



SIGTARP

Office of the Special Inspector General
for the Troubled Asset Relief Program

Detroit City Official Overseeing Contract Awards in Hardest Hit Fund Demolition Program Sentenced to Prison After Conviction on Bribery and Fraud Charges

On September 23, 2019, a federal court sentenced Aradondo Haskins, the Detroit city official overseeing contract awards in the HHF demolition program, to one year in prison and two years of supervised release, after his conviction for conspiracy to commit bribery and honest services fraud. Detroit is the city that received the largest amount of TARP dollars to fund the demolition of blighted, abandoned houses. Since 2013, Treasury has obligated more than \$258 million in TARP dollars for demolitions in Detroit. Haskins had been taking bribes over the entire time the TARP program was in existence. The U.S. Attorney's office told the court that Haskins had damaged the integrity of the demolition program. Recognizing that he was in positions to control important decisions relating to federally funded contracts, Haskins exploited his positions for personal benefit.

As a Detroit city official since April 2015, Haskins was the primary point of contact for demolition contractors. He was in a position to influence the demolition contact bidding process. He opened and read all bids that contractors submitted in response to the city's Request for Proposals (RFPs). During his tenure as a city official through the end of his employment with the City of Detroit in February 2016, Haskins accepted \$11,500 cash bribes from a contractor in exchange for telling the contractor confidential information about the bids. As Haskins intended, this corruptly obtained information allowed the contractor to submit bids low enough to ensure that the contractor was awarded City of Detroit demolition related contracts. After his employment with the city, he accepted another \$1,000 in bribes for information he received while employed by the city.

Haskins' bribery conspiracy as a city official was a continuation of a scheme that he was engaged in when he worked from 2013 to 2015 as an official at Adamo Group, one of the largest contractors and TARP dollar recipients in the entire Hardest Hit Fund Blight Elimination program. At Adamo, Haskins' role was to assemble bid packages in response to City of Detroit RFPs. Adamo responded to RFPs through bids, hoping to secure demolition contracts by being the lowest bidder. In assembling the bid packages, Haskins contacted subcontractors requesting bids to be included in Adamo's submission. With the intent to

defraud and corrupt the bidding process and without Adamo's knowledge, on at least eight occasions, Haskins corruptly accepted approximately \$14,000 from a contractor in exchange for disclosing confidential information about the lowest bids from that contractor's competition. This information allowed the contractor to submit an even lower bid—ensuring that it won lucrative contracts. Due in large part to his experience at Adamo, the City of Detroit hired him as a Field Operations Manager overseeing contracts in HHF.

The U.S. Attorney's Office told the court, "Haskins, solely for greed, accepted bribes for many years, and it was within his sole power to cease his criminal activity at any point before the federal investigation commenced. Significantly, Haskins corrupted an important federal program by giving unearned preferential treatment to a contractor undeserving of such preferential treatment."

In public remarks, Special Inspector General Goldsmith Romero warned, "Anti-competitive corruption by city officials that award contracts in the Hardest Hit Fund's Blight Elimination Program will be met by justice and accountability." The U.S. Attorney's office told the court, "Large federally funded programs are especially vulnerable to corruption. Billions of federal dollars are overseen by public officials and used by the private sector in this state and across the country. Public officials and private sector employees will be tempted to use their positions and access to federal monies for their own benefit."

When federal law enforcement, including SIGTARP, gave Haskins repeated opportunities to admit his criminal conduct, he declined. Instead, at every turn in the investigation, Haskins lied. Only later did he admit to his conduct. SIGTARP was joined in the investigation by the Federal Bureau of Investigation. The U.S. Attorney for the Eastern District of Michigan and the Antitrust Division of the Department of Justice prosecuted the case.