



# SIGTARP

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

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## **FORMER CITY OF DETROIT BUILDING AUTHORITY OFFICIAL AND FORMER EXECUTIVE AT ADAMO GROUP PLEAD GUILTY TO BRIBERY CONSPIRACY IN CONNECTION WITH DETROIT DEMOLITION PROGRAM**

*\$258 Million in Hardest Hit Funds have been allocated to the City of Detroit*

The former Field Operations Manager for the City of Detroit Building Authority overseeing the demolition program in Detroit and a former executive at a Detroit demolition firm pleaded guilty today to conspiracy to commit bribery and conspiracy to commit honest services fraud in connection with the Detroit Demolition Program, announced Special Inspector General for the Troubled Asset Relief Program Christy Goldsmith Romero, First Assistant U.S. Attorney for the Eastern District of Michigan Saima Mohsin, Assistant Attorney General of the Antitrust Division of the Department of Justice Makan Delrahim, and Federal Bureau of Investigation Special Agent in Charge of the Detroit Timothy R. Slater.

Aradondo Haskins, 48, pleaded guilty today before the Honorable Victoria Roberts to conspiring with a contractor to take bribes on city contracts as a public official and to commit honest services fraud by taking bribes while he was employed as an executive at Adamo Group (Adamo) between 2013 and 2016 in connection with the Blight Elimination Program (BEP) in Detroit.

Anthony Daguanno, 62, also pleaded guilty today before the Honorable Victoria Roberts to conspiring with a contractor to commit honest services fraud by taking bribes while he was employed as an executive at Adamo Group.

“There is no place for corruption in a federal government program like TARP’s Hardest Hit Fund,” said Special Inspector General Christy Goldsmith Romero. “The convictions announced today detail how two employees of a demolition company deprived the government and taxpayers of full and open competition in the Hardest Hit Fund by providing a contractor confidential information about the lowest bid in exchange for bribes. The bribery continued when one employee later worked for the Detroit Building Authority. I thank First Assistant U.S. Attorney Saima Mohsin, and Assistant Attorney General Makan Delrahim for working with SIGTARP to fight corruption in this program.”

The United States Treasury Department created the BEP, 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 Haskins's guilty plea, from January 2013 through April 2015, Haskins was employed as an "estimator" with Adamo. Adamo is a private, "for profit," company which provides demolition services throughout the United States and Canada, including the City of Detroit. Haskins's responsibilities at Adamo included assembling bid packages in response to "Requests for Proposals" (RFPs) issued by the City of Detroit. Adamo responded to the RFPs by submitting bids to the City hoping to secure demolition contracts by being the lowest bidder. In assembling the bid packages, Haskins contacted various subcontractors requesting bids for work to be included in Adamo's submissions. "Contractor A" was one of the subcontractors who received Haskins's invitation to bid. On several occasions, Contractor A paid Haskins money for disclosing confidential information about bids from Contractor A's competitors. In return for these payments, Haskins 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. Haskins accepted bribes on at least eight occasions while he worked at Adamo totaling approximately \$14,000.00.

According to the plea, due in large part to his experience at Adamo, Haskins was hired by the City of Detroit Building Authority (DBA) as a "Field Operations Manager" for its demolition program. As an official of the City of Detroit, Haskins was the primary point of contact for demolition contractors and he opened and read bids contractors submitted in response to RFPs. Contractor A, knowing that Haskins was still in a position to influence the demolition contract bidding process, continued to pay Haskins to use his official authority to influence the awarding of demolition related contracts to Contractor A. Haskins accepted the cash bribe payments from Contractor A in exchange for providing Contractor A confidential information about bids submitted to the DBA. With the confidential information, Contractor A was able to submit bids low enough to ensure that Contractor A was awarded City of Detroit demolition related contracts. In total, Haskins accepted approximately \$11,500 in bribes from Contractor A. After his employment with the City of Detroit, Haskins accepted an additional approximately \$1,000 from Contractor A for information Contractor A received while Haskins was employed with the City.

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.

Haskins and Daguanno are the first defendants to plead guilty in connection with the criminal investigation into the demolition program in the City of Detroit. The government, as of today's date, does not anticipate charging any additional public officials.

"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 these two individuals damaged the integrity of the demolition program and broke the public trust. This prosecution serves as a warning to other public officials, as well as to private sector

companies working with public officials, 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.

“When the bidding process on federally funded contracts is corrupted through bribery and fraud by public officials and contractors, it undermines the public’s confidence and eliminates the benefits of open competition,” said Assistant Attorney General Makan Delrahim. “When bribery tips the scales in favor of corrupt bidders, free market competition is harmed to the loss of taxpayers and honest bidders. The harms didn’t end there, they continue to affect cities like Detroit and states like Michigan. The Antitrust Division will continue to work with the U.S. Attorney’s Office and our investigative partners to uncover and prosecute such conduct.”

“Mr. Daguanno and Mr. Haskins admitted in federal court today to corrupting the bidding process while seeking contracts through a federally-funded program. Mr. Haskins' illegal behavior continued after he was hired by the City of Detroit,” said SAC Slater. “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 is being prosecuted by Assistant U.S. Attorneys Sarah Resnick Cohen and Karen Reynolds, 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 274 defendants sentenced to prison.

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