



CITY OF DETROIT OFFICE OF INSPECTOR GENERAL

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Office of Inspector General Debars former City Contractors Den-Man Contractors, Inc. (Den-Man) and David Holman and David MacDonald

Pursuant to Section 17-5-359 of the City of Detroit Debarment Ordinance (“Debarment Ordinance”) and for the reasons stated below, the City of Detroit Office of Inspector General (OIG) has debarred Den-Man Contractors, Inc. (Den-Man) and David Holman for 20 years as well as David MacDonald for a period of 15 years. These debarments extend to any companies these individuals have an ownership or financial interest in.

Mr. Holman, the owner of Den-Man, and Mr. MacDonald, Den-Man’s former Demolition Director, were each charged with 12 criminal counts by the Michigan Department of Attorney General (Michigan AG) which included false pretenses and conducting a criminal enterprise. These charges were the result of their scheme to:

- (1) fraudulently invoice for backfill that Den-Man obtained for free, which was in violation of the terms of the contract between the parties resulting in fraudulent billing of approximately \$1,148,513.61 to [the HHF Demolition Program] and the City of Detroit collectively, and
- (2) use of backfill from an unapproved or prohibited source which was contrary to the terms of the contract between the parties resulting in over \$3,500,000 in costs incurred by the City of Detroit to test and remediate the sites where the backfill was used.

On March 4, 2024, Mr. Holman pleaded no contest to felony false pretenses. He was sentenced to one (1) year of probation and 100 hours of community service. Mr. Holman also agreed to pay restitution in the amount of \$4,722,587.59 and serve 120 days in Wayne County Jail to be held in abeyance if he completed all terms and conditions. As required by the plea agreement, Mr. Holman transferred \$1.25 million to the City, prior to his sentencing on April 12, 2024. In addition, to date, he has paid \$12,000 towards the remaining restitution.



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With respect to Mr. MacDonald, on January 26, 2024, he pleaded guilty to felony false pretenses. He was sentenced to serve three (3) years of probation and was required to complete 100 hours of community service. Mr. MacDonald also agreed to pay restitution, \$4,722,587.59 in total, and 90 days in Wayne County Jail to be held in abeyance and waived upon successful completion of all terms and conditions. In addition, he was required to pay at least \$125,000 towards the restitution.

These Debarments are the culmination of years of patient and steadfast investigations by the Office of Inspector General, Special Inspector General for Troubled Asset Relief Program, and the State of Michigan Department of Attorney General.

IG Ha summarized the effort, “After six, demanding years of joint investigation, we are pleased to finally close our investigations against Den-Man. The debarments we announce today are significant in that it should put all contractors on notice that no matter how long it takes us to investigate, we will hold contractors accountable. Fraud committed against the City will not be tolerated. Because the public entrusted and relied on our contractors to work with honesty and integrity, all contractors must abide by the terms of their contracts and ensure they do not violate the public trust awarded to them.”

The report may be found at:

<https://detroitmi.gov/sites/detroitmi.localhost/files/2024-06/Final%20DenMan%20Debarment%20Report%20w%20Attachments%206.3.2024.pdf>

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