



# CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

Kamau C. Marable, MA., CIG, CFE  
*Inspector General*

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*Deputy Inspector General*

## REQUEST TO CLOSE MEMO

DATE SEPTMEBER 3, 2025

TO: Kamau C. Marable  
Inspector General

Approved *Kamau C. Marable*

FROM: Jennifer Bentley, Esq., CIGI  
File Manager

RE: OIG FILE# 25-0010-INV

### **I. Summary**

On March 8, 2018, the City of Detroit Office of Inspector General (OIG) opened an investigation regarding Nationwide Towing, Inc. (Nationwide). It was alleged that Nationwide and/or its employees were engaged in unethical and/or criminal activity related to possible car thefts and the company's efforts to recover and tow stolen vehicles in the City of Detroit. On July 20, 2018, the OIG finalized its investigation. The OIG determined that significant concerns remained over Nationwide's ability to act as a responsible contractor and thus recommended that the Municipal Parking Department (MPD) and the Detroit Police Department (DPD) not consider Nationwide's bids for the 2018 towing contracts.<sup>1</sup> The OIG did not conduct a debarment investigation at the time because the City of Detroit Debarment Ordinance had not yet been enacted.

On April 24, 2025, the OIG again opened a complaint regarding Nationwide after being informed that Nationwide's owner, Hussein "Sam" Hussein, purchased a current city contractor. The OIG sought to determine if Nationwide or any of its affiliates should be considered responsible contractors in light of the final judgment issued against the company. The judgment included a permanent injunction prohibiting Nationwide from recovering or impounding any stolen or suspected stolen vehicles within the City of Detroit, whether through the Wayne County Sheriff's Office or any agent or individual acting on its behalf.<sup>2</sup> After an initial review of the related court opinions, the OIG initiated an investigation to determine if Nationwide should be debarred. Based on the information below, the OIG determined that Nationwide and its owners,

<sup>1</sup> Letter from Deputy Inspector General Kamau Marable to Honorable Michael Duggan, copied to Chief Procurement Officer Boysie Jackson, Corporation Counsel Lawrence Garcia, and Deputy Corporation Counsel Charles Raimi, regarding Nationwide Recover, Inc., July 20, 2018.

<sup>2</sup> City of Detroit v Nationwide Recovery, Inc, Final Judgment, entered February 27, 2019 (Wayne Cir Ct, No. 18-006195-CZ) (Hon. Robert J. Colombo, Jr.).

Hussein “Sam” Hussein and Louay Hussein, meet the criteria for debarment, but initiating such proceedings would be impractical based on proper application of the Debarment Ordinance.

Specifically, the Debarment Ordinance limits debarment to a period proportionate to the misconduct, not exceeding 20 years. Generally, debarment may not exceed 5 years unless the contractor is convicted of a criminal offense related to a City contract, engages in criminal conduct outside of the City that reflects poorly on their business integrity, or purposely tries to mislead or obstruct an investigation.<sup>3</sup> On February 27, 2019, Nationwide’s conduct was found to constitute a common law nuisance, resulting in a permanent injunction. Under the Ordinance, this would have justified OIG to call for a maximum debarment of 5 years. Because the conduct occurred more than 5 years ago, the purpose of debarment would not be achieved.

## **II. Overview of Nationwide**

Nationwide is a company that provides comprehensive towing, heavy recovery, hauling, and cargo services in the City of Detroit.<sup>4</sup> Hussein Hussein, also known as Sam Hussein, is the majority owner of Nationwide. Although Sam Hussein holds ownership, the day-to-day operations of Nationwide are managed by his brother, Louay Hussein.<sup>5</sup> Sam Hussein also owns J & T Towing, Inc.<sup>6</sup> and ABA Impounds Incorporated.<sup>7</sup> J & T Towing operates under several business names, including Dalton’s Towing and J & T Crova.<sup>8</sup> Additionally, Nationwide lists Mayflower Towing as one of its affiliated service providers.<sup>9</sup>

In 2016, Nationwide was issued a towing permit by the City of Detroit, authorizing the company to tow vehicles for DPD on a rotational basis within its assigned district or precinct. However, on July 19, 2017, the Detroit Board of Police Commissioners terminated Nationwide’s towing permit due to concerns regarding the company’s possible involvement in auto theft. During this period, Nationwide also served as a subcontractor for Martin Towing, Inc., which held a towing contract with Wayne County. Under a subcontractor agreement executed on June 28, 2017, Nationwide was authorized to recover stolen or suspected stolen vehicles in Detroit at the request of the Wayne County Sheriff’s Office.<sup>10</sup>

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<sup>3</sup> Debarment Ordinance, Section 17-5-362. Period of Debarment.

<sup>4</sup> <https://nationwide-recovery.com/>, accessed on July 22, 2025.

<sup>5</sup> See *City of Detroit v Nationwide Recovery, Inc*, Final Judgment, entered February 27, 2019 (Wayne Cir Ct, No. 18-006195-CZ) (Hon. Robert J. Colombo, Jr.) and *City of Detroit v. Nationwide Recovery, Inc. & Metrotech Auto Sales, LLC*, No. 348814 (Mich. Ct. App. Feb. 18, 2020) (appealing *City of Detroit v. Nationwide Recovery, Inc.*, No. 18-006195-CZ (Wayne Cnty. Cir. Ct.)).

<sup>6</sup> Corporation Certificate of Authority for J & T Towing, Inc., August 5, 2024.

<sup>7</sup> Letter from Sam Hussein to Chief Procurement Officer/ Deputy Chief Financial Officer Sandra Yu Stahl, June 24, 2024.

<sup>8</sup> Debarment of Licensing and Regulatory Affairs (LARA) Certificate of Assumed Name, June 28, 2024.

<sup>9</sup> <https://nationwide-recovery.com/>, accessed on July 22, 2025.

<sup>10</sup> *City of Detroit v Nationwide Recovery, Inc*, Complaint for Injunctive Relief and Nuisance Abatement, filed June 1, 2018 (Wayne Cir Ct, No. 18-006195-CZ) (Hon. Robert J. Colombo, Jr.).

### **III. Background**

#### **a. Prior OIG Investigation**

On March 8, 2018, the OIG opened an investigation into Nationwide following allegations that the company and/or its employees were engaged in unethical or criminal activity involving potential car thefts and questionable practices in recovering and towing stolen vehicles in the City of Detroit. On April 13, 2018, based on preliminary findings and concerning information received from DPD, the OIG issued an initial recommendation advising MPD and DPD not to consider Nationwide's bids for towing contracts that were out for bid at that time. The recommendation was based on ongoing investigative findings that raised serious concerns about the company's conduct.<sup>11</sup>

On May 30, 2018, the OIG held an administrative hearing at Nationwide's request. Based on the evidence presented at the hearing, as well as information obtained from the police investigation, the OIG still had concerns regarding Nationwide's ability to act as a responsible contractor. As such, on July 20, 2018, the OIG issued its final recommendation that MPD and DPD not consider Nationwide's bids for the 2018 towing contracts.<sup>12</sup> The OIG then closed its investigation.

It is important to note that the OIG did not conduct a debarment investigation into Nationwide's actions during its 2018 investigation, which was finalized on July 20, 2018. At that time, the City's Debarment Ordinance had not yet been enacted. The Debarment Ordinance was ultimately passed by City Council on July 31, 2018, and took effect on August 10, 2018.

#### **b. Complaint**

In June of 2018, the City of Detroit filed a public nuisance action involving the towing of stolen vehicles by Nationwide. On February 27, 2019, the Wayne County Circuit Court (trial court), at the conclusion of a bench trial, issued a permanent injunction against Nationwide, prohibiting them from recovering or impounding any stolen or suspected stolen vehicles in the City of Detroit through the Wayne County Sheriff or any agent or individual acting on their behalf.<sup>13</sup> Nationwide appealed this decision to the State of Michigan Court of Appeals. On March 18, 2021, the Court of Appeals upheld the permanent injunction issued by the lower court.<sup>14</sup>

On June 24, 2024, Sam Hussein notified the Office of Contracting and Procurement (OCP) that he was completing the purchase of ABA Impounds, Incorporated, a DPD authorized tower.<sup>15</sup>

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<sup>11</sup> Letter from Deputy Inspector General Kamau Marable to Honorable Michael Duggan, copied to Chief Procurement Officer Boysie Jackson, Corporation Counsel Lawrence Garcia, and Deputy Corporation Counsel Charles Raimi, regarding Nationwide Recover, Inc., July 20, 2018.

<sup>12</sup> *Id.*

<sup>13</sup> *City of Detroit v. Nationwide Recovery, Inc.*, Final Judgment, entered February 27, 2019 (Wayne Cir Ct, No. 18-006195-CZ) (Hon. Robert J. Colombo, Jr.).

<sup>14</sup> *City of Detroit v. Nationwide Recovery, Inc.*, *Metrotech Auto Sales, LLC, GPR Properties, LLC, and Detroit Landholdings 1301 Leverette, LLC*, No. 348814, *Court of Appeals of Michigan*, Wayne County Circuit Court, LC No. 18-006195-CZ, March 18, 2021.

<sup>15</sup> Letter from Sam Hussein to Chief Procurement Officer/ Deputy Chief Financial Officer Sandra Yu Stahl, June 24, 2024.

Given that Sam Hussein was again a City contractor, on April 24, 2025, the OIG opened a complaint regarding Nationwide. The OIG sought to determine if Nationwide, Sam Hussein, Louay Hussein, or any of its affiliates should be considered responsible contractors in light of the final judgment issued against the company.

### **III. Relevant Facts and Analysis**

The City's allegations, as summarized by the trial court, were outlined by the Court of Appeals as follows

In pertinent part, the Complaint alleged that the [plaintiff] City had uncovered significant evidence showing that Nationwide was involved in . . . vehicle theft. [DPD], learned that . . . Nationwide was recovering . . . vehicles at an alarming rate under highly questionable circumstances. Vehicles were recovered before the owners knew of the theft or reported the vehicle stolen. Nationwide was recovering significantly more newer models than other tow companies. Nationwide was recovering vehicles without the presence of police officers, contrary to DPD rules. Sergeant James McMahon, hereinafter McMahon, [who is a] Highland Park Police Officer and deputized Wayne County Sheriff, frequently signed off on recoveries by Nationwide without traveling to the scene. McMahon delayed sending required notifications regarding vehicle recovery to the Law Enforcement Information Network System, hereinafter LEIN, resulting in delay and notifying owners of the recovery of the vehicles, and benefiting Nationwide by accruing additional storage fees.<sup>16</sup>

The trial court's evidence of record showed that Nationwide, under the direction of manager Louay Hussein, systematically engaged in an aggressive car recovery business model in the City of Detroit. The company actively "hunted" for stolen, "suspected" stolen, and "abandoned" vehicles, charging far above market rates and requiring cash payments to redeem impounded vehicles. At the same time, Nationwide offered cash incentives to their drivers based on the volume of vehicles recovered.<sup>17</sup>

The trial court noted that this business model predictably led to improper practices. Although the trial court found that the City failed to prove any knowing collusion between Sam Hussein, Louay Hussein, and known car thieves, it was undeniable that at least one Nationwide driver, Kenneth "Turbo" Christian, paid individuals he knew to be car thieves for tips on the locations of stolen vehicles. This essentially provided an additional financial incentive for car thieves to steal and abandon vehicles in the City of Detroit.<sup>18</sup>

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<sup>16</sup> City of Detroit v. Nationwide Recovery, Inc., Metrotech Auto Sales, LLC, GPR Properties, LLC, and Detroit Landholdings 1301 Leverette, LLC, No. 348814, *Court of Appeals of Michigan*, Wayne County Circuit Court, LC No. 18-006195-CZ, March 18, 2021.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

Furthermore, many recovered vehicles were found on private property, hidden from street view, and some even inside buildings like commercial garages. This strongly suggested that these vehicles were located either by paying car thieves for tips or by trespassing on private property. The trial court stated that it was reasonable to infer that Nationwide's drivers conducted warrantless searches, with the knowledge and encouragement of law enforcement, that the police could not have conducted directly without violating the 4th Amendment. According to the trial court, this practice infringed upon the constitutional rights of the affected citizens.<sup>19</sup>

Additionally, Nationwide's business model incentivized law enforcement to condone and participate in questionable towing practices. Recovered vehicles generated a \$75 administrative fee for the recovering police agency, and agencies also benefited from seizing vehicles at little or no cost and purchasing recovered vehicles at auction. These financial incentives explained why Highland Park paid officers to regularly work outside their jurisdiction, under the authority of the county sheriff in Detroit. The incentive for Highland Park was so strong that they persisted in such conduct even after DPD began investigating Sergeant McMahon and during the pendency of the lawsuit.<sup>20</sup>

The trial court also found evidence of numerous instances where neither Nationwide nor the recovering police agency took necessary steps to ensure timely notification to vehicle owners about their recovered vehicles. This resulted in owners incurring extensive and unnecessary vehicle storage fees, which were billed at \$20 per day. These delays and improper practices by cooperating police officers also interfered with DPD's ability to detect and investigate crime. The reported delays were generally contrary to state law.<sup>21</sup>

Finally, the trial court found, and the Court of Appeals affirmed, that Nationwide's towing practices constituted an 'offensive trade' under the Detroit City Code. The Detroit City Code § 37-1-2 provides:

No person<sup>22</sup> shall permit on his premises, within the city limits, of which he may be the occupant or agent having charge thereof, the exercise of any unwholesome or offensive trade or calling, or permit any building, sewer or other thing whatsoever to remain on such premises until the same shall in any manner become offensive, hurtful, dangerous or unwholesome to the neighborhood or travelers.<sup>23</sup>

#### **IV. Analysis and Findings**

Debarment is reserved for city contractors who have been found to have engaged in improper, unethical, or illegal conduct. The purpose of debarment is not punitive but to ensure that the City

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<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> "Person means an individual, association, firm, partnership, political body, and corporate body." Detroit City Code § 1-1-2(a).

<sup>23</sup> *Id.*

of Detroit solicits offers from, awards contracts to, consents to subcontracts with, or otherwise does business with responsible contractors only. The Ordinance requires that debarment be imposed only when it is in the public interest.<sup>24</sup>

Section 17-5-355 of the Debarment Ordinance states, in part, that a contractor may be debarred for failing to comply with applicable laws or regulations; engaging in criminal or civil misconduct by the contractor, its owners, officers, or others with a financial interest, that demonstrates a lack of integrity or honesty; submitting false or misleading documents or statements; or any other conduct that shows the contractor is unable to responsibly represent the City.<sup>25</sup>

Section 17-5-362 of the Debarment Ordinance provides that debarment must reflect the seriousness of the misconduct and cannot exceed 20 years, with a general limit of 5 years. Exceptions allow for longer periods of debarment of up to 20 years for criminal convictions related to City contracts for offenses such as embezzlement, bribery, and bid rigging; up to 10 years for similar convictions unrelated to City contracts but showing a lack of business honesty and integrity; and more than 5 years for purposeful deceit, such as false or fraudulent statements intended to obstruct the investigative process.<sup>26</sup>

As detailed above, court records show that Nationwide engaged in improper practices to obtain vehicles, including trespassing, possible collusion with car thieves, warrantless searches, failure to notify vehicle owners, and charging excessive rates. These actions caused financial hardship to City of Detroit residents and led to a permanent injunction upheld on appeal. The trial court found this conduct to be a common law nuisance and a violation of City Code § 37-1-2. However, Nationwide was not convicted of any criminal activity.

The OIG found that Nationwide's conduct, such as incentivizing theft, obstructing DPD investigations, and systematically disregarding legal obligations, demonstrated a lack of business honesty and integrity, warranting debarment proceedings. However, the Ordinance only allows debarments longer than 5 years in limited circumstances that do not apply here. As such, Nationwide's potential maximum debarment period would have been 5 years which would have begun on February 27, 2019, with the issuance of the injunction and would have ended on February 27, 2024. Further, a legal opinion from the Law Department issued on August 6, 2025 confirmed that the OIG has no discretion to extend debarment beyond the exceptions outlined in Section 17-5-362 of the Debarment Ordinance.<sup>27</sup>

However, the OIG recommends that OCP carefully consider the findings of this report in evaluating Nationwide's fitness for future City of Detroit contracts. Nationwide, Sam Hussein, and Louay Hussein have a history of misconduct that raises questions about their ability to act with business honesty and integrity.

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<sup>24</sup> Debarment Ordinance, Section 17-5-351. Purpose.

<sup>25</sup> Debarment Ordinance, Section 17-5-355. Grounds for Debarment.

<sup>26</sup> Debarment Ordinance, Section 17-5-362. Period of Debarment.

<sup>27</sup> Privileged and Confidential Attorney-Client Communication from Senior Assistant Corporation Counsel Sharon Blackmon, concur Chief of Staff Tonja R. Long, Approved by Corporation Counsel Conrad L. Mallet to Inspector General Kamau C. Marable, August 6, 2025.



## **V. Conclusion**

The evidence establishes that Nationwide, along with Sam Hussein and Louay Hussein, engaged in improper and unlawful practices that caused harm to Detroit residents. Their actions demonstrated a lack of business honesty and integrity sufficient to warrant the initiation of debarment proceedings under the City's Debarment Ordinance. However, because they were not convicted of any criminal offenses, the maximum debarment period permitted by the Ordinance is 5 years which would have ended on February 27, 2024. Therefore, there is no purpose in initiating a retroactive debarment proceeding.

Accordingly, because of the documented history of Nationwide, Sam Hussein, and Louay Hussein, the OIG recommends that OCP exercise heightened scrutiny in reviewing Nationwide's eligibility for future contracts. Nationwide's past misconduct raises significant concerns about its responsibility and reliability as a City contractor. As such, OCP should weigh the contractor's previous actions carefully to ensure that the City engages with responsible contractors only.