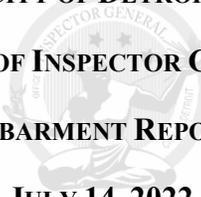


City of Detroit
Office of Inspector General
BBEK, Green Way, and HC Consultants
OIG Case No. 19-0028-INV
July 14, 2022



Debarment Report

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Inspector General

CITY OF DETROIT
**OFFICE OF INSPECTOR GENERAL**
DEBARMENT REPORT
JULY 14, 2022

I. Debarment Determination

In August 2019, the City of Detroit Office of Inspector General (OIG) issued an interim suspension to BBEK Environmental, LLC (BBEK), Kevin Woods, HC Consulting Services (HC Consulting), James Harvey, Green Way Environmental (Green Way), and William Scully, pursuant to Section 18-11-10(a) of the City of Detroit Debarment Ordinance.¹ The OIG's preliminary review of records and information suggested that these companies and their owners were involved in improper and possible criminal activity which included violations of the Asbestos Abatement Contractors Licensing Act² (the Act). Therefore, the OIG issued interim suspensions because BBEK, Green Way, and HC Consultants perform asbestos abatement services which could impact the health, safety, and welfare of Detroit residents.

Due to the possibility of criminality, pursuant to Section 7.5-308 of the Charter of the City of Detroit (the Charter), the OIG referred the matter to the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). It is important to note that Section 18-11-10 of the City of Detroit Debarment Ordinance limits the ability of the OIG to issue interim suspensions of up to 180 days. In addition, because the matter was referred to SIGTARP, the OIG could not pursue further investigation of this matter or initiate further actions against the parties named above, such as debarment, until the conclusion of the criminal investigation and any resulting prosecution.

On June 2, 2022, Kevin Woods pled guilty to one count of false pretenses for a violation of the Act and was sentenced to two years of probation, restitution for underreported Michigan Department of Licensing and Regulatory Affairs (LARA) fees, and 100 hours of community service.³ On June 15, 2022, the OIG finalized its draft report and provided a copy, along with the Debarment Ordinance and OIG's Administrative Hearing Rules, to the impacted companies and individuals.⁴ BBEK, HC Consulting, Green Way, Mr. Woods, Mr. Harvey, and Mr. Scully had until June 29, 2022 to request an administrative hearing and until July 13, 2022 to submit a written response.

¹ BBEK is owned by Kevin Woods, HC Consulting is owned by James Harvey, and Green Way is owned by William Scully.

² Asbestos Abatement Contractors Licensing Act (Act 135, P.A. 1986 as amended).

³ Email from Michigan Assistant Attorney General Melissa Palepu to OIG Attorney Jennifer Bentley, RE: Kevin Woods, dated June 2, 2022.

⁴ Pursuant to Section 18-11-7(a)(2) of the Debarment Ordinance, the Inspector General provided written notice of the proposed debarment by both certified mail, return receipt requested, and regular mail to all known interested parties. The notice was also sent via email.

On June 23, 2022, the OIG attorney spoke with the attorney for BBEK and Mr. Woods.⁵ The attorney indicated his clients would not be requesting an administrative hearing but would possibly submit a response in writing. The attorney was reminded of the relevant deadlines. On July 11, 2022, the OIG received a written response from BBEK's attorney which is attached to this report. The letter stated that Mr. Woods and BBEK did not contest the debarment. It also indicated that the draft report stated that Mr. Woods pleaded guilty to money laundering. That section of the report has been corrected to indicate that he pled guilty to false pretenses.

On June 28, 2022, the OIG sent a reminder email to HC Consulting, Green Way, Mr. Harvey, and Mr. Scully that they had until the end of business on June 29, 2022 to request a hearing.⁶ On June 30, 2022, another email was sent indicating that no request for a hearing had been received by the OIG.⁷ On June 30, 2022, the attorney for HC Consulting and Mr. Harvey sent an email stating that his clients were not contesting the debarment.⁸ Mr. Scully's attorneys never responded to the OIG's multiple emails regarding this matter. However, the OIG received the Certified Mail Return Receipt postcard from both of Mr. Scully's attorneys which verifies that they received the draft debarment report and relevant information and deadlines if they wanted to contest the findings.⁹ Therefore, we deem Green Way and Mr. Scully as not contesting the OIG findings contained in the draft report.

The OIG has determined the following based on a preponderance of the evidence:

- BBEK Environmental, LLC shall be debarred for 20 years with an effective date of August 5, 2019 and an end date of August 5, 2039.
- Kevin Woods shall be debarred for 20 years with an effective date of August 9, 2019 and an end date of August 9, 2039.
- HC Consultants shall be debarred for 20 years with an effective date of August 5, 2019 and an end date of August 5, 2039.
- James Harvey shall be debarred for 5 years with an effective date of August 9, 2019 and an end date of August 9, 2024.
- Green Way Environmental shall be debarred for 20 years with an effective date of August 5, 2019 and an end date of August 5, 2039.
- William Scully shall be debarred for 5 years with an effective date of August 9, 2019 and an end date of August 9, 2024.

⁵ On June 23, 2022, BBEK and Kevin Woods attorney, Jim Thomas, called OIG attorney Jennifer Bentley to discuss the next steps and deadlines to respond to the draft debarment report.

⁶ The OIG attorney sent separate emails to Green Way and Mr. Scully's attorney Joshua Kaplan and Bryan Marcus regarding OIG Case No. 19-0028-INV Draft Debarment Report. The emails were also copied to Inspector General Ellen Ha and Deputy Inspector General Kamau Marable. The OIG also sent an email to HC Consulting and Mr. Harvey's attorney Mark Kriger regarding OIG Case No. 19-0028-INV Draft Debarment Report. The emails were also copied to Inspector General Ellen Ha and Deputy Inspector General Kamau Marable.

⁷ *Id.*

⁸ Email from HC Consulting and Mr. Harvey's attorney Mark Kriger to OIG Attorney Jennifer Bentley regarding OIG Case No. 19-0028-INV Draft Debarment Report. The emails were also copied to Inspector General Ellen Ha and Deputy Inspector General Kamau Marable.

⁹ Mr. Marcus' Certified Mail Return Receipt Postcard was received on June 18, 2022. Mr. Kaplan's Certified Mail Return Receipt Postcard was received on June 21, 2022.

Pursuant to Section 18-11-4 (b) of the Debarment Ordinance, BBEK, HC Consulting, Green Way, Kevin Woods, James Harvey, and William Scully are also precluded from serving as a “subcontractor or as a goods, services or materials supplier for any contract” for the City of Detroit. Additionally, because Mr. Woods, Mr. Harvey, and Mr. Scully, as individuals, are debarred, no company they own, are an officer for, or have a direct or indirect financial or beneficial interest in may do business with the City of Detroit as a contractor or subcontractor for the period of debarment.

II. Complaints against BBEK

a. OIG File No. 19-0028-INV

On July 22, 2019, the OIG received a complaint from the Detroit Land Bank Authority (DLBA) alleging that BBEK, Green Way, and HC Consulting may not be in compliance with the requirements of the *Abatement and Demolition of Residential Properties Agreement* as well as other contracts governing the provision of abatement and demolition services for the DLBA and the City of Detroit. Specifically, it was alleged that BBEK, HC Consultants, and Green Way violated the Asbestos Contractors Licensing Act which requires an abatement company to hire a neutral party to conduct a post abatement air monitoring check.¹⁰

The allegations involved potential false statements and other criminal activity. Therefore, on July 22, 2019, after opening an investigation, the OIG referred the matter to SIGTARP as required by Section 7.5-308 of the Charter. The OIG placed its investigation on hold. However, the OIG closely monitored the investigation and provided assistance to SIGTARP when requested. The OIG also monitored the criminal prosecution by the State of Michigan Department of Attorney General for purposes of possible debarment.

b. OIG File No. 18-0021-INV

Prior to receiving the above referral from the DLBA, the OIG was investigating a separate complaint involving BBEK. On June 4, 2018, the OIG received a complaint from the DLBA asserting multiple properties abated by BBEK failed the post abatement verification (PAV). The allegation included documentation that showed BBEK submitted paperwork indicating all asbestos containing material was removed when subsequent testing indicated that this was false. The OIG placed the finalization of this investigation on hold pending the outcome of the criminal matter and other allegations contained in OIG Case No. 19-0028-INV.

III. Overview of BBEK, HC Consultants, and Green Way

BBEK is an environmental services company. It provides asbestos abatement as a subcontractor for demolition companies that contract with the DLBA to complete demolitions that are part of the Hardest Hit Fund (HHF) Demolition program as well as City of Detroit non-HHF demolitions. The company was also awarded Contract No. AA5.26.16C for the abatement

¹⁰ Asbestos Abatement Contractors Licensing Act (Act 135, P.A. 1986 as amended), Section 338.3221 (1) Post abatement air monitoring check; maximum level of asbestos fibers.

of residential properties.¹¹ The contract amount was \$741,100. BBEK is currently owned by Kevin Woods. Since it was created in 2014, it has had the following owners:

- 2014- 50%- James Harvey; 25% Kevin Woods; 25% Greg Rej
- 2016- Woods bought out James' 50%; sold 25% to Jerry Jung; 50% Woods, 25% Greg Rej, 25% Jerry Jung
- 2017 or 2018- Woods becomes sole owner after buying out Rej and Jung.¹²

HC Consulting conducts post-abatement air monitoring. It was incorporated in 2014. It conducted air monitoring testing for BBEK from 2015 to 2017.¹³ HC Consulting is currently owned by James Harvey who was also a silent investor in BBEK until 2017.¹⁴

Green Way also conducts post-abatement air monitoring. It was incorporated in 2017. It has conducted air monitoring testing for BBEK since 2017.¹⁵ Green Way is currently owned by William Scully who is also the Chief Financial Officer (CFO) of BBEK.

IV. OIG File No. 19-0028-INV

As stated above, the OIG opened this investigation on July 22, 2019 based on a complaint received from the DLBA. Soon thereafter, the OIG placed its investigation on hold after referring the matter to SIGTARP since the allegations involved potential false statements and other criminal activity involving HHF funding. On June 2, 2022, Kevin Woods pled guilty to one count of false pretenses for a violation of the Act based on the criminal prosecution by the State of Michigan Department of Attorney General.¹⁶ Therefore, on June 2, 2022, the OIG reopened its investigation and makes the following findings.

a. False Pretense Charges Involving the Asbestos Abatement Contractors Act

On February 23, 2021, Mr. Woods was charged with four counts of false pretenses over \$100,000, 20-year felonies.¹⁷ It was alleged that Mr. Woods knowingly violated Section 338.3221 (1) of the Asbestos Abatement Contractors Licensing Act¹⁸ (the Act) which states

Except as provided by this subsection, a building or structure owner or lessee shall have a post abatement air monitoring check

¹¹ Detroit Land Bank Authority Hazardous Materials Abatement of Residential Properties Agreement Abatement Only RFP #AA5.26.16C.

¹² Email from BBEK Attorney Rebecca Camargo to DLBA General Counsel Tim Devine, RE: BBEK Environmental, dated July 15, 2019.

¹³ *Id.*

¹⁴ Amended Warrant Request Memorandum from Melissa Palepu, Assistant Attorney General to Danielle Hagaman-Clark, dated February 18, 2021 at pg. 8.

¹⁵ *Id.*

¹⁶ Email from Michigan Assistant Attorney General Melissa Palepu to OIG Attorney Jennifer Bentley, RE: Kevin Woods, dated June 2, 2022.

¹⁷ Felony Complaint, The People of the State of Michigan v. Kevin Gordon Woods, February 23, 2021. Mr. Woods was charged with M.C.L. §750.218(7)(a).

¹⁸ Asbestos Abatement Contractors Licensing Act (Act 135, P.A. 1986 as amended), Section 338.3221 (1) Post abatement air monitoring check; maximum level of asbestos fibers.

performed by a qualified neutral party completely independent of the asbestos abatement contractor at all asbestos abatement project sites involving a negative pressure enclosure as specified by 29 C.F.R. 1926.1101(g)(5)(i) that involve 10 or more linear feet or 15 or more square feet of friable asbestos materials. If the asbestos abatement contractor and the building or structure owner or lessee agree, the owner or lessee may have the post abatement air monitoring check required by this subsection performed by in-house personnel or by the asbestos abatement contractor.

The Act defines a “neutral party” as a “business entity that is not part of the asbestos abatement contractor's primary or secondary family and is not legally associated to any business operated by the asbestos abatement contractor.”¹⁹ The companies relevant to these charges are BBEK, HC Consulting, and Green Way. It should be noted that Mr. Woods and BBEK never had an agreement with the DLBA that would have allowed them to use a non-neutral company to conduct air monitoring.²⁰

(1) Relationship Between BBEK and HC Consulting

In January 2014, BBEK was founded by Kevin Woods with the help of silent investors.²¹ The silent investors had no role in the operations of BBEK apart from financial oversight including approval of the company’s finances. One of the silent investors was James Harvey, who founded HC Consulting in 2014.²² HC Consulting was used by BBEK as its neutral third-party air monitor on City of Detroit and DLBA demolitions until 2017.²³

However, evidence shows that HC Consulting was not a neutral party completely independent of BBEK as required by the Act. HC Consulting is owned by Mr. Harvey who was also a silent investor in BBEK until approximately November 2017 when Mr. Woods and Mr. Harvey entered into a settlement agreement.²⁴ Though Mr. Harvey’s financial oversight of BBEK ended at that time, evidence shows he had oversight of BBEK’s finances the entire time HC Consulting acted as BBEK’s neutral and independent air monitor. Additionally, BBEK and HC Consulting were both located at 24808 Thomas Street in Warren, MI.²⁵ The “contact information for HC Consulting was the exact same as that of BBEK and [Mr. Woods] provided an email address of kevin@hiconsultingservices.com²⁶” while doing work on behalf of HC Consulting despite being the owner of BBEK.

¹⁹ Asbestos Abatement Contractors Licensing Act (Act 135, P.A. 1986 as amended), Section 338.3103 (n) Definitions.

²⁰ Email from BBEK Attorney Rebecca Camargo to DLBA General Counsel Tim Devine, RE: BBEK Environmental, dated July 16, 2019.

²¹ LARA Articles of Organization, January 29, 2014.

²² LARA Articles of Organization, September 18, 2014.

²³ Amended Warrant Request Memorandum at pg. 8.

²⁴ Amended Warrant Request Memorandum at pg. 8 and Memorandum of OIG Interview of Kevin Woods on August 27, 2019. The interview was attended by Mr. Woods attorney, Rebecca Camargo.

²⁵ U.S. Department of the Treasury Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) Memorandum of Investigative Activity, Interview of Floyd Powell conducted by SIGTARP Special Agents Michael Gianoukos and Richard DeLisio, January 14, 2021.

²⁶ Amended Warrant Request Memorandum at pg. 8.

Moreover, the employees used by HC Consulting were in fact BBEK employees.²⁷ Mr. Woods confirmed to the OIG that he would provide BBEK employees for use by HC Consulting.²⁸ All employees used by HC Consulting received W-2 information indicating that BBEK was their employer.²⁹ Mr. Woods “admitted that the very reports authored by HC Consulting regarding the air monitoring readings were authored by BBEK employees,” including Mr. Woods.³⁰ Further, current and former BBEK employees stated that Mr. Woods was in charge of HC Consulting.³¹ Mr. Woods provided employees with their job locations and assignment as well as monitored all work being completed by HC Consulting. Several BBEK employees indicated that if they had any issues or questions regarding the air monitoring, they would contact Mr. Woods. Employees also reported that they did not have any interactions with Mr. Harvey.³²

Lastly, evidence shows Mr. Woods benefitted financially from his relationship with HC Consulting. Mr. Woods confirmed that he “received ‘bonus checks’ from [Mr. Harvey] every five to six months in the amount of \$5,000 to \$10,000 each time. Overall, Mr. Woods received \$153,000 from HC Consulting from November 2015 through August 2017” which was deposited into his personal account.³³

(2) Relationship Between BBEK and Green Way

After BBEK ended its relationship with HC Consulting in 2017, Green Way was started with the assistance of Mr. Woods and William Scully was listed as the owner.³⁴ Mr. Scully is also BBEK’s Chief Financial Officer (CFO).³⁵ In 2017, Green Way started performing all the neutral third-party air monitoring for BBEK. Similar to HC Consultants, evidence shows that Green Way in fact was not a neutral party completely independent of BBEK as required by the Act.

At all times, Mr. Scully is simultaneously the owner of Green Way and CFO of BBEK meaning that he benefits from both companies and is therefore not a neutral and independent third party. BBEK has an Operating Agreement dated January 1, 2018, signed by Mr. Woods. It states “William Scully shall be the ‘Tax Management Partner’ within the meaning of IRS Code Section 6231(a)(7). The Member may, from time to time, designate another person or party to serve in such capacity.”³⁶

²⁷ *Id.*

²⁸ Memorandum of OIG Interview of Kevin Woods, August 27, 2019.

²⁹ Amended Warrant Request Memorandum at pg. 9.

³⁰ Amended Warrant Request Memorandum at pgs. 8-9.

³¹ U.S. Department of the Treasury Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) Special Agent Michael Gianoukos conducted interviews of both current and former BBEK employees including Jonathan Burtraw, David Gillespie, Floyd Powell, Keith Ventimiglia, Michael Millard, and Krystyl Kirby. All interviews were conducted between January and March 2021.

³² Amended Warrant Request Memorandum at pg. 8 and SIGTARP Interviews.

³³ Amended Warrant Request Memorandum at pg. 9.

³⁴ LARA Articles of Organization, August 1, 2017.

³⁵ Memorandum of OIG Interview of Kevin Woods, August 27, 2019.

³⁶ BBEK Operating Agreement, Article III Books, Records and Accounting, Section 3.3 Tax Matters Partner.

The Operating Agreement also states the following:

The Company shall maintain the key man life insurance policy issued by Lincoln Financial Group, dated December 28, 2017, policy number..., in the name of the Member, or a similar policy. The policy amount shall be no less than \$5,000,000. The beneficiary of the policy shall be the Company. The Member shall submit to any physical exam and or answer any reasonable questions in connection with the maintenance of said policy. Upon the death of the Member, the insurance policy monies shall be used to wind up the Company. After winding up is completed per Article XI, 85% of any monies leftover shall fund the Member's estate. The remaining 15% shall be paid to William Scully.³⁷

BBEK, through its attorney, acknowledged that Mr. Scully is employed by BBEK as the CFO but stated that he has no financial interest in the company.³⁸ However, if something were to happen to Mr. Woods and BBEK could no longer operate, Mr. Scully would benefit financially from the winding up of the company. Mr. Scully also receives bonuses based on the success of BBEK.³⁹ Mr. Woods also benefitted financially from Green Way by making over \$250,000 from the relationship between Green Way and BBEK.⁴⁰

Additionally, Green Way shares an office space with BBEK which is located at 27610 College Park Drive in Warren, MI. According to Lease Agreements between Green Way and BBEK, monthly rent was due and made payable to BBEK in the amount of \$1,000 on the first of every month. BBEK, as the landlord, paid all utilities. The lease was signed by BBEK owner Kevin Woods and Green Way owner William Scully.

On January 1, 2018, BBEK and Green Way formalized their relationship and entered into a General Service Agreement in which BBEK agreed to contract with Green Way to provide BBEK with services consisting of air monitoring, and labor staffing.⁴¹ This agreement was signed by BBEK owner Kevin Woods and Green Way owner William Scully. However, at all times relevant, Green Way only had two employees: William Scully and Kevin Woods.⁴² Instead of hiring its own employees to be independent and neutral from BBEK, Green Way used all BBEK employees.⁴³ Mr. Woods stated that Mr. Scully would “pay BBEK back for the use of the employees.”⁴⁴ It should also be noted that Mr. Woods is a signatory on Green Way's bank account.⁴⁵

³⁷ BBEK Operating Agreement, Article VI Insurance, Section 6.1 Key Man Insurance.

³⁸ Email from BBEK Attorney Rebecca Camargo to DLBA General Counsel Tim Devine, RE: BBEK Environmental, dated July 15, 2019.

³⁹ Memorandum of OIG Interview of Kevin Woods, August 27, 2019.

⁴⁰ Amended Warrant Request Memorandum at pg. 10.

⁴¹ General Services Agreement between Green Way and BBEK, Services Provided.

⁴² Green Way Employee List provided to the OIG in July 2019.

⁴³ Amended Warrant Request Memorandum at pg. 9 and Memorandum of OIG Interview of Kevin Woods.

⁴⁴ Amended Warrant Request Memorandum at pg. 9.

⁴⁵ *Id.*

Further, current and former BBEK employees stated that Mr. Woods was in charge of Green Way.⁴⁶ Mr. Woods provided employees with their job locations and assignment as well as monitored all work being completed by Green Way. Several BBEK employees conducting Green Way air monitoring indicated that if they had any issues or questions regarding the air monitoring, they would contact Mr. Woods. Employees reported that they did not have any interactions with Mr. Scully.⁴⁷

b. False Pretense Charge Involving Money Laundering

On February 23, 2021, Mr. Woods was charged with one count of money laundering. It is a 10-year felony.⁴⁸ It was alleged that Mr. Woods attempted to conceal BBEK's relationship with Green Way by laundering money between accounts in an effort to convince others that Green Way paid BBEK rent and fees for the use of BBEK employees.

Evidence showed that Mr. Woods became aware that the relationship between BBEK and Green Way was being investigated. Therefore, he created a fraudulent lease agreement between the two companies. It was also determined that "Mr. Woods laundered money between his BBEK Flagstar account, his personal Flagstar account, and the Green Way Flagstar account⁴⁹" to conceal his activities. Specifically,

Mr. Woods took \$75,000 on two separate occasions from the BBEK account and moved that money to his personal Flagstar account. Once those funds posted he then took the money from his personal account and moved it to the Green Way account. Then once they posted in the Green Way account he moved the money back to the BBEK account and claimed the money was for payment of rent and for reimbursement of employee labor.⁵⁰

Mr. Woods also provided information, including invoices and checks, to the OIG suggesting that Green Way paid BBEK for rent and services. Therefore, we find that Mr. Woods attempted to mislead and misrepresent information to the OIG to conceal the true relationship between BBEK and Green Way.

⁴⁶ U.S. Department of the Treasury Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) Special Agent Michael Gianoukos conducted interviews of both current and former BBEK employees including Jonathan Burtraw, David Gillespie, Floyd Powell, Keith Ventimiglia, Michael Millard, and Krystyl Kirby. All interviews were conducted between January and March 2021 and Amended Warrant Request Memorandum at pg. 9.

⁴⁷ Amended Warrant Request Memorandum at pg. 9 and SIGTARP Interviews.

⁴⁸ Felony Complaint, The People of the State of Michigan v. Kevin Gordon Woods, February 23, 2021. Mr. Woods was charged with M.C.L. §750.411k and M.C.L. §750.411n.

⁴⁹ Amended Warrant Request Memorandum at pg. 10.

⁵⁰ *Id.*

c. False Pretense Charges Involving LARA Fees

On February 23, 2021, Mr. Woods was charged with one count of false pretenses between \$1,000 and \$20,000, a five-year felony.⁵¹ It was alleged that Mr. Woods knowingly violated Section 338.3220(3) of the Asbestos Abatement Contractors Licensing Act (the Act). It states that an “asbestos abatement contractor providing written notification to the [Michigan Department of Licensing and Regulatory Affairs]... shall include a fee equal to 1% of the price of the contract for the asbestos abatement project and shall make available upon the request of the department a copy of the contract for the asbestos abatement project.”⁵²

Mr. Woods provided the required notifications to the Michigan Department of Licensing and Regulatory Affairs (LARA) by filling out the *Notification of Intent to Renovate/ Demolish* forms. However, he consistently devalued the project cost by close to 50%. A forensic review conducted by SIGTARP and the State of Michigan Department of Attorney General of Mr. Woods’ LARA submissions found that he “cheated the State of Michigan out of approximately \$21,646.24.”⁵³ Mr. Woods pled guilty to this count and was sentenced to two years of probation, restitution for the underreported LARA fees, and 100 hours of community service.⁵⁴

d. OIG Findings regarding False Pretenses

Based on a preponderance of the evidence, including interviews, documents submitted by BBEK, and Mr. Woods’ guilty plea to false pretenses, the OIG finds that BBEK, through Mr. Woods, engaged in criminal offenses that evidence a lack business integrity or business honesty. We also find Mr. Woods knowingly violated the Act by using HC Consulting and Green Way as its air monitoring companies though the companies were required to be neutral and independent from BBEK. While BBEK, HC Consulting and Green Way were three different companies on paper, in practice, Mr. Woods not only controlled BBEK but was also exercised control over HC Consulting and Green Way. He also took steps to conceal BBEK’s relationship with Green Way by engaging in money laundering.

Based on our review of the records, we find Mr. Woods was aware that the air monitoring companies were required to be neutral and independent from BBEK. Evidence shows Mr. Woods took steps to conceal the relationship by falsifying documents, engaging in money laundering, and providing false and misleading statements to various governmental agencies, including the OIG. Further, a BBEK employee confirmed that he raised this issue with Mr. Woods “at least a half dozen times.” The employee was concerned about losing his Certified Hazardous Material Manager accreditation if BBEK was ever audited. The employee stated that

⁵¹ Felony Complaint, The People of the State of Michigan v. Kevin Gordon Woods, February 23, 2021. Mr. Woods was charged with M.C.L. §750.218(4)(a).

⁵² Asbestos Abatement Contractors Licensing Act (Act 135, P.A. 1986 as amended), Section 338.3220 Asbestos abatement project; notice; fees; asbestos abatement fund; report; emergencies. Sec. 220.

⁵³ Amended Warrant Request Memorandum at pg. 11.

⁵⁴ Email from Michigan Assistant Attorney General Melissa Palepu to OIG Attorney Jennifer Bentley, RE: Kevin Woods, dated June 2, 2022.

Mr. Woods' told him to pay attention to his business and that he was either on the team or not. Therefore, the employee stopped raising the issue with Mr. Woods.⁵⁵

e. Bribery of a Demolition Contractor

On February 23, 2021, Mr. Woods was charged with one count of bribery of an agent or employee, a one-year misdemeanor.⁵⁶ It was alleged that Mr. Woods paid an Adamo Group (Adamo)⁵⁷ estimator (Adamo estimator) on at least three separate occasions to secure abatement subcontracts.⁵⁸ The Adamo estimator worked for Adamo from approximately January 2013 through April 2015. His responsibilities included assembling bid packages, which included bids from abatement subcontractors, in response to Request for Proposals (RFP's) issued by the City of Detroit and the DLBA to secure demolition contracts.⁵⁹

The Adamo estimator identified at least three occasions where Mr. Woods bribed him with either cash or a check to obtain the abatement subcontracts from Adamo. Evidence shows that on December 24, 2014, Mr. Woods paid the Adamo estimator with a check for \$6,500 for assisting BBEK in obtaining two to three subcontracts with Adamo.⁶⁰ In February 2015, Mr. Woods also gave the same Adamo estimator between \$1,000 and \$1,200 in cash.⁶¹ On March 27, 2015, Mr. Woods again bribed the Adamo estimator with a check for \$1,500.⁶² The Adamo estimator stated that Mr. Woods gave him over \$8,000, in total, for his assistance in ensuring Adamo awarded its subcontracts to BBEK.⁶³

Mr. Woods did not deny giving the Adamo estimator money. Initially, Mr. Woods claimed that he gave the money to the Adamo estimator for various reasons including as a loan and for consulting work. Mr. Woods even took the step of adding the Adamo estimator to BBEK's payroll in an attempt to hide his improper actions as well as write off the costs for tax purposes.⁶⁴ However,

Mr. Woods ultimately admitted he paid [Adamo estimator] in order to obtain future contracts from Adamo. Mr. Woods attempted to

⁵⁵ SIGTARP Memorandum of Investigative Activity, Interview of Jonathan Burtraw conducted by SIGTARP Special Agents Michael Gianoukos and Richard DeLisio, March 3, 2021.

⁵⁶ Felony Complaint, The People of the State of Michigan v. Kevin Gordon Woods, February 23, 2021. Mr. Woods was charged with M.C.L. §750.125.

⁵⁷ Adamo is a demolition company that has done numerous demolitions as a contractor for the City of Detroit and the Detroit Land Bank Authority. See <https://www.adamogroup.com/>

⁵⁸ Amended Warrant Request Memorandum at pg. 6.

⁵⁹ Plea Hearing of Aradondo Haskins, United States of America v. D-1 Aradondo Haskins, Case No. 19-20159 United States District Court Eastern District of Michigan, April 9, 2019, pg. 14.

⁶⁰ Amended Warrant Request Memorandum at pg. 6 and Check No. 1145 from BBEK to Aradondo Haskins for \$6,500.

⁶¹ Amended Warrant Request Memorandum at pg. 7 and Comerica Deposit form noting a \$1,000 cash deposit on February 23, 2015.

⁶² Amended Warrant Request Memorandum at pg. 7 and Check No. 3415301518 from BBEK to Aradondo Haskins for \$1,500.

⁶³ Amended Warrant Request Memorandum at pg. 7.

⁶⁴ Amended Warrant Request Memorandum at pg. 7 and BBEK Employee Earnings Record from January 1, 2015 to December 31, 2015.

justify this behavior by declaring it was common in his field. Mr. Woods admitted to paying [Adamo estimator] several grand in cash over three to four occasions, and via check on a couple of occasions, totaling around \$10,000 and that the payments were for assistance in obtaining future contracts with Adamo.⁶⁵

Based on a preponderance of the evidence, including bank records, copies of cashed checks, BBEK's payroll, and Mr. Woods own admission, the OIG finds that BBEK, through Mr. Woods, engaged in a criminal offense that evidences lack business integrity or honesty by engaging in bribery. Mr. Woods was fully aware that Adamo was awarded several demolition contracts from the City of Detroit and the DLBA and he wanted to benefit from the large amount of money being put into demolition work. "As a result of the bribes, Mr. Woods obtained several contracts from Adamo that he would not have likely received without the assistance of the Adamo estimator."⁶⁶

V. 18-0021-INV BBEK Abatement Issues

a. Complaint

On June 4, 2018, the OIG received a complaint from the DLBA. It was alleged that 48 of the 84 properties abated by BBEK failed the Post Abatement Verification (PAV). The OIG placed this investigation on hold pending the outcome of the criminal review and prosecution of 19-0028-INV involving BBEK, Green Way, and HC Consultants.

b. Background

On June 17, 2016, the DLBA directly contracted with BBEK under RFP #AA5.26.16C to provide supervision, labor, material, and equipment for asbestos abatement and universal waste removal services for 84 HHF properties located within the City of Detroit. The DLBA agreed to pay BBEK \$714,000 for the complete and proper performance of the work as set forth in the contract.⁶⁷

According to Detroit Building Authority (DBA) Deputy Director of Demolition Timothy Palazzolo,⁶⁸ RFP #AA5.26.16C was atypical because the DBA issued a bid contract solely for abatement work. Most RFP's required a bid inclusive of both abatement and demolition services.⁶⁹ The abatement services only bid was done in an attempt to save money on administrative fees charged by the contractors.

⁶⁵ Amended Warrant Request Memorandum at pgs. 7-8.

⁶⁶ Amended Warrant Request Memorandum at pg. 16.

⁶⁷ Detroit Land Bank Authority Hazardous Materials Abatement of Residential Properties Agreement Abatement Only RFP #AA5.26.16C, 5.01 Compensation, pg. 3.

⁶⁸ Mr. Palazzolo is now Deputy Director of the City of Detroit Demolition Department.

⁶⁹ OIG Interview with DBA employees Tim Palazzolo, Tom Fett, Ron Crawford, Robert Hewitt, and Kinnary Shah on April 26, 2017 regarding Case No. 2017-0017 PASI. This case also alleged a failure by the contractor to remove all ACM.

c. Post-Abatement Inspection Failures

In November 2016, the DBA adopted a new policy requiring verification that abatement contractors had removed all asbestos containing material from each property. In furtherance of this policy, the DLBA contracted with the Mannik & Smith Group, Inc. (MSG) to conduct post abatement inspections and verifications (PAVs) at the BBEK abated properties. MSG's PAVs found that 48 of the 84 properties abated by BBEK still contained asbestos and thus were not cleared for demolition.

Based on our review of MSG's PAVs of the work performed by BBEK, we find the following:

- 11 properties had “very troublesome” amounts of remaining asbestos containing material;
- 33 properties had “nominal quantities” that still raised concerns; and
- 4 properties were noted by BBEK as “couldn't access” due to unsafe conditions. However, MSG's PAVs states that these properties were accessible.⁷⁰

Mr. Woods claimed the MSG's PAVs were inaccurate. Mr. Woods explained that all of the properties in question were abated by BBEK in 2016 but the demolitions were put on hold due to an HHF Demolition Program funding issue.⁷¹ Approximately a year later, between June 27, 2017 and September 15, 2017, MSG conducted PAVs on the BBEK properties.⁷² Mr. Woods stated that there were several problems with MSG's PAVs and that it did not accurately show what asbestos was left behind.⁷³ Mr. Woods claimed that each house that failed inspection had “only crumbs” of asbestos remaining in the properties. He further noted that it is impossible to abate everything, but only insignificant amounts are left behind.⁷⁴ However, we note Mr. Woods statements against MSG are not supported by any evidence.

d. Findings for 18-0021-INV

Based on MSG's PAVs, BBEK failed to remove varying amounts of asbestos containing material identified in the *Pre-Demolition Asbestos/ Hazardous Material Surveys*. This document was prepared by a separate contractor and it identified all material that had to be abated by BBEK. Some of the properties contained large amounts of ACM after BBEK stated they completed the work, whereas other properties were found to have smaller amounts. However, in all 48 BBEK properties that failed inspection and were not cleared for demolition, significant amount of asbestos were left behind that should have been identified by a BBEK supervisor. We further find if these properties were properly inspected after the abatement was allegedly completed, BBEK should have found the defects in their work.

⁷⁰ Memorandum of OIG Call with DLBA General Counsel Mike Brady (no longer with the DLBA), DLBA Demolition Director Tammy Daniels, and DLBA Deputy Director of Demolition regarding the BBEK Abatement Complaint, dated June 5, 2018.

⁷¹ Memorandum of OIG Interview of Kevin Woods, August 15, 2018. The interview was attended by Mr. Woods attorney, Rebecca Camargo.

⁷² MSG Post Abatement Verification documentation for the 48 of 84 BBEK properties that failed inspections.

⁷³ Memorandum of OIG Interview of Kevin Woods, August 15, 2018.

⁷⁴ *Id.*

Below is a chart that provides three (3) examples of the amounts of asbestos left behind by BBEK.

Address	ACM listed by BBEK as being removed	MSG Post Abatement Verifications of findings of material left by BBEK
13286 Hubbell	Plaster 4050 Window glazing 25 Basement window glazing 5 Building caulk 30 5 gallons of unknown substance 5 Can of paint 6 Compact fluorescent bulb 1 Television 2	Plaster 2000 Window glazing 5 Basement window glazing 5 Building caulk 30
14637 Ardmore	Plaster 2900 Fire stop 2 Chimney mortar 1 Window glaze 16 Transite 1800	Plaster 1000 Window glaze 40 Transite 10
12811 Lauder	Plaster 3889 Pipe wrap 21 Transite siding 1920 Building caulk 15 Basement window glazing 5	Plaster 500 Pipe wrap 3 Transite siding 10 Building caulk 50

The records also show BBEK submitted affidavits, invoices, and supporting documentation that affirm they abated all estimated quantities of reported asbestos containing material as identified in the *Pre-Demolition Asbestos/ Hazardous Material Surveys*.⁷⁵ In fact, for all 48 BBEK properties that failed inspection, a BBEK supervisor signed and submitted documentation attesting that BBEK abated all identified hazardous materials. However, as indicated above, there are instances where large amounts of asbestos were left in the premises, in some instances as much as 2,000 square feet of plaster was left behind by BBEK. It is unlikely that a trained supervisor would miss so much hazardous material if he or she was properly trained and/or adequately inspecting the property. Therefore, we find BBEK employees either knowingly falsified documentation indicating all work was complete when it clearly was not, ignored asbestos containing material left in place during the final inspection, or purposefully neglected to inspect the properties after the work was completed.

⁷⁵ Memorandum of OIG Call with DLBA General Counsel Mike Brady (no longer with the DLBA), DLBA Demolition Director Tammy Daniels, and DLBA Deputy Director of Demolition regarding the BBEK Abatement Complaint, dated June 5, 2018.

VI. Debarment Analysis

a. HHF Demolition Contract Language

The DLBA's HHF Demolition contracts also require that all contractors "shall comply, and shall require all employees, contractors, consultants, and subcontractors to comply with all applicable Federal, State and local laws, ordinances, codes, regulations, and policies"⁷⁶ including the Asbestos Abatement Contractor Licensing Act.⁷⁷ It further states that contractors "will be responsible for post-abatement (clearance) air monitoring which must be completed by an independent third-party contractor. The post-abatement air monitoring must comply with Michigan Public Act 135, Section 338.3221."⁷⁸

BBEK was aware of these requirements when they directly contracted with the DLBA in 2016. For example, on June 17, 2016, DLBA and BBEK entered into Contract No. AA5.26.16C for the abatement of residential properties.⁷⁹ The contract required that BBEK comply with the State of Michigan Public Acts P.A. 135, 1986; P.A. 147, 1986; P.A. 439, 1988 and P.A. 440, 1988.⁸⁰ This provision did not change as BBEK continued to work as a subcontractor on HHF demolitions.

Additionally, BBEK holds "all required State [and] Federal licenses."⁸¹ The State of Michigan requires contractors to complete a Michigan/ EPA approved training course to become a licensed asbestos abatement contractor. This requirement was initiated in September 1986 with the establishment of the Asbestos Program, a section within the Michigan Department of Licensing and Regulatory Affairs (LARA), Michigan Occupational Safety and Health Administration (MIOSHA) Construction Safety and Health Division (CSHD). The purpose of the program is to "ensure that people working with asbestos are properly trained and that individuals performing asbestos abatement comply with rules governing the work activity."⁸² Therefore, we find Mr. Woods knew or should have known that contractors are required to use an independent air monitoring company.

b. Reasons for Debarment

Section 18-11-5 of the Debarment Ordinance outlines the reasons a contractor may be debarred. It states, in pertinent part, that

(a) a contractor may be debarred, based upon a preponderance of the evidence, for:

⁷⁶ Detroit Land Bank Authority Hazardous Materials Abatement of Residential Properties Agreement Abatement Only RFP #AA5.26.16C, Section 12. Compliance with Laws. 12.01

⁷⁷ DLBA Agreement, Part 4: Abatement of Asbestos-Containing and Other Hazardous/ Regulated Materials (D)(5).

⁷⁸ DLBA Agreement, Part 4: Abatement of Asbestos-Containing and Other Hazardous/ Regulated Materials (K)

⁷⁹ Detroit Land Bank Authority Hazardous Materials Abatement of Residential Properties Agreement Abatement Only RFP #AA5.26.16C.

⁸⁰ *Id.* at 21.

⁸¹ <https://www.bbekenvironmental.com/#about-us>, August 11, 2021.

⁸² https://www.michigan.gov/documents/CIS_WSH_conlic_33817_7.PDF accessed on August 12, 2021.

- (1) Violation of the terms of a City contract or subcontract, or a contract or subcontract funded in whole or in part by City funds, such as failure to perform in accordance with the terms of one or more contracts; or the failure to perform, or unsatisfactory performance of one or more contracts;
- (2) Failing to comply with state, federal, or local laws or regulations applicable to the performance of a contract;...
- (5) Evidence of (i) the contractor or the contractors officers or owners, or (2) any person or entity having a direct or indirect financial or beneficial interest in the contractor or its operations; engaging in a criminal offense or civil misconduct that evidences a lack of business integrity or business honesty including but not limited to embezzlement, theft, theft of services, forgery, bribery, fraud, tax evasion, falsification or destruction of records, making false statements or receiving stolen property, or violations of law relating to the obtaining or performance of public contracts;
- (6) Submission of false or misleading documentation, or making false or misleading statements.
- (8) Any other conduct that evidences the inability of the contractor to act responsibly in its conduct on behalf of the City.⁸³

Evidence shows that BBEK violated the terms of its contract and subcontracts with the DLBA HHF Demolition Program and the City of Detroit. BBEK violated the HHF demolition contracts by failing to comply with the Asbestos Abatement Contractor Licensing Act, which was also specifically required by the contracts.⁸⁴ The contract further states that contractors “will be responsible for post-abatement (clearance) air monitoring which must be completed by an independent third-party contractor. The post-abatement air monitoring must comply with Michigan Public Act 135, Section 338.3221.⁸⁵” Therefore, we find Mr. Woods knowingly and purposefully used non-neutral air monitoring companies to enrich himself. We further find that Mr. Harvey and Mr. Scully allowed themselves to be listed as the owners of the air monitoring companies while giving complete control to Mr. Woods. However, there is no evidence that they knowingly and actively assisted Mr. Woods in violating the Act.

We find BBEK, HC Consulting, and Green Way failed to comply with state, federal, or local laws or regulations. Moreover, they knowingly violated the Act’s requirement for air monitoring to be conducted by an independent third-party contractor, as evidenced by their failed attempt to separate themselves as three different companies. Additionally, BBEK and Mr.

⁸³ Debarment Ordinance, Section 18-11-5. Grounds for Debarment.

⁸⁴ DLBA Agreement, Part 4: Abatement of Asbestos-Containing and Other Hazardous/ Regulated Materials (D)(5).

⁸⁵ DLBA Agreement, Part 4: Abatement of Asbestos-Containing and Other Hazardous/ Regulated Materials (K).

Woods violated the Act's requirement that BBEK pay a fee equal to 1% of the price of the contract for the asbestos abatement project.⁸⁶

We further find Mr. Woods engaged in criminal conduct which evidenced a lack of business integrity or business honesty. Mr. Woods engaged in false pretenses, money laundering, and bribery which allowed him to enrich himself and his companies at the expense of taxpayers. In total, Mr. Woods made over \$1,000,000 through these false pretenses and improper actions.⁸⁷

BBEK submitted false or misleading documentation and made false or misleading statements. Mr. Woods submitted information to LARA which devalued BBEK's project costs resulting in an underpayment to the State of Michigan. He also provided false and misleading information to the OIG and other agencies regarding Green Way's payment of rent and labor costs to BBEK. Further, for Contract No. AA5.26.16C, BBEK submitted affidavits, invoices, and supporting documentation that falsely indicated they had abated all estimated quantities of reported asbestos containing material as identified in the *Pre-Demolition Asbestos/ Hazardous Material Surveys*. Likewise, a BBEK supervisor falsely signed and submitted documentation attesting that BBEK abated all necessary material.

Lastly, we conclude Mr. Woods, Mr. Harvey, and Mr. Scully's actions evidence their inability to act responsibly while performing their duties on behalf of the City of Detroit. We find BBEK, HC Consulting, and Green Way engaged in behavior that shows an indifference toward the policies and procedures established by the City of Detroit, to which they agreed to comply. In addition, their actions show a total disregard for the laws established by the federal, state, and local government. BBEK, HC Consulting, and Green Way's actions also evidence a total disregard for the health, safety, and welfare of residents. Therefore, it is in the public interest that BBEK, HC Consulting, Green Way, Kevin Woods, James Harvey, and William Scully be debarred.

c. Length of Debarment

Section 18-11-12 of the Debarment Ordinance states, in part,

- (a) The period of 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, embezzlement, theft, forgery, bribery... may receive the maximum period.

⁸⁶ Amended Warrant Request Memorandum at pgs. 10-11.

⁸⁷ Amended Warrant Request Memorandum at pg. 13.

- (3) Debarment involving purposeful deceit including but not limited to making a deceptive, false, or fraudulent statement which evidences a desire to circumvent or otherwise compromise the investigative process.

Mr. Woods was charged with the following offenses:

- Four counts of false pretenses over \$100,000, all 20-year felonies;
- One count of money laundering, a 10-year felony;
- One count of false pretenses between \$1,000 and \$20,000, a five-year felony; and
- One count of bribery of an agent or employee, a one-year misdemeanor.⁸⁸

The records show that on June 2, 2022, Mr. Woods pled guilty to one count of false pretenses for falsifying the LARA submissions resulting in undervalued fees. As such, he was sentenced to two years of probation, restitution for the underreported fees, and 100 hours of community service.⁸⁹ Further, the OIG finds that, based on a preponderance of the evidence detailed in the prior pages, Mr. Woods engaged in the criminal conduct related to BBEK's work as a City of Detroit subcontractor which resulted in the other charges involving false pretenses, money laundering, and bribery. His actions allowed him to enrich himself at the expense of City of Detroit residents and other contractors.

Further, Mr. Woods' conduct involved purposeful deceit in which he made deceptive, false, and fraudulent statements to compromise the OIG's investigative process. These actions included providing deceptive and false statements during his OIG interview in which he denied involvement with HC Consulting and Green Way, as well as providing falsified lease and check information. Therefore, the OIG finds that it is in the public interest to debar BBEK, HC Consulting, Green Way, and Kevin Woods for the maximum allowable time of 20 years. The OIG also finds that it is in the public interest to debar James Harvey and William Scully for five (5) years for failing to act as responsible contractors in their conduct on behalf of the City of Detroit. They both failed to provide sufficient oversight over companies in which they were the listed owners, but Kevin Woods had complete control. Mr. Woods was then able to act without impunity which caused great harm to the City of Detroit and its residents.

(4) Conclusion

Based on our investigation, the facts as found and supported by the entire record of information and a preponderance of the evidence as detailed above, the OIG finds that BBEK, HC Consulting, Green Way, Kevin Woods, James Harvey, and William Scully are not responsible contractors. Mr. Woods' actions on behalf of BBEK, HC Consulting, and Green Way lacked business integrity and business honesty. Additionally, Mr. Harvey and Mr. Scully allowed Mr. Woods to use their names as owners of the air monitoring companies to aid in Mr. Woods' deception, also indicating a lack of business integrity and business honesty.

⁸⁸ Felony Complaint, *The People of the State of Michigan v. Kevin Gordon Woods*, February 23, 2021. Mr. Woods was charged with M.C.L. §750.125.

⁸⁹ Email from Michigan Assistant Attorney General Melissa Palepu to OIG Attorney Jennifer Bentley, RE: Kevin Woods, dated June 2, 2022.

The OIG is required to ensure 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's interest, which the OIG finds in this instance. Pursuant to Section 18-11-4 (b) of the Debarment Ordinance, BBEK, HC Consulting, Green Way, Kevin Woods, James Harvey, and William Scully are also precluded from serving as a "subcontractor or as a goods, services or materials supplier for any contract" for the City of Detroit. Further, no company they own, are an officer for, or have a direct or indirect financial or beneficial interest in may do business with the City of Detroit as a contractor or subcontractor for the period of debarment.

On August 5, 2019, the OIG issued interim suspensions to BBEK, HC Consulting, and Green Way. On August 9, 2019, the OIG issued interim suspensions to Kevin Woods, James Harvey, and William Scully. Section 18-11-12 of the Debarment Ordinance states that "[i]f suspension precedes a debarment, the suspension period shall be considered in determining the debarment period." Therefore, BBEK, Green Way, and HC Consulting's debarment effective date is August 5, 2019. Kevin Woods, William Scully, and James Harvey's debarment effective date is August 9, 2019.

LAW OFFICES
JAMES C. THOMAS
A PROFESSIONAL CORPORATION

JAMES C. THOMAS

OF COUNSEL TO
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STERLING HEIGHTS, MI 48313
(586) 726-1000 * FAX (586) 726-1560
jthomas@orlaw.com

July 11, 2022

Office of Inspector General
Attention: Jennifer Bentley
615 Griswold Street, Ste. 1230
Detroit MI 48226-3994

Sent Via Email: bentleyj@detoig.org & First Class Mail

Re: Kevin Woods
Debarment Report - Case Nos. 19-0028-INV and 18-0021-INV.

Dear Jennifer:

Attached is my client's Affidavit confirming receipt of the Office of Inspector General (OIG)'s draft debarment report in Case Nos. 19-0028-INV and 18-0021-INV (original will be mailed to your office). As I indicated to you in our phone conversation, and after lengthy consultation, Mr. Woods does not request a hearing and without admission, he will not be contesting debarment. While he does not agree to many of the factual assertions, we agree that the evidentiary standard is preponderance, and he wishes to forgo any further litigation. As discussed, he is not interested in pursuing any further work or business interests in the City of Detroit.

Jennifer, there is one glaring mistake which caught my eye. We ask that you review the attached documents and correct the Report accordingly. Mr. Woods never pled to money laundering as recited on page 8 of 17 of your draft. I am attaching for your review a copy of Mr. Woods' seven (7) count Information. Please compare it to the draft Report. Mr. Woods only pled to one (1) count of false pretenses of \$1,000 or more, but less than \$20,000 (Count 6). All other counts (including the money laundering) were dismissed by the prosecutor at sentence (Judgment of Sentence dated June 2, 2022 also attached).

Finally, you asked about William Scully. While we do not represent him, it is my information, for what it is worth, that he has not retained counsel and that he will be retiring.

Office of Inspector General
Attention: Jennifer Bentley
July 11, 2022
Page Two

If you have any questions or require any additional information, please do not hesitate to contact my office.

Sincerely,

/s/ James C. Thomas
James C. Thomas

JCT/ama
Attachments



**CITY OF DETROIT
OFFICE OF INSPECTOR GENERAL**

Ellen Ha, Esq.
Inspector General

AFFIDAVIT CONFIRMING RECEIPT

I, Kevin Woods, attest that I received a copy of the Office of Inspector
General (OIG)'s draft debarment report for OIG Case Nos. 19-0028-INV and 18-0021-INV. I
further attest to the following:

- I understand that if I would like to dispute any OIG findings and/or recommendations I must submit a written response within 28 calendar days and/or request an administrative hearing within 14 calendar days from the date of receiving the draft debarment report.
- I understand that the OIG investigation is still open pending finalization of the OIG draft debarment report.
- The 2012 Charter of the City of Detroit at Section 7.5-313 states that all open files of the OIG are confidential and **shall not be shared with any person or agency**. This includes the draft debarment report. However, if you have outside counsel to represent you in the administrative hearing or in drafting your response, you may share the draft debarment report with your attorney.
- The draft debarment report shall only be shared with the written consent of the Inspector General.
- I understand that if I share the draft debarment report without the written authorization of the Inspector General, I may be subject to discipline or any other applicable penalty.

Please sign and return this form within 48 hours of receipt of the draft debarment report or by **June 20, 2022**. If you have any questions about the above information, please contact OIG Attorney Jennifer Bentley at 313-628-5758 or bentleyj@detoig.org.

By signing below I affirm that I have read and understand the information above and agree to abide by this statement.

Kevin Woods

Print Name

Signature & Date

July 11, 2022

State of Michigan)
)ss
County of Macomb)

Subscribed & sworn to before me on
this 11th day of July, 2022

Alida Andrianos, Notary Public
Macomb County, MI
Acting in Macomb County, MI
My Commission Expires: 07/30/2027

STATE OF MICHIGAN 37A JUDICIAL DISTRICT 16TH JUDICIAL CIRCUIT	INFORMATION FELONY	DISTRICT: CIRCUIT: CTN: 96-21900164-01 MSP #:
---------------------------------------------------------------------	-------------------------------	--------------------------------------------------------

District Court ORI: MI500025J Circuit Court ORI: MI500015J AG ORI: MI820025A

THE PEOPLE OF THE STATE OF MICHIGAN		Victim or complainant:
v		
KEVIN GORDON WOODS 37635 LAKEVILLE STREET HARRISON TOWNSHIP, MI 48045		STATE OF MICHIGAN
Co-defendant(s)		Complaining Witness S/A PETE ACKERLY
City/Twp./Village WARREN	County in Michigan MACOMB	Date: On or about 03/01/2015-12/30/2019
Charge(s) See Below	Defendant SID	Defendant DOB 7/2/1970
		Maximum Penalty See Below

STATE OF MICHIGAN, COUNTY OF MACOMB
IN THE NAME OF THE PEOPLE OF THE STATE OF MICHIGAN: Dana Nessel, Attorney General for the State of Michigan, appears before the court and informs the court that on the date range above and in the City of Warren, Michigan, the defendant:

COUNT 1: FALSE PRETENSES - \$100,000.00 OR MORE
with the intent to defraud or cheat, make or use a false pretense to obtain from a person money, personal property, or the use of an instrument, facility, article, or other valuable thing or service, having a value of \$100,000.00 or more; contrary to MCL 750.218(7)(a). [750.2187A].

FELONY: 20 Years and/or \$35,000.00, or 3 times the value of the money or property involved, whichever is greater. To impose a fine of 3 times the value, the defendant must admit the amount, or it must be determined by the trier of fact at trial. See *Southern Union Co. v United States* 567 U.S. ____; No. 11-94 (2012).

COUNT 2: FALSE PRETENSES - \$100,000.00 OR MORE
with the intent to defraud or cheat, make or use a false pretense to obtain from a person money, personal property, or the use of an instrument, facility, article, or other valuable thing or service, having a value of \$100,000.00 or more; contrary to MCL 750.218(7)(a). [750.2187A].

FELONY: 20 Years and/or \$35,000.00, or 3 times the value of the money or property involved, whichever is greater. To impose a fine of 3 times the value, the defendant must admit the amount, or it must be determined by the trier of fact at trial. See *Southern Union Co. v United States* 567 U.S. ____; No. 11-94 (2012).

COUNT 3: FALSE PRETENSES - \$100,000.00 OR MORE
with the intent to defraud or cheat, make or use a false pretense to obtain from a person money, personal property, or the use of an instrument, facility, article, or other valuable thing or service, having a value of \$100,000.00 or more; contrary to MCL 750.218(7)(a). [750.2187A].

FELONY: 20 Years and/or \$35,000.00, or 3 times the value of the money or property involved, whichever is greater. To impose a fine of 3 times the value, the defendant must admit the amount, or it must be determined by the trier of fact at trial. See *Southern Union Co. v United States* 567 U.S. ____; No. 11-94 (2012).

COUNT 4: FALSE PRETENSES - \$100,000.00 OR MORE
with the intent to defraud or cheat, make or use a false pretense to obtain from a person money, personal

property, or the use of an instrument, facility, article, or other valuable thing or service, having a value of \$100,000.00 or more; contrary to MCL 750.218(7)(a). [750.2187A].

FELONY: 20 Years and/or \$35,000.00, or 3 times the value of the money or property involved, whichever is greater. To impose a fine of 3 times the value, the defendant must admit the amount, or it must be determined by the trier of fact at trial. See *Southern Union Co. v United States* 567 U.S. ____; No. 11-94 (2012).

COUNT 5: MONEY LAUNDERING - 2ND DEGREE

did knowingly conduct, attempt to conduct, or participate in conducting or attempting to conduct a financial transaction involving a monetary instrument or other property of a value of \$10,000 or more, that constituted the proceeds or substituted proceeds of the crime of False Pretenses, while having prior actual knowledge that the monetary instrument or property represented the proceeds or substituted proceeds of a criminal offense, and that the financial transaction is designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds or to avoid a transaction reporting requirement under state or federal law, with the intent to conceal or disguise the nature, location, source, ownership, or control of said proceeds; contrary to MCL 750.411k and MCL 750.411n. [750.411N]

FELONY: 10 Years and/or \$100,000.00 or twice the value of the proceeds, whichever amount is greater

COUNT 6: FALSE PRETENSES - \$1,000.00 OR MORE BUT LESS THAN \$20,000.00

did, with the intent to defraud or cheat, make or use a false pretense to obtain from a person money, personal property, or the use of an instrument, facility, article, or other valuable thing or service, having a value of \$1,000.00 or more but less than \$20,000.00; contrary to MCL 750.218(4)(a). [750.2184A]

FELONY: 5 Years and/or \$10,000.00, or 3 times the value of the money or property involved, whichever is greater. To impose a fine of 3 times the value, the defendant must admit the amount, or it must be determined by the trier of fact at trial. See *Southern Union Co. v United States* 132 S. Ct. 2344 (2012).

COUNT 7: BRIBERY - AGENT/EMPLOYEE

did give, offer or promise a commission, gift, or gratuity to Aradondo Haskins with intent to influence the action of Aradondo Haskins, the agent or employee of Adamo Group, in relation to his or her principal's or employer's business; contrary to MCL 750.125. [750.125]

MISDEMEANOR: 1 Year and/or \$1,000.00

Court shall order law enforcement to collect a DNA identification profiling sample before sentencing or disposition, if not taken at arrest.

and against the peace and dignity of the State of Michigan.

3/31/2022

Date



Melissa Palepu (P74121)
Criminal Trials & Appeals Division
3030 W. Grand Blvd., Suite 10-300
Detroit, MI 48202
313-456-0180

STATE OF MICHIGAN 16TH JUDICIAL CIRCUIT MACOMB COUNTY	JUDGMENT OF SENTENCE <input type="checkbox"/> COMMITMENT TO JAIL	CASE NO. and JUDGE 2022-000531-FH DIANE M DRUZINSKI
----------------------------------------------------------------------------------	----------------------------------------------------------------------------	------------------------------------------------------------------

Court address: Macomb County Circuit Court, 40 N. Main, Mt. Clemens, MI 48043
ORI: MI - 500015J

Court telephone number: 586-469-5208
Police Report No. MI820025A

THE PEOPLE OF THE STATE OF MICHIGAN

v

Defendant name, address, and telephone no. KEVIN GORDON WOODS 37635 LAKEVILLE ST, HARRISON TOWNSHIP, MI 48045		
CTN / TCN 962190016401 /	SID X219001641	DOB [REDACTED]

THE COURT FINDS:

1. The defendant was found guilty on 4-25-2022 of the crime(s) stated below:

Count	CONVICTED BY			DISMISSED BY*	CRIME	CHARGE CODE(S) MCL citation/PACC Code
	Plea*	Court	Jury			
1				NP	FALSE PRETENSES - \$100,000.00 OR MORE	750.2187A
2				NP	FALSE PRETENSES - \$100,000.00 OR MORE	750.2187A
3				NP	FALSE PRETENSES - \$100,000.00 OR MORE	750.2187A
4				NP	FALSE PRETENSES - \$100,000.00 OR MORE	750.2187A
5				NP	MONEY LAUNDERING-2ND DEGREE	750.411N
6	G				FALSE PRETENSES \$1,000 <\$20,000	750.2184A
7				NP	BRIBERY-AGENT/SERVANT/EMPLOYEE	750.125

*Insert "G" for guilty pleas. "NC" for nolo contendere; or "MI" for guilty but mentally ill, "D" for dismissed by court or "NP" for dismissed by prosecutor/ plaintiff.

2. The defendant was represented by an attorney: JAMES C. THOMAS Bar No. 23801 jthomas@orlaw.com
 was advised of right to counsel and appointed counsel and knowingly, intelligently, and voluntarily waived that right.

3. Conviction reportable to Secretary of State. ** The defendant's driver's license number is _____
 SUSPENDED _____ Days. RESTRICTED _____ Days. Eligible for restricted after _____ days by motion.
 - Vehicle Forfeiture - Interlock - Drive/Probation - Drive/Medical Treat.
 - DL Revoked - Alcohol Treatment - Drive/Medical Treat. - Drive/School
 - Vehicle Immob - Start Date: - Drive/Alcohol Treatment - Drive/School - Drive/Com Service

4. Sanctions are reportable to State Policy. ** Revoked. Suspended ___ days. Restricted _____ days.

5. HIV testing and sex offender registration are completed.

6. The defendant has been fingerprinted according to MCL 28.243.

7. A DNA sample is already on file with the Michigan State Police from a previous case. No assessment is required.

IT IS ORDERED:

8. Probation is revoked.
 9. Deferred status is revoked. HYTA status is revoked.
 10. The defendant is sentenced to jail as follows: Report at _____ Time

Count	Date Sentence	Sentence		Credit		Other:
	Begins	Mos.	Days	Mos.	Days	
6	6-2-2022		1		1	100 HRS COMM SERVICE. ANY TRAVEL REQUESTS FOR EMPLOYMNT TO BE MADE THRU PROBATION DEPT. TRAVEL REQUESTS FOR LEISURE SHALL BE HEARD BY MTN BY THE CRT. CONTACT W/FELONS PERMITTED FOR WORK PURPOSES ONLY. DFT VERB ADVSD & ACKNNTC OF RGHT TO TIMELY APPEAL.

Release Authorized for the Following Purpose	Release Period	
	From	To
<input type="checkbox"/> Upon payment of fine and costs.....		
<input type="checkbox"/> To work or seek work.....		
<input type="checkbox"/> For attendance at school.....		
<input type="checkbox"/> For medical treatment.....		
<input type="checkbox"/> Other: _____		

11. Sentence(s) to be served consecutively to: (if this item is not checked, the sentence is concurrent)
 each other case numbers:

12. The defendant shall pay:

State Minimum	Crime Victim	Court Costs	DNA	Fine	Other Costs	Drug Court Fee	Bond Forfeiture Fees	Oversight Fee
\$68.00	\$130.00	\$600.00	\$	\$	\$	\$	\$	\$30.MO
Initial Defense Costs		Additional Defense Costs		20% Late Fee	Alcohol Screening	Restitution		
\$		\$		\$	\$	\$21,220.77 TO DEPT OF LABOR & ECONOMIC OPPORTUNITY, MICHIGAN OCCUPATIONAL SAFETY & HEALTH, CONSTRUCTION SAFETY & HEALTH DIVISION-ASBESTOS PROGRM.		

The due date for payment is the date of sentencing. Fines, costs, and fees not paid within 56 days of the due date are subject to a 20% late penalty on the amount owed. If you are not able to pay due to financial hardship, contact the court immediately to request a payment alternative. MCR 6.425(E)(3).

The defendant shall serve _____ days in jail for failure to pay on time, as part of a conditional sentence. Prior to enforcement of jail time for failing to pay, the court must determine the defendant's ability to pay.

13. The defendant shall be placed on probation for 24 months and abide by the terms of probation. (See separate order.)

14. The defendant shall complete the following rehabilitative services:
 Alcohol Highway Safety Education Treatment (outpatient, inpatient, residential, Mental health).
 Specify:

15. Other:
 § 771.1 § 7411 § 769.4(a) PA511 IUP CRP GED

Days Community Service (100 HRS)

16. The vehicle used in the offense shall be immobilized for forfeited. (See separate order.)

JUNE 2, 2022



Sentence Date

Judge DIANE M DRUZINSKI, Circuit Court Judge Bar. no. P48507

** Currently convictions are reportable to the Secretary of State under:

- MCL 257.625(21)(a)
- MCL 257.732
- MCL 324.80131
- MCL 324.81134(20)
- MCL 324.82157

** Sanctions are reportable to the State Police under:

- MCL 257.625(21)(b)