



## CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

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### **Office of Inspector General Debars DES, David Gillespie, BBEK, and Kevin Woods**

An OIG investigation found that DES and David Gillespie knowingly worked with debarred contractors Kevin Woods and BBEK Environmental, LLC. (BBEK) on City of Detroit contracts in violation of the City of Detroit Debarment Ordinance. Additionally, evidence indicated that DES violated the Asbestos Abatement Contractors Licensing Act (the Asbestos Act) which potentially endangered the health, safety, and welfare of residents. While the allegations were being investigated, the OIG issued interim suspensions because DES performs asbestos abatement services which could impact the health, safety, and welfare of Detroit residents.

On May 13, 2024, Mr. Gillespie pleaded no contest to one count of felony false pretenses after charges were filed by the Michigan Attorney General's Office. He was sentenced to two years of probation, restitution in the amount of \$24,000, and 100 hours of community service. If Mr. Gillespie satisfies all these terms and conditions, his charge will be reduced to a misdemeanor false pretenses. Additionally, the OIG determined David Gillespie assisted BBEK and Kevin Woods in circumventing their interim suspensions issued in August 2019 thus allowing them to continue to financially benefit from City of Detroit contracts.

Based on the results of our investigation, the OIG found that DES and its owner David Gillespie have not acted as responsible contractors. Therefore, the OIG finds the following based on our findings:

- Detroit Environmental Solutions, LLC. (DES) is debarred for 20 years with an effective date of November 30, 2023.
- David Gillespie is debarred for 20 years with an effective date of November 30, 2023.

On August 5, 2019, the OIG issued an interim suspension to BBEK pursuant to Section 17-5-360 of the City of Detroit Debarment Ordinance. On August 9, 2019, the interim suspension was extended to include BBEK owner Kevin Woods. The OIG's preliminary review of records suggested that Kevin Woods was involved in improper and possible criminal activity which



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included violations of the Asbestos Abatement Contractors Act. As a result of the interim suspension, these companies and owners could not do any work on City of Detroit contracts and could not work as a “subcontractor or as a goods, services or materials supplier for any contract” related to the City of Detroit. Further, no company they owned, were an officer for, or had a direct or indirect financial or beneficial interest in could do business with the City of Detroit as a contractor or subcontractor for the period of suspension. However, Mr. Woods circumvented the interim suspension by assisting in the formation of DES, listing David Gillespie as the owner, taking a consulting fee, and then doing work for the City of Detroit.

It should be noted that Mr. Woods and BBEK were also previously debarred pursuant to OIG Case No. 19-0028-INV. On June 2, 2022, Mr. 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. The debarment was effective August 9, 2019 with an end date of August 9, 2039.

The OIG once again determines that BBEK and Kevin Woods have not acted as responsible contractors. Therefore, the OIG finds the following:

- BBEK Environmental, LLC. (BBEK) is debarred for 20 years with an effective date of May 21, 2024.
- Kevin Woods is debarred for 20 years with an effective date of May 21, 2024.

Pursuant to Section 17-5-354(b) of the Debarment Ordinance, DES, Mr. Gillespie, BBEK and Mr. Woods, 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, as an individual, is debarred, no company he owns, is an officer for, or has 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. This is the first time any contractor or owner, has been debarred twice.

Inspector General Ellen Ha observes that, “Today’s debarments show that the OIG will continue to monitor the actions of the contractors during the time of their suspensions or debarments. Fraud cannot be wrapped in a shroud of illusion, no matter the depth of the deception. We will investigate the fraud to its core and hold contractors accountable.”

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