



SIGTARP

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

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FORMER EXECUTIVE AT ADAMO GROUP SENTENCED FOR CONSPIRACY TO COMMIT HONEST SERVICES FRAUD IN CONNECTION WITH DETROIT DEMOLITION PROGRAM

Anthony Daguanno, 62, was sentenced today to one year in prison after having pleaded guilty to charges of conspiracy to commit honest services fraud in connection with the Detroit Demolition Program, announced Special Inspector General Christy Goldsmith Romero, First Assistant U.S. Attorney Saima Mohsin and Makan Delrahim, Assistant Attorney General of the Antitrust Division of the Department of Justice, and Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation Rainer Drolshagen.

The Honorable Victoria Roberts sentenced Anthony Daguanno to serve one year in federal prison following his conviction for conspiracy to commit honest services fraud by taking bribes and kickbacks from a subcontractor while Daguanno was employed as an executive at Adamo Group. Following his release from prison, Daguanno will serve a two year term of supervised release and will complete 72 hours of community service. The Court also ordered Daguanno to pay a \$10,000 fine and to forfeit \$372,750 for the bribes that he took while at Adamo.

“Investigating bribery that harms full and open competition in TARP-funded demolitions is one of SIGTARP’s highest priorities,” said Special Inspector General Christy Goldsmith Romero. “Harming competition through bribery is exactly what Anthony Daguanno did in the Blight Elimination Program from its creation in 2013 until charges were brought against him this year. I warn contractors that bribery in this program will be caught and there will be serious consequences.”

The United States Treasury Department created the Blight Elimination Program, which focused on helping communities demolish vacant houses. The program was paid for through the Hardest Hit Fund (HHF), a housing support program intended to protect home values, preserve home ownership, and promote economic growth. The City of Detroit was one of the recipients of this HHF money. Approximately \$258,656,459 in Hardest Hits Funds have been allocated to the City of Detroit since October 7, 2013.

As stated during Daguanno’s guilty plea, from January 2013 through January 2019, Daguanno was employed as a “Senior Estimator” at Adamo. Daguanno’s responsibilities at Adamo included soliciting bids from subcontractors, assembling bid packages in response to RFPs issued by the City of Detroit, and communicating with subcontractors. In assembling the bid packages submitted to the City of Detroit,

Daguanno communicated regularly with various subcontractors and kept track of the bids they submitted. “Contractor A” was one of the subcontractors with whom Daguanno communicated. On numerous occasions, Contractor A paid Daguanno money for disclosing confidential information about bids from Contractor A’s competitors. In return for these payments, Daguanno disclosed confidential information about the lowest competitor bid which allowed Contractor A to submit an even lower bid, ensuring that Contractor A was awarded lucrative contracts. In total, Daguanno accepted over \$372,000 in bribes and kickbacks on seventy-one occasions over eight years.

First Assistant U.S. Attorney Saima Mohsin and Assistant Attorney General Makan Delrahim commended the outstanding work of SIGTARP and the FBI in conducting a comprehensive criminal investigation into the demolition program.

“The City of Detroit and its demolition program were entrusted with millions of taxpayer dollars to tear down abandoned houses in Detroit’s neighborhoods. The corruption of the government contracting process by Anthony Daguanno damaged the integrity of the demolition program and broke the public trust. This prosecution serves as a warning to other private sector companies and individuals that soliciting or accepting bribes will be punished and as a promise to the taxpaying public that such violations of the public trust will not be tolerated,” said First Assistant U.S. Attorney Saima Mohsin. The sentence imposed today demonstrates the Antitrust Division’s commitment to prosecuting conduct that subverts the competitive process and to protecting taxpayer funds.

“The Antitrust Division will aggressively pursue collusion that corrupts the government procurement process,” said Assistant Attorney General Makan Delrahim.

“The confidential bid information that Daguanno disclosed in exchange for bribes harmed the competitive process on contracts worth millions of dollars. Bid information is confidential for a reason—disclosing it allows a bidder to unlawfully tilt the bidding process in his favor.”

“Mr. Daguanno was sentenced in federal court today for corrupting the bidding process while seeking contracts through a federally-funded program,” said SAC Drolshagen. “The FBI’s Detroit Area Public Corruption Task Force will continue to investigate and fight corruption by those who give illegal, preferential treatment at the expense of honest American business. I would encourage anyone with information about potential public corruption in Michigan to contact FBI Detroit’s Public Corruption tipline at 313-965-2222 or our main number at 313-965-2323.”

The case was prosecuted by Assistant U.S. Attorneys Sarah Resnick Cohen, Karen Reynolds, Adriana Dydell, and DOJ Antitrust Trial Attorney Matthew Stegman.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets crime at financial institutions or in TARP housing programs and is an independent watchdog protecting the interests of the America people. SIGTARP investigations have resulted in the recovery of \$10 billion and 283 defendants sentenced to prison.

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