



SIGTARP

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

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CITY OF DETROIT OFFICE OF INSPECTOR GENERAL DEBARS FORMER CITY CONTRACTOR ENVIRONMENTAL SPECIALTY SERVICES INC. AND RICHARD BERG FOR BRIBERY INCLUDING IN CONNECTION WITH TARP'S HARDEST HIT FUND

On April 7, 2020, the City of Detroit Office of Inspector General (OIG) issued its Final Determination of Debarment of Environmental Specialty Services (ESS) and Richard Berg (Representative of ESS). The debarments are effective as of September 20, 2019. ESS and Richard Berg are each debarred for 20 years.

On April 23, 2019, the OIG initiated an investigation into the alleged criminal activity of ESS and Mr. Richard Berg, which was predicated on an investigation completed by special agents of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). The SIGTARP investigation resulted in the guilty pleas of Aradondo Haskins and Anthony DaGuanno.

"There is no place for bribery that hurts competition in the Hardest Hit Fund's blight demolition program," said Christy Goldsmith Romero, Special Inspector General for TARP. "We commend Detroit IG Ha, and IG attorney Jennifer Bentley on taking strong action that protects the HHF program in Detroit."

Court records and other information indicated that Richard Berg bribed Mr. Haskins on behalf of ESS while Mr. Haskins was an employee of the Detroit Building Authority (DBA). Mr. DaGuanno, a now former Adamo Group (Adamo) employee, received bribes from ESS in exchange for helping the contractor ensure that it could submit a lower bid. It was the determination of the City of Detroit Office of Inspector General that ESS did not take adequate actions to address Mr. Berg's conduct and prove its intent to be a responsible contractor moving forward.

The Debarment Ordinance allows companies and individuals to appeal the debarment determination to Detroit City Council. The aforementioned company and individual chose not to appeal the OIG's determination of debarment to City Council.

The City of Detroit Office of Inspector General stated "special thanks to SIGTARP whose investigation and prosecution provided the basis for this debarment." Detroit Inspector General Ellen Ha stated, "This investigation was important to our Office, as it reflects how 2 watchdog agencies from City and Federal governments can work together in bringing back the public's trust. We will ensure bribery has no place in the City of Detroit." The Office also thanked the leadership of the Detroit Land Bank and Detroit Building Authority for their assistance.

The Full OIG report can be found at:

<https://detroitmi.gov/sites/detroitmi.localhost/files/2020-04/Final%20ESS%20Report.pdf>

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 \$11 billion and 300 defendants sentenced to prison.

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

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