

City of Detroit Office of Inspector General

Boulevard & Trumbull Towing, Inc.

Administrative Hearing

OIG # 18-0008-INV

November 2, 2018



Ellen Ha, ESQ.

INSPECTOR GENERAL

CITY OF DETROIT

OFFICE OF INSPECTOR GENERAL

REPORT OF ADMINISTRATIVE HEARING FINAL RECOMMENDATION

DATE:

11/2/2018

CASE NAME: Boulevard & Trumbull Towing, Inc. Administrative Hearing

OIG File No.: 18-0008-INV

I. Final Recommendation

On June 28, 2018, the Office of the Inspector General (OIG) held an administrative hearing for Boulevard & Trumbull Towing, Inc. (Boulevard & Trumbull). The purpose of the hearing was to provide the tow company an opportunity to present evidence, testimony and any supporting information in response to the OIG's initial recommendation of May 7, 2018 to Mayor Mike Duggan that the City of Detroit Municipal Parking Department (MPD) and the Detroit Police Department (DPD) not consider bids for towing contracts from Boulevard & Trumbull. After having reviewed thousands of pages of various documents; interviews, meetings, and conference calls with multiple individuals; and conducting an administrative hearing pertaining to the above-referenced tow company, the OIG's final recommendation is as follows:

- The recommendation that **Boulevard & Trumbull** not be allowed to bid on the current MPD and DPD towing contracts is **upheld**.

II. Complaint, OIG's Initial Findings & the Administrative Hearings

On January 24, 2018, the Office of Inspector General (OIG) received a confidential and privileged complaint from the City of Detroit Law Department, which alleged that Gasper Fiore engaged in fraudulent, corrupt, unethical, and/or criminal behavior on behalf of Boulevard & Trumbull while acting as a towing contractor for the City of Detroit and DPD. Consistent with the OIG's past practice and policy, we met and spoke with members of the Law Department and DPD to obtain additional information which would support the allegations contained in the complaint against the tow company.

Based on the initial investigation, the OIG had significant concerns pertaining to Boulevard & Trumbull's ability to act as a responsible contractor. The OIG's concerns were primarily based on the guilty plea of Gasper Fiore and information contained in court filings. Therefore, on May 7, 2018, the OIG recommended to Mayor Duggan that MPD and DPD not consider bids from Boulevard & Trumbull.

On May 21, 2018, Boulevard & Trumbull requested an administrative hearing to dispute the findings of the OIG's initial investigation. On June 5, 2018, then Inspector General James Heath, Deputy Inspector General Kamau Marable, and OIG Attorney Jennifer Bentley held a pre-hearing conference with Joseph Shannon and Jane Quasarano, attorneys for Boulevard & Trumbull, as well as the company's in-house counsel, Nicholas Bachand. The purpose of the pre-hearing conference was to answer questions regarding the process and scope of the administrative hearing.

On June 13, 2018, the OIG sent a follow-up letter to Mr. Shannon which reiterated the information the OIG would need to amend or reverse its recommendations of May 7, 2018. More specifically, we suggested that Mr. Shannon's client focus on the following subject-matters:

- Ownership history of Boulevard & Trumbull including details of the 2016 appointment of new officers and directors for the company;
- Historical and present connections between Gasper Fiore and Boulevard & Trumbull;
- The relevant business practices of Boulevard & Trumbull especially in relation to its connections to other tow companies;
- Information contained in the wiretaps including but not limited to the wiretap communications which suggest that Boulevard & Trumbull benefitted from Gasper Fiore's alleged illegal interaction with Celia Washington; and
- Communications with Celia Washington and any other City of Detroit official who have been implicated in the wiretap documentation.

Mr. Shannon was also asked to present evidence about Jennifer Fiore's participation in sending an email communication to Ms. Washington's personal email as well as her conversation with a City official in which he allegedly provided her with information about an ongoing police investigation involving towing after he met with the Detroit Police Chief. Jennifer Fiore was under an obligation to report these actions to the OIG if these actions were improper, unethical, or illegal. Mr. Shannon was asked to present evidence to contradict this point.

The letter further explained that the administrative hearing was his clients' opportunity to present any testimony, documents, and supporting information in response to the OIG's May 7, 2018 recommendation. Mr. Shannon was encouraged to present any evidence which would support a finding that Boulevard & Trumbull is a responsible contractor. He was also informed of the OIG Administrative Hearing Rules, which provides that the "admission of evidence shall not be limited by the Michigan Rules of Evidence during the conduct of the hearings, except for those Rules with respect to privileged. . ."

On June 28, 2018, an administrative hearing was held for Boulevard & Trumbull.¹ Phillip Abraham, Certified Public Accountant (CPA), and Nicholas Bachand, in-house counsel, testified at the hearing. Although requested by the OIG, Jessica Lucas, the current owner of Boulevard & Trumbull, did not testify or appear at the hearing. Likewise, former Boulevard & Trumbull owners Jennifer Fiore and Gasper Fiore did not testify or appear at the hearing despite their involvement in the actions that led to the OIG's initial recommendation.

¹ The hearing was rescheduled from June 21, 2018 at Mr. Shannon's request.

The record was held open at the conclusion of the hearing to allow Boulevard & Trumbull to submit additional evidence. On July 3, 2018, the OIG sent a letter to Mr. Shannon requesting that he provide additional information within fourteen (14) calendar days. On July 16, 2018, the OIG received a request for a one month extension and the extension was granted on the same day. On September 5, 2018, the OIG received some of the requested information from Mr. Shannon after several communications which are detailed below. However, not all documentation requested by the OIG was provided by Boulevard & Trumbull.

III. Towing Overview

A. Audit(s) performed by the City of Detroit Office of the Auditor General

Private tow companies are used for the towing of vehicles booted by MPD. Private tow companies are also used by DPD for the towing of vehicles for evidence, removal of abandoned vehicles, safeguarding of recovered stolen vehicles, forfeiture of vehicles for offers to engage and for narcotics violations, parking violations, removal of road hazards, and for other reasons including vehicles that are disabled due to an accident. The past audits conducted by the City of Detroit Office of Auditor General (OAG) concluded the towing process in the City is plagued with inefficiencies and lack of oversight.²

On March 7, 2011, the OAG released its *Audit of the City of Detroit Towing Processes April 2008 – June 2010*. The OAG found that DPD showed a disregard for the city’s policies and procedures when the department contracted with the police-authorized towing companies. The audit found several tow companies receiving an inordinate share of the towing business and ineligible towing companies had contracts with the City. The audit also revealed certain tow companies that had commingled assets, owners, and management were improperly treated as separate companies for towing assignments. More specifically, police-authorized towing contract applications for several companies, including Fiore owned companies, showed commingling of vehicles, storage facilities, company ownership, employees, insurance policies, and management.³

Lastly, the OAG audit concluded the towing contracts did not comply with the requirements of the City of Detroit’s purchasing ordinance, as the contracts were not approved by City Council. DPD agreed with the OAG’s findings and further “agree[d] to adhere to the Finance Department- Purchasing Division’s requirements for proper policies and procedures for contractual agreements.”⁴

B. Detroit Police Department and the Board of Police Commissioner’s Response to the OAG Audits

² The Office of the Auditor General. 2005. *Summary Report of the Police-Authorized Towing Process, December 2005* and The Office of the Auditor General. 2011. *Audit of the City of Detroit Towing Processes April 2008 – June 2010*.

³ The Office of the Auditor General. 2011. *Audit of the City of Detroit Towing Processes April 2008 – June 2010*, p. 23.

⁴ DPD’s response to the *Audit of Police Authorized Towing Process*, dated February 25, 2011, p. 2.

On December 15, 2010, the Board of Police Commissioners (BOPC) approved new towing rules and regulations regarding the selection of vendors to further address the OAG findings. However, the new rules and regulations adopted by the BOPC did not require towing contracts be processed through the Finance Department-Purchasing Division.

Instead, on January 17, 2011, DPD began issuing applications for “Non Consensual Towing Permits” based on this new policy. Under the new towing rules, DPD issued towing permits instead of towing contracts.⁵ Applicants for permits are required to provide the address, name of the president/ CEO, relationship to applicant, and percentage of stock or other form of ownership in applicant with regard to all parents, subsidiaries, divisions, affiliates, partners, and major stockholders or members (over 10%).⁶

The DPD Tower Rotation further provided that:

Each authorized tower will tow on a rotational basis within the respective district or precinct in which they are geographically located. Authorized towers which are cross owned on a basis which is greater than 10% or under common ownership to an extent greater than 10% or which are owned by members of the same family (spouse, sibling, parent, or child) will occupy only one position on the rotation roster and will receive towing assignments in succession. For purposes of this provision “cross ownership” refers to the ownership of one corporate entity by another. “Common ownership” refers to the ownership of two or more corporate entities by a single person or corporation.⁷

Selected tow companies must also notify DPD within 90 days if the company sells, or in any manner transfers, the entire company, a substantial portion of its assets, or 10% or more of the outstanding stock, or if there is a change in any of the partners, owners, or officers of the tow company.⁸ The policy allows DPD to terminate any towing permit in the event there is a breach or violation of the policy. The policy also allows immediate termination of any towing permit for fraud or other criminal conduct by the company or its employees.⁹

When the BOPC issued the new towing rules and regulations, Celia Washington served as its in-house legal advisor. During that time period, DPD issued five year permits to towers in 2011. Because the tow contracts were renamed “tow permits” under the BOPC’s newly adopted policy, BOPC believed that the DPD did not have to follow the City of Detroit’s established procurement rules.

⁵ On August 9, 2017, the City of Detroit Law Department issued an opinion stating that “all purported permits issued in 2016 for police authorized towing services were null and void ab initio.”

⁶ *Application Process- Prospective Tow Company* enacted December 15, 2010, p. 2.

⁷ *Id.* at 8.

⁸ *Id.* at 10.

⁹ *Id.* at 11.

However, in reality, the DPD's relationship with towers created by the tow permits was substantively identical to the relationship under the prior DPD towing contracts. The contract and permit process documents are nearly identical. In 2016, five year permits were again issued to towers under the same process as in 2011.

On May 31, 2017, Gasper Fiore was indicted on charges "stemming from activities conducted in Macomb County and dealing with corruption pertaining to contracts which involve towing."¹⁰ The next day, on June 1, 2017, DPD Assistant Chief James White (AC White) appeared before the BOPC and expressed that DPD is "very concerned about how certain associations may affect the public's trust in its police department." He explained DPD is "of the opinion that the association with Boulevard & Trumbull Towing could be deleterious to the department's image and may leave the department open to allegations, justified or not, with respect to its towing operations."¹¹

C. City of Detroit Law Department

On June 15, 2017, now former Corporation Counsel Butch Hollowell presented two resolutions to the BOPC. The first resolution recommended that the BOPC rescind the towing permits of Gasper Fiore, Boulevard & Trumbull and its corporate affiliates. The second resolution recommended that the process for awarding towing permits should be transferred from the BOPC to the City of Detroit Office of Contracting and Procurement.¹² The BOPC unanimously passed both resolutions.

On August 9, 2017, the City of Detroit Law Department issued an opinion stating that all "purported permits issued in 2016 for police authorized towing services were null and void ab initio." It is the OIG's understanding that the City, through its Law Department, is currently embroiled in litigation pertaining to legal issues arising out of this matter.

In that regard, it is important to note that the OIG's investigation of the tow companies is independent and separate from the Law Department's defense in the litigation. While both the Law Department and the OIG serve the City of Detroit and must act in the best interest of the City, they serve different purposes under the City Charter.

The purpose of the OIG is limited by Article 7.5, Chapter 3 of the 2012 Charter of the City of Detroit which requires the OIG to "ensure honesty and integrity in City government by rooting out waste, abuse, fraud, and corruption." Therefore, the OIG's investigation and findings are only limited to: 1) whether the towing companies identified in this report were engaged in fraud and/or corruption; and 2) whether the OIG should recommend to the City that it continue business with the tow companies based on its investigation.

The OIG does not make legal determination or draw legal conclusions as that is the function of the Law Department. Likewise, the Law Department does not conduct the OIG's investigations

¹⁰ Board of Police Commissioners. (2017, June 1). *Weekly Afternoon Meeting*. Detroit, MI, p. 38.

¹¹ *Id.*

¹² Board of Police Commissioners. (2017, June 15). *Weekly Afternoon Meeting*. Detroit, MI, p. 66.

or make findings on behalf of the OIG. Both agencies are independent pursuant to the Charter and are independent of each other. Most importantly, neither agency supersedes the other.

IV. Gasper Fiore and Celia Washington's Indictments and Plea Agreements

On May 31, 2017, Gasper Fiore, former owner of Boulevard & Trumbull, who had financial and controlling interests in multiple tow companies, was indicted in federal court on charges of bribery, conspiracy, mail fraud, and wire fraud.¹³ On December 20, 2017, he pleaded guilty to conspiring to commit bribery in connection with a municipal towing contract in Clinton Township. Mr. Fiore admitted at the plea hearing that he paid bribes to Clinton Township Trustee Dean Reynolds in March and May of 2016 in order to buy Mr. Reynolds' vote to select Mr. Fiore's company to receive the Clinton Township towing contract.¹⁴

On October 11, 2017, former Deputy Chief of Police and legal advisor to the Chief of Police, Celia Washington, was indicted for taking bribes from the owner of several towing companies. The indictment stated Ms. Washington was aware that the owner had "controlling ownership interest in multiple towing companies that had been placed in a single police district or precinct towing rotation in violation of the City of Detroit towing rules." More specifically, the indictment states Ms. Washington told the owner she would use her official position as Deputy Chief of Police to assist Mr. Fiore with towing permits and rotation placement for the DPD tow permits.¹⁵

Our review of the indictment suggests that on April 28, 2016, Ms. Washington had a telephone conversation with Mr. Fiore during which she assured him he would be able to comply with a deadline that she would be setting for the application for towing permits in the City of Detroit. Thereafter, sometime in May 2016, Mr. Fiore had a telephone conversation with an associate and stated that Ms. Washington "wanted an email sent to [her] personal email address that specified which towing rotations the owner wanted in the City of Detroit."¹⁶ In a separate telephone conversation with his family member, Mr. Fiore "instructed the relative to send [Washington] the desired police precinct rotations that the relative wanted for the owner's towing businesses."¹⁷

According to the indictment, in June 2016, "Ms. Washington assisted in issuing a towing rotation which violated the City of Detroit towing rules because the owner had multiple towing companies in a single precinct." The indictment states that on June 3, 2016, Ms. Washington "had

¹³ Department of Justice, U.S. Attorney's Office Eastern District of Michigan (2017, May 31). *Garbage Executive and Tow Company Owner Charged with Bribery and Fraud* [Press Release]. Retrieved from <https://www.justice.gov/usao-edmi/pr/garbage-executive-and-tow-company-owner-charged-bribery-and-fraud>

¹⁴ Department of Justice, U.S. Attorney's Office Eastern District of Michigan (2018, August, 2). *Towing Titan Gasper Fiore Sentenced to Prison for Bribery* [Press Release]. <https://www.justice.gov/usao-edmi/pr/towing-titan-gasper-fiore-sentenced-prison-bribery>

¹⁵ Department of Justice, U.S. Attorney's Office Eastern District of Michigan (2017, October 11). *Former Detroit Deputy Chief of Police and Legal Advisor Charged with Bribery and Bribery Conspiracy*. [Press Release]. Retrieved from <https://www.justice.gov/usao-edmi/pr/former-detroit-deputy-chief-police-and-legal-advisor-charged-bribery-and-bribery>

¹⁶ Indictment at 4, United States of America vs. D-1 Celia Washington, Case 2:17-cr-20662 (E.D. Mich. Oct. 17, 2017).

¹⁷ *Id.* at 4.

a telephone conversation with the owner and told him that she ‘did everything [she] could’ to help the owner get his towing businesses placed in the police precinct rotations that he wanted.”¹⁸

On January 2, 2018, Ms. Washington pleaded guilty to conspiring with Gasper Fiore to commit bribery, in connection with the corruption of towing permits in Detroit. According to the Department of Justice, Ms. Washington’s responsibilities included overseeing DPD’s permitting, licensing, and use of private tow companies. During her plea hearing, Ms. Washington admitted to accepting \$3,000 in cash from Gasper Fiore. Ms. Washington admitted that she knew that Mr. Fiore was using the cash bribe to seek to influence her in the selection of tow rotations in the City of Detroit for his towing companies.

When she accepted the bribe, Ms. Washington was aware Mr. Fiore was violating the City of Detroit’s rules prohibiting a tow company owner from having more than one company in the rotation for a particular police precinct or district. After she accepted the \$3,000 cash bribe from Mr. Fiore, Ms. Washington assisted in issuing a police towing rotation list that continued to allow Mr. Fiore to violate the city’s towing rules and that significantly benefited his companies. Although Ms. Washington had claimed that the \$3,000 in cash from Mr. Fiore was a loan, she admitted during her guilty plea that she kept the money and had spent some of it when she knew he was seeking to bribe her in connection with the city’s tow rotations.¹⁹

V. Wiretap/ Court Filings

Documents filed in the United States District Court for the Eastern District of Michigan for *United States of America v. D-1 Celia Washington* as well as hearing transcripts from the same suggests that Gasper Fiore advocated to Celia Washington on behalf of several tow companies to get them favorable treatment in regards to the tow rotations. It also suggests that he engaged in illegal behavior with the help of Jennifer Fiore. Detailed below is some of the relevant information from the court documents and transcripts.

A. Background Information

In a phone call on April 28, 2016, Ms. Washington told Mr. Fiore that this was a “me and you conversation.” She then asked Mr. Fiore if he could meet a May 1, 2016 deadline for permit applications. Ms. Washington told him that she did not want to set a deadline that Mr. Fiore could not meet.²⁰

On May 1, 2016, Gasper Fiore had a phone conversation with his daughter, Jennifer Fiore, about how she should fill out applications for towing in the City of Detroit. During this call, Mr. Fiore gave Jennifer Fiore instructions on how to fill out the application for multiple companies.

¹⁸ *Id.* at 4-5.

¹⁹ Department of Justice, U.S. Attorney’s Office Eastern District of Michigan (2018, January 2). *Former Detroit Deputy Chief of Police and Legal Advisor Pleads Guilty to Bribery Conspiracy* [Press Release]. Retrieved from <https://www.justice.gov/usao-edmi/pr/former-detroit-deputy-chief-police-and-legal-advisor-pleads-guilty-bribery-conspiracy>

²⁰ Government Sentencing Memorandum as to Defendant Celia Washington at 2, *United States of America vs. D-1 Celia Washington*, Case 2:17-cr-20662 (E.D. Mich. April 12, 2018) and Transcript of Sentencing Hearing at 11, *United States of America v. Celia Washington*. Case No. 17-20662 (2018 April 18).

On May 6, 2016, Mr. Fiore had a phone conversation with employee Craig Tonon. Mr. Fiore instructed Mr. Tonon to dictate to a DPD police officer which precincts should be assigned to Mr. Fiore's companies. Mr. Fiore spoke to Mr. Tonon about E & G, a tow company owned by Fiore associate Phil Sakalian. He stated that any tow permit given to E & G should not "interfere with none of the other interconnected companies that I... you know, that I-I lease out." Mr. Fiore continued by saying "I don't want to be taking Javion off to get ENG stuff."²¹

On May 6, 2016, Gasper Fiore called Joan Fiore. He told her that Celia Washington is going to get them what they want for towing rotations. Ms. Washington gave Mr. Fiore her personal email address to use, which Mr. Fiore then forwarded to Joan to give to Jennifer Fiore. During the conversation, Mr. Fiore stated that Ms. Washington was "asking for some information on this tow stuff so she can help us."²² He further stated that Ms. Washington wanted "Jennifer to send her those rotations and what she's looking for and what she wants to be added on."²³

Later on May 6, 2016, Mr. Fiore again spoke with Joan Fiore about getting Jennifer the necessary information about what Mr. Fiore wants in regard to the towing rotations. Joan Fiore stated "Jennifer is trying to get a hold of you. She needs to know about those rotations... She wants to know which ones you want. She wants to know which rotations you want. And she needs you to call her real quick. She's working on it right now. She says she needs some help with the precincts."²⁴ In another call on May 6, 2016, Mr. Fiore spoke with Jennifer. He became upset with her for not acting faster to get the information to Celia Washington. Jennifer Fiore responded by saying "I'm not doing anything. I just didn't know if it was better to do it in person or (UI)."²⁵

On May 7, 2016, Gasper Fiore spoke with Jennifer Fiore. He directed her to write up the list of tow companies and described what rotations he wanted. Mr. Fiore told Jennifer Fiore to "redo the tow list like I showed you. Like for Abands [abandoned autos] B & G, ENG, B & T, yeah..." Mr. Fiore also told Jennifer Fiore during this conversation that he told Ms. Washington not to deal with a complaint she received about other towing companies sharing a location. He stated that he told Ms. Washington "don't mess it up now, cause I'm housed in a couple spots."²⁶ Mr. Fiore and Joan Fiore discussed Celia Washington helping with towing and the exchange of email on this subject.²⁷

On May 9, 2016, Mr. Fiore called Ms. Washington to give her more information to use to advocate on his behalf. Mr. Fiore said that he has multiple companies at different locations that all pay taxes. He alleged that competitors have multiple companies at one location which pay taxes and permit for the one location. He also instructed Ms. Washington to go to the competitors' places of business and review their equipment lists and compare the VIN numbers on their trucks.

²¹ Defendant's Motion to Suppress Evidence Obtained by Wiretaps at 50, United States of America vs. D-1 Celia Washington, Case 2:17-cr-20662 (E.D. Mich. December 22, 2017). The court document transcribed the conversation and indicated that the company being discussed was ENG but it was E & G.

²² *Id.* at 23.

²³ *Id.* at 24.

²⁴ *Id.* at 24-25.

²⁵ *Id.* at 26.

²⁶ *Id.* at 27-28.

²⁷ *Id.* at 29.

He said “It won’t match up.” Ms. Washington replied “I got you.”²⁸ On the same day, Mr. Fiore and Jennifer Fiore again discussed emailing information to Celia Washington. They talked about having someone from MDEQ sending emails. Jennifer Fiore said that an official was sending email from his government email address and she did not want him to do this.²⁹

Jennifer Fiore sent Ms. Washington the email regarding the tow rotations on May 9, 2016. The email discussed Boulevard & Trumbull, Javion & Sam’s, Gene’s, and B & G which had police rotations under the last permit. The email also requested that Ms. Washington add two additional companies, E & G and Troy Auto Abans to the police rotations.³⁰ Both E & G and Troy Auto Abans operate out of the same locations as the other tow companies listed in the email.

B. Analysis

Under the 2012 Charter of the City of Detroit, the City has an obligation to work with responsible contractors only. Those contractors that do not act responsibly or demonstrate a satisfactory record of integrity, judgment, and performance should not be working with or for the City.

It is undisputed Ms. Washington pleaded guilty to conspiracy to commit bribery. She acknowledged at her plea hearing that after she accepted money from Gasper Fiore, she was aware that he believed that she would help him with respect to the tow rotation.³¹ United States Attorney Michael Bullotta stated during Ms. Washington’s Sentencing Hearing that the wiretap evidence revealed that Ms. Washington told Mr. Fiore “send me the rotations you want and I’ll try to get them for you.”³²

In addition, it is irrelevant if Mr. Fiore or the companies he advocated for actually received a benefit. What is of importance is the actions taken or not taken by Mr. Fiore, the companies, and all individuals referenced in the court filings and hearings attempted to receive a benefit from the illegal activity.

Joseph Shannon, attorney for Boulevard & Trumbull, argued during the administrative hearing that the money paid to Ms. Washington by Mr. Fiore was “a relatively small loan” and it “doesn’t relate to the giving of a favor.”³³ The OIG finds this argument unpersuasive. Ms. Washington admitted that Mr. Fiore was expecting to receive favorable treatment in the tow rotations during her plea hearing. Further, the amount of money paid is inconsequential to the OIG; what is of importance is the reason the money was given to a city official in the first place.

Mr. Shannon also argued on behalf of Boulevard & Trumbull that “no favor was received” and the “rotations didn’t change.”³⁴ However, the wiretap interceptions of Ms. Washington and

²⁸ *Id.* at 31.

²⁹ *Id.* at 29.

³⁰ Government Sentencing Memorandum at 3.

³¹ Government Sentencing Memorandum at 15.

³² *Id.* at 22.

³³ Transcript of Administrative Hearing at 148, In the Matter of: Hearing on Inspector General’s Recommendation to Mayor Duggan re: Boulevard & Trumbull, dated May 7, 2018 (2018 June 24).

³⁴ *Id.* at 148

Mr. Fiore suggest that Ms. Washington was attempting to provide favors for Mr. Fiore with the tow permits and the rotations for the specific tow companies he identified on a continuing basis. In a phone call on April 28, 2016, Ms. Washington sought approval from Mr. Fiore for a May 1, 2016 tow permit application deadline because she did not want to set a deadline he could not meet. In a later conversation, around May 6, 2018, Ms. Washington asked Mr. Fiore to send her the information about which rotations he wanted, but to send it to Ms. Washington's personal email address, rather than her DPD email address.³⁵ Although the rotations did not change, Mr. Fiore was aware that when the new towing permits were being issued in early 2016, there was the potential to either lose or gain towing rotations for his tow companies.

On May 9, 2016, Jennifer Fiore sent the email to Ms. Washington. This was done with the obvious knowledge of both Gasper Fiore and Joan Fiore. The email requested tow rotations for Boulevard & Trumbull, Javion & Sam's, Gene's, B & G, E & G, and Troy Auto Abans. The towing permits and rotations ended up staying the same for Boulevard & Trumbull, Javion & Sam's, Gene's, and B & G; and E & G and Troy Auto Abans did not receive any rotations. In a wiretapped call between Ms. Washington and Mr. Fiore on June 3, 2016, Ms. Washington was apologetic for not getting Mr. Fiore's other two towing companies added to the rotations. She told Mr. Fiore "I did everything I could."³⁶

Nicholas Bachand, in-house counsel for Boulevard & Trumbull, Javion & Sam's, Gene's, City Wide, and B & G, testified during the administrative hearing that he works with the owners of each tow company to complete the tow permit application.³⁷ The applications, which were due May 1, 2016, required applicants to list the tow rotations they had and the rotations they wanted. It is noteworthy that Ms. Washington had Mr. Fiore send her an email about his desired tow rotations about a week after the tow application process closed. This was a conversation that did not include Mr. Bachand who was responsible for completing the applications. In fact, Mr. Bachand testified that he was not asked to send an email to Ms. Washington with any information.³⁸ If Ms. Washington needed the information for any legitimate purpose, she could have requested the application from Officer Myers or Mr. Bachand.

There is no reasonable explanation why Mr. Fiore was explaining to Jennifer Fiore how she should fill out the tow applications for multiple companies on May 1, 2016. Mr. Bachand testified he was the person responsible for completing this information and sending it to DPD. Based on this information, it seems it would have been more prudent for Mr. Fiore to coordinate this task with Mr. Bachand unless Mr. Fiore planned on providing Mr. Washington with conflicting information or information that needed to be conveyed outside the presence of an attorney or official record.

Mr. Bachand testified during the Javion & Sam's administrative hearing that it was not the City's practice that information be delivered to the City only through a formal written submission.

³⁵ Government Sentencing Memorandum as to Defendant Celia Washington at. 2.

³⁶ *Id.* at 3.

³⁷ Transcript of Administrative Hearing at 56-57, In the Matter of: Hearing on Inspector General's Recommendation to Mayor Duggan re: Javion & Sam's, Gene's, B & G and Citywide, dated May 7, 2018 (2018 June 14).

³⁸ *Id.* at 235-238.

It was an open dialogue. He explained that there were many occasions when towing company representatives and attorneys were asked to sit down with BOPC and DPD representatives to discuss issues, concerns, and raise questions.³⁹ However, discussing issues during the performance of a contract are very different from having outside communications with city employees during an application process.

Mr. Shannon also argued that there is no evidence that Boulevard & Trumbull violated any rule.⁴⁰ The OIG finds evidence to the contrary. Contractors have an obligation to act with a satisfactory record of integrity, judgment, and performance. The performance of the contractors is not in question in this matter. The OIG did not receive a complaint about Boulevard & Trumbull's poor performance and provides no opinion on this subject. However, the OIG's focus is concerning the contractor's integrity and judgment. Therefore, it is incumbent upon the contractor to report any suspected wrongdoing as well as to cooperate fully in any OIG investigation. Due to the tow company's lack of cooperation and the fact that no one at Boulevard & Trumbull informed anyone at the City of Detroit that Ms. Washington solicited money, the OIG finds evidence to the contrary to support Mr. Shannon's assertion.

Mr. Shannon further argued that the wiretap information is unreliable.⁴¹ The OIG finds this argument unpersuasive. First of all, the FBI Special Agent provided this information in an affidavit to the court and we have no reason to believe that he submitted fraudulent or misleading information to the judge. Further, Mr. Shannon had an opportunity to call witnesses who could have provided testimony and evidence to cast doubt on the validity of the information contained in the motion. However, he chose not to do so in this instance. In fact, Mr. Shannon did not provide any evidence to support his assertion that the wiretap information is unreliable.

VI. Boulevard & Trumbull Overview

Boulevard & Trumbull was incorporated in 1983 with Gasper Fiore as a significant shareholder. In 1997, Miller Industries bought Boulevard & Trumbull and incorporated it in Delaware. Miller Industries retained Mr. Fiore as the president of the company. In 2002, Boulevard & Trumbull was sold to Fiore Ventures, II, Inc. which currently wholly owns the tow company. Mr. Fiore owned 60% of Fiore Ventures II and Jessica Lucas and Jennifer Fiore each owned 20% of the holding company.⁴²

Until August 25, 2014, Joan Fiore served as an officer of Boulevard & Trumbull. The minutes of the Board of Directors and Shareholders of Fiore Ventures II for that date show Gasper Fiore was elected as President; Jennifer Fiore as Vice President/ Treasurer; and Jessica Lucas as Vice President/ Secretary. LARA documentation shows that Joan Fiore was listed as a resident agent for Fiore Ventures, II from 2003 to July 27, 2017. Boulevard & Trumbull in-house counsel, Nicholas Bachand, stated that, though Joan Fiore was an officer, she was never an owner of the company. However, she received a paycheck from Boulevard and Trunbull and would advise

³⁹ *Id.* at 232-233.

⁴⁰ Transcript of Boulevard & Trumbull Administrative Hearing at 10.

⁴¹ *Id.* at 6.

⁴² *Id.* at 90.

them.⁴³ Mr. Bachand also stated that Joan Fiore's Boulevard & Trumbull employment ended around the time of her divorce from Mr. Fiore, however, she was still receiving some type of payment as part of their sealed divorce settlement.⁴⁴

On August 29, 2016, a special meeting of the shareholders and board of directors of Boulevard & Trumbull Towing was held. Mr. Fiore resigned from his position as director and president of Boulevard & Trumbull. Additionally, he transferred his shares of ownership in Fiore Ventures, II, the parent company of Boulevard & Trumbull, to Jessica Lucas. Jennifer Fiore was named President/ Treasurer and Jessica Lucas was named Vice President/ Secretary.⁴⁵ Mr. Fiore continued his employment as a tow truck driver.⁴⁶ Boulevard & Trumbull's CPA, Mr. Abraham, stated he believes there was a promissory note between Mr. Fiore and Jessica Lucas and that Mr. Fiore paid taxes on the transfer.⁴⁷ However, Mr. Bachand testified he was never informed of a promissory note and does not know if anything was paid on it.⁴⁸ No promissory note or record of payment was provided to the OIG despite a request for it.

Mr. Bachand also testified that he does not know if DPD was notified in 2016 of the ownership change. He noted that there was not an ownership change per se because it is still owned by the same company. He stated that Boulevard & Trumbull was not "adding any officers, you were deleting officers."⁴⁹ However, the *Application Process- Prospective Tow Company* enacted December 15, 2010, states that selected tow companies must notify DPD within 90 days if the company sells, or in any manner transfers, the entire company, a substantial portion of its assets, or 10% or more of the outstanding stock, or if there is a change in any of the partners, owners, or officers of the tow company.⁵⁰

On May 26, 2017, a special meeting of the shareholders and board of directors of Boulevard & Trumbull was held. Jennifer Fiore stepped down as Director and President and she transferred her shares of ownership to Jessica Lucas. Jessica Lucas was named President, Secretary, and Treasurer of Boulevard & Trumbull and is currently the sole shareholder of the company.⁵¹ Mr. Bachand testified at the Boulevard & Trumbull administrative hearing that he does not believe a promissory note or any other written documentation exists regarding the transfer between Jessica Lucas and Jennifer Fiore.⁵² He explained that Jessica Lucas became the sole owner of Boulevard & Trumbull because Jennifer Fiore was focused on the real estate holdings the family had at that time.⁵³ Therefore, as compensation, Jennifer Fiore acquired more interest in some real estate that was being purchased as compensation for her shares of Boulevard & Trumbull.⁵⁴

⁴³ *Id.* at 91

⁴⁴ *Id.* at 92.

⁴⁵ Boulevard & Trumbull Corporate Minutes, August 29, 2016

⁴⁶ Transcript of Boulevard & Trumbull Administrative Hearing at 58.

⁴⁷ *Id.* at 38.

⁴⁸ *Id.* at 105-107.

⁴⁹ *Id.* at 101.

⁵⁰ *Application Process- Prospective Tow Company* enacted December 15, 2010, p. 10.

⁵¹ June 28, 2018 Hearing Brief Regarding Boulevard & Trumbull, Inc. at 10.

⁵² Transcript of Boulevard & Trumbull Administrative Hearing at 106.

⁵³ *Id.* at 98.

⁵⁴ *Id.* at 107.

On May 31, 2017, the day Mr. Fiore was indicted in Macomb County, he resigned his employment with Boulevard & Trumbull. It stated “I, Gasper Vito Fiore, do voluntarily resign my employment with Boulevard & Trumbull Towing. I shall forthwith return all equipment and vehicles in my possession as soon as possible.”⁵⁵ After his indictment, Mr. Fiore ceased to be an employee of Boulevard & Trumbull.

Boulevard & Trumbull attorney Joseph Shannon argued during the administrative hearing that there is no evidence that Boulevard & Trumbull violated any rule.⁵⁶ He asserted that any time an officer or director of a company commits a crime that act alone should not disqualify the company from contracting with the city. He further argued that when Gasper Fiore was convicted of bribing a Macomb County official, he was “separated from the company and there’s no one coming in this room to tell you anything different.”⁵⁷

However, Mr. Fiore was still an owner and president of Boulevard & Trumbull not only at the time he engaged in the illegal activity in Macomb County but also when he provided a “loan” to Celia Washington in exchange for favorable treatment related to the tow rotations. The City of Detroit has an obligation to work with responsible contractors only. Those contractors that do not act responsibly or demonstrate a satisfactory record of integrity, judgment, and performance should not be working with or for the City. This includes a company that employs an officer or director who bribes city officials in an attempt to gain an improper advantage.

It cannot be disputed that Mr. Fiore owned 60% of Boulevard & Trumbull at the time of his illegal conduct. Mr. Bachand testified that prior to August 29, 2016, Mr. Fiore, as president of the company, did not run the day-to-day operations but helped his daughters (Jennifer Fiore and Jessica Lucas) oversee and run the company.⁵⁸ Even after August 29, 2016, Mr. Fiore continued his involvement as a tow truck driver.⁵⁹ It was not until he was publicly indicted that he resigned from Boulevard & Trumbull.

At the time of Mr. Fiore’s illegal conduct, Jessica Lucas was a 20% owner of Boulevard & Trumbull. She was responsible for the day-to-day operations of the company and is still in that position today.⁶⁰ Mr. Bachand explained that Jessica Lucas manages human resources, employee benefits, hiring, corporate manuals, paying bills, signing checks, and all other tasks necessary for a business to be successful.⁶¹

Jessica Lucas was not implicated in the limited public wiretap documentation. However, Ms. Lucas was in the office every day and was responsible for the day-to-day operations of the company, including overseeing the DPD tow rotations. Therefore, it can be reasonably concluded that she either knew about it and did nothing or provided no meaningful oversight as the person in charge of the company’s day-to-day operations. Ms. Lucas was in charge of corporate manuals. However, no evidence was provided to the OIG that Boulevard & Trumbull had a corporate ethics

⁵⁵ Resignation Letter of Gasper Fiore to Boulevard & Trumbull dated May 31, 2017.

⁵⁶ Transcript of Boulevard & Trumbull Administrative Hearing at 12.

⁵⁷ *Id.* at 16.

⁵⁸ *Id.* at 102.

⁵⁹ *Id.* at 58

⁶⁰ *Id.* at 103.

⁶¹ *Id.* at 62.

policy nor that they instituted one after Mr. Fiore's behavior came to light. In fact, Mr. Bachand, who testified as Boulevard & Trumbull's corporate representative, stated that he does not know if the company has a policy that speaks to loans to public officials⁶² and Mr. Shannon stated that Boulevard & Trumbull does not have a policy dedicated to ethics and communications with city officials and public servants.⁶³ No evidence has been provided to the OIG that shows that Jessica Lucas has done anything to ensure that such illegal conduct does not occur again on behalf of Boulevard & Trumbull nor could the OIG ask her about this because she refused to be interviewed.

Also, at the time of Mr. Fiore's illegal conduct, Jennifer Fiore was a 20% owner of Boulevard & Trumbull. Mr. Bachand testified that Jennifer Fiore is an attorney. She assisted Jessica Lucas when there were issues, if equipment had to be purchased, and in securing business from private clients.⁶⁴ Mr. Bachand further stated that Jennifer Fiore helped with RFP's and provided an understanding of the law.⁶⁵

On May 9, 2016, Jennifer Fiore was directly involved in sending an email to Ms. Washington's personal address in furtherance of Mr. Fiore's attempt to receive favorable treatment in the tow rotations. The email not only discussed Boulevard & Trumbull, which Jennifer Fiore had a direct interest in, but also Javion & Sam's, Gene's, and B & G which had police rotations under the last permit. The email also requested that Ms. Washington add two additional companies, E & G and Troy Auto Abans to the police towing rotations.⁶⁶ Both E & G and Troy Auto Abans operate out of the same location as the other tow companies listed in the email. Other than these additional companies renting land from the real estate companies she owns with Joan Fiore and Jessica Lucas, Jennifer Fiore allegedly has no ties to these companies that would lead her to advocate on their behalf.

Arguably, as an attorney who worked on RFP's and provided an understanding of the law, Jennifer Fiore should have questioned the legality of the task she was assigned. There is no evidence that she did that and it was something the OIG was unable to clarify as she did not appear for an interview. Additionally, evidence actually suggests that Jennifer Fiore was aware that there could be issues with communicating with someone on a government email address. By way of example, on May 9, 2016, Jennifer Fiore and Gasper Fiore had a phone conversation. They talked about having someone from MDEQ sending emails. Jennifer Fiore said that an official was sending email from his government email address and she did not want him to do this.⁶⁷

VII. Boulevard & Trumbull Stopped Cooperating with the OIG

On June 28, 2018, an administrative hearing was held for Boulevard & Trumbull. The purpose of the hearing was to provide Boulevard & Trumbull an opportunity to present testimony and any supporting information in response to the OIG's initial recommendation of May 7, 2018. The administrative hearing rules state that, where deemed necessary, the Inspector General may

⁶² *Id.* at 141.

⁶³ Letter from Joseph Shannon to Ellen Ha Re: Boulevard & Trumbull Towing, Inc. dated September 5, 2018.

⁶⁴ Transcript of Boulevard & Trumbull Administrative Hearing at 103-104.

⁶⁵ *Id.* at 61.

⁶⁶ Government Sentencing Memorandum at 3.

⁶⁷ *Id.* at 29.

require additional information. On July 3, 2018, pursuant to this provision, the OIG requested additional information to assist in making the final determination. On July 16, 2018, the OIG granted Boulevard & Trumbull a one month extension in submitting the requested documentation.⁶⁸

On August 17, 2018, Boulevard & Trumbull attorney Joseph Shannon sent a letter responding to the July 3, 2018 OIG request for additional information. The letter suggested former Inspector General, James Heath, had already reached a verdict on the administrative hearing for Boulevard & Trumbull despite his obligation to conduct an investigation. Mr. Shannon based this assumption on Mr. Heath's testimony, at the preliminary injunction motion hearing in *Joan Fiore v City of Detroit*, that the Inspector General had never reversed a decision to date.

Moreover, the letter also accused Mr. Heath of having *ex parte* communication with the Law Department, and as such, Boulevard & Trumbull can "not get a real or fair hearing."⁶⁹ The letter further suggest that because "the Inspector General's recommendation was made prior to an investigation and was improperly based on information obtained within the wiretap affidavit, Boulevard & Trumbull demands that the Inspector General withdraw his recommendation."⁷⁰

Contrary to Mr. Shannon's baseless assertion, the OIG initiated and conducted an investigation in January 2018, until the OIG issued its initial recommendation in May 2018. Due to the OIG's serious concerns over the OIG's initial findings, the OIG recommended that the MPD and the DPD do not consider bid from Boulevard & Trumbull for towing contracts.⁷¹ The recommendation issued in May 2018 then triggered Boulevard & Trumbull's right to due process through an administrative hearing.

On August 21, 2018, Inspector General Ellen Ha (IG Ha), whose appointment began on August 20, 2018, sent a letter to Mr. Shannon in response to his August 17th letter. Mr. Shannon was informed that the OIG investigation was triggered by a complaint submitted by the City of Detroit Law Department and affirmatively stated that the OIG has "not concluded" the investigation.⁷² She further explained the July 3rd letter seeking additional information/documentation from Boulevard & Trumbull was "an invitation" to Mr. Shannon and Boulevard & Trumbull "to provide evidence contrary to the allegations made by the Law Department so that [the OIG] could make a final determination and issue a formal report."⁷³

IG Ha's letter concluded with a reminder to Mr. Shannon that Section 7.5-310 of the 2012 City of Detroit requires "every applicant for certification of eligibility for a city contract or

⁶⁸ Email to Jane Quasarano dated July 16, 2018. Sent after receiving a call from Ms. Quasarano requesting the additional time.

⁶⁹ See August 17, 2018 letter from Joseph Shannon.

⁷⁰ *Id.*

⁷¹ The May 7, 2018 letter to Mayor Mike Duggan recommended that the City not consider bid from Boulevard & Trumbull (B & T) in the upcoming MPD and DPD towing contract proposals, as at the time the letter was written, B & T's towing permit had already been suspended by the DPD and the Detroit Board of Police Commissioners. In a letter dated September 6, 2018, the OIG issued another letter to the Mayor explaining that had B & T not been suspended from towing on May 7, 2018, the OIG would have issued a recommendation to suspend towing by B & T.

⁷² *Id.*

⁷³ *Id.*

program, to cooperate with the Inspector General.”⁷⁴ Therefore, if Boulevard & Trumbull chose not comply with the July 3rd request by September 5, 2018, their non-compliance would be deemed “withholding documents or testimony,” which would subject Boulevard & Trumbull to “discipline, debarment, or any other applicable penalty.”⁷⁵

On August 24, 2018, Mr. Shannon sent a letter to IG Ha stating that on August 21, 2018, “Judge Linda Parker ruled that the tow permit holders were entitled to due process with respect to revocation of their permits.”⁷⁶ The letter further enlisted series of questions to IG Ha pertaining to her intentions in providing due process to his client and her ability to provide the same.⁷⁷

On August 28, 2018, IG Ha sent a letter to Mr. Shannon simply reminding him that his client’s response was due by the close of business on September 5, 2018. Otherwise, the OIG would exercise its authority under Section 7.5-310 of the 2012 City of Detroit Charter which would subject Boulevard & Trumbull to “discipline, debarment, or any other applicable penalty.”

On September 5, 2018, Mr. Shannon provided a three (3) page response, accompanied with four (4) pages of Gasper Fiore’s W-2 from Boulevard & Trumbull for 2014-2017 and a page containing a two (2) sentence letter of resignation from Gasper Fiore to Boulevard & Trumbull Towing, dated May 31, 2017. Mr. Shannon’s letter further confirmed that neither Jennifer Fiore nor Jessica Lucas will be providing any testimony to the OIG in its investigation.⁷⁸ In short, the September 5, 2018 woefully lack the majority of the documentation requested by the OIG and further confirms Boulevard & Trumbull’s refusal to fully cooperate in the OIG’s investigation. The OIG has made every effort to provide meaningful due process to Boulevard & Trumbull. A pre-hearing conference was held with Boulevard & Trumbull’s counsel to make sure that they knew what to address at the administrative hearing. This was followed up by a letter stating the same. The OIG is not required to have a pre-hearing conference but did so in an attempt to ensure a meaningful process. Additionally, the OIG rescheduled the administrative hearing from June 21st to June 28th at the request of counsel who needed additional time to prepare following a personal issue. Further, the OIG requested additional information in its effort to provide Boulevard & Trumbull another opportunity to prove that it is a responsible contractor that conducts business with honesty and integrity. However, Boulevard & Trumbull chose not to continue in this process.

More specifically, below is the additional information requested by the OIG on July 3, 2018 and the associated response from Boulevard & Trumbull attorney Joseph Shannon:

- Documentation regarding the August 29, 2016 stock transfer between Gasper Fiore and Jessica Lucas including but not limited to promissory notes and payment information.

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ See Shannon letter dated August 24, 2018.

⁷⁷ *Id.*

⁷⁸ See Shannon letter dated September 5, 2018.

- *Stock certificates and meetings minutes were provided prior to this request. Mr. Shannon stated that he believes a promissory note exists and was reported on Mr. Fiore's tax return. However, no such proof was provided to the OIG.*⁷⁹
- Documentation regarding the 2017 stock transfer between Jennifer Fiore and Jessica Lucas including but not limited to promissory notes and payment information.
 - *Mr. Shannon stated that in May of 2017, Jennifer Fiore transferred her stock ownership in Fiore Ventures II to Jessica Lucas. This transfer was made without the use of a promissory note or payment as Jessica Lucas transferred an interest in another company to Jennifer Fiore, as consideration for the transfer of Fiore Ventures II stock. Mr. Shannon provided the May 2017 meeting minutes noting the transfer of ownership in Fiore Ventures, II. However, no additional supporting documentation was provided including the name of the company stock Ms. Lucas allegedly transferred to Jennifer Fiore or any payment information.*⁸⁰
- Any Boulevard & Trumbull and Fiore Ventures II policies and procedures related to ethics and communications with city officials and public servants.
 - *Mr. Shannon stated that upon review of the Boulevard & Trumbull policies and procedures, there is not a specific section dedicated to ethics and communications with city officials and public servants. However, its long standing corporate Standards of Conduct includes the following:*

The above rules are examples of the type of offenses, but not necessarily a complete listing of offenses which are considered misconduct, and are not intended to be all inclusive of proper standards of conduct or other obligations of employees. Boulevard & Trumbull reserves the right to take any and all disciplinary action, up to and including discharge, for other offenses not specifically listed here.
 - *None of Boulevard & Trumbull's policies or procedures were provided to the OIG. It is clear Boulevard & Trumbull did not update its ethics policy after the illegal conduct occurred.*⁸¹
- Salary information for Gasper Fiore from 2014 to the present for Boulevard & Trumbull and Fiore Ventures II.
 - *Mr. Shannon provided Mr. Fiore's W-2's from 2014 to 2017 as well as his resignation letter.*⁸²

⁷⁹ Letter from Joseph Shannon to Ellen Ha Re: Boulevard & Trumbull Towing, Inc. dated September 5, 2018.

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² *Id.*

- Provide the names and details of anyone who has a financial interest in Boulevard & Trumbull and Fiore Ventures II.
 - *Mr. Shannon stated that Jessica Lucas is the only person who has a financial interest in Boulevard & Trumbull and Fiore Ventures, II. Documentation showing that she is the sole owner of Boulevard & Trumbull and Fiore Ventures, II was previously provided. However, this alone does not support a finding that no other person is benefitting financially from these companies.⁸³No additional documentation was provided to confirm the same.*
- Provide documentation and information related to Joan Fiore’s interest and financial benefit in Boulevard & Trumbull and Fiore Ventures II from 2014 to present;
 - *Mr. Shannon stated that Joan Fiore is not an owner or shareholder of either Boulevard & Trumbull or Fiore Ventures II. Joan Fiore has not had any interest in Boulevard & Trumbull or Fiore Ventures II from 2014 to present. He said this information has been confirmed by Boulevard & Trumbull’s lawyer and accountant.⁸⁴ Again, no supporting documentation was provided to the OIG. LARA documentation indicates that Joan Fiore was a resident agent of Fiore Ventures, II as late as July 2017. Further, Mr. Bachand testified that Joan Fiore stopped working for Boulevard & Trumbull around the time of her divorce from Mr. Fiore (in 2014) but that “she would still be receiving some type of money in certain things” as a part of their sealed divorce settlement.⁸⁵ No information was provided to clarify this inconsistency.*
- Please make Jessica Lucas available to answer additional questions about Boulevard & Trumbull, Fiore Ventures II, and her conversations with Gasper Fiore. Amount other topics of discussion, we would like additional information regarding Ms. Lucas’ conversations with Gasper Fiore about his interactions with city officials including Celia Washington as well as details about what Ms. Lucas knew about loans and other gifts being provided to city officials.
 - *Mr. Shannon stated that pursuant to the OIG questions relating to Jessica Lucas, given the facts and circumstances surrounding the entire Lucas family, and on the advice of counsel, Ms. Lucas declines to testify before the Inspector General. Moreover, Ms. Lucas has reviewed the information provided to the Inspector General and has insured that its areas of inquiry were addressed including providing a large book of documents and testimony from its corporate attorney and accountant.⁸⁶*
 - *By not producing Ms. Lucas, this effectively limits the OIG’s ability to fully conduct its investigation.*

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ Boulevard & Trumbull Administrative Hearing Transcript at 91-92.

⁸⁶ Letter from Joseph Shannon to Ellen Ha Re: Boulevard & Trumbull Towing, Inc. dated September 5, 2018.

- Please make Jennifer Fiore available to answer additional questions about Boulevard & Trumbull, Fiore Ventures II, and her conversations with Gasper Fiore. Among other topics of discussion, we would like additional information regarding Jennifer Fiore’s conversations with Gasper Fiore about his interactions with city officials including Celia Washington as well as details about what Ms. Lucas knew about loans and other gifts being provided to city officials.
 - *Mr. Shannon stated that with respect to the OIG request to produce Jennifer Fiore to testify, he notes that Jennifer Fiore is not an owner, officer, operator, or employee of Boulevard & Trumbull. Thus, Boulevard & Trumbull has no legal obligation or duty to produce her for testimony.*
 - *Mr. Shannon further states “Moreover, the environment in which Boulevard & Trumbull exists at this time it would simply be foolish to offer testimony in any context, particularly in a process where the rules are undefined and the OIG decisions already made. Moreover, the City has behaved irresponsibly to date making statements in front of Judge Michaelson and its pleadings (all of which were then withdrawn) accusing all members of the Fiore family of crimes then admitting that it has no evidence to support those allegations.”⁸⁷*
 - *By not producing Jennifer Fiore, this effectively limits the OIG’s ability to fully conduct its investigation.*

Boulevard & Trumbull violated both Section 7.5-310 of the 2012 Charter of the City of Detroit as well as the OIG administrative hearing rules by failing to provide the additional information requested by the Inspector General. Mr. Shannon’s accusation that the City has “behaved irresponsibly” in making statements to the court then “admitting that it has no evidence to support those allegations⁸⁸” suggests that he is clearly confusing the City of Detroit Law Department’s representation in the court proceedings with the OIG’s investigation.

As stated to Mr. Shannon in the pre-hearing conference, the OIG’s investigation is independent and separate from the Law Department’s representation in defending the City in a lawsuit. Nevertheless, by refusing to fully cooperate and participate in the OIG’s administrative hearing, Boulevard & Trumbull is effectively refusing to fully participate in the due process that is being offered to them in the administrative hearing. As such, the OIG is now making a final recommendation based on the evidence of record as presented by Boulevard & Trumbull.

VIII. Conclusion

Based on the above, the OIG upholds its initial recommendation that MPD and DPD not consider bids for the present tow contracts from Boulevard & Trumbull. Parties representing the tow companies failed to provide evidence that would allow the OIG to render a different

⁸⁷ *Id.*

⁸⁸ *Id.*

recommendation from its initial findings. In short, they failed to show the companies are responsible contractors who conduct business in the City with honesty and integrity.

It is undisputed that Mr. Fiore pleaded guilty to bribing a Macomb County official and Ms. Washington pleaded guilty to accepting a bribe from Mr. Fiore, while he was an owner of Boulevard & Trumbull, to assist him with the tow companies he identified to her, through Jennifer Fiore. It is also evident that Joan Fiore and Jennifer Fiore were involved in sending an email regarding tow rotations to Ms. Washington well after the 2016 tow permit application deadline. This was done while Jennifer Fiore was still an owner of Boulevard & Trumbull.

Additionally, no evidence was provided to show that Jessica Lucas took any steps to ensure this does not happen again. As owner of the company, it falls to her to implement policies and procedures to make sure the company is in compliance with the law. Boulevard & Trumbull attorney Joseph Shannon stated that upon review of the Boulevard & Trumbull policies and procedures, there is not a specific section dedicated to ethics and communications with city officials and public servants. Instead he pointed to the company's long standing corporate Standards of Conduct. Clearly these standards were inadequate as they did not stop an owner of the company from engaging in illegal conduct.

Finally and most importantly, individuals representing Boulevard & Trumbull were less than cooperative and forthcoming in that only selected information was provided to the OIG and several key witnesses refused to testify in the OIG's Administrative Hearing. Subjects of investigation cannot simply make representation without supporting documentation or testimony. Likewise, they cannot simply provide selective, self-serving information and expect the OIG to take their word for the rest of the information which were not provided to the OIG. The OIG is required by the 2012 Charter of City of Detroit "to ensure honesty and integrity in City government" and its jurisdiction extends to contractors and businesses seeking contracts or certification from the City.⁸⁹ Such lack of cooperation only obfuscates the OIG's investigation and certainly does not display honesty and integrity.

In fact, anyone who "willfully or without justification or excuse obstructs an investigation of the Inspector General by withholding documents or testimony is subject to forfeiture of office, discipline, debarment, or any other applicable penalty."⁹⁰ This alone subjects Boulevard & Trumbull and its owners to discipline or debarment.

⁸⁹ See, Article 7.5, Chapter 3, Sections 7.5-301 and 306 of the 2012 Charter of the City of Detroit.

⁹⁰ See, Section 7.5-310 of the 2012 Charter of the City of Detroit. Cooperation in Investigations; Obstruction.