



CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

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Statement on the Interim Suspension of Den-Man Contractors, Inc., David Holman, and Any Companies They Have Ownership or Financial Interest

Pursuant to Section 17-5-360 of the City of Detroit Debarment Ordinance (“Debarment Ordinance”) and for the reasons stated below, the City of Detroit Office of Inspector General (OIG) is issuing interim suspensions for Den-Man Contractors, Inc. (Den-Man), David Holman, and any companies he has ownership or financial interest in.

On April 25, 2023, the Michigan Department of Attorney General filed Criminal Enterprise and False Pretense charges against David MacDonald. In 2017 and 2018, Mr. MacDonald was employed by Den-Man owner, David Holman, to lead the company’s demolition program. Mr. MacDonald was responsible, in part, for securing backfill to be used at properties Den-Man had demolished pursuant to its contracts with the City of Detroit which required the use of dirt from approved sources. The contracts also permitted Den-Man to be reimbursed for the acquisition price of the dirt.

It is alleged that Mr. MacDonald repeatedly claimed to have paid for dirt used at these sites that was obtained at no cost. Mr. MacDonald further falsified documentation that identifies the source of the dirt, and then invoiced the Detroit Land Bank Authority and City of Detroit for fictitious sums. Den-Man allegedly received \$1,148,513.61 for reimbursement for backfill material without incurring those costs.

It is also alleged that the dirt used for backfill came from unapproved sources, which potentially originated from contaminated sources, creating possible health, safety, and welfare issues for City of Detroit residents. Though Den-Man’s owner (Mr. Holman) has not been criminally charged, his company benefitted financially from Mr. MacDonald’s actions. Additionally, Mr. Holman’s lack of oversight allowed Mr. MacDonald to engage in the alleged criminal behavior. Because of the actions taken by Mr. MacDonald as well as the actions not taken by Mr. Holman may pose health and safety issues to the residents in the City of Detroit, the City is now having to pay large sums of money to test the environmental quality of the backfill used at the properties filled with unapproved dirt sources.



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As an agency mandated to ensure honesty and integrity in City government, including in government contracting, the OIG finds it is in the public interest to suspend Den-Man and David Holman from conducting business with the City and not award either party any City contracts pending the finalization of the OIG's investigation.

Pursuant to Section 17-5-360(b) of the Debarment Ordinance, this interim suspension is for the lesser of an initial period of 90 calendar days or until the Inspector General makes a final determination with respect to debarment. Therefore, in accordance with Section 17-5-360(a)(1) and (2) of the Debarment Ordinance, Den-Man and Mr. Holman are suspended from eligibility for any City contracts. Lastly, effective immediately, pursuant to Section 17-5-354(b) of the Debarment Ordinance, Den-Man and David Holman are precluded from serving as a "subcontractor or as a goods, services, or materials supplier for any contract" for the City of Detroit."

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