OIG finds that Computech is not a responsible contractor. Mr. Kancharla and Mr. Aramugum have engaged in improper, unethical, and illegal conduct in the City of Detroit contracting process at the expense of the citizens of Detroit. Documentation and testimony provided on behalf of Computech suggests that the company's culture contributed to these actions. Though Computech has started to take steps to prevent this from occurring in the future, more needs to be done.

Computech has argued that the company has made it a priority to help residents in the City of Detroit and is a significant contributor to the city's economy and therefore should not be debarred.<sup>37</sup> The OIG does not dispute that Computech's achievements towards making the City a better place, such as buying and rehabilitating old buildings in Detroit; working with the churches in the City, Wayne State University, and Detroit Historical Museum; and hiring Detroit residents. However, Computech's conduct under Mr. Kancharla's leadership and its continued ties to Mr. Kancharla, however minimal, cannot easily be dismissed. Every action a contractor takes or does not take has consequences and every contractor must be held accountable for their actions.

<sup>&</sup>lt;sup>32</sup> This process began on June 23, 2017 and was finalized in January 2018.

<sup>&</sup>lt;sup>33</sup> Transcript of Administrative Hearing at 101-104.

<sup>&</sup>lt;sup>34</sup> *Id.* at 100

<sup>35</sup> Id. at 94.

<sup>36</sup> Id. at 97.

<sup>&</sup>lt;sup>37</sup> Butzel Long Letter re: Computech Corporation's Response to Notice of Proposed Debarment Proceedings and Request for Hearing, dated October 15, 2018.

Computech has also expressed concern about the impact being debarred from the City of Detroit would have on their current and future business.<sup>38</sup> The OIG is very cognizant of the serious nature of debarment and the consequences it may have on a company. However, 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. Computech has changed their policies and procedures in an attempt to prevent future issues. However, the company did not act decisively against Mr. Kancharla but instead allowed him to continue to work for Computech. Based on these reasons, the OIG finds that Computech should be debarred from contracting and subcontracting with the City of Detroit for a period of ten (10) years.

Page 13 of 13

<sup>&</sup>lt;sup>38</sup> Transcript of Administrative Hearing at 58.

# CITY OF DETROIT OFFICE OF THE INSPECTOR GENERAL

In the Matter of:

OIG Case No. 2016-0071 Debarment Matter

The Proceedings had and testimony taken in the above-entitled matter before me, Diane L. Szach, CSR-3170, a Notary Public, within and for the County of Oakland, acting in Wayne County, State of Michigan, at 65 Cadillac Square, Suite 3210, Detroit, Michigan, on Friday, March 1, 2019 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, Esq.)

Appearing on behalf of OIG.

BUTZEL LONG
150 West Jefferson, Suite 100
Detroit, Michigan 48226
(By George B. Donnini, Esq. and David F. DuMouchel, Esq.)

Appearing on behalf of Computech.

# ALSO PRESENT:

Gregory Cheesewright

# OIG Hearing 3/1/2019

			Page 2
1		EXHIBITS	
2	EXHIBIT	IDENTIFICATION	PAGE
3	A	Kirby Building and Construction Cost	28
4	В	8435 Woodward Outflow Statement	32
5	С	Computech Revenue by Customer	54
6	D	8501 Woodward Outflow Statement	62
7	E	Property map	64
8	F	WSU 6C Program Employees and	
9		Cool College Coder Challenger	66
10	G	City of Detroit Revenue by Year	71
11	Н	City of Detroit Outstanding Statement	71
12	I	Press release	85
13	J	Handbook Receipt and Acknowledgment	99
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			

Page 3 Detroit, Michigan 1 2 March 1, 2019 3 10:00 a.m. 4 5 Today being March 1st, 2019, we MS. HA: 6 are having an administrative hearing for OIG file 2016-CC-0071. We are holding this hearing pursuant to 7 the request made by Computech in accordance with 8 Section 7.5-311 of the 2012 Charter of Detroit and 9 10 pursuant to notices sent to Computech attorneys on November 9th and 21st, 2018 via first class mail, and 11 12 on January 14, 2019 via email. The record should further reflect that 13 14 Mr. Ram Kancharla through his attorney Andrew Friedman 15 of Shulman Rogers has declined to participate in the 16 hearing. 17 While the OIG's investigation was opened in 2016, the investigation was placed on hold due to the 18 19 ongoing federal investigations pertaining to Ram 20 Kancharla and now the former IT director, Charles

Now that the federal investigation has

concluded and Mr. Dodd has been sentenced, the City of

Detroit Office of the Inspector General has reopened

21

22

23

Page 4

the investigation and have found that Ram Kancharla, then CEO of Computech, was engaged in bribery in Atlanta, Georgia with the Atlanta Public Schools, and here in Detroit, Michigan with Charles Dodd.

Therefore it is the finding of the City of Detroit Office of Inspector General that Computech is not a responsible contractor with whom the city should conduct business.

The purpose of this hearing is to permit

Computech an opportunity to present testimony,

evidence, and any supporting information and documents

in response to the OIG's initial findings that

Computech has not acted as a responsible contractor.

So that the record is clear, our office, the Office of

Inspector General, is charged under the charter to

ensure that the city conducts its business with

honesty and integrity including with whom the city

conducts its business. And the City of Detroit

debarment ordinance requires that the OIG act as the

city's chief investigator to ensure that the city

conducts business with only responsible contractors.

And to remind everyone in the room, this hearing is not an adversarial process, and as such

Page 5 1 will be heard in the manner pursuant to the OIG's 2 administrative rules, a copy of which was provided to 3 the attorneys for Computech prior to today's hearing. 4 This hearing is not for our office to present our 5 evidence or witnesses against Computech. This hearing 6 is for Computech to provide our office with testimony or evidence which would prove, one, that our findings 7 against Computech are incorrect or inaccurate; and 8 9 that contrary to our initial finding, Computech is a 10 responsible contractor. 11 So for appearances, my name is Ellen, and 12 the last name is Ha, H-a. I'm the Inspector General for the City of Detroit. 13 14 MS. BENTLEY: Jennifer Bentley, attorney 15 for the Inspector General. 16 MR. MARABLE: Kamau Marable, Deputy 17 Inspector General. David DuMouchel. 18 MR. DUMOUCHEL: I'm here on behalf of Computech. 19 20 MR. CHEESEWRIGHT: I'm Greg Cheesewright, 21 CEO of Computech Corporation. 22 MR. DONNINI: And George Donnini with

Butzel Long also on behalf of Computech.

23

Page 6

MS. HA: So you can start with an opening or statement or --

MR. DONNINI: Okay. Well, thank you for the opportunity, and we're going to have Mr.

Cheesewright do the lion's share of this, but let me go ahead and try to give somewhat of a preview of that.

So I saw -- I heard what you just said, the initial findings are that Computech is not a responsible contractor due to Ram Kancharla's conduct both in Atlanta and in Detroit. So the first thing I would like to state is we need to obviously look to the past, but in our opinion this proceeding is not about punishing for past behavior, it's about the future and the present responsibility of Computech under new leadership.

As I believe you all are aware, Computech has already gone through Department of Justice debarment proceedings for essentially the same conduct or misconduct in place, and we provided the decision by the Department of Justice with respect to those debarment proceedings, and that's in connection with our October 15th written submission, which obviously

Page 7

is part of this, it should be adopted as part of this record, and the 22 exhibits that were submitted, I know you all have been through that.

There has been communications since then,
but I would point you to Exhibit 21, and just to kind
of start things off, their decision, Mr. Michael
Allen, who is the debarment official within the
Department of Justice, his conclusion was that, quote,
"I do not believe that debarment of Computech is
necessary." And another is, "That debarment is
discretionary to be imposed only in the public
interest or the government's protection and not for
the purposes of punishment."

I'd also point out that while Mr. Kancharla is not here and we don't represent Mr. Kancharla with these proceedings, you identified Shulman Rogers as representing him. Exhibit 22 in our submission is the response by the Department of Justice with respect to Ram Kancharla himself, and in that -- for that decision, even though Mr. Kancharla, and we'll get into this to some extent, pleaded guilty here in Federal Court in Detroit, they chose not to debar him for -- and they were aware of the information that is

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 8

before you with respect to these proceedings. And I'll just quote from Exhibit 22 as well. He states in his letter to Mr. Kancharla, "Indeed to date I do not believe that the Department of Justice has exercised its discretion not to debar a contractor convicted of a criminal offense," and it goes on beyond that.

So I would like that to set the stage that we've been through a similar process with the federal government, and the federal government has made a decision not only to not debar Computech, which I think would be obviously the appropriate decision here by the City of Detroit, but it even took the action of not debarring Mr. Kancharla. And I guess the guestion I mean, they're not here, they're not a part of these proceedings, but I think that a couple of things come out, and that is that, one, the bribery that you talk about all is pre-2009. So we're talking about over a decade ago. The misconduct in Atlanta was in 2007, January of 2007, and anything with respect to Mr. Dodd happened in 2009, and that was an employee by the name of Karthik, Mr. Cheesewright can talk to some extent about that, but this was conduct that happened in 2009.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 9

Now, if we look at the fee agreement by Mr. Dodd, and that was response Exhibit Number 11, and if we go to Page 6 of that document, this is the Rule 11 Plea Agreement, United States versus Charles Dodd, Case Number 16-CR-20629. Paragraph 10 is what I just referenced is the -- would be the 2009 event, again over a decade ago. Paragraph 11, those are payments that Mr. Dodd was -- pled quilty to for payments -accepting cash payments totaling \$8,500. However, those were payments made at the behest and at the instruction of the United States of America. part of Mr. Kancharla's cooperation. They were controlled payments. They were orchestrated by the FBI to essentially catch Mr. Dodd committing misconduct. There was no misconduct on behalf of Mr. Kancharla with respect to those payments. He was operating and acting at the instruction of the government as part of his five-year period of cooperation with the Department of Justice from on or about 2012 until about 2017.

Importantly, and Mr. Cheesewright will give his background, but importantly you should know that as I said these payments were over a decade ago, 10

Page 10

and 12 years ago. Mr. Cheesewright arrived and joined Computech in 2006. So he had only been with the company for one year with respect to Atlanta and then three with respect -- and had no knowledge whatsoever about any this, and he'll tell you that directly. And now he is the CEO, and again we'll let him -- I don't want to steal his thunder, but he'll tell you about that.

So, you know, we would ask that the OIG consider that really what Mr. Kancharla did was contrary to the company's policies, contrary to his duties to the company, and obviously violated federal law because he pled guilty and was convicted of that. So those really should not be attributed to the company even though he was in the position that he was, and we would ask you to consider that on behalf of the company as you make your decisions.

We understand the initial findings I suppose, although we had hoped what we had submitted in writing back in October would have swayed those findings even albeit initial, but we strongly believe that as Computech sits today, it is absolutely a responsible contractor that could -- should be able to

Page 11

bid on and perform City of Detroit contracts.

MS. HA: Thank you. Did you want to start with Mr. Cheesewright?

MR. DONNINI: Sure.

MR. CHEESEWRIGHT: Greg Cheesewright, CEO of the Computech Corporation as I stated. Do you want a little bit on me? I came to the company in 2006. I was the vice president of corporate services for the Michigan Minority Business Development Council at the time, MMBDC, which is now MMSDC, Michigan Minority Supplier Development Council. I was there in charge of corporate services, which was Ford, GM, Chrysler all of these companies. I was the one hopefully taking minority businesses inside the Michigan council, trying to get them together and find out what they were best at.

You know, going into a corporation, a corporation may ask me, hey, we need someone that does, you know, widgets, and are they minority owned, do you have a company that can do this, are they substantial, and we would put the companies together so we could get minority background, and that is what I did.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 12

So at the time Computech Corporation was a member of the MMSDC. And if I keep saying MMSDC, that's just what it is today, I just got used to it. So in turn I was doing -- trying to help them get more business like I do with every minority company that's in there. At the time I think there was over honestly maybe 700 -- I'm sorry, 700 corporate members, and there must have been close to maybe 14 or 1500 minority members. Those numbers have really moved down the back end of that scale now. And that was my job. And so I used to go out and go see the corporates on a regular basis, the what we call supplier diversity officials, and I would take minority companies and go look at their companies and see if there was a fit, right, and that's what I would do.

So I got -- at that point in 2006 I was dealing with Computech, and they were asking me a lot of questions, and at one point I finally said, hey, look, you're asking me so many questions, if you want me to do all this, put an offer sheet together, which they did. And at that time I had no intentions of moving or shifting companies. To be quite honest with

Page 13

you, I'll admit this to you, I don't even know if I could spell IT, okay. I mean, that's how ignorant I was to the IT world, okay. That's just what I was.

So in essence when I got there, it was my job and duties, they were going to make me president of global operations, was to tie in the corporates, let's get someone that knows the background of supplier diversity, what they're looking for, how it's supposed to be done, up our ante, what are we missing once you get internally. So I got there and I started doing that.

I brought on companies. Today I think our biggest supplier is Toyota, and I brought that company in. I brought in NCR. I brought in Kelly Services, which incorporates another 25 or 30 other major corporations inside of Kelly. That's what I do, okay, and I've done that to this day.

One thing I do want to let you know -- and if I go off on tangents, I'm sorry, because my brain is going to go a mile a minute. I have really -- the day I stepped onto this job, I've been devoted to what I do. One thing I was introduced to, and it's very different, I was introduced to Indian culture. When I

Page 14

walked in that office, I'm going to be very honest with you, I'm the only white guy there at the time, and when you say it's an Indian-owned company, it's an Indian-owned company. So at lunch time everybody brought meals and it was like a big buffet. We all shared. Everyone had a meal, and you took a piece of it, right. So I'm eating Indian food and doing all this and trying it. It's a very different culture. Even at that time I don't remember there being maybe one woman, two women maybe in an office of 30. So it was different, and I had to learn. I didn't know anybody's name. You could have told me your name 50 times, and when you've got a name like Ramesh Tavva or, you know, all of these names, it was just -- so it -- you go through this structure.

One thing I did learn, though, it's a very different -- if you're Indian, it's a very different way of life. I had spoken to people that were there, they're still in arranged marriages. So whether you know that or not, even though you have a guy that could be 25 years old, he'll have an arranged marriage. So things are changing.

We did have somebody in the company still

Page 15

to this day who I mentored and is the president of our company today, only got back with his parents three or four years ago because he met a girl in college in India and married her. He was shunned, just you're done. And they finally got back, I think things are changing, mom and dads are changing. It's changing there, but I just want you to understand that in the Indian lifestyle from what I see, the problem I had was it was very man-orientated, men were everything. Women were second-class citizens, okay, and that was apparent.

The other thing is there is a hierarchy amongst the people, how they work themselves. And I would see things like for example with RK being the CEO, there are people in the company that would love to be his right-hand man.

MS. BENTLEY: And just for the record, when you say RK, will you say who you mean?

MR. CHEESEWRIGHT: Oh, I'm sorry. Ram

Kancharla. When Ram Kancharla was CEO, there were

people in that company that wanted to be the

right-hand man. And whether they would talk to it or

say it, the sales people, whoever the guys were, their

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 16

own -- they would literally not even like each other, because in their minds they knew this guy was doing more business, you know, per money-wise than I was, and that means he's first in line, you know what I'm saying.

There is a -- and you have to understand in India, and I'm giving you this background so you understand, because you'll see what I've done in the company now to change things, is these individuals want to gain this acceptance. In the Indian culture children might play as a sport cricket and soccer if you're male. Females aren't doing any of that, okay. So you're not going outside and seeing females, they're not doing that. And what I'm getting at is they go to school from 6:00 in the morning until 9:00 at night, I don't care if you're in kindergarten, I don't care if you're going to go to college, I don't care if you're in high school, your job from the time you can go to school or if not before until you turn 18 or graduate college is you go to school and you And if you look at the people in the IT area, learn. what is it, it's inundated with Indian companies, and people are in that sort of time frame. When you go to

Page 17

after-school programs like Kumon and all these other places, the Indian people send their kids there to learn more. So they might be in fourth grade, but they're taking ninth grade math. They're there to learn. It's not because you're failing. That's what we thought these schools were for, you're not doing well in school. No, they're sent there to do more.

And the one thing that I did learn from looking back on this, I don't know a lot about what went on, I know there is bad things that happened, but I can guarantee you what I've learned from all this is this will never, ever happen ever again under my command. From the top down when you see what I've put into place, this will never happen, because you're looking at individuals in the company that worked in silos and that was allowed. So if you had one individual, whatever he did, he kept to himself. No one really knew what was going on.

We knew maybe a couple of companies they had or that individual was working in the City of Detroit, but it was never shared. It wasn't a big sharing spot. We knew that another individual may have been working with companies in New Jersey or

Page 18

South Carolina and what they did, but not a lot of sharing, silos. And if you know anything about business, maybe one of the worst things you can have inside a company is silos, because things go on that nobody -- only that individual or maybe another individual will have any sort of knowledge about. And that's not the way to do business.

And not even my companies, because I'm coming from the Michigan Minority Supplier Development Council, well, we sit down on a regular basis. An African-American leader who is dead there now, Delbert Gray, an awesome, awesome man, myself, we would have people that we get to keep for two years on the board coming in from General Motors and other large companies to help mentor everybody on this council and how we like a melting pot, all the different ideas that you bring in, they're good to hear. And that's what you want. I want to hear other ideas, because if you keep hearing one idea or one tone of an idea, you start to believe that's the only idea. And that's what we found out.

And I found out that through that -- we never had this when I first got there. When I first

Page 19

got there, I was in charge of having what we call a weekly meeting every Monday morning 9:00. Well, I got there the first time, it was like 1:00 in the afternoon and I'm still going through this meeting, it's four hours. It wasn't even the first week I said time out, this isn't going to work, because everyone would be in this, and you would stand up and tell me what you're doing.

It was like a children's kindergarten session when you have what do we call it, bring and brag, you know, when you bring something to tell about it, show and tell. It got ridiculous. I said this is getting -- okay, you said you looked and talked to these companies, great. The next person would stand up, oh, I contacted this company. Great. And it just got to the point where they were useless. I stopped them. No more meetings, no more meetings. We're going to talk to each other and we're going to talk to each other on a basis so we know what is going on. This bring and brag session is getting me nowhere. Four hours of people walking in and out of the room, because they've got business to do, it was ridiculous and it had to stop.

Page 20

But it became more of what I did in my office. I had a huge white board on the wall, and I had numbers up here of all the companies that I contacted. Little did I know when I left at 6:30, 7:00 at night, these guys would walk in my office real quick and look and they'd see all the companies and they would -- he contacted this, you know what I'm saying? Now all of a sudden this was -- no one had ever done anything like this, and we're looking at 60, 70 companies that we have meetings with the first meeting.

See, nobody had done this. No one had shared a thought process. So you ended up getting what I call in the Indian culture a silo, and this is how they work. They work by themselves. They really don't want to care -- they don't want anyone to know, and they want to become, and I'm telling you in this instance with this individual Karthik, a silo. He only wanted to be the number one person inside that company, that was his goal. He knew he was not the number one person inside that there was somebody else who was doing more business than him, and the two of them did not like each other.

Page 21

They were in competition with each other, but they worked in the same company, and it's a terrible thing but that's what happened. That's what I saw.

MR. DONNINI: So before we get into the changes you've implemented, let's just take kind of a step back. You said you didn't know how to spell IT before you got there. Obviously now you do. Tell us -- just briefly tell us about Computech and what it does, IT, IT staffing, tell us.

MR. CHEESEWRIGHT: Just to make it real quick so you don't get bored with it, IT software. We're a software builder. We also do staffing. I would say when I got there it may have been, oh, let's just say it was 40/60, 40 percent projects, 60 percent staffing. Now at one point we turned it around so it was more project work than staffing. And what ends up happening is when you do a project, which might be something like they'll ask you project work, we have a bunch of applications in our system, we don't know if they work, we don't know when they were written, we don't even know if they're still applicable to what is going on in our company, and you have all of these little things that people have made up. So when you

Page 22

were to touch your phone, every time you touch your phone and you hit a button, we're capable of doing that. So someone has to write code to make that work. We're capable of doing that to make it that easy.

Then there is also people like in the City of Detroit and other places, they say we've got four people in the department that we need to be able to help us do things. We put those individuals there, they work for you, but they're paid through our company, right, so you don't have all the big hoopla that goes along with it, whether it be healthcare and all the rest of it, right.

So those are in a nutshell IT software company, that's what we do. We also do payroll services now, which is a big piece that we never did before. So we do payroll services on a large basis now for Kelly Services. And I think that's the gist, that's the gist of what Computech is about.

We have now brought on our own software where we have a software called Pinpoint. What Pinpoint does is if you're looking for somebody, we have people what we call in the stable or we know when their last job is ending, where they've been, what

Page 23

they're best at. So if you ask for someone, we can go into where some IT companies say, oh, we've got 10,000,000 people to choose from. I don't. I've got about 2500, but I have 10,000,000 if you let me use Google Site and all those which they count, but I have 2500, 3,000 people that I've vetted. I know where they are, I know what their requirements are, I know when they can start a job, I already know where they've worked, and they already told me I want to work for you, because we've given them good jobs. So we have Pinpoint, we know where people are. It's a recurring piece that goes on and on and on.

The other thing we have now that we just implemented and five major corporations have taken it, it's called a Tier 1-Tier 2 reporting system. So your major corporations out here that deal with a company like us, with Toyota we're the tier 1, and then they want to know that whatever Toyota believes to be their theory on minority companies, what are you doing to use minority companies, and that's a big push what we do, big, big push. The reason I get at that, so I don't forget it, is in the City of Detroit when we were here, we're still here, but I mean when we were

Page 24

active, we had almost like a 69 percent Detroit-based people we used on our site jobs here in the city. The city itself was barely at 49 or 49 to 51 percent. We were like at almost 70 percent of what we did were local Detroit people. So we really pushed to use local people when we could. Now, of course there is going to be some jobs we just couldn't, couldn't find them and we had a time frame. So I'm letting you know it was a big thing for us to use local people, and it is a big thing for us to use what we do locally here in the city and in the State of Michigan.

MR. DONNINI: So when you joined the company in 2006, the headquarters was in Farmington Hills, right?

MR. CHEESEWRIGHT: Bingham Farms.

MR. DONNINI: Bingham Farms, excuse me.

And tell us about the decision to move to the City of

Detroit.

MR. CHEESEWRIGHT: So we're in Bingham

Farms. It was maybe selfish on my behalf, but I was

traveling 34 miles in the morning, and during the

wintertime there was a few days it took 4 1/2 hours to

get into Twelve Mile out in Bingham Farms.

Page 25

Anyhow, because we were in the City of the Detroit, I looked at it, and we wanted to move here. I was with the MMSDC, I knew what companies were down here, and I decided at the time I said to Ram Kancharla, you know, we're out here in the suburbs and we really should be in the city. I said I really believe we can make a great inroad. And he kind of looked at me, and he goes really? I go, yeah, I know we can. You know, I came from the Fisher Building where my office was at that time. I go, you know, I believe in the city, and when I tell you I believe in this city, well, I won't -- I'll tell you this in a minute.

I grew up in Toronto as a Canadian. I've been in love with the City of Detroit since I was, I don't know, two, three that I can remember. I've been a Detroit Red Wings fan since the day I was born. Ridiculed all my life in Toronto for being that fan, ridiculed. I mean, in classrooms you talk about bullying. I was bullied. If you want to call it that, I was bullied when they would do -- I don't know, I'm going to be 60 here March 17th, and the bottom line is when you had current events, one row

Page 26

brought sports, one row brought financial, you know, we had to give the current events. Well, whenever the Maple Leafs played the Red Wings, I know someone always read and would mention my name, the Wings lost again, right. So it was always a big thing, and -- but, again, I have a tattoo on my leg of the Red Wings signed by Gordie Howe. My whole basement is Gordie Howe.

MS. HA: My son would love it.

MR. CHEESEWRIGHT: Okay. So my whole being has been around the City of Detroit. Okay.

MR. DONNINI: Tell us about your citizenship.

MR. CHEESEWRIGHT: So then, you know, I had waited so long, and back when I was here in -- I came to school here and never went back. I came here in '78 and never went back. I've been here ever since on a green card. And then three buddies came with me who went to school with me, and they all stayed here as well, because they came to see me at college on the weekends all the time, and finally got married, stayed here. And then finally I decided this past June, I became an American citizen. I should have gotten it

Page 27

done faster, but now I can have a dual citizenship as opposed to giving up one over the other. So I think about 8 years ago they came up with you can have dual. So once that happened, I just -- you know, you get lazy, I'm busy. To make a long story short, I became an American citizen. One of the proudest days I've ever had down here.

So we decided to come out of Bingham Farms and come to the city based upon the fact it was my idea, because I believed in the City of Detroit. I thought we can come down here and make an impact, I did. And Ram Kancharla said to me, well, if you think so, go start looking. So I came to the City of Detroit, and I said to the people in the city and the real estate, show me buildings that you own so we can buy it from the city, we'll put our money back into the city, show me what you've got. And I'll be honest with you, I went through 40 or 50 buildings, okay.

At the time my wife's company was J. Walter Thompson over here in the 500 Building and in this building. My wife at the time knew about this building, I've been up and down this. I know places in here you've never even been to or seen. I've been

to the bank building on the corner across from

Lafayette and American Coney Island to go up and down
those buildings. I've been in 40 or 50 buildings.

I've been up and down, can we do this. To make a long
story short, we fixed on a building actually across
from the DIA, the old Children's Museum, that's what I
wanted, and then we fixed on a house on the corner of
Cass and Kirby that was rundown and decrepit, and
those were the two that we fixed on.

We didn't get the house -- go ahead.

MR. DONNINI: So let me give this to you.

We'll mark that as Exhibit A.

(Exhibit A was marked

for identification.)

MR. DONNINI: Why don't we talk briefly about the expenses associated with the --

MR. CHEESEWRIGHT: So we came to a house that was owned -- we had two houses in mind, and the one we ended up getting is because somebody at Wayne State University came in and they said they were promised the house that we had been on and given them full price, and we got it taken away, which is fine, and we just kept -- we were going to buy two, and we

got the one.

So we got this house on the corner of Cass and Kirby directly beside the Detroit Historical Museum. It's the old Packard Car mansion. It was decrepit, it was rundown, and I mean I'll be honest with you, they were storing the old Tiger seats in there, because that's what -- the historical museum needed some place on the first floor. When we went up into the roof area, there was a hole and pigeons getting in, I'm sure that picture may or may not be in there in some of the pictures.

MR. DONNINI: Yes, if you want, there were before and after pictures in the response Exhibit 6.

MR. CHEESEWRIGHT: We went up there, and I will not lie to you, three and a half foot of pigeon shit through the roof on the floor laying there. And, I mean, it had been there for ten years it looked like. So it was just a building being rundown, decrepit. And I kind of looked at it, and again, you've got to have vision for these things, what you see the future to be, and I said, look, I think this is going to be it. I think we can do something with this.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 30

So to make a long story short, as you can see by this, I literally myself for two years worked in that building and we gutted it, and I gutted it down to the studs. So there was nothing in that building but wooden studs, and if I tell you it's a 2 by 4, it is 2 inches by 4 inches rough cut. house was built back in 1897 by something and Rice. Anyhow, they are the company that founded, and I've forgotten his name, the great architect here in Detroit with half the buildings, he did the butterfly place, he did the Whiskey -- the Wiser Whiskey place over in Windsor. He's a great architect here in Detroit. Anyhow, he did the -- I'll remember -- but Little Rock Baptist Church. He's done a lot of them here. He's the most famous guy who -- these guys brought him along as their mentor, okay.

So this house was built for James Joy who owned the Packard Car mansion. We came in and took it down to the studs, new roof. Had to put in 96 new windows, and then halfway through, bang, what ended up happening, they deemed us historical. So not only that, we had to go back to square one, and then all the windows had to be wood, they could not be any sort

of vinyl, it had to be this thickness, it had to come in -- we couldn't take the frames off. We had to take honestly a hundred years of paint off a frame. Don't break it because you can replace it. And we went through. And again, who did we use? Local people here that needed a job.

Now, did it take a little bit longer, yeah, yeah, no question. But we tried to stay local based upon the fact that's where my heart is when it came to the MMSDC, local people. What you're trying to do is give them a job. So as you can see we put a million dollars or more into this house. Now if you walk through the house now, it is a sight for sore eyes. It's beautiful. We've done everything from the furniture inside to historical, everything down. Even to when back about six years ago they came through on Noel Night. We had a list of people, I thought maybe 35 people that wanted to see the house. We had over 700 people come through the house on Noel Night.

MR. DONNINI: And obviously you're pretty proud of the building. I think you've got it as your screen saver on your phone.

MR. CHEESEWRIGHT: There is no question.

It's everything we do. I mean, we're very proud of it. We've shown it off before. And the class that was in there from 1952 from Wayne State University came back for their reunion five years ago, and we allowed them to have their house party there. And again the people, some are in their 70's and 80's, okay. And like 55 people showed up. So it was a great time. So again showing us where they started and went four years to college at Wayne State within that house, we came back and did all those kinds of things for them and put on their show. So go ahead.

MR. DONNINI: So let's switch gears here.

I'm going to mark one more document, please.

(Exhibit B was marked

for identification.)

MR. CHEESEWRIGHT: And I don't mean to bore you, but this is the background of why we came here, things that we've done.

MR. DONNINI: So we're going to shift gears to the purchase of this school which has -- I'll let you talk about it -- the potential as an urban call center.

MR. CHEESEWRIGHT: So what we did again

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 33

was, and something -- I know we didn't bring it, but we went to go the Wigle Recreation Center. So we were looking -- we wanted some other buildings, and we came back to the city, what else do you have. And again this house, so I don't forget this, this house was owned by the City of Detroit. The City of Detroit paid direct money to the Detroit Historical Society, they would give them so much to run that museum. asked if we buy the house, can we give all the money to the historical museum so that they get some sort of money, because maybe they're not getting any money from downtown for these couple of years, and it's hard for them to run, and that was where the money went. The money went to the Detroit Historical Museum. That's where they -- they just said, okay, the money can go straight there, we're all good, and that takes off what we owe.

MR. DONNINI: So that was the headquarters.

MR. CHEESEWRIGHT: So that's the headquarters. So then all of a sudden we came back to the city. I said what other places -- I have an idea. What other places do you have for sale. And, again, please let it be known we came to the City of Detroit.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 34

We don't go to a private developer, we came to the They showed me the old Science and Mathematics School on Woodward, which is about 5 1/2 blocks north of Grand Boulevard. I went through it, and I'm like, oh, this -- again, everything in there, understand this building, it is built -- so you understand what we had to go through and maybe you will when you see some of the expenditures, and where I still have to This school is built like a parking structure. go. So when you go in a parking structure whether it be here or behind here at Compuware, you know how you have the floors are made of cement and they've got the rebar in them and they're just like put on top of each other stacked, that is how that school is built. there is no walls -- there are no walls like this. Everything in that school is separated. If you had a room like this, that was cinder block, that was cinder block, that was cinder block, that is a Steel Case If you had bathrooms, every stall was cinder Everything cinder block from the basement up block. five stories.

So when we went in there, and we have to take windows they have facing Woodward like this, and

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 35

we have to open it up. So we decided at the time we've got to gut the place. Too much of all this, we'll redo it all for what we had a concept of, and we bought it from the City of Detroit for argument's sake, 100,000, 117,000, something like that, okay. Then what do we do, boom, we went ahead, brought in local people in the area who needed a job, and we asked them you have to take all that cinder block out of there. So when you walk up to each floor, I've got to have one big room. And that took a little bit longer than I could have gone to a major corporation, but there was some people in that area that really needed jobs, and so we did. And they took it down by We put the dumpsters below, and they filled it with the cinder block coming out. It took a long time, but we gave these people a job. They literally protected that building, because every day it was getting ripped off of something.

In fact, downstairs when they had the big metal paneling you have around, the MPF metal panels so you can't break windows, they were windows inside, and we came in one day and somebody had smashed windows the length of that building one whole block

Page 36

inside and taken the aluminum frames. We must have had four inches of glass piled up as long as that building is for one whole block. They smashed every single window. So we come in, take everything out. We were going to keep them, apparently we're not keeping the windows now, and we had to go in.

And you can take a look at the expenditures of what we've had to do to come into that building because my goal for this building was to be the first ever urban call center. Now that makes it sound like I'm a -- I have got a vision, but there are no urban call centers, because why, no one wants to have the vision that I had to have an urban call center.

MR. DONNINI: So what is an urban call center?

MR. CHEESEWRIGHT: So an urban call center, what we want to do here in the City of Detroit, there's different levels. We're going to call it a level one. We only want to employ people that live in the City of Detroit. They may have no jobs, they could be 45, 50, 55, 60 years old, I don't care how old you are. If you want to work, we have a job. And we explain to them -- so you would know, let's just

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 37

say this were to be the sheet of paper you're looking at, and there is say six headings. Someone calls in, and it could be that the coupon they have for General Motors or -- let's say the coupon expired and they were trying to get their 10 percent or 20 percent discount. Whatever the company we're representing inside that call center, they call in, they might have five questions they can ask. If they get to the fifth or sixth question and they can't figure it out, then it would be routed directly to that live person at let's just say for example General Motors and they'll handle the situation. We take simple things, put them into categories, and at the end of the day we would send those categoric pieces to one person at General Motors, one person at Kelly, and instead of that same person at Kelly getting 20 phone calls and they can only deal with two of them, we break it up, and that's how we separate them out to the companies at the end of the day.

MR. DONNINI: So you said that you spent 117,000 to purchase the building. Exhibit B shows us another -- an additional 1.25 million into the building. Are you ready to open?

MR. CHEESEWRIGHT: No.

MR. DONNINI: What would it take to open a call center?

MR. CHEESEWRIGHT: We're going to -- I would say by the time we're done, this is going to be another 2 or 3 million dollars for us to get this call center open. Call centers nowadays have to be what is known as a clean call center. And what is a clean call center, it's very simple. You can't come in with paper, you can't come in with a pen, you can't come in with a phone, you can't come in with anything. You come in with yourself, there is a screen, and you're doing what needs to be done. Everything you do is to be typed up on your screen and kept. There's no screen shots, you can't do any of that because it has to be -- it's clean lockers. There has to be metal detectors, there has to be everything.

So this is -- it's a large endeavor, but we still believe -- I still believe it can be done. And when we do something like this, at full capacity we would be using something like about 500 people a shift, three shifts as day, 1500 people. It would start off much slower, but we're still looking at

Page 39

anywhere from 245 to 500 people over maybe two shifts. So we're talking maybe 6 to 2, 2 to 10, maybe no night shift, or maybe we have to have a night shift.

But when you have an urban call center, you know what people complain about. They get on a phone call, and you can get someone from another country and you can't understand them, this is ridiculous. Well, if we have an urban call center, at the time when I brought this up to do this, I'll be honest with you, the president at the time, Barack Obama, thought this was the best thing when I met with Michelle, thought it was the best thing he had ever heard. And the first thing they thought was, if it works in Detroit, it will work in Cleveland, it will work in St. Louis, it will work on the south side of Chicago, it will work — it works in Iowa, because they're taking old buildings in Iowa and turned them into a call center, and that's like one of the major call centers is Iowa.

I believe it can be here. This is where it can be, right here in Detroit. And that's not me shipping people in from the suburbs to come here and work a call center for the day and go home. No, that's not what I'm talking about. The people that

Page 40

I'm going to employ are the people that live in not necessarily the seven square miles or eight square miles, but this area, Wayne County. You need a job, we're going to show you. And we have to do the training. So we have to train the people how to make a call center. We have to show them what goes on. So there's a lot of training. Who's paying for the training? We are. They're getting paid while they're getting trained. And there is also going to be some, you know, minor benefits for them, healthcare.

So there is going to be, and maybe they're going to be getting paid somewhere between 12 and \$15 an hour, maybe more, depending on when we can get this open. But I guess my big thing is, how do I open something like this when I have all this hanging over my head. That's my biggest, biggest compelling issue. And at the time when I have all these ideas, I don't know about this stuff, right. This isn't -- I don't know about any of this.

MS. HA: When you say call center, did you mean call center for IT issues?

MR. CHEESEWRIGHT: No, this could be any -- a call center for like -- for example, General Motors

Page 41

may have issues on cars and somebody has got to call in. Or it could be for Proctor & Gamble, and someone has a bad detergent or their coupon didn't work. So it could be -- the call center could be for whoever we're representing. And that would be like I would go to Toyota and say to Toyota, give me 2 percent of your call center business. They go what are you doing? We're doing this urban call center, oh, yeah, I'll take it. General Motors, give me 2 percent of your call center business. Maybe it's something to do with GMAC, right. Give me 2 percent of that. They go, yeah, take it.

So I go to these major corps, I ask for 2 percent, and I put little sections. So maybe up on one floor one area of 30 people, General Motors; an area of 30 people, Proctor & Gamble. Area, NCR. And you have all these little hubs. Sometimes you might only need two people, but it's a call center for these people to come in so that your call does not have to go overseas, we're going to take care of it here, and you know why it's not done here, because it's too expensive, right. We understand. But I'm figuring this out, I got the building cheap, right, hundred

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 42

That's pretty good. I have all this room, million dollars, yes, I've got some room to work with And it's better for me to anticipate that I have got a vision for the city and not a vision for someplace like -- to be honest with you, I've got over 1200 people sitting in India that do call centers, and they go to India for it. I can do it, it's simple. can do it here. I can teach these people. So if we teach the people in the city, why can't we teach them anywhere. And what would stop me from opening a second one in the city if it works real well. What is stopping me from opening up another one in the school It isn't. district. So that's what I'm getting at.

MR. DONNINI: So just to kind of summarize, you purchased the building, you spent a million 2.5 -- or a million two-five, and I see on this Exhibit B, most of these capital expenditures were between 2014 and '16.

MR. CHEESEWRIGHT: Right.

MR. DONNINI: So like you said, you're kind of on hold.

 $$\operatorname{MR}$.$  CHEESEWRIGHT: I'm on hold until -- I'm on hold until I can find out what is going on.

Page 43

MR. DONNINI: Because as you stated it's going to be another 2 or 3 million dollars to be able to achieve this vision of yours to employ 1500 people at least or potentially employ 1500.

MR. CHEESEWRIGHT: There's no question, yes.

MR. DONNINI: Can you just tell us briefly about any offers you may have had recently on this building?

MR. CHEESEWRIGHT: Again, this is -- I'll bring it up. I just turned -- we got an offer last Thursday for 2.75 million for someone to buy that school.

MR. DONNINI: This building in Exhibit B?

MR. CHEESEWRIGHT: Yes, Exhibit B, 2.75

million from a real estate company out of Bloomfield

Hills out of New York. They've come in, they've been

through the building three or four times. One thing

you have to realize is that when I say -- when it says

on here capital expenditure, electrical and other

permits, this building was stripped, okay. We're

talking walls smashed in. In that building right now

I've already put in new electrical that goes from the

Page 44

width of this building. I've got all the new electrical boxes and everything. Huge units the size of -- as tall as this room, they're already in.

They're sitting there.

I've had flooding. There is no -- the city couldn't give me the structural underneath the ground, what it looked like. I had to go get local people again to put cameras in there, show to me where the water flows. I brought people in to do the walls in the basement so I don't leak because I've got all this electrical equipment now. I'm fully functional when it comes to electricity. I've got cameras. We just started to order windows, but I have to put like am I going to spend 3 million here and then all of a sudden I have no more business in the city, I can't do anything, when I can just walk down to someplace else and open up. I mean, what do I do. I mean, this is -- to me this is eating me.

MS. BENTLEY: So has this been on hold then since Mr. Kancharla's bribery with the City of Detroit came out?

MR. CHEESEWRIGHT: Well, yes, because that's -- to be quite honest with you -- I'll be

Page 45

honest with you, we knew nothing. I knew nothing about that until -- and, again, I've been in front of the FBI, I've been there for hours, okay, so I've been grilled and cleared. And my job back then was to clear myself and clear the company, like we're -- you've got to understand something. When I talk about silos with the Indian culture and the way they work, even with Mr. Kancharla's bribery in Atlanta, I knew nothing about it until it came up. And you know how it came up one day, piece of paper thrown on my desk like this, we have an exhibit of showing you the org chart. He came up to my desk and put a piece of paper on it like this.

MR. DUMOUCHEL: You're talking about RK?

MR. CHEESEWRIGHT: Yes, I'm sorry, yes. He

put a piece of paper on my desk and he said are you

okay with that, and I looked at it and like --

MS. BENTLEY: Okay, but --

MR. CHEESEWRIGHT: The org chart, and there I am as CEO.

MR. DONNINI: We can look at the Response Exhibit 14 for the current org chart for Computech.

This document is as of the 2nd of January 2018. I've

Page 46 1 got an updated one, but it's the same, so I don't 2 think we need it as a new exhibit. 3 MS. BENTLEY: Okay. Didn't you have org 4 charts prior to 2018 for us also maybe going back to 2006? 5 6 MR. DONNINI: We could probably find them, I don't know if we'd have every year, but we 7 have something at least pre-17 I imagine. 8 9 MR. CHEESEWRIGHT: But when you see 10 something like that, you're like what. And nobody -at that time when we -- you must realize he was sworn 11 12 to secrecy that nothing could be said, and he was 13 quiet about this for seven years. Nobody knew. 14 MS. HA: You said you were questioned by 15 the FBI. What year was that? 16 MR. CHEESEWRIGHT: You guys tell me. 17 MR. DONNINI: I don't even remember to tell 18 you the truth. But I can say that he was in fact interviewed by FBI agents. 19 20 MS. BENTLEY: Was it pre-October 2016 when 21 everything came out in the press about --22 MR. DONNINI: Yes. 23 MR. CHEESEWRIGHT: Yes.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 47

MS. BENTLEY: So if the City or if, you know, we uphold part of the finding and say like Computech shouldn't be allowed to bid on city contracts for a specified period of time, what be would the status of the call center then?

MR. CHEESEWRIGHT: That gives me hope. So, I mean, if you're telling me like, well, you know what, maybe you're on probation for two years. You're giving me hope. Because right now I'm under the understanding, you know, they don't want us to bid any more. And I guess what I'm getting to you at, and regardless of what I tell you the rest of the morning, you can't throw the baby out with the bath water. Everybody in the city never got fired for the misconstrued things that go on in the city. You still had all your staff there. That one person did something. Ten people below him didn't do anything, unless you can prove they did. You've got a couple of individuals here that are bad. They're gone. They're I got 2,000 people to protect. gone.

In the private sector I've got the dignity of some major, major corporations, and I care about the company. Maybe they didn't. Apparently they

Page 48

didn't. I do. And I care about the City of Detroit, because this to me is my home. This is where I am, this is where I have the company. I want to do business in the city. You know, I don't care how minuscule it is, I came here with a vision to rebuild and help this city. That's why I came here. I didn't come here because, oh, this is going to be the greatest land mine for me, this will be great. It had nothing to do with that.

The things that we've done here, whether it be after-school programs in churches, we don't push that out to the public. You know why? Because it's the right thing to do. I don't need to broadcast that to everybody. The Church of Messiah down here on -- just off of Jefferson right behind the old Big Boy, they put in a whole after-school program so kids can learn math and sciences and up their grades because we knew how poor it was, and also put in all the computers, put in the new area where the kids can sit and do homework. Why? It might be the right thing to do.

I remember when we came down here. I remember seeing a girl getting her picture taken in

Page 49

Campus Martius, and I looked at her and I said you should be proud of yourself, because only 23 percent of the kids are graduating out of the school system here in Detroit, and you happen to be -- out of that 23 percent 18 percent are women, and you've got 5 percent are men.

So at that point we thought there is something we can do, even to the point of different churches that we try to help sponsor at Thanksgiving so there is food and clothing going out. I go there myself so that we can help them, whether it be monetarily-wise or bring six or seven people there in the morning who can help push out the food, who can help with the clothing, because we're asked to.

This is what we do in this City. This is not -- and when I say that, that doesn't mean they did it, that means the people we have here now are doing it. This company, we have taken -- again, I'm not going to tell you that what happened in the past that we're going to bypass that. We're not bypassing that, I'm learning from it. I can guarantee you under my reign this will never, ever, ever happen again. It's not going to happen.

Page 50

I've been brought up with ethics all my life, and I'm telling you from the top down we did our first ever new what I call campaign to knock off the new employee handbook on ethics. I did it in front of everybody. I led it. Why? Top down, top down.

Transparent. This is how things are going to be run.

Does everybody in the company know what happened now so much as what I know? Yes, they do. Everybody knows. Am I proud of it? Hell, no, I'm not proud of it, not at all. But I'm proud of the people we have working there. I'm proud of what we're doing now as a corporation. I'm proud to know the future where we're going and that we're surviving and doing well.

And I'll be honest with you, I had two requests from the water department within the past three weeks that said to me if you could just be here, yes, I know you would be helping us, because we're in dire straights, we just need you guys. That is from -- to me that is one of the best recommendations. Forget all these other major -- that's a good recommendation. If you were here, we wouldn't be in these dire straights where we are.

You have 82 people of ours working in the

Page 51

city. 82. You took them all. You know why, because they're damned good, they're really good. They had nothing to do with this. People I have working at the headquarters, they have nothing to do with this. My president, he had nothing to do with this.

You have two individuals here that almost screwed a corporation, that screwed up the lives of 2,000 people. That's what I want you to come across with. Please don't think that the actions of two people have anything to do with the rest of us in that company. Nobody knew anything until the papers came out and things started, you know, yeah. You're like what? Yeah, yeah. When I started reading things that are public knowledge, it makes me sick.

I can't even stand someone to lie to me. I can't stand when someone tells me a nontruth trying to tell me -- I coach hockey. Coach, I wasn't thinking that. I know what they're thinking on the ice, I know what they do. Don't tell me you're not thinking that, I know what you're thinking. I know when the situation occurs and I know what can happen. Don't do that. And I try to teach boys.

313-962-1176

I've been coaching hockey now for I'm --

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 52

I'm going to be 60, almost 40, 44 years with Little Caesars down here at Little Caesars Arena, at Joe Louis for ten years. I've had boys that go on to the NHL, boys that are there, and they're showing me the teachings. Kids that come back to you, thank you for your prospering knowledge. That's what I teach. the people of my own company I mentor even in our new org chart. I've got women involved. I can't promote women to a vice president role if they don't have the knowledge. So what do we do? We're giving them the knowledge, mentoring them, sending them to speaking classes so they can come out and speak in front of a board when they've got to make a presentation for the That's never been done before, because women in the Indian company, you're nothing. They were meant to be that way. We're not that way. We've got an executive board of I think it's ten people. That's never been done before. of them are women. You know why they're there, because they're smart.

I have a person -- I have an

African-American person, I'm the white guy, two white

women, one Islamic. I have all these beautiful views

that when I listen, I get the view of almost like a

Page 53

global population when we have to make up a decision on something. And sometimes I get the women's decision is the one that I like the most, and why is that, see, us men here, whether we want to admit it or not, we think in black and white. I ask you if we're going to the store, you come in yes or no. I just want to know if you're coming, yes or no, that's how we think. You're thinking to me is what, well, if I go now, I was going to do the laundry, put that in, and then if I do that, that will take -- you're thinking in technicolor of the bigger picture. What are we thinking? Yes or no.

That's why you get all these different views, you start to see and realize, wow, my vision what I thought was going to be pretty simple isn't going to be simple at all. And that's why we meet -- that's why I have these visions and I believe this vision of what I call a call center here in Detroit. I'm telling you -- I'm going to tell you right now, Governor Whitmer, she'll jump all over this. This will be something big. I'm just telling you, it's going to be big, because President Obama was all over it at the time, thought it was something that will be

great, and I agreed. I totally agreed.

MR. DONNINI: So let's try to come back to Ms. Bentley's question. Let me mark this, please, as Exhibit C.

(Exhibit C was marked

for identification.)

MR. DONNINI: It's a little hard to read, but this is -- so this is just an update to the Exhibit 5 of our response, which is actually a little bit easier to read, but Exhibit 5 only had through the third-quarter of 2018, so we provided the full year of 2018 in this document.

And so one of the things you just mentioned is that Computech is actually doing well, and I would like you to just focus on this document in 2017 and 2018 and just go through briefly the total revenues and the portion that's coming from public sector contracts.

MR. CHEESEWRIGHT: Okay. So if you look at some of these, if I'm not mistaken, again I can't -- for 3, 4 and 5 that's hard for me to speak of, and there may have been more public sector back then than we had, but as it comes to public sector -- let me do

Page 55 this and jump forward. From 2016 on, I'm going to say 1 2 public sector is zero pretty much. 3 MR. DONNINI: Right, '17 and '18. '16 4 there's still --MR. CHEESEWRIGHT: Yes, there's a little 5 6 bit, but there's not too much. But if you look at some of these, you're going to see that when you look 7 at them, whether it be 2007, 1.5; 2008, 1.8; 2009, 8 9 2.3; 2010, 2.4; '11 and '12 down to 1.7, 1.5, you're 10 looking at a very, very small portion. 11 MR. DONNINI: And what's the portion today? 12 MR. CHEESEWRIGHT: Zero. I've got zero. MR. DONNINI: And how have your revenues 13 14 been in the commercial sector in the last two years 15 compared with the couple years prior? Increasing? 16 MR. CHEESEWRIGHT: We're showing increase in the private sector, increasing, moving up. 17 18 MR. DONNINI: So you said you're committed to the City of Detroit, you'd like to be able to do 19 20 public sector projects, correct? 21 MR. CHEESEWRIGHT: There's no question. 22 MR. DONNINI: Is that why you would like to 23 see the decision -- their initial findings to be

reversed here?

MR. CHEESEWRIGHT: And the reason is because I'm going to be honest with you, I haven't gone to any other cities. I haven't gone to another city and said, well, I'm doing the public sector in this city. I'm not doing any. If I'm going to be noted for something and it's going to be this call center, and maybe that's why I'm stuck on it, I want it to be here in my city. I want it to be here in Detroit, okay. I didn't want this to be what came out in the papers last week that maybe this tech center is not real, okay. Maybe it's not real. A bunch of companies coming in failing, the next one coming in failing, going out with -- maybe it's not real. No, it's real. It's real.

MR. DONNINI: So we're going to come to the call center, but just a couple of things first. So you'd like the decision here coming out of this hearing to not debar Computech, correct?

MR. CHEESEWRIGHT: I would love you not to debar Computech.

MR. DONNINI: Because you would like to do public sector work?

	Page 57
1	MR. CHEESEWRIGHT: No question.
2	MR. DONNINI: And you mentioned that DWSD
3	in the last month has reached out to you to do public
4	sector work?
5	MR. CHEESEWRIGHT: No question.
6	MR. DONNINI: As an example.
7	MR. CHEESEWRIGHT: Well, just asked us. If
8	you were here, you know what I'm not saying.
9	MR. DONNINI: Yes.
10	MR. CHEESEWRIGHT: I'm not saying it was
11	anything formal.
12	MR. DONNINI: It was an informal, just
13	asked.
14	MR. CHEESEWRIGHT: Yes.
15	MR. DONNINI: But your revenues, the
16	company's revenues over the last two years showed that
17	the public sector work is not necessary for your
18	business to thrive?
19	MR. CHEESEWRIGHT: No.
20	MR. DONNINI: What impact, if anything, do
21	you believe that debarment here in the City of Detroit
22	would have on your private sector commercial work?
23	MR. CHEESEWRIGHT: That's the piece I was

Page 58

going to get to. I believe being debarred by the city could have an adverse effect on some of my public -- on my private sector. Hey, what did you do? I didn't do anything, you know, we had some individuals. I mean, and that could be -- that could hurt and deter, and we lose business based on that debarment.

MR. DONNINI: And is that why you said a few moments ago if there was some informal probationary period, that would be fine, you know, to show the city that you can in fact do the public sector work, but this public pronouncement of debarment, you're concerned about the impact on the company?

MR. CHEESEWRIGHT: Yes, I'm concerned about the impact, and I should be. I've got people's lives that are working every day, and that's what I'm getting at.

MR. DONNINI: Now, Ms. Bentley asked you before whether debarment or the specter of debarment might have an impact on whether the call center moves forward or not. What is your response to that? It's not a threat that if I get debarred, then I won't do it, but just talk generally about if that is there and

Page 59

that happens, as a CEO of a company, a 50 million dollar a year revenue company here in the city, what impact that would have on your desire to invest another 2 or 3 million dollars in the city as opposed to selling for the 2.75 that you were offered.

MR. CHEESEWRIGHT: Yes. I -- based on dollars and cents, I may have said at the time, hey, I still have this vision, but it won't be at that school, it won't be on that location. Maybe I should have sold it. Maybe I should have just gotten out and looked for something else. But --

MR. DONNINI: And why is that? It's not a threat, but don't you -- do you have a fiduciary obligation to your company to earn profit?

MR. CHEESEWRIGHT: Yes, there's no question. Yes, I can't sit here and lose money, and I can't sit back and say, oh, look I'm just going to hedge on this for the next four or five years. I can't hedge on anything. People -- you have to realize I've been put into a position to lead. Not only leading the people in my company, leading people in the area of other companies.

I just had a company come to me and say,

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 60

hey, we're putting you in the spotlight for a month, we're going to push you out to 25 of our major companies, you're going to be the spotlight company because we are one of their top three companies in everything they do. They're going to push us out to show what we do in payroll services, the tier-one/tier-two reporting system. And that's a big thing. So we're sitting down putting a campaign together. All of a sudden when I have something as big as that, and they want me to make out a big push, should I take money and put it into this call center when I don't know if it will ever get off the ground, or take that same money and put it over here where they're going to be pushing me out to 25 to 30 major corporations. I have to make decisions based upon where I spend my money the best.

MS. BENTLEY: Sure. But if you are debarred in the City of Detroit, meaning you can't do business with the city itself, you could still use your private clients and still have a call center within the city limits, you're not precluded from doing that.

MR. CHEESEWRIGHT: I'm not precluded from

Page 61

doing that by any -- no, no. And don't get me wrong, don't get me wrong. It does not mean that I wouldn't do it. Okay. It means I could do what I'm going to do, bring in the corporations. But at that same time, they're going to say to me like, you know, you're doing business with the city? No. Why? I've been debarred.

MS. BENTLEY: Has any of your private clients asked you or said to you that if you are debarred by the city, they will rethink their business with you?

MR. CHEESEWRIGHT: No, no. That has not come up, no.

MR. DONNINI: Well, they haven't said it because the question hasn't come up, correct?

MR. CHEESEWRIGHT: No, the question hasn't come up. But I will tell you that when all this came out, became public knowledge, I -- between you and the people in this, I went to four major corporations and told them, I did, I went straight to them and said this is what happened. And they're like, wow. They were shocked, but ever so thankful I came forward. That's how I was brought up. I'm not hiding anything.

Page 62

I went straight to them, this happened. I want to let you know, I've been promoted, wow, you're going to be -- this is great. I'm the person they've been dealing with for the past 13 years anyhow, right. And now I'm the one in charge. I'm not saying they love it, but they're okay with that. That's -- they understand where I come from, where my heart is, and what I do.

MR. DONNINI: So let me mark one more document.

(Exhibit D was marked for identification.)

MR. DONNINI: Let's do this very briefly.

I just want to show them this is a church that

Computech purchased, and I just want you to talk

quickly about the acquisition.

MR. CHEESEWRIGHT: So right across from the school, as we're doing this school and we're going through the restoration, there is a church right beside me. So you can understand -- it looks like this. There is the school, there is a road, and here is the church right here. It is the First Presbyterian Church of Detroit. There is a hole in

Page 63

the roof. It was built back in the early 1900's.

There's all kinds of pieces on it, the first

cornerstone, whatever it is. So I just decided -
well, I walked over there one day to look at it. It's

beautiful. And there was a notice on the door, and I

saw it was at Comerica.

To be quite honest with you, I walked over there and long short of it so I don't bore you to death, I bought the church. It was -- the pastor died at 95. His wife took out a loan of \$500,000, and they never saw it again. And so it just sat there and rotted. So what have we done, we bought the church.

MR. DONNINI: For a minimal amount, correct?

MR. CHEESEWRIGHT: Minimal. Honestly if I told you this, it's a church, it's 60,000 square foot and it's falling and all -- the organ is gone, everything is decrepit. So make a long story short, \$3,000 and \$12,000 in back taxes. \$15,000 I got the church off the books of Comerica. Now, you want your loan back, you go find her, but we're doing it, we're taking care of it.

MR. DONNINI: And Exhibit D says the monies

Page 64

put into it to date.

MR. CHEESEWRIGHT: We put in over \$800,000 into this church. Brand new roof. So we stopped it -- structurally inside we had to change it because it was collapsing, so you have to do structural damage inside. You've got to clean the basement. You don't have any idea. I mean, the place was left as if they closed the doors with checkbooks everywhere, paper. It's a disaster.

MR. DONNINI: Let me interrupt you for a second so I can mark a document, Exhibit E, please.

(Exhibit E was marked

identification.)

MR. DONNINI: So if you can orient them on Exhibit E and the two big yellow --

MR. CHEESEWRIGHT: Yes. So look at the two big yellow areas. We own them both. To the north, 8501 is the church. To the south, 8435 is the school. You've got Woodward. Everything in yellow, and the one orange one behind the school of 8435 it says owned, we bought all those lots.

MR. DONNINI: And what's your purpose of acquiring and seeking to acquire properties across the

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 65

What is the overall goal and purpose here? street? MR. CHEESEWRIGHT: We're trying to make this a safe area. We're trying to make this and do what we can, own as much as we can. If that church comes in to be what I would like it to be, either back to a church or a recreation area, I need to know that areas around there are safe. I need to know -- for example, if you look at the very back where it says own 163 and 153, that was a treed-in area with some benches below. There was a lot of drug dealings going We went in there and took out every on back there. tree, replaced every sidewalk, so it's a barren lot. So guess what goes on there now, nothing. And let me tell you, the people on some of those streets that were there, thank you so much. You can't -- in the middle of the night you know what's going on back They can't go back there and say anything. there. So we cleared it all out, got rid of the trees, put in new sidewalks.

And by the way, can I give you one piece on all these buildings we've done? I didn't take any Brownstone Grants. I didn't wait for grants, take any grants. I haven't taken one dime from anything in the

Page 66

city and say, oh, I can get a grant. I didn't take one penny from a historical company anywhere in the State of Michigan. I did zero. I didn't take one piece of a penny from anybody. We did it all ourselves.

MR. DONNINI: Let's shift a little bit and let's mark this, please.

(Exhibit No. F was marked for identification.)

MR. DONNINI: So you're in the city, and obviously we've got a university, Wayne State, in the city. This is just an example of one of the programs that Computech engages in to hire from the local schools. Can you tell us about that?

MR. CHEESEWRIGHT: So here is what we ended up doing is when we came here through the MMSDC, they have situations called Project One. Project One is where they take, argument's sake, five or six major corporations and mix them with 14 or 15 minority companies for two years, and you meet once a month and you see if you can do business with each other. So the corporates recruit the minority companies that they think they can do business with. You come to

Page 67

that group, and for two years you try to accumulate business. Well, at one point I think we had about 14 or 15 of Project Ones.

In the very beginning with Computech we were in the Wayne State Program with Wayne State
University, Pepsi downtown, Henry Ford Health System,
Blue Cross Blue Shield, Comerica all in the same group
because they were all down here. So I said, hey, when
we got down here, I said one of my major goals for
coming to the city maybe was us being in the city, and
on the other thing I did not embark upon, and I'll get
right back to this, okay, is -- I'm sorry for jumping
around, but it's just me, so you'll get used to it.
The brain works differently.

MR. DONNINI: Don't write on that.

MR. CHEESEWRIGHT: Okay. So what I'm getting at is this. When we first came down here, the reason we wanted to work with Wayne State, Wayne State had I believe other pieces in the city, they had a system for getting points when it came to a bidding system, right. So the first one, the first one on this might be is your headquarters in the city. Next one might be do you pay taxes in the city, do you

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 68

employ local people in the city. Fourth, are you a minority-owned company, and I forget what the fifth So if there's 10 points each and that adds onto the bulk of your RFP, well, headquarters in the city, no, that's minus 10. Taxes, no. Local city people, no. Minority owned company, yes. So out of an extra 50 points, I'm getting 10. So if I lose a bid by 20 points, it could be that I lost a bid based on something up here. If the contents is all good, my price might be a little bit lower, but I didn't meet the criteria of the standards of all the things that were asked. So when we came to Wayne State, what I was hoping to do was be able to bid a little more at Wayne State because Wayne State wanted local people, they wanted people that were in the city to keep it local for Wayne State University.

So what we did to go back to this so now he won't -- these individuals, we went over to the science department and said to them, hey, can we do some sort of a co-op where maybe we can help teach and share our knowledge with some of your students? Well, we put it out there, and we went to a couple of job fairs and went with them. These individuals, and I'm

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 69

going to give you just one off the top, Eric Schwartz. Eric Schwartz was working at Wayne State University as a student, right, and coming across the road. you understand, if that is Cass and this is Kirby, our building sits here. This is a road. These are all Wayne State, the president's house is here, student union is back here. All they were doing is walking across the road, coming in, learning how to write code or writing code and being paid for it. So you've got a student working at Wayne State University making 25 to 30 grand in his spare time, and all he does is walk across the road, maybe three or four hours in the morning, might go to class, or he doesn't have class one day, he comes to work, he loves it. He's paid for He can't believe my schooling is paid for, I'm going to graduate and I don't have any bills.

So Eric Schwartz then said to us, you know, he went to a job fair, I'm going to go to HP. And we said, Eric, fantastic man. So we train them, they help us out, and then they go get a new job, which is fantastic. Eric wasn't there but eight months and said -- called me back and said if there's an opportunity for my job back, boy would I like it. Why

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 70

is that, Eric? Well, I get paid for 40, but I have to work 70. I said, oh, really. Welcome to the real world. So he came back.

So someone like Eric is still with us now which is -- for us that's great. He's a great employee. Other people have worked, and what do they do, they're still with us, and where do they end up going, wherever they can, but a lot of these are still working with us, and these are local people from Wayne State University. So as you can see, we have a 60 Cool College Coder Challenge, what our program steps are, what we want to do. Do you have a passion for technology? We want to help you. You work a minimum of 20 hours a week, you know, you're making 15, 16, \$17 an hour, and these kids are loving it. where can you go and make that and go to school and work your own hours when you can. So we think it's a great program, and in essence with Wayne State University we even go down to where the doctors come in, and you're looking for a doctor inside the science program or one of the hospitals, they come to us to go find that doctor and/or the interns and/or the secretaries. Now we do their staffing for them

Page 71 1 internally. 2 MR. DONNINI: So let's switch gears. 3 MS. HA: Is this a current payroll list? 4 These are all Wayne State University students? 5 MR. CHEESEWRIGHT: Yes. Some of them may 6 or may not be with us any more. MR. DONNINI: So that would be I believe 7 just the overall wages paid to these people, but not 8 9 tied to a -- it could be multiple years. 10 MR. CHEESEWRIGHT: It could be multiple 11 years, yes. It's not per year, yes. It could be 12 multiple. MR. DONNINI: Let's do this. Let's mark 13 14 this as Exhibit G, please, and this as H. (Exhibits G and H were marked 15 16 for identification.) MR. DONNINI: So Exhibit G is the total 17 contracts that Computech has had with the City of 18 Detroit 2002 to 2016, correct? 19 20 MR. CHEESEWRIGHT: Yes. 21 MR. DONNINI: Okay. 22 MR. CHEESEWRIGHT: So over those years 23 we've had about 27 million dollars worth of business

Page 72

in	the	city.

MR. DONNINI: And do you recall in 2016 receiving some letters from the City of Detroit not renewing the contract?

MR. CHEESEWRIGHT: Yes, not renewing our contract in 2016 as it pertains to the investigative work that was going on, and we understood that. And again, we totally understand why they were sent out and we get that.

MS. BENTLEY: So during this 2002 to 2016, was there a particular person at Computech that was in charge for overseeing the business with the City of Detroit or increasing the business with the City of Detroit?

MR. CHEESEWRIGHT: Yes, and the son of a bitch is gone. It's Karthik.

MS. BENTLEY: What's that person's name?

MR. CHEESEWRIGHT: Karthik.

MS. BENTLEY: Can you spell that?

MR. CHEESEWRIGHT: Yes. K-a-r-t-h-i and I think it's just K. It may be c-k or k. And his last name is Aramugum, so it's A-r-a-m-u-g-u-m, Aramugum. Yes, it's him.

	Page 73
1	MS. BENTLEY: And when was he terminated?
2	MR. DONNINI: Ball park. Do you recall the
3	year? 2012?
4	MR. CHEESEWRIGHT: I'm going to say '11,
5	'12. As soon as we realized or as soon as the lawyers
6	realized what the hell had really gone on, then he was
7	terminated.
8	MS. HA: Is this the employee who altered
9	the documents for Mr. Kancharla?
10	MR. CHEESEWRIGHT: Yes.
11	MS. HA: How did you find out that he was
12	the person? Was there a
13	MR. CHEESEWRIGHT: He's the only one that
14	worked in the City of Detroit. There was nobody else
15	had that client.
16	MS. BENTLEY: So what year did you become
17	aware of the bribery?
18	MR. CHEESEWRIGHT: I would have I
19	would I don't I'm trying to think, was it 2009
20	or '10 was it? Am I right? I don't want to say
21	something wrong. The reason I'm saying that is
22	because I did see I found out I was in the
23	office when he came back one day when he was caught

Page 74 1 during --2 MR. DUMOUCHEL: You're talking about he 3 being Karthik? MR. CHEESEWRIGHT: Karthik, I'm sorry. 4 5 Karthik. When Karthik was caught during the transaction, I was in the office when he came back. 6 Ι had no idea what had happened. I just knew he was 7 distraught, crying like crazy. 8 MS. HA: When he came back from where? 9 10 MR. CHEESEWRIGHT: Where he had made the 11 transaction. 12 MS. HA: Okay. Transaction of the documents? 13 14 MR. CHEESEWRIGHT: Yes. MR. DONNINI: Let's do it this way. 15 I can try to put -- with some questions put some dates 16 17 I'm going to lead a little bit. on it. But do you remember Computech receiving a 18 19 Grand Jury subpoena in about September of 2010? 20 MR. CHEESEWRIGHT: Yes. 21 MR. DONNINI: And do you remember that 22 documents were produced to the government in response 23 to that subpoena?

Page 75 1 MR. CHEESEWRIGHT: Yes. MR. DONNINI: Did Karthik alter some of 3 those records before they were produced? 4 MR. CHEESEWRIGHT: That's what I found out. 5 I didn't know before, but that's what you -- yes, 6 that's what I found out that happened, yes. MR. DONNINI: And did you become aware that 7 RK, Ram Kancharla, had allowed him or authorized him 8 to do that? 9 MR. CHEESEWRIGHT: I didn't know that at 10 11 the time. That was not -- I was not privy to any of 12 that information I believe until 2016. 13 MR. DONNINI: So you're aware that 14 Mr. Kancharla pled guilty in 2017 to authorizing Mr. Karthik? 15 16 MR. CHEESEWRIGHT: Correct. 17 MR. DONNINI: And you learned of that 18 shortly before it became public, is that fair? 19 MR. CHEESEWRIGHT: Yes, yes. 20 MS. BENTLEY: So Mr. Karthik was fired you said sometime around 2012? 21 22 MR. CHEESEWRIGHT: I believe so. I believe 23 so, because I believe -- yes.

Page 76

MS. BENTLEY: Do you know who made the decision to fire him?

MR. CHEESEWRIGHT: I believe that would have been Mr. Kancharla. I was not in that role at that time I believe.

MR. DONNINI: And, look. I mean, I know this is informal, so I can just talk. I don't know if it was -- I don't think it was as late at 2012. It was probably in -- shortly after 2010. It could have leaked into 2011. You know, whether -- their exact official termination date I don't know, but it was shortly after the production of those documents, and I would say that the decision was made by the company in consultation with us as the lawyers for the company.

MR. CHEESEWRIGHT: Any one person? I'm saying at the time Mr. Kancharla was still CEO, but with their counsel, and I'm assuming that would be like a conglomerate saying he's got to go.

MR. DONNINI: Okay. So let's just get back briefly to this. So we talked about the 27 million total. When the contracts were -- well, right. So you received letters in September and October of 2016?

MR. CHEESEWRIGHT: Right.

Page 77

MR. DONNINI: Not renewing the contracts or the contract had terminated as of a certain date?

MR. CHEESEWRIGHT: Yes. We still had money owed.

MR. DONNINI: And is that what Exhibit H shows?

MR. CHEESEWRIGHT: Exhibit H shows that we're still owed 1.1 million from the City of Detroit.

MR. DONNINI: And just so it's clear just so you guys have it, we gave a response -- in our response Exhibit 9 is each of those separately, and this just combines them into a single document and totals them. So you've had this information, but we figured it would be easier to show this way.

MR. CHEESEWRIGHT: And I do want to let you know that these monies of 1.1 million, I will tell you the profit on that is if I might say is 81,000. So there is over a million dollars that had to go into that. There is \$81,000 profit. And being that, those are salaries of people that worked in the city that we have paid doing city jobs. So we paid their salaries and have never received anything for it. So when you take up what we take up, every one of the people that

Page 78 1 were working at the time, our "piece of the pie" would 2 have been \$81,000. 3 MR. DONNINI: So let me break that down 4 just so it's a little clearer. So Exhibit H shows the 1.1 million dollars that's owed? 5 6 MR. CHEESEWRIGHT: Owed. 7 MR. DONNINI: In preparation for today you went back and looked at how much did we pay the 82 or 8 9 so employees? 10 MR. CHEESEWRIGHT: Right. MR. DONNINI: That worked on these two 11 contracts during that period to generate those 1.1 12 million in invoices? 13 14 MR. CHEESEWRIGHT: Correct. MR. DONNINI: And how much was that? 15 MR. CHEESEWRIGHT: Everything less -- over 16 17 a million dollars. So, you know, what we had into it and what we had to pay out was based on their 18 salaries, and what was left was our profit. 19 20 MR. DONNINI: So you grossed it was a little over a million dollars? 21 22 MR. CHEESEWRIGHT: Yes. 23 MR. DONNINI: And the profit that Computech

Page 79 1 would have realized had it been paid the 1.1 million 2 is \$82,000? 3 MR. CHEESEWRIGHT: 81, 82, something like 4 that. 5 MR. DONNINI: So what is your -- right now 6 what is your profit on these two projects at the moment? You didn't get paid? 7 MR. CHEESEWRIGHT: Well, yes. 8 MR. DONNINI: And you said that at the 9 10 conclusion -- that after September and October of 2016 to your knowledge all of the people -- all of the 11 12 Computech employees that were working on those two contracts were hired directly by the City of Detroit? 13 14 MR. CHEESEWRIGHT: Correct, 82 people to 15 the city. MR. DONNINI: So after October, November of 16 17 2016, those people would be paid a salary by the City of Detroit? 18 19 MR. CHEESEWRIGHT: Correct. 20 MR. DONNINI: And to your knowledge all 21 those people are still at the City of Detroit? 22 MR. CHEESEWRIGHT: To my knowledge they 23 Maybe somebody has left, but I'm saying to my are.

Page 80

knowledge I would say they're still here.

MR. DONNINI: Okay. And even though there were some -- there was a provision in both of those contracts that the city could retain those individual employees at the conclusion of the contract, does Computech have a standard noncompete?

MR. CHEESEWRIGHT: There would be a standard noncompete if we wished to impose it, and there would also be a -- from a part-time to what we call full-time hire, there is a transfer fee, and none of that was ever exercised.

MR. DONNINI: So in your standard contracts you have noncompete language, and that would not allow an employee, a Computech employee from, you know, essentially working for the customer?

MR. CHEESEWRIGHT: That's correct.

MR. DONNINI: And how long is that period?

MR. CHEESEWRIGHT: It can be anywhere from a year to two years.

MR. DONNINI: Do you recall what it was for these employees?

MR. CHEESEWRIGHT: No, I'm sorry, I don't.

MR. DONNINI: But at least a year?

Page 81

MR. CHEESEWRIGHT: At least a year.

MR. DONNINI: And also you said those were valuable employees that Computech put substantial money into training?

MR. CHEESEWRIGHT: There is no question.

MR. DONNINI: And you got in 2016, well, whatever it is, 40 million dollars worth of commercial sector work, correct?

MR. CHEESEWRIGHT: Yes.

MR. DONNINI: You could have redeployed those employees to the private sector?

MR. CHEESEWRIGHT: Yes, sure.

MR. DONNINI: So why don't you redeploy those employees or enforce the noncompete?

MR. CHEESEWRIGHT: The same reason for in the years of 2008 and '09 when the city was going through bankruptcy, why we still paid people's salaries for three years where the city never paid anyone's salary. We paid out people working in the city that there was a glitch for why there weren't salaries being paid for some people, but we still paid them. So we believe in the city. There is a lot of things that we have done that we didn't have to do and

Page 82

we did. And I still believe in the city.

MR. MARABLE: For clarity's sake, I just want to be clear, are we sure that all 82 went to the city, or did they go to competing firms?

MR. DONNINI: That's a good question. Do you know the answer to that? Do you know whether the City of Detroit hired those people directly as city employees, or whether they asked another company to take them?

MR. MARABLE: Or they stayed with them?

MR. CHEESEWRIGHT: That I don't know. I believe they stayed with the city.

MR. MARABLE: But it could have been they stayed on assignment with the city, but it could have been with competing firms?

MR. CHEESEWRIGHT: Very well could have been. Again, that would have been up to the city. Because, again, the city may have said, hey, we're not taking them on, which I understand, and they could have gone to competing firms, sure, they could have, yeah. But I believe they stayed working for the city.

MR. DONNINI: And, I mean, there -- now, isn't that to some to extent worse? Now one of your

Page 83 1 competing companies is in your space getting 82 of 2 your employees? 3 MR. CHEESEWRIGHT: The only thing is we all 4 know that that's giving some great talent to someone 5 that didn't have to do anything to enhance that 6 talent, they just get it, right. Changing a job, you go from one to another, someone gets a great person 7 and all they did was hire them. That's pretty good. 8 9 MR. DONNINI: Okay. MS. BENTLEY: I just have a question about 10 11 So what is the status of the money that's 12 currently owed to you? Is there litigation involving it? 13 14 MR. CHEESEWRIGHT: Until --15 MS. BENTLEY: So that's a no for the 16 record? 17 MR. CHEESEWRIGHT: I'm sorry, there is no 18 litigation involved so far, no, zero. 19 MR. DONNINI: Okay. So we talked about 20 Karthik and his being involved in the alteration of 21 documents, and he was obviously involved in what 22 Mr. Dodd pled guilty to. So we kind of covered that,

23

right?

Page 84 1 MR. CHEESEWRIGHT: Right. MR. DONNINI: Was Karthik also involved in 3 what happened down in Atlanta? 4 MR. CHEESEWRIGHT: Yes, he was. 5 MR. DONNINI: And when did you learn about 6 that? 7 MR. CHEESEWRIGHT: I learned about that just like the public did when -- I guess when it came 8 9 out. I didn't know anything about Atlanta until it 10 became public knowledge that there was something, maybe 2016, '17 or something like that. 11 12 MR. DONNINI: And to your knowledge was that case that was filed down in Atlanta based upon 13 14 Mr. Kancharla's cooperation with the Department of 15 Justice? 16 MR. CHEESEWRIGHT: Yes. 17 MR. DUMOUCHEL: Mr. Kancharla or Mr. --18 MR. DONNINI: Mr. Kancharla. 19 MR. CHEESEWRIGHT: Yes. 20 MR. DONNINI: So to your knowledge, he, 21 Mr. Kancharla, provided information about Atlanta to 22 the United States Government? 23 MR. CHEESEWRIGHT: Yes.

Page 85 1 MR. DONNINI: And as a result of that, the case in Atlanta was brought by the U.S. Attorney's 3 Office in Atlanta? 4 MR. CHEESEWRIGHT: Yes. 5 MR. DONNINI: Was there another individual 6 involved with Atlanta to your knowledge? 7 MR. CHEESEWRIGHT: Yes. MR. DONNINI: What was his name? 8 9 MR. CHEESEWRIGHT: Mahendra Patel. 10 MR. DONNINI: Mahendra Patel? 11 MR. CHEESEWRIGHT: Mahendra Patel, yes. 12 MR. DONNINI: So to your knowledge did Mr. Patel plead guilty in Atlanta? 13 14 MR. CHEESEWRIGHT: Yes, he did. MR. DONNINI: And was the individual in 15 Atlanta involved on behalf of the public school system 16 named Jerome Oberlton? 17 18 MR. CHEESEWRIGHT: Yes. 19 MR. DONNINI: Did he as well plead guilty? 20 MR. CHEESEWRIGHT: Yes. 21 MR. DONNINI: And what status did Mr. Patel 22 have with Computech, if you know? 23 MR. CHEESEWRIGHT: He was an independent

Page 86 1 contractor from January of 2007 until like June or July of 2007. I think he was a go-between if you want 3 to --4 MR. DONNINI: Okay. So just Mr. Patel was an independent contractor and had no affiliation with 5 6 Computech after June of 2017? 7 MR. CHEESEWRIGHT: 8 MR. DONNINI: I'm sorry, 2007. 9 MR. CHEESEWRIGHT: Yes. And, again, I only 10 know that as of 2016, '17 reading public knowledge. 11 So I want you to understand that. 12 MR. DONNINI: And again, Karthik was no longer with the company, we can get the precise date, 13 14 but on or about late 2010 to 2011, correct? 15 MR. CHEESEWRIGHT: Correct. 16 MR. DONNINI: Now let's go to when did you 17 become -- actually before I ask that question let me mark this. 18 19 (Exhibit I was marked 20 for identification.) 21 MR. DONNINI: Exhibit I is a press release. 22 I don't believe the date is on there, but when did you 23 become the CEO of Computech?

Page 87 1 MR. CHEESEWRIGHT: I believe it was 2 June 23rd, 2017. 3 MR. DONNINI: And just so you know, this is 4 a portion of a website. It prints out to like four The actual date is on there if you went to the 5 pages. 6 link at the bottom, but it is June 23rd, 2017. 7 So you became CEO as of June 23rd, 2017, 8 correct? 9 MR. CHEESEWRIGHT: Yes. 10 MR. DONNINI: What was Mr. Kancharla's 11 status once you became CEO? MR. CHEESEWRIGHT: Mr. Kancharla as of that 12 13 point became an independent contractor. 14 MS. BENTLEY: But before we get into that, 15 can I ask some questions on Atlanta, just some 16 followups? 17 MR. CHEESEWRIGHT: Yes. 18 MS. BENTLEY: So you said Mr. Patel was an 19 independent contractor beginning somewhere in January 20 of 2007. So as an independent contractor, was he 21 getting paid essentially to be the go-between, or was 22 he doing some kind of like IT or staffing work for 23 Computech, if you know?

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 88

MR. CHEESEWRIGHT: You know what, I wish I could tell you. I have no idea.

MS. BENTLEY: Do you know if it was a coordinated effort between Mr. Kancharla and Mr. Karthik to essentially bribe this Atlanta Public School official?

MR. CHEESEWRIGHT: From what I've read, it had to be. I mean, you're asking -- at that time nobody had any idea what was going on, okay. But from what I've read, and now they've both been indicted, yes, there had to have been something. You're asking me a question that is -- I mean, the information I have, and like I've done before, I've sat here and I can pull it up on my phone and say the information that I have is exactly the same information the justice -- the government has, because I have it here. And so what they've printed and said is what I know, because I have not been privy to any of that pertinent information. Please remember at the time both these counsel were also representing Mr. Kancharla. There was a client privilege, you know that.

MS. BENTLEY: Sure.

MR. CHEESEWRIGHT: And there was also at

Page 89

the time from when this went on from 2010 to 2017, there was a -- from what I have been told was he couldn't even tell his wife, his son, he couldn't tell me, he couldn't tell his temple. It was between these two and Mr. Kancharla, so the three of them. And we're telling you that for seven years where I'm thinking this has died down and ended, we just thought it was going away, and we would say to these guys, I'd ask them, and they'd say, oh, we haven't heard. Well, they weren't allowed to tell me. And to make a long story short, wasn't I surprised in 2016, 2017 when all this came down and I was sat down to be told. Wasn't I a little bit surprised to know this was going on. Wasn't his family surprised to the point where they almost collapsed on the floor.

MS. BENTLEY: So were you aware of the meeting when Mr. Oberlton and Mr. Patel came up to Detroit?

MR. CHEESEWRIGHT: No, no.

MS. BENTLEY: That's all I have on Atlanta.

MR. CHEESEWRIGHT: Again, real quick,

that's that silo crap.

MS. BENTLEY: Sure.

Page 90

MR. CHEESEWRIGHT: They're not going to be at the office, they're not coming to the office.

Where they met, you have as good a guess as mine.

MS. BENTLEY: Did the company itself conduct any type of internal investigation to see what happened in the Atlanta case or how it occurred? I know you said it's silos, but was anything in particular conducted on behalf of the company or with the company?

MR. CHEESEWRIGHT: I'm going to say no.

But again, from what I've read and what I understand,
because of what went on are the changes that we
started to make inside the company where we have every
year now training in this. So before June 18th I
think it is every year now, we now are going to have
training. We've already had one. Now we have lawyers
come in before June, they do it again. And you may
not want to hear it every year, but they're going to
do it again in case there is a new person, and it's to
be rung through their ears that if you think you want
one impropriety, you better have another thing coming,
and I told it as firm as I could speak to even the
people then when I was talking to them, one

Page 91

impropriety, you're gone. You're not getting a second chance with me, because I'm done with this crap, okay.

This has been ten years of hell it seems like, okay. And it's been going on for a long time, and there is lot of money that has gone out for lawyers. These guys are living real big, and I'm just telling you that -- I'll be honest with you, preparing for today, I think I made myself sick not last night but the night before literally with, you know, fear, and do I know everything. You notice I don't have any notes because you know where it comes from, my heart. I live this every day.

This has been like a hell hole since this started, and I'll be honest with you, if I found that son of a bitch, I don't know what I'd do, because this guy has caused -- what he has caused in this company, good and bad, right. So there is good things that have come out of it, but why wouldn't we have just done the normal and put them in to start with? Why couldn't we have all of this already there? Why does something so bad have to turn good? Why? That's what I don't understand. It should have been there from the very beginning so this never happened. It wasn't.

Page 92

But I'm just -- this to me, I've worried about it, all the stuff that's gone down. You've got to realize something, when Mr. Kancharla sat in the courtroom with these two gentlemen in front of that federal court, I was there. There was only seven of us in this big courtroom, right. You know what they are. I'll tell you what, if that doesn't scare the shit out of you, you tell me what does, because it sure is -- I will tell you right now, I wish my whole company could have sat there, because there wouldn't be one impropriety, and there won't be an impropriety.

MR. DONNINI: So let's talk about that briefly. I mean, we've just done it, but I guess simply let's do it. You know generally about what happened in Atlanta?

MR. CHEESEWRIGHT: Yes.

 $$\operatorname{MR.\ DONNINI}:$$  You know generally about what happened with Mr. Dodd?

MR. CHEESEWRIGHT: Yes.

MR. DONNINI: And you know -- what is your goal? Your goal is to not relive the past, right?

MR. CHEESEWRIGHT: I don't want to relive

the past. I'm going to tell you what will happen in

Page 93

the future -- what will not happen in the future. I can tell you under my watch based upon my father raising me, anything like this would -- will never happen again, never happen again, because I've got too many people looking and watching, all right.

Everybody knows what is going on.

MR. DONNINI: So to that end, just some of the examples of documentation that you've adopted since becoming the CEO, you have revitalized and

improved your employee handbook, correct?

MR. CHEESEWRIGHT: Yes. And I want to -you know, realize again, I'm going down to dollars and
cents. Just to redo and employee handbook, you have
to change everything and bring the lawyers in, make
sure it's all done properly and make sure we're going
down the right constitution of what we're doing. It's
not cheap even if you only change 15 pages. But it
could be crucial pages.

MR. DONNINI: So this would be Response Exhibit 18, which has already been submitted, and that's actually January of 2018, correct?

MR. CHEESEWRIGHT: Yes.

MR. DONNINI: And we'll talk about some

Page 94 1 specific things, we don't have to point out the 2 language, but let's go through real quick. 3 19, Response Exhibit 19 is an April 2018 addenda that 4 is more compliance focused, right? 5 MR. CHEESEWRIGHT: Yes. 6 MR. DONNINI: Okay. And then you mentioned previously that because of your desire and the lessons 7 learned, you want to set the tone at the top. 8 9 Exhibit 20 the Power Point presentation that you 10 personally conducted with your employees? 11 MR. CHEESEWRIGHT: Correct. 12 MR. DONNINI: And why did you personally do it yourself? 13 14 MR. CHEESEWRIGHT: I want them to realize 15 it's top down, me. Starts with me, it's going to end 16 with me. MR. DONNINI: And in Exhibit 19 it talks 17 about compliance training on the bottom of Page 2, and 18 19 it says that it will be annual training. So is that 20 what you mentioned before? 21 MR. CHEESEWRIGHT: That's the annual 22 training that we will do this now --

MR. DONNINI: Every year.

23

Page 95

MR. CHEESEWRIGHT: You know, remember the old times back in the 70's? Do you remember the Scared Straight Program where the kids -- you know, before they go, if you do this, this will happen. It's like a Scared Straight Program. We're going to do this every year.

MR. DONNINI: So it's your intention before that June of '19 you would have this time the lawyers come in and help with that?

MR. CHEESEWRIGHT: We would have the lawyers come in and do a two, two and a half hour presentation, what it is, and then, you know, lunch after or something like that for everybody, but it's going to be something that has to be -- you have to have done.

MS. HA: Do you know when Computech was notified about the federal government is considering debarment?

MR. DONNINI: I can help you.

MR. CHEESEWRIGHT: You must have a date, because at that point --

MR. DONNINI: Let me do this. So I am going to show Mr. Cheesewright the April 6th, 2018

Page 96

response by Computech to the Department of Justice

Notice of Proposed Debarment which shows the date that

Computech received the Notice of Debarment.

MR. CHEESEWRIGHT: It says January 4th, 2018.

MR. DONNINI: And then again, I mean, I did it earlier, but what is your -- to your knowledge what happened with respect to that proceeding?

MR. CHEESEWRIGHT: With the DOJ?

MR. DONNINI: Yes.

MR. CHEESEWRIGHT: Again, I sat down with these two gentlemen and discovery teams, and we handed in a lot of paperwork like we have here today, and I'm assuming it must have gone over, and they realized then that based upon what we've done, from changing of the guard to getting rid of all these people, was enough for us to further and go forward with the DOJ for the future, so that if we wished to do business, and we do. And, again, before I do any business with the DOJ, I'm going to be hiring people to make sure that I have a litigation staff going down the right piece.

And one thing, whether it be public sector

Page 97

or DOJ, I've come up with, and we'll do this, we are no longer, no longer, no bonuses. There is no money based upon how many people you put in chairs and there's a bonus. That's gone. Part of people working at Computech whether you have a job, you get a job at a new company, and all of a sudden they say, hey, your job is you're going to deal with NASA and Grumman. Okay, that's great. That's your job. That's part of the public sector. That's how you're getting your salary, you're going to deal with that part of the public sector for us. Oh, okay. And we teach them.

There is no more -- I'm done with this with the public sector. There is no more bonuses, there is no more anything. You're going to work, and part of your job is taking care of that public sector, and that is your job. You're getting paid for it and that's what you're going to do. But we're done with a bonus structure depending upon what you're doing in that public sector.

This is where I found out if you go back and look at this, this is where problems occur, right.

I get -- if you give me 45 people in that area, I can get another 45, and I'm getting, you know, so much

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 98

money per person, now all of a sudden, I'll meet you, tell you what, I'll give you 200. That's where these problems occur. So we're done with that. There is no bonus structure any more. But when I deal with the public sector, I've taken that out. I may have people work there, but that's going to be part of their job.

MR. DONNINI: So since we talked about the DOJ department proceedings, and the decision was not to debar Computech, that means that Computech is able to bid on and perform federal contracts, correct?

> MR. CHEESEWRIGHT: Yes.

MR. DONNINI:

Is Computech doing that now? MR. CHEESEWRIGHT: We are in the part to start doing negotiations with Northrop Grumman, Nasa, and some other companies that we are meeting I think within the next three months coming May or June.

MR. DONNINI: And in fact didn't you have recently a situation where one of your customers who does government -- federal government contracts asked you to take over one of its employees?

> MR. CHEESEWRIGHT: Yes.

MR. DONNINI: And you would need Department of Defense security clearance in order to do that?

	Page 99
1	MR. CHEESEWRIGHT: Yes.
2	MR. DONNINI: And you are capable of doing
3	that?
4	MR. CHEESEWRIGHT: Yes, we are.
5	MR. DONNINI: And that may be in process
6	MR. CHEESEWRIGHT: That will be in the
7	process of taking over these individuals through
8	security clearance and that, yes.
9	MR. DONNINI: Okay. Just real quick.
10	(Exhibit J was marked
11	for identification.)
12	MR. DONNINI: Exhibit J is the signoff
13	sheet for the Employee Handbook and the Addenda, which
14	is Response Exhibit 18 and 19.
15	MR. CHEESEWRIGHT: Yes.
16	MS. BENTLEY: I have some questions on the
17	new policies.
18	MR. DONNINI: Sure.
19	MS. BENTLEY: So I see that the employee
20	handbook was updated January 2018. When did you start
21	that process?
22	MR. CHEESEWRIGHT: As soon as June 23rd,
23	2017. I mean, once it's for real, immediately I'm

going to tell you I think I dug into it maybe three or four days later, a day later, but my wheels were already turning right at that time and finding out what is going on, when we're going to do this process. Once it was handed over, boom, here we start.

MS. BENTLEY: Then you had to do this addendum for the ethics which became effective April 2018. What was the reason for doing that?

MR. CHEESEWRIGHT: Because we had not done an ethics part of this yet, and we thought that had better be added to the handbook. It's not anything that needs to be tucked under somebody's desk, here, take this ethics, no, it's part of the handbook, and this is what we're doing. So as an addendum, we want to make sure that we're upfront and showing everything we do. Again, nothing is getting hidden in what we do again at this company.

MR. DONNINI: And while you should come to our firm for everything, the Response Exhibit 18, the employee handbook, you used another firm for that, is that right?

MR. CHEESEWRIGHT: Yes.

MR. DONNINI: So I think that's in part, it

wasn't in there, so we helped with --

MR. CHEESEWRIGHT: So again, once they got ahold of that, look, guys, my law firm said where is the ethics piece, okay.

MS. BENTLEY: So was it in response to the Department of Justice saying we might debar you, and then you realized you needed the ethics piece?

MR. CHEESEWRIGHT: No, no. No, that had nothing to do with it, no.

MS. BENTLEY: And then I think in some of the documentation you gave us you talked about the two layers of approval required for expenses. Can you just talk about that a little bit?

MR. CHEESEWRIGHT: Yes. Now everything that is done in our company now, if -- first of all, if anybody wants anything, so someone says, hey, we'd like to give money to Ebenezer Church. Okay, let's find out what it's for, let's get the people together. There has to be two signoffs. It isn't going to be coming in there one day at 5:00 on Friday and getting someone to sign a check and you're out the door. That's not happening. None of that stuff is happening. There is going to be a process where all

Page 102

can see it, what are we doing. So whether it be the executive board or what are we doing, there has to be two signoffs.

MR. DONNINI: Just to be clear, that includes you?

MR. CHEESEWRIGHT: Yes, and that includes me. So don't think I'm coming in and getting a check for anything. No, there's got to be signoffs whether that be the COO, Ramesh Tavva, and the president, Sachin Shriyan for anything that I want to do. No, there is -- we've got to have checks and balances to everything. And part of the problem was before is as you can see from what I read, the changing of documents, that's somebody doing that, okay. That's not happening here.

MS. BENTLEY: So the two signoffs, is it always the two individuals you just mentioned, or are you a usual part of the signing process?

MR. CHEESEWRIGHT: I would more than likely be a usual part of the signoff, or it could be Sachin and Ramesh, but it would be two people on the hierarchy of the board.

MS. BENTLEY: So two people that are part

of the organizational chart?

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

MR. CHEESEWRIGHT: President, vice president, CEO, something like that, yes.

MS. BENTLEY: Okay. So it seems to vary.

Is there like a particular expense that is supposed to go to a particular individual like --

MR. CHEESEWRIGHT: You would never be seeing checks again saying that I have an expense, I need a reimbursement of 20,000 this month. Okay, stop, time out. Where that may not have been a problem, where have you been and what have you been doing. So all that has to be documented. don't get me wrong, if we haven't seen the person for two months and they're traveling to 15 trade shows, well, you see, there shouldn't be hotel or flight, because that's all done by corporate. So you don't have any expenses for that. So now we want to find out, you've got 20,000 in expenses? I've got to see receipts for 20,000, what is going on and what have you been doing. If you produce them and they're broken down and we say, oh, so you need a receipt for 2,000 here, 1,000 here, 500 here, and they're all the expenses and what it's for, then we're okay.

Page 104

But there has to be -- even when I got there in 2006, sometimes there would be -- someone would do an expense report and just put in, oh, I need this much. Where is all the expenditures? Oh, I didn't keep them. I mean, so you know what I'm saying, at that point it's like you've got to have documentation. You know, if you had a car and you've got gas in it, I need the receipt. There's got to be receipts. You've got to show what you're spending it on and what it's for.

So there is going to be nothing over, quote, unquote, 2,000, 5,000 checks, whatever it is. There can't be anything over that. These big outlays, that's not going out the door any more. This all is going to be -- and it might seem a little bit severe, okay, but -- because I have to get two signatures it's severe? Look just what happened to us. Look what we've been going through. That's severe. This is all severe.

Everything I do from here on out compared to everything that is happening, that's not severe.

Nothing is severe. This is going to be daily protocol what happens inside this company. And if they don't

Page 105

like it, guess what, don't work here, but this is how we do business now. Based upon a couple of individuals' poor judgment, this is how we do business, and this is how business will go on from here on out as long as I'm here. Just get the right recommendations, get the right signatures, everything is good. Follow the rules. No more rule breaking, no more I'm making the rules as they go. Again, we might forget some rules, and we may have to have addendums this year coming up, oh, we need to do this, oh, this is -- or there's a situation, oh, we better put this in. That's what we're doing. We're trying to be so up front and so transparent that people know what is going on.

I'll go back, and I'll be honest with you,
I'll sit down and tell them out today, because that's
what I'm going to do. I'm not going through this by
myself. You're going to understand what I do in that
company, maybe have a different perspective of how -what I do every day, and then say, wow, good for him,
he had to go through this. But this is what we had to
do, and I want them to understand how serious this is.
It's serious to me. And if I have to get on my knees

Page 106

and beg, I don't care. I don't want to be debarred by the city, I don't. I've got plans. It doesn't mean, I can't do them. This is a city I love, and I keep trying to tell you that. I am not your -- you know, I came here and then never left. I've been here since '78. This is my home. This is my home. My hockey -- even my hockey team on their helmets, you know what it says on the front instead of the name of the helmet, Detroit. We stuck the stickers up there to match the helmets, we're from Detroit. We're proud to be from Detroit.

But I mean, with all this going on in the city, I'm tell you right now, this isn't the company you want to debar. We're not the ones. We are not the ones. The people that are here, we are not the ones you want to debar. I'm sorry for what -- again, I apologize for what those two idiots did, I apologize. But we are the ones taking the brunt of all this now. We're not the ones that deserve to take the brunt of this. We're working hard, and we're really busting our ass to make this company good, and it is good. And, I mean, it's really good. And there is a lot of good things we can do for the city. And I

know it, I'm telling you, there is a lot of good things we can do for the city. I know that for a fact. I know that for a fact. And us sitting on the side lines and what we're doing, it hurts me, because it's a waste of a good company sitting here.

MR. DONNINI: Do you have any other questions?

MS. HA: Yes, we do, but we might want to take a break.

MR. DONNINI: Sure.

(Brief recess.)

MS. HA: We're back on the record.

MS. BENTLEY: So what role does the ownership have in Computech? Is there a board that you report to that consists of ownership?

MR. CHEESEWRIGHT: Yes. That's one of the documents. Ram Kancharla is gone off the board. I know that a portion of that board is made up of his wife, who has nothing to do with the company. His two children have like escrow accounts. And people -- it's almost like between two families, one in Chicago. It's almost like a 50/50. And one individual owned like .7 percent so that nobody could have a majority

Page 108

ownership. But Mr. Kancharla is totally out of owning anything under his name any more, it's in his wife's.

MS. BENTLEY: So but his ownership went to his family, his immediate family?

MR. CHEESEWRIGHT: I would have to go back and take a look to give you the exact answer of what it was before, and then I would have to look at the numbers to see how that calculated up.

MS. BENTLEY: So what does the ownership do for Computech? Do they oversee anything?

MR. CHEESEWRIGHT: Nothing.

MS. BENTLEY: So they just receive profits?

Do they receive any kind of payment?

MR. CHEESEWRIGHT: That would be -- what they're doing right now is this was done as I believe that's what it would come to profits in the end, having the ownership of your company that, you know, Mr. Kancharla started in 1996. He had it I would assume back then if something would have happened to him, it would have been disbursed out already done, so if that something would have happened, the wife would have been next in line to his shares or however that goes.

Page 109 1 MS. BENTLEY: Does anybody that owns part 2 of the company work for the company? 3 MR. CHEESEWRIGHT: Yes. That would be, 4 where is it, Venkat Davarapalli at 8.75 percent. 5 actually works in Chicago with Computech. 6 MS. BENTLEY: Do you have any type of 7 yearly or more frequent meeting with any of the ownership? 8 9 MR. CHEESEWRIGHT: We will now, yes. will be having a -- every six months we'll do -- with 10 the ownership itself, no. With the ownership we have 11 12 an executive board that we meet with now every quarter. This board has been put forth that we will 13 14 meet on a yearly basis with them. I had never even met the board before. So now this board is here. 15 We're going to meet with this board on a yearly basis. 16 17 MS. BENTLEY: And so is the board the 18 people listed in Exhibit 14? MR. CHEESEWRIGHT: 19 Yes -- no? 20 MR. DONNINI: No. 21 MS. BENTLEY: All right. Who is on the 22 board that you're talking about? 23 MR. CHEESEWRIGHT: On the executive board?

Page 110 MS. BENTLEY: Yes, the executive board. 1 2 MR. CHEESEWRIGHT: On the executive board. 3 It will be myself, Sachin Shriyan, Albert Fields --4 Gregory Cheesewright; Sachin Shriyan, president; 5 Albert Fields, executive vice president; Ramesh Tavva, 6 vice president finance and operations; Pardeep Sidhu, vice president of cloud computing; Brian Koehl, vice 7 president of strategic development; Clare Phillips, 8 9 manager of customer relations; Marzia Chowdhury, she's 10 an account exec; and Anupama Pulvender, she is a 11 corporate manager, resource manager; and Kristin 12 Morgan, an account executive. 13 MS. BENTLEY: And those are the people 14 you're referring to meeting? MR. CHEESEWRIGHT: That's the executive or 15 16 my executive committee inside the company, yes. 17 MS. BENTLEY: That you meet with on a 18 quarterly basis? MR. CHEESEWRIGHT: Quarterly basis, yes. 19 20 MS. HA: I have the employee handbook 21 attendance sign-in sheet? 22 MR. CHEESEWRIGHT: Yes. It has two Kancharlas, Sachin 23 MS. HA:

Page 111 Kancharla and Sai Krishna Kancharla. 1 MR. CHEESEWRIGHT: Yes. Sai is 2 3 Mr. Kancharla's son, and the other one is a brother's 4 son. 5 MS. BENTLEY: What is their role at the 6 company? 7 MR. CHEESEWRIGHT: Account executives working -- one does -- one writes code, and the other 8 9 one does account executive with different companies. 10 They're like very young, I'm going to say one is 26, the other one is 27. 11 12 MS. HA: So Sai Krishna Kancharla looks like he didn't attend the -- or he did not receive a 13 14 copy of the employee handbook? 15 MR. CHEESEWRIGHT: Which one? No, he did 16 receive a copy. Yes, he did. 17 MS. HA: It's just not reflected here? MR. CHEESEWRIGHT: It may not be reflected 18 19 here. Didn't we have another one where it was 20 reflected? MS. HA: And Sachin Kancharla is 21 22 Mr. Kancharla's nephew? 23 MR. CHEESEWRIGHT: Yes.

	Page 112
1	MS. HA: He's also on the executive board?
2	MR. CHEESEWRIGHT: No, none of those two
3	Kancharlas.
4	I do have one where everyone has signed.
5	So maybe I'm thinking maybe I passed that on early
6	and we it's all been signed.
7	MS. HA: So you said the shareholders
8	really do not make any business decisions, or am I
9	putting words in your mouth?
10	MR. CHEESEWRIGHT: No, you're right on,
11	you're dead on.
12	MS. HA: They only receive profits at the
13	end of the year, they just get a check?
14	MR. CHEESEWRIGHT: Yes.
15	MS. HA: What about Mrs. Kancharla, does
16	she have any role in the company in terms of how the
17	business operates?
18	MR. CHEESEWRIGHT: Zero.
19	MS. HA: Zero.
20	MS. BENTLEY: Has she ever had any role in
21	how the company operates?
22	MR. CHEESEWRIGHT: I'm going to say no, no.
23	And again I go back I'm not going to be mean about

Page 113

it, but I'm going back to that Indian -- she would even come to me and say are we having a Christmas party? She would have no idea, unless, you know, if I said, yes, we're having -- you know, we're having it December 20th. Ram Kancharla never tells me anything. I mean, she -- so I'm going to say no. And again, remember I'm speaking maybe out of turn, because even though I was not privy to any of that up until 2017, I didn't know -- you know, that was something in a silo even I wasn't privy to. I mean, that's how bad it was, so.

MS. BENTLEY: Would you talk a little bit about Mr. Kancharla's role as an independent contractor for the company?

MR. CHEESEWRIGHT: Sure. Prior to him departing the company, we were doing -- we were going to do a job. A friend of ours owns a vision company. Like, for example, if you were to work at the Ford Motor Company and you need some glasses or optical or something, he has an optical company, and he had -- we had bid for a job three or four years ago and we didn't get the job, so he gave it to somebody else, and he's a very good friend of mine. He's one of the

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 114

first people I ever met coming to Michigan when I was in business. He has offices right in the Compuware building.

So to make a long story short, he took on this other company and got screwed out of 3 million dollars. They didn't produce anything he needed for his company to move further technology-wise. And at that point Ram Kancharla is a very, very clever man, he can write code. In fact, to be honest with you, brilliant when it comes to writing code and doing So with this optical piece, there is a lot of HIPAA laws, do you understand, but there's a lot of HIPAA laws, a lot of things go on. We also do e-commerce sites. For example, if you were to go to a website like e-bags where you can by any sort of bag, right, like a knapsack or whatever, we run the back engine of those where as you know you click in your card number and pictures come up of the bag, you know how you can. Well, we can make all those kind of sites, and he does it.

And at this time RK, because George is such a good friend, RK took on the task of writing code for him to get this done, and what it was is that if

Page 115

George didn't get a certain piece done on time, they're going to lose a lot of business to some major corporation because they don't have an optical piece where you can go on and order lenses and get -- you know, do your appointments online, none of that. He was running in the dark ages.

So we put forth a technology piece for him, and Ram Kancharla started it. And as opposed to just pulling out, he stuck with it to help write code, make sure that the developers were writing it. When you make a click on that website, we wanted to make sure it was going to the right thing and did the right things, and we also had to test it so that when all of a sudden something like let's say 10,000 people were using the site, that it wouldn't crash. And Mr. Kancharla was doing that to make sure that site is going to be sound when it goes over to the vision plan company, and he just oversaw the writing of that, getting it done, making sure it was done. Once that was done and the code was written, then Mr. Kancharla, that was -- that's all he did.

MS. BENTLEY: So he was terminated from his position at Computech, but he continued to work for

	Page 116
1	the company as the independent contractor, is that
2	correct?
3	MR. CHEESEWRIGHT: Until this one job was
4	done, and that was it.
5	MS. BENTLEY: And when did that job end?
6	MR. CHEESEWRIGHT: August?
7	MR. DONNINI: Of what year?
8	MR. CHEESEWRIGHT: 2018.
9	MS. BENTLEY: And did he continue to
10	receive the same amount of compensation?
11	MR. CHEESEWRIGHT: From when?
12	MS. BENTLEY: While he was an independent
13	contractor from the time he was terminated as what was
14	he, CEO.
15	MR. CHEESEWRIGHT: I would have to see what
16	his W
17	MR. DONNINI: W-2 versus 1099.
18	MR. CHEESEWRIGHT: His W-2 versus 1099. I
19	wish I could answer that for you.
20	MS. BENTLEY: So, you know one thing I read
21	in the affidavit that you provided was you stated that
22	he might be called on to perform similar work on
23	as-needed basis. Is that still true, that you might

bring him back?

MR. CHEESEWRIGHT: I'm hoping not to, but the reason I had put that it in there is all of a sudden we go live, and I believe that the people we have in place now, they'll be able to compensate and do what needs to be done. I just put that addendum in there in case -- in case they're not seeing something that he knows, that he knows you're all turning left, you should be going straight here. You know what I'm saying? I don't know, but I would say 99 percent nothing, but I left it open in case it was a phone call, hey, this is happening, what should we do. That would have been the only -- I have not even seen Mr. Kancharla since August of 2018.

MS. BENTLEY: His sentencing memorandum said that he still played a vital role in the company's operations as a consultant. What was meant by that?

MR. CHEESEWRIGHT: Well, that role that he was playing, that's a vital role. He's getting someone's what I call website, back site, that's a vital role. I mean, how they use the word vital, it's not like he's making all of the decisions. No, no.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 118

He's doing that role. That's all he was doing. He would come in the back door, go downstairs, stay until 5:00 and go with the developers, that was it.

MS. BENTLEY: Was there somebody else that was able to do what he was doing? Like why did it have to be him? Was there not somebody else you could have brought in to do that job?

MR. CHEESEWRIGHT: Could have been, but I believe -- I believe when he started, I'm sure we could have gotten -- I don't know -- I don't know if we could have gotten somebody with as much knowledge of what he was doing and how it wanted go in such a short period of time based on time frame which Vision Care had. The Vision Care company, the one company they used spent 80 percent of the money and had 20 percent of the work done, you know what I'm saying. It was a real bad scenario. And we just said, okay, let's see what you've got, we'll go from here. we got it started, it's a lot easier to stay with -and in the City of Detroit you should know this, if you can stay with one group and get through, it's a lot easier to finish your task with the same people from the beginning to end knowing how it's going.

Page 119

Then we did a lot of jobs in the city where we had the Compuware company keep replacing six people every four months, and then they have to come up to speed. I don't believe if we had brought somebody in who we would have had to have brought up to speed on this, I don't know if the time frame would have allotted that. Does that make sense? Do you understand what I'm saying?

MS. BENTLEY: I understand.

MR. CHEESEWRIGHT: Based on the knowledge he had and based on where he was, to bring somebody in with that much knowledge -- first of all, we'd have to find somebody with that much knowledge, bring them in, bring them up to speed. I don't know if that up to speed time gave us enough time to finish that by a certain date for us to go live and start doing what we call smoke screen testing to make sure what we put in place will work whether we use 1,000 users, 1 user, or 10,000 users. I don't think we would have made the time frame that Vision Care wanted.

MR. MARABLE: So the other side of that to Jen's question was moving forward you left the door open for his continued involvement on a consultancy

basis. So the other side of that question is, like moving forward, is there somebody else that you can identify --

MR. CHEESEWRIGHT: Oh, yes, there is no question. Yes, yes, I can close that door tomorrow. That's not a problem with me. That door can be closed. I can close it completely.

MR. DONNINI: Let's do it right here, Greg.
Can you -- will you close the door?

MR. CHEESEWRIGHT: I'll close the door, yes. The bottom line is what's on the Vision Care right now is perfect so far, everything is working great. So I can tell you right now I close the door and he doesn't come back. The door is closed and I don't have to have him. For what is going on, I can find somebody with as much knowledge in a short period of time. Based on where we are now with the knowledge that I have on this job that's it, sure.

MS. HA: Was there any internal investigation done after the Grand Jury subpoena was issued, do you know?

MR. CHEESEWRIGHT: Of our company ourself?

MS. HA: Yes.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 121

MR. CHEESEWRIGHT: I don't -- I'm going to say at that time no, I don't believe there was any Again, everything that you see and we presented is since I've become CEO. At that point I think there is maybe a lot of -- I'm sure Mr. Kancharla more than likely knew some things that he wasn't going to let us know, and therefore why make it a bigger affair than need to be. I'm sure it's going to get big, but he knew it was going to be big. We didn't. There's a lot of things that came out in 2016 or '17, whatever it is, that shocked us, okay, shocked us, because nobody was privy to this. would you have an investigation of people in the company went nobody in the company knew what was going on or nobody had any idea that any proprietary improprieties were going on. Nobody had the awareness.

MS. BENTLEY: How do you know that nobody had the awareness? Did you talk to other employees?

MR. CHEESEWRIGHT: How could I talk to them if I didn't even know what was going on.

MS. BENTLEY: But since it all came to light, the people that are still in place, because it

seems that some of the executive board has been there.

MR. CHEESEWRIGHT: Oh, yes. They were

dumbfounded. Had no idea. Didn't even have an idea.

MS. HA: When you were questioned by the FBI, were you the CEO of the company?

MR. CHEESEWRIGHT: No.

MS. HA: You were the vice president?

MR. CHEESEWRIGHT: I was the president of global operations, yes.

MS. HA: Okay.

MR. CHEESEWRIGHT: And I'll be honest with you, scary day, right. You guys are powerful. Scary day for me today whether you think so or not, okay. And that was -- it's easy to come into a meeting like this when you speak from your heart. It's easy because I live it every day. I can go through this meeting ten months from now and I'll give you the same answers. Nothing changes. It's easy, okay. I don't have to sit here and rehearse anything. This is how we do business. This is what we're doing.

So some of the questions you've got, it's like I can't really have a meeting to ask people if they knew this happened when I didn't know what

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 123

happened or I don't know what is happening. it was all said and done, yes, we've had meetings, hey, this can't -- and even the Indian people, I mean, Ramesh Tavva, our general manager or COO, right, do you realize that when all of this goes down, he might go to a temple for the whole day and pray for eight, nine hours in a row, never get off his knees over That's how distraught they are. I don't think this. people realize how they -- how they feel about their religion. And when something like this happens, this is -- listen, I got texts this morning, him asking me, and you've got to realize something, Indian men are not what I call -- they don't cry, you know what I'm They're just -- they're very hard, right. That's how they've been brought up. I mean, when you see the way they tried to text me, please, sir, so needy you help us. That's the kind of text I had this morning. We wish you the best, everyone one praying These are the kind of things that don't come for you. out in Indian people, it's not there, not in the men.

This has affected -- this has affected the people in our company, the Indian people. They almost want to go into seclusion again, like they don't want

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 124

to talk about it. To them it is just -- it's the biggest ill that could ever have come down upon them. And you've got to realize something, and this going to be -- and this is not putting myself on a pedestal or anything like that, they have as much faith in me a white guy as they do in any Indian person in that role because of what I've been through, because how I treat them, how I've changed company policies for these people, got new healthcare policies. Nobody took our healthcare before, nobody. It was so poor. It's not poor now. Nobody -- one day you could work from home I don't care what it is now, you've got kids, a year. they're crying, go home, work from home. are becoming -- business is getting done and we're changing policies based on the people that work there. It's not based on what I say, it's based on their needs.

MS. HA: So Mr. Kancharla's two children, I see --

MR. CHEESEWRIGHT: One child. Oh, two, I'm sorry.

MS. HA: Who are part of the owners of the company, their shares just like Mr. Davarapalli's

Page 125 1 kids, they're in trust. Do you know who the trustees 2 are of their shares? 3 MR. CHEESEWRIGHT: No, I don't know who the 4 trustees are. I would assume it's got to be his 5 mother, I'm assuming. I could be totally wrong. Ι 6 shouldn't even assume. 7 MS. HA: Is Mr. Kancharla getting any sort of compensation from Computech --8 9 MR. CHEESEWRIGHT: MS. HA: -- at this time? 10 11 MR. CHEESEWRIGHT: 12 So you're essentially saying that MS. HA: nobody in the company knew about the bribery other 13 14 than Mr. Karthik and Mr. Kancharla and their lawyers until --15 16 MR. CHEESEWRIGHT: No, that's what I am 17 Not essentially, that is what I'm saying. saying. 18 MS. HA: Okay. 19 MR. CHEESEWRIGHT: I mean, if there is 20 somebody else that knew something, go find them, 21 because I'll fire their asses tomorrow, I'll tell you 22 that right now. You know, that's the way it is.

That's not -- yes, that's the way it was, yes.

23

Page 126

MS. HA: So I'm just a bit curious. The city owes Computech over a million dollars, and you guys have not taken any legal action to collect it.

Is there a particular reason that you are aware of?

MR. CHEESEWRIGHT: Because this is more important. This has been -- how am I supposed to go to a city and say you owe me money, and at the same time they're going to come back to me and say, well, the only reason you got the job is because you bribed to get it. So there is going to be a fight there one

First of all, I want to prove the company is good. I want to prove by that point. And, look, and maybe I'm speaking out of turn. If I am, put a gag over my mouth. I don't give a shit about the money. I'm going to be very honest with you, I really don't. I have a reputation here to uphold, and that's what I'm here for today is reputation of me. I've got to go forth to promote this company with me heading it up, and I have to protect what this company has stood for in this city.

When I took over, I could have gone after the money. That's not my concern right now. I have

way or the other.

Page 127

an ethical concern. It sure as hell isn't 1.1 million dollars. So if you can't believe that because you think that's a lot of money, it's not a lot of money to what I'm doing on the basis of this company.

Because if everything goes bad, I get debarred, major corporations don't want to do business with me. It's true that's 1.1, but I ain't going to have a company. I'm protecting 2,000 people's jobs. And you know what, I'm doing a damn good job of it, a really good job.

And the bottom line is I'm protecting the integrity of myself. I could have left this company. When all this went down, I could have gone to Chrysler not once but three times. I didn't leave this company in all this crap. I could have walked out of here in a heartbeat and gone to someplace else. I've been recruited five times a year, but I have people sitting there praying to my shoes when I walk in, please, sir. And I swear to God I owe it to some people there, because they've got children, they've got families. I could have walked away and just said I'm out of this crap, I'm out of here, my hands are clean, I'm gone, but I didn't. I'm dealing with all this. And it's

tough. It is really, really tough.

But I have a little bit of ethics. I've been brought up that way. I have integrity. I want to get this put aside that what we have, we're good. We're not part of those two idiots. I'm not part of that. Nobody is part of that. We're a part of it as a whole, I understand that, but that is not the core.

MS. HA: Well, let me just be frank.

Doesn't it bother you that the guy who almost brought down the company, he's still getting financial interests through his wife and children's share of the company?

MR. CHEESEWRIGHT: Are you going to tell me that those children are bad? Are you going to tell me that his wife is bad? Are you going to tell me that because of a woman or because somebody does something wrong, I should penalize the whole family? Is that what I should do? I should ruin their lives? Should I take -- that they have no idea about. Does that mean that everybody that commits the worst crime, whether it be all these people, do I take a Bernie Madoff, do I take all these people and give their wives nothing and let them sit on the side of the curb

Page 129

because of that idiot. I don't know if that's true, I don't know if that's right.

Does it mean I'll have to look into it eventually? Maybe I will. Maybe we've got to change the whole structure. I have to sit down with these guys right now. I haven't gone over this. But you haven't had his son crying, 28-year-old boy, crying on my legs. You haven't had that. I didn't think I would see it. What do I do when they do that? Do I penalize him for his father's mistakes? Do I penalize a wife that has no idea what the hell is going on? Do I penalize them? What do I do? Is it up to me to penalize them.

This was all set in place prior to me getting here. Does it not mean I have to look at it? Sure. But we have a couple of other things here I have to take care of first. And if I can put this all to rest and finally get a clear head and start running the company without having these day to day all the time, we're going to be even better. We'll double our numbers once I can start working on the business.

It's very hard, very hard to cut people out of things. It's very, very hard. When I look at

Page 130

someone and I can look at her and go she has no idea what has gone on, she's never had an idea. So what do you do? I wish I had an answer for you. I just don't. But I don't have a heart either that could just sit there and tell you you're not getting any, you're as bad as them. That's not right, I mean, you know.

MS. BENTLEY: I do understand what you're saying, but from our perspective it is a little difficult when the person that engaged in bribery dealing with the City of Detroit and has a history of it if you look at the Atlanta situation also, still receives benefit, still receives compensation through the ownership. You know, he did give it to his wife, but he kept it within his family, so it's not an arm's length transaction.

MR. CHEESEWRIGHT: And you know what, I'm not -- you're a lawyer. I'm not debating you, and I'm not going to debate that theory, because if you don't think that's gone through my mind, it's gone through my mind. Okay.

I would have to -- and I'm going to be very honest again. If I speak out of turn fellows, look,

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 131

I'm going to have to sit down with these guys and say we have to -- I've taken this company over, restructured what is best for the employees first. And then we'll have to sit down internally and say, you know what, they've got a good point here, they've got a real good point, so what do we do. And if we have to sit down and restructure this where I myself or -- don't get me wrong, I've talked about myself owning a bigger portion of this, a big portion of this company to make this for real, okay, and I get it, we still want to be a minority-owned company. Venkat, whatever he is, he has to be the 51 percent ownership and/or broken down into more parts of the ownership whether we become an employee-owned company where he can go down to 31 percent and we can still remain minority-owned as long as the rest of the shares don't equal above or go above 31 percent. I've got all this, I know how it works. Those are talks we have to have. I haven't even been in this position a year yet, right.

So, yes, it's little flabbergasting at best. Do I have all the answers for you today? No.

Am I going to have the answers for you a year from

Page 132

now? Yes. Because at least I hope, and I hope I'm going down the right path with you showing you what we're doing, okay, showing you what we're trying to do.

I've got good people working here. And I understand that part of it, there could be a provision that you don't like. I understand that. Don't think I haven't thought of it, because I have. And I know you bring it up and you're both very smart people, all of you, and you understand that, and you're like, hey, this guy, he was dirty, and look, he's still getting -- I get it, I get it. That was set in place prior to this.

So is there going to have to be some changes? Yes. I can see that you want changes, and I know there's going to have to be some changes. I'm just saying in the interim, and I ask you again, look, just don't throw the baby out with the bath water. We can make provisions and changes. We're doing a lot as it is now. The feedback from the staff and the people, it's phenomenal. Well, we think it is.

It's not easy to have to go through ethics and explain what happened to these people, and people

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 133

sit there and come to my office, can I talk to you?

Are we going to have a job still? And, you know, it's not one, it's 15, 16. Everyone is worried about it.

This was unique, and to those Indian people, it's traumatic. I don't know what went on in their community. I can't begin to tell you what went on in their community, I don't know. It's not good, not good.

So, you know, I'm like, you know, you have to make a decision based upon criteria we've given you and hopefully some things I've said. I just -- I don't know what else to tell you. Yes, we want to make some more changes. There is no question I've got a lot more changes to make. I can only make so many And try making the healthcare changes I've at a time. That didn't just come in one month. I've been made. working on that since the first day I took over, and they just came to fruition about four-and-a-half weeks ago. So not easy. I'm still doing this stuff, and I'm still trying to go and move and move and shake and make new meetings with healthcare companies and all the other companies I'm traveling to. And, yeah, my head spins sometimes. And, you know, like I've said

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 134

before, the one thing that is on my back burner is stuff like this. Not on the back burner, it's there, it's burning pretty heavy, right, I've got a fire, I have trucks around making sure it doesn't spread any further.

But, you know, I just want to get -- how do I would like to put this behind us. You may not change your decision, that's something you've got to do. And if you don't want to, so be it. Shame on you letting a company like ours not be able to help I know we can. And I know what you when we can. we've done in the city. I know what we've implemented in the city. I know you're still using what we implemented in the city, and I know that it's damn good what we implemented in the city. And I know that we've done it under budget, on time, the best we can, and nobody has ever complained about it. And I know there is things going on in the city now we can help you with and fix a lot of things. And I would be willing -- I would be willing to show you how well we can fix it, even if you put it on a probationary thing. I don't care how you want to do it, but I just want to --

Page 135

MR. MARABLE: Just to underscore. I mean, I think, and you have told a very positive story about what is going on with Computech and the commitment to the City, but, you know, we have a job to do also, and, you know, how we treat this company, there are other companies who are looking. And at the end of the day, you know, we are -- you know the history of the city.

MR. CHEESEWRIGHT: Sure.

MR. MARABLE: You know, this occurred after the worst. So for us when we thought that things were better, it was still happening. So it is important. So when we're underscoring the involvement or the continued involvement of the person who was central in the company going forward, that's a concern, and just to make that clear. Not that we're not impressed with anything that you all have going on.

MS. BENTLEY: Or the policy changes that you've made.

MR. MARABLE: The policy changes that you've made, but that's a sore thumb, you know, that continued involvement. And, you know, like I said, it's just not this. It's the rest of the world

Page 136

looking, it's other companies who are cued up who are going to be looking at what we do in each and every case. So just to make that clear.

MR. CHEESEWRIGHT: No, no, no, I totally understand that, and we totally understand that.

MS. HA: I don't have anything further.

MS. BENTLEY: Anything else?

MR. DUMOUCHEL: Let me just finish it off.
I guess I can pick up there, but I would rather go in order.

We understand coming in here what your job is. I don't minimize it. I think it's an important job, I think it's a necessary job. And I'm not saying that to be patronizing, it really is. The city needs an active and aggressive Inspector General, there is no question about it.

You know, we can look back, too, and say, well, this stuff should have been caught, this stuff should have been caught. You say, well, we're doing things better now. And we say, yeah, but you didn't do things better -- this office didn't do things better again. And you say, yeah, but give us a chance, we want to show you people what we can do,

Page 137

too. We're telling you the same thing.

And I appreciate the observation that going forward this company is -- well, I'll give you an example I gave Greg yesterday. My daughter went to visit my wife, and my daughter said I want to go to dinner at some restaurant. My wife said, oh, we're not going to go there. Why? You know, they were just cited by the health department. And she calls and tells me, and I said that's the restaurant you want to go to. That place is going to be the cleanest damn restaurant in the city. There won't be a fly in the restaurant. They know that they have been tagged and they know they're coming back, and they know they're under a microscope. And if you want to go to a place that's clean, that's it.

Well, if you want to go to a place that's clean here, Computech is it. What they've gone through is -- and again I don't want to go through all that. You know that. It's been a nightmare. And some of this I want to take some heat on. We did not tell Greg what was going on during this investigation. We did not tell him what was going on on purpose. We

Page 138

couldn't for a number of reasons. One, we had ethical concerns. Two, we had government concerns. They were continuing with their activities and didn't want that in any way disclosed to anybody.

You talked about internal investigation.

Internal investigation would have been a gnat on some part of an elephant, because I assure you the FBI did an investigation inside out of everything in that company and everybody in that company. When they called Greg in, I'll tell you the agent was a little probably how could he not know what is going on.

Well, by the time they got done with the meeting, they knew damn well he didn't know what was going on.

This was unfortunately done by RK with

Karthik -- actually it began with Karthik. Karthik

you probably gleaned this, but when Greg was talking

early on about the person who wanted to rise up and be

close, well, that's Karthik. And that was his thing,

I want to be the guy, I want to be -- I want to be

RK's right-hand person, the top guy here. And he was

overly ambitious and looked the wrong way and did the

wrong thing, but he certainly wasn't going to share

that with somebody like Greg Cheesewright or for that

Page 139

matter anybody else. It wasn't done.

I had an involvement in this which did not thrill me. If you read the transcript, you know it.

I'm the one that got to turn over the documents to the Grand Jury that were inaccurate. That annoyed me when I found that out. Those documents were given because there was a subpoena. I give them to the Grand Jury. I find out later they were not the right ones, and I was mildly annoyed at that, or not mildly annoyed, I was madder than hell about it. And that all got worked through.

RK did help in Atlanta. RK isn't all bad either. There is a lot of good in him. I probably have seen way too many people in a role of having to stand in front of a judge to be sentenced, and most of them read the script, I'm very sorry, I've hurt my family, you know, we have this script. RK was mortified, humiliated at what he had done and what trouble he had caused everybody, utterly humiliated, but look, it was done. We saw that the other day on TV with Michael Cohen's testimony, the same thing, and one of the -- well, I'll keep my political opinions out of it, but one of the people said I don't even

Page 140

think you're remorseful. At least Cohen said to him, you ought to be ashamed of yourself for saying that. You know, do you want to go through this? He said they've learned from it. They're not going to do anything wrong again.

But I want to address just for a second -and then Greg on his own I have to say started looking
into the public reports, because, you know what, we
weren't going to tell him anything, and he handled
that very well. He understood why he was learning
things after the fact. And the benefit of it, the
only benefit from those kinds of mistakes is to learn
from them. And so they've put into place steps to
make sure that that kind of thing does not happen
again.

Look, nothing is fail safe. If somebody wants to find a way to cheat, they'll go find a way to cheat. All you can do is put as many things in the way of that as possible, which is exactly what he's doing. They know they're not going to cheat and then find out about it. I wouldn't want to be that person. They don't want to be that person either. And so the controls get put in with double signatures and stuff.

Page 141

Is that going to guarantee that nothing ever happens. Of course not. But you do everything you can to prevent it. And you see this all the time, and I suspect when you're looking at how to judge some company, that you'll -- it's a corny phrase, but you'll look at tone at the top. Well, the tone at the top here is exactly what you want the tone to be, we're not going to tolerate this crap.

And look what has happened to us as a result. Now, the legal fees was a good thing, you know, but a lot of other things were bad. The legal fees are fine, the rest of it is not, and they know that.

Just for a second or a minute, Greg's position. I think your observations, we're not looking to sell the company -- we're not asking you to give us a contract. We just want to be able to come in in a fair process and bid on a contract, and -- and, we told you this the last time, and I've had a fair amount of experience with this stuff, you get on that debarment list, and of course you're going to be debarred from the City of Detroit, and Toyota isn't going to take that well, other places aren't going to

Page 142

take that well. And other competitors are going to use it, and maybe they should, maybe they shouldn't, but they will. You must be a bad company still because I think the general census is the OIG and city is not about just punishing people for what happened, it happened, it's very old, very old, but your concern is can we trust you going forward. Are we -- because that's the ultimate concern, you approve some company or at least don't debar them and this happens again, that isn't going to be good for anybody.

So the concern I think is let's look forward and see what assurance you can give us that this is never going to happen again. And I think we've done that, but the concern that you raised is RK's family members' ownership. I don't know how you fire an owner. I don't know how you fire owners and say that you can't own me any more because I'm going to get debarred if you do so, get out. Well, you know, I don't think we're going to do that. Can you make sure they have no active role? Yes. Can you go to them and say guys, you're going to have to give it up or we're not going to be able -- we're going to get debarred. Then they've got a decision to make. And

Page 143

I don't -- but I don't want to write them and say you're fired from being an owner. They have no active role. We can certainly encourage them to give up ownership.

Is that ownership benefiting RK in the future? Assume it is. I don't assume it is. He's not getting any money, they're not handing out cash to owners, but is there a potential for some day they sell their stock and make money? I don't know who they're going to sell it to, but I understand the concern.

Greg mentioned, and I don't know if this is even possible, if there is some provision for probation where people can require reports, can require certain activities, something other than debarment, that's what we would hope for.

RK can be -- it's easy for me to say, he's not here, if he needs to be debarred, he can be debarred, and we're not arguing against it frankly, and I don't -- he didn't show up, his lawyer didn't show up, but I think they can figure out it's probably not going to be a good result for him. But the company has a lot to offer the city by being on the

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Page 144

And you hear all these cases, I don't. list. I doubt -- I'm making this up, I make a lot of things up -- I doubt that you can point to a more committed company to the city and its residents than the version you've heard here. And this wasn't done -- nobody was doing all this stuff so they don't get debarred. this stuff was done long ago and without any knowledge It's a commitment that I suspect you don't of this. hear and see, not just hear, but see from many companies who are in here asking not to be debarred, because you're safe going forward, and I hope that's the focus and I hope Greg has shown why you're completely safe going forward.

We can't do anything about what happened 12 years ago or longer than that. We all wish we could. But we can do something about what happened afterwards and once they found out and once Greg took over, and that's what I hope our focus is, and I hope that you can be comfortable with that. I am -- my reputation may not be great, but it's not awful -- staking my reputation on it, too. I'd rather stake George's, but I'll stake mine on it, too, nothing wrong is going to happen here, period. Anyway, Greg

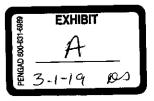
## OIG Hearing 3/1/2019

	Page 145
1	is better at that than I am. And it was sincere, and
2	that's what he can bring to this is his sincerity and
3	his commitment. That's it.
4	MS. BENTLEY: All right.
5	MS. HA: Thank you.
6	(Hearing adjourned at 1:02 p.m.)
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	

Page 146 CERTIFICATE 1 2 3 I, Diane L. Szach, do hereby certify that I have recorded stenographically the proceedings had 4 5 and testimony taken in the above-entitled matter at the time and place hereinbefore set forth, and I do 6 further certify that the foregoing transcript, 7 consisting of (XX) pages, is a true and correct 8 transcript of my said stenograph notes. 9 10 11 - Diane R. Szach 12 13 Diane L. Szach, CSR-3170 (Acting in Wayne County) Oakland County, Michigan 14 My Commission Expires: 3/9/24 15 16 17 18 19 20 21 22 23

### KIRBY OF DETROIT BUILDING & CONSTRUCTION COST

TYPE	Α	MOUNT
Architectural Services	\$	25,143
Building	\$	79,096
Construction Charges	\$	556,089
Demolition	\$	70,189
Others	\$	14,987
Project Management	\$	336,486
	\$ 1	L,081,990



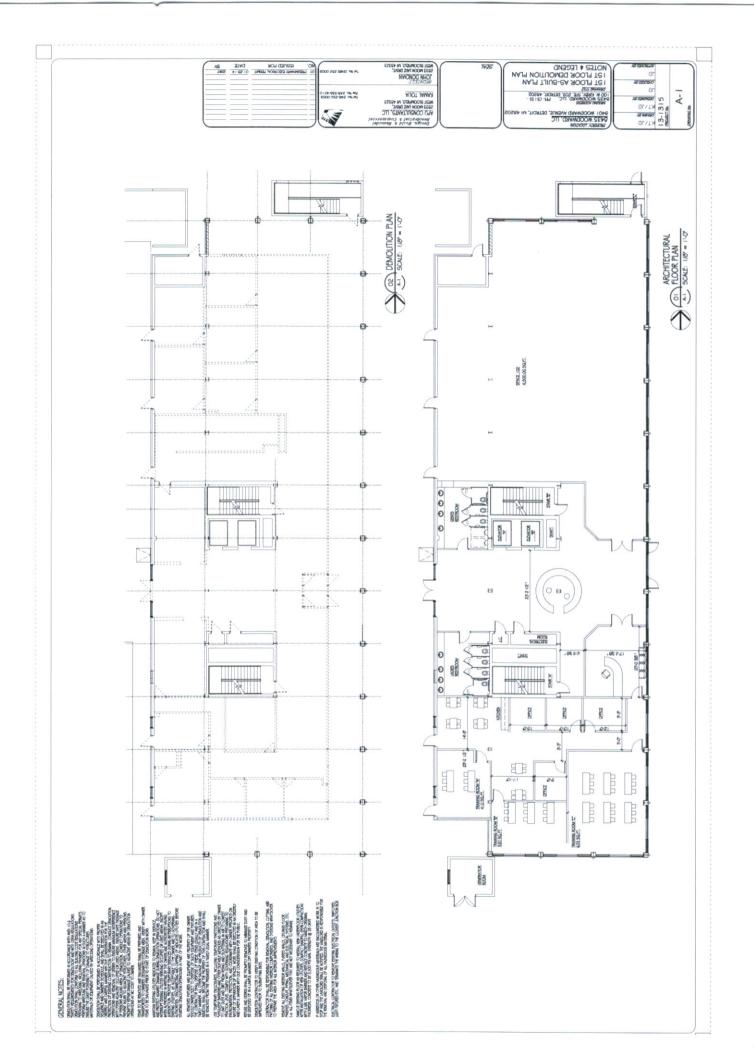
8435 WOODWARD LLC (SCHOOL) CONSTRUCTION FUNDS OUTFLOW STATEMENT AS OF JANUARY 31, 2019

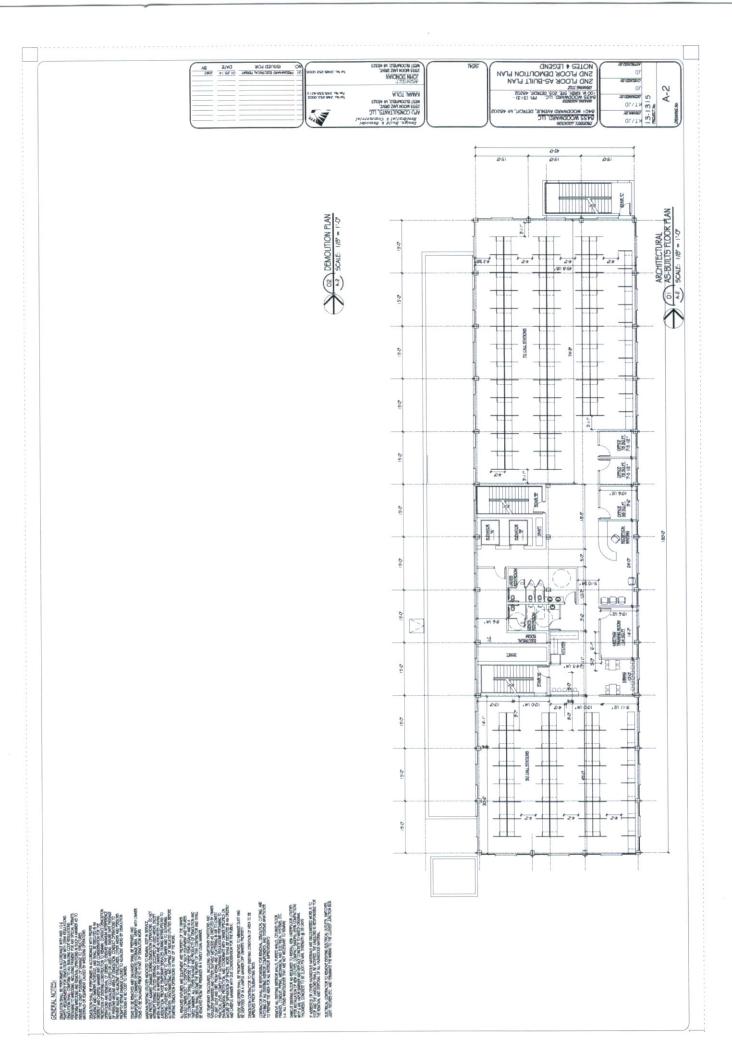
PERIOD	GROUP	DESCRIPTION	VENDOD	ŀ	
	IOONO	DESCRIP HON	VENDOR	_	AMOUNI
Oct, 2014 - Sep, 2016	Capital Expenditure	Labor - Cleanup	Euclid Ventures / Detroit Guards LLC	ક્ક	125,294.85
Sep, 2014 - Sep, 2016	Capital Expenditure	Roof - Materials	Various Vendors	8	11,339.67
Sep, 2012 - Dec, 2013	Capital Expenditure	Building	Detroit Public Schools / Comerica Bank	8	117,423.45
Sep, 2014 - Sep, 2016	Capital Expenditure	Labor - Structural Improvements	Euclid Ventures	49	15,126.98
Sep, 2014 - Dec, 2016	Capital Expenditure	Electrical - Installation	George Properties & Investments	8	57,280.00
Jul,2014 - Sep,2016	Capital Expenditure	Dumpsters	Republic Services	49	26.191.37
Sep, 2014 - Dec, 2016	Capital Expenditure	Electrical - Equipment	Park Detroit	49	37,597,14
Jul,2016 - Dec,2016	Capital Expenditure	Roof - Sheeting	Grant's Home Improvement	69	5,000.00
Sep, 2012 - Nov, 2012	Capital Expenditure	Labor - Cleanup	Multi-Tool Construction	69	30,000.00
Dec, 2013 - Dec, 2016	Capital Expenditure	Architecture	Apu Consultants	8	30,030.00
Dec, 2014 - Nov, 2016	Capital Expenditure	Engineering	Beechwood Engineering, PLC	69	23,350.00
Jul, 2015 - Apr, 2015	Capital Expenditure	Fence	Warren Cheesewright	69	7,059.84
Sep, 2014 - Nov, 2016	Capital Expenditure	Electrical - Materials	Excel Lighting & Electrical Supply	69	9,719.30
Jul, 2015 - Nov, 2016	Capital Expenditure	Plumbing - Materials	Federal Pipe Supply	8	3,176.73
Dec, 2015 - Nov, 2016	Capital Expenditure	Water Proofing	Active Basement Water Proof	8	5,000.00
Jul,2015 - Nov,2016	Capital Expenditure	Plumbing - Installation	T. Brian Cooper	8	2,150.00
Sep, 2014 - Nov, 2016	Capital Expenditure	Electrical & Other - Permits	City of Detroit	8	1,299.00
Sep, 2014 - Current	Capital Expenditure	Project Management	Project Management	S	415,256.00
			Capital Expenditure Total	<del>()</del>	922,294.33
Sep, 2014 - Current	Maintenance	Maintenance Supplies	Various Vendors	s	117,204.50
Jul,2014 - Current	Maintenance	Grounds Maintenance	Higher Ground Landscaping	S	13,910.00
			Maintenance Total	49	131,114.50
Aug, 2015 - Current	Utilities & Taxes	Property Taxes	City of Detroit	છ	146,744.36
Jun, 2014 - Current	Utilities & Taxes	Electricity	DTE Energy	8	10,753.75
May, 2016 - Current	Utilities & Taxes	Internet	Comcast	8	3,843.01
Nov, 2015 - Current	Utilities & Taxes	Water & Sewer	City of Detroit	€9	31,144.74
			Utilities & Taxes Total	છ	192,485.86



\$ 1,245,894.69

**Grand Total** 









#### WEATHER CARD

#### City of Detroit

Buildings, Safety Engineering and Environmental Department PERMIT NO.: BLD2014-02972

SUITE 408, COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MI 48226

BUILDING PERMIT (313)224-3202

APPLIED:

7/8/2014

ISSUED:

**EXPIRES:** 

SITE ADDRESS:

8435 WOODWARD

BETWEEN:

Between PHILADELPHIA and EUCLID

LOT NO AND SUB:

Lot No.: SEE and SubDiv.: MORE THAN ONE SUBDIVISION

PERMIT TO:

Alterations

LEGAL USE:

SCHOOL

ESTIMATED COST: 15,000.00

SECTOR: 4

STORIES:

#### AKASC ENCE ACADEMY

ZONE DIST:

USE GRP: E

SIZE: 53,927,00

FL AREA: 88,562.00

GROUND AREA: 0.00

STORIES:

JASEMENT:

BLDG TYPE CODE 2B - CONC/STL (FP 111)

PERMIT DESCRIPTION:

PHASEI: INS "ALLATION OF A 3,000 AMP SERVICE WITH EDISON LINE SIDE

CONNECTIO ONLY AS PER PLANS.

OWNER/APPLICANT

8435 WOODWARD LLC

100 W KIRBY

DETROIT MI 48202

		Fee	s	
Туре	Ву	Date	Amt Due	Amt Paid
Bldg. Permit Fee	GRE	7/8/2014	\$287.00	\$287.00
			Total:	\$287.00

REMARKS:

SEPARATE PERMIN REQUIRED FOR TRADE WORK. SUBJECT TO FIELD INSPECTION

CONDITIONS OF APPROVAL:



Project No. PRJ2016-01374

# ELECTRICAL PERMIT

The City of Detroit
Buildings, Safety Engineering and Environmental
Department
(313) 224-2733

PERMIT NO.: **ELE2016-01397**APPLIED: **4/19/2016** 

ISSUED: 4/19/2016 EXPIRES: 10/19/2016

SITE ADDRESS:

8435 WOODWARD

TYPE OF WORK:

Modification of Service

TYPE OF USE:

NOTES:

Commercial

PROJECT DESCRIPTION

OWNER/APPLICANT
8435 WOODWARD LLC
100 W KIRBY
DETROIT MI 48202

CONTRACTOR
GEORGE PROPERTIES & INVESTMENTS
1317 E SEVEN MILE

DETROIT MI 48203

	Electrical Fixtures	
tity		Fixture Type
00	>600 volts >200 amps	Service Amps
	>600 volts >200 amps	Service Amps

		Fees	
Туре	Ву	Date	Amount
PRMT	D-CK	4/19/2016	\$350.00
		Total:	\$350.00

CONDITIONS OF APPROVAL:		

Please be advised per the 2014 Michigan Electrical Code Rules Part 8 Sec. 80.19.3. Each permit issued by the code official under the provisions of the code shall expire by limitation and become null and void if the work authorized by the permit is not begun within 180 days from the date of the permit or if not inspected after the work is begun for a period of 180 days. Before the work may be restarted, the permit shall be reinstated if the code has not changed. If the code has changed and the work was not started, a new permit is required based on the current requirements.



# The City of Detroit Buildings, Safety Engineering and Environmental Department (313) 224-2733

SITE ADDRESS:

8435 WOODWARD

TYPE OF WORK:

OWNER/APPLICANT

Modification of Service

TYPE OF USE:

Commercial

PROJECT DESCRIPTION ELECTRICAL RE-CONNECT

ELECTRICAL PERMIT

PERMIT NO.: ELE2016-00993

APPLIED: 3/17/2016 ISSUED: 3/17/2016 EXPIRES: 9/17/2016

8435 WOODWARD LLC 100 W KIRBY DETROIT MI 48202					
Electrical Fixtures				Fees	
Fixture Type	Quantity	Туре	Ву	Date	Amount
Electrical Service Reconnect Inspecti	1.00	ESRI	GRE	3/17/2016	\$134.00
				Total:	\$134.00
NOTES:					
CONDITIONS OF APPROVAL:					

CONTRACTOR

Please be advised per the 2014 Michigan Electrical Code Rules Part 8 Sec. 80.19.3: Each permit issued by the code official under the provisions of the code shall expire by limitation and become null and void if the work authorized by the permit is not begun within 180 days from the date of the permit or if not inspected after the work is begun for a period of 180 days. Before the work may be restarted, the permit shall be reinstated if the code has not changed. If the code has changed and the work was not started, a new permit is required based on the current requirements.



# The City of Detroit Buildings, Safety Engineering and Environmental Department (313) 224-2733

SITE ADDRESS:

8435 WOODWARD

TYPE OF WORK:

Modification of Service

TYPE OF USE:

Commercial

PROJECT DESCRIPTION

OWNER/APPLICANT 8435 WOODWARD LLC 100 W KIRBY DETROIT MI 48202 CONTRACTOR

GEORGE PROPERTIES & INVESTMENTS

ELECTRICAL PERMIT

PERMIT NO.: ELE2016-01162

APPLIED: 3/30/2016

ISSUED: 3/30/2016

EXPIRES: 9/30/2016

1317 E SEVEN MILE DETROIT MI 48203

Electrical Fixtures	
Fixture Type	Quantity
DistPan & SwtchBrds >600 Volts & <2	1.00
DistPan & SwtchBrds >600 Volts & >2	1.00
Inspection (Additional Investigation)	1.00
Sign connection to existing circuits	1.00

		Fees	
Туре	Ву	Date	Amount
PRMT	L-FW	3/30/2016	\$465.00
INAI	L-FW	3/30/2016	\$134.00
		Total:	\$599.00

NOTES:

CONDITIONS OF APPROVAL:

Please be advised per the 2014 Michigan Electrical Code Rules Part 8 Sec. 80.19.3: Each permit issued by the code official under the provisions of the code shall expire by limitation and become null and void if the work authorized by the permit is not begun within 180 days from the date of the permit or if not inspected after the work is begun for a period of 180 days. Before the work may be restarted, the permit shall be reinstated if the code has not changed. If the code has changed and the work was not started, a new permit is required based on the current requirements.



#### WEATHER CARD

#### **City of Detroit**

Buildings, Safety Engineering and Environmental Department PERMIT NO.: BLD2016-05414

SUITE 408, COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MI 48226

**BUILDING PERMIT** (313)224-3202

APPLIED:

6/22/2016

ISSUED:

EXPIRES:

SITE ADDRESS:

8435 WOODWARD

BETWEEN:

Between PHILADELPHIA and EUCLID

LOT NO AND SUB: Lot No.: SEE and SubDiv.: MORE THAN ONE SUBDIVISION

PERMIT TO:

Alterations

LEGAL USE:

**OFFICE** 

ESTIMATED COST: 11 500.00

STORIES:

#### AKASCIENCE ACADEMY

USE GRP B

SIZE: 53,927.00

FL AREA: 88,562.00

GROUND AREA

STORIES

BASEMENT

BLDG TYPE CODE 2B - CONC/STL (FP 111)

PI RMIT DESCRIPTION:

TEAR OFF AND REROOF SECTION OF EXISTING COMMERCIAL BUILDING AS INDICATED ON PLANS

OWNER/APPLICANT COMPUTECH CORP 8435 WOODWARD LLC AKA 8401 WOODWARD **DETROIT MI 48202** 

APPLICANT: COMPUTECH 8435 WOODWARD LLC AKA 8401 WOODWARD DETROIT, MI 48202 248-302-1881

		Fees		
Туре	Ву	Date	Amt Due	Amt Paid
Bldg. Permit Fee	H-AP	6/22/2016	\$350.00	\$350.00
			Total:	\$350.00

REMARKS:

SEPARATE PERMIT REQUIRED FOR TRADE WORK. SUBJECT TO FIELD INSPECTION

CONDITIONS OF APPROVAL:

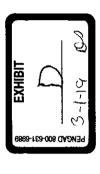
# COMPUTECH CORPORATION Revenue by Customer Years 2011, 2012, 2013, 2014, 2015 (January through March)

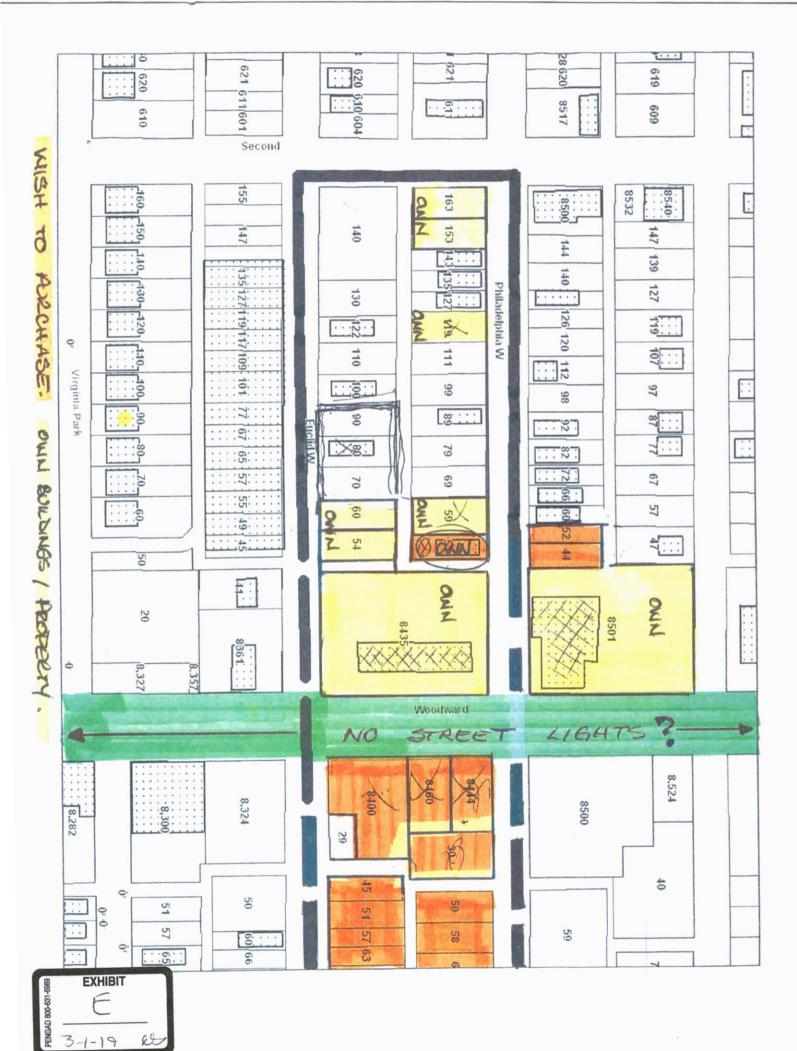
Concilient   Prince   France   France	CUSTOMER	PRIMARY / SUBCONTRACT	FURPOSE 2018	201	_	2016	2016	2014	2002	2042	201	200	2008	3002	2007	2006	2002	2004	3003
	l		T Services 5		0° \$	\$ FFG	4,315,434	\$ 4,154,070	\$ 2,53,788	210,826,7	18/35/1-5 5	12/2012	\$ 2,555,048 \$ 85,610	\$ 1.581,159 \$ 119,460	\$ 1,414,460 \$ 126,740	\$ 1,300,283	31//2 s	\$ 222.787	2/00/e
	3 State of Michigan 4 State of South Carolina	Subcontract through Acro Services Primary	T Sarvices \$	. 996	••	. ,	11, 20	1125211		2					• •				
	5 Public Lighting Company 6 Wayne County Amont Authority	Permany			• •			5 17,153											
THEN STATE TO SHOW THEN STATE	TOTAL PUBLIC SECTOR		-	H	P %200	1,1944	10.44%	1 4,304,500 9.32%	\$ 2,333,648 6.05%	\$ 1,646,172 4.52%	1 1,720,787 5,48	% T 2.412,721 10,97	¥ 5 2,361,659 15.271	\$ 1,800,619	3 1,541,200 11,41%	\$ 1,390,289 9.16%	4774 027%	\$ 222,787 1,70%	7. 270 076 2 15%
THE SECTION T	TOTAL PRIVATE SECTOR:		\$ 44,543,707	1.1	X98'96	92.06%	89.56%	\$ 41,858,428 90,66%			1 28,627,128 94,51	X 18,57,2,730 68,03	\$ 13,101,888 B4.735	1.1	1 11,867,819 86,59%	\$ 13,796,369 90.EM	ű.	T 12,882,187 98,50%	12304366 97.85%
	TOTAL REVENUE		1 48,548,707	108,500,500	<b></b>			1 44.703.92E	000,100,00	27.505.75	31,547,916	\$ 21,985,441	15,411,638	\$ 13,67,593	\$ 13,808,019	15,180,448	RDS CRE'AL S	1 15,084,954	17,574,545



8501 WOODWARD LLC (CHURCH) CONSTRUCTION FUNDS OUTFLOW STATEMENT AS OF JANUARY 31, 2019

PERIOD	GROUP	DESCRIPTION	VENDOR	AMOUNT
Oct.2014 - Sep.2016	Capital Expenditure	Labor - Cleanup	Euclid Ventures / Detroit Guards LLC	\$ 96,075.50
Sep 2014 - Sep 2016	Capital Expenditure	Roof - Materials	Various Vendors	\$ 153,820.78
Sep.2012 - Dec.2013	Capital Expenditure	Building	Detroit Public Schools / Comerica Bank	\$ 3,000.00
Sep 2014 - Sep 2016	Capital Expenditure	Labor - Structural Improvements	Euclid Ventures	\$ 92,165.23
Sep. 2014 - Dec. 2016	Capital Expenditure	Electrical - Installation	George Properties & Investments	\$ 9,300.00
Jul 2014 - Sep 2016	Capital Expenditure	Dumpsters	Republic Services	\$ 16,859.93
Sep.2014 - May 2015	Capital Expenditure	Roof - Sheeting	George Properties & Investments Inc.,	\$ 30,029.00
Jul 2015 - Apr. 2015	Capital Expenditure	Fence	Warren Cheesewright	\$ 3,382.00
Jul 2015 - Nov. 2016	Capital Expenditure	Plumbing - Materials	Federal Pipe Supply	\$ 4.122.50
Sen 2014 - Current	Capital Expenditure	Project Management	Project Management	\$ 236,259.00
			Capital Expenditure Total	\$ 645,013.94
Sep.2014 - Current	Maintenance	Maintenance Supplies	Various Vendors	\$ 118,850.29
Sep.2014 - Feb.2016	Maintenance	Security	Vacant Property Security LLC	\$ 8,617,81
			Maintenance Total	\$ 127,468.10
Aug.2015 - Current	Utilities & Taxes	Property Taxes	City of Detroit	\$ 22,485.60
Jun.2014 - Current	Utilities & Taxes	Electricity	DTE Energy	\$ 2,023.99
Mav, 2016 - Current	Utilities & Taxes	Internet	Comcast	\$ 4,094.63
Nov. 2015 - Current	Utilities & Taxes	Water & Sewer	City of Detroit	\$ 8,047.53
			Utilities & Taxes Total	\$ 36,651.75
			Grand Total	\$ 809,133.79





#### CITY OF DETROIT REVENUE BY YEAR

YEAR	AMOUNT
2002	\$13,280
2003	\$270,079
2004	\$222,787
2005	\$47,714
2006	\$1,075,000
2007	\$1,350,460
2008	\$3,147,823
2009	\$1,468,254
2010	\$2,064,300
2011	\$2,360,753
2012	\$1,653,762
2013	\$2,399,538
2014	\$3,561,070
2015	\$4,315,434
2016	\$3,061,633
TOTAL	\$27,011,887



8,496.00 \$ 18,943.00 \$ 67,964.48 \$ 124,388.92 \$ 113,424.63 \$ 59,390.45 \$ 1,137,211.19 \$ 8,496.00 \$ 17,650.55 \$ 207,333.83 \$ 292,429.82 \$ 262,822.10 \$ 73,578.45 \$ 1,137,211.19 TOTAL OCT '16 SEP '16 AUG '16 JUL '16 COMPUTECH CORPORATION CITY OF DETROIT OUTSTANDING STATEMENT MAY'16 AS OF 10.31.2017 1,920.00 \$ 9,440.00 \$ 11,360.00 \$ APR '16 4,655.00 \$ 87,749.21 \$ 11,262.19 \$ 11,262.19 MAR '16 \$ 87,749.21 FEB '16 4,655.00 JAN '16 1,480.05 \$ NOV'15 4,394.00 4,394.00 AUG'15 11S#2896736 \$ HUR#2877416 \$ TOTAL OUTSTANDING: \$ CONTRACT



# New CEO Named For Computech Corporation

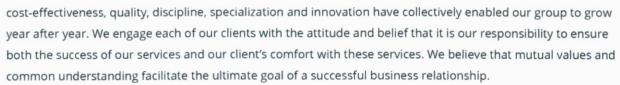


Gregory A. Cheesewright has been promoted to the position of CEO for the Computech Corporation.

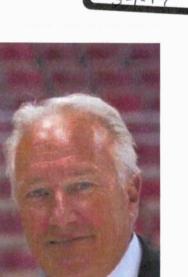
Cheesewright, 58, of Grosse Pointe Farms, MI has been with The Computech Corporation since 2006. Before that, Cheesewright was Vice President of Corporate Services for The MMSDC (Michigan Minority Supplier Development Council).

"Without the teaching of the MMSDC, mentors within from various corporations and minority leaders (MBE's) and what I have learned from the Tuck School of Business at Dartmouth, none of this is possible. Every skill put into daily practice is what makes us into better business leaders. The knowledge transfer amongst professionals in this market is priceless."

Compute Corporation, has a culture deeply rooted in the realization that we all ultimately report to our clients. Our corporate values of trust, responsiveness,



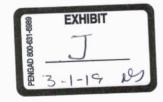
On behalf of the MMSDC, we congratulate one of our own, Gregory A. Cheesewright on his new appointed position of CEO at The Computech Corporation.





#### 2018 Employee Handbook and the April 2018 Compliance Addendum Receipt and Acknowledgment

Name	Date	Signature /
Gregory Cheesewright	4.6.7018	CHAZL.
Ramesh Tavva	04/05/2018	Rich
Sachin Shriyan	04/05/2018	Smith
Albert Fields	4/5/2018 (	at fulles
Takeisha Webster	4/5/2018	Takenha inletister
Claire Phillips	4/5/2018	Claire a Pinning
Eric Schwartz	4/5/2018	415
Saurabh Garg	415/2018	Sparg
Marzia Chowdhury	4/5/18	Marge Choully
Brian Koehl	4/5/15	THE
Breana Wallace	4/5/18	5. Walling
Dina Haque	4/5/18	Dina Hague
Anupama Pulvender	415/18	Ampane ?





100 W Kirby St. Suite 101 Detroit, MI 48202 Ph: (248) 594-6500 Fax: (248) 594-4855

Name	Date	Signature
Kshitij Kulkarani	4/5/18	
Pavan Kumar Tumu	4/5/2018	paraff.
Askhata Patil	4 15 /2018	A de de
Saitej Kancharla	41512018	-Sty
Pranay Bollu	4/5/2018	Renybe
Jigar Shah	4/6/2018	Jahan
Abhishek Gogineni	4/5/2018	J. Abhuhit
Mahesh Lattupally	4/5/2018	Mahsing:
Ranjith Bonargiri	4/5/2018	PI
Saikrishna Kancharla		
Shahrin Islam	4/5/2018	Shahi dde
Pardeer	415/2018	hum



## CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Ellen Ha, Esq. Inspector General

November 21, 2018

George B. Donnini, Esq. Butzel Long Stoneridge West 41000 Woodward Avenue Bloomfield Hills, MI 48304

RE: OIG Investigative File No. 2016-CC-0071

Dear Mr. Donnini,

An administrative hearing for the above-referenced matter has been scheduled for **Tuesday, January 29, 2019 at 10:00 am** at the Detroit Office of Inspector General (OIG) located at 65 Cadillac Square, Suite 3210, Detroit, MI 48226.

In a letter dated September 17, 2018, the OIG stated it was initiating debarment proceedings against Computech due to Computech's involvement in the bribery of former City of Detroit employee Charles Dodd. The purpose of the hearing is to permit Computech an opportunity to present testimony and any supporting information in response to the OIG's recommendation.

The OIG would like additional information on the following:

- Details of the bribery that occurred in Atlanta including but not limited to Ram Kancharla's and any other employees' involvement as well as what steps Computech took to prevent this from occurring in the future;
- Details on any Computech employees terminated due to the bribery;
- Information on Ram Kancharla's role as an independent contractor including but not limited to his duties and contract details;
- Information on any other City of Detroit employee or elected official who either took part in or requested bribes from Computech; and
- Details on Mr. Kancharla's cooperation with the federal government including but not limited to what precipitated Computech to "fully and extensively" cooperate in the federal investigation.

Though the OIG would like additional information on the above, you are not limited to presenting testimony and evidence on these matters only. As stated in the OIG's hearing rules, your client may present any other evidence or testimony that shows Computech has acted as a responsible contractor.



## CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Ellen Ha, Esq. Inspector General

We have scheduled a court reporter to be present. Any witnesses you would like to testify do not have to be present for the entire hearing. However, we require that you provide the names and order of the individuals who will be testifying five (5) days prior to the hearing. If you need to reschedule or cancel, please inform the OIG no later than January 25, 2019.

Sincerely,

Jennifer Bentley

Enclosure: OIG Administrative Hearing Rules

# 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

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

#### ANDREW M. FRIEDMAN

T 301.231.0942 E afriedman@shulmanrogers.com

November 20, 2018

Ellen Ha Inspector General City of Detroit, Office of Inspector General 65 Cadillac Square, Suite 3210 Detroit, MI 48226

Jennifer Bentley, Attorney for the Office of the Inspector General

By U.S. Mail and Electronic Mail bentleyj@detoig.org

Re: Notice of Proposed Debarment, Ram Kancharla, OIG Investigation File No. 2016-CC-0071

Dear Ms. Ha:

This letter responds to the City of Detroit's November 9, 2018 letter regarding a hearing in this matter. For the reasons that follow, Mr. Kancharla respectfully declines the offer to participate in a hearing.

First, the actions that led to Mr. Kancharla's criminal conviction occurred over eight years ago, with no subsequent violations of the law. He has expressed clear and sincere remorse for his actions. Mr. Kancharla spent a number of years actively cooperating with federal investigators and prosecutors to help them identify and eliminate corruption in Detroit and other places. He has fulfilled all terms of his sentence, resulting in early termination of his probation recently (see attached).

Second, Mr. Kancharla voluntarily surrendered all positions of authority at Computech after his cooperation with the government was completed, and he has no current management or decision-making authority, or relationship of any kind, with the company. Thus, for practical reasons, Mr. Kancharla has no ability to contract with the City of Detroit.

Third, Mr. Kancharla and his family have done many positive things in and for the City of Detroit, promoting renovation of blighted buildings and employment and educational opportunities. That work continues.

Finally, Mr. Kancharla explained all the facts and circumstances relating to this matter in his letter dated October 15, 2018 and in today's correspondence. His appearance at the hearing will not add any additional information

Ellen Ha November 20, 2018 Page 2

Considering all the facts and circumstances, Mr. Kancharla is, today, a responsible contractor who could safely do business with the City of Detroit. Thus, Mr. Kancharla respectfully requests that the Inspector General consider the totality of Mr. Kancharla's circumstances, as the United States Department of Justice did in their proceedings, and decline to debar Mr. Kancharla.

Sincerely,

SHULMAN, ROGERS, GANDAL, PORDY & ECKER, P.A.

Andrew M. Friedman

Attachment

PROB 35 (Rev. 5/01)

## Report and Order Terminating Probation Prior to Original Expiration Date

## UNITED STATES DISTRICT COURT

	_		_
H()	N.	$\mathbf{I}$	٠
1.7			-

FOR THE
EASTERN DISTRICT OF MICHIGAN
UNITED STATES OF AMERICA  v.  Crim. No. 17-CR-20051-01  KANCHARLA, Ram
On October 4, 2017, the above named was placed on probation for a period of two years. The probationer has complied with the rules and regulations of probation and is no longer in need of supervision. It is accordingly recommended that the probationer be discharged from supervision.
Respectfully submitted,
s/Ann R. Smith Supervising United States Probation Officer
ORDER OF COURT
Pursuant to the above report, it is ordered that the probationer be discharged from supervision and that the proceedings in the case be terminated.
Dated this 19th day of November, 2018  David M. Lawson United States District Judge



#### Jennifer Bentley <bentleyj@detoig.org>

### OIG Administrative Hearing Follow-up

1 message

Jennifer Bentley <bentleyj@detoig.org> To: "Donnini, George B." <donnini@butzel.com> Cc: Ellen Ha <hae@detoig.org>, dumouchd@butzel.com Wed, Mar 6, 2019 at 11:35 AM

Mr. Donnini,

Good morning. As a follow-up to our administrative hearing, we are requesting the following information:

- 1. Computech Organizational Charts from 2006 to 2018. I recall that Mr. Cheesewright was not sure what org charts existed during that time frame so I ask that you provide whatever is available.
- 2. An affidavit from Mr. Cheesewright indicating that Computech will not be hiring Mr. Kancharla in any capacity in the future as was stated during the administrative hearing if this is still an accurate statement.
- 3. Mr. Kancharla's date of resignation and resignation letter.
- 4. Mr. Kancharla's contract re: his time as an independent contractor. If Computech does not have a such a document, please provide Mr. Kancharla's compensation and terms of employment. Also include his compensation prior to termination and before becoming an independent contractor.
- 5. Please update us on any other changes, if any, Computech has made or is planning to make since the administrative hearing relating to the topics discussed.

Please provide this information by Wednesday, March 20. If you have any questions, let me know.

Thank you,

Jennifer Bentley 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



### OIG Case 2016-CC-0071 Computech

7 messages

Jennifer Bentley <bentleyj@detoig.org>

To: dumouchd@butzel.com, donnini@butzel.com

Fri, Nov 9, 2018 at 2:24 PM

Dear Messrs. DuMouchel and Donnini,

Attached please find a letter regarding an administrative hearing offer and the administrative hearing rules. Please let me know if you have any questions.

Jennifer Bentley 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

2 attachments

L DuMouchel 2016-CC-0071 9NOV18 JB.docx.pdf



OIG Admin Hearing Rules - Revised.pdf

Donnini, George B. <donnini@butzel.com>

Tue, Nov 20, 2018 at 8:39 AM

To: Jennifer Bentley <bentleyj@detoig.org>

Cc: "DuMouchel, David F." <dumouchd@butzel.com>

Dear Ms. Bentley,

Please allow this email to serve as our written request for an administrative hearing on behalf of our client, Computech Corp. We would be happy to discuss the scheduling of the hearing at your convenience. If you need anything further from us prior to Friday's deadline to request the hearing, please let me know.

Thanks,

George

Sent from my iPhone

[Quoted text hidden]

<L\_DuMouchel\_2016-CC-0071\_9NOV18\_JB.docx.pdf>

<OIG Admin Hearing Rules - Revised.pdf>

Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

#### Jennifer Bentley <bentleyj@detoig.org>

To: Ellen Ha <hae@detoig.org>

Tue, Nov 20, 2018 at 9:02 AM

Jennifer Bentley 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

[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: donnini@butzel.com

Tue, Nov 20, 2018 at 10:24 AM

Tue, Nov 20, 2018 at 12:52 PM

Received. I will send you some potential dates so we can get the hearing scheduled.

Jennifer Bentley 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

[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: donnini@butzel.com

Mr. Donnini,

Please let me know if any of the following dates and times work for you and your client.

- 1. January 15, 2019 at 10 am
- 2. January 16, 2019 at 10 am
- 3. January 10, 2019 at 10 am
- 4. January 11, 2019 at 10 am

We are open to changing the start time. We would prefer to start in the morning to allow plenty of time for the hearing. If none of these dates work for you, let me know some alternatives.

Jennifer Bentley 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

[Quoted text hidden]

**Donnini, George B.** <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org> Wed, Nov 21, 2018 at 12:04 PM

Jennifer,

Would it be possible to do Tuesday, January 29<sup>th</sup> at 10:00.

Thanks,

George

#### George B. Donnini

donnini@butzel.com Direct: 313-225-7042

Butzel Long Logo

41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.

From: Jennifer Bentley [mailto:bentleyj@detoig.org]

Sent: Tuesday, November 20, 2018 12:53 PM
To: Donnini, George B. <donnini@butzel.com>
Subject: Re: OIG Case 2016-CC-0071 Computech

#### Mr. Donnini,

[Quoted text hidden]
[Quoted text hidden]
[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

Wed, Nov 21, 2018 at 12:08 PM

To: donnini@butzel.com

Yes, that will be fine. We will be sending out a certified letter with the date and time listed.

Jennifer Bentley 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

[Quoted text hidden]



### **RE: Computech's Response to Notice of Proposed Debarment**

4 messages

Eppel, Theodore R <eppel@butzel.com> To: "bentleyj@detoig.org" <bentleyj@detoig.org> Mon, Oct 15, 2018 at 5:03 PM

Dear Ms. Bentley,

The previous email I sent attaching our Response and the accompanying exhibits (see below) was rejected by your server as too large so I am resending just our Response, without the attached exhibits. In addition, you will receive hard copies of everything, including the exhibits via Fedex tomorrow morning.

I apologize for the inconvenience. Please let me know if you have any questions.

#### T.R. Eppel

Shareholder

eppel@butzel.com Direct: 248.258.2905



41000 Woodward Avenue

Bloomfield Hills, Michigan 48304

Office: 248.258.1616 | Fax: 248.258.1439

www.butzel.com

Michigan | New York | Washington, D.C.

#### A LexMundi Member







From: Eppel, Theodore R

Sent: Monday, October 15, 2018 4:38 PM
To: 'bentleyj@detoig.org' <bentleyj@detoig.org>

Cc: DuMouchel, David F. <dumouchd@butzel.com>; Donnini, George B. <donnini@butzel.com>;

Guardiola, Michelle <guardiola@butzel.com>

Subject: Computech's Response to Notice of Proposed Debarment

Dear Ms. Bentley,

Attached is Computech's Response to the City's Notice of Proposed Debarment along with exhibits and an exhibit list. We are also sending these materials via FedEx.

We would appreciate the opportunity to meet with you prior to your office's making a final decision as to debarment.

In the meantime, please let us know if you have any questions.

Thank you,

#### T.R. Eppel

Shareholder

eppel@butzel.com Direct: 248.258.2905



41000 Woodward Avenue

Bloomfield Hills, Michigan 48304

Office: 248.258.1616 | Fax: 248.258.1439

www.butzel.com

Michigan | New York | Washington, D.C.

A LexMundi Member







Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

#### Computech's Response to Notice of Proposed Debarment.pdf 3240K

Jennifer Bentley <bentleyj@detoig.org> To: "Eppel, Theodore R" <eppel@butzel.com> Mon, Oct 15, 2018 at 5:42 PM

Thank you for letting me know of the issue. I will confirm tomorrow once I receive the rest of your submission via Fedex.

Sent from my iPhone

On Oct 15, 2018, at 5:03 PM, Eppel, Theodore R <eppel@butzel.com> wrote:

Dear Ms. Bentley,

The previous email I sent attaching our Response and the accompanying exhibits (see below) was rejected by your server as too large so I am resending just our Response, without the attached exhibits. In addition, you will receive hard copies of everything, including the exhibits via Fedex tomorrow morning.

I apologize for the inconvenience. Please let me know if you have any questions.

### T.R. Eppel

Shareholder

eppel@butzel.com Direct: 248.258.2905

<image001.png>

41000 Woodward Avenue

Bloomfield Hills, Michigan 48304

Office: 248.258.1616 | Fax: 248.258.1439

www.butzel.com

Michigan | New York | Washington, D.C.

#### <imageoo2.jpg>

<imageoo3.gif> <imageoo4.gif> <imageoo5.gif>

From: Eppel, Theodore R

**Sent:** Monday, October 15, 2018 4:38 PM **To:** 'bentleyj@detoig.org' <bentleyj@detoig.org>

**Cc:** DuMouchel, David F. <dumouchd@butzel.com>; Donnini, George B. <donnini@butzel.com>; Guardiola, Michelle <guardiola@butzel.com> **Subject:** Computech's Response to Notice of Proposed Debarment

Dear Ms. Bentley,

Attached is Computech's Response to the City's Notice of Proposed Debarment along with exhibits and an exhibit list. We are also sending these materials via FedEx.

We would appreciate the opportunity to meet with you prior to your office's making a final decision as to debarment.

In the meantime, please let us know if you have any questions.

Thank you,

#### T.R. Eppel

Shareholder

eppel@butzel.com Direct: 248.258.2905

<image001.png>

41000 Woodward Avenue

Bloomfield Hills, Michigan 48304

Office: 248.258.1616 | Fax: 248.258.1439

www.butzel.com

Michigan | New York | Washington, D.C.

<imageoo2.jpg>

<imageoo3.gif> <imageoo4.gif> <imageoo5.gif>

Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

<Computech's Response to Notice of Proposed Debarment.pdf>

**Eppel**, **Theodore** R <eppel@butzel.com>
To: Jennifer Bentley <bentleyj@detoig.org>

Mon, Oct 15, 2018 at 5:45 PM

Thanks Jennifer. Have a good evening.

T.R. Eppel Shareholder eppel@butzel.com

Direct: 248.258.2905

**Butzel Long Logo** 

41000 Woodward Avenue Bloomfield Hills, Michigan 48304

Office: 248.258.1616 | Fax: 248.258.1439

www.butzel.com

Michigan | New York | Washington, D.C.

t t

[Quoted text hidden]

Good morning. I received the FedEx package with your submission. Please let me know if you plan on supplementing this information. If so, provide it by October 31 at 5 pm.

Thank you,

Jennifer Bentley 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

[Quoted text hidden]



#### Jennifer Bentley <br/> <br/> detoig.org>

## **OIG Administrative Hearing Follow-up**

7 messages

Donnini, George B. <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org> Cc: "DuMouchel, David F." <dumouchd@butzel.com> Tue, Mar 19, 2019 at 2:52 PM

Ms. Bentley:

Attached please find the following documents in response to your March 6, 2019 request:

- Computech Historical Organizational Charts that could be located;
- 2. Mr. Cheesewright's affidavit indicating Computech will not be hiring Mr. Kancharla in any capacity in the future;
- Mr. Kancharla's resignation letter; and
- Mr. Kancharla's Independent Contractor Agreement.

These documents are password protected. I will send a follow-up email with the password. Finally, per our discussion, I am going to need some additional time to provide you something in response to your item #5. I will strive to get the document we discussed when we last spoke finalized and executed by March 29th. If it turns out I'm going to need more time, I will let you know and request an additional, short extension (but hopefully that will not be needed).

Thanks,

George

George B. Donnini

donnini@butzel.com Direct: 313-225-7042



41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.



http://www.butzel.com/files/upload/Email\_Facebook.GIF http://www.butzel.com/files/upload/Email\_twitter.GIF http://www.butzel.com/files/upload/Email\_linkedin.GIF

Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

#### 4 attachments



**Computech Corporation Organization Charts.zip** 1023K



Affidavit of Cheesewright re Will Not Hire RK In Future (2).pdf 49K



Ram Kancharla Resignation Letter.pdf

Ram Kancharla Independent Contractor Agreement.pdf 1948K

#### Jennifer Bentley <bentleyj@detoig.org>

To: "Donnini, George B." <donnini@butzel.com>

Cc: "DuMouchel, David F." <dumouchd@butzel.com>

Received. Just let me know if you need an extension.

Jennifer Bentley 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

[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: "Donnini, George B." <donnini@butzel.com>

Wed, Mar 20, 2019 at 10:06 AM

Tue, Mar 19, 2019 at 3:49 PM

Please send the password so I may access the documents at your earliest convenience.

Jennifer Bentley 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

[Quoted text hidden]

Donnini, George B. <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org>

Wed, Mar 20, 2019 at 10:07 AM

Oops. Sorry about that. The password is computech1996. Thanks, George

#### George B. Donnini

donnini@butzel.com Direct: 313-225-7042



41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.



http://www.butzel.com/files/upload/Email\_Facebook.GIF http://www.butzel.com/files/upload/Email\_twitter.GIF http://www.butzel.com/files/upload/Email\_linkedin.GIF

[Quoted text hidden] [Quoted text hidden]

> [Quoted text hidden] [Quoted text hidden]

> > [Quoted text hidden] [Quoted text hidden]

41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.

Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

[Quoted text hidden]

Jennifer Bentley <bentleyj@detoig.org> To: "Donnini, George B." <donnini@butzel.com> Wed, Mar 20, 2019 at 10:08 AM

Thank you.

Jennifer Bentley Attorney City of Detroit-Office of Inspector General 65 Cadillac Square - Suite 3210 Detroit, MI 48226 Office: 313-628-5758

Follow us on Twitter @DetroitIG

Email: bentleyj@detoig.org

[Quoted text hidden]

Donnini, George B. <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org>

Cc: "DuMouchel, David F." <dumouchd@butzel.com>

Thu, Mar 28, 2019 at 10:14 AM

Ms. Bentley,

Attached please find the executed Computech resolution that addresses Item # 5 in your email to us dated March 6, 2019. As we discussed during one of our last conversations, we believe this addresses the potential indirect benefit issue raised by the OIG. Specifically, in the event that Computech is awarded a city of Detroit contract over the next five years, any net profit resulting from that contract will not inure to the benefit of any of the owners of Computech shares. Rather, that profit will be distributed in the percentages identified in the document to those management level positions stated therein.

We sincerely hope that we have convinced the OIG that debarment of our client is not necessary under these circumstances and that Computech is a presently responsible contractor.

As always, if you have any further questions or would like to discuss anything regarding this matter, please do not hesitate to let us know and we will set up a time to speak.

Thanks,

George

#### George B. Donnini

donnini@butzel.com Direct: 313-225-7042



41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.



http://www.butzel.com/files/upload/Email\_Facebook.GIF http://www.butzel.com/files/upload/Email\_twitter.GIF http://www.butzel.com/files/upload/Email\_linkedin.GIF

From: Jennifer Bentley [mailto:bentleyj@detoig.org]

Sent: Tuesday, March 19, 2019 3:49 PM

To: Donnini, George B. <donnini@butzel.com> Cc: DuMouchel, David F. <dumouchd@butzel.com> Subject: Re: OIG Administrative Hearing Follow-up

Received. Just let me know if you need an extension.

Jennifer Bentley

**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

On Tue, Mar 19, 2019 at 2:52 PM Donnini, George B. <donnini@butzel.com> wrote:

Ms. Bentley:

Attached please find the following documents in response to your March 6, 2019 request:

- 1. Computech Historical Organizational Charts that could be located;
- 2. Mr. Cheesewright's affidavit indicating Computech will not be hiring Mr. Kancharla in any capacity in the future;
- 3. Mr. Kancharla's resignation letter; and
- Mr. Kancharla's Independent Contractor Agreement.

These documents are password protected. I will send a follow-up email with the password. Finally, per our discussion, I am going to need some additional time to provide you something in response to your item #5. I will strive to get the document we discussed when we last spoke finalized and executed by March 29<sup>th</sup>. If it turns out I'm going to need more time, I will let you know and request an additional, short extension (but hopefully that will not be needed).

Thanks,

George

George B. Donnini

donnini@butzel.com Direct: 313-225-7042

41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.

Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

[Quoted text hidden]



#### **Executed Consent Resolution of Directors of Computech Corp.PDF** 1094K

Jennifer Bentley <bentleyj@detoig.org> To: "Donnini, George B." <donnini@butzel.com>
Co: "DuMouchel, David F." <dumouchd@butzel.com>

Received, thank you.

Jennifer Bentley 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

[Quoted text hidden]

Thu, Mar 28, 2019 at 12:46 PM

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the malipiece, or on the front if space permits.</li> </ul>	A. Sjenature  X '	
1. Article Addressed to:  GEOREE B. DONNINI, ESq.  BUTZEI LONG  STONERIDGE WEST	If YES, enter delivery address below: ☐ No	
Bloom field, MI 48304	3. Service Type  ☐ Certified Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
- ÷	4. Restricted Delivery? (Extra Fee) ☐ Yes	
Article Number (Transfer from service label)		
PS Form 3811, February 2004 Domestic R	leturn Receipt 102595-02-M-1540	

31

.

UNITED STATES POSTAL SERVICE



First-Class Mail Postage & Fees Paid USPS\_ Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Office of Inspector General
65 CADILLAC SQUARE, SUITE 3210
DETROIT, MI 4827 ECEIVE

DEC 1 0 2018

BY.



## CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Ellen Ha, Esq.
Inspector General

November 9, 2018

Via Email & First Class Mail

David F. DuMouchel, Esq. Butzel Long Stoneridge West 41000 Woodward Avenue Bloomfield Hills, MI 48304

RE: OIG Investigation File No. 2016-CC-0071

Dear Messrs. DuMouchel and Donnini:

On September 28, 2016, the Office of Inspector General (OIG) initiated an investigation into the circumstances surrounding the September 27, 2016 guilty plea of Charles Dodd, the former director of the Department of Innovation and Technology. Mr. Dodd admitted in federal court to accepting more than \$29,500 in unlawful payments from two information technology companies providing services and personnel to the City of Detroit, one of the companies being Computech.

The OIG investigation was placed on hold due to the ongoing federal investigation. Now that the federal investigation involving the technology companies and Mr. Dodd have been resolved, the OIG is again actively investigating this matter. Based on the information gathered to date, the OIG has found that Computech has not acted as a responsible contractor and has recommended discipline up to and including debarment.

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 person affected is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel." Therefore we are offering you the opportunity to have an administrative hearing.

The purpose of the hearing is to permit Computech 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. Enclosed is a copy of our administrative hearing rules.



## CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Ellen Ha, Esq. Inspector General

Please let the OIG know in writing within 14 (fourteen) calendar days if you would like a hearing. You may send your written request to Jennifer Bentley at bentley@detoig.org.

Very truly yours,

Ellen Ha

Inspector General

Enclosure: OIG Administrative Hearing Rules



#### Jennifer Bentley <br/> <br/> detoig.org>

## **OIG Administrative Hearing Follow-up**

Donnini, George B. <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org> Cc: "DuMouchel, David F." <dumouchd@butzel.com> Tue, Mar 19, 2019 at 2:52 PM

Ms. Bentley:

Attached please find the following documents in response to your March 6, 2019 request:

- Computech Historical Organizational Charts that could be located;
- 2. Mr. Cheesewright's affidavit indicating Computech will not be hiring Mr. Kancharla in any capacity in the future;
- Mr. Kancharla's resignation letter; and
- Mr. Kancharla's Independent Contractor Agreement.

These documents are password protected. I will send a follow-up email with the password. Finally, per our discussion, I am going to need some additional time to provide you something in response to your item #5. I will strive to get the document we discussed when we last spoke finalized and executed by March 29th. If it turns out I'm going to need more time, I will let you know and request an additional, short extension (but hopefully that will not be needed).

Thanks,

George

George B. Donnini

donnini@butzel.com Direct: 313-225-7042



41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.





Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

#### 4 attachments



Affidavit of Cheesewright re Will Not Hire RK In Future (2).pdf

Ram Kancharla Resignation Letter.pdf

Ram Kancharla Independent Contractor Agreement.pdf 1948K



### OIG Case 2016-CC-0071 Computech

14 messages

Jennifer Bentley <bentleyj@detoig.org>

To: dumouchd@butzel.com, donnini@butzel.com

Fri, Nov 9, 2018 at 2:24 PM

Tue, Nov 20, 2018 at 8:39 AM

Dear Messrs. DuMouchel and Donnini,

Attached please find a letter regarding an administrative hearing offer and the administrative hearing rules. Please let me know if you have any questions.

Jennifer Bentley 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

2 attachments

L DuMouchel 2016-CC-0071 9NOV18 JB.docx.pdf



OIG Admin Hearing Rules - Revised.pdf

Donnini, George B. <donnini@butzel.com>

To: Jennifer Bentley <bentleyj@detoig.org>

Cc: "DuMouchel, David F." <dumouchd@butzel.com>

Dear Ms. Bentley,

Please allow this email to serve as our written request for an administrative hearing on behalf of our client, Computech Corp. We would be happy to discuss the scheduling of the hearing at your convenience. If you need anything further from us prior to Friday's deadline to request the hearing, please let me know.

Thanks,

George

Sent from my iPhone

[Quoted text hidden]

<L\_DuMouchel\_2016-CC-0071\_9NOV18\_JB.docx.pdf>

<OIG Admin Hearing Rules - Revised.pdf>

Confidentiality Statement: This message, including attachments, may be confidential, legally privileged, and/or subject to data privacy protections. If not for you, do not review, use or share it; notify us immediately and delete it. Thank you.

#### Jennifer Bentley <bentleyj@detoig.org>

To: Ellen Ha <hae@detoig.org>

Tue, Nov 20, 2018 at 9:02 AM

Jennifer Bentley 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

[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: donnini@butzel.com

Tue, Nov 20, 2018 at 10:24 AM

Tue, Nov 20, 2018 at 12:52 PM

Received. I will send you some potential dates so we can get the hearing scheduled.

Jennifer Bentley 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

[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: donnini@butzel.com

Mr. Donnini,

Please let me know if any of the following dates and times work for you and your client.

- 1. January 15, 2019 at 10 am
- 2. January 16, 2019 at 10 am
- 3. January 10, 2019 at 10 am
- 4. January 11, 2019 at 10 am

We are open to changing the start time. We would prefer to start in the morning to allow plenty of time for the hearing. If none of these dates work for you, let me know some alternatives.

Jennifer Bentley 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

[Quoted text hidden]

**Donnini, George B.** <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org> Wed, Nov 21, 2018 at 12:04 PM

Jennifer,

Would it be possible to do Tuesday, January 29<sup>th</sup> at 10:00.

Thanks,

George

#### George B. Donnini

donnini@butzel.com Direct: 313-225-7042

Butzel Long Logo

41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.

From: Jennifer Bentley [mailto:bentleyj@detoig.org]

Sent: Tuesday, November 20, 2018 12:53 PM
To: Donnini, George B. <donnini@butzel.com>
Subject: Re: OIG Case 2016-CC-0071 Computech

Mr. Donnini,

[Quoted text hidden]
[Quoted text hidden]
[Quoted text hidden]

### Jennifer Bentley <bentleyj@detoig.org>

Wed, Nov 21, 2018 at 12:08 PM

To: donnini@butzel.com

Yes, that will be fine. We will be sending out a certified letter with the date and time listed.

Jennifer Bentley Attorney City of Detroit-Office of Inspector General 65 Cadillac Square - Suite 3210 Detroit, MI 48226 Office: 313-628-5758

Office: 313-628-5758 Email: bentleyj@detoig.org

Follow us on Twitter @DetroitIG

[Quoted text hidden]

**Donnini, George B.** <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org>

Mon, Jan 14, 2019 at 11:06 AM

Jennifer,

Hello. I hope the new year is treating you well. I am writing to see if the OIG would be amenable to an adjournment of the hearing date in the matter by a few weeks. A number of things have surfaced recently but the most difficult one for us to work around is a federal criminal case pending in Boston where we represent a prosecution witness. We had been trying to convince the prosecutor to push off our client's testimony to some time after January 29<sup>th</sup>, but he has not been willing to do so and instead saying that our client needs to be present in Boston on January 28<sup>th</sup> and 29<sup>th</sup> (and potentially longer). It is because of this that we are requesting an adjournment.

Assuming you are able to grant this request, do any of the following dates work:

February 20-22, 25, 27-28 or March 1?

Please let me know at your convenience.

Thanks,

George

Do February 20, 21 or 22 work for you? Or, alternatively, February 25, 27, 28 or March 1?

George B. Donnini

donnini@butzel.com Direct: 313-225-7042

**Butzel Long Logo** 

41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.

From: Jennifer Bentley [mailto:bentleyj@detoig.org]
Sent: Wednesday, November 21, 2018 12:08 PM

To: Donnini, George B. <donnini@butzel.com>
Subject: Re: OIG Case 2016-CC-0071 Computech

Yes, that will be fine. We will be sending out a certified letter with the date and time listed.

Jennifer Bentley

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

On Wed, Nov 21, 2018 at 12:04 PM Donnini, George B. <donnini@butzel.com> wrote:

Jennifer,

Would it be possible to do Tuesday, January 29<sup>th</sup> at 10:00.

Thanks,

George

#### George B. Donnini

donnini@butzel.com Direct: 313-225-7042

41000 Woodward Avenue

Stoneridge West

Bloomfield Hills, MI 48304

Office: 313.225.7000 | Fax: 313.225.7080

www.butzel.com

Michigan | New York | Washington, D.C.

From: Jennifer Bentley [mailto:bentleyj@detoig.org]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: "Donnini, George B." <donnini@butzel.com>

Mon, Jan 14, 2019 at 12:45 PM

Good afternoon. We have no issue rescheduling the hearing. Our preference is for Friday, March 1 at 10 am. Does that still work for you?

Additionally, please let me know if you are planning on providing any additional documentation related to the administrative hearing. If so, it is helpful for us to receive that far enough in advance to review the material so we can ask any necessary questions at the hearing. Also, how many witnesses to do you plan on calling and how much time to you anticipate needing? I want to make sure we have the court reporter scheduled for enough time. A final witness list is due the OIG 5 days prior to hearing.

Thank you,

Jennifer Bentley 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

[Quoted text hidden]

**Donnini**, **George B**. <donnini@butzel.com> To: Jennifer Bentley <bentleyj@detoig.org>

Mon, Jan 14, 2019 at 8:30 PM

Jennifer,

Friday, March 1 @ 10:00 am works for us. We'll get back to you on additional documents, anticipated length of hearing and number of witnesses. I don't think we estimate too long nor too many witnesses.

Thanks,

#### George

#### Sent from my iPhone

[Quoted text hidden] [Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: "Donnini, George B." <donnini@butzel.com>

Tue, Jan 15, 2019 at 9:23 AM

We are confirmed for Friday, March 1 at 10 am at the Office of Inspector General, 65 Cadillac Square, Suite 3210. Will you accept this email as confirmation in lieu of sending a second certified letter?

Jennifer Bentley 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

[Quoted text hidden]

#### Donnini, George B. <donnini@butzel.com>

To: Jennifer Bentley <bentleyj@detoig.org>

Tue, Jan 15, 2019 at 9:41 AM

Yes, of course. And thank you so much for agreeing to the adjournment. Regards, George

#### Sent from my iPhone

[Quoted text hidden]

#### Jennifer Bentley <bentleyj@detoig.org>

To: "Donnini, George B." <donnini@butzel.com>

Tue, Jan 15, 2019 at 9:42 AM

You're welcome. We currently have the court reporter scheduled for 4 hours. If you think you'll need additional time, please let me know and we will schedule accordingly.

Jennifer Bentley 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

[Quoted text hidden]

Donnini, George B. <donnini@butzel.com>

To: Jennifer Bentley <bentleyj@detoig.org>

I think that will be more than enough time.

Sent from my iPhone

Tue, Jan 15, 2019 at 9:42 AM

[Quoted text hidden]



## CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Ellen Ha, Esq. Inspector General

November 9, 2018

Via Email & First Class Mail

Andrew M. Friedman, Esq. Shulman, Rogers, Gandal, Pordy & Ecker, P.A. 12505 Park Potomac Avenue 6<sup>th</sup> Floor Potomac, MD 20854

RE: OIG Investigation File No. 2016-CC-0071

Dear Mr. Friedman:

On September 28, 2016, the Office of Inspector General (OIG) initiated an investigation into the circumstances surrounding the September 27, 2016 guilty plea of Charles Dodd, the former director of the Department of Innovation and Technology. Mr. Dodd admitted in federal court to accepting more than \$29,500 in unlawful payments from two information technology companies providing services and personnel to the City of Detroit. One of the companies was Computech which Ram Kancharla was President and CEO of at that time.

The OIG investigation was placed on hold due to the ongoing federal investigation. Now that the federal investigation involving the technology companies and Mr. Dodd have been resolved, the OIG is again actively investigating this matter. Based on the information gathered to date, the OIG has found that Mr. Kancharla has not acted as a responsible contractor and has recommended discipline up to and including debarment.

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 person affected is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel." Therefore we are offering you the opportunity to have an administrative hearing.

The purpose of the hearing is to permit Mr. Kancharla 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. Enclosed is a copy of our administrative hearing rules.



## CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Ellen Ha, Esq. Inspector General

Please let the OIG know in writing within 14 (fourteen) calendar days if you would like a hearing. You may send your written request to Jennifer Bentley at <a href="mailto:bentleyi@detoig.org">bentleyi@detoig.org</a>.

Very truly yours,

Ellen Ha

Inspector General

Enclosure: OIG Administrative Hearing Rules