



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

Investigative Report

2019-0004

City of Delray Beach Grants Program

February 16, 2021



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INVESTIGATIVE REPORT

DATE ISSUED: FEBRUARY 16, 2021



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SUMMARY

WHAT WE DID

In May 2019, the Palm Beach County Office of Inspector General (OIG) received a complaint that former City of Delray Beach (City) Director of Neighborhood and Community Services (NCS) Michael Coleman (Mr. Coleman) and former Assistant NCS Director Jamael Stewart (Mr. Stewart) had potentially violated City policies and/or applicable laws, rules, and procedures in connection with the disbursement of City grant funds. NCS is responsible for managing the City's grant-funded programs.

The complaint alleged that:

Allegation (1): Mr. Coleman and Mr. Stewart caused the disbursement of City grants to organizations that did not submit a required application, and/or that submitted applications were not reviewed by a committee designated by the City Manager, in violation of a City policy.

Allegation (2): Mr. Coleman and Mr. Stewart failed to avoid conflicts of interest between their personal interests and the City's interests in dealing with certain organizations seeking grant funds from the City, in violation of City policy, processes, or procedures.

During the course of our investigation, the City provided information that led to the development of the following additional allegations:

Allegation (3): Mr. Stewart solicited funds under false pretenses on behalf of a non-profit for which he served as an officer/director, in violation of Florida Statutes.

Allegation (4): Mr. Coleman used a City purchasing card to buy trophies for Mr. Stewart and Mr. Stewart's cousin that were not made for the City and did not serve a public purpose, in violation of City policy.

Our investigation included a review of City policies, memoranda, emails, grant applications for 2015-2018, and computer network data. Additionally, we conducted numerous interviews, including interviews with current and former City staff.

WHAT WE FOUND

Allegation (1) is supported. We found sufficient evidence to support the allegation. Mr. Coleman and Mr. Stewart caused City grants to be disbursed to organizations that did not submit an application, and/or submitted applications that were not reviewed by a committee designated by the City Manager. These

City grants resulted in Questioned Costs¹ totaling \$81,600.

With respect to the Florida Youth Project (FYP), Mr. Stewart helped prepare a letter on behalf of, and requesting funding that he also helped oversee. When, months after the monies were awarded, Mr. Stewart was asked by the then-Assistant City Manager about FYP's application, evidence supports that Mr. Stewart fabricated an application to justify the award.

Allegation (2) is supported. We found sufficient evidence to support the allegation. In some instances, Mr. Coleman and Mr. Stewart failed to avoid conflicts of interest between their personal interests and the City's interests in dealing with certain organizations seeking grant funds from the City, or leveraged their influence for personal endeavors. Grant funds received when these conflicts existed resulted in Questioned Costs of \$9,800.00.

There were other instances that we evaluated, however, that did not appear to violate the City's policies, processes, or procedures. Nevertheless, in order to avoid the appearance of impropriety, it may have been prudent for Mr. Coleman and Mr. Stewart to have recused themselves from overseeing or participating in the decision making process relating to grant awards to organizations with which they previously had a personal relationship.

Allegation (3) is not supported. We did not find sufficient evidence that Mr. Stewart solicited contributions for a nonprofit under false pretenses.

Allegation (4) is supported. We found sufficient evidence to support the allegation. Mr. Coleman used a City purchasing card to buy trophies for Mr. Stewart and Mr. Stewart's cousin for a non-City purchase that did not serve a public purpose, in violation of City policy. This inappropriate expense resulted in Identified Costs² of \$140.00, for which the City should consider pursuing reimbursement from Mr. Coleman.

WHAT WE RECOMMEND

We make three recommendations that can assist the City in strengthening grant application controls.

The City of Delray Beach provided a written response to the findings and recommendations. It is included in this report as Attachment A.

Mr. Coleman and Mr. Stewart, through their attorneys, provided a written response to the findings. It is included in this report as Attachment B.

¹ Questioned costs are costs or financial obligations that are questioned by the OIG because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG activity, such cost or financial obligation is not supported by adequate documentation; or, a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of potential fraud or waste.

² Identified costs are costs that have been identified to be dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

BACKGROUND

The City was incorporated in 1911. The estimated population of the City was 69,451 in 2019.

The City operates under the City Commission-City Manager form of government. The City Commission is composed of five elected Commissioners, one of whom serves as Mayor. The Mayor presides at Commission meetings and represents the City in intergovernmental relationships. The City Commission appoints the City Manager.



According to its website, the Department of Neighborhood & Community Services³ "bridges and engages Delray Beach's diverse residents with resources to maintain, revitalize, and promote healthy communities." NCS is comprised of five divisions: Administration, Clean & Safe, Code Enforcement, Neighborhood Services, and Sanitation. NCS is responsible for managing the City's federal, state, and local grant-funded programs.

In March 2015, the City entered into an Exclusive Franchise Agreement with Southern Waste Systems, LLC for the collection of solid waste and recyclable materials. The agreement obligated Southern Waste Systems to provide money and other benefits to the City and local organizations. In December 2015, the agreement was assigned from Southern Waste Systems to Waste Management Inc. of Florida (Waste Management). Some of the money the companies provided to the City was disbursed by NCS as grants under Exhibit 13, Section 7 of their agreement.⁴



The Caron Foundation of Florida, Inc. (Caron) also provided the City annual funding that NCS disbursed as grants. Caron operates two addiction treatment facilities in the City. As an eligible nonprofit, Caron was exempt from paying property taxes on these properties. However, as part of an agreement between Caron and the City stemming from a 2012 lawsuit, Caron provided the City an annual amount equal to the property taxes that it would have been assessed by the school district if Caron were not exempt. NCS disbursed these funds from Caron as grants.



Appointment of Mr. Coleman

Michael Coleman served as a City police officer for more than 20 years, achieving the rank of Captain. Mr. Coleman was appointed Acting Director of NCS in January 2015,

³ Prior to the fall of 2018, NCS was named the Community Improvement Department.

⁴ Section 7 stated: "The Contractor shall provide cash to sponsor one or more City events each year and the total of such contributions shall be at least Ten Thousand Dollars (\$10,000)."

while still employed with the police department. In July 2015, Mr. Coleman retired from the police department, and was appointed Director of NCS.

The Director of NCS position description states that the Director will “[c]oordinate and manage non-profit partner performance under applicable grant programs.”

Hiring of Mr. Stewart

Jamael Stewart’s initial position with the City began in December 2015 as Downtown Manager, a position within NCS.

In April 2017, Mr. Stewart interviewed for the position of Assistant Director of NCS. He was promoted to that position the following month. His position’s responsibilities, as generally described, were to adhere to policies and support the efforts of the NCS Director.

Mr. Stewart and Mr. Coleman’s Separation from the City

In April 2019, City management initiated a review of NCS’s grant processes. During that review process, on June 5, 2019, Mr. Coleman and Mr. Stewart resigned their City employment.

Afforded Interviews of Mr. Coleman and Mr. Stewart

Mr. Stewart and Mr. Coleman, through their attorneys, were afforded the opportunity to review investigative records and be interviewed by the OIG. On July 14, 2020, the OIG provided Mr. Stewart and his attorney copies of records that our office wished to discuss during Mr. Stewart’s interview. On July 29, 2020, approximately an hour into Mr. Stewart’s OIG interview, Mr. Stewart and his attorney abruptly ended the interview and stated that he wished “to recant” the statements made during the interview under oath.

Mr. Coleman declined to interview with the OIG.

ALLEGATIONS AND FINDINGS

Allegation (1):

Mr. Coleman and Mr. Stewart caused the disbursement of City grants to organizations that either did not submit a required application, and/or that submitted applications that were not reviewed by a committee designated by the City Manager, in violation of a City policy.

Governing Directives:

City of Delray Beach Administrative Policies and Procedures Manual

Policy Number GA-23, Revision 7

Finding:

The information obtained **supports** the allegation.

City Policy GA-23

On September 30, 1986, the City Commission approved City Policy GA-23, "Charitable and Benevolent Contributions and Special Event Funding" (Policy GA-23). Policy GA-23, which has been amended from time to time, and provides formal procedures that the City uses for reviewing agency requests for City funding for charitable and benevolent contributions and special events.

Policy Number GA-23, Revision 7, states in part,

Charitable and Benevolent Contributions and Special Event Funding

Effective Date: June 1, 2015

1. Agencies desiring funding from the City of Delray Beach **are required to complete** the City's "Application for Charitable and Benevolent Contribution Request" (Exhibit A) **or** "Application for Special Event Funding" (Exhibit B) for review **prior to any award**.

.....

5. Requesting agencies are required to demonstrate how they meet City Commission goals and objectives.
6. Funding applications **will be reviewed** by a Committee designated by the City Manager. The Committee's funding recommendations will be submitted to the City Commission as part of the annual budget process.
[Emphasis added]

Policy GA-23 includes two exhibits. Exhibit A is titled "City of Delray Beach Application for Charitable and Benevolent Contribution For Fiscal Year [blank]." Exhibit B is titled "City of Delray Beach Application for Special Event Funding For Fiscal Year [blank]." Both Exhibits A and B request:

- A description of the intended use of the funds;
- The number of City residents utilizing the program or anticipated to attend the event; and
- A description of how the results will be evaluated.

OIG Review of Grant Application and Review Committee Records

The OIG requested the City provide all grant applications and records of Caron and Southern Waste Systems/Waste Management review committee meetings from 2015-2018.

Some organizations that received grants from monies the City received in 2015 and 2016 provided the City with information about their program in a letter or other materials, but did not submit the required application. In two instances, grantees receiving monies from the 2016 Caron grant submitted a form titled, "City of Delray Beach Application for City Financial and Operating Support For Fiscal Year [blank]." The form was hand-edited to reflect "Caron Foundation." Although the two forms submitted did not mirror the Exhibits attached to Policy GA-23, for the purpose of this report, the OIG considered those applications to be good faith efforts to adhere to Policy GA-23.

A summary of application and review committee records provided to the OIG show the following:⁵

| Southern Waste Systems / Waste Management | | | | |
|---|--------------------------------|---|-------------------------------------|---|
| | <i>Total Grant Recipients</i> | <i>Applications Provided to the OIG</i> | <i>Application Review Committee</i> | <i>Grant Disbursements without Review Committee</i> |
| 2015 | 10 | 0 | No | \$9,600 |
| 2016 | 3 | 0 | No | \$4,500 |
| 2017 | No funds received or disbursed | | | \$0 |
| 2018 | 7 | 6 | No ⁶ | \$17,000 |
| Total | | | | \$31,100 |

| Caron Foundation | | | | |
|------------------|--------------------------------|---|-------------------------------------|---|
| | <i>Total Grant Recipients</i> | <i>Applications Provided to the OIG</i> | <i>Application Review Committee</i> | <i>Grant Disbursements without Review Committee</i> |
| 2015 | No funds received or disbursed | | | \$0 |
| 2016 | 4 | 2 | No | \$18,500 |
| 2017 | 5 | 0 ⁷ | Yes | \$0 |
| 2018 | 8 | 5 | No ⁸ | \$32,000 |
| Total | | | | \$50,500 |

⁵ In response to questions to Mr. Coleman and Mr. Stewart from former Assistant City Manager Suzanne Fisher, Mr. Stewart sent a May 14, 2019 email to Mr. Coleman that stated "...We had a lot of these documents stored on a book shelf in binders and about two months ago staff decided to move furniture and clean the office. While doing so, they misplaced and mixed up a lot of documents."

⁶ Despite an April 2, 2018 contemporaneous memorandum stating a committee reviewed the applications, two of the individuals listed as committee members told the OIG that they did not receive applications to review for approval or for making funding recommendations as part of the meeting process. Interviews of those individuals are detailed below.

⁷ Although no Caron applications were provided to the OIG for 2017, review committee participants told the OIG there were applications.

⁸ Despite an October 31, 2018 contemporaneous memorandum stating that a committee reviewed application, witnesses refuted the content of the memorandum.

OIG Interview of former City Manager Donald Cooper (then-City Manager Cooper)

Donald Cooper was City Manager in 2015 when the Caron and Southern Waste Systems grants initially were received and distributed. He told the OIG that he had “higher priority matters” to deal with at that time, and gave Mr. Coleman permission lead the grant review process and distribute grant funds. He said that NCS was responsible for overseeing the disbursement of the grant money, which he did not consider to be a significant amount. Then-City Manager Cooper also stated that Mr. Coleman knew the community better than he did at that time.

Overview of Disbursement of Grant Funds from Southern Waste Systems/Waste Management**2015 and 2016 Southern Waste Systems/Waste Management Application and Review Committees**

Neither the City nor any witness appearing before the OIG provided documents or testimony showing that any of the 10 non-profit entities that received monies from NCS in 2015 or the three (3) non-profit entities that received monies from NCS in 2016 filled out the Charitable and Benevolent Contribution Request form or that NCS convened a committee designated by the City Manager to review applications for grant funding from Southern Waste Systems or Waste Management.

The City received no funds from Waste Management for disbursement in 2017.

2018 Waste Management Application and Review Committee

In 2018, the City received seven (7) applications for monies from Waste Management grant funds. The City provided the OIG with a copy of an April 2, 2018 memorandum from Mr. Stewart to Mr. Coleman stating that a committee consisting of Historic Preservation Principal Planner Michelle Hoyland, Code Enforcement Administrator Danise Cleckley, and Mr. Stewart met on March 29, 2018 and “reviewed each of the 7 applications to determine the amount to be awarded to each program.”

Interview of Michelle Hoyland

When asked by the OIG about the committee meeting detailed by Mr. Stewart in his April 2, 2018 memorandum to Mr. Coleman, Ms. Hoyland said that, as she passed Mr. Coleman’s office, Mr. Coleman called to her and asked her to enter. She saw that Mr. Stewart and Ms. Cleckley were already there. Ms. Hoyland was asked to discuss giving money to certain programs. To her, it appeared that Mr. Coleman’s department had money to disburse, and Ms. Hoyland’s role was to help them select the recipients. She recalled Mr. Coleman saying the names of the organizations under consideration, but she did not recall discussing anything else. Ms. Hoyland said that she was not provided any records to review. She did not know the source of the money. She was not asked to score the programs and was confused as to why she was in the meeting. Ms. Hoyland told the

OIG, "It felt very fast, hurried and rushed." She said that the meeting lasted ten minutes, at most.

Interview of Danise Cleckley

When asked by the OIG about the committee meeting detailed by Mr. Stewart in his April 2, 2018 memorandum, Ms. Cleckley told the OIG that, as she passed Mr. Coleman's office. Mr. Coleman called to her and Ms. Hoyland, who was also in the hallway. When they entered the office, Mr. Stewart was already there. Mr. Coleman talked about organizations that had submitted applications for City funds. Based on the information provided by Mr. Coleman, they circled the names of the organizations on a piece of paper indicating which should receive funding. Ms. Cleckley did not recall if she was provided a list of the organizations or the applications. She and Ms. Hoyland were provided the same documents. The amount of money that each organization should receive was not discussed. Ms. Cleckley did not use a scoring matrix or another method to assign a numerical score to the organizations. She estimated that she was in Mr. Coleman's office for 20 to 30 minutes. When asked if anyone took notes at the meeting, Ms. Cleckley stated, "It wasn't a meeting sir. I mean, it was just, we come in, we hear what was being said, and we had this paper, and we circled." She said that there was no discussion about whether anyone in the room had an association with any of the organizations.

Overview of Disbursement of Grant Funds from Caron

The City received no funds from Caron for disbursement in 2015.

2016 Caron Applications and Review Committee

Neither the City nor any witness appearing before the OIG provided documents or testimony showing that NCS convened a committee designated by the City Manager to review applications for grant funding from Caron in 2016.

2017 Caron Applications and Review Committee

Neither the City nor any witness appearing before the OIG provided copies of any Charitable and Benevolent Contribution Request forms for Caron funds in 2017. Witnesses, however, offered testimony stating that applications had, in fact, been received.

The OIG was provided a copy of a November 17, 2017 memorandum to former Assistant City Manager Caryn Gardner-Young detailing that on November 13, 2017, a committee consisting of Mr. Stewart, then Community Improvement Project Administrator Jennifer Costello, Neighborhood Services Administrator Ferline Mesidort, then Assistant Director of Parks and Recreation Samuel Metott, and then Planning and Zoning Intern Kaliah Lewis reviewed Caron grant applications. Education Coordinator Janet Meeks provided each committee member's scores, and made recommendations for grant award amounts. The last sentence of the memorandum was:

As this was the first year to formalize the grant process, staff will review the grant guidelines, award amounts, and advertising outlets to see what can be done to garner more applications next year. [Emphasis added]

2018 Caron Applications and Review Committee

An October 31, 2018 memorandum from Mr. Stewart to Mr. Coleman stated that the Caron grant application period had opened on September 1, 2018 and closed on September 20, 2018, and that a committee consisting of Mr. Stewart, Mr. Stewart's Administrative Assistant Marisa Rodriguez, and Business Tax Specialist Terra Couzens reviewed applications and scored each proposal. Three applicants were not considered. The October 31, 2018 memorandum listed the nine grant recipients, their scores, the amount requested by each organization, and a recommended award amount.

Interview of Terra Couzens

The OIG showed Ms. Couzens a copy of Mr. Stewart's October 31, 2018 memorandum reflecting the organizations selected to receive a Caron grant. She stated that she had not previously seen the memorandum, and that she did not participate in any committee discussions regarding it. She is familiar with Mr. Stewart and Ms. Rodriguez, but Ms. Couzens said that she has never worked on any project with the two of them.

Interview of Marisa Rodriguez

The OIG showed Ms. Rodriguez a copy of Mr. Stewart's October 31, 2018 memorandum reflecting the organizations selected to receive a Caron grant. She stated that she had not previously seen the memorandum, and that she did not participate in the committee discussed regarding it. Ms. Rodriguez said that she has never participated in a grant review committee.

Ms. Rodriguez told us that Mr. Stewart sent her a table with the recommended grant amounts already filled in. She stated she did not know how Mr. Stewart could have known the recommended amount for each organization on September 26, 2018, two days prior to the application deadline of September 28, 2018, according to the official City notice published in the South Florida Sun-Sentinel.

Review of Mr. Stewart's Calendar

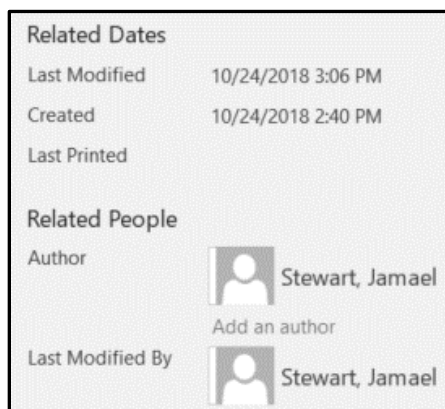
A review of Mr. Stewart's Outlook calendar for September 2018 and October 2018 did not identify a meeting involving Ms. Couzens and Ms. Rodriguez, or any meeting of a grant review committee.

Submission of 2018 Florida Youth Project Grant Application for Caron Funds

NCS awarded 2018 Caron grant funds to Florida Youth Project (FYP). Mr. Coleman informed Jason Reid of FYP via letter dated November 1, 2018, of the \$3,000 grant to FYP.

On May 1, 2019, then-Assistant City Manager Suzanne Fisher sent an email to Mr. Coleman and Mr. Stewart requesting “all information related to [the] Caron Foundation for the previous funding year.” In response, Mr. Stewart sent an email to Mr. Coleman’s assistant, Donna Quinlan⁹, on May 3, 2019 at 12:19 PM with no written content and a subject line of “Florida Youth Project Grant Proposal” and an attached Microsoft Word file of the same name.

The attachment was an unsigned and undated letter to Mr. Coleman purporting to be from Mr. Reid requesting a \$5,000 grant for FYP. The metadata associated with the Microsoft Word file’s properties and origin details reflect that the Word document was “author(ed)” on October 24, 2018 on a computer that had been logged into using Mr. Stewart’s credentials, evidencing that Mr. Stewart likely created it.



Ms. Quinlan emailed the letter with October 24, 2018 properties to Ms. Fisher on May 3, 2019.

On May 8, 2019, Ms. Fisher emailed a list of questions to Mr. Coleman, Mr. Stewart and Ms. Quinlan, one of which involved FYP. She asked:


2018 - Florida Youth Project – where is the application/proposal, etc? Only a letter was included in what was sent over. How was this entity determined as eligible for the grant and how did it receive a score if there is not an application?

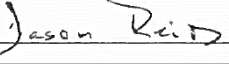
On May 9, 2019 at 11:11 AM, Mr. Stewart sent an email to Ms. Quinlan in which he stated in the body, “Florida Youth Project App.” He attached to the email a six-page PDF file named “FYP GRANT APP.” Pages 1 and 2 of FYP GRANT APP were the required Caron

⁹ Ms. Quinlan formerly served in NCS as Community Development Coordinator. On August 20, 2020, Ms. Quinlan sent an email to the OIG declining to be interviewed.

grant application for FYP. Jason Reid's purported signature, depicted below, appeared at the top of page 2. The signature was not dated.

Executive Director or official/individual authorized to bind the organization to this application.

Signature:  Date: _____

Print Name:  _____












FYP GRANT APP also included an undated, unsigned letter from Mr. Reid to Mr. Coleman requesting a grant on behalf of FYP. The letter only sought \$3,000; in contrast to the unsigned, undated letter created using Mr. Stewart's credentials that had sought \$5,000 for FYP. Pages 4, 5, and 6 of FYP GRANT APP were documents titled FYP Program Budget, Mentor Exit Survey, and Mentee Exit Survey, respectively.

OIG Review of Digital Information from May 9, 2019

A review of Mr. Stewart's internet browsing history on the City's network showed that on May 9, 2019 at 10:17 AM, he visited the sample forms page of the website of YouthBuild USA National Mentoring Alliance (youthbuildmentoringalliance.org).

| Time | User Name | Department | Device | URL |
|---------------------------------|----------------|--------------------|-----------|---|
| Fri 10 May 2019 03:58:56 PM EDT | [REDACTED] | City Commission | CH-Delray | [REDACTED] |
| Fri 10 May 2019 02:48:10 PM EDT | [REDACTED] | City Commission | CH-Delray | [REDACTED] |
| Thu 09 May 2019 10:17:41 AM EDT | Stewart, Jmael | Community Improvem | CH-Delray | http://youthbuildmentoringalliance.org/sample-forms |

A review of Mr. Stewart's downloading activity on the City's network showed that, beginning at 10:19 AM, he downloaded the budget template and exit surveys from the YouthBuild USA website.

| Profiles\stewartj\Downloads\ | | | | | | | |
|---|-----------|-----------|-------|---------|----------------------|-------------------|--|
| Computer Details Bar Graph Pie Graph Folder Map | | | | | | | |
| Name | Size | Allocated | Files | Folders | Modified | Owner | |
|  Worksheet - Sustainability Planning Checklist.doc | 44.0 KB | 44.0 KB | 1 | 0 | 5/9/2019 10:34:25 AM | MIDOM001\stewartj | |
|  ~Sntor-Mentee Reflection Worksheet.doc | 162 bytes | 4.00 KB | 1 | 0 | 5/9/2019 10:33:43 AM | MIDOM001\stewartj | |
|  Mentor-Mentee Reflection Worksheet.doc | 35.5 KB | 36.0 KB | 1 | 0 | 5/9/2019 10:33:27 AM | MIDOM001\stewartj | |
|  ~Sfe Plan Template 1.doc | 162 bytes | 4.00 KB | 1 | 0 | 5/9/2019 10:31:41 AM | MIDOM001\stewartj | |
|  Life Plan Template 1.doc | 39.5 KB | 40.0 KB | 1 | 0 | 5/9/2019 10:31:22 AM | MIDOM001\stewartj | |
|  ~Sntee Exit Survey.doc | 162 bytes | 4.00 KB | 1 | 0 | 5/9/2019 10:29:17 AM | MIDOM001\stewartj | |
|  Mentee Exit Survey.doc | 37.0 KB | 40.0 KB | 1 | 0 | 5/9/2019 10:29:06 AM | MIDOM001\stewartj | |
|  ~Sntor Exit Survey.doc | 162 bytes | 4.00 KB | 1 | 0 | 5/9/2019 10:28:39 AM | MIDOM001\stewartj | |
|  Mentor Exit Survey.doc | 37.0 KB | 40.0 KB | 1 | 0 | 5/9/2019 10:28:01 AM | MIDOM001\stewartj | |
|  ~Ssic Mentoring Program Budget Template.doc | 162 bytes | 4.00 KB | 1 | 0 | 5/9/2019 10:19:31 AM | MIDOM001\stewartj | |
|  Basic Mentoring Program Budget Template.doc | 49.0 KB | 52.0 KB | 1 | 0 | 5/9/2019 10:19:28 AM | MIDOM001\stewartj | |

At 10:37 AM, Mr. Stewart sent a link to the sample forms page of the YouthBuild USA website to his City email account and a personal email account.

From: Stewart, Jamael
Sent: Thursday, May 09, 2019 10:37 AM
To: Stewart, Jamael;Jamael Stewart
Subject: Mentoring

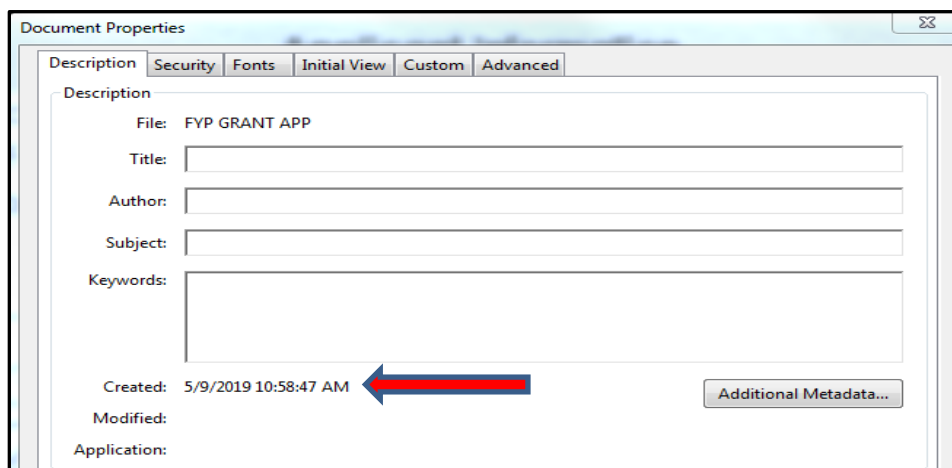
<http://youthbuildmentoringalliance.org/sample-forms>

At 10:58 AM, Mr. Stewart scanned the FYP application, the letter requesting \$3,000, and the downloaded forms to create a six-page PDF file, which he sent to himself in a system-generated email at 10:59 AM.

From: stewartj@mydelraybeach.com
Sent: Thursday, May 9, 2019 10:59 AM
To: Stewart, Jamael
Subject: Scan_Stewart, Jamael_10_58_09-05-2019
Attachments: Scan_Stewart, Jamael_10_58_09-05-2019.pdf

Please find your scan attached to this Email.

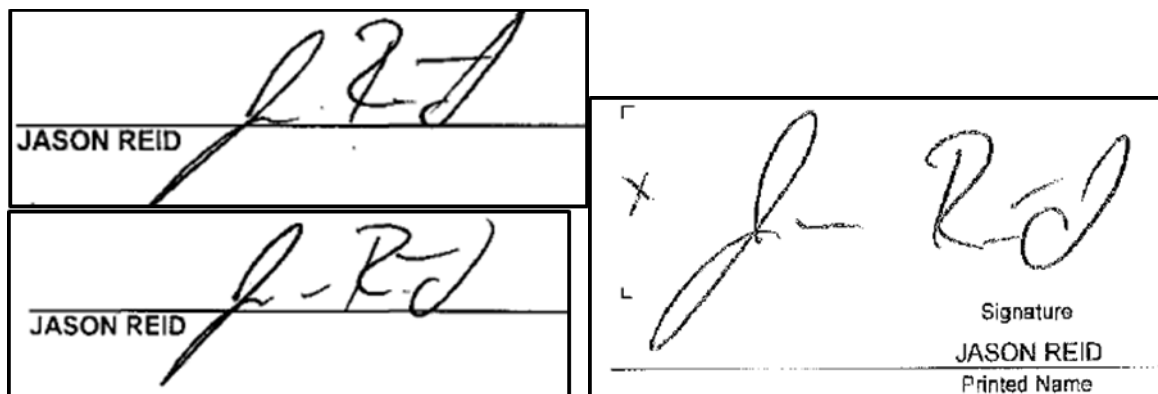
Mr. Stewart emailed the file containing the YouthBuild information that he downloaded, to Ms. Quinlan at 11:11 AM with the title FYP GRANT APP. The file's properties showed that it was created at 10:58 AM.



Ms. Quinlan forwarded FYP GRANT APP to Mr. Coleman, who then forwarded it to Ms. Fisher.

During our investigation, we obtained other documents purportedly containing Mr. Reid's signature. Although we did not retain the opinion of a handwriting expert, we noted

differences between the signature appearing on FYP GRANT APP, and the signatures on the mortgage documents purportedly signed by Mr. Reid in 2015 (below left) and a signature card signed by Mr. Reid in 2018 when he opened a bank account in the name of FYP (below right).



Interview of Jason Reid

The OIG interviewed Jason Reid at his office in Boca Raton. At Mr. Reid's request, his wife, Andrea Reid, was present during the interview. Mrs. Reid is a licensed attorney in good standing with the Florida Bar.

Mr. Reid told us that he co-founded Prep and Sports with Tavarious Jackson and Mr. Stewart. Mr. Coleman served as an advisor to Prep and Sports.

Mr. Reid said that he co-founded FYP. FYP has a similar mission as Prep and Sports. At the time of the interview, Mr. Reid had not been actively involved in Prep and Sports in several years, and FYP was no longer in operation. Mr. Reid said that Mr. Stewart assisted him with some of the tasks associated in forming FYP, but otherwise Mr. Stewart and Mr. Coleman had no role in FYP.

Mr. Reid was shown the FYP grant application bearing his purported signature. When asked if he recognized the application, he stated, "Yes sir." When asked if the handwriting on the application was his, he stated, "Yes sir." When asked if the signature on the application was his, he stated, "Yes sir." After a brief pause, Mr. Reid added, "I'm gonna say yes. I mean, I signed all the paperwork." At that point, Mrs. Reid asked to see the application again. She then asked Mr. Reid if he actually remembered signing it. Mr. Reid replied, "No, I don't remember signing it." When Mr. Reid was shown the signatures on his mortgage documents and, after comparing them was asked if he was confident that the signature on the FYP application was his, he stated, "When I compare the two, no, I'm not confident, but I don't know who else would have signed that for me." Mr. Reid stated that he and Mr. Stewart did not talk about Mr. Stewart completing the application on his behalf.

Mr. Reid was then shown a copy of the letter from him to Mr. Coleman requesting a \$5,000 grant for FYP and asked if he wrote it. Mr. Reid said that he did. When asked if there was

any reason why he did not sign the letter, Mr. Reid stated, “No, I didn’t... No need to be signed. Nobody asked me to sign it.” Mr. Reid did not know why there was a second, similar letter that requested \$3,000.

Mr. Reid was then shown the budget and surveys that were part of FYP GRANT APP. Mr. Reid said that he recognized the forms. He stated that he and FYP’s co-founder prepared the budget. Mr. Reid assumed that the forms were obtained from the internet by Mr. Reid, but he did not recall doing so. Mr. Reid said that he spoke to Mr. Stewart about what a non-profit budget should look like, but he did not obtain the forms from Mr. Stewart.

OIG Follow-up Correspondence from Mr. Reid

The OIG directed follow-up questions for Mr. Reid to his attorney, Mrs. Reid. She told the OIG that Mr. Reid wrote the letter to Mr. Coleman requesting a \$5,000 grant for FYP in Mr. Stewart’s office and with Mr. Stewart’s assistance. In an email to the OIG, Mrs. Reid stated that Mr. Reid could not recall when he wrote the letter, but that he believed “*the deadline was fast approaching.*”

Florida Youth Project Application Timeline

| | |
|---------------|---|
| Oct 24, 2018: | Mr. Reid and Mr. Stewart, from Mr. Stewart’s City office, create a letter requesting a \$5,000 Caron grant for FYP. |
| Oct 31, 2018: | Mr. Stewart emails Mr. Coleman the final memo listing the Caron grant recipients, including FYP. |
| Nov 1, 2018: | The letter from Mr. Coleman is prepared informing Mr. Reid of a \$3,000 grant to FYP. |
| Nov 16, 2018: | City issues a \$3,000 check to FYP for the 2018 Caron grant. |
| May 1, 2019: | Ms. Fisher requests information on the Caron grant. |
| May 3, 2019: | Mr. Stewart emails Ms. Quinlan the FYP letter requesting \$5,000 created on October 24, 2018. |
| May 8, 2019: | Ms. Fisher inquires about the lack of an application from FYP. |
| May 9, 2019 | |
| 10:17 AM: | Mr. Stewart visits the YouthBuild USA website. He then downloads: |
| 10:19 AM: | - Basic Mentoring Program Budget.doc. |
| 10:28 AM: | - Mentor Exit Survey.doc |
| 10:29 AM: | - Mentee Exit Survey.doc |
| 10:37 AM: | Mr. Stewart emails himself a link to the sample forms page of the YouthBuild USA website. |
| 10:58 AM: | Mr. Stewart scans the documents that comprise FYP GRANT APP. |
| 10:59 AM: | A system-generated email delivers the scanned image to Mr. Stewart’s account. |
| 11:11 AM: | Mr. Stewart emails FYP GRANT APP to Ms. Quinlan. |
| 3:45 PM: | Ms. Quinlan emails FYP GRANT APP to Mr. Coleman. |
| May 10, 2019: | Mr. Coleman emails FYP GRANT APP to Ms. Fisher. |

OIG Conclusion

OIG review of City records and witness testimony shows that Mr. Coleman, as Director of NCS, oversaw the disbursement of 2015, 2016, and 2018 Southern Waste Systems/ Waste Management grant monies to 20 recipients that did not submit required applications and/or whose applications were not reviewed by a committee designated by the City Manager. Specifically, neither the City nor any witness appearing before the OIG provided documents or testimony showing that any of the ten non-profit entities that received monies from NCS in 2015, or the three non-profit entities that received monies from NCS in 2016 filled out the Charitable and Benevolent Contribution Request form, or that NCS convened a committee designated by the City Manager to review applications for grant funding from Southern Waste Systems or Waste Management. In 2018, NCS received several applications. However, despite an April 2, 2018 contemporaneous memorandum stating that a committee consisting of Mr. Stewart, Ms. Hoyland, and Ms. Cleckley reviewed those applications, Ms. Hoyland stated that she was not given any applications to review or score and Ms. Cleckley advised the OIG that “it wasn’t a meeting” and that she was not asked to make a recommendation regarding the amount of money each applicant should receive.

Similarly, Mr. Coleman oversaw the disbursement of 2016, 2017, and 2018 Caron grant monies to at least 12 recipients that did not submit required applications and/or that submitted an application that was not reviewed by a committee designated by the City Manager. Specifically, neither the City nor any witness appearing before the OIG provided documents or testimony showing that any of entities that received funding from NCS in 2016 submitted applications that were reviewed by a committee designated by the City Manager. The OIG received no applications for the five (5) non-profit entities that received monies from NCS in 2017. In 2018, NCS received several applications. However, despite an October 31, 2018, contemporaneous memorandum stating that a committee consisting of Mr. Stewart, Ms. Couzens, and Ms. Rodriguez reviewed those applications, Ms. Couzens and Ms. Rodriguez advised the OIG that they did not participate in a meeting to discuss applications for grant funding in 2018.

With respect to the 2018 FYP grant, the OIG investigation evidence is sufficient to conclude that Mr. Stewart caused Caron grant monies to be disbursed to FYP although FYP did not submit a Charitable and Benevolent Contribution Request form prior to the disbursement of funds. Mr. Reid of FYP advised the OIG that he and Mr. Stewart worked collaboratively in Mr. Stewart’s office to prepare a letter seeking monies that Mr. Stewart helped manage and disburse on behalf of the City. Not only did Mr. Stewart help author a letter that would be used to support funding from a grant program that he helped oversee and claimed to have approved as part of a review committee, but the letter he created did not meet the requirements of the City policy requiring that grant applicants submit a form application. Furthermore, when asked by City management about FYP’s application months after the monies were awarded FYP, Mr. Stewart appears to have downloaded documentation from a different organization on his work computer that he subsequently submitted to justify the award to FYP.

In total, we find that Mr. Stewart and Mr. Coleman caused the disbursement of City grants totaling \$81,600 to organizations that did not submit a required application, and/or that

submitted applications that were not reviewed by a committee designated by the City Manager, in violation of a City policy. These disbursements constitute Questioned Costs.

Allegation 1 **is supported**.

Allegation (2):

Mr. Coleman and Mr. Stewart failed to avoid conflicts of interest between their personal interests and the City's interests in dealing with certain organizations seeking grant funds from the City and/or leveraged their positions for personal endeavors, in violation of a City policy, processes, or procedures.

Governing Directives:

City of Delray Beach Human Resources Policy Manual, as amended- City of Delray Beach's Ethics Code; City's Conflict of Interest and Disclosure form

Finding:

The information obtained **supports** the allegation.

Mr. Coleman signed the City's Conflict of Interest Disclosure and Acknowledgement form (Form) in May 2015, and Mr. Stewart signed the Form in December 2015. The Form signed by both Mr. Coleman and Mr. Stewart stated, in part:

As an employee or public officer of the City of Delray Beach, I must respect and abide by the Palm Beach County's Code of Ethics and the Florida Code of Ethics for Public Employees (Part III, Chapter 112 Florida Statutes).

....

I understand that I must not use the City of Delray Beach's tools, equipment, material, resources, facilities, services, intellectual property, confidential information, **or leverage my influence as a City of Delray Beach employee or public officer for personal endeavors** or in connection with my outside employment.

....

I understand and agree to comply with the Palm Beach County Code of Ethics and the Florida Code of Ethics for Public Employees Ethics and all related policies and procedures. I also understand that my failure to respect and comply with the **City of Delray Beach's Code of Ethics may result in disciplinary action that may include my termination**. Further, I understand that if I have any questions regarding the **City of Delray Beach's Code of Ethics, I can direct them either to my supervisor, Human Resources, or the City Manager**. In addition, I understand that I can report any identified or potential violation of the Code of Ethics to Human Resources or the City Manager.

[Emphasis added]

The Form was included in the City's Human Resources Policy Manual dated October 1, 2015 and approved by then-City Manager Cooper, as was a City of Delray Beach Outside Employment Request form.

Effective May 15, 2018, the Human Resources Policy Manual,¹⁰ approved by then-City Manager Mark R. Lauzier, was updated to include the following language:

Section 3: CODE OF ETHICS AND RULES OF CONDUCT

.....

Section 3.2 CONFLICT OF INTEREST DISCLOSURE AND ACKNOWLEDGMENT

It is the policy of the City of Delray Beach that employees **shall avoid any conflict between personal interests and the interest of the City in dealing with suppliers and all others seeking to do business with the City.** The responsibility of exercising care and discretion **rests initially with the employee. If an employee is uncertain about whether a conflict exists or has any question about a potential conflict of interest, the employee shall ask the advice and guidance of their Department Director.**

Each employee must complete a **Conflict of Interest Disclosure and Acknowledgment form as a part of the new employee orientation.**
[Emphasis added]

Grantees as Suppliers Seeking to do Business with the City

For all periods relevant to this report, the City required all grantees to submit a City of Delray Beach Vendor Application form prior to the receipt of funding. This requirement applied to NCS grantees.

The Vendor Application form contained language that required firms to select from a list of codes used to "...identify the goods or services which your firm can supply... by the Purchasing Department when alerting vendors regarding new opportunities to do business."

Prior to their first City grant, each of the grant recipient organizations discussed below submitted a City Vendor Application form.

On December 18, 2017, then-Assistant City Manager Caryn Gardner-Young sent an email to Mr. Coleman requesting information on NCS's grant process. In his response, Mr. Coleman wrote a memorandum on December 27, 2017 that stated in part:

¹⁰ Two days after the effective date of this manual, Mr. Coleman emailed it to his department staff, and stated "Educate yourself."

The process was very informal and there was no advertisement. The majority of the local organizations were directed to me upon finding out about the available funds. In order to track the funding and to ensure the funds were being used properly the organizations had to provide information on the event or program, have a current 501c3, **be a vendor of the City and none of the Community Improvement staff could not be a board member of the organization requesting funding.**

[Emphasis added]

Prep and Sports

The City issued a \$1,500 grant to Prep and Sports in 2016 from funds provided by Southern Waste Systems, and a \$3,000 grant in 2018 from funds provided by Waste Management.

Prep and Sports documented its goals in a business plan:

To open and operate Prep and Sports throughout the Southern and Northern Palm Beach County market within 5 years after Prep and Sports is open in Delray Beach.



Mr. Coleman's Involvement in Prep and Sports

Prior to his appointment as NCS Director, Mr. Coleman helped found Prep and Sports, served as an officer, and solicited funds from clergy members and the City for the organization. The following records examined by the OIG reflect Mr. Coleman's involvement in Prep and Sports:

- An undated version of Mr. Coleman's resume was located on his City network profile that reflected he was a board member of Prep and Sports.
- Mr. Coleman was listed as an officer of Prep and Sports in the IRS Forms 990-EZ (Short Form Return of Organization Exempt From Income Tax) filed by Prep and Sports for 2011, 2012 and 2013.¹¹ A sample of those filings follows:

¹¹ For tax years 2007, 2009, 2010, 2014 and 2015, Prep and Sports filed a Form 990-N, which is submitted by tax-exempt organizations whose annual gross receipts are normally \$50,000 or less. The Form 990-N does not require the identification of corporate officers. Prep and Sports did not file a Form 990-EZ or Form 990-N for 2016, 2017 and 2018. The IRS revoked its tax-exempt status on May 15, 2019.

Name: PREPANDSPORTS INC

Form 990EZ, Part IV - List of Officers, Directors, Trustees, and Key Employees

| (A) Name and address | (B) Title and average hours per week devoted to position | (C) Compensation (If not paid, enter -0-.) | (D) Contributions to employee benefit plans & deferred compensation | (E) Expense account and other allowances |
|----------------------------------|--|--|---|--|
| TAVARIUS JACKSON EXECUTIVE DI | 40 00 | 0 | | |
| RON GILINSKY DIRECTOR | 1 00 | 0 | | |
| GEORGE ELMORE DIRECTOR | 1 00 | 0 | | |
| WILLIAM M MORSE DIRECTOR | 2 00 | 0 | | |
| MICHAEL COLEMAN DIRECTOR | 1 00 | 0 | | |
| PATRICIA FLOWERS DIRECTOR | 1 00 | 0 | | |
| JOE PETRI DIRECTOR | 1 00 | 0 | | |
| LEE COHEN DIRECTOR | 2 00 | 0 | | |
| ANTONIO PUENTE DIRECTOR | 1 00 | 0 | | |
| BEVERLY WRIGHT DIRECTOR | 1 00 | 0 | | |
| JULIE HECTOR DIRECTOR | 1 00 | 0 | | |
| JASON DOLLARD DIRECTOR | 1 00 | 0 | | |

- A Microsoft Word file named "Clergy donation letter" was located on Mr. Coleman's City network profile. The document was unsigned and undated. The file's properties reflected a creation date of March 15, 2011. The letter was addressed to "Members of the clergy," and asked for "...an annual pledge of \$1000.00 dollars for a three year period" for Prep and Sports. The letter had a closing of, "Lieutenant Michael A. Coleman."
- A July 17, 2012 letter to then-City Manager David Harden and other City officials discussing the successes of Prep and Sports was located on Mr. Coleman's City network profile. The letter was signed, and had a closing of:
MICHAEL A. COLEMAN, LIEUTENANT
DELRAY BEACH POLICE DEPARTMENT /
Prep and Sports, Board of Director

On April 28, 2015, when Mr. Coleman was Interim NCS Director, Mr. Coleman wrote a memorandum to then-City Manager Cooper. In it, Mr. Coleman advocated for the disbursement of Caron grant funds to Prep and Sports. Mr. Coleman concluded this memorandum by telling then-City Manager Cooper:

I support Prep and Sports initiatives and believe the Caron Foundation funds would be beneficial for the youth in the community. Moreover, they have an impeccable representation throughout Palm Beach County for their work with the youth.
MC/dq

The OIG found an email from Mr. Coleman to Ms. Quinlan in May of 2016. Mr. Coleman's email to Ms. Quinlan, which followed Mr. Coleman's advocacy for the disbursement of Caron funds to Prep and Sports while serving as Interim NCS Director, asked Ms. Quinlan to send a statement to Tavarius Jackson on letterhead announcing Mr. Coleman's resignation of his position with Prep and Sports. The email to Ms. Quinlan stated as follows:

I am submitting this email to you as my resignation from the Prep and Sports Board effective immediately. Due to my current job as the Director of Community Improvement I'm unable to fulfill my obligations. It is for this reason that I must step back and devote time to my career as well as the citizens of Delray Beach. Please accept this as my official non-profit board resignation letter. I have enjoyed my time serving on the board and grateful for the experience. Thank you so much for your understanding.

We located a Microsoft Word file named "Prep and Sports Resignation 051016" on Ms. Quinlan's network profile that contained the same language as Mr. Coleman's email. It is not known if the letter was provided to Mr. Jackson.

After May 9, 2016, Mr. Coleman's City emails reflected regular contact with Mr. Jackson, but they did not reflect involvement in Prep and Sports. On July 13, 2016, Mr. Coleman signed a City check request form authorizing the disbursement of a \$1,500 grant to Prep and Sports, and in April 2018, Prep and Sports received funding from NCS for \$3,000.

Mr. Stewart's Involvement in Prep and Sports

Mr. Stewart was hired by NCS in December 2015 as the City Downtown Manager. In his job application, he stated that he was the "Vice President/Co-Founder" of Prep and Sports and that he worked 30 hours per week there.¹²

The OIG located an email from Ms. Quinlan to Mr. Coleman stating that Mr. Stewart resigned his position with Prep and Sports on or before June 2016; however, during his interview with the OIG, Mr. Stewart disputed that he held a position with Prep and Sports from which he resigned and denied knowledge of the email. In July 2016 and April 2018, Prep and Sports received funding from NCS. The following records examined by the OIG reflect Mr. Stewart's involvement in Prep and Sports:

- In the work experience section of his 2015 application for the Downtown Manager position, Mr. Stewart stated that he was the vice president and co-founder of Prep and Sports. The description of his duties stated that he oversaw the organization's overall mission and program management. This application stated that he worked at Prep and Sports from "3/2005-Present."

¹² In 2005, Tavarius Jackson, Mr. Stewart's cousin and the head football coach at Atlantic Community High School in Delray Beach, incorporated South Florida Scholarship and SAT Preparation, Inc. Mr. Jackson sent an email on August 25, 2020 declining the OIG's request for interview.

- City emails reflect that Mr. Stewart helped organize the annual Prep and Sports Florida vs. Georgia High School Football All-star Games from 2016 through 2018. The emails show that he ordered custom uniforms for both teams, reserved hotel rooms for visiting Georgia families, secured the services of athletic trainers, and provided game information to the media.
- On June 29, 2016, Ms. Quinlan wrote an email to Mr. Coleman that stated, “Jamael resigned from Prep and Sports.” No other information was provided, and Mr. Coleman did not reply.
- Prep and Sports’ mailing address on Florida Division of Corporations filings in 2017, 2018, and 2019 was identical to the home address provided by Mr. Stewart on his 2015 City employment application.¹³
- In an interview recorded in his City office and published on YouTube in January 2018, Mr. Stewart stated that he co-founded Prep and Sports.¹⁴
- Mr. Stewart completed an application nominating Prep and Sports for an award at the 2018 Men of Excellence Awards. It listed him as president of the organization.

2016 Grant to Prep and Sports

On July 14, 2016, Mr. Stewart sent an email to Tavarius Jackson and Mr. Coleman that included an unsigned, undated letter on Prep and Sports letterhead from Mr. Jackson to Mr. Coleman requesting \$1,500 for Prep and Sports. The body of Mr. Stewart’s email stated:

“I will sign it tomorrow.”

The following day, Mr. Coleman signed a City check request form authorizing the disbursement of a \$1,500 grant to Prep and Sports.

2018 Grant to Prep and Sports

In 2018, a letter on Prep and Sports letterhead from Tavarius Jackson to the “City of Delray Beach” detailing the organization’s successes was included with Prep and Sports’ grant application. Mr. Stewart emailed a Microsoft Word version of the letter to Mr.

¹³ On June 6, 2019, the day after Mr. Stewart resigned from City employment, a filed amended report changed Prep and Sports’ mailing address to a commercial address in Delray Beach.

¹⁴ Mr. Stewart said in the interview that the other co-founders were Tavarius Jackson, Anthony Jackson, and Jason Reid. Of these four co-founders, Mr. Stewart’s name is the only one that does not appear on any of the organization’s filings with the Florida Department of State -Division of Corporations (Certain documents filed with the Division of Corporations can be publicly viewed using the website <https://dos.myflorida.com/sunbiz>). However, the organization’s mailing address on reports filed in 2017, 2018 and 2019 was the same as the home address provided by Mr. Stewart on his 2015 City employment application. On June 6, 2019, the day after Mr. Stewart resigned from City employment, an amended report was filed changing Prep and Sports’ mailing address to a commercial address in Delray Beach.

Coleman. The file's properties show that it was created on a City computer accessed using Mr. Stewart's credentials.

Interview of Mr. Stewart

Mr. Stewart told the OIG that Prep and Sports was no longer in operation by the time of his 2020 OIG interview, and that he was just a volunteer for the organization. Mr. Stewart said that, as a volunteer, he could not, and thus, had not resigned from Prep and Sports. He recognized that he stated on his City application that he was "Vice President/Co-Founder" of Prep and Sports, but that he really did not have a title and that it was not a paid position. Mr. Stewart explained that his name does not appear on any Prep and Sports filing with the Florida Division of Corporations or IRS because he was not a corporate officer or board member. According to Mr. Stewart, he first learned that his home address was listed as Prep and Sports' mailing address on several filings with the Florida Division of Corporations when he reviewed records provided by the OIG.

With respect to Mr. Stewart's July 14, 2016 email to Mr. Jackson and Mr. Coleman that stated, "I will sign it tomorrow," Mr. Stewart speculated that he was indicating that, after proofreading the letter, he would initial it and send it back to Mr. Jackson. Mr. Stewart said that he did not write the letter, and he did not sign the letter.

Mr. Stewart said that he had no idea if anyone in City management was aware of his or Mr. Coleman's involvement in Prep and Sports. Mr. Stewart did not think about whether it was a conflict. He did not talk to anyone, including his Department head, about whether his role with Prep and Sports conflicted with the City's interests.

Living Skills in the Schools – Mr. Coleman

Living Skills in the Schools (LSIS) is a youth substance abuse prevention and education program. Its executive director is Suzanne Spencer. The City issued a total of \$31,300 in three checks in 2016 and 2018 – two to Crossroads Club Inc. and one to CRC Recovery Foundation Inc. – to fund LSIS.



- After LSIS received monies from NCS, a letter was provided to the Riviera Beach City Manager by LSIS recommending Mr. Coleman for the position of Riviera Beach Chief of Police. When contacted by our office, Riviera Beach officials advised that this letter had been received as part of Mr. Coleman's application for that position.
- After the LSIS letter to Riviera Beach was sent on Mr. Coleman's behalf in 2017, LSIS received additional monies from NCS in 2018. Additionally, on Mr. Coleman's network profile, the OIG located an unsigned letter dated March 1, 2018 from Ms. Spencer recommending Mr. Coleman for the position of Boynton Beach Chief of Police. Boynton Beach officials told us that they did not request references from Mr. Coleman.

Delray Beach Drug Task Force – Mr. Coleman

From 2012 through 2016, Ms. Spencer served as the Executive Director of the Delray Beach Drug Task Force (DBDTF). According to its website, the DBDTF is a nonprofit organization whose mission “is to provide community leadership and education in the campaign against addiction by maintaining a network and forum to discuss, advocate, and influence issues with regard to public safety, prevention, and rehabilitation.”



- On November 13, 2015, the City issued a \$2,500 grant check to the DBDTF. On November 16, 2015, three days after the City issued the \$2,500 grant check to DBDTF, Mr. Coleman received an email to his City email account as part of the recipient group “The Drug Task Force Board.”

- On September 14, 2016, Mr. Coleman sent an email to Ms. Spencer that stated:

Effective immediately I'm resigning from the drug task; however, I would like to be involved in all the initiatives reference drug awareness. Thanks for the opportunity!

- On his City computer, Mr. Coleman retained a file titled “Michael Andre Coleman 42017.” This file was Mr. Coleman’s personal resume, and it listed Delray Beach Drug Task Force under the Professional Affiliations header.

The City issued the DBDTF a second \$2,500 grant check on January 13, 2017.

Emanuel Jackson Sr. Project Inc. – Mr. Stewart

A November 2017 filing with the Florida Division of Corporations added Mr. Stewart as a corporate officer for Emanuel Jackson Sr. Project Inc. That filing follows:

| | |
|--|--|
| EMANUEL JACKSON SR. PROJECT, INC | |
| (Name of Corporation as currently filed with the Florida Dept. of State) | |
| N14000008628 | |
| (Document Number of Corporation (if known)) | |
| Pursuant to the provisions of section 617.1006, Florida Statutes, this <i>Florida Not For Profit Corporation</i> adopts the following amendment(s) to its Articles of Incorporation: | |

| <u>Type of Action</u> (Check One) | <u>Title</u> | <u>Name</u> |
|--|--------------|----------------|
| 1) <input type="checkbox"/> Change <input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove | D | Sara Selnick |
| 2) <input type="checkbox"/> Change <input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove | D | Kristyn Cox |
| 3) <input type="checkbox"/> Change <input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove | D | Jamael Stewart |



Emanuel Jackson Sr. Project Inc. received a \$1,000 Waste Management grant in April of 2018. Emanuel Jackson Sr. Project, Inc.'s September 2018 filing no longer listed Mr. Stewart as an officer.

OIG Conclusion

Mr. Coleman and Mr. Stewart signed City Conflict of Interest and Disclosure forms on May 27, 2015 and in December 2015, respectively, wherein in they agreed not to leverage their influence as a City of Delray Beach employee or public officer for personal endeavors.

Thereafter, the City revised its Human Resources Policy Manual, effective May 15, 2018, to require all employees to avoid conflicts between their personal interests and the interests of the City in dealing with those seeking to do business with the City. All grantees signed vendor application forms.

In 2016, while serving as Director of NCS, Mr. Coleman leveraged his influence as a City employee to request that then-City Manager Cooper approve the award of funds to Prep and Sports, during a time when Mr. Coleman served on the Board of that organization.

After Mr. Coleman's resignation from the Board of Prep and Sports, NCS provided grant monies to the organization. Although those instances may not have violated the City's policies, processes, or procedures with respect to conflicts relating to personal endeavors, in order to avoid the appearance of impropriety, it may have been prudent for Mr. Coleman to have recused himself from overseeing or participating in the decision making process or signing checks relating to that organization.

Additionally, as Director of NCS, Mr. Coleman oversaw grant funding to LSIS in February 2018, although he received employment recommendations from its Executive Director

relating to his personal endeavors. Mr. Coleman also oversaw funding to the DBDTF at a time when he served in his personal capacity as a board member.

Similarly, Mr. Stewart, as Assistant Director of NCS, leveraged his influence as a City employee by helping to facilitate the award of grant funds to an organization he co-founded, Prep and Sports, during a period in time when the organization's address with the Florida Division of Corporations matched his address on his 2015 application for employment with the City, helped organize events for the organization, and listed himself as president of the organization for a Men of Excellence Award.

Additionally, Mr. Stewart helped facilitate the award of funds to Emanuel Jackson, Sr. Project, Inc. in 2018, during a time when he was listed as a corporate officer of the entity.

The grants disbursed with conflicts, or when Mr. Coleman or Mr. Stewart used their leverage for personal endeavors amount to \$9,800 in Questioned Costs.¹⁵

Allegation 2 is **supported**. In some instances, Mr. Coleman and Mr. Stewart failed to avoid conflicts of interest between their personal interests and the City's interests in dealing with certain organizations seeking grant funds from the City or leveraged their influence for personal endeavors.

There were other instances that we evaluated, however, that did not appear to violate the City's policies, processes, or procedures. Nevertheless, in order to avoid the appearance of impropriety, it may have been prudent for Mr. Coleman and Mr. Stewart to have recused themselves from overseeing or participating in the decision making process relating to grant awards to organizations with which they previously had a personal relationship.

Allegation (3):

Mr. Stewart solicited funds on behalf of a non-profit for which he served as an officer/director, by asserting under false pretenses, that an event was being presented by the non-profit at a City facility, in violation of Florida Statutes.

Governing Directives:

Section 496.415, Florida Statutes, provides,

Prohibited acts.

It is unlawful for any person in connection with the planning, conduct, or execution of any solicitation or charitable or sponsor sales promotion to:

(13) Employ in any solicitation any device, scheme, or artifice to defraud or to obtain a contribution by means of any deception, false pretense, misrepresentation, or false promise.

¹⁵ Questioned costs for Allegation 2 would have totaled \$41,800 but for the representation of \$32,000 of those Questioned Costs in Allegation 1. The OIG did not double-count costs that were relevant to both Allegation 1 and 2.

Section 496.404, Florida Statutes, provides,

(24) "Solicitation" means a request, directly or indirectly, for money, property, financial assistance, or any other thing of value on the plea or representation that such money, property, financial assistance, or other thing of value or a portion of it will be used for a charitable or sponsor purpose or will benefit a charitable organization or sponsor. The term includes, but is not limited to, the following methods of requesting or securing the promise, pledge, or grant of money, property, financial assistance, or any other thing of value:

(a) Making any oral or written request

Finding:

The information obtained **does not support** the allegation.

Stop the Violence Awareness Basketball Tournament

The Stop the Violence Awareness Basketball Tournament was a one-day, four-team event. The tournament was held annually from 2016 through 2019. Each tournament was held at the Pompey Park Recreation Center, a City facility managed by the Department of Parks and Recreation (Parks).

Several days before the 2019 tournament, Parks Director Samuel Metott came across a flyer on social media for that year's tournament. The flyer, which he provided to the City, said that Opportunity Knocks was presenting the 2019 tournament at Pompey Park in Delray Beach. This flyer showed logos of businesses that were sponsoring this Opportunity Knocks event.

Interview of Prentice Mobley

Mr. Mobley showed the OIG an event flyer reflecting that Opportunity Knocks was presenting the 2019 tournament at Atlantic Community High School. He said that this was the initial version of the flyer, which he saw on social media.

The OIG showed Mr. Mobley a flyer for the same event, to be held at Pompey Park and sponsored by Opportunity Knocks. This version of the flyer appeared as:



Mr. Mobley identified that flyer as a subsequent version.

Mr. Mobley told the OIG that a third and final version of the flyer showed that the event was at Pompey Park and sponsored by the City.

Mr. Mobley said that while the tournament was originally going to be held at Atlantic High School and privately sponsored, it became a City event and was held at Pompey Park. After the venue was changed, someone modified the flyer to reflect the location as Pompey Park, but did not amend the event sponsor. Mr. Mobley did not want a flyer to reflect that Opportunity Knocks or any other nonprofit was presenting the tournament. Mr. Mobley created the final flyer advertising the 2019 tournament. It reflected that the tournament was presented by Parks, and listed him as the point of contact.

Review of an Opportunity Knocks Bank Account

The OIG reviewed checks written to Opportunity Knocks by business sponsors of the 2019 basketball tournament.

In May 2017, Mr. Stewart opened a checking account in the name of Opportunity Knocks Inc. He was the only authorized signatory on the account. A review of the account records showed that none of the checks written by sponsoring businesses to Opportunity Knocks in support of the 2019 basketball tournament were deposited in this account.

OIG Conclusion

Mr. Mobley told the OIG that there were three versions of the flyer for the 2019 Stop the Violence Awareness Basketball Tournament. The initial flyer showed that the tournament was to be held at Atlantic High School and was to be sponsored by Opportunity Knocks.

When the tournament site was changed to Pompey Park, the flyer was modified, but neglected to state that the event had become a City event.

However, the final version of the flyer corrected that error, and accurately reflected that the tournament was a City event at Pompey Park.

The OIG reviewed and confirmed that these three versions of the flyer existed, and that the corrected version of the flyer was used. Once the tournament became a City event, neither Mr. Stewart nor Opportunity Knocks benefited from any donations for the event.

Therefore, the allegation that Mr. Stewart solicited donations under false pretenses is **not supported**.

During the course of reviewing allegation 3, **an additional issue** was identified:

In 2018, Walmart issued three checks to Opportunity Knocks in amounts of \$1,000, \$1,500 and \$500. The \$1,000 and \$1,500 checks were deposited into the Opportunity Knocks bank account. The \$500 check was deposited into Mr. Stewart's personal account. By depositing the \$500 check from Walmart to Opportunity Knocks in his personal account, Mr. Stewart commingled a charitable contribution with non-charitable funds. Section 496.415, Florida Statutes prohibits commingling charitable contributions with non-charitable funds.

Allegation (4):

Mr. Coleman used a City purchasing card to buy trophies for Mr. Stewart and Mr. Stewart's cousin that were not made for the City and did not serve a public purpose, in violation of City policy.

Governing Directives:

City of Delray Beach Administrative Policies and Procedures Manual

Subject: Budget and Finance, Purchasing Card

Policy Number PUR-001, Revision 2

Effective Date: September 25, 2017

A. Policy

The City of Delray Beach Purchasing Card (P-Card) simplifies purchases and payment for items and services costing \$2,500 or less.

B. Purpose

The purchasing card is the property of the City and is to be used ONLY for City purchases as defined in the following procedures.

.....

5. Prohibited Uses of Purchasing Cards:

A. The following types of items may NOT be purchased with a purchasing card, no matter the dollar amount.

- Any purchase that does not serve a **public** [emphasis added] purpose.

Finding:

The information obtained **supports** the allegation.

Dissemination of PUR-001

City Policy PUR-001 went into effect on November 1, 2008. It was updated as Revision 1 on August 1, 2015. On September 1, 2015, a City accountant sent Revision 1 to Mr. Coleman and others in an email that stated in part:

It is the responsibility of Department Heads to ensure that cardholders follow purchasing card policy guidelines, so please be sure you are familiar with the policy. I have attached a copy for your reference.

PUR-001 was updated as Revision 2 on September 25, 2017. On October 17, 2017, Ms. Quinlan emailed it to Mr. Coleman, Mr. Stewart, and then Community Improvement Project Administrator Jennifer Costello.

Acquisition of City Purchasing Card -1697

On July 31, 2017, Ms. Quinlan sent an email to an accountant in the City's Finance Department that stated:

I'm the only person in the department with a credit card. Since Jennifer Costello is my back up, please advise what the process is in order for her to obtain one. Thanks.

The accountant emailed Ms. Quinlan a "City of Delray Beach Purchasing Card Request Form."

Ms. Costello signed an undated "City of Delray Beach Purchasing Card Program Cardholder Agreement" certifying that she received a Bank of America Visa Purchasing Card ending in 1697. The form shows that she was provided a copy of the purchasing card policy, and that she attended training on August 29, 2017. The agreement stated in part:

I understand that under no circumstances will I use the Purchasing Card to make personal or unauthorized purchase, either for others or myself.

Use of City Purchasing Card -1697

On January 3, 2018, Mr. Coleman received an email from the Director of the Spady Cultural Heritage Museum in Delray Beach. The Spady Museum is a museum of African-American history operated by the nonprofit organization EPOCH (Expanding and Preserving Our Cultural Heritage). The email stated in part:

... I would like a 30 minute appointment with you to talk about a special feature we would like to add to the MLK Breakfast this year.

Subsequent emails indicate that they met at the museum a couple days later.

On January 11, 2018, Mr. Stewart emailed Mr. Coleman a link to the website of Crown Trophy in Boca Raton. Mr. Stewart then sent an email to the store that stated:

My boss will be calling you from the City of Delray

Later on January 11, 2018, Mr. Coleman sent an email to Crown Trophy that stated:

*Awardees
Tavarius Jackson
Jamael Stewart*

"Martin Luther King Jr. Legacy Award 2018"

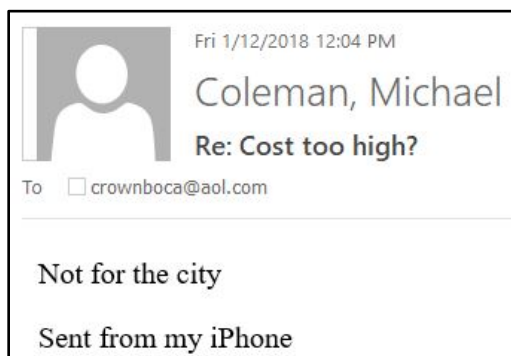
Crown Trophy then emailed Mr. Coleman an image of a particular trophy. Mr. Coleman replied:

I like it let's move forward

The next day, a Crown Trophy manager asked Mr. Coleman:

Is this from the city? Should I put the city logo on there?

Mr. Coleman replied:



A Crown Trophy invoice dated January 11, 2018 shows that the cost of two \$70 items described as "Lucite 9 [inch] Blue Wedge" was billed to the City of Delray Beach. The handwritten initials "MC" appear on the invoice next to the total figure of \$140.

The \$140 was expensed to a City account designated for "general operating supplies." The same charge is reflected on the statement of Ms. Costello's City purchasing card for the period January 5, 2018 to February 4, 2018.

| Purchasing Card | | JENNIFER COSTELLO CITY OF DELRAY BEACH XXXX-XXXX-XXXX-1697 January 05, 2018 - February 04, 2018 | | Cardholder Activity | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|-------------------------|---------------------|---------|-------------|--|--|--|--|--|--|--|------|------|-------------|------------------|-----|--------|--------|--|--|-------|-------|--|-------------------------|------|--------|--|--|--|
| Account Information Mail Billing Inquiries to: BANKCARD CENTER PO BOX 982238 EL PASO, TX 79998-2238 Customer Service: 1.888.449.2273 24 Hours TTY Hearing Impaired: 1.800.222.7365 24 Hours Outside the U.S.: 1.509.353.6656 24 Hours For Lost or Stolen Card: 1.888.449.2273 24 Hours | Payment Information Statement Date 02/04/18 Credit Limit \$6,000 Cash Limit \$0 Days in Billing Cycle 31 Total Activity \$572.60 THIS IS NOT A BILL - DO NOT PAY | Account Summary Credits \$0.00 Cash \$0.00 Purchases \$572.60 Other Debits \$0.00 Cash Fees \$0.00 Other Fees \$0.00 Total Activity \$572.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transactions <table border="1"> <thead> <tr> <th>Posting</th> <th>Transaction</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> </tr> <tr> <th>Date</th> <th>Date</th> <th>Description</th> <th>Reference Number</th> <th>MCC</th> <th>Charge</th> <th>Credit</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>01/15</td> <td>01/12</td> <td>CROWN TROPHY OF BOCA RAT BOCA RATON FL</td> <td>24639238014900011800059</td> <td>5999</td> <td>140.00</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | | Posting | Transaction | | | | | | | | Date | Date | Description | Reference Number | MCC | Charge | Credit | | | 01/15 | 01/12 | CROWN TROPHY OF BOCA RAT BOCA RATON FL | 24639238014900011800059 | 5999 | 140.00 | | | |
| Posting | Transaction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | Date | Description | Reference Number | MCC | Charge | Credit | | | | | | | | | | | | | | | | | | | | | | | | | |
| 01/15 | 01/12 | CROWN TROPHY OF BOCA RAT BOCA RATON FL | 24639238014900011800059 | 5999 | 140.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |

After the event, the Director of the Spady Museum sent Mr. Coleman an email that stated:

Michael, I want to thank you again for your total support of our awards presentation at the breakfast. You not only made us aware of the perfect candidates, but you put us in touch with them and paid for the awards. Without you we would not have been able to pull it off this year and I can't thank you enough for your rare, positive spirit. I hope we made you proud.

Interview of Crown Trophy Manager

The operations manager of Crown Trophy of Boca Raton told the OIG that someone presenting a credit card in the store purchased the Lucite trophies. He could not recall who presented the credit card that was used.

OIG Conclusion

Mr. Coleman's decision to use City funds to purchase awards for Mr. Stewart and Mr. Jackson in connection with an event that he acknowledged in writing was not a City event was a violation of City policy PUR-001. This purchase did not serve a public purpose. We

consider the cost of the trophy purchased with a City credit card to be an Identified Cost totaling \$140.00.

QUESTIONED COSTS

Questioned Costs: \$91,400

Identified Costs: \$140.00

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank the City of Delray Beach for their cooperation throughout this investigation.

RECOMMENDED CORRECTIVE ACTIONS

Based on our findings related to Allegation (2), we recommend:

1. Prior to disbursing grant funds to an organization, that the City amend Exhibits A and B of Policy GA-23 to require organizations requesting charitable and benevolent contributions and special event funding from City funds to disclose employees, directors, officers, and volunteers who are current employees of the City of Delray Beach.
2. The City add language to the "City of Delray Beach Direct Payment Check Request" form requiring any approver to certify that he/she has not served as an officer, director, or employee of the organization receiving funds.
3. The City inform employees of City ethics policy updates, and have them acknowledge and sign the City's updated Conflict of Interest and Disclosure form when updated.

RESPONSE FROM MANAGEMENT

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the City was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. Their written response is attached to this report as Attachment A.

RESPONSE FROM MR. COLEMAN AND MR. STEWART

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Mr. Coleman and Mr. Stewart were provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. Their written response is attached to this report as Attachment B.

ATTACHMENT A
RESPONSE FROM THE CITY OF DELRAY BEACH



CITY OF DELRAY BEACH

CITY MANAGER'S OFFICE

100 N.W. 1ST AVENUE • DELRAY BEACH • FLORIDA 33444 • (561) 243-7015



VIA e-mail: inspector@pbcgov.org

January 20, 2021

Stuart Robinson, Director of Investigations
Office of Inspector General
P.O. Box 16568
West Palm Beach, FL 33416

Re: OIG# 2019-004 City of Delray Beach Grants Program

Dear Director Robinson:

The City of Delray Beach (City) has reviewed the Office of Inspector General's draft investigative report regarding the City's Grants Program. Please see below the City's responses to the findings and recommendations.

City Response No 1:

The City concurs with the recommendation. As noted in the report finding, Exhibits A and B of Policy GA-23 shall be updated. The updated exhibits shall require that all organizations seeking charitable and benevolent contributions and special events funding disclose all employees, directors, officers, and volunteers who are employees of the City of Delray Beach at the time of submission of the request.

Corrective Action expected implementation: February/March 2021

City Response No 2:

The City concurs with this recommendation. As part of the City's vendor enrollment procedure, which is required for any organization, individual, or business to receive a disbursement from the City, the vendor must disclose any officers, directors, and employees which are City of Delray Beach employees. To strengthen this procedure, the City will update the check request form as an additional control to require all approvers to certify that 1) they have not and do not currently serve as officers, director or employees of the payee receiving funds, and 2) they have verified that the required vendor affidavit is complete and filed with the City.

Corrective Action expected implementation: March/April 2021

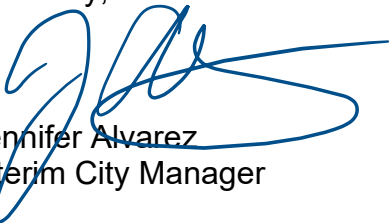
City Response No 3:

The City concurs with this recommendation. Employees will be notified when changes are made to the City's Ethics Policy and will be required to acknowledge receipt of the updated policy and submit a signed updated Conflict of Interest and Disclosure Form. The City will explore methods to capture this certification by personnel electronically and will update the OIG once the procedure is finalized for implementation.

Corrective Action expected implementation: June/July 2021

As always, we appreciate the opportunity to strengthen procedures and controls. Should you have any additional questions, please call me at (561) 243-7015.

Sincerely,

A handwritten signature in blue ink, appearing to read 'JA', with a long horizontal flourish extending to the right.

Jennifer Alvarez
Interim City Manager

ATTACHMENT B
RESPONSE FROM MR. COLEMAN AND MR. STEWART

398 pages of exhibits accompanied the attached response from Mr. Coleman and Mr. Stewart. These exhibits are available upon request.

**Response of Michael Coleman and Jamael Stewart to Allegation Nos. 1, 2 and
4 of the Palm Beach County Office of Inspector General's Investigative
Report 2019-0004, City of Delray Beach Grants Program**

Michael Coleman ("Coleman") and Jamael Stewart ("Stewart"), through undersigned counsel, hereby submit their Response to Office of Inspector General, Palm Beach County Draft Investigative Report 2019-0004 (the "OIG Draft Investigative Report").

Dated: February 5, 2021

Submitted by: /s/ Bruce A. Zimet

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I. BACKGROUND

The Office of Inspector General, Palm Beach County ("OIG") transmitted its Draft Investigative Report ("OIG Draft Report") to counsel for Coleman and Stewart on January 12, 2021, after an approximately 20-month investigation. The OIG granted an extension until February 5, 2021 for Coleman and Stewart to file their written Response to the Draft Report. The OIG informed Coleman and Stewart that the OIG Final Investigative Report will include Coleman and Stewart's Response, as well as any rebuttal submitted by the OIG.

The OIG Draft Report asserts:

In May 2019, the Palm Beach County Office of Inspector General (OIG) received a complaint that former City of Delray Beach (City) Director of Neighborhood and Community Services (NCS) Michael Coleman (Mr. Coleman) and former Assistant NCS Director Jamael Stewart (Mr. Stewart) had potentially violated City policies and/or applicable laws, rules and procedures in connection with the disbursement of City grant funds. NCS is responsible for managing the City's grant funded programs."

See OIG Draft Report, pg. 1.

According to the OIG Draft Report, the complaint included two allegations. The first allegation asserted that "a City Policy" was violated when Coleman and Stewart caused the disbursement of City grants to organizations that did not submit a "required application, and/or that submitted applications were not reviewed by a committee designated by a City Manager." *Id.* The second allegation asserted that Coleman and Stewart failed "to avoid conflicts of interest between their personal interests in dealing with certain organizations seeking grant funds from the City, in violation of City policy, processes, or procedures." *Id.* Additionally, the OIG Draft Report claims that "during the course of our investigation the City provided information that led to the development of the following additional allegations." *Id.* These additional allegations are that Stewart "solicited funds under false pretenses on behalf of a non-profit for which he served as an officer/director, in violation of Florida Statutes" and that Coleman used a City purchasing card to buy trophies for Stewart and Stewart's cousin for "a non-city purchase that did not serve a public purpose." *Id.*

The OIG Draft Report represents that the OIG investigation "included" review of City policies, memoranda, emails, grant applications for 2015-2018 and computer network data and that the OIG "conducted numerous interviews, including interviews with current and former City staff." *Id.* It also includes references to certain documents and paraphrases certain interviews. The OIG has not provided Coleman and Stewart with the documents or witness interviews referenced in its Draft Report, although they were able to obtain some documents from the Palm Beach County ("PBC") Commission on Ethics upon the conclusion of its investigation in November 2020.¹

The Draft Report concluded that allegation nos. 1 (grants disbursed without required application or without a review committee designated by City Manager); 2 (Coleman and Stewart failed to avoid conflicts of interests in dealing with certain organizations seeking City grant money or "leveraged" their influence for personal endeavors); and 4 (Coleman used a City purchasing card to buy trophies for Stewart and Stewart's cousin for non-City purchase that did not serve a

¹ The PBC Commission on Ethics received the same complaints from the City as the OIG and determined that they lacked legal sufficiency. *See PBC COE 09/28/20 Memorandum of Inquiry; PBC COE 11/04/20 Memorandum of Inquiry.*

public purpose) were supported with “sufficient evidence,” and that allegation no. 3 (Stewart solicited contributions for a nonprofit under false pretenses) was not supported with “sufficient evidence.” *OIG Draft Report, pg. 1-2.*

The purpose of this Response is to set forth information, facts and common sense that thoroughly refute the conclusions set forth in the *OIG Draft Report*. While the *OIG* investigation apparently spanned nearly 20 months, it is obvious that it was – a best – superficial and lacked the objectivity required in any legitimate investigation. Representations made in the *OIG Draft Report* raise questions concerning the integrity of the process and the thoroughness of its investigation. Furthermore, it wholly ignores significant contextual circumstances and fails to address fundamental facts, documents and issues.

II. OIG DRAFT REPORT OMISSIONS AND FICTIONS

The *OIG* is fully aware that the “allegations” against Coleman and Stewart were originated by former City employee, Suzanne Fisher in March 2019 when she became a Delray Beach Assistant City Manager and supervisor to Coleman and Stewart. The *OIG* is also fully aware that both Coleman and Stewart have strong reason to believe that Fisher’s accusations are motivated by Fisher’s retaliation against Coleman and Stewart based upon their coming forward and exposing Fisher’s performance issues.

The *OIG* is also fully aware that Fisher’s “allegations” were submitted to the PBC Commission on Ethics, the PBC State Attorney’s Office, and the *OIG* in May 2019 in the form of two City of Delray Beach memoranda, the first entitled, “Misuse of Waste Management Grant Funds,” and the second entitled, “Misuse of Caron Foundation Settlement Agreement Grant Funds.” Both memoranda were authored by City Internal Auditor, Julia Davidyan, with the assistance of Fisher. The *OIG Draft Report* does not specifically reference the memoranda, but merely asserts that “in May 2019, the [OIG] received a complaint” *Id. at pg. 1.* It obscures Fisher’s involvement in generating the allegations and “evidence” against Coleman and Stewart, omits Fisher’s retaliatory motives and omits the fact that the allegations against Coleman and Stewart were also transmitted to the PBC State Attorney and the PBC Commission on Ethics.

The *OIG Draft Report* includes a section claiming that Stewart and Coleman were “afforded interviews” with the *OIG* as part of its investigation. Stewart was invited to an *OIG* interview and provided with documents to review at the *OIG*’s offices prior to the scheduled interview. Stewart requested a copy of the complaint or allegations that had been made against him and the *OIG* refused to provide Stewart with any specific allegations. Once at the purported “interview,” it became clear to Stewart’s counsel that the *OIG* was not conducting an interview, but was rather executing an interrogation. Stewart’s counsel, a former Assistant United States Attorney, based his conclusion on the method of questioning, the phrasing of questions and the obvious “gotcha” technique being employed. At that point, Stewart’s counsel, recognizing that the *OIG* in effect was attempting to sandbag Stewart, requested a copy of the questions that Stewart was going to be asked, so Stewart could consult with counsel prior to answering same. The *OIG* refused Stewart’s request for written questions in advance of Stewart’s continued “interview.”

Stewart's counsel also requested a copy of the recording of the interrogation that had occurred up to that point, so that Stewart would be able to demonstrate that he was being subjected to an interrogation rather than afforded an interview, as represented by OIG. The OIG refused Stewart's request to have a copy of his own "interview." Based on the OIG's refusals, the Stewart interrogation was terminated and Coleman was advised not to participate in an OIG interrogation.

Prior to the presentation of the OIG Draft Report, the OIG became aware that both the PBC State Attorney and the PBC Commission on Ethics had determined they were not moving forward with any adverse action based upon the City's allegations against Coleman and Stewart, which were the same allegations being considered by the OIG. *See PBC COE 09/28/20 Memorandum of Inquiry; PBC COE 11/04/20 Memorandum of Inquiry.* The OIG Draft Report failed to include any mention of the disposition of the PBC State Attorney or PBC Commission on Ethics investigations.

The OIG is also fully aware, and the Draft Report is conspicuously silent, concerning the fact that none of the City Managers, Assistant City Managers or City Attorneys supervising Coleman and Stewart had any qualms with the processes employed for the disbursement of Caron Foundation ("CF") or Waste Management ("WM") grant funds prior to Fisher's 2019 "review." The absence of any concerns by any City Managers, Assistant City Managers or City Attorneys regarding CF or WM practices prior to Fisher's March 2019 involvement fairly raises the question of why Fisher targeted Coleman and Fisher. That is a question the OIG either failed to address or ignored.

The OIG Draft Report fails to include any reference to Fisher's history with the City, or her contentious history with both Coleman and Stewart. A legitimate investigation would have prioritized review of Fisher's City employment records and inquired into Fisher's well documented history of petty and false accusations against several City employees, including Coleman. Either such an inquiry was never conducted, or if conducted, never disclosed by the OIG in its Report.

Review of the OIG Draft Report does not even hint of the victimization of Coleman and Stewart. It includes a section titled "Mr. Stewart's and Mr. Coleman's Separation from the City," which concludes that Coleman and Stewart resigned their City employment during a "review process" of NCS grant disbursement being conducted by the City.² *Id. at pg. 4.* This creates the inference that Coleman and Stewart, knowing that a grant review process was underway, were so concerned with that review that they decided to resign, when the truth is that they were forced to resign without being apprised of the accusations against them or the opportunity to confront same. The reality is that on June 5, 2019, Coleman and Stewart arrived at an early morning meeting at Interim City Manager Neal De Jesus' office for which they had received an invite the day before to allegedly discuss the City Downtown Area. When they arrived, they were separated and each taken into the City Manager's office, one right after the other. Also in the City Manager's office

² The OIG Draft Investigative Report does not provide the source of its "Separation from the City" section.

were Director of Human Resources, Duane D’Andrea and City Attorney Lynn Gelin. In their respective meetings, Coleman and Stewart were each informed that they were being investigated by three law enforcement agencies for unspecified reasons and as a result, had two options – resign or be publicly terminated. Coleman and Stewart each requested the details of the allegations serving as the basis for their termination, as well as the identity of the source of the allegations. The City Manager refused to provide any information and refused to honor Coleman’s and Stewart’s requests to consult with legal counsel or family prior to making a decision. As a result, Coleman and Stewart, each under duress, resigned from their positions at the City. Only after the fact did Coleman and Stewart learn that as of June 5, 2019, the City had only recently made *complaints* to the three agencies.

All of these shenanigans employed by the City are supremely relevant to the OIG’s investigation. Not only should the conduct of the City hierarchy have given the OIG pause, it should have alerted the OIG to question everything being presented by the City. Obviously, that was not done.

The OIG Draft Report hinges many of its adverse conclusions against Coleman and Stewart on their alleged failure to follow City of Delray Beach Administrative Policies and Procedures Manual Policy Number GA-23, Revision 7 (“Policy GA-23”). *Id.* at 5-6. The OIG offers no basis for its claim that Policy GA-23 governed CF and WM grant disbursement. It is not clear whether the OIG’s Policy GA-23 conclusion is an assumption or evidence based, or whether the OIG conducted an independent investigation concerning the applicability of GA-23. The PBC Commission on Ethics did conduct its own independent investigation into the issue and concluded that (1) Policy GA-23 was not applicable; and (2) the Policy had in fact expired in September 2016. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 6 of 19.* Coleman and Stewart provide extensive detail concerning Policy GA-23 in this Response and further conclusively establish its non-applicability to any issues raised in the OIG Draft Investigative Report.

The list of the OIG Draft Report’s omissions and erroneous assumptions and conclusions is voluminous, and is fully detailed in the substance of Coleman and Stewart’s Response, below. Before proceeding to the specificities of the Response, one additional omission demands discussion. The OIG Draft Report fails to provide any meaningful discussion concerning the vital role both Coleman and Stewart have played in the affairs of Delray Beach, particularly their involvement in advancing the needs of the black community and impoverished community in Delray Beach, both populations that have been historically overlooked and underserved. Both Coleman and Stewart are recognized difference makers in Delray Beach; are fully committed to establishing programs that provide hope and a path toward success for many who have been disadvantaged and disregarded; and are proven and recognized liaisons with Delray Beach’s black citizens and the City. While it is unfortunate that Coleman and Stewart have been targeted with bogus accusations motivated by revenge and retaliation, the real tragedy would be if the OIG failed to conduct a fair and responsible investigation recognizing that Coleman and Stewart have not engaged in any of the allegations described as being supported in the OIG Draft Investigative Report.

III. DRAFT REPORT ALLEGATION NO. 1 IS NOT SUPPORTED BY SUFFICIENT EVIDENCE

ALLEGATION NO. 1 – Coleman and Stewart caused the disbursement of City grants to organizations that did not submit a required application, and/or that submitted applications that were not reviewed by the City Manager, in violation of City Policy.

Coleman and Stewart Response – Contrary to the conclusion reached by the OIG, allegation no. 1 is not supported as to either the Caron Foundation (“CF”) grant or the Waste Management (“WM”) grant.

A. Issue – Governing Directive

According to the OIG, the directive governing all of the conclusions it reached in allegation 1 of its report is Policy GA-23. The OIG’s conclusion is erroneous. Policy GA-23 never applied to either the CF grant or the WM grant.

The entire time Coleman administered the disbursement of the CF and WM grants, not one member of City upper management ever informed him that adherence to Policy GA-23 was required. As shown in more detail below, Coleman kept his superiors informed and “in the loop” with regard to the disbursement CF and WM grant funds and was never once told that his actions were in violation of a Policy GA-23 – not by City Managers Donald Cooper or Mark Lauzier; Assistant City Managers David Scott, Caryn Gardner-Young or Jeff Goldman; or by City Attorneys Janet Rustin, Mike Dutko, Max Lohman or Lynn Gelin. Janet Meeks, a colleague of Mr. Coleman’s that assisted him with the disbursement of grant monies from 2015-2017, told the OIG during her interview that she had never even heard of Policy GA-23. *See OIG Memorandum of Meeks Interview, pg. 1.* To say that Coleman was operating in violation of a City policy that none of his superiors had ever mentioned or followed, despite their being well aware of and approving what Coleman was doing with regard to the CF and WM grant applications, is reckless conclusion that just does not comport with the facts and documents related to the issue.

The PBC Commission on Ethics investigated this very issue and came to the exact opposite conclusion as the OIG. It specifically determined in its November 4, 2020 Memorandum of Inquiry concerning the CF grant that, “[GA-Policy 23] appears to be a guideline for a type of City Contribution that differed from the funding of the Caron Foundation Grant.” *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 6 of 19.* When the PBC Commission on Ethics requested records from the City relevant to Policy GA-23, it was “informed by the City that the Charitable and Benevolent Contributions and Special Event Funding program was stopped after fiscal year 2015/2016.” *See id.* The City’s fiscal year ends in September, and as such, as of September 2016, Policy GA-23 expired and was no longer City policy as of September 2016.

Moreover, Policy GA-23 became effective on June 1, 2015 and was approved by City Manager Donald Cooper. Accordingly, the most logical individual for a competent investigator

to question concerning the applicability of Policy GA-23 to CF and WM grant disbursement would be Cooper. The Draft Report does cite to an OIG interview of Cooper. *See OIG Draft Report*, pg. 7. However, the OIG Draft Report's section relating to the Cooper interview makes absolutely no mention of Policy GA-23, or its applicability to CF or WM grant disbursement. *See id.* Even if the OIG failed to ask Cooper about Policy GA-23 during his interview, the OIG has no excuse for not examining the issue more closely when the PBC Commission on Ethics published its November 4, 2020 Memorandum of Inquiry determining that Policy GA-23 was inapplicable and had expired in September 2016.

In any event, we did further investigation on this issue and learned that the PBC Commission on Ethics' conclusion was indeed correct. Policy GA-23 expired in September 2016 and was replaced by the City of Delray Beach Special Events Policy, which was deemed effective on October 1, 2016. *See Exhibit 74, Special Events Guidebook 2016*, pg. 27-34. This fact has been confirmed by Mark Lauzier, who was City Manager from November 2017 until February 2019. *See Lauzier Affidavit*, ¶ 2-3. This new Policy included a new application and implemented new requirements in order to obtain City funding for a special event.³ *See Exhibit 74*, pg. 33. Moreover, this new Policy did not apply to City-awarded grant programs, such as the CF or WM grants – it solely applied to “Special Events,” which was specifically defined in the Policy.⁴ *See id.*, pg. 27-28; *Lauzier Affidavit*, ¶ 3.

As such, the conclusion that Coleman and his Department of Neighborhood and Community Services (“NCS” f/k/a Department of Community Improvement) were required to follow Policy GA-23 as they disbursed CF and WM grants is erroneous. Policy GA-23 never applied to City-awarded grant programs, expired in September 2016 and was replaced by a new policy that also did not apply to City-awarded grant programs.

³ The new Policy on obtaining City funds for special events stated: City Sponsorship of Special Events – As part of the events permit application process, Producers may request sponsorship from the City. Sponsorship may include, and is not limited to, co-production of the event, in-kind services, use of facilities, financial contributions and/or discounted event fees and charges. Event sponsorships valued up to \$50,000 will be approved by the City Manager while sponsorships greater than \$50,000 must be approved by the City Commission. *See id.*, pg. 33.

⁴ The new Policy defined “Special Events” as follows: SPECIAL EVENT - shall mean an organized or planned gathering of persons having a common purpose, design, or goal, that is to occur on City-owned, City-controlled, or private property that has an overt impact on the services that are regularly provided by the City, such as health, fire and police. Special Events shall include, but are not limited to, festivals, fundraisers, exhibitions, musical performances, races, parades, and athletic events that: (1) Require street closings or detours such that the usual flow of pedestrians or vehicular traffic is inhibited; or (2) Utilize City property above normal usage; or (3) Are intended to or likely to attract substantial crowds; or (4) Are unlike the customary or usual activities generally associated with the property; or (5) Require the use of City resources, financial or otherwise, in excess of the City's normal day to day operations; or (6) Any additional criteria as deemed by the City Manager.

B. Caron Foundation Grants

1. CF Grant – 2015 & 2016

Stewart was not involved in the CF grant process until 2017. As such, this section pertains only to Coleman.

Meeks explained during her OIG interview that the first year the CF grant was disbursed, it was based upon a partial payment by the Caron Foundation. *See OIG Memorandum of Meeks Interview, pg. 1.* “Because it was not a lot of money, Meeks believed that then City Manager Donald Cooper told Coleman that his department could contact organizations that provided programing consistent with the intent of the CF grant” and as a result, “they contacted several organizations and asked them to provide a description of their program.” *See id.*

In furtherance of City Manager Cooper’s directive, Coleman directed Meeks to take the lead on approaching possible CF grant candidates. On June 1, 2015, Meeks sent an email to Coleman attaching a spreadsheet she created with the agencies they approached to obtain CF grant funds, “I tried to find a wide variety of agencies that would serve different age groups with different messages. Please let me know how to proceed.” *See OIG Memorandum of Meeks Interview, pg. 2.* The spreadsheet included seven organizations, a description of their program, number of students served, and a proposed grant amount.⁵ *See Exhibit 1, Meeks Spreadsheet.* Meeks stated during her interview that she was familiar with each of the seven organizations and that they provided the type of services that the City Attorney’s Office had previously told the City Commission were consistent with the intent of the CF grants. *See OIG Memorandum of Meeks Interview, pg. 2.* Coleman met with Meeks, discussed the information on the spreadsheet and met with Cooper the next day to discuss the CF grant, the proposed disbursements on Meeks’ spreadsheet and how the disbursements would be accomplished. *See OIG Memorandum of Meeks Interview, pg. 2.* City Manager Cooper made no mention to Coleman of needing to follow Policy GA-23 in order to disburse the CF funds, during this meeting, or at any other time.

The day after Coleman’s meeting with Cooper, June 4, 2015, Meeks emailed City Attorney Michael Dutko the following: Coleman spoke to the City Manager yesterday and he indicated that he would like us to create a one-page contract for him and the agencies to sign in order to disburse the Caron Funds; she (Meeks) is sending Dutko interoffice mail containing copies of the proposals, refer to the attached summary page; the City Manager wants to disburse the money rapidly as many of the proposals are for summer programs that start soon; she (Meeks) hopes that next year, guidelines and an application can be developed; and that all of the proposals have a 501(c)(3) status. *See Exhibit 2, Meeks’ 06/04/15 email to Dutko.* When Dutko responded to Meeks’ email on June 11, 2015, he made no mention of the existence of GA-23 or the need to adhere to the Policy in order to disburse the CF grant funds; instead, he informed Meeks that the City had not

⁵ The organizations listed were: Milagro Center, Delray Beach Public Library, KOP Mentoring Network, Success for Life Club/“Teens Against Violence,” Crossroads Club/Living Skills in the Schools, Prep and Sports and the Center for the Arts.

yet received the CF grant funds and asked her about proposed contract terms. *See Exhibit 2, Meeks' 06/04/15 email to Dutko.* Later in the day, City Attorney Janet Rustin sent an email to Meeks, Dutko, Coleman and City Chief Financial Officer Jack Warner stating that, "per our conversation," CF funds have not yet been received by the City and that it was decided a letter signed by the City Manager, rather than a contract, would be sufficient to disburse the CF grant funds. *See Exhibit 3, Rustin's 06/11/15 email.* No portion of this email mentions any need to adhere to GA-23 at all. Attached to Rustin's email was a memorandum from Rustin to the City Commission requesting authorization to use the CF funds for substance abuse training, bullying awareness and self-esteem building. *See id.*

On June 22, 2015, Dutko emailed Coleman a proposed grant agreement for the disbursement of CF grant funds, which Coleman forwarded to City Manager Cooper the same day for his review. *See Exhibit 4, 06/22/15 Coleman and Dutko emails.* Cooper did not have any suggested changes to the proposed grant agreement. However, on July 15, 2015, Rustin informed Warner that the CF grant funds would not be available for disbursement until March 2016; Warner replied to Rustin, copying Coleman and others, letting them know the funds were unavailable. *See Exhibit 5, 07/15/15 Warner email to Coleman, others.* On July 31, 2015, Coleman emailed Cooper's assistant, Shondra Young, asking for a meeting with Cooper to discuss the CF grant. *See Exhibit 6, Coleman 07/31/15 email to Young.* Young scheduled a meeting between Coleman and Cooper for August 7, 2015. *See Exhibit 7, 08/07/15 Young Meeting Invite.* During the meeting, Coleman informed Cooper that the CF grant fund money was not yet available to the City for disbursement.

Fast-forward to February 19, 2016, Coleman's assistant, Donna Quinlan, sent a meeting invite to Assistant City Manager, David Scott, Warner, Meeks, Dutko and City Attorney Noel Pfeffer to discuss CF grants. *See Exhibit 8, 02/19/16 Quinlan Meeting Invite.* Coleman called the meeting in anticipation of the City's receipt of CF funds the following month so that when the dollars were received, everyone in NCS, the City Manager and City Attorney's office was clear on what needed to be done in order to get the money disbursed. No one mentioned any need to follow Policy GA-23 during this meeting.

On March 29, 2016, Coleman received an email from the City's finance department informing him that the CF funds had been received. *See Exhibit 9, 03/29/16 emails.* Coleman immediately sent an email to Scott and Cooper stating, "Caron foundation money in, can I set up a meeting with you discuss disbursement." *See id.* Cooper replied, directing Coleman to include Warner and Assistant City Chief Financial Officer Jeffrey Snyder in the meeting as well. *See id.* Thereafter, Coleman directed Quinlan to schedule a meeting with Snyder, Warner, Cooper and Scott to discuss CF funds. *See id.* In accordance with Coleman's directive, Quinlan sent out a meeting invite to the gentlemen scheduling the meeting for April 1, 2016. *See Exhibit 10, 04/01/16 Quinlan Meeting Invite.* The next day, Coleman emailed Meeks, asking her to provide him with her CF file. *See Exhibit 11, 03/30/16 Coleman email to Meeks.* Meeks replied letting Coleman know that she left her file with Quinlan and asking to discuss the "new dollar amounts." *See Exhibit 12, Meeks email to Coleman.* The meeting Quinlan scheduled between Coleman, Snyder,

Warner, Scott and Cooper to discuss CF grant funds went forward on April 1, 2016. During the meeting, three organizations that had been approved to receive funds in 2015 were excluded – Delray Beach Public Library, Prep and Sports and The Center for the Arts. *See Exhibit 1.* Coleman recalls that the Library was excluded because it had since received a large grant from another source within the City, and Prep and Sports was excluded because Coleman was a board member; Coleman cannot recall why The Center for the Arts was excluded. With regard to Prep and Sports, Coleman disclosed his involvement with the organization during the meeting and was informed by Warner that due to his being a member of the Prep and Sports board, it could not receive CF grant funds. During this meeting, the reallocation of available CF grant funds amongst the remaining four candidates was also discussed and decided.⁶ Again, at no time during this meeting was the need to adhere to Policy GA-23 discussed.

On May 31, 2016, Coleman sent a memo to Snyder, attaching the check requests for the CF grant recipients, stating that “You informed me that this [City bank account] will be replenished by the end of the fiscal year since the City Manager has approved the funding.” *See Exhibit 13.* It appears from emails between Coleman and Scott occurring approximately two weeks later, on June 8 and 9, 2016, that a debate arose as to whether the CF funds the City received in March 2016 should be used to hire a new education coordinator rather than to support the four non-profits that were chosen during the April 1, 2016 meeting. *See Exhibit 14, emails between Coleman and Scott.* According to the emails, the issue was discussed between Coleman and Scott and both men supported using the CF funds to support the four organizations, as previously decided. *See id.*

Conclusion: It is clear from the documents discussed above that Coleman’s disbursement of \$18,500 in CF grants funds in 2016 was not made in violation of any City policy, including GA-23. Coleman attended a multitude of meetings on the disbursement of these funds in 2015 and 2016 with his supervisors, including City Manager Cooper, Assistant City Manager Scott, City Attorneys and Warner and Snyder of the City’s finance team. During these meetings, CF fund disbursement and grant amount allocations were discussed and approved. At no point during any of these meetings or email exchanges was the need to follow Policy GA-23 in order to get the CF funds disbursed discussed with or mentioned to Coleman. At no point did Coleman go rogue and disburse the 2016 CF funds without his supervisors’ input and approval.

2. CF Grant – 2017

Although the OIG did not include the \$37,500 in CF funds that were disbursed in 2017 in its \$81,600 “Questioned Costs” figure for allegation no. 1, it is necessary to address the 2017 disbursement of CF funds in order to further show just how erroneous the OIG’s conclusion is that Policy GA-23 applied to the disbursement of 2016-2018 CF grant funds.

⁶ The final four 2016 CF grant recipients were Milagro Center (\$2,500); KOP Mentoring Network (\$2,500); Success for Life Club/“Teens Against Violence” (\$2,500); and Crossroads Club/Living Skills in the Schools (\$11,000).

In March 2017, Caryn Gardner-Young (“Young”) became an Assistant City Manager and NCS was one of the City departments that she oversaw. *OIG Memorandum of Young Interview, pg. 1*. Early on in her tenure, she asked Coleman about the current grant distribution process and learned there was no formal process being used. *See id.* As such, she instructed Coleman to stop disbursing grants, to develop a process, and gave him an example of a grant application that she was familiar with from prior employment.⁷ *See id, pg. 1-2*. Coleman recalled having such a conversation with Young during one of their weekly standing meetings. Thereafter, Coleman met with Meeks to discuss what Young wanted and assigned her the task of creating a grant application and guidelines. He believes that Meeks met with Young several times on her own in furtherance of this task. Meeks stated during her OIG interview that in accordance with Young’s directive to formalize the grant process, she was tasked with developing CF grant disbursement guidelines. *See OIG Memorandum of Meeks Interview, pg. 3*.

On June 28, 2017, Young accepted a meeting invite to discuss “Caron Foundation and Grant Application” in Coleman’s office.⁸ Stewart recalls this meeting and Coleman, Danise Cleckley and Meeks were also in attendance. Both the WM grant and CF grant applications were discussed, and Young never once discussed Policy GA-23 during this meeting. Approximately a week later, on July 7, 2017, Meeks sent an email to Stewart, copying Coleman with the attachment, “CI Grant Application” stating, “Here is what I would suggest for our Grant application that applies specifically for the Carson [sic] Foundation dollars.” *See Exhibit 15, 07/07/17 Meeks email to Coleman*. Meeks stated during her interview that she drafted the grant application and guidelines from scratch and looked to other sources as examples, including provisions that Young requested be included. *See OIG Memorandum of Meeks Interview, pg. 3*. That same day, Coleman forwarded Young the proposed CF grant application drafted by Meeks. *See Exhibit 16, 07/07/17 Coleman email to Meeks*.

Meeks, Stewart, Coleman and Young continued to exchange emails discussing proposed terms of the CF grant application in July and August 2017. *See Exhibit 17, 07/31/17 and 08/01/17 emails between Meeks, Young, Coleman*. Both Coleman and Stewart recall that City Attorney Lynn Gelin sat in on several meetings with Meeks, Young and Stewart where revisions to the CF grant applications were discussed; Gelin was the last person who reviewed the CF grant application; Gelin made only minor edits to same; and at no point in time did Gelin discuss or mention Policy GA-23.

On August 22, 2017, Young told Coleman, “I think we finalized the grant application. Thus, what is the timeline and how will you publish that the grant period for applying is open?” *See Exhibit 18, 08/22 & 23/17 emails between Young and Coleman*. The next morning, Coleman

⁷ Young stated during her interview that she was familiar with Policy GA-23, however did not state when she became familiar with the Policy. *See id.* In any event, her testimony with regard to GA-23 is questionable. If Young knew of the Policy, its processes and corresponding application, or thought it applied to the CF or WM grants, then why would she direct Coleman to create a grant process and application from scratch?

⁸ We do not have a copy of this meeting invite, however it was specifically referenced in the OIG’s memorandum of Young’s interview, pg. 2

asked Young for a copy of the CF grant application and Young directed her assistant, Richelle Kubsch to provide him with same, referencing an August 11 email Kubsch previously sent to Stewart. *See id.* Kubsch forwarded Coleman an August 11, 2017 email she had sent to Stewart stating, “Please see the edits from Caryn – you can send back via email for her review,” attaching a draft CF application with handwritten edits. *See Exhibit 19, 08/23/17 Kubsch email to Coleman.* Later in the day, at 5:29 pm, Young emailed Coleman, “Per our meeting today, the application for the substance abuse training grant will be done, posted and advertised by the end of next week. Please let me know when done, thx.” *See Exhibit 20, 08/23/17 and 08/24/17 Young, Coleman and Stewart emails.* Coleman forwarded Young’s directive to Stewart and Stewart indicated he would get it done. *See id.* Stewart recalls the meeting Young references in her August 23 email, as she provided final approval for the CF application during same.

On August 29, 2017, Meeks sent out the CF grant application and press release for publication. *See Exhibit 21, Meeks email to Emmanuel.* On August 29, 2017, Coleman sent a meeting invite to City Clerk, Katerri Johnson, Meeks and Stewart to discuss the intake of grant applications. *See Exhibit 22, 08/29/17 Coleman meeting invite.* During the meeting, they discussed Young’s directive that the Clerk accept the CF applications.⁹ That same day, Coleman also sent his staff the agenda for their weekly meeting with Young, which occurred the following day. *See Exhibit 23, Coleman email to NCS staff.* On the agenda, under heading “Updates,” is the task, “Caron foundation application – Meeks.” *See id.*

There was another meeting between Coleman, Meeks and Stewart pertaining to “Grants” on October 10, 2017, and a week later, Meeks sent Coleman and Stewart an email attaching a proposed ranking rubric she created and suggesting that the review panel meet to explain the process and what they needed to do. *See Exhibit 24, Coleman 10/10/17 meeting invite to Meeks and Stewart; Exhibit 25, Meeks rubric email to Coleman and Stewart.* Meeks also stated during her OIG interview that she put together the review panel. *See OIG Memorandum of Meeks Interview, pg. 3.* According an amended meeting invite distributed by Stewart, the CF grant review panel met on November 13, 2017. *See Exhibit 26, Stewart 11/13/17 meeting invite to CF grant review panel.*

On November 20, 2017, Quinlan sent Young an email titled, “Caron Foundation Grant Approval,” attaching Meeks’ November 17, 2017 memo regarding the scoring of the CF grant and the panel’s review of the applications. *See Exhibit 27, 11/20/17 Quinlan email to Young.* A week later, Young sent Quinlan an email asking for a copy of the application and any regulations regarding the award of monies. *See Exhibit 28, 11/27/17 Young email to Quinlan.* Young said during her OIG interview that she was seeking information such as applicable policies, processes,

⁹ Later on, in February or March 2018, after the WM grant opportunity had already been posted online, Johnson came to the NCS office to tell Meeks and Stewart that the Clerk’s office was flooded with documents and that it no longer wanted to handle grant application intake. Meeks and Stewart then called Young to advise her of what Johnson said. Young said that she was already aware because Johnson had reached out to her and that they needed to find a way for NCS to handle application intake. By this time (and as of approximately January 2018), Young was no longer NCS’ direct supervisor.

deadlines, and a history of the grants and the amounts awarded.¹⁰ *See* *OIG Memorandum of Young Interview*, pg. 4. The next day, after being asked by Quinlan for the documents Young requested, Meeks said Stewart had the application, but that Young had approved the final; she also states, “I’m not sure what is meant by ‘regulations’...” *See Exhibit 29, 11/28/17 emails between Meeks and Quinlan*. Ultimately, Quinlan sent Young the CF grant application and the scoring rubric Meeks created. *See Exhibit 30, Quinlan 11/28/17 email to Meeks*.

Approximately a week later, Quinlan sent Young an email stating, “This is a follow-up of your request for us to send you the memo regarding the Caron Foundation,” again providing her with Meeks’ November 17, 2017 memo.” *See Exhibit 31, Quinlan 12/08/17 email to Young*. On December 14, 2017, Young sent an email to Coleman asking, “Can you send me who was awarded this grant, thanks.” *See Exhibit 32, 12/14/17 emails between Young and Coleman*. Coleman replied, “First thing tomorrow,” and she responded, “Thanks for responding but I found the memo which listed the applicants and their score.” *See id.*

On December 20, 2017, Meeks sent Coleman a memo she drafted with details from a meeting she had with Stewart and City Attorney Max Lohman to discuss the disbursement of CF grants. *See Exhibit 33, Meeks 12/20/17 email to Coleman*. Per the memo, Lohman expressed there was no need for grant agreements that year because the grants were a “gift” and the City would not litigate over such a small amount; an award letter was sufficient. *See id.* The next day, NCS had its weekly staff meeting with Young where Meeks’ and Stewarts’ meeting with Lohman was discussed; Young provided them with an example of an award grant letter to use. *See Exhibit 34, Coleman 12/21/17 email to staff*. Prior to the meeting, Coleman sent an early morning email to Stewart informing him that he would not be able to attend, asking him to lead the meeting, and that he wanted “to give the Caron funds out around the first week in January with the ACM approval.” *See Exhibit 35, 12/21/17 emails between Coleman and Stewart*. The next day, Meeks sent Stewart an email with the bi-weekly highlights for her Education division, which included under the heading “Follow-Up,” the task of, “Creation of an Award letter for the distribution of Caron Foundation grants.” *See Exhibit 36, Meeks 12/22/17 email to Stewart*.

On December 27, 2017, Coleman forwarded Meeks’ memo regarding her and Stewart’s meeting with Lohman to Young and in the same correspondence informed Meeks that he will let her know when to proceed with the process. *See Exhibit 37, Coleman 12/27/17 email to Meeks and Young*. A week later on January 4, 2018, Young emailed Coleman asking if the CF grant award letters had been finalized. *See Exhibit 38, 01/04/18 emails between Coleman and Young*. Coleman replied, “Yes, but not awarded, the city manager said he wanted to meet with me before we awarded anything.” *See id.* Coleman recalls that a complaint from Suzanne Spencer to Mayor Glickstein regarding grant awards was a large issue to be discussed during the meeting with City Manager Mark Lauzier. Spencer is a principal of Living Skills in the Schools (“LSIS”), an organization that had applied for the single \$20,000 grant award available from the CF grant funds. Because the Milagro Center had prevailed over LSIS during the review panel scoring process, it

¹⁰ If Young was already familiar with Policy GA-23 and had mentioned it to Coleman as she claims, why was Young asking Quinlan for this information?

was the recipient of the single \$20,000 CF grant award and LSIS was not officially awarded any grant dollars. *OIG Memorandum of Meeks Interview*, pg. 4. As a result, Spencer made a complaint with Mayor Glickstein, which Lauzier was directed to address. In furtherance of that directive, Lauzier met with Coleman and Coleman explained why LSIS was not awarded anything. *See Lauzier Affidavit*, ¶ 5. Coleman showed Lauzier Meeks' November 17, 2017 memo, which outlined the CF award recipients, the amount of the awards and stated the review panel recommended that LSIS receive the balance of the award dollars available (\$7,300), because there had not been enough applicants for the \$2,500 grants.¹¹ *See Exhibit 27*. Lauzier approved the recommendation that LSIS be awarded the \$7,300 balance of CF grant funds, as well as the amounts awarded to the other four organizations. *Lauzier Affidavit*, ¶ 5. At no point during this meeting was Policy GA-23 discussed or even mentioned. This is likely because Policy GA-23 had long expired and been replaced by a new Special Event Policy that did not apply to City-awarded grant programs, and at the time, the City did not have a uniform policy that applied to such grants. *See Lauzier Affidavit*, ¶ 3-4; *Exhibit 74*.

On January 10, 2018, Coleman told Meeks he needed the CF grant award letters by noon on January 12, "Since approval has been given I want to move forward." *See Exhibit 39, Coleman 01/10/18 email to Meeks*.

Conclusion: The above documents and statements from Young, Meeks, Lauzier, Coleman and Stewart illustrate that Policy GA-23 did not apply to the CF grant process and that every action Coleman took with regard to the 2017 CF grant cycle was reported to and sanctioned by his supervisors in many email exchanges and meetings, including Assistant City Manager Young, City Manager Lauzier and City Attorney Lohman. The CF grant application was approved by Young and City Attorneys; Young and Lauzier authorized the results of the review panel and the allocation of grant funds; and Coleman did not participate in the review panel process.

Not one of Coleman's supervisors ever mentioned any need to follow Policy GA-23, nor did the issue ever come up during Stewart's meetings with Meeks, Young and City Attorneys to discuss edits the CF grant application. Meeks, who was intimately involved in and oversaw the nuts and bolts of the 2017 CF grant process, stated that she did not know of any Policy GA-23. Lauzier states the Policy had been expired, was replaced, did not apply to City-awarded grant programs, and that there was no City-wide policy regarding such grants in effect at the time.¹² Lauzier's statement and the PBC Commission on Ethics' conclusion is further supported by the fact that Policy GA-23 was replaced by a new Special Event Policy that clearly did not apply to city-awarded grant programs. Moreover, if Policy GA-23 truly applied to this process, Young's directive that Coleman and his department

¹¹ In her memo, Meeks states that the available award balance is \$9,800, however her math was not accurate.

¹² This same conclusion was reached by the PBC Commission on Ethics during its investigation of these issues. *See PBC COE 11/04/20 Memorandum of Inquiry*, pg. 6 of 19 (finding that Policy GA-23 did not apply to the CF grant and that Policy GA-23 expired in September 2016 – well before the CF grant awards were issued or even being considered).

create a CF grant application and process from scratch would be entirely nonsensical when Policy GA-23 already consisted of both.

Lastly, Meeks told the OIG that applications for each of the 2017 CF grant awardees had been received, reviewed and scored by the review panel and her November 17, 2017 memo clearly states that grant applications were received and reviewed. The OIG's conclusion that the 2017 CF grant applications do not exist because it did not receive any from the City is incorrect.

3. CF Grant – 2018

By the 2018 CF grant cycle, Policy GA-23 had long expired, despite never having ever governed the CF grant process anyway. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 6 of 19; Exhibit 74 Lauzier Affidavit, ¶ 3-4.* As such, there was no requirement that the 2018 CF grant candidates submit a Charitable and Benevolent Request form, or that a committee designated by the City Manager review applications. The prior year, Young, along with Coleman, Meeks and Stewart developed a CF grant application and guidelines, which was used to disburse funds during the 2017 CF grant cycle, with the approval of City Attorneys and City Manager Lauzier. *See Lauzier Affidavit, ¶ 5.* When Young ceased to be Coleman's supervisor in early January 2018, he began reporting to Lauzier directly, until Interim Assistant City Manager Jeff Goldman became Coleman's supervisor in the middle of 2018.

During the 2018 WM grant cycle, Coleman and Lauzier discussed having final discretion for grant awards being within the purview of the NCS Director rather than the City Manager. *See id, ¶ 5-6.* Coleman had already been administering WM grant funds pursuant to approval given to him by former City Manager Cooper and City Manager Lauzier agreed with this arrangement. *See Lauzier Affidavit, ¶ 6.* As such, City Manager Lauzier (and City Attorney Gelin) approved the 2018 WM grant application which states that the NCS Director has final discretion as to grant awards. *Lauzier Affidavit, ¶ 6.* This is what prompted the 2017 CF grant award letters to have the NCS Director as their signatory, as well as a similar change to the 2018 CF grant application. *See Exhibit 40, Meeks 01/10/18 award letter email to Coleman.*

On July 18, 2018, Quinlan informed Coleman that the City had received the \$34,951 in Caron Foundation Grant funds.¹³ On July 26, 2018, NCS held a staff meeting where one of the items discussed was the "\$34,000" in grant funds. *See Exhibit 41, 07/26/18 NCS staff meeting agenda.* On August 8, 2018, Stewart sent Coleman an email stating, "Here is the draft," with the attachment, "CI Grant Application (Caron Foundation) 2018." *See Exhibit 42, 08/08/18 Stewart and Coleman emails.* Coleman replied to Stewart, copying his supervisor, Assistant City Manager Goldman, telling him to "Make the changes to the amount then have City Attorney review." *See id.* Goldman did not tell Coleman that there was any issue with the CF grant application attached to the email, nor did he mention to Coleman any need to follow Policy GA-23. With regard to

¹³ We do not have a copy of this email but it is specifically referenced in the PBC Ethics Commission's 11/04/20 Memorandum of Inquiry, pg. 7 of 19.

“changes to the amount,” Coleman was referring to eliminating the requirement that there be one \$20,000 grant, with the rest being \$2,500, pursuant to his conversation with Lauzier in early 2018 to spread grant money around to more organizations.

On August 10, 2018, Quinlan sent City Attorney Gelin an email attaching a proposed 2018 CF grant application stating, “Per Michael, can you please review the attached grant application and let us know if you have any changes?” *See Exhibit 43, emails between Quinlan and Gelin.* Gelin responded five days later, copying Coleman and Stewart and stating, “Attached please find my proposed changes. If I can be of additional assistance, please do not hesitate to contact me!” *See id.* A copy of the CF application Gelin edited was attached and shows the minor grammatical edits she made. *See id; Exhibit 44, screenshots showing edits made by Gelin.* Gelin made no changes to language in the CF grant application which stated, “The Director of Community Improvement Department will review all applications and grant awards recommended by the Review Panel and he/she will make the final decision on all grant awards.” *See id.* Gelin also never mentioned any need to follow Policy GA-23, or to use the application provided for by Policy GA-23. That same day, Coleman sent a meeting request to Goldman through Quinlan to discuss the CF grant application on August 24, 2018.¹⁴ During the meeting, Coleman brought Goldman up to speed on the CF grant process and showed him the CF grant application. Goldman did not have any qualms regarding or suggested changes to the CF grant process or application, nor did he make any mention of the need to adhere to Policy GA-23.

As he did with all grants he oversaw as NCS Director, Coleman delegated the tasks of grant advertising and application intake and scoring to his subordinate, who in this case was Stewart. The grant opportunity was published online and in the newspaper and had a September 20, 2018 deadline. NCS staff member, Marisa Rodriguez, stated during her OIG interview that she personally received the CF grant applications and reviewed them to ensure they were submitted to her by the deadline; she did not accept any late applications. *See OIG Memorandum of Rodriguez Interview*, ¶ 2. After she received all of the applications, she created binders for them. *See id.*

The day after the CF grant application deadline expired, on September 21, 2018, Stewart created an Excel document consisting of a scoring rubric and used the candidate applications to create a spreadsheet of all the information contained thereon (organization name, mailing address EIN, etc.).¹⁵ *See Exhibit 46, 09/21/18 Stewart Excel Spreadsheets; Exhibit 47, screenshot of properties for 09/21/18 Stewart Excel Spreadsheet.* All of the information contained on Florida Youth Project’s CF grant application was included on the spreadsheet Stewart created on September 21, 2018. *See Exhibit 46.*

On October 22, 2018, an individual affiliated with one of the CF grant candidates, Jump With Jahkiyla, asked Stewart about the status of the grant process. *See Exhibit 45, 10/22/18 emails*

¹⁴ We do not have a copy of this email but it is specifically referenced in the PBC Ethics Commission’s 11/04/20 Memorandum of Inquiry, pg. 7 of 19.

¹⁵ This particular scoring rubric was not ultimately used to score the CF grant applications, a different version was created and used.

between Stewart and Harmon. Stewart replied, “The scoring is taking place tomorrow and we will have everything out by the end of the week.” *See id.* Stewart did not recall if scoring actually took place on October 23, 2018, but stated that if it did not, it was near that date.

On October 31, 2018, Stewart issued a memo to Coleman regarding the 2018 CF grant awards. It stated that, “A committee was established to review applications and to score each proposal...” *See Exhibit 48, 10/31/18 Stewart CF grant memo to Coleman.* Nowhere within the memorandum does it say that a meeting took place and Stewart confirms that no review panel meeting took place. *See id.* In addition, neither Stewart nor Rodriguez scored CF grant applications; they only reviewed them to ensure they were submitted by the deadline and included all of the information and documentation required. Originally, Stewart intended for Peter Martenack to score the CF grant applications, however he was not in the office the day scoring was to occur. Instead, Stewart asked Terra Couzens to take one of the binders Rodriguez created home and to score the candidate submissions, which included any written proposals and budgets provided. The scores that appear on Stewart’s October 31, 2018 memo to Coleman are the scores provided by Couzens. Stewart did not tell Couzens that she was the only individual scoring the candidate submissions.

During her OIG interview, Couzens was shown Stewart’s October 31, 2018 memorandum and stated that she recognized several of the organizations listed, saying their names were “jumping out” at her: Jump with Jahkiyla, Diamonds & Pearls, Electric Fly Ladies, Milagro Center and Knights of Pythagoras. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 18 of 19; audio of Couzens OIG interview.* She also recalled being given “so many” documents regarding each group, such as what the organization did and the amount they were requesting; she took the binder home and made notes on the documents provided. *See audio of Couzens OIG interview.* After reading Stewart’s memo aloud, she stated what was written appeared to be what she participated in – but that she had never had a meeting with just Stewart and Rodriguez discussing same. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 18 of 19.*

Florida Youth Project’s Submission of a 2018 CF Grant Application

Jason Reid and Adam Byron were the co-founders and sole principals of Florida Youth Project (“FYP”), a nonprofit organization that assisted children financially by signing them up for football and paying for their equipment, clothing and travel. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 11 of 19.* Stewart had no role whatsoever in FYP. *See id.* Because it would have cost approximately \$2,000 to hire a representative to form FYP, Reid and Byron decided to take it upon themselves to complete the formation paperwork. *See id.* In furtherance of this endeavor, Reid sought out and obtained Stewart’s assistance. *See id.* On more than one occasion, Reid went to Stewart’s office to obtain help with creating or completing FYP’s EIN paperwork and its bylaws, using Stewart’s computer to do so. *See id.*

Reid reached out to Stewart, asking if the City had any grant money available for FYP and Stewart stated it did. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 11 of 19.* When Reid

was shown a copy of the FYP's 2018 CF grant application, Reid recognized it, stating that he completed the 2018 Caron Foundation grant application and personally took it to City Hall. *See id.; Exhibit 49, FYP 2018 grant application.* When Reid got there, he told someone he wanted to submit a grant application and a woman came out front and he handed her the documents. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 11 of 19.* Reid believed the handwriting on the application was his, and initially, the signature as well, although he was less sure of the latter because he could not specifically remember signing the application. *See id, pg. 11-12.* Reid noted that the signature on the application was "pretty damn close to [his] signature" and that he did not "know who else would have signed that for me." *See id.* Reid's wife and attorney, who was also present during his interview, mentioned that the handwriting on the application resembled Byron's and that although the signature did resemble Reid's it could be Byron's. *See id.* Reid agreed, reiterating that he signed all of FYP's paperwork but could not specifically recall signing the grant application. *See id.*

Reid recalled writing the \$5,000 FYP grant request letter in Stewart's office and said he did not sign it because no one told him that was necessary. *See id.* He did not know why there was one grant request letter seeking \$3,000 and another seeking \$5,000. *See id.* Reid and Byron prepared the budget submitted with FYP's CF grant application with advice from Stewart, however Stewart did not provide them with any budgetary figures. *See id.* Reid recognized the budget and survey forms and assumed he got them online, although he could not remember where from exactly. *See id.* The entire \$3,000 FYP received from the 2018 Caron Foundation grant was used to sponsor kids' attendance at a six-month fitness and sports training camp in South Florida. *See id.*

When Suzanne Fisher, the new Assistant City Manager and supervisor of NCS asked Stewart in May 2019 to provide the documents submitted by FYP in support of its CF grant request, Stewart initially provided its \$5,000 donation request letter, but not the application or budget that was submitted with the letter. Stewart explained to Fisher that he would continue to search for the missing documents but that the binders containing the 2018 CF grant applications and paperwork were not in their storage closet and the paperwork that was previously within the binders was scattered all about the storage closet. Stewart and his staff sorted through the scattered paperwork and found some documents related to the 2018 CF grant, but not everything. Stewart told Fisher he could call Reid to see if he had originals or copies of his documents and Fisher said alright, but to try and have them by the next business day. Stewart contacted Reid, explained the situation and Reid stated he had copies and that he had saved documents related to the application on Stewart's computer. When Reid visited Stewart's office, he had a copy of FYP's grant application with him. Stewart inquired about the other documents FYP submitted along with its application and Reid used Stewart's computer to provide him with same, namely the budget and mentor/mentee surveys. While Reid was in Stewart's office, Stewart called Fisher, told her that Reid was there compiling FYP's documents and invited her to come chat with Reid while he was there. Fisher declined, stating she was not able to at the moment. Once Reid provided Stewart the documents, Stewart gave them to Quinlan to send to Fisher.

Stewart never created, filled out or signed any documents on the behalf of Reid or FYP; he only assisted Reid with providing direction and with the documents needed to create FYP as a non-profit organization and further provided guidance on the grant process. This is a service that Stewart provided to many grant applicants that came to City Hall asking about the process to become a qualified city vendor in order to receive funds for grants, including Diamonds and Pearls (assistance with grant proposal and budget templates); Jump with Jahkiyla (assistance with grant proposal templates); and Electric Fly Ladies (assistance with EIN, obtaining tax-exempted status, organization bylaws, networking and general questions regarding nonprofits). *See Composite Exhibit 50, emails re Stewart assistance to Jump with Jahkiyla; Composite Exhibit 51, emails re Stewart assistance to Electric Fly Ladies.*

Conclusion: The OIG’s conclusion that allegation no. 1 is supported with regard to the 2018 CF grant cycle is entirely premised upon the assumption that Policy GA-23 was the “governing directive” for the 2018 CF grant process. This assumption is erroneous and seriously calls into question all of the OIG’s conclusions that flow from this flawed assumption.

According to the PBC Commission on Ethic’s investigatory research, Policy GA-23 did not apply to CF grants at any time and the Policy expired in September 2016. This conclusion is corroborated by City Manager Lauzier and the new Special Event Policy that replaced GA-23. Both the Assistant City Manager and the City Attorney reviewed and approved the 2018 CF grant application. At no point during the 2018 CF grant cycle did any of Coleman’s supervisors inform him that it was necessary to adhere to Policy GA-23, including the Assistant City Manager and the City Attorney. As such, there was no need for NCS to have any grant applicants, including FYP, submit Policy GA-23’s Charitable and Benevolent Request form in order to be awarded CF grant funds, or adhere to its requirement that a committee designated by the City Manager review applications.

In fact, during his tenure as City Manager, it was Lauzier’s understanding that the City did not have a central, uniform policy regarding the disbursement of City-awarded grant funds. *See Lauzier Affidavit, ¶ 4.* As a result, one of the projects he directed his staff to undertake was to develop a uniform grant disbursement process, to be used by all City departments and divisions that had grant funds available to disburse. *See id.* In furtherance of this task, Lauzier had a member of his staff, India Adams, meet with NCS to discuss the process it used to disburse grant funds. *See id.* The purpose of the meeting was to gain insight into the process used by that Department, and not to investigate it for any wrongdoing. *See id.* Lauzier did not consider the methods or processes used by NCS to disburse grant funds to be in violation of any City Policy. *See id.*

In early 2018, Coleman and City Manager Lauzier discussed giving the NCS Director final discretion as to grants. Again, City Attorney Lynn Gelin reviewed the 2018 CF grant application, which explicitly stated the NCS Director would have final discretion as to CF grant awards. Gelin made edits to the application, but did not make any changes to the

discretion language; she never told Coleman or Stewart that the 2018 CF grant application needed to comply with Policy GA-23. Coleman also discussed the 2018 CF grant application and process with Assistant City Attorney Goldman and he made no changes to same or mentioned any need to follow Policy GA-23.

When a grant candidate asked Stewart for a status update, he told her that application scoring was to take place the next day. Although Rodriguez and Couzens each denied ever attending a meeting to review and discuss 2018 CF grant applications, no portion of Stewart's October 31, 2018 memorandum to Coleman regarding CF grant recipients states that a meeting ever took place. Stewart and Rodriguez reviewed all application submissions to ensure they met all minimum requirements and they were scored by Couzens. Although Couzens did not specifically recall scoring the 2018 CF grant applications, when shown Stewart's October 31, 2018 memo, names of several of the organizations listed were "jumping out at her," including Diamonds and Pearls, Jump with Jahkiyla and Electric Fly Ladies. According to investigatory research performed by the PBC Commission on Ethics, these three organizations had never applied for any grant dollars from the City prior to applying for the 2018 CF grant. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 19 of 19.*

The PBC Commission on Ethics also found that although it was alleged Coleman took it upon himself to change the approval of 2018 CF grant awards to his office and bypass the City Manager, the information it reviewed during its inquiry showed: that the responsibility to distribute the grant money continued to be under the purview of NCS; it appeared Coleman implemented the final changes to the 2018 CF application after he met with then acting Assistant City Manager Goldman; changes to the grant application process may be of concern to the Complainant but it did not appear there was any wrongful intent on the part of Coleman or Stewart; the grant application used, and the deadline for submission was the same for all applicants; and the manner in which the 2018 CF application was changed followed similar steps taken the prior year during the creation of the 2017 CF grant application in that, Coleman worked with staff to make revisions and the changes were discussed and/or reviewed with NCS staff, the City Attorney and the Assistant City Manager. *See id.*

With regard to the FYP 2018 CF grant application issue, Reid stated during his OIG interview that Stewart had absolutely no involvement in FYP; Reid recognized the FYP 2018 CF application; he remembered submitting FYP's application package to a woman who came to the front desk prior to the deadline; he confirmed that he wrote the \$5,000 donation request letter; and he confirmed that he, along with his partner, Byron created the budget. Rodriguez stated during her OIG interview that she did not accept any applications past the deadline and an Excel spreadsheet created by Stewart the day after the application deadline contained all of the same information for each 2018 CF grant candidates that appeared on their applications, including FYP.

Reid believed the handwriting and signature on the FYP application was his because he recalled signing all the paperwork related to FYP, although he was unsure and stated it was possible that it could be Byron's. Although the signature on the FYP application does not exactly match the signature from Reid's mortgage documents shown to him during his OIG interview, and we have not yet obtained the opinion of a handwriting expert, we noted that the capital "R" that appears on both FYP's signature page and on Reid's mortgage documents are extremely similar. *See Exhibit 49; OIG Draft Investigative Report pg. 14 of 36.* Similarly, the FYP grant award check that was deposited by Reid has "For Deposit only" written on it and the "o," "n," "s" and capital "D" look very similar to the same such letters that appear on the FYP CF grant application signature page. *See Exhibit 49; Exhibit 52, copy of FYP check.* Moreover, other than the handwriting issue, no other evidence has been presented which indicates the FYP grant application was falsified by Stewart, or that it was not submitted prior to the application deadline. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 13 of 19.*

IT logs show the budget and survey FYP submitted were downloaded from the internet onto Stewart's computer after Fisher requested that he produce same in May 2019. However, Stewart informed Fisher at the time that the forms were lost and had not been scanned into the system. Reid came to Stewart's office to provide the missing documents, using Stewart's computer to do so. Fisher was advised Reid would be helping Stewart find the missing documents and was even invited to meet Reid while he was there.

According to the OIG, metadata shows that FYP's \$5,000 donation request letter was created on Stewart's computer on October 26, 2018. Reid stated that he drafted the donation request letter at Stewart's office and that FYP's application package was submitted prior to the deadline. The PBC Commission on Ethics said the following with regard to this issue:

To authenticate the "IT" evidence provided by Complainant, I reviewed some of my own files that I accessed from my work computer. It appears that when files are taken from an external source and moved to a new folder, the created date will be the current date the file was moved. When an older PDF is opened, and the name of the file is modified and saved under the new name, the properties also change. A check of the properties of the newly named PDF file revealed the created, modified, and accessed dates were all the same and current as to the date the file was modified and saved. The examples are anecdotal but may account for why the date of the document on Stewart's computer appeared to be created later.

See PBC COE 11/04/20 Memorandum of Inquiry, pg. 12 of 19. The PBC Commission on Ethics' assessment as to PDF files also rings true for Microsoft Word Document and Excel files – renaming a Word or Excel file also changes its created and modified properties, as does copying and pasting it to a different location, even between locations on the same computer. Just because the metadata says a document was created on a certain date, does

not mean that the document did not exist earlier. In addition, just because a Word or Excel document's metadata states that a document was modified on a certain date does not mean that the contents of the document were definitely changed – just that some aspect of the *file* changed. This is likely why the metadata for the Excel spreadsheet that Stewart created on at least September 21, 2018 says that it was modified by Julia Davidyan on September 12, 2019, as she likely changed the file name prior to providing it to the OIG.¹⁶

There is no dispute that FYP was a legitimate non-profit organization that provided assistance to underprivileged children in the Delray Beach community and the entire \$3,000 it was awarded was actually spent on assisting underprivileged children. There is no evidence presented that either Coleman or Stewart were FYP board members, officer or employees, or that they received any special benefit or compensation for FYP's CF grant award. There is no evidence that either Coleman or Stewart acted with wrongful intent to award FYP grant money. Furthermore, there is no indication that FYP was given any special benefit during the application process. Stewart provided FYP with guidance on how to get set up as a nonprofit and on its grant proposal, but he did the same with other grant applicants, as well as any other organization that would request his assistance.

C. Waste Management Grant

1. WM Grant – 2015 to 2017

On October 20, 2015, Coleman drafted a memorandum to City Manager Cooper regarding the "Distribution of Donated Funds." *See Exhibit 53, Coleman 10/20/15 memo to Cooper.* Coleman drafted this memo following a meeting and discussions he had with Cooper regarding how to disburse \$10,000 in funds provided to the City by its sanitation vendor, Waste Management. Cooper was interested in getting the funds disbursed quickly; gave Coleman the authorization to distribute the funds, particularly because Coleman knew the City better than Cooper; and encouraged Coleman to disburse them to smaller, minority-run organizations if possible, particularly non-profit organizations in the northwestern and southwestern sections of the City. At no point during these discussions did Cooper mention Policy GA-23. Cooper was also interviewed by the OIG and stated "He had 'higher priority' matters" to deal with at the time, and gave Coleman permission to lead the grant review process and to distribute grant funds. *See OIG Draft Report pg. 7.* He said that NCS was responsible for overseeing the disbursement of the grant money, which he did not consider to be a significant amount...that Coleman knew the community better than he did at that time." *See id.*

Coleman drafted the October 20, 2015 memo to memorialize their discussions. The memo confirmed that Cooper gave Coleman the authority to distribute the \$10,000 in WM funds and Cooper placed his initials on it with the words "Confirm & Approve" on October 21, 2015. *See*

¹⁶ Julia Davidyan is the internal auditor for the City of Delray Beach who submitted complaints regarding Stewart and Coleman to the OIG and PBC Commission on Ethics. Coleman and Stewart were forced to resign from the City on June 5, 2019.

Exhibit 53. Drawing upon his prior experience as a Delray Beach Police Officer, Coleman endeavored to use the same process the Delray Beach Police Department used to distribute grants from its trust fund. At that time, trust funds were distributed by the Police Chief and grant candidates were required to submit a donation request letter outlining their program and what the grant money would be used for.

Using this procedure and pursuant to Cooper's authorization, Coleman distributed WM grant funds to organizations that approached him or were directed to him by the City Commission, after they submitted a grant request letter to him outlining the proposed use of the funds. If the programs were occurring in Delray Beach and helping Delray Beach citizens, the organization received funds. No organizations meeting these requirements were denied funds. The first wave of grants went to the Delray Beach Drug Task Force (11/13/15; \$2,500), Pompey Park Seniors Club (11/15/15; \$500), Delray Rocks Cheerleading Program (11/15/15; \$500), Palm Beach State/DREAM Youth Council (01/08/16; \$1,000) and the Knights of Pythagoras Mentoring Network (01/15/16; \$500).

On April 1, 2016, Coleman attended a meeting with Cooper, Assistant City Manager Scott, Chief Financial Officer Warner and Assistant Chief Financial Officer Snyder to discuss the distribution and reallocation of 2016 CF grants. *See Exhibit 9, 03/29/16 emails; Exhibit 10, 04/01/16 Quinlan Meeting Invite.* Prep and Sports was a candidate and Coleman stated during the meeting that he was active in Prep and Sports years ago but he had not attended a board meeting in quite some time. *See Exhibit 1.* Warner told Coleman during the meeting that because Coleman was on the Prep and Sports board, it would not be eligible to receive grant funds from the City at that time.

Thereafter, Coleman added the requirement that none of the organizations requesting WM grant funds could have NCS staff on their board. In addition, Coleman resigned from the Prep and Sports board on May 9, 2016 and Stewart resigned from Prep and Sports on June 29, 2016. *See Exhibit 54, 05/09/16 resignation draft; Exhibit 55, 06/29/15 Quinlan email re Stewart resignation.* On September 14, 2016 Coleman resigned from the Delray Beach Task Force board and the Delray Beach Achievement Center board.¹⁷ *See Exhibit 56.*

Remaining WM grant funds in 2016 and 2017 WM grants were distributed by Coleman to South Florida Community Empowerment (06/06/16; \$500), Prep and Sports, Inc (07/15/16; \$1,500), Francis J. Bright Woman's Club (11/18/16; \$1,000), Quester's Community Service Fund Inc. (12/09/16; \$1,100), Delray Beach Drug Task Force (01/12/17; \$2,500), Delray Beach Marketing Cooperative (03/17/17; \$1,000), and the Delray Beach American Little League (04/07/17; \$1,000).

Conclusion: Coleman was given the specific authorization by City Manager Cooper to review and distribute WM grant funds. As such, it is disingenuous to assert that Coleman

¹⁷ We do not have a copy of Coleman's September 14, 2016 board resignation email to the Delray Beach Drug Task Force, however it is specifically referenced in the OIG's investigative report, page 26 of 36.

was violating a City Policy (that no one ever discussed or brought up) by doing exactly what his supervisor specifically authorized him to do. Moreover, when Coleman was told that being on Pep and Sports prevented its eligibility for NCS grant awards, he resigned from Prep and Sports and later, the Delray Beach Drug Task Force and Delray Beach Achievement Center.

Moreover, during its review and investigation of WM grant distribution, the PBC Commission on Ethics never determined that Policy GA-23 was relevant to its analysis, despite having the policies in its WM grant investigative file. Instead, the PBC Commission on Ethics highlighted the directive given to Coleman by Cooper and the October 20, 2015 memo confirming same, on which Cooper “indicated his approval by signature.” *See PBC COE 09/23/20 Memorandum of Inquiry, pg. 1 of 9.*

2. WM Grant – 2018

As explained above, Caryn Gardner-Young became Assistant City Manager in May 2017 and NCS is one of the departments she was tasked with overseeing. *See OIG Memorandum of Young Interview, pg. 1.* Early on in her tenure, she asked Coleman about NCS’ grant distribution process and learned there was no formal process being used. *See id, pg. 1-2.* As such, she instructed Coleman to develop a process, providing him with a grant application that she was familiar with from prior employment as an example. *See id.*

Young likely approached Coleman about the grant process in early April 2017, because on April 7, 2017 she sent Coleman an email asking for details about WM Contract Exhibit 13, which includes WM grant fund terms, stating “6. Sponsorship of City events – This is the \$10,000 we talked about. How much have we spent so far? Please provide a program for any future sponsorships.” *See Exhibit 57a, April 2017 emails between Young and NCS.* On April 14, 2017, Young told Coleman that she, “got the paperwork on this item but can you respond to each line item in red.” *See id.* That same day, Coleman forwarded Young’s emails to Danise Cleckley, who was in charge of administering the WM Contract. *See id.* Cleckley responded to Young, stating, “To date, \$4,500 has been utilized for the Drug Abuse Outreach, Delray Beach Marketing Cooperative and American Baseball League.” *See id.* On April 17, 2018, Young asked Cleckley for the applications related to the WM grant payouts. *See id.* When Cleckley asked Coleman for the documents, he told her that Quinlan took care of it. *See id.* By stating Quinlan “took care of it,” Coleman meant that Quinlan had sent Young the paperwork.

On May 30, 2017, Cleckley sent a meeting invite to Coleman and Stewart to discuss WM “Optional Benefits.” *See Exhibit 57b, Cleckley 05/30/17 meeting invite.* During this meeting, Coleman directed his team to gather all grant related documents. On June 2, 2017, Cleckley sent an email to Stewart attaching a draft of the WM grant application.¹⁸ Cleckley stated that Young instructed Coleman to create a process for distributing grant funds and the document attached to

¹⁸ We do not have a copy of this meeting invite, but it was specifically referenced in the OIG’s Memorandum of Cleckley’s interview, pg. 3.

her email was prepared in support of that process (although she did not draft it). *See OIG's Memorandum of Cleckley Interview*, pg. 3. Several days later, on June 4, 2017, Coleman sent an email through Quinlan requesting a meeting with Young, Stewart and Cleckley with the attachment "CI Grant" application.¹⁹ On June 9, 2017, Young sent Coleman and Stewart an email titled, "Grants" stating, "It is my understanding that you are working on a draft application for the Waste Management monies that we receive. I look forward to receiving this document for review. Are there any other grants in which this application can be used with modifications to that specific grant?"²⁰ On June 14, 2017, Cleckley sent Stewart an email with the subject, "Draft Grant App," with a draft of the WM grant application attached.²¹ Young emailed Coleman on June 20, 2017 asking for the status of the draft grant application.²² Eight days later, she accepted a meeting invite to discuss "Caron Foundation and Grant Application" in Coleman's office.²³ Young, Coleman, Stewart, Meeks and Cleckley attended this meeting and both the CF and WM grant applications were discussed. At no point was any need to adhere to Policy GA-23 ever mentioned or discussed.

Thereafter, Stewart and Meeks began to focus on completing the CF grant application. Once completed, they turned their attention back to the WM grant application. On August 25, 2017, Meeks sent Stewart an email with a draft of the WM grant application attached stating, "What do you think about this? I left out the part of having a Level 2 background check. It will cost more than the grant amount...???" *See Exhibit 58, Meeks 08/25/17 email to Stewart*. Three days later, Stewart sent Young an email attaching the proposed WM grant application for her review; it had the City Manager as having final discretion as to all grant awards. *See Exhibit 59, Stewart 08/28/17 email to Young*. On September 1, 2017, Young replied to Stewart's email, saying "Okay." *See Exhibit 60, 09/01/17 Young email to Stewart*. She later marked up the application with handwritten notes, and Stewart and Meeks met to discuss and make the proposed changes.

On November 20, 2017, Young emailed Coleman stating, "With your call this morning, you reminded me on this program as well – Community Improvement Grant Program. Can I get the same information as that [sic] you are providing for the Caron grant, thanks." *See Exhibit 61, Young 11/20/17 email to Coleman*. On December 16, 2017, Young asked Coleman about the status of the WM grant application, if it has been posted, who Coleman has assigned to the committee and who was awarded the grant in the last three years. *See Exhibit 62, December 16/18/19, 2017 emails between Young, Coleman and Quinlan*. That same day, Coleman responded telling Young that the CDBG grant process and committee were underway and that WM is a \$10,000 grant that has a \$5,500 carryover from 2016-17. *See id.* On December 18, 2017 Young

¹⁹ We do not have a copy of this email, however it was specifically referenced in the PBC Commission on Ethics 11/04/20 Memorandum of Inquiry, pg. 7 of 19.

²⁰ We do not have a copy of this email, but it was specifically referenced in the OIG's Memorandum of Young's interview, pg. 2.

²¹ We do not have a copy of this email, but it was specifically referenced in the OIG's Memorandum of Cleckley's interview, pg. 3

²² We do not have a copy of this email, but it was specifically referenced in the OIG's memorandum of Young's interview, pg. 2.

²³ We do not have a copy of this meeting invite, but it was specifically referenced in the OIG's memorandum of Young's interview, pg. 2.

asked Coleman for the history of the WM Grant, how many years it has been issued, its purpose, who grants were provided to and the process. *See id.* On December 19, 2017, Coleman sent Young an email, via Quinlan, attaching a memorandum answering Young's questions about the WM Grant; lists of all the organizations that had received WM grants so far, including the dates and the amounts awarded; and Coleman's October 20, 2015 memo to Cooper. *See id.* In his memo, Coleman said NCS had given WM grants to organizations since November 2015 based on them being a 501(c)(3) and providing services in the City of Delray Beach and that NCS has not given out any WM grants since April 2017. *See id.* Coleman also highlighted his October 20, 2015 memo to Cooper authorizing his distribution of WM grant funds. *See id.*

On December 27, 2017, Coleman sent Young a follow-up memorandum regarding the WM Grant, "per her request for more information." *See Exhibit 63, Quinlan 12/27/17 email to Young.* In the memo, Coleman explained that Cooper instructed NCS to oversee the disbursement of the funds; Cooper gave NCS full discretion to distribute funds to organizations in the City; Cooper advised Coleman to try to find smaller nonprofits; the process was informal and there was no advertisement; and most organizations were directed to Coleman upon finding out about the grant. *See id.* Coleman further explained in the memo that in order to track that WM grant funding he required that organizations provide information on the event or program; be a 501(c)(3) organization; be a vendor of the City; and none of the NCS staff could be a board member of the organization requesting funding. *See id.* Coleman stated that he wanted to continue using a similar process with a \$2,000 max award and asked, "Please advise how you would like me to proceed." *See id.* Young stated during her OIG interview that at the time, she did not take issue with Coleman's claim that Cooper had given him full discretion to give out grants. *See OIG Memorandum of Young Interview, pg. 4.*

On January 10, 2018, Quinlan emailed the agenda for the weekly NCS staff meeting with Young occurring the next day; under the heading, "Policy" it states "Waste Management Optional Benefits." *See Exhibit 64, Quinlan 01/10/18 email to Young and NCS staff.* Both the WM grant and the finalization of the CF grant process were discussed during this meeting. Around this time, Young ceased her oversight of NCS and Coleman began reporting directly to City Manager Lauzier. Coleman met with Lauzier to discuss the WM grant process and his prior authorization from Cooper to distribute the funds. *See Lauzier Affidavit, ¶ 6.* During the meeting, Lauzier approved of doing a review panel with the NCS Director having final discretion as to grant awards. *See id, ¶ 6.*

On February 14, 2018, Coleman sent an email to Stewart, copying Lauzier, with the attachment, "CI Grant Application (Impact Grant) 021318.docx." *See Exhibit 65, 02/14, 15/18 emails between Coleman, Stewart and Lauzier.* Coleman asked Stewart, "Did the City Attorney review application, if so, go ahead and post for 30 days." *See id.* On February 14, 2018, Stewart sent City Attorney Lynn Gelin an email asking her to review an attached draft WM grant application that reflected the NCS Director as the final decision-maker on all grant awards.²⁴

²⁴ We do not have a copy of this email, but it was specifically referenced in the OIG's Memorandum of Young's interview, pg. 3.

Stewart received a revised application back from Gelin, but only minor grammatical changes were made. The next morning, Lauzier responded to Coleman's grant application email stating, "I agree on the short timeframe. Was it always \$1,500? I would rather give more and do something more impactful since you can't do much with \$1,500." *See id.* Coleman explained to Lauzier that it was better to do smaller grant amounts so that more money was spread around to more organizations.

The WM grant opportunity was advertised with an application deadline of March 15, 2018. On March 29, 2018, Coleman and Stewart held a meeting with Cleckley and Michelle Hoyland, a Development Services Department staff member, to discuss the WM grant candidates. The meeting was not planned ahead of time and was impromptu. *See OIG Memorandum of Cleckley Interview, pg. 4; OIG Memorandum of Hoyland Interview, pg. 1.* Cleckley stated that the meeting lasted 20 to 30 minutes and during the meeting they were given documents, possibly applications, to review; she and Hoyland each received the same documents. *See id.* Coleman talked about the background of each organization and how they impacted the community and based on this information, they circled the names of organizations on a piece of paper indicating that they should receive funding. *See id.* Cleckley did not recall discussing the specific amount each organization should be awarded. *See id.* She recalled Stewart being at the meeting but not him influencing the selection process or participating in the selection of the organizations – "it was pretty much me and Michelle." *See id.; PBC COE 09/23/20 Memorandum of Inquiry, pg. 7, 8 of 9.* Hoyland recalled Coleman leading the meeting discussion on where funds could be disbursed and what everyone thought about the seven groups. *See OIG Memorandum of Hoyland Interview, pg. 1.* She recalled that Connect to Greatness was disqualified from receiving funds because it was located outside of the City. *See id.* Hoyland understood that her role at the meeting as helping them decide what to do with their funding and that the department was looking to help groups in the community. *See PBC COE 09/23/20 Memorandum of Inquiry, pg. 8 of 9.*

The files the City provided to the OIG included a spreadsheet of the seven 2018 WM grant candidates, with handwritten notes all over it. *See Exhibit 66, 2018 WM grant spreadsheet.* Connect to Greatness was crossed out with the note, "no location no \$." On the bottom someone wrote, "Thursday 03/29/18 Danise Jamael Michelle Hoyland WM Impact Grant Apps top 3 results are 2, 6 & 7." *See id.* On the spreadsheet, "2" was Delray Beach American Little League, and it had two sets of signatures next to it; "6" and "7" were KOP Mentoring Network and Prep and Sports, respectively, and they each had three initials next to them. Delray Beach Marketing Cooperative only had one set of initials next to it. *See id.* Amounts listed in the "amounts requested" column were all crossed out. *See id.* Delray Beach American Little League (+\$3,500), KOP Mentoring Network (+\$1,500), Prep and Sports (+\$1,500) and Delray Beach Marketing Cooperative (+\$1,000) were each awarded more than they requested, while Golden Parents Inc. and Tomorrow's Leaders/EJS Project each received \$500 less than they had requested. *See id.*

On April 2, 2018, Stewart sent Coleman, via Marisa Rodriguez, a memorandum detailing the selection of WM grant recipients and the grant amounts allocated to each. *See Exhibit 67, Stewart 04/02/18 memo to Coleman.* Stewart described the meeting and that the "committee reviewed each of the 7 applications to determine the amount to be awarded to each program." The

amounts listed for each organization matched the amounts written onto the spreadsheet. *See id; Exhibit 66.* Thereafter, the organizations were awarded their funds and Coleman briefed City Manager Lauzier on the results of the process in his monthly report.

Conclusion: Although there is absolutely no indication that Policy GA-23 applied to the disbursement of the WM grant funds at any time, even if it did, the PBC Commission on Ethics determined that it expired in September 2016, well before the 2018 WM grant cycle. *See PBC COE 11/04/20 Memorandum of Inquiry, pg. 6 of 19.* Moreover, if Policy GA-23 ever applied to the award of WM grants, it would make absolutely no sense for Young to direct Coleman to create a grant process from scratch to distribute the funds – especially when Policy GA-23 included its own application. As such, there was no requirement that any of the 2018 WM grant applicants fill out a Charitable and Benevolent Request form, or that a committee designated by the City Manager review applications.

Moreover, at no point did Coleman or Stewart take it upon themselves to unilaterally create the WM grant application – they were not operating within a vacuum. Creation of the application was a collaborative effort amongst NCS staff and City upper management. Coleman met with City Manager Lauzier to discuss the 2018 WM grant application and procedure and the application was provided to Lauzier and City Attorney Lynn Gelin for their review. Neither of them directed Coleman or Stewart to change the provision allowing the NCS Director to make the final decision on all grant awards and when Gelin reviewed and edited the application, Gelin – the City Attorney – never advised Stewart that it did not comply with any City policies. Again, it makes no sense to allege that Coleman and Stewart’s actions violated City policy when the City Manager and City Attorney were in agreement with and acquiesced to the 2018 WM grant application and procedure.

Lastly, with regard to the review of 2018 WM grant applications, just because the meeting that occurred was impromptu, did not mean it did not take place. Both Cleckley and Hoyland stated that they attended a meeting, the grant candidates were discussed and that they determined which organizations should and should not receive funding.

As stated by the PBC Commission on Ethics in determining that the 2018 WM allegations against Coleman and Stewart were legally insufficient: “[E]vidence shows that the organizations submitted applications, a meeting did take place, and recipient organizations were selected during this process. Evidence also shows that the same selection method was implemented for each organization that applied for grant money.” *See PBC COE 09/28/20 Memorandum of Inquiry, pg. 8 of 9.*

IV. DRAFT REPORT ALLEGATION NO. 2 IS NOT SUPPORTED BY SUFFICIENT EVIDENCE

ALLEGATION NO. 2 – Coleman and Stewart failed to avoid conflicts of interest between their personal interests and the City’s interests in dealing with certain organizations seeking grant funds from the City, in violation of City policy, processes, or procedures.

Coleman and Stewart Response – Contrary to the conclusion reached by the OIG, allegation no. 2 is not supported as to either Coleman or Stewart. As to the four organizations at issue, neither Coleman nor Stewart: (1) leveraged their influence as a City of Delray Beach employee or public officer for personal endeavors; (2) caused there to be any conflict of interest between their personal interests and the interests of the City; or (3) used their official position or office in a manner which resulted in a special financial benefit, not shared with similarly situated members of the general public, for themselves or an organization of which they (or their spouse or domestic partner) are an officer or director.

A. Prep & Sports

Prep and Sports is an organization that assists at-risk children in Delray Beach excel in sports, academics and college preparation that received two WM grants while Coleman was NCS Director – a \$1,500 grant on July 15, 2016 and a \$3,000 grant on April 20, 2018.

It is true that prior to June 2016, both Coleman and Stewart were board members or officers of Prep and Sports. However, Coleman attended a meeting with City Manager Cooper, Assistant City Manager Scott, Chief Financial Officer Warner and Assistant Chief Financial Officer Snyder on April 1, 2016 to discuss the distribution and reallocation of 2016 CF grants and was told by Warner that Prep and Sports had to be excluded from consideration because Coleman was on the board. *See Exhibit 9, 03/29/16 emails; Exhibit 10, 04/01/16 Quinlan Meeting Invite.* Consequently, Prep and Sports did not get the \$8,000 CF grant.

Thereafter, Coleman decided to resign from the Prep and Sports board on May 9, 2016 and Stewart resigned from Prep and Sports on June 29, 2016. *See Exhibit 54, 05/09/16 resignation draft; Exhibit 55, 06/29/15 Quinlan email re Stewart resignation; T. Jackson Affidavit, ¶ 4.*

When Prep and Sports was awarded a \$1,500 WM grant in July 2016, neither Coleman nor Stewart were Prep and Sports board members or officers. Moreover, when Prep and Sports was awarded a WM grant in July 2016, Stewart did not have any involvement in the process beyond proofreading the organization’s grant request letter. *See T. Jackson Affidavit, ¶ 3.*

Prep and Sport’s \$3,000 2018 WM grant was awarded well after Coleman and Stewart resigned from the organization. Moreover, 2018 WM grant candidates were reviewed by a panel consisting of Cleckley and Hoyland and according to Cleckley, although Stewart was at the meeting, she did not recall him influencing the selection process or participating in the selection

of the organizations – “it was pretty much me and Michelle.” *See PBC COE 09/28/20 Memorandum of Inquiry, pg. 7, 8 of 9.*

Conclusion: The OIG’s allegation that Coleman leveraged his influence as a City employee by writing a letter in support of Prep and Sport’s 2015 CF grant application is erroneous because there is no evidence that writing such a letter of support furthered any personal endeavors or interests of Coleman. There is absolutely zero indication Coleman was receiving any personal benefit, interest or compensation in writing a letter supporting a donation for an organization that intended to use the donated funds to assist at-risk youth in the community. Moreover, the reallocation of 2016 CF applications was decided by a group during a meeting attended by Coleman, Cooper, Scott, Warner and Snyder and when Prep and Sports was discussed, Coleman disclosed his affiliation with the organization and it was excluded from consideration as a result. As such, no “special benefit” was bestowed upon Prep and Sports during the 2016 CF grant cycle.

When Prep and Sports was awarded WM grants in 2016 and 2018, neither Coleman nor Stewart were board members or officers of the organization, both having resigned in May and June 2016, respectively. There is no evidence that either Coleman or Stewart received any personal benefit, interest or compensation as a result of the grant awards; that the money Prep and Sports was awarded was not used to assist at-risk youth; or that Prep and Sports was treated any differently from any other organization that requested WM grant funds. It had to provide the same documents and submit to the same review process as the rest of the grant candidates in order to obtain said funds.

There is absolutely no indication that these grant awards resulted in any violation of a City Policy or Code of Ethics. In fact, the PBC Commission on Ethics found no violation with regard to the 2018 Prep and Sports WM grant because “evidence shows [Stewart and Coleman] were not board members of Prep at the time of the application for and award of funds.”²⁵ *See PBC COE 09/28/20 Memorandum of Inquiry, pg. 6 of 9.* The PBC Commission on Ethics has also held that volunteering for a charity without compensation – as Stewart did for Prep and Sports – does not constitute a conflict of interest. *See id., pg. 8 of 9; T. Jackson Affidavit, ¶ 4.* The OIG should have reached the same conclusion considering the above facts.

B. Living Skills in the Schools/Crossroads Club

Living Skills in the Schools/Crossroads Club (“LSIS”) provides education and preventative substance abuse programming to elementary school children and is a well-known organization in the City of Delray Beach. The OIG has taken issue with CF grants LSIS was awarded in 2016 (\$11,000), 2017 (\$7,300) and 2018 (\$13,000) because sometime after 2016, its principal, Spencer, wrote a letter of support for Coleman for a position he was seeking with the Riviera Beach Police

²⁵ The PBC Commission on Ethics did not investigate the 2016 Prep and Sports WM grant award because it was outside of its statute of limitations.

Department and because there was an unsigned letter dated March 1, 2018 found on Coleman's computer from Spencer recommending him for the Boynton Beach Chief of Police.

1. 2016 CF grant

NCS Education Coordinator, Janet Meeks stated during her OIG interview that the first year the CF grant was disbursed, City Manager Cooper told Coleman that his department could contact organizations that provided programing consistent with the intent of the CF grant" and as a result, "they contacted several organizations and asked them to provide a description of their program." *See OIG Memorandum of Meeks Interview, pg. 1.* On June 1, 2015, Meeks sent an email to Coleman attaching a spreadsheet she created with the agencies they approached to obtain CF grant funds, "I tried to find a wide variety of agencies that would serve different age groups with different messages. Please let me know how to proceed." *See id, pg. 2.* The spreadsheet included descriptions of seven organizations, including LSIS. *See Exhibit 1.* Meeks said she was familiar with each of the seven organizations (which included LSIS) and that they provided the type of services that the City Attorney's Office had previously told the City Commission were consistent with the intent of the CF grants. *See OIG Memorandum of Meeks Interview, pg. 2.*

On April 1, 2016, Coleman attended a meeting with City Manager Cooper, Assistant City Manager Scott, Chief Financial Officer Warner and Assistant Chief Financial Officer Snyder to discuss the distribution and reallocation of 2016 CF grants, including the grant awarded to LSIS. *See Exhibit 9.* Since three organizations were removed from consideration during that meeting, more CF funds were available to allocate to LSIS and the group decided to increase its grant amount from \$8,000 to \$11,000. *See Exhibit 1.*

2. 2017 CF grant

According to a November 17, 2017 memorandum that Meeks drafted to Assistant City Manager Young seeking approval of proposed 2017 CF grant awards, LSIS was a grant candidate that submitted an application for the single \$20,000 CF award that was available, but the five-person review panel Meeks convened had decided to award the \$20,000 grant to the Milagro Center instead. *See Exhibit 27.* Meeks stated in the memo that since there were not enough eligible applicants for the \$2,500 CF grant awards and LSIS' grant application was strong, the review panel recommended that LSIS be awarded the remaining balance of 2017 CF funds available, which was \$7,300. *See id.* When Spencer learned that LSIS had not been officially awarded CF funds, she made a complaint to Mayor Glicksten, which was forwarded to City Manager Lauzier for resolution. In furtherance of that directive, Lauzier met with Coleman and Coleman explained LSIS was not awarded anything because there was only one \$20,000 grant available and that is the one for which she applied. During this meeting, Lauzier approved the review panel's recommendation that LSIS be awarded the \$7,300 balance of CF grant funds. *See Lauzier Affidavit, ¶ 5.*

3. 2018 CF Grant

Coleman delegated the tasks of 2018 CF grant advertising, application intake and scoring to his subordinate, Stewart. In 2018, LSIS's CF application was reviewed by Stewart and Rodriguez to ensure it was eligible for consideration. *See Exhibit 48*. Thereafter it was scored by Couzens, along with the rest of the grant applications. Couzens gave LSIS a perfect score and as a result it received the largest grant award. *See Exhibit 48*. However, LSIS still received \$12,000 less than the amount it requested (\$25,000). *See id.*

Conclusion: Coleman never promised Suzanne Spencer LSIS would be awarded grant funds in exchange for her writing employment recommendation letters his behalf and no evidence has been presented to the contrary. Moreover, LSIS was not treated any differently than any of the other 2016-2018 CF grant candidates – each year it was required to submit the same materials and underwent the same selection process.

In 2016, Meeks, not Coleman, included LSIS as a 2016 CF grant candidate and the 2016 CF grant awards were decided upon and allocated during a group meeting between Cooper, Scott, Warner, Snyder and Coleman. Whether or not LSIS got grant money and the amount was not solely Coleman's decision and the City Manager, Assistant City Manager, Chief Financial Officer and Assistant Chief Financial Officer all weighed in on and approved of the grant allocations, including the \$11,000 allocation to LSIS.

In 2017, Coleman did not participate in deciding whether or not LSIS should receive CF grant funds and the decision to award LSIS 2017 grant funds was authorized by the City Manager. Meeks convened and oversaw the CF grant application review panel and initially LSIS was not even officially awarded any funds, despite the panel's (not Coleman's) written recommendation that LSIS be awarded the \$7,300 balance of available CF funds "based upon their application being very strong." Spencer made a complaint to the Mayor, which was passed down to the City Manager, who met with Coleman to discuss the issue. During the meeting, the City Manager authorized the disbursement of the remaining \$7,300 in CF grant funds to LSIS, which was based upon the review panel's (not Coleman's) written recommendation.

In 2018, Coleman did not actively participate in the grant intake, review or scoring processes. These processes were delegated to Stewart and all 2018 CF applications, including LSIS', were scored by Couzens. Coleman awarded LSIS and the rest of the 2018 CF grant candidates the amounts recommended in Stewart's memo, and LSIS was still awarded \$12,000 less than the amount it requested.

There is no evidence that the money awarded to LSIS was not used to support childrens' substance abuse awareness programs or of any favoritism or special treatment/benefits being provided to LSIS during the 2016, 2017 or 2018 CF grant cycles, nor is there any indication that Spencer's writing of a recommendation letter on Coleman's

behalf had anything to do with the CF grants it was awarded. Just because one event occurs after another does not mean the prior event was the cause of the subsequent event. Without further evidence connecting the two events, it is reckless to assert otherwise.

C. Delray Beach Drug Task Force

The OIG has taken issue with two WM grants issued to the Delray Beach Drug Task Force (“DBDTF”) – a \$2,500 WM grant awarded on November 13, 2015 and a \$2,500 grant awarded on January 12, 2017.

A large portion of Coleman’s law enforcement career focused on illicit drugs – he was in charge of the gang task force and street level narcotics division; assisted the DEA task force with its cases; and participated in community outreach for drugs. Delray Beach also had a reputation as having a lot of drug issues within the community. As such, Coleman was encouraged by his supervisors to become involved in organizations such as the DBDTF. At first, Coleman just attended DBDTF meetings; he does not recall when he officially became a board member. However, Coleman concedes that he was on the DBDTF board when it was awarded a \$2,500 WM grant in November 2015.

When Coleman attended the April 1, 2016 meeting with Copper, Scoot, Warner and Snyder, he was advised that Prep and Sports was going to be excluded from receiving 2016 CF funds because he was on its board. Thereafter, Coleman made it a point to resign from the boards of all the organizations he served on in Delray Beach, including Prep and Sports (05/09/16), the Achievement Center (09/14/16) and the DBDTF (09/14/16). As such, when the DBDTF was awarded a \$2,500 WM grant in January 2017, Coleman was no longer on its board.

Conclusion: When Coleman authorized the 2015 WM grant to DBDTF, he was not aware that doing so constituted a conflict of interest. The DBDTF was a well-known and well-connected organization within Delray Beach that had received City funds in the past from the Police Department. When the organization was awarded \$2,500 in WM grant funds in January 2017, Coleman had already resigned from its board of directors, so the grant did not constitute a conflict of interest. See PBC COE 09/28/20 Memorandum of Inquiry, pg. 6 of 9.

Furthermore, the organization was not given any special treatment during the 2016 or 2017 WM grant process. It was required to submit the same documents and meet the same requirements as the rest of the organizations that requested WM funds during 2015, 2016 and 2017. Coleman never failed to issue funds to organizations that sought them and met all necessary requirements.

Lastly, there is no indication that Coleman acted with wrongful intent to award the DBDTF money, that the money was not used to fund its mission in Delray Beach or that

Coleman received any special or personal interest or benefit as a result of authorizing these grant awards.

D. Emanuel Jackson Sr. Project

The OIG has accused Stewart of causing a conflict of interest when the Emanuel Jackson Sr. Project, Inc.'s ("EJS Project") Tomorrow's Leaders program was awarded a \$1,000 WM grant on April 20, 2018.

The root of the OIG's conclusion is based upon the fact that in its November 2017 financial filing with the Florida Secretary of State, EJS Project added Stewart as one of its board directors. This action was taken by EJS Project without Stewart's knowledge. *See E. Jackson Affidavit*, ¶ 4. When Stewart found out about the issue, he told EJS Project's principal, Emanuel Jackson Jr., that he could not be a board director or officer. *See id.* When EJS Project's filings with the Florida Secretary of State were updated in September 2018, Stewart was no longer listed as a director. *See id.* In addition, meeting minutes circulated by the EJS Project on February 20, 2018 state that Stewart was a nonvoting advisor to the organization, and not one of its five board members. *See Exhibit 68, Jackson 02/20/17 email enclosing meeting minutes.*

Conclusion: As evidenced by the meeting minutes circulated by Jackson on February 20, 2018, Stewart was not an EJS Project board member or officer. Jackson himself also confirmed that Stewart was never an EJS Project board member, officer or employee, and he never, directly or indirectly, received any compensation from EJS Project. *See E. Jackson Affidavit*, ¶ 5.

In determining there was no conflict of interest created by Stewart when EJS Project was awarded \$1,000 in WM grant funds, the PBC Commission on Ethics highlighted that Stewart "held a non-voting advisory board position with EJS and volunteers for the charity without compensation" and since "he was neither an employee or a board member, his actions do not appear to violate the code of ethics." *See PBC COE 09/28/20 Memorandum of Inquiry*, pg. 8 of 9. The PBC Commission on Ethics also highlighted that all of the 2018 WM grant applicants were treated the same (EJS Project actually received \$500 less than the amount it initially requested) and "the same selection method was implemented for each organization that applied for grant money." *See id.*

2018 WM grant candidates were also reviewed by a panel consisting of Cleckley and Hoyland and according to Cleckley, although Stewart was at the meeting, she did not recall him influencing the selection process or participating in the selection of the organizations – "it was pretty much me and Michelle." *See id.*, pg. 7, 8 of 9. Furthermore, there is no evidence that Stewart received any compensation, special interest or personal benefit as a result of the \$1,000 grant award; that the grant money was not used to fund EJS Project's Tomorrow's Leaders Program; or that Stewart acted with any wrongful intent to award EJS Project WM grant funds.

V. DRAFT REPORT ALLEGATION NO. 4 IS NOT SUPPORTED BY SUFFICIENT EVIDENCE

ALLEGATION NO. 4 – Coleman used a City purchasing card to buy trophies for Stewart and Stewart’s cousin that were not made for the City and did not serve a public purpose, in violation of City policy.

Coleman and Stewart Response – This allegation is not supported because the purchases at issue did serve a public purpose.

The Spady Cultural Heritage Museum (“Spady Museum”) is a black history museum and cultural center. In early 2018, Coleman attended a meeting with Charlene Farrington-Jones, Executive Director of Spady Museum; Shareon Blake, Finance Director of the Spady Museum; and the CEO of the Knights of Pythagoras Mentoring Network (“KOP”), C. Ron Allen. During the meeting, they discussed the Spady Museum’s upcoming annual Martin Luther King Jr. Breakfast and NCS’ potential sponsorship of same. Coleman explained that NCS was not in a position to sponsor the Breakfast because the budget cycle was closed and NCS did not have additional money available.

The group also discussed the Spady Museum’s intention to recognize local leaders for their service to the community and give them a MLK Legacy Award for their efforts at the Breakfast. Allen suggested that the recipients of this award be Tavarious Jackson and Jamael Stewart, for their efforts to assist and mentor at-risk youth in Delray Beach, particularly black boys. Coleman agreed with Allen’s suggestion. Blake asked whether NCS could fund the awards that would be given to Jackson and Stewart and Coleman agreed to this expense.

Conclusion: Coleman’s decision to use \$140.00 in City funds to purchase the two MLK Legacy Awards given to Jackson and Stewart during the Spady Museum’s Annual Breakfast did not violate City policy because the expense served a public purpose.

Both Jackson’s and Stewart’s efforts in the community were well known and Stewart’s inclusion as one of the award recipients had the added benefit of fostering the relationship between the City and the black community. For quite some time, fostering and improving the relationship between the City and the black community by providing support to local organizations was an initiative being pursued by City Commissioner Shirley Johnson. The Spady Museum in particular has received extensive support from the City in the past and has been referred to in multiple City publications as a “partner organization of the City”; one of the City’s “cultural facilities”; and a “community partner” of the City. *See Exhibits 68, 69, 70, 71, 72 and 73.*

For example, in one publication, the City stated, “The City of Delray Beach has fostered arts and culture as an integral part of the community with funding organizations such as Old School Square, The Spady Museum...” *See Exhibit 71.* In another publication,

the City stated that one of its economic policies was to, “Promote the cultural and historical importance of the West Atlantic, Southwest, and Northwest neighborhoods, such as the Spady Cultural Heritage Museum, West 5th Avenue, and the West Settlers Historic District.” *See Exhibit 72.*

Prior to the MLK Breakfast, NCS partnered with the Spady Museum to host a reading event in Pompey Park. In addition, the 2018 MLK Breakfast was attended by Delray Beach City Commissioners and City Manager Lauzier. In fact, both the Delray Beach City Police Department and the City Manager’s Office purchased tickets for the Breakfast so their staff could attend the event. *See Lauzier Affidavit, ¶ 7.* As such, when Coleman made the decision to use City funds to assist the Spady Museum with an expense for its MLK Breakfast, in lieu of providing a sponsorship for same, he did so with the intention of supporting and fostering a partnership with an entity that the City had long considered to be essential to improving and nurturing its relationship with the black community.

VI. CONCLUSION

In light of the foregoing, it is clear that allegation nos. 1, 2 and 4 of the OIG’s draft report are not supported. Numerous documents and statements from witnesses show that Policy GA-23 did not apply to City-awarded grants such as the WM and CF grants; Coleman’s and Stewart’s supervisors were aware of the grant processes they employed and acquiesced to same; that Coleman and Stewart did not cause any conflicts of interest; that none of the grant awardees were provided with special treatment; and that the \$140.00 spent on MLK Legacy Awards given by the Spady Museum indeed served a public purpose. The PBC Commission on Ethics also reviewed many of these issues and determined they lacked legal sufficiency. The OIG should have reached the same conclusion.