



**DEPARTMENT OF  
ATTORNEY GENERAL  
CRIMINAL DIVISION**

<b>ORIGINAL DATE</b> July 12, 2019	<b>ATTY GEN LEGAL FILES NUMBER.</b> 2019-0267831-A
<b>DATE OF THIS REPORT</b> 03/08/2021	<b>CRIMINAL DIVISION-DETROIT</b>

<b>SPECIAL AGENT NAME</b> SA Diane Salter & SA Pete Ackerly	<b>AAG ASSIGNED</b> Michael Frezza	<b>REPORT NUMBER</b> #43
<b>STREET ADDRESS:AND CITY OF INVESTIGATOR OFFICE</b> 3030 West Grand Blvd. Suite 10-200, Detroit, Michigan 48202		<b>INCIDENT STATUS</b> Completed

**Investigators Summary Report:**

**Purpose**

The Michigan Department of Attorney General conducted a criminal investigation into the City of Detroit and the Make Your Date program, including whether there was misappropriation of public funds or unlawful destruction of emails within the City of Detroit. The investigation examined whether there was criminal conduct associated with the Mayor of Detroit specifying Make Your Date as a Mayoral priority and providing it with taxpayer funds. It was alleged the deletion of emails was to hide the personal relationship between Mayor Michael Duggan (hereinafter Mayor Duggan) and the Director of the MYD program, Dr. Sonia Hassan (hereinafter Dr. Hassan). This may implicate the destruction of public records and the legal requirements of the compliance with the Freedom of Information Act (hereinafter FOIA). A second allegation brought forth by Kennedy Shannon, a former City of Detroit employee suing the City, was the City of Detroit misappropriated funds regarding a federally funded program known as Motor City Match.

A team consisting of two Investigators (Special Agents Pete Ackerly and Diane Salter) investigated and evaluated any potential criminal activity regarding the deletion of the emails to avoid disclosure under FOIA. Acting Division Chief Danielle Hagaman-Clark and Assistant Attorney General Michael Frezza were assigned to provide legal guidance to the Agents. The investigation focused solely on determining whether any criminal acts occurred. Therefore, any evaluation regarding the City of Detroit's adherence to the records retention procedures, FOIA, and to the rules governing the administration of the federal grant known as Motor City Match, were limited to determining whether criminal conduct occurred. The Motor City Match investigation was referred to a federal agency.

**Witness Interviews**

Agents conducted interviews of the following twenty-one witnesses, some were interviewed on multiple times:

- o Attorney General Charitable Trust Section, AAG John Thurbur, Operations Manager Chad Canfield and Auditor Cassie Bebe.

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- Monique Phillips-City of Detroit Office of Development and Grants.
- Claire Huttenlocher-City of Detroit Office of Development and Grants.
- Kennedy Shannon-City of Detroit Office of Development and Grants.
- Cynthia Vails and Kathy Bagley-United States Department of Housing and Urban Development (HUD).
- David Yeh-City of Detroit Health Department.
- Jennifer Bentley-City of Detroit Office of Inspector General.
- Lawrence Garcia-City of Detroit Corporation Counsel.
- Katerli Bounds-City of Detroit Office of Development and Grants.
- Jack Deitrich-City of Detroit FOIA Coordinator.
- Julianne Pastula-City of Detroit Corporation Counsel.
- Kim James-City of Detroit Corporation Counsel.
- David Massaron-City of Detroit Chief Financial Officer.
- Katherine Hammer-City of Detroit Chief Deputy CFO.
- Lou Lessem-Wayne State University Corporation Counsel.
- Sirene Abou-Chakra-City of Detroit Officer of Development and Grants, under a use immunity agreement demanded by her legal counsel.
- Ryan Friedrichs-City of Detroit Officer of Development and Grants, under a use immunity agreement demanded by his legal counsel.
- Beth Niblock-City of Detroit Chief Information Officer.

## Search Warrants

Agents executed a total of four search warrants on the following entities:

1. Two upon the City of Detroit Department of Innovation and Technology.

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- America On Line (AOL) for Mayor Duggan's personal email account.
- Google/Gmail for Alexis Wiley's personal email account.

*[Agent's note: Mayor Duggan and Wiley used their personal email accounts to conduct City of Detroit business.]*

## City of Detroit and MYD Financial Records

Agents obtained and reviewed approximately 1,500 pages of financial records from the Detroit Health Department, Southeast Michigan Health Association, and Wayne State University. These records, combined with witness interviews, clarified whether any taxpayer money was misallocated or embezzled associated with MYD.

## Email Review

Pursuant to the search warrants 1,044,960 documents were seized with the assistance of the Michigan State Police. The email metadata seized was uploaded into the Relativity program, a document management system. Using Relativity, potentially privileged documents were culled out for the privilege team's review. A list of privileged search terms was used to remove from the investigators' and prosecutors' Relativity workspace preventing access to these documents. Agents reviewed the about 1,000,000 documents remaining, with special attention to about 150,000 documents. The privileged review team consisted of 3 Assistant Attorney Generals and a conflict wall was put in place. This team reviewed all documents flagged by City of Detroit Law Department and private criminal defense attorneys as being potentially being privileged. This team reviewed about 30,000 potentially privileged documents. Those documents that the City of Detroit lawyers, the defense lawyers, and the AG review team agreed were privileged were returned and not viewed by the investigators or prosecutors. There were 27,754 documents that were agreed were not privileged. Search terms were used to identify documents possibly relevant to the investigation. This process yielded another 1,547 documents, which were released to Agents and reviewed. In total the criminal investigators reviewed over 1,000,000 seized emails and other documents.

## Additional Document Review

- Attorney General Charitable Trust Section investigation of Make Your Date, a 501C3 formed by Dr. Sonia Hassan.
- Documents and emails produced by Shannon and Phillips.

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- HUD documents regarding the Motor City Match Program.
- Wayne State University (WSU) Financial records regarding MYD.
- City of Detroit Office of Inspector General (OIG) reports and documents which were not obtained pursuant to a *Garrity* statement.
- City of Detroit Procurement Ordinances.
- City of Detroit Procurement policies.
- City of Detroit email use policy.
- City of Detroit Records Retention policy.
- 2012 Detroit City Charter.
- FOIA requests received by the City of Detroit from November 13, 2018 through June 15, 2019, regarding MYD, Dr. Sonia Hassan and related entities.
- City of Detroit responses to the FOIA requests.
- City of Detroit Health Department Grant and Plan Submissions.
- Michigan State Police Report regarding Robert Carmack
- A list of all known civil lawsuits, including under FOIA, against the City of Detroit, during the relevant timeframe.

### Subject Not Interviewed (Alexis Wiley)

The Department of Attorney General, sought, but was unable to interview Alexis Wiley (hereinafter Wiley). Wiley, through her counsel, refused to provide a statement. Wiley could not be compelled to be interviewed because of the protections afforded to her by the Michigan and United States Constitutions, specifically the 5<sup>th</sup> Amendments.

However, days before the Detroit OIG released its report on 10/21/2019, Wiley authored an email dated 10/17/2019, from her Gmail account to her husband, Bryce Moe. Prior to Agents review, this email was cleared by the privileged document review team. The title of the email was, "Full Draft Statement." In its relevant part, Wiley wrote: *"I also say I don't recall because while I did not direct Ryan to tell his staff to delete all their emails, I can't with complete certainty say that*

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*nothing in that short conversation gave him that impression. As the report states, neither Ryan, Sirene, nor I at the time saw anything wrong with deleting routine emails.”*

## Background Information

The Michigan Department of Attorney General (hereinafter AG) received complaint letters from City of Detroit employees, Kennedy Shannon (hereinafter Shannon) and Monique Phillips (hereinafter Phillips). The allegations were the Mayor’s Chief of Staff, Wiley, ordered the deletion of emails related to the MYD program after it was revealed that Mayor Duggan may be having an extramarital affair with the Director of the MYD program, Dr. Hassan. City of Detroit ODG employees Phillips and Claire Huttenlocher were mentioned as those directed to delete emails. Shannon and Phillips asserted that because of the personal relationship between Mayor Duggan and Dr. Hassan, the MYD program received preferential treatment from the Duggan Administration. Secondly, Shannon asserted that Mayor Duggan channeled funds to his friends and supporters through a federal program known as Motor City Match.

The AG agreed to the investigation and did so utilizing Special Agents within the Department of Attorney General, with assistance from D/Sgt. Ponzetti of the Michigan State Police (MSP) and the MSP Digital Evidence Team. Agents conducted numerous interviews and obtained thousands of emails and other documents for review.

## Key Individuals

Based upon a thorough review of the available evidence, three subjects emerged related to the investigation:

1. Alexis Wiley, Chief of Staff.
2. Ryan Friedrichs, Director of the Office of Development and Grants’.
3. Sirene Abou-Chakra, Deputy Director Office of Development and Grants.

The investigation did not reveal that Mayor Duggan asked for any emails to be deleted. The investigation found no evidence that Mayor Duggan was aware of the deletion order until after the deletions occurred.

## Facts

Mayor Duggan was elected as Mayor of the City of Detroit and took office on 1/1/2014. Agents viewed a video of Mayor Duggan’s first State of the City address dated 2/27/2014. During the

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Mayor's address, he referenced Dr. Hassan and her research at WSU, regarding a program known as MYD. MYD was a maternal health program designed to prevent pre-term births for at risk mothers in Detroit. Mayor Duggan stated it was his intent to implement the MYD program to reduce the rate of infant mortality.

MYD is a Michigan domestic non-profit corporation formed by Dr. Hassan. A second version of MYD was formed by and affiliated with WSU, for which Dr. Hassan was the Director. Agents interviewed Michigan Attorney General Charitable Trust Section employees, John Thurbur, Chad Canfield, and Cassi Bebe. Agents learned that the original version of MYD formed by Dr. Hassan was exempt from the charitable trust registration requirement because it received donations less than \$25,000. The WSU version of MYD acted under the direction of a governmental entity; therefore, it was exempt from the registration requirement.

Wiley was appointed as Mayor Duggan's Chief of Staff in May 2014. Previously, Wiley worked as a reporter and anchor for Fox2 News. Friedrichs was appointed as the Director of the Office of Development and Grants in January 2015, and Sirene Abou-Chakra became the Deputy Director for the Office of Development and Grants in February 2018. The Office of Development and Grants (hereinafter ODG) created by Mayor Duggan, sought public and private grants and charitable donations to benefit the City of Detroit.

Agents learned that Robert Carmack is a Detroit area businessman, who was an adversary to Mayor Duggan. On 11/14/2018, Carmack, using a mobile electronic billboard, publicly displayed a video in downtown Detroit near City Hall. The video depicted Mayor Duggan being surveilled while Mayor Duggan drove to, and arrived at a condominium in Novi, without his security detail. By making the video public, Carmack created the inference that Mayor Duggan was having an extramarital affair with someone who lived at the condominium. Detroit area media outlets learned that Dr. Hassan lived in the condominium complex and along with clips from the video broadcasted this, which triggered a number of FOIA requests to the City of Detroit. The FOIA requests were:

1. 11/14/2018: Fox2 News requested Mayor Duggan's correspondence with Dr. Sonia Hassan.
2. 11/27/2018: Detroit Free Press requested all emails and text messages between Mike Duggan and Dr. Hassan since January 2014. All emails sent or received by Mayor Duggan that contain a reference to MYD.
3. 11/30/2018: Detroit Free Press requested all contracts and payments between the City and SEMHA, all communications with SEMHA, and any and all communications from the City of Detroit to WSU for health programs since Jan. 2014. Any and all contributions from the City of Detroit to MYD.
4. 1/10/2019: Detroit Free Press requested all emails sent by or received by Alexis Wiley to Dr. Hassan since January 2014.

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5. 4/5/2019: Detroit News requested any and all emails or correspondence provided to Free Press between members of the city's administration including Mayor Mike Duggan's Chief of Staff Alexis Wiley, Detroit Chief Development Officer Friedrichs and Dr. Sonia Hassan relative to the Make Your Date program.
6. 4/10/2019: Drew Paterson filed a FOIA for Ellen Ha's personnel file, and for any and all documents received by the Detroit OIG regarding the MYD investigation.
7. 4/16/2019: WXYZ requested all emails between Michael Rafferty, Donald Rencher, Dave Massaron, Katerli Bounds, Ryan Friedrichs, Nichole Rodden-Brown and Donald Rencher.
8. 4/16/2019: Detroit Free Press requested annual budgets for Sister Friends (SF), any and all grant agreements to SF, SF financial summary reports, SF intake applications, SF progress reports, emails sent and received by Deborah Whiting, Yolonda Hill-Ashford, Leslie Welch and Abdul El-Sayed regarding the SF and MYD programs.
9. 5/22/2019: Detroit Free Press requested all emails sent and received by Ryan Friedrichs, Monique Phillips, Vance Jackson and Claire Huttenlocher regarding MYD.
10. 5/24/2019: WXYZ requested all e-mails to or from Ryan Friedrichs, Claire Huttenlocher, Vance Jackson and Monique Phillips concerning raising funds for the MYD program in 2018.
11. 5/31/2019: Detroit Free Press requested documents related to transportation support funding for SF/MYD, including, but not limited to, documents showing approval of any appropriation, documents showing what any such appropriation was intended for and documents showing how such funding was spent.
12. 5/31/2019: Detroit Free Press requested emails received by Deborah Whiting, Abdul El-Sayed regarding the MYD program.
13. 6/15/2019: Michigan Freedom requested a complete copy of any and all public records such as letters, email, drafts, notes, memorandums for Mr. Ryan Friedrichs regarding MYD, Dr. Sonia Hassan, Wayne State, or a combination of the following "Ryan Friedrichs, Jocelyn Benson, Mayor Mike Duggan, Grant Award, Funding, Event, or Support. Any and all emails from the MYD.org email address or any emails sent to or received from shassan@med.wayne.edu or lholland@med.wayne.edu.
14. 6/17/2019: Detroit Free Press requested all emails sent and received by Ryan Friedrichs, Monique Phillips, Claire Huttenlocher, Vance Jackson, of the city's office of development and grants, since January 2017.

**FOIA and Public Records Retention Training within the City of Detroit**

Witness interviews of Friedrichs and Abou-Chakra and others, indicated that they received no formal training on compliance with FOIA, or the City of Detroit's records retention policies.

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Electronic records revealed that there was FOIA and records management training scheduled for 8/21/2015. On 9/2/2015, Mayor Duggan issued Executive Order 2015-4 regarding FOIA and records retention. The executive order was titled “City of Detroit Records Management Policy” and specified the retention and disposal schedules for public records and mandated adherence to the records management policy and established protocols for responding to third-party records requests including those made pursuant to the Michigan Freedom of Information Act. In its relevant part, the executive order states, *“Retention of both public records and non-record materials is required, even if a disposal is otherwise authorized by a schedule, if a FOIA request has been received, or if an investigation or litigation is imminent or has commenced. In such events, neither public records nor non-public record materials may be disposed of until the conclusion of the investigation, litigation, or FOIA request.”*

### Deletion of the MYD Emails

Witness interviews indicate the first discussion of deleting the emails was between Wiley and Friedrichs, on or about the second week of December 2018. Specifically, the conversation between Wiley and Friedrichs centered on deleting the emails of the Detroit Office of Development and Grants (hereinafter ODG) staff working on the MYD program. The only persons present were Wiley and Friedrichs. The directive was routed by Friedrichs through his Deputy Director, Sirene Abou-Chakra (hereinafter Abou-Chakra), to employee Phillips. Witnesses also stated there was a second directive issued by Wiley to Friedrichs in mid-February 2019 for ODG employee, Claire Huttenlocher (hereinafter Huttenlocher), to stop talking to MYD and to delete her MYD emails. The two participants were Wiley and Friedrichs who routed it through Abou-Chakra to staff.

### Key Witness Statements

#### 1. Kennedy Shannon (Report #5)

Shannon was the Associate Director for the Office of Grants and Development.

Shannon was employed by the City of Detroit for a period of three and one-half years. Shannon’s employment was terminated in May 2019. Shannon’s job was to supervise the reimbursement grants to Detroit, primarily from the US Housing and Urban Development Administration (HUD).

HUD provides Detroit with a Community Development Block Grants (CDBG) and is channeled through the City’s Housing and Revitalization Department (HRD). In 2018, Detroit received \$32 million in HUD grants and the amount was increased to \$38 million for 2019. These grants fund

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multiple programs, including the Motor City Match (hereinafter MCM) grant. MCM grants were designed to encourage new businesses to open in Detroit. Over the past five years, MCM received \$8 million in HUD funding and another \$12 million in general fund dollars, \$20 million in total. For its five-year \$20 million investment, MCM opened 62 businesses inside the City.

In December 2018, Shannon attended a meeting with Friedrichs and Katerli Bounds (hereinafter Bounds) during which she was told that MCM only had \$13,000 in its bank account. Shannon was ordered to approve expedited reimbursement packets totaling \$300,000 in four days. Shannon refused, arguing that it would take more than four days to verify the information and the expenses submitted were valid. Bounds told Shannon “The Mayor is saying we need to get the packets paid.” Bounds went around Shannon to her subordinate employee, Chris Jones, and had him sign the reimbursement packets. Deficiency notices had been sent by the contractors and \$169,000 in overdue payments were made to contractors. Shannon asserted that because of the excessive fees charged by the contractors, the MCM grant had an overhead cost of 80%, which far exceeded other grant programs. In June 2019, the Detroit City Council approved the reallocation of funds to the Housing Revitalization Department (HRD).

In April 2019, Shannon contacted her lawyer and sent a detailed email to Friedrichs and Bounds requesting more information about the MCM grant program. Friedrichs and Bounds met with Shannon to discuss the MCM grant and Friedrichs admitted he knew the MCM grant was paying the consultants too much money. Shannon stated Friedrichs knew the program was “screwed up” and that he was fixing it. However, Friedrichs wanted Shannon to approve the reimbursement packets for payment, while he fixed the program. Shannon refused to approve any additional reimbursement packets because there was not a breakdown of the expenses as required by the federal grant. Bounds said Shannon was being “insubordinate”. Afterwards, Friedrichs sent an email advising that Shannon has complete autonomy to sign off the reimbursement packets.

HUD issued a “scathing audit report” about the MCM grant, which was sent to all parties including Friedrichs and Bounds. HUD’s audit questioned the cost findings with MCM. Shannon’s department was supposed to be the watchdog over the HUD funds spent by MCM.

On 5/1/2019, Shannon was summoned to a meeting with the Human Resources Director and Bounds. Shannon was told she was being suspended for 30 days for falsifying her timecard. Shannon had used FMLA time and there were four days over a six-month time-period that were in question. Subsequently, an examination was conducted of her City issued computer and discovered a folder with personal pictures and documents. Shannon was terminated for violating the computer use policy. The termination letter was signed by David Massaron (hereinafter Massaron) and approved by Bounds.

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Shannon has filed two lawsuits against the City of Detroit. A Discrimination and Retaliation lawsuit filed in the Eastern District of Michigan, and a Whistleblower action filed in Wayne County Circuit Court.

2. Monique Phillips (See 2019-0267831-A Reports #3 and #10)

Phillips was a Development Officer and reported to Abou-Chakra. As a Development Officer, it was Phillips' job to solicit funds from private foundations to support City of Detroit initiatives such as a new playground. Phillips, as a government employee, had never solicited funds on behalf of a private, non-governmental entity, such as MYD.

In December 2018, Phillips was asked by Abou-Chakra to delete her MYD emails. Phillips stated, "I did not feel good about the request, but I deleted most, but not all of the emails." In mid-February 2019, Phillips was a passenger in Abou-Chakra car when she placed a call to Development Officer Clair Huttenlocher (hereinafter Huttenlocher). Phillips heard Abou-Chakra tell Huttenlocher that the Mayor's Chief of Staff, Wiley, requested that Huttenlocher stop communicating with MYD and to destroy her MYD emails.

Later in 2019, Phillips was given a stack of printed emails to review that she understood to be all the deleted emails. Phillips said to the best of her knowledge, the majority, if not all the deleted emails for MYD were present in the documents. She did not recall any important email missing in what she reviewed. She confirmed to Friedrichs she believed all her deleted emails were there. She stated these emails were made publicly available by the City.

In her second interview, Phillips asserted that she was coerced by Shannon to make a complaint to the Attorney General. It was Shannon who authored Phillips' complaint letter to the Attorney General and Phillips, under direction from Shannon, signed it.

3. Claire Huttenlocher (See 2019-0267831-A Reports #4 and #9)

Huttenlocher was a Development Officer and reported to Abou-Chakra. Huttenlocher began her employment with the City of Detroit in May 2018. Her immediate supervisor was Abou-Chakra, who oversees the development side of the ODG. Bounds oversees the grant side of ODG and they both reported to Friedrichs.

On 2/7/19, Huttenlocher was at her desk and received a call from Abou-Chakra as Abou-Chakra and Phillips were returning from a meeting. The call was about MYD and the connection, or relationship between the Mayor and Dr. Hassan of MYD. There was an "urgent tone" to Abou-Chakra voice. Abou-Chakra said Wiley had come to her about a "building press inquiry" regarding the mayor and Dr. Hassan, and that was why Abou-Chakra was directing

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Huttenlocher to delete her MYD emails. There was no discussion about a FOIA request during the call, however the directive from Abou-Chakra was for Huttenlocher to delete all her emails. Huttenlocher told Abou-Chakra that she was uncomfortable with the directive.

Huttenlocher had a second conversation with Abou-Chakra. Abou-Chakra reasserted the directive to delete her MYD emails and said the request originated from Wiley. There were press inquiries about the Mayor and Dr. Hassan, and their relationship. Huttenlocher does not recall when she deleted the emails, but may have been on 2/7/19, or the following day. Huttenlocher discussed the deletion of emails with Phillips, who was given the same directive from Abou-Chakra. They both were uncomfortable with the directive. Huttenlocher nonetheless located her MYD emails and related emails and deleted them.

On 3/17/2019 Huttenlocher met with Abou-Chakra who asked specific details about the MYD program. Huttenlocher believed Abou-Chakra was gathering this information for the City's response to a Detroit Free Press inquiry.

On 4/10/2019 Huttenlocher attended a meeting with Friedrichs, Abou-Chakra, Phillips, and Bounds. The purpose of the meeting was to review the MYD documents that were to be submitted to the Detroit OIG. The documents were uploaded to a shared drive. Friedrichs handled all the documents, including the deleted emails for the Free Press FOIA request. It was around this time that Friedrichs had Huttenlocher and Phillips review all the deleted emails, which were printed. Huttenlocher confirmed that they were all present.

Huttenlocher was confident no MYD funds were misspent.

4. Sirene Abou-Chakra, (See 2019-0267831-A Report #34)

Abou-Chakra made a statement after the prosecutors, the witness, and her defense counsel executed a use immunity agreement that she demanded. She was the Deputy Director of the Office of Development and Grants and reported to the Director, Friedrichs.

In December 2018, Friedrichs called Abou-Chakra and asked her to call Phillips, and tell her to stop talking with MYD, stop communicating with MYD, and to delete her MYD emails. Friedrichs told Abou-Chakra the order originated from Wiley. Abou-Chakra trusted Friedrichs, she did not question the order, nor did she push back. She called Phillips and repeated what Friedrichs had told her. Wiley was the second most powerful person in City. Wiley acted on all matters regarding the City. This included MYD. Abou-Chakra and Friedrichs had a standing bi-weekly meeting with Wiley and a weekly meeting with the Mayor during which MYD had been discussed.

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Friedrichs' reasoning for the order to delete the emails, was that Carmack was coming after them. MYD was a mayoral priority and it looked as if something was improper, even though it was not. The idea was to keep the employees out of the drama, i.e., to protect the staff. Abou-Chakra asserted that neither she, nor Friedrichs, deleted any of their own MYD emails. Abou-Chakra produced all her MYD emails pursuant to the FOIA requests.

Abou-Chakra confirmed that Wiley circumvented the chain of command by going directly to Friedrichs, and around John Hill (hereinafter Hill) and Massaron. If the order to delete the emails had been routed through either Hill or Massaron, she believes they would have likely pushed back on Wiley and the request would not have made it to Friedrichs.

In February 2019, Friedrichs came to Abou-Chakra's office and said that Huttenlocher had continued communicating with MYD. Friedrichs learned this information from Wiley. Friedrichs asked Abou-Chakra to contact Huttenlocher and directed her to stop all communications with MYD, including email, and to delete all her MYD emails. Abou-Chakra said that she and Phillips were in her car returning from a meeting when she placed a call to Huttenlocher. The call was broadcasted on the hands-free speaker and Phillips overheard the conversation.

Abou-Chakra admitted that she then told Huttenlocher to stop all communications with MYD and to delete her MYD emails. The justification for the deletion of emails was they were being targeted by Carmack. Abou-Chakra denied that Huttenlocher said she was uncomfortable with the deletion order. Abou-Chakra asserted that if Huttenlocher, or anyone else, had pushed back on the deletion of the emails, she would not have insisted they do it. Abou-Chakra did not recall a follow up meeting with Huttenlocher where said she was uncomfortable with the order to delete the MYD emails.

Once it became public that the MYD emails had been deleted, Abou-Chakra learned Wiley denied giving the order and blamed the deletion of the emails order on Friedrichs. There was a confrontation between Friedrichs and Wiley over Wiley blaming Friedrichs for the order. Friedrichs went to Mayor Duggan and complained about Wiley and how this was a failure of the mayor's leadership.

Abou-Chakra and Phillips were present for a meeting when Wiley was compiling documents for MYD. During the meeting, Wiley asked Phillips about a specific fundraising matter. Phillips said she could not answer the question because she had been ordered to delete her emails, implying the information was gone and it was Wiley's fault. Wiley did not react or respond to Phillips' remark. Abou-Chakra opined that Wiley's lack of response confirmed, "It was she who ordered the damn emails deleted."

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DATE OF THIS REPORT 03/08/2021	CRIMINAL DIVISION-DETROIT

On June 5, 2019, Abou-Chakra authored the following email to Jennifer Bentley of Detroit OIG after she was interviewed the previous day:

**From:** Sirene Abou-Chakra  
**Sent:** Wednesday, June 5, 2019 10:34 AM  
**To:** Jennifer Bentley <[BentleyJ@detoig.org](mailto:BentleyJ@detoig.org)>  
**Subject:** Re: OIG Interview Request

Hi Jennifer,

I did some pondering after our conversation yesterday (ok, a lot) and asked myself the hard question on why I didn't push back on the request to delete emails. I wholeheartedly believe that if I felt there was something incriminating or unethical in those emails, I would have pushed back on deleting them. The fact they were superfluous in nature made the request to delete them seem innocuous. I am sharing this because I pushed myself hard on the question yesterday and wholeheartedly believe that to be the truth. Thanks for your time and the work that you do.

Sirene Abou-Chakra  
Deputy Chief Development Officer | City of Detroit  
313.942.5391

5. Ryan Friedrichs, (See 2019-0267831-A Report #36)

Friedrichs made a statement after the prosecutors, the witness, and his defense counsel executed a use immunity agreement that he had demanded. Friedrichs stated he was the Director of the Office of Development and Grants. Friedrichs reported to CFO David Massaron.

In the first week of December 2018, Wiley came to his office. It was then that the directive to delete the MYD emails originated from Wiley. Wiley and Friedrichs were the only people present. Wiley began asking about private grants. Wiley expressed her concerns to Friedrichs about the activities of the ODG staff with MYD. Wiley mentioned that she tried to delete her MYD emails, but they kept "popping back up". Friedrichs responded he was not going to delete his emails, nor was he going to have his senior staff delete theirs. Friedrichs wanted to protect ODG from future allegations by showing that the ODG worked on behalf of MYD and retaining the emails was his proof. Wiley told Friedrichs to have his junior staff members delete their emails to protect them from attacks by Carmack. Wiley told Friedrichs, no more meetings, no more calls to MYD. Wiley said, "If they keep those outreach emails, they are going to be attacked." On further questioning Friedrichs explained he could not recall who first mentioned the staff-level employees deleting their MYD emails but Wiley did say or okay it. Friedrichs agreed to pass her message along to his subordinates. Friedrichs said the Chief of Staff speaks on behalf of, and with the authority of, the Mayor.

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In February 2019, Friedrichs received a call from Wiley questioning him if the ODG was still working with MYD. Wiley said “I was told you were. Claire is still sending emails to Make Your Date, call Sirene.” Friedrichs called Abou-Chakra and asked her to relay the message from Wiley to Huttenlocher to delete her emails and stop interacting with MYD.

In late June 2019, Friedrichs discussed with the Mayor the order given by Wiley to delete the emails. Wiley denied to Mayor Duggan she gave the order and the Mayor did not know who to believe. The Mayor appeared genuinely upset about the deleted emails. Friedrichs discussed the recovery of the emails with Mayor Duggan when it became part of the news story. Mayor Duggan never held Wiley accountable for the order to delete the emails, which frustrated Friedrichs. Wiley never admitted to it, she never took responsibility for her actions. Wiley changed her story from “I didn’t do it” to “I don’t remember doing it.”

Friedrichs had a discussion with Wiley after work as they were walking to their cars. They were debating as to how to publicly respond to the deleted email allegations when Friedrichs said to Wiley “Just admit to what you did.” Wiley did not respond. In Friedrichs’ mind, Wiley’s lack of a response was a tacit admission.

6. David Massaron, (See 2019—0267831-A Report #25 and #40)

Massaron was the Chief Financial Officer for the City of Detroit.

Massaron first learned about the deleted emails after Shannon made allegations about emails being intentionally deleted during a human resources disciplinary interview for false time sheets. Present for the human resources interview was Bounds and HR Director Denise Starr (hereinafter Starr). It was Starr who called Massaron and notified him about the deleted emails allegation. Shannon asserted that it was the Mayor’s Office who had ordered the deletion of the emails. Massaron called Friedrichs and asked him about the deleted emails. Friedrichs said he needed to look into it and would get back with Massaron.

On or about February or March 2019, Massaron received a call from Mayor Duggan asking what he knew about the deleted emails. Massaron said the Mayor was angry and ordered Massaron to “Figure out what happened.”

Massaron was aware that a FOIA request had been filed on the City of Detroit after the Carmack video was made public and he knew the FOIA request asked for the employment of Dr. Sonia Hassan and related emails.

Regarding the intentional deletion of relevant emails after a FOIA is received, Massaron stated that violated the records retention rules and, “100%, no you don’t do that. It’s the Hillary

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Clinton rule.” Massaron took control and began the process of recovering the emails from DoIT through its Director, Beth Niblock. Friedrichs told Massaron that the deleted emails belonged to two of his ODG employees. Massaron was told the deleted emails may no longer be on Detroit’s server and they had to recover them from WSU’s servers.

Massaron questioned Friedrichs as to what happened. Friedrichs said he was given a directive by Wiley to delete the emails. Friedrichs told Massaron that he should not be worried, because the rest of his staff kept their emails. Friedrichs justified the order to delete the emails for his staff was issued to protect the employees from the media. The justification given “Did not compute, seemed irrational to me.” Massaron was concerned that this was a FOIA, or public records violation. Massaron knew that the two employees whose emails were deleted belonged to Huttenlocher and Phillips.

Friedrichs was protective of his staff and was honest and ethical. However, Friedrichs should not have taken the directive from Wiley without first getting the approval from the prior CFO John Hill, or him. Wiley, by going direct to Friedrichs and ordering the deletion of emails, circumvented the chain of command. Massaron acknowledged that as the Mayor’s Chief of Staff, Wiley wielded considerable power and authority.

After learning about the deleted emails, Massaron called Mayor Duggan and explained to him that the emails were deleted, and that the order to delete them came from Wiley. The Mayor was upset and used expletives to express how upset he was.

7. Beth Niblock (See 2019-0267831-A Report #39)

Beth Niblock has worked as the City’s Chief Information Officer (CIO) for six years. She explained the process to place a litigation hold on an employee’s email account to prevent deletion. She was not aware of the 5/17/2016 email discussing the litigation hold place on Wiley’s and Mayor Duggan’s email accounts concerning the demolition probe. Niblock denies she was approached by Wiley or Massaron on her behalf to remove the litigation hold. She did not know if the Wiley hold was still active or not. She did note that holds often remain on an account for long periods of time even after the litigation has ended.

Niblock stated that in March 2019 the City had switched its email system to Outlook from Groupwise. This switch, soon after, excludes that ability to recover the Groupwise emails that had been permanently deleted in that system.

*Agent’s Note: MSP Computer Forensics Team attempted unsuccessfully to locate the permanently deleted emails from the Groupwise metadata.*

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8. Lawrence Garcia, (See 2019-0267831-A Report #19)

Lawrence Garcia (hereinafter Garcia) learned of the deletion of emails from Massaron. Massaron said he had been made aware of the deletion of emails and was working to recover them. Garcia was told that one half of the emails were still with DoIT and the other half could be recovered from WSU. Garcia did not know who from WSU assisted with the recovery of emails, but they were printed off on paper. The emails arrived “in a mess” and Katie Hammer was tasked with collating the emails. Garcia did not think the Detroit internal emails were deleted as Wiley, Friedrichs, and Abou-Chakra did not delete their emails. The reason given to Garcia for certain emails deleted was to protect the City of Detroit ODG employees Huttenlocher and Phillips. That is why they were told to delete their emails. Huttenlocher and Phillips frequently updated Friedrichs and Abou-Chakra with weekly reporting on MYD.

No one from the ODG sought the Law Departments advice, or direction, before deleting the emails. It was Garcia’s decision to publish the recovered and re-created emails to Detroit’s website for public disclosure. Garcia did not investigate as to why the emails were deleted; he did not want this to be a bigger black eye to the City than it already had. Garcia opined that all the internal emails regarding MYD, were preserved in DoIT’s servers.

Garcia stated there is no policy which prohibits the use of personal email to conduct city business. Nor is there a policy requiring city employees to conduct city business only using only a Detroit email address. If an FOIA request is received for city employee’s personal emails, they rely upon the honesty of the employee to produce the relevant emails.

9. Katherine “Katie” Hammer, (See 2019-0267831-A Report #42).

Hammer was the Deputy CFO since May 2019, and prior to that, she was the Deputy Chief Operating Officer. Hammer reports to CFO David Massaron. Hammer came to the City of Detroit in 2017 and worked under CFO John Hill, who retired in December 2018.

Hammer said she was aware of MYD being a mayoral priority but was not part of or aware of MYD operations. Her only involvement was to get recovered MYD emails posted online. Hammer stated that Massaron came to her and told her the ODG had deleted emails regarding MYD. Hammer was tasked with organizing the recovered emails to be posted online. Massaron handed her a stack of papers that contained the printed emails. She put them in chronological order and scanned them. Hammer worked with the Department of Information and Technology (DoIT) to get them posted online. Hammer did not review the content of what was in the printed emails. Hammer understood the printed emails originated from WSU. Hammer said the emails were posted on the City of Detroit website as a response to FOIAs.

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Hammer was under the impression that Massaron blamed Wiley. Hammer was not present for any conversations involving Wiley and the MYD program. Hammer recalled a OCFO meeting where Ryan Friedrich's expressed frustration that he was asked to carry out the deletion request. Friedrich blamed Wiley. Hammer could not remember when this meeting occurred, but believes it was after she scanned the MYD emails.

Hammer said Wiley managed and protected Duggan's image. Wiley was a "take action" person who was very loyal to Duggan and has very good communication skills. Hammer said Wiley was a person of integrity. Hammer described Friedrichs as honest, very systematic, metrics oriented, and was a good administrator.

### Preferential Contracts and Funding to MYD

Witnesses told Agents that MYD was listed as a mayoral priority by the Duggan administration. A review of the Detroit Health Department contracts with MYD did not substantiate the allegation that MYD received unlawful preference. The investigation did not reveal any money MYD received was misallocated or misspent. The investigation also did not reveal that the Lyft contract let by the City to transport patients to MYD and Sister Friends violated any procurement ordinance or policy. However, it was unusual for the ODG staff to conduct fundraising on behalf of a private entity such as MYD.

### Motor City Match Allegation (See 2019-0267831-A Reports #5 and #6)

Motor City Match (hereinafter MCM) was a federally funded program through the Department of Housing and Urban Development (hereinafter HUD), designed to encourage startup businesses and entrepreneurship within the City of Detroit. During the interview of Shannon, she asserted MCM was a slush fund for the friends and political supporters of Mayor Duggan.

Agents met with HUD Sr. Financial Analyst Cynthia Vails and Community Planning Officer, Kathy Bagley. Vails and Bagley agreed that the MCM program was managed poorly by the City of Detroit, however, they were not aware of criminal activity. Vails and Bagley referred Agents to the HUD Office of Inspector General (hereinafter HUD-OIG). This portion of the complaint was investigated by the U.S. HUD-OIG for which charges were not initiated by the United States Attorney's Office.

### STATUS:

Investigation completed.

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