



CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

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Office of Inspector General Finalizes Report on the DLBA and Demolition Department's Actions Related to the Suitability of Topsoil used by McDonagh Demolition

DETROIT – On June 9, 2020, the Office of Inspector General (OIG) received a complaint regarding McDonagh Demolition (McDonagh). In accordance with the 2012 Charter of the City of Detroit (Charter), the OIG soon after initiated an investigation pertaining to a complaint that alleged McDonagh was unable to provide the Detroit Land Bank Authority (DLBA) with the required topsoil documentation for five properties. Subsequently, in accordance with the Hardest Hit Fund (HHF) Demolition Program *Scope of Services*, McDonagh tested the suitability of the topsoil which was found to not meet program standards. Based on these test results, all of McDonagh's contracted demolition sites were tested because all properties used the same topsoil source. The results showed that 81 of the 89 sites located in Detroit neighborhoods failed to meet program standards.

The report issued today is the culmination of an exhaustive investigation which led to several key findings detailed in the OIG's Report located at

<https://detroitmi.gov/sites/detroitmi.localhost/files/2021-03/Final%20McDonagh%20Report%2020-0013-INV.pdf>

- The DLBA likely did not abuse their authority with the actions taken as a result of the topsoil testing. However, many of the DLBA's actions and explanations are questionable. For example, the DLBA stated they chose to review program standards because so many properties failing to meet requirements was a new issue and they wanted to pursue the science. However, nearly 15,000 demolitions were able to be completed based on existing program requirements. The DLBA engaged in this time consuming process after less than 1% of demolitions completed were not done with topsoil that met *Part 201: Generic Cleanup Criteria* as required by the *Scope of Services*. Yet 99.46% of demolitions were able to meet program requirements.
- The Demo Department did not abuse their authority with their actions taken as a result of the topsoil testing. All evidence suggests that the final decision making rested with the DLBA.

The OIG also sought to determine if the DLBA and/or Demo Department wasted any city resources, including time, effort, and taxpayer dollars, in the steps taken to



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determine the soil suitability. The OIG found

- The DLBA wasted city resources in the steps taken to determine soil suitability. For example, the DLBA engaged experts ASTI Environmental (ASTI) and Dickinson Wright at a cost of at least \$99,743.50 to determine if the topsoil used by McDonagh was acceptable despite AKT Peerless determining that it did not meet program requirements.
- The Demo Department wasted city resources because of the course of action determined by the DLBA.

The report illuminates in detail these findings and others concerning the actions of the DLBA, Demolition Department, and the Detroit Law Department. Please note that the *2012 Charter of the City of Detroit* at Section 7.5-311 states “no report or recommendation that criticizes and official act shall be announced until every agency or person affected is allowed a reasonable opportunity to be heard with the aid of counsel.” Pursuant to the OIG *Administrative Hearing Rules*, all affected parties were required to provide a written response and/or request an administrative hearing by March 22, 2021. In this case, none of the affected parties requested administrative hearings. However, the OIG did receive a joint written response from the DLBA on behalf of Ms. Daniels and Mr. Devine. The response is included in its entirety in the OIG Report.

Inspector General Ha emphasizes, “My staff and I work hard to hold the City’s contractors accountable for their actions. We also work hard so that City agencies and departments work with contractors to ensure City’s resources are not wasted but rather spent efficiently in holding contractors accountable to the terms of the contracts. We take pride in providing clarity of the actions taken by our government so that we can govern with transparency. Our report in this case is just that. We made findings based on the facts and we made recommendations based on our findings.

Today’s report sheds light on the actions taken by the DLBA and the City’s Demolition Department pertaining to one of the many demolition contractors who was responsible for providing backfill and topsoil dirt in the City’s residential areas. The report also points out, in detail, our concerns and questions in the City’s interactions with the contractor. As one of the City’s oversight agencies, it is our job to raise questions and concerns where necessary so that we can run an efficient government.”

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