

REPORT OF INVESTIGATION

K #: 09-015 Renita Holmes

Date Opened: Feb. 24, 2009

Date Closed: March 25, 2009

Name of investigator: Karl Ross
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Allegation:

A case was opened after COE was contacted via e-mail by a community outreach supervisor at the Miami-Dade Office of Community and Economic Development (OCED). The e-mail included a copy of a forwarded message from former Model City CAC Chairman Kenneth Kilpatrick alleging that federal anti-poverty funds intended for two social service agencies – Liberty Square and Lincoln Fields – were improperly awarded to a third-party “fiscal agent” that was unrelated to the intended recipients. Kilpatrick further stated that this action by the Model City CAC was, in his opinion, “criminal.” He stated he was the lone dissenting vote on the board. He said the actions he witnessed during a Feb. 23, 2009, sub-committee meeting of the Model City CAC represented “an attempt to defraud the county” and a “misappropriation” of \$40,000.

Investigation:

During an interview at OCED on Feb. 25, 2009, Mr. Brian Gillis, the outreach supervisor, advised that the fiscal agent referred to by Mr. Kilpatrick would have been Ms. Renita Holmes, a Liberty City area community activist and past funding recipient from the Model City CAC. Gillis noted that Holmes received \$25,000 in funding in 2008 and was selected from a field of about 100 applicants to receive \$40,000 in additional funding for the 2009 funding cycle. Gillis noted that Holmes’ application for the funding was not scored highly by OCED staff, but that she was recommended for additional

funding anyway. He further advised that last year Holmes told him she was homeless, raising further questions about her ability to responsibly manage the funds.

Also interviewed that day at OCED was Mr. David Sweet, a contracts officer and the OCED official responsible for monitoring the funding award to Ms. Holmes. Sweet advised that Holmes is the principal executive for a social services agency that she operates from a business incubator at the Martin Luther King Economic Development Corporation (ECD), at 6114 NW 7th Avenue. It was Mr. Sweet's opinion that Ms. Holmes is making a legitimate effort to carry out her obligations pursuant to her past and present applications. The applications are reviewed by the Model City CAC and referred to the County Commission and U.S. HUD for final approval. He said that pursuant to the funding agreement, Ms. Holmes is expected to create jobs for low-income or other disadvantaged individuals such as ex-convicts. He said that Holmes spent \$18,000 of the initial funding award on her salary and the remainder on rent and other operating expenses, such as a cell phone and insurance. He said that if she receives the second funding award in the amount of \$40,000, she will be required to commission a "limited scope audit" in order to comply with federal guidelines. Sweet said that he has reviewed bank statements for Ms. Holmes' agency – R. Holmes Business & Property Services/ Our Homes Inc. – and has not found any evidence of fraudulent dealings.

OCED officials provided COE with a copy of Ms. Holmes' application for the 2008 funding cycle, which was received by OCED on Aug. 27, 2008. In the application, Ms. Holmes states that the goal of her agency would be to create two jobs relating to what she described as "green collar workers" in the field of landscaping. The only mention of either Liberty Square or Lincoln Fields in Holmes' application was on the "general section" of the application in which a reference was made to the Liberty Square public housing project, at 1415 NW 63rd Street. There is no indication in the application that Holmes purports to represent Liberty Square. It appears instead that her agency intends to service the residents of this housing project, though the reference is not entirely clear

on the application itself. It should be noted that both Liberty Square and Lincoln Fields are public housing projects located in the Liberty City area.

COE reviewed additional documents provided by OCED staff showing that in 2006, the Model City CAC allocated \$20,000 each to Liberty Square and Model City through the Martin Luther King EDC. It was learned during a subsequent interview with OCED's Gillis and a review of Dec. 10, 2008, meeting minutes that the Liberty Square and Model City agencies lost their funding subsequent to the 2006 award, and that those funds were subsequently recaptured. The minutes show that once these funds were recaptured, a motion was made by CAC member Roy Hardemon to award the recaptured funds to the agency belonging to Renita Holmes. The motion was seconded by CAC member Mae Christian and opposed by Chairman Kilpatrick. Ms. Holmes then addressed the board, thanking them for the additional funding, and "told the CAC members that once the funds are re-directed to her program she will be able to train more individuals and they will receive qualified certifications" for newly created jobs. She requested a copy of the resolution redirecting the funds to her agency.

The minutes show that Chairman Kilpatrick took issue with remarks made in a letter from Holmes and circulated to CAC members regarding alleged behind-the-scenes dealings between CAC members and representatives of agencies seeking funding. He called her allegations "frivolous, bias [sic] without merit and totally erroneous," according to the minutes. The minutes go on to state that Kilpatrick adjourned the meeting at 9:27 p.m. "because of an outburst by Ms. Renita Holmes."

On Feb. 27, 2009, COE contacted Mr. Kilpatrick and interviewed him over the phone regarding his Feb. 24 e-mail to OCED that prompted the COE inquiry. He advised that his complaint of an alleged "attempt to defraud the county" was based on remarks made by two women who appeared before the sub-committee on Feb. 23 representing Liberty Square and Lincoln Fields. He said the woman claimed they had been unduly deprived of funding through a third-party "fiscal agent." Kilpatrick said he

could not identify the women making the allegations and that he could not say for sure whether Renita Holmes was the alleged fiscal agent. He told COE that he had offered his resignation as chairman of the CAC because he felt he could no longer serve the community in an effective capacity as a result of the rampant divisiveness among CAC board members. He said he was aware that efforts had been made by the Model City CAC to recapture funds previously awarded to agencies representing the Liberty Square and Lincoln Field projects. He further advised he had no reason to suspect any improper or corrupt actions by Renita Holmes, such as kickbacks or other improper dealings with board members who voted in favor of her funding applications.

COE attempted to learn the identity of the two women from the Liberty Square and Lincoln Field projects; however, OCED staff had no record of their names in the minutes of the Feb. 23 sub-committee meeting.

CONCLUSION:

The investigation strongly suggests that Mr. Kilpatrick's allegations are without merit, as he could not identify the alleged "fiscal agent" usurping funds intended for the agencies representing Liberty Square and Lincoln Fields. A review of the Dec. 10, 2008, meeting minutes of the Model City CAC clearly establish that funds earmarked for those agencies in a previous funding cycle were re-captured and subsequently re-allocated to, among others, the agency led by Ms. Holmes. It so happens that these agencies lost combined funding of \$40,000 and Holmes' agency was recommended to receive this same amount. This does not mean Holmes was purporting to act as a fiscal agent for those entities. A review of Holmes' application establishes that she sought the funding on behalf of her own agency, R. Holmes Business and Property Services/ Our Homes, Inc. The reference on her application to the Liberty Square housing project did not seem to be material to the overall request for funding, and there is no indication that she was attempting to mislead OCED staff and CAC board members as to her affiliation with any

other agencies seeking funds. The investigation did raise concerns about the ability of Ms. Holmes' agency to carry out its mandate – i.e. her corporation was administratively dissolved on Sept. 26, 2008, state records show, and her funding application did not score well in its review by OCED staff. However, interviews with OCED staff make it clear the Model City CAC was within its rights to select Holmes' agency for funding despite the poor evaluation and that Holmes has made a “good faith” effort to comply with the intended purpose of the funding as it relates to job creation. It does not appear that further investigation is warranted and that the case should be closed.