



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

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Warren Asbestos Abatement Company Owner Facing Felony Charges

The owner of a Southeast Michigan asbestos abatement company that did subcontracted work for the Detroit Land Bank Authority is facing multiple felony charges for misrepresenting project costs to avoid paying more money to the state, bribing a contractor to secure work for his company and violating state laws that require post-abatement air monitoring to be done by an independent entity.

Kevin Woods, owner of BBEK Environmental, was arraigned today in 37th District Court in Warren on the following charges:

- Four counts of false pretenses over \$100,000, a 20-year felony;
- One count of false pretenses between \$1,000 and \$20,000, a five-year felony;
- One count of money laundering, a 10-year felony; and
- One count of bribery of an agent or employee, a one-year misdemeanor.

The charges against Woods, 50, of Harrison Township, Michigan, stem from an investigation by the U.S. Attorney's Office for the Eastern District of Michigan into the use of Troubled Asset Relief Program (TARP) funds for demolitions by the Detroit Land Bank.

The investigation found that Woods had inappropriately paid Aradondo Haskins to obtain contracts with Haskins' former employer, Adamo Group, a large demolition contractor in Southeast Michigan. Adamo Group performed demolition work for the Detroit Land Bank Authority and hired BBEK as subcontractor for asbestos abatement.

It's alleged that BBEK was frequently selected for abatement work by Adamo Group due to several bribes from Woods to Haskins. Haskins was charged federally for receiving bribes and rigging bids for another contractor and pleaded guilty to one count of conspiracy to commit bribery and honest services fraud and has since served a prison sentence.

"There is no room for corruption in federally funded demolitions, as alleged in the charges today," said Christy Goldsmith Romero, Special Inspector General. "The law requiring that air quality monitors must be independent from those who remove asbestos and other hazardous materials is critical to protecting the health and safety of Michigan communities. SIGTARP

commends Michigan Attorney General Nessel for standing with us to charge this alleged violation of this law combined with bribery.”

It also became apparent that Woods, between at least 2015 and 2019, was violating Michigan statutes requiring abatement contractors to be independent from air monitoring companies used by the abatement contractor. As the violations were of state laws, the Michigan Department of Attorney General became involved.

Woods was suspended in July 2019 from being involved in any Detroit Land Bank Authority contracts and performing any work for the City of Detroit.

“While the complexities of this alleged financial crime cannot go unnoticed, I am grateful for the thorough work performed by my prosecutors and those at the Office of the Special Inspector General for the Troubled Asset Relief Program,” Dana Nessel, Michigan Attorney General said. “Our laws on the checks and balances in asbestos removal provide safeguards for the public’s health and anyone who violates those regulations puts our residents in harm’s way.”

Michigan statutes require a post-abatement air monitoring check to be performed by a qualified neutral party that is completely independent of the asbestos abatement contractor.

Two companies frequently used by BBEK to perform this task, HC Consulting Services and Green Way Environmental, were both operated by Woods, the Attorney General’s office alleges.

Much of the air monitoring work done by HC Consulting and Green Way was completed by BBEK employees, and an investigation into the companies’ financials indicate Woods profited directly from the operations, by as much as \$400,000 since 2015.

Woods also reportedly violated the Asbestos Abatement Contractor’s Licensing Act by falsifying project costs to lower the amount of funds owed to the Michigan Department of Licensing and Regulatory Affairs. Woods was required under law to submit 1 percent of the project costs to the asbestos abatement fund but would routinely devalue the project by as much as 50 percent to avoid contributing to the fund. A forensic review of Woods’ submissions over the course of three years, 2015 through 2019, indicate he cheated the state of Michigan out of roughly \$26,600 in fees.

Woods turned himself in to authorities today at the Michigan State Police Metro South Post in Taylor. He is scheduled to be arraigned on the charges at 10 a.m. Wednesday in 37th District Court in Warren before Judge John Chmura.

To report a suspected crime related to TARP, call SIGTARP’s Crime Tip Hotline: 1-877-SIG-2009 (1-877-744-2009). To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov/pages/press.aspx. Follow SIGTARP on Twitter @SIGTARP.

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