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To: Honorable Chairman Dr. Lawrence S. Feldman
and Members, Miami-Dade County School Board

Alberto Carvalho, Superintendent, Miami-Dade County Public Schools

From: Mary T. Cagle, Inspector General

Date: October 24, 2017

Subject: OIG Final Report of Investigation – SB-1516-1006
Fronting by M/WBE Electrical Subcontractor, Complete Power Systems

Attached please find a copy of the Office of the Inspector General's (OIG) Final Report of Investigation. This investigation was predicated upon a referral from the Office of Economic Opportunity (OEO) suspecting irregularities within the ownership structure of minority-owned business enterprise, Complete Power Systems (CPS). The OIG investigation sustained the concern and determined that CPS was a "front" company and that the purported 51% minority owner of the company was not, in fact, the true owner of the firm. The company engaged in these misrepresentations to become certified as a minority-owned business in order to put itself in a competitive advantage to get work in the General Obligation Bond Program. The OIG investigation not only determined that these ownership claims were false, but we also conclude that any thoughtful review of the application documents would have raised serious doubts as to the purported ownership interests of the company.

This report, as a draft, was provided to the individuals involved with CPS, and to the Superintendent and his staff. Responses were received from the purported owner of the firm and the true owner of the firm. A response was also provided by the Administration. All three responses are included in appendices to this final report.

As the report ends with recommendations directed to the Administration relating to CPS' certification status, we respectfully request to be provided with a report in 90 days, on or before January 22, 2018, regarding the status of our recommendations. Last, as the response to the draft report from the Superintendent's Office includes the recent results and recommendations made by the Certification Review Team, please be assured that the OIG will continue in our oversight efforts regarding the School Board's S/MBE and M/WBE programs and the District's 21st Century Schools, Capital Improvement Program.

Attachment

cc: Walter Harvey, School Board Attorney
Jose Montes de Oca, Chief Auditor, Office of Management & Compliance Audits
Jaime G. Torrens, Chief Facilities Officer
Lisa M. Martinez, Chief Strategy Officer, Office of the Superintendent
Ronda Vangates, Economic Development Officer, OEO
Michelle Hicks-Levy, Ex. Dir., Community Outreach Coordinator & Certification, OEO
Yoni Markhoff, Chair, and Members, Small Business Advisory Committee
Roberto Martinez, Chair, and Members, 21st Century Schools Bond Advisory Committee
Individuals previously furnished with the Draft Report

INTRODUCTION & SYNOPSIS

The Miami-Dade County Public Schools (M-DCPS) Office of the Inspector General (OIG) began an investigation on information received from Michelle Hicks-Levy of the M-DCPS Office of Economic Opportunity (OEO) that she suspected subcontractor Complete Power Systems (CPS) of being a "front" company.[1] Ms. Hicks-Levy contacted the OIG after receiving information that CPS's 51% minority owner Jubert Lowe, was no longer affiliated with CPS. She attempted to confirm whether Mr. Lowe was still the 51% minority owner of CPS by contacting CPS's co-owners Michael Ashford and Glenn Davis (non-minority owners), however, they were unable to confirm Mr. Lowe's status with the company. Based on her contact with CPS's non-minority owners, Ms. Hicks-Levy had a suspicion that Mr. Lowe may have been used as a "front" in order for CPS to receive certification as a Minority/Women-Owned Business Enterprise (M/WBE). According to Ms. Hicks-Levy, CPS was certified as an African-American M/WBE firm on February 10, 2015.

The OIG conducted an investigation and substantiated the allegation that Jubert Lowe was a "front" for CPS. On the application Mr. Lowe was designated as the 51% owner of CPS and identified as an African-American, causing OEO to certify CPS as an African-American M/WBE firm. Mr. Lowe, however, really never owned 51% of the company. He was brought in by the two incumbent owners who "verbally" gave Mr. Lowe enough of their shares to make it look like Mr. Lowe owned 51% of the company. Mr. Lowe neither paid for the shares nor made a capital investment into the pre-existing company. There are no records demonstrating the transfer of shares to Mr. Lowe and no operating agreement between the three owners detailing each owner's rights and responsibilities. The two existing owners gave Mr. Lowe their shares via a verbal agreement. CPS was a pre-existing electrical firm prior to Mr. Lowe's association with it. It was never really an African-American owned business enterprise. According to Mr. Lowe and the two incumbent owners of CPS, its certification as an M/WBE firm would help it get more work through the School Board's General Obligation Bond (GOB) Program.[2]

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[1] Fronting describes a practice where an individual or entity misrepresents itself regarding the ownership, scope, control, or participation it has in connection with participating in a government sponsored program, which is designed to assist or aid a recognized group in obtaining government contracts.

[2] The focus of this report is on the obtaining of M/WBE certification under false pretenses. The actual award of construction work through the GOB Program for the contractor trades, such as electrical contractors, is based on subsequent competitive bids after the prime managing firm has been selected for a particular project. The School District's Small/Micro Business Enterprise Program (S/MBE) for subcontractors is a race and gender neutral based program that uses the size of the company and threshold of revenue generated over a three-year period. While Mr. Ashford, Mr. Davis, and Mr. Lowe, have all stated their intent to get contracts as an African-American M/WBE, the District's Program for subcontractor utilization goals are based on S/MBEs and not M/WBEs.

In addition to this, and more importantly, the investigation also revealed that CPS should not have been certified as an African-American M/WBE in the first place because Mr. Lowe did not qualify under School Board Policy 6320.02 as a minority person. School Board Policy 6320.02 defines a "minority person" as a person born or naturalized in the United States. Resident aliens and holders of permanent visas are not U.S. citizens. According to CPS's certification application, Mr. Lowe is not a U.S. citizen; he is a citizen of Jamaica and a permanent resident of the U.S. In addition to this, Mr. Lowe's application includes numerous other discrepancies that should have caused OEO to deny certification. These discrepancies will be discussed later in this report.[3]

During this investigation, the OIG also learned that Mr. Lowe applied for and was awarded certification as an M/WBE for a second company under the name RNH Electrical, LLC[4] (RNH) on June 5, 2015—only four months after CPS was certified.[5] For the same reasons mentioned above, Mr. Lowe should not have been granted certification as an M/WBE for RNH. Mr. Lowe additionally applied for a third certification as an M/WBE for a company by the name of State Building Contractors LLC (SBC), which he formed in March 2016. A company by the same name, of which Mr. Lowe was a managing member with three other members, was voluntarily dissolved by all the members in 2013 prior to Mr. Lowe creating a new company with the same name. Besides Mr. Lowe, one of the three members of the dissolved company was the Senior Project Manager of D. Stephenson Construction, Inc. (DSC), who was involved in all the projects awarded to RNH, CPS and later SBC. Mr. Lowe used the tax returns of the dissolved company as the tax returns for his new company when he applied for certification.[6] Furthermore, the Florida Department of Business & Professional Regulation (DBPR) shows that the electrical contractor he used as the qualifier for SBC was never officially approved as the qualifier and, according to DBPR, it appears that SBC did not have a contractor qualifying license until this year in January 2017. While

[3] Recently, issues have been raised questioning whether the minority/female owner(s) having 51% or more of the control of the company must also be the same individual qualifying the company with his/her professional license. This question has been answered in the negative through a legal opinion requested by the School Board Attorney's Office; however, the opinion has been challenged by community members. Regarding CPS, Mr. Lowe is not a State of Florida licensed electrician and he is not the electrical qualifier for CPS. Nevertheless, in light of the overwhelming evidence that CPS's certification was improper 1) Mr. Lowe was a front, and 2) Mr. Lowe is not a U.S. citizen, the issue of whether or not the qualifier must be the 51% owner is not germane to this report.

[4] RNH applied for certification as an M/WBE in November 2014. On June 5, 2015, OEO issued the certification for M/WBE, SBE, and MBE under company name of RNH Electrical LLC, pursuant to the application; however, the company's correct name is RNH Electric LLC, as indicated in the Articles of Organization—which was included with the application—and pursuant to the Florida Secretary of State, Division of Corporations website.

[5] School Board Policy 6320.02 does not prohibit a minority owner or a female owner from qualifying more than one firm for M/WBE certification.

[6] The FEI number on the tax returns provided to OEO is 45-4263955, which is the number for the dissolved LLC. The FEI number for the new LLC is 38-3993217.

SBC's application for M/WBE certification was correctly rejected, but for the wrong reasons, SBC still replaced CPS as the subcontractor for DSC on M-DCPS projects to do electrical work, when clearly it should not have been because it did not have a qualifier. SBC was denied certification because the business owner (Mr. Lowe) and the qualifier are not reflected as the same in the documents submitted. OEO again missed the fact that Mr. Lowe did not qualify because he is not a minority person as defined in the School Board Policy. OEO also neglected to notice that the income tax returns Mr. Lowe submitted were for a different company that had been voluntarily dissolved by the managing members in 2013, three years earlier. In their rush to get as many M/WBEs certified to do business with the District they failed to scrutinize and verify the information on the applications and documents. Moreover, even OEO staff acknowledges that they based the certification on the affidavit, which was defective and lacked an oath from the affiant.

While this report details three applications for M/WBE certification by Mr. Lowe, it sheds light on OEO's certification practices and its administrative negligence in this regard.

OIG JURISDICTION AND AUTHORITY

The OIG provides inspector general services to M-DCPS pursuant to an Interlocal Agreement (ILA) between Miami-Dade County and the School Board of Miami-Dade County. The ILA governs the scope and jurisdiction of the OIG's activities. Among the authority, jurisdiction, responsibilities and functions conferred upon the OIG through the ILA is the authority and jurisdiction to investigate M-DCPS affairs, including the power to review past, present, and proposed programs, accounts, records, contracts and transactions. The OIG shall have the power to require reports and the production of records from the M-DCPS Superintendent, School Board members, School District departments and allied organizations, and School District officers and employees, regarding any matter within the jurisdiction of the OIG.

BACKGROUND: INDIVIDUALS & ENTITIES COVERED IN THIS REPORT

Office of Economic Opportunities (OEO)

In 2013, the School Board established the Office of Economic Opportunity (OEO). OEO's primary function is certification, compliance, contract prequalification, community outreach and technical assistance.[7] OEO administers and implements the M/WBE Program to enhance the bidding and selection opportunities for M/WBEs on certain contracts and to address findings in the 2014 Disparity Study and 2015 Subcontractor Disparity Study, amongst other duties.[8] The OEO promotes the economic development and growth of

[7] OEO's *Inaugural Report Covering Fiscal Years 2013-2014 & 2014-2015.*
[8] The OEO also administers and implements the Small/Micro Business Entities Program, and contractor prequalification.

Small Business Entities (SBE), Micro Business Entities (MBE) and M/WBEs, through its certification program and community outreach.[9]

Part of OEO's responsibility in certifying business entities as an M/WBE is to review the certification applications and documents upon submission. In order to qualify for certification as an M/WBE, a minority ownership means that for a sole proprietorship, the sole proprietor must be a minority person or woman. In order to qualify a Partnership, the minority individual or woman's interest must include at least 51% of the ownership, profit/loss, voting control and capital of the partnership; for a corporation, the minority/women must own at least 51% of all voting stock issued. Lastly, in order to qualify a Limited Liability Company (LLC) the minority/women must control the management and operations, as well as hold at least 51% of the company's ownership interest.

Other factors that determine a minority person's 51% ownership in an LLC is whether they are entitled to share in the profits of the business through salaries, as well as bonuses, profit sharing, dividends, and all other benefits commensurate with their ownership. Additionally, ownership by a minority person does not include ownership that is the result of a transfer from a non-minority person to a minority person within a related immediate family group if the combined total net asset value of all members of such family group exceeds $1 million. The minority person must also demonstrate control over the affairs, management, and operations of the business, and the discretion of the minority person shall not be subject to any formal or informal restrictions that would impact or usurp the minority persons' managerial and operational discretion.[10]

Complete Power Systems LLC (CPS)

CPS is an electrical contracting and construction business, located at 230 N. Esplanade Drive, Miami Springs, Florida. CPS was formed by Michael Ashford, as principal owner on September 17, 2009. Mr. Ashford holds the electrical contracting license and is the qualifier for CPS. CPS became certified as an M/WBE firm by OEO on February 10, 2015. This qualified CPS to compete for minority subcontracts through the School District's GOB Program for the construction and renovation of school facilities.[11]

[9] According to OEO's *Inaugural Report Covering Fiscal Years 2013-2014 & 2014-2015*, since its inception in 2013, OEO has certified more than 744 M/WBEs and more than 664 SBEs and MBEs.
[10] M-DCPS Board Policy 6320.02 Small/Micro and Minority/Women-Owned Business Enterprise Programs – M/WBE Eligibility and Certification (2a-d).
[11] CPS was also certified as an SBE and MBE on this date.

Jubert Lowe, 51% minority owner of CPS and RNH, 100% owner of State Building Contractors

Mr. Lowe was used as a 51% minority owner to qualify CPS as an M/WBE and is the current 51% minority owner listed for RNH Electric LLC (RNH) and 100% minority owner of State Building Contractors LLC (SBC). Mr. Lowe, a non-licensed electrical contractor, became the minority owner of a 51% ownership interest of CPS in January 2015 based on a verbal agreement between Mr. Lowe, Michael Ashford (owner of a 60% ownership interest) and Glenn Davis (owner of a 40% ownership interest). At the time of this agreement, when Mr. Lowe joined CPS, he was also project manager and chief estimator for CEI LLC., of Coral Springs, and the 51% minority owner of RNH Electric LLC. Both firms specialize in providing electrical contracting services to the public and private industry. Mr. Lowe is a black Jamaican citizen and obtained U.S. permanent residency on February 4, 1980. Mr. Lowe is not a U.S. citizen.

Michael Ashford, co-owner of CPS

Mr. Ashford is a Managing Member of CPS who formed CPS in 2009. Mr. Ashford has been a licensed electrical contractor with the State of Florida since 2009, and is the licensed Qualifier of CPS. Mr. Ashford handles all administrative duties, including payroll, customer relations and CAD design. In January 2015, Mr. Ashford was a 60% owner of CPS until he agreed to reduce his ownership interest to 25% in order for Mr. Lowe to become the 51% minority owner of CPS.

Glenn Davis, co-owner of CPS

Mr. Davis has a background in electrical contracting and has worked with many firms over the past 20 years in the industry. In 2010, Mr. Davis was hired by CPS to work as an electrician, and later that year he was selected by Mr. Ashford to become co-owner of CPS with 40% ownership. It was through Mr. Davis' previous working relationship with Mr. Lowe on other construction projects, that Mr. Lowe was introduced by Mr. Davis to Mr. Ashford in January 2015 to discuss Mr. Lowe joining CPS as 51% minority owner of CPS. Mr. Davis became a 24% owner when they brought in Mr. Lowe.

Michelle Hicks-Levy, M-DCPS Office of Economic Opportunity

Ms. Hicks-Levy has been employed with M-DCPS since 2004. Ms. Levy has been with OEO since March 1, 2013, when OEO was established. Ms. Levy has been involved in the certification process since 2011. On March 1, 2013, she was transferred to OEO as a Coordinator II and continued to be involved in the certification process. In June 2014 she was promoted to Supervisor, supervising the certification process. In January 2016 she became an executive director of OEO, when the previous executive director, Torey

Alston, resigned.[12] As an executive director, Ms. Hicks-Levy oversees the OEO's SBE, MBE, and M/WBE Certification Program and Community Outreach Program, and reports directly to the Economic Development Officer, head of OEO.

RELEVANT GOVERNING AUTHORITIES

The School Board of Miami-Dade County Bylaws & Policies

6460 – BUSINESS CODE OF ETHICS

This Business Code of Ethics ("Code") shall govern the conduct of all contractors, lobbyists, and consultants under contract with the School Board....All contractors shall ensure that their subcontractors comply with this Code. The Board will accept bids and proposals for contracts and procurement of goods or services only from firms or entities which agree to comply with this Code and all applicable Board contracting and procurement policies and procedures.

Prohibited Conduct

No bidder, proposer, contractor or subcontractor shall fraudulently deceive or attempt to deceive any School District official with regard to any material fact pertinent to any pending or proposed Board contract.

6320.02 – SMALL/MICRO AND MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE PROGRAMS[13]

Minority/Women Business Enterprise Program

A. **Terms and Definitions**

1. ***Minority Ownership*** **-** minority ownership means that for:

d. Limited Liability Company (LLC) – minority/women must control the management and operations, as well as hold at least fifty-one percent (51%) of the company's ownership interest.

A minority ownership(s) also has voting rights to elect the board

[12] Ms. Hicks-Levy was asked who and how many employees she supervised when she was promoted, but could not remember because of the considerable turnover at OEO. At this time, she supervises two contract employees that review applications for certification.
[13] As amended January 14, 2015. There have been two additional amendments October 14, 2015 and March 9, 2016.

of directors, chief executive officer and all other management personnel.

2. ***Minority Person*** – is a person born or naturalized in the United States. Resident aliens and holders of permanent visas are not considered to be citizens. The following groups are considered:

   a. An African American, a person having origins in any of the black racial groups of the African Diaspora regardless of cultural origin.

B. **M/WBE Eligibility and Certification**

1. The OEO shall certify a company or other business entity as a [sic] M/WBE upon its submission of a completed certification for, [sic] (M/WBE Form-3920), supporting documentation, and a signed affidavit Stating that it meets the following criteria:

   a. . . . .

   b. it is owned and controlled by at least fifty-one percent (51%) by a minority person/s who are members of an insular group that is of a specific racial, ethnic, or gender makeup or national origin which has been subjected historically to disparate treatment due to identification in and with that group resulting in an underrepresentation of commercial enterprises under the group's control, and whose management and daily operations are controlled by such persons.

   A minority business enterprise may primarily involve the practice of a profession.

   c. the business must have an actual place of business in Miami-Dade for at least one (1) year preceding the application and be registered as a vendor with the District.

   d. the business has an occupational license and all required professional licenses and/or contractor qualifier licenses.

   e. the owner of the business must have the required professional license(s) and contractor qualification license.

2. Other factors in determining ownership that will be considered shall include, but are not limited to the following:

d. Minority/Women owners must demonstrate control over the affairs, management, and operations of the business. The discretion of minority/women owners shall not be subject to any formal or informal restrictions (including, but not limited to, bylaw provisions, partnership agreements, trust agreements, or requirements for cumulative voting that would impact or usurp the minority/women owner's managerial and operational discretion.

Documents that establish control include but are not limited to corporate bylaws, operating agreements, partnership agreements, management agreements, or other agreements. Such documents should be free of restrictive language which dilutes a minority/women owner(s) control and prohibits him/her from making decisions.

1) The minority/woman owner(s) must submit documentation demonstrating control through the authority and responsibility to sign company checks, for all bank accounts, and letters of credit, negotiate contracts on behalf of the business, signature responsibility for insurance, bid bonds, and performance and payment bonds, negotiate bank transactions, and guarantee all instruments which indebt the business.

2) . . . .

3) Minority/Women owners shall control or supervise hiring, firing or supervision of employees, and establishment of employment policies, wages, benefits, and other employment conditions.

4) Minority/Women owners shall have knowledge and control of all financial matters of the business.

CASE INITIATION & INVESTIGATIVE METHODOLOGY

The OIG investigation was predicated on a referral received from OEO Executive Director Michelle Hicks-Levy of a possible violation of the Minority and Women Owned Business Enterprise Program. Ms. Hicks-Levy became concerned that CPS, an M/WBE certified subcontractor, was possibly operating as a "front company" with a 51% minority owner, and two non-minority co-owners. Ms. Hicks-Levy questioned whether the 51% minority owner was still functioning in that capacity based on information she received in April 2016 that the 51% minority owner was no longer affiliated with CPS.

During the course of the investigation, the OIG interviewed OEO staff, the three owners of CPS and their office manager/bookkeeper, and other individuals involved with the construction projects that CPS was working on. The OIG also reviewed relevant documents pertaining to CPS's certification as an M/WBE; subcontracts assigned to CPS as an M/WBE firm, and the business, employment and corporate records for CPS.

This investigation was conducted in accordance with the *Principles and Standards of Offices of Inspector General* as promulgated by the Association of Inspectors General.

INVESTIGATIVE FINDINGS

The OIG investigation substantiated the concerns that Mr. Lowe was a "front" in order to qualify CPS as an M/WBE firm. The investigation revealed that Jubert Lowe, Michael Ashford and Glenn Davis entered into a verbal agreement to make Mr. Lowe (a non-licensed black Jamaican male) the 51% minority owner of CPS. This would allow for CPS to become certified as an African-American M/WBE firm and compete for subcontracts within the School District's GOB Program. Prior to this verbal agreement Mr. Ashford owned a 60% interest of CPS and Mr. Davis owned 40%. The agreement between Mr. Ashford and Mr. Davis to make Mr. Lowe the 51% minority owner was facilitated in order to increase CPS's business revenue by placing them in a position to compete for school construction contracts as a minority-owned firm. Prior to CPS becoming an M/WBE firm, CPS experienced poor financial growth over the two prior years, and according to Mr. Ashford, the school contracts provided CPS an opportunity to increase its profit and cash flow.

The OIG investigation determined that Mr. Lowe did not have any control over the affairs, management, operations or profits of CPS commensurate with owning 51% of the company. It was also determined that Mr. Lowe and the other members of CPS had no written operating agreement outlining Mr. Lowe's ownership and responsibilities. When Ms. Hicks-Levy requested a copy of the operating agreement, Mr. Ashford responded to Ms. Hicks-Levy by letter dated February 4, 2015, that an attorney was in the process of creating an operating agreement to represent the ownership of CPS and it would be ready within the next 30 days. (**EXHIBIT 1**) This operating agreement was never provided to OEO, but nevertheless, OEO certified CPS as an M/WBE on February 10, 2015.[14] Additionally, Mr. Ashford sent a letter to OEO informing them that his attorney was also preparing new Articles of Organization and he would have them in

[14] Mr. Ashford provided the OIG with a draft of an operating agreement, but that draft only included Mr. Davis and Mr. Ashford, and not Mr. Lowe.

30 days. Mr. Ashford never provided new Articles of Organization to OEO. (**EXHIBIT 2**) What was provided was the Florida Department of State Division of Corporations Detail by Entity Name, showing that Mr. Lowe was a managing member of CPS.[15] (**EXHIBIT 3**)

Furthermore, Mr. Lowe made no financial investment in CPS to attain a majority control of the company, and Mr. Lowe did not control or share in the profits of CPS through salaries, bonuses, profit sharing, dividends, and other benefits commensurate with his position. In fact, according to Mr. Ashford, Mr. Lowe's total compensation, during the time he represented he was the 51% minority owner of CPS, was only $599, while Mr. Ashford paid himself $29 an hour and paid Mr. Davis close to the same amount per hour.[16] Mr. Ashford in his statement to the OIG indicated that he wanted to wait and see how much profit CPS was going to make from the school projects before he and Mr. Lowe discussed how the profits would be shared. This statement clearly reveals that Mr. Ashford was in control of the company and its profits—and not Mr. Lowe. It was agreed between Mr. Lowe, Mr. Ashford and Mr. Davis that Mr. Lowe would price projects and supervise the school contracts CPS received as a result of their M/WBE certification. Mr. Ashford wrote a letter to Ms. Hicks-Levy advising her that Mr. Lowe's duties primarily consisted of procuring new projects and overseeing the day-to-day of those projects. (**EXHIBIT 4**)

The investigation revealed that once OEO approved the certification of CPS as an M/WBE firm with Mr. Lowe as the 51% minority owner, DSC (the prime contractor for the below-named projects) replaced RNH with CPS as the electrical subcontractor on the Oak Grove Elementary School project and CPS was selected to be an electrical subcontractor by DSC on school projects at Miami Southridge Senior High School, and South Miami Heights Elementary. Besides DSC, M.A.C. Construction, Inc., also selected CPS for a project at Royal Palm Elementary School after certification. These contracts had a combined total value of $798,607.[17] Most interesting, is the fact that there is a chain of emails from DSC to Ms. Hicks-Levy and the former head of OEO informing them that RNH (Mr. Lowe's M/WBE) wished to withdraw from participating in the Oak Grove project but they (DSC) were "fortunate" that their next bidder, CPS, was also an M/WBE and has agreed to do the project for the same price as RNH.

According to Mr. Lowe, he, Mr. Ashford and Mr. Davis were all three responsible for overseeing the day-to-day operations. However, even though in the beginning Mr. Lowe seemed to oversee the day-to-day of those projects, his decisions were later

[15] Mr. Lowe was added as a managing member of CPS on January 7, 2015; however, this document does not show the date when Mr. Lowe actually became a managing member.
[16] Mr. Lowe stated he did not receive any compensation whatsoever.
[17] The contract value on the Oak Grove project was $245,850; the contract value on the Royal Palm project was $237,257, and the contract value on the Miami Southridge project was $315,500. It should be noted that prior to becoming certified as an M/WBE firm, DSC selected CPS as an electrical subcontractor on a project at South Miami Heights Elementary School, with a contract value of $94,700.

usurped by Mr. Davis regarding employees' assignments to particular job sites. Mr. Lowe stated to the OIG that Mr. Davis and Mr. Ashford would have employees report to them directly, excluding him from making any management decisions as to how employees were used or projects staffed. Mr. Lowe stated that at that point he realized that Mr. Davis and Mr. Ashford were only using him as a "front" in order to get contracts with the school system. Mr. Lowe learned that on March 25, 2016, Mr. Ashford sent an email to DSC informing them that he (Mr. Lowe) no longer represented CPS. (**EXHIBIT 5**) According to Mr. Lowe he was still with CPS as the 51% minority owner at the time, but based on Mr. Ashford's email, he decided to just leave CPS.

Although the review of the application, documents, and interviews overwhelmingly show that Mr. Lowe knowingly fronted CPS in order to qualify it as an M/WBE, more importantly, the OIG investigation revealed that OEO should never have approved CPS's certification as an M/WBE because Mr. Lowe did not qualify as a "minority person" under School Board Bylaws and Policies. In addition, the application and documents presented were incomplete and contained many discrepancies.

School Board Policy 6320.02 states, "The M/WBE Program was established to enhance the bidding and selection opportunities for M/WBEs on certain contracts and to address findings in the 2014 Disparity Study and 2015 Subcontractor Disparity Study.... It defines a "minority person" as "a person born or naturalized in the United States. Resident aliens and holders of permanent visas are not considered to be citizens." According to CPS's certification application, Mr. Lowe is not a U.S. Citizen; he is a citizen of Jamaica and a permanent resident of the U.S., therefore, he does not meet the definition of a minority person, and should not have been approved by OEO. The application and documents submitted to OEO clearly show that Mr. Lowe is not a U.S. citizen as required.[18]

CPS Application and Documents to OEO for Certification

In addition to Mr. Lowe not qualifying as a "minority person" pursuant to School Board Policy, the application contains additional discrepancies. For example, Mr. Lowe, who was already working on M-DCPS projects through RNH Electric LLC, claims to have owned CPS for five years under question no. 6 of the application. Mr. Lowe had just become associated with CPS, and the annual reports filed with the Florida Secretary of State, Division of Corporations, show that Mr. Lowe was added as a managing member in January 7, 2015.[19] Under question no. 6, Mr. Lowe also indicates that he has been the President of CPS since September 17, 2009, contrary to his resume submitted with

[18] OEO included in its checklist of documents to be provided for certification, "or foreign passport if not a U.S. citizen." Ms. Hicks-Levy, who had been certifying M/WBEs for years, had no idea that permanent residents of the U.S. did not qualify as a "minority person" under the policy.
[19] The application was signed and submitted on January 15, 2015. Mr. Lowe was removed as a manager on August 1, 2016.

his application. Mr. Lowe's resume shows that he was employed with CEI LLC in Coral Springs, Florida, from January 2004 to August 2014. It does not list CPS as an employer. On the other hand, Mr. Ashford's resume lists him as the Principal and Qualifier for CPS since October 2009 to the present. Additionally, the tax returns for 2011, 2012 and 2013 show Mr. Ashford as the 60% majority owner of CPS. Mr. Lowe is nowhere on those tax returns. The bank account showing Mr. Lowe as an authorized signer was a new account opened on January 30, 2015, fifteen days after the date on the application. Any of these discrepancies should have alerted OEO that Mr. Lowe was a "front" and that CPS did not qualify as an M/WBE.

It was also confirmed that Mr. Lowe was not managing the day-to-day business of CPS, and, in fact, he was working with at least two other electrical contracting firms, unrelated to the business activities of CPS.

Interview of Executive Director Michelle Hicks-Levy, OEO

The OIG Special Agents interviewed Ms. Hicks-Levy of OEO, regarding Mr. Lowe's involvement with CPS. Ms. Hicks-Levy referred this case to the OIG at the direction of her boss, Brian Williams, the former head of OEO, when she began to suspect that CPS used Mr. Lowe as a front in order to get certified as an M/WBE.

Ms. Hicks-Levy advised that she has been involved with the certification process since she came to OEO. She started at OEO as a coordinator reviewing applications and approving certifications of SBE, MBE and M/WBE companies. Ms. Hicks-Levy was promoted to supervisor in 2014, and her duties included supervising others, as well as reviewing applications and approving certifications herself. Ms. Hicks-Levy stated that she personally conducted the review of CPS's application and approved its certification as an M/WBE firm. Ms. Hicks-Levy stated that CPS submitted its application for certification with the OEO's SBE and M/WBE Certification Program on January 22, 2015, and later received their certification as an SBE, M/WBE and an MBE on February 10, 2015.[20] (**EXHIBIT 6**)

Ms. Hicks-Levy was promoted to executive director in January 2016. As executive director she oversees certification, community outreach, and goalsetting. Ms. Hicks-Levy stated that there is a goalsetting committee that sets goals for construction related projects as well as procurement. The goalsetting committee consists of personnel from OEO, Procurement Management Services, Facilities, and A/E Selection and Negotiation. The goalsetting committee reviews projects and determines what goals are appropriate for the projects. Ms. Hicks-Levy is the chair of the committee.

[20] It should be noted that the CPS application indicates, with a check mark in the indicated box, that the certification requested was for M/WBE only and not for SBE and MBE. However, CPS was automatically certified for all three on February 10, 2015.

Ms. Hicks-Levy stated that in April 2016, Mr. Lowe, accompanied by two representatives of DSC, a prime contractor on several school projects, came to her office to inform her that Mr. Lowe was no longer affiliated with CPS. The DSC representatives, Iris Laurez-Llerena and Roger Reyes, advised they were having problems with CPS on a project they were both working on. Ms. Hicks-Levy did not recall the nature of the problem between CPS and DSC.

Ms. Hicks-Levy advised that after her meeting with Mr. Lowe and the DSC representatives, she sent an email on April 15, 2016, to Mr. Davis, one of the co-owners of CPS, to obtain an update on the minority ownership of CPS. (**EXHIBIT 7**) She never received a response from Mr. Davis but she did receive a letter from Mr. Ashford dated April 22, 2016. Mr. Ashford's letter indicated that Mr. Lowe had "not provided any change to his presence" at CPS, and although he (Mr. Ashford) had heard rumors that Mr. Lowe had been fired, he reassured her that he had not been fired. Mr. Ashford also indicated, "[f]or reasons unknown to me Mr. Lowe has opened his own company." Additionally, Mr. Ashford further asked Ms. Hicks-Levy what would be the grace period for them to "work with another person to retain their minority status" should Mr. Lowe separate himself from CPS.[21] (**EXHIBIT 8**)

Ms. Hicks-Levy advised that after receiving Mr. Ashford's letter, it was still unclear to her as to whether CPS remained a minority-owned company. She advised that neither Mr. Ashford, nor Mr. Lowe could offer a clear explanation as to why Mr. Lowe was no longer the 51% minority owner of CPS. Based on all that had occurred with Mr. Lowe and CPS and the exchange of emails and letters with Mr. Ashford, Ms. Hicks-Levy began to suspect that the association between Mr. Lowe, Mr. Ashford, and Mr. Davis was merely a front in order to obtain certification for CPS as an M/WBE. Ms. Hicks-Levy brought her concerns to the attention of the former head of OEO, who in turn directed her to refer the information to the OIG.

The OIG reviewed the application and documents that CPS filed in order to obtain certification with Ms. Hicks-Levy. The OIG inquired about several documents on the checklist for the M/WBE program that are required to be provided during the application process for certification but were not provided by CPS. These documents include proof of ownership, such as stock certificates for corporations showing 51% ownership, and signed and dated operating agreement for LLCs. Ms. Hicks-Levy's response was that not every company has these documents and many of the small business owners do not even know what a partnership agreement is, and are very informal. According to Ms. Hicks-Levy, OEO can waive this requirement. She was further asked how an applicant would prove that he is a 51% minority owner if the documents are waived. She stated that she relies on the information on the application and the fact that the

[21] This statement is very troubling as it alludes that Mr. Ashford would be looking for another minority person to front his company, all the while Mr. Ashford could have pursued S/MBE certification based on the small size of CPS and not the race/gender of its owners.

owner signs and attests to the truthfulness of the information. As explained, she and the other employees do not review any of the documents for accuracy and truthfulness; they just go through the checklist and mark whether the documents were received and whether the application is complete—for example, signed, notarized and all sections filled in. When she was informed that the *Certification Application Affidavit* was not sworn to and only contained an acknowledgment by the notary of the person executing the affidavit, she stated that she did not know this and she thought it was sworn to by the individual executing the document. Ms. Hicks-Levy indicated throughout her interview that the former head of OEO created the checklist and other documents and instructed the employees regarding any changes to the program.

When she was informed of the discrepancies in the CPS application, Ms. Hicks-Levy again reiterated that she nor the other employees in charge of processing the applications, actually read the documents in depth, or scrutinize any of the documents closely, or verify any of the information, except for marking them off the checklist that they were received. She also stated that she did not review the three years' worth of tax returns, she just made sure three years of tax returns were provided as required to prove they have been in business for at least three years as required by the program.[22] She stated that she does not know how to read tax returns and cannot even read her own. She stressed that she relies on the fact that the applicant attests that the application, documents, and information provided are true and accurate.

The OIG pointed out to Ms. Hicks-Levy that Mr. Lowe was not qualified for certification as a 51% minority owner because he was not a U.S. citizen and asked her to review the definition of "a minority person" in the School Board Policy. Ms. Hicks-Levy stated that she was unaware that in order to qualify for certification you had to be a U.S. citizen and acknowledged that this was the first time she had ever read the definition in the policy and for the first time realized that resident aliens who are not naturalized are excluded. She only went by the items listed in the checklist, which included "foreign passport if not a U.S. citizen." Ms. Hicks-Levy stated that the *Eligibility & Checklist for SBE/MBE & M/WBE Certification*, was created by Brian Williams, her boss and former head of OEO, with the assistance of the previous executive director. She remarked that it would not occur to her to check if it was consistent with the policy since it was created by her boss. (**EXHIBIT 9**)

Ms. Hicks-Levy informed the OIG that when she got to OEO it was a newly established program and they were just trying to set up protocol with limited staff and no formalized training. Their intention was to help as many SBEs and MBEs get certified so that they

[22] It should be noted that Mr. Lowe in his attempt to certify SBC as an M/WBE, used three years-worth of tax returns of a company with the same name that he and the other members voluntarily dissolved. Mr. Lowe created a new company for certification, using the same name but without the other members. Ms. Hicks-Levy acknowledged that she would not have caught this because she would only have ensured that there were three years of tax returns.

would be ready to do business with the district. She stated that there were mistakes made but there was no bad intention.

Interview of Contract Compliance Analyst Chris Gardner, OEO

The OIG Special Agents interviewed Chris Gardner, OEO Contract Compliance Analyst who also met with Mr. Lowe and DSC representatives, Roger Reyes and Iris Laurez-Llerena, back in April 2016 when they came to the OEO office. Mr. Gardener recalled that the conversation involved Mr. Lowe's new company, SBC, and when it would be certified as an M/WBE, so that DSC could begin working with them on several projects. Mr. Gardner advised that as far as he knew, Mr. Lowe's application to have his new company certified as an M/WBE had not been approved at that time. Mr. Gardner stated that during his brief contact with Mr. Lowe in the OEO office, there was no mention by Mr. Lowe as to his current affiliation with CPS. He referred the trio to Ms. Hicks-Levy regarding Mr. Lowe's pending application for certification.

Interview of Director of Contract Compliance Denise Mincey-Mills, OEO

The OIG Special Agents interviewed Denise Mincey-Mills, OEO's Director of Contract Compliance. Ms. Mincey-Mills advised that she first became aware that Mr. Lowe was no longer affiliated with CPS when he wrote an email to Ms. Hicks-Levy in April 2016 informing her of his status with CPS. Ms. Mincey-Mills advised that she had a brief telephone conversation with Mr. Ashford in April 2016 where he indicated to her that he did not know that Mr. Lowe was no longer the 51% minority owner of CPS, even though Mr. Lowe had supposedly left CPS in March 2016. Ms. Mincey-Mills advised that after her conversation with Mr. Ashford she believed there was something suspicious about Mr. Lowe's affiliation with CPS and whether CPS was a "front" company. She described a front company as a company who has a minority owner (51% ownership) on paper but lacked control of the day-to-day operations, was unable to make employment decisions, or enter into contractual agreements on behalf of the company.

Interview of Jubert Lowe, formerly of Complete Power Systems

The OIG Special Agents interviewed Jubert Lowe, formerly of CPS. Mr. Lowe is the current owner of SBC and co-owner of RNH Electric LLC. Mr. Lowe has worked in the construction industry for the past 37 years as an unlicensed electrical contractor in New York and with several electrical contracting firms in South Florida. Mr. Lowe was also a partner with Roger Reyes, Senior Project Manager of DSC, and two other individuals, in the original State Building Contractors LLC formed in 2012 and dissolved in 2013. Mr. Lowe met Mr. Davis (co-owner of CPS) twenty years ago when they both worked for a company called Daniels Electric.

Mr. Lowe indicated that in early 2015, Mr. Davis asked him to join CPS since he was skilled at pricing electrical projects and because he could help CPS bring in new

business.[23] Mr. Lowe advised that he knew how to obtain school construction projects through the School District's minority business enterprise program based on his past history with DSC through his company RNH. Mr. Lowe indicated that he, Mr. Davis, and Michael Ashford agreed that he (Mr. Lowe) would join CPS as the 51% owner, making CPS a minority-owned business so that CPS could qualify for certification as an M/WBE. Mr. Lowe admitted he made no financial investment in CPS, nor did he enter into a signed agreement making him the 51% owner of CPS.

Prior to joining CPS, Mr. Lowe, a 51% minority owner of RNH, provided electrical contracting services to the construction industry. Mr. Lowe advised that RNH is certified as an M/WBE firm and had a contract to work with general contractor DSC on an M-DCPS renovation project at Oak Grove Elementary in May 2015.[24] Mr. Lowe also worked for CEI Electric (CEI) in Coral Springs, Florida, as a manager and estimator, and is still employed with CEI; however, CEI is not involved in any M-DCPS school construction projects.

Mr. Lowe indicated that due to slow turnaround in payments and financial problems RNH was experiencing at the time, it was difficult for his company to remain on the Oak Grove project so he withdrew RNH from the project, and recommended that CPS be its replacement. Mr. Lowe advised that his business partner at RNH left the company for personal reasons and returned to New York, which led to the problems RNH was having at the time. (**EXHIBIT 10**)

Mr. Lowe advised that by the time he withdrew RNH from the Oak Grove project, he had already joined CPS as the 51% minority owner. He advised that he, Mr. Ashford, and Mr. Davis all ran the day-to-day operations. In the beginning, Mr. Lowe stated that he ran the day-to-day operations from his home at 14320 SW 181 Terrace, Miami, while Mr. Ashford ran it from CPS's place of business. Mr. Lowe stated that he hired five employees from his former company RNH, which increased the working staff to eight employees at CPS. However, as the 51% minority owner, Mr. Lowe indicated he never shared in the profits of CPS, even though, he alleges that he had a verbal agreement with Mr. Ashford and Mr. Davis that he would receive a salary of $92,000 per year starting in June 2015 but never did.[25] Mr. Lowe stated that he did not receive any

[23] Contrary to Mr. Lowe's statement to OIG, Mr. Davis and Mr. Ashford claim Mr. Lowe approached them about bringing new business to CPS as a minority company.
[24] According to OEO records, RHN received its M/WBE certification on June 5, 2015. While not the primary focus of this investigation, the OIG has similar concerns about RNH and its status as an M/WBE. First, Mr. Lowe's Jamaican citizenship disqualifies him as a minority person under the School Board Policy. Second, RNH's corporate organization also raises questions about its ownership make-up. The owner of CEI, William Harmon, is also the co-owner of RNH with Mr. Lowe. RNH lists its place of business as 6600 NW 27th Avenue Miami, FL and its landlord as BAC Funding Corporation. According to Florida Secretary of State, Division of Corporations, RNH Electric, LLC was formed August 14, 2014, and Jubert Lowe and William Harmon are listed as the managing members. Mr. Harmon is 51% owner of losses and 49% owner of profits, and Mr. Lowe is 51% owner of profits and 0% owner of losses.
[25] Mr. Ashford and Mr. Davis both deny that Mr. Lowe was supposed to receive a salary of $92,000.

compensation during the six months he was affiliated with CPS.[26] He said the only reason he was able to do this was because he was still working as an estimator for CEI, receiving a salary. Mr. Lowe stated he had no idea how much Mr. Ashford and Mr. Davis were paid because he never saw any payroll information for the company.[27]

Mr. Lowe advised that a problem developed between Mr. Davis and him over how the employees were to be assigned to certain job sites. He alleged that he would assign an employee to a particular school project site, only to have Mr. Davis move that employee without his authorization to another job site. Mr. Lowe advised that Mr. Davis continually undermined his authority as the 51% owner of CPS when it came to making day-to-day operational decisions. Mr. Lowe advised that because Mr. Davis moved employees from the DSC school project sites, Mr. Reyes contacted him and complained that CPS was falling behind schedule and not fulfilling its contractual agreement.

Mr. Lowe stated that Mr. Davis and Mr. Ashford had the employees, including Mr. Lowe's employees, report to them directly excluding him from making any management decisions on how employees were used and projects were staffed. Mr. Lowe stated he did not agree with the way Mr. Davis and Mr. Ashford were running CPS as he felt their actions were tarnishing his professional image and reputation.

Mr. Lowe advised that in March 2016 he discovered that Mr. Ashford had sent an email to DSC informing them that he (Mr. Lowe) was no longer with CPS and that all decisions would be made by him (Mr. Ashford) and Mr. Davis.[28] At the time of the email, according to Mr. Lowe, he was still the 51% owner of CPS. Mr. Lowe confronted Mr. Ashford about the email to DSC but Mr. Ashford denied he sent the email. Mr. Lowe decided, after the email incident, to leave CPS and verbally informed Mr. Ashford and Mr. Davis of his decision.

After leaving CPS, Mr. Lowe indicated he started a company called SBC, as the sole proprietor, with three employees, one of whom is the qualifier for the company.[29] He also submitted an application for certification as an M/WBE to OEO on May 18, 2016.[30] (**EXHIBIT 11**)

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[26] This interview took place on June 9, 2016. Mr. Ashford stated in his interview that he paid Mr. Lowe $599 on January 13, 2016.

[27] Mr. Ashford in his statement to the OIG, said he paid himself $29 an hour and paid Mr. Davis about the same.

[28] Mr. Lowe sent Mr. Ashford's email to Executive Director Michelle Hicks-Levy, on April 28, 2016. Ms. Hicks-Levy provided a copy to the OIG. The email is titled, "Jubert Lowe has moved on from Complete Power Systems."

[29] According to Mr. Lowe, the qualifier for SBC is Juan Jaime, who holds an electrical contractor's license with the State of Florida; however it appears that Mr. Jaime was never approved by DBPR as SBC'S qualifier.

[30] SBC was denied certification as an M/WBE not because Mr. Lowe is a Jamaican citizen, but because it was found that the qualifier is not an owner of the company.

Mr. Lowe advised that while at CPS, he was responsible for having brought in school contracts at Oak Grove Elementary and Miami Southridge Senior High School, as an M/WBE firm, and South Miami Heights Elementary School, as an SBE. He advised that all of the school projects were with general contractor DSC. Mr. Lowe further stated that he did not receive any compensation from CPS while he was there as the 51% owner. Mr. Lowe stated that he could seek legal action against CPS for compensation owed, but he will likely not pursue any action against them and just move on with his current business venture. He also stated that because his authority was undermined by Mr. Davis and Mr. Ashford, he believes he was used as a "front" in order for Mr. Davis and Mr. Ashford to have CPS certified as a minority firm in order to receive projects with the School District.

Interview of Glenn Davis, co-owner of Complete Power Systems (CPS)

The OIG Special Agents interviewed Mr. Davis, co-owner of CPS. Mr. Davis has worked in the electrical contracting construction industry for the past 20 years, and has been co-owner of CPS along with the primary owner Michael Ashford since 2010. Mr. Davis first met Mr. Lowe in 1986 or 1987, when they worked for a company called Daniels Electric.

Mr. Davis advised that sometime in early 2015, Mr. Lowe approached him and Mr. Ashford, at a time when CPS was having difficulty finding work, and offered them an opportunity to bid on construction jobs with M-DCPS.[31] Mr. Lowe explained to them that he knew how to apply for construction jobs with the school district as a minority firm, and he assured them that CPS could make a lot of money. At that time, Mr. Ashford owned 60% of CPS and Mr. Davis 40%. Mr. Davis stated that Mr. Ashford and he were anxious to bring Mr. Lowe on at CPS as the 51% owner. According to Mr. Davis and Mr. Ashford's statement, they both agreed that Mr. Davis would be a 24% owner and Mr. Ashford would have 25% ownership of CPS, while Mr. Lowe would be the 51% owner in order to qualify CPS as a minority firm.

Mr. Davis admitted that a written agreement was never drawn up outlining the ownership arrangement with Mr. Lowe. Mr. Davis also stated that it was his understanding that Mr. Lowe was supposed to present the written agreement for them to sign, but he never did.[32]

According to Mr. Davis, they never asked Mr. Lowe to make a financial investment in CPS because they were desperate for Mr. Lowe to join the company and help them

[31] This is contrary to Mr. Lowe's statement that Mr. Davis approached him with the offer to work for CPS.
[32] This is contrary to Mr. Ashford's statement and letter informing Ms. Hicks-Levy that his lawyer is in the process of drafting the operating agreement and will be ready within thirty days.

bring in new business. Mr. Lowe assured them he knew they could become certified as a minority firm and then bid on school construction contracts.[33]
Mr. Davis claims that Mr. Lowe never fully explained the school's SBE/MBE and M/WBE certification process. Mr. Davis indicated that it was Mr. Lowe's suggestion that CPS become certified as a minority firm with Mr. Lowe as the 51% owner.

Mr. Davis stated that Mr. Lowe's primary responsibility was to conduct project pricing using his (Mr. Lowe) pricing program to price projects for bidding. According to Mr. Davis, Mr. Lowe's pricing program was superior to the one Mr. Ashford was using at the time.

Mr. Davis' responsibilities were operational, materials, and manpower. He handled the day-to-day operations at CPS such as assigning work schedules for employees, visiting job sites to ensure work was being done, and also consulting with representatives of the general contractor regarding any payroll-related issues. Mr. Ashford handled administrative duties in the office, designed and priced jobs, and responded to emails.

Contrary to Mr. Lowe's statement that he ran the day-to-day operations from his home, according to Mr. Davis's statement, Mr. Davis and Mr. Ashford never asked Mr. Lowe to be involved in the day-to-day operations. Mr. Lowe, however, did respond to several job sites because they had hired several of his former company's employees. Mr. Davis indicated that the hiring of Mr. Lowe's former employees did not work out well for CPS because they demanded more money than what CPS wanted to pay them. Nevertheless, since they were desperate to find skilled workers and because they had more work than they could staff (after receiving the school contracts), they decided to hire Mr. Lowe's employees anyway.

Mr. Davis admitted occasionally moving employees between different project sites but only because they had more jobs than staff to place at all the job sites. They could not afford to have employees waiting for an assignment at a particular site when they could be used at another site. Mr. Davis stated that this caused problems between him and Mr. Lowe, and one of DSC's project managers, who expected the employees to be on the project sites everyday whether there was an assignment or not.

Mr. Davis advised that another problem that developed between CPS and DSC was their delay in making payments to CPS. Mr. Davis acknowledged that Mr. Lowe was instrumental in bringing CPS in on several projects with DSC; however, problems continued to mount over the School District and DSC's delayed payments, because it placed CPS in a financial predicament.

[33] Mr. Davis also stated that Mr. Lowe had a good working relationship with one of the school's general contractors, DSC, which also led him to believe that CPS could benefit from Mr. Lowe's involvement with the company.

Mr. Davis stated that Mr. Lowe stopped showing up for regularly scheduled meetings sometime in January 2016. He stated it was also around the time that CPS was supposed to bid on a job with a nationally known hardware store, and Mr. Lowe told him that it looked good and they might get the job; however, he later learned from their secretary (Tiffany Ortega) that the job went to another company that Mr. Lowe was affiliated with.

Mr. Davis recalled that Mr. Lowe constantly complained that he needed to receive compensation when he was at CPS, but as far as he knew, Mr. Lowe was never paid because CPS had not made any profit on the projects they had pending. Then, in March 2016, Mr. Davis advised that he learned that Mr. Ashford had sent an email to DSC informing them that Mr. Lowe was no longer involved in operational activities at CPS. Mr. Davis recalled that in a later conversation he had with DSC's Roger Reyes, he was told that Mr. Lowe had been fired from CPS. Mr. Davis told Mr. Reyes that Mr. Lowe had not been fired. Mr. Davis indicated he later learned that Mr. Lowe had sent an email to OEO informing them that he was no longer affiliated with CPS.[34]

When asked if he and Mr. Ashford used Mr. Lowe as a "front" in order to make CPS a minority firm so they could compete for contracts with the School District, Mr. Davis denied the allegation. He advised that it was always his intention, as well as Mr. Ashford's for Mr. Lowe to be part of CPS because of his background, and experience working on school projects. Mr. Davis, however, did not elaborate or provide any clarification on what he meant by "being a part of."

Interview of Michael Ashford, co-owner of Complete Power Systems (CPS)

The OIG Special Agents interviewed Michael Ashford, co-owner of CPS. Mr. Ashford founded CPS in 2009. He holds the electrical contracting license with the State of Florida and is the qualifier for CPS. In 2010, he hired Glenn Davis, and later offered him co-ownership in CPS with a 60/40 split.

According to Mr. Ashford, CPS had a steady growth of about 20% per year but by 2015 new business was getting harder to find and revenues had decreased. Mr. Ashford first met Mr. Lowe in early 2015 when Mr. Lowe, a former co-worker of Mr. Davis, contacted Mr. Davis to discuss the possibility of them working together.[35] Mr. Ashford also met with Mr. Lowe at this time and Mr. Lowe offered to help them increase their business by applying for school construction contracts.

[34] The letter Mr. Lowe sent to OEO was actually as a result of Mr. Ashford's email to DSC informing them that Mr. Lowe was no longer representing CPS.
[35] Again, this is contrary to Mr. Lowe's statement that Mr. Davis contacted him.

Mr. Ashford further indicated that neither he nor Mr. Davis had any prior experience working with the School District, and he assumed since he and Mr. Davis were Caucasian it would be difficult for them to qualify for School Board contracts, which they believed were mostly awarded to minorities.

Mr. Ashford indicated that Mr. Lowe convinced them that he had experience working with the School District and was familiar with how to file the necessary paperwork in order for CPS to bid as a subcontractor on school projects. Mr. Ashford further indicated that he and Mr. Davis agreed to offer Mr. Lowe a position with CPS as the 51% owner so that CPS could become certified as a minority company and compete for minority contracts with the School District. This was a verbal agreement between Mr. Ashford, Mr. Davis and Mr. Lowe.

Mr. Ashford related that he felt it was a mistake on his part not to have a written contract drawn up or request a financial investment from Mr. Lowe that amounted to 51% of the current market value to CPS. Mr. Ashford recently received an estimation that the market value of his company was approximately $900,000; however, he believed that number was too high.

Mr. Ashford indicated that when Mr. Lowe joined CPS, Mr. Lowe's job was to concentrate on the pricing of school projects. He was not involved in the day-to-day operational activities, which were the responsibility of Mr. Davis. Mr. Ashford worked from the office and handled all of the administrative functions of the company, including payroll activities, with the help of his administrative assistant, Tiffany Ortega.

Mr. Ashford advised that in the beginning he and Mr. Davis tried to arrange weekly meetings with Mr. Lowe, but Mr. Lowe was not always available. Mr. Ashford had to reschedule the meetings to accommodate Mr. Lowe's availability. One of the first projects Mr. Lowe helped bring to CPS was a contract with DSC for electrical work on the South Miami Heights Elementary School project. Mr. Lowe was instrumental in pricing that project and submitting the bid to DSC. Mr. Ashford and Mr. Davis were not involved in the bid with general contractor DSC. According to Mr. Ashford, Mr. Lowe was also instrumental getting CPS work on projects with DSC at Oak Grove Elementary School, Miami Southridge Senior High School and Royal Palm Elementary School.

Mr. Ashford stated Mr. Lowe's position with CPS began to lessen in early 2016 after a conflict ensued between Mr. Lowe and Mr. Davis over the handling of operations. Mr. Lowe was not communicating with either of them and, out of desperation and not knowing if Mr. Lowe was still representing CPS, on March 25, 2016, he sent an email to DSC informing them that Mr. Lowe no longer represented CPS.

Prior to March 25, 2016, Mr. Ashford tried to call, text and email Mr. Lowe, but he would not respond. According to Mr. Ashford, he became concerned that since Mr. Lowe was

not communicating with them, Mr. Lowe might be making deals with other contractors without consulting him or Mr. Davis. According to Mr. Ashford, he contacted the School District's OEO after they inquired about Mr. Lowe's status with CPS, and he informed them that Mr. Lowe had not been fired, nor was he ever asked to change his status with CPS. Mr. Ashford stated that although he had heard a rumor that Mr. Lowe had started another company, at that time (in April 2016) he had no knowledge of Mr. Lowe's whereabouts. According to Mr. Ashford, Mr. Lowe had "abandoned" CPS.

Mr. Ashford claimed that even though CPS had projects with DSC, they were making very little money. Payments were being delayed and no profits were realized for most of 2015. As a result, no profits were distributed to the owners. He further stated that by the end of 2015, CPS was in a financial crisis with minimal cash flow. In order to acquire an influx of cash, Mr. Ashford asked Mr. Lowe if he could provide any financial support to CPS until the funds they were owed by DSC came in. Mr. Lowe indicated he had no funds available. Mr. Ashford advised that he had to make a decision about securing additional capital to keep CPS afloat financially, so he took out a bank loan of $100,000 to carry the company forward into the New Year (2016). Mr. Ashford stated to the OIG that he used his own credit and name to take out the bank loan; however, CPS's assets, receivables, income, etc., was used as collateral pursuant to a UCC Financing statement filed December 3, 2015, with the Florida Secured Transaction Registry.[36] (**EXHIBIT 12**)

Mr. Ashford indicated that it became apparent to him that Mr. Lowe had no intention of financially supporting the company. He further stated that Mr. Lowe was also involved with other companies at the time, which he did not know much about. He stated that he had no idea how much time Mr. Lowe was spending estimating projects for CPS or how much time he was working for other companies.

According to Mr. Ashford, they never discussed how much Mr. Lowe was going to be paid as 51% owner. Mr. Ashford indicated that he wanted to wait and see how much profit CPS was going to make from the school projects before they discussed how the profits would be shared. Mr. Ashford stated that CPS was able to pay Mr. Lowe $599 for his services in January 2016. Mr. Ashford provided a copy of the cancelled check.[37] **(EXHIBIT 13)** However, Mr. Ashford acknowledged that he pays himself $29.00 an hour, pays Mr. Davis close to the same amount, and bought a company car for Ms. Ortega.

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[36] Mr. Lowe informed the OIG that he had no knowledge that Mr. Ashford had made a bank loan for $100,000 encumbering the assets, receivables, income, etc., of CPS.

[37] It should be noted that the check paid to Mr. Lowe was from the CPS's Primary Business Checking Account and not the business account opened on January 30, 2015, filed with OEO during the certification application process. Mr. Lowe was not an authorized signer on the Primary Business Checking Account.

Mr. Ashford indicated that it was Mr. Lowe's intention to have CPS certified as a minority firm as he (Mr. Ashford) was unfamiliar with the process. He further indicated that Mr. Lowe led them to believe he was an expert in the management of school projects and was well versed in the filing of the necessary paperwork in order for CPS to compete as a minority firm for school contracts. Mr. Ashford denied that it was his intention to use Mr. Lowe and CPS as a minority "front" company in order to receive projects with the School Board.

Interview of Tiffany Ortega, Administrative Assistant at CPS

The OIG Special Agents interviewed Tiffany Ortega, office manager and bookkeeper at CPS. Ms. Ortega has been employed with CPS since 2011. Ms. Ortega was involved in the day-to-day administrative duties of the company such as ordering office supplies, answering phone calls, and processing payroll.

Ms. Ortega informed OIG Special Agents that Mr. Lowe (whom she never met personally) began working with CPS in 2015. She indicated that even though she was not totally aware of his job responsibilities, she was aware that he did approve timesheets for employees working in the field, as did Mr. Davis. Ms. Ortega stated that Mr. Lowe was not involved in payroll processing, beyond the approval of timesheets. She further stated that she prepared company checks for business-related purchases or payroll paid out of the main operating account, and Mr. Ashford or Mr. Davis usually signed those checks. She further advised that Mr. Lowe did not sign any checks from the main operating account, and only had authority to sign on a secondary joint account the company maintained at SunTrust Bank but rarely used.

Ms. Ortega stated that Mr. Lowe left CPS sometime in early 2016, She advised that in April 2016, she recalled seeing some change orders they received from DSC that indicated that projects at Oak Grove and Miami Southridge had been transferred to a company called SBC, which she later learned was owned by Mr. Lowe. (**EXHIBIT 14**)

Interview of Iris Laurez-Llerena, Project Engineer, DSC

The OIG Special Agents interviewed Ms. Laurez-Llerena, project engineer with DSC. Ms. Laurez-Llerena has been employed with DSC for 2 ½ years. DSC holds several construction management at risk (CMR) contracts with M-DCPS. DSC is the commissioned CMR firm for the Oak Grove Elementary School, Miami Southridge Senior High School, and South Miami Heights Elementary School projects, where CPS was awarded work as the electrical subcontractor.

Ms. Laurez-Llerena identified the owners of CPS as Michael Ashford and Glenn Davis. When asked if she was familiar with Jubert Lowe, she identified him as a principal with CPS but was not sure if he was an owner. As principal, she knew he managed the

projects CPS had with DSC, however, the owner, Mr. Davis, was the one who signed the contracts. She related that in early 2016 she received an email from Mr. Ashford indicating that Mr. Lowe was no longer with CPS. When they called Mr. Lowe, he was unaware that he was no longer affiliated with CPS. She stated that this became an issue for DSC since CPS was hired as a minority subcontractor. If CPS no longer qualified as a minority firm then DCS would have to notify OEO since it was through Mr. Lowe that CPS qualified as a minority firm.[38]

In April 2016, DSC met with Mr. Ashford and Mr. Davis to rectify problems related to CPS's failure to complete the Oak Grove and Miami Southridge projects. According to Ms. Laurez-Llerena, nothing changed. She stated that as a result, CPS was issued a 48-hour Notice to Comply with their contractual agreements, but when they failed to fulfill their contractual agreement, CPS was removed as the electrical subcontractor. Following CPS's removal from their projects, DSC contracted with Mr. Lowe's new company, SBC, to complete the work.[39]

Ms. Laurez-Llerena advised based on her experience working with CPS it did not appear that Mr. Lowe was making management decisions for CPS, and that the company was being managed by Mr. Ashford and Mr. Davis. She also stated that based on Mr. Ashford's emails she believed that Mr. Lowe was fired.

Interview of Roger Reyes, Senior Project Manager, DSC

The OIG Special Agents interviewed Roger Reyes, a Senior Project Manager at DSC. Mr. Reyes had been employed with DSC for over 3 years. Mr. Reyes has known Mr. Lowe for quite a few years. He first met him during a project called Metropolis across from the Dadeland Mall, and other construction projects after that. He also stated that he, Mr. Lowe and two other individuals started the "original" State Building Contractors LLC in 2012 and later dissolved it sometime in 2013. The company was a concrete company and not an electrical contractor. He advised that Mr. Lowe became a principal owner at CPS, along with Mr. Ashford and Mr. Davis. According to Mr. Reyes, CPS was then hired as the electrical subcontractor and took over the Oak Grove project from RNH, also co-owned by Mr. Lowe.[40] Mr. Reyes stated that CPS submitted a sealed bid,

[38] This begs the question of whether DSC knew or should have known that CPS minority certification status was a sham. According to Ms. Laurez-Llerena's statement, she was unaware if Mr. Lowe was even an owner of CPS, although she knew that Mr. Lowe was the person that qualified CPS as an African American M/WBE firm. According to her statement, the owners were Mr. Ashford and Mr. Davis.
[39] We find this substitution to be problematic. OEO never granted SBC certification as an M/WBE, SBE or MBE, and it is not clear whether this substitution was approved by any M-DCPS official. It should also be noted that the electirical qualifier listed in the first application for certification of SBC was not approved by DBPR. Based on DPBR's website, SBC's' qualifier (different from the qualifier listed on SBC's first application for certification) was approved in January 2017. The OIG will be examining this and the other aforementioned substitutions in more detail.
[40] As previously mentioned, RNH was accorded M/WBE certification status as an African-American firm on June 5, 2015.

and was awarded the Miami Southridge project as well. In the beginning, Mr. Lowe was involved in the management of several projects that CPS had with DSC. However, Mr. Lowe and Mr. Davis had a dispute over the assignment of workers.

Mr. Reyes indicated that because of CPS's staffing issue at the Oak Grove and Miami Southridge project sites, CPS fell behind in completing assigned electrical work at those sites. Mr. Reyes stated that Mr. Lowe complained to Mr. Davis and he had a dispute over the assignment of workers at the school sites. Mr. Reyes further indicated that Mr. Lowe told him that he felt that Mr. Ashford and Mr. Davis were undermining his authority as the 51% owner by countermanding his decisions. Also, when Mr. Reyes called Mr. Lowe about the email from Mr. Ashford, Mr. Lowe said he had not quit CPS.

Mr. Reyes advised due to continued problems with management of CPS, Mr. Lowe left CPS in March 2016 and started SBC, a certified SBE with M-DCPS.[41] Mr. Reyes advised that CPS was later removed from its involvement on the Oak Grove and Miami Southridge projects due to a failure to comply with their contractual obligations in April 2016. He further advised that once CPS was removed from the Oak Grove and Miami Southridge projects, SBC received those projects as the "low bidder."[42] At the time of this interview, Mr. Reyes stated that SBC was performing well on the projects. SBC's contract on the Oak Grove project was valued at $48,495 and on Miami Southridge project $167,000.[43]

RESPONSES TO THE DRAFT REPORT & OIG COMMENTS

This report, as a draft, was provided to Jubert Lowe, Michael Ashford, and Glenn Davis, Managing Members of CPS, for their review and provision of a discretionary written response. The draft report was also provided to the Superintendent and his staff. The OIG received a response from Jubert Lowe and Michael Ashford, which are attached in their entirety as Appendix A and B, respectively. We also received a response from the Superintendent's Office, which is attached as Appendix C. The OIG did not receive a written response from Glenn Davis. A summary of each response and our comments follow below.

[41] Although Mr. Reyes described SBC as a certified SBE, at the time it was not certified, as OEO had denied its certification.
[42] As noted in footnote 37, we find these substitutions problematic. As such, they will be the subject of a subsequent OIG inspection.
[43] SBC was also the subcontractor on a DSC project at iPrep, valued at $79,800.

Jubert Lowe's Response & OIG Comments

Mr. Lowe's response consist of a two-page letter attached to an email. All three pages are attached to this Final Report as Appendix A. In summary, Mr. Lowe attempts to clarify his position as stated in our report, but his response is mostly a reiteration of his previous statements made to the OIG. Mr. Lowe goes through the history of his 20-year relationship with Mr. Davis and how they, for a long time, talked about starting a company together. Mr. Lowe explains that Mr. Davis wanted him to meet Mr. Ashford, because both Mr. Davis and Mr. Ashford wanted him to join them as a partner. When they meet to discuss this partnership, Mr. Lowe tells them that his present partner in RNH and he were doing business with the School District through DSC, but his partner wanted to close the company and move back to New York.[44] He claims that he told Mr. Ashford and Mr. Davis that his partner would have kept RNH open but could not because the School District paid too slow.[45] According to Mr. Lowe, Mr. Ashford is the one that told him that if he joined them they could start bidding on "some of the minority work...." Mr. Lowe emphasizes in his response that he told Mr. Ashford that "the only way he could do that is if he owned 51% of is [sic] company and my only buy-in bringing new jobs in the company." According to Mr. Lowe, it took Mr. Ashford a couple of weeks to decide because it was hard "thinking about turning his company over to me..." Mr. Davis and Mr. Ashford called him after a few weeks and told him that they were ready to start the partnership, and Mr. Ashford stated that he had a lawyer "working on the papers, which I still don't [sic] see yet, all the statement I gave to the Inspector general [sic] investigators is true."

We agree that it must have been a difficult decision for Mr. Ashford to turn over his company to Mr. Lowe, an individual he had just met—only with a promise to bring in school board projects—especially a well-established company of which Mr. Ashford had been the majority owner and the qualifier since 2009. Accordingly, the OIG maintains its position that Mr. Ashford was always the principal owner of CPS and never relinquished his majority ownership to Mr. Lowe. The OIG believes Mr. Lowe was never a 51% owner except on the application for the purpose of certification. Even Mr. Lowe in prior statements to the OIG agreed that he was used as a "front," although he never admitted that he played a part in the deception.

Lastly, Mr. Lowe states in his response that the citizenship requirement for a minority person is nowhere on the application and he had provided all the documents asked of him, as it relates to his residency status. We agree, in part, with Mr. Lowe. Mr. Lowe did, however, state on the application for certification that he was an African-American and at the same time stated he was not a citizen of the United States. Mr. Lowe should

[44] This is the partner that owns 100% of RNH, while Mr. Lowe owns 51%, i.e., Mr. Lowe owns 51% of profits, while the partner, Mr. Harmon, owns 51% of the losses and 49% of the profits, which should have raised some red flags at the time of certification.
[45] Mr. Ashford in his response claims he had no knowledge of DSC making late payments.

not have stated on the application indicating he was an African-American because he is not a U.S. citizen. Nevertheless, both the application and the checklist are unclear as to the citizenship requirement to qualify as a minority person as defined in the School Board Policy. Mr. Lowe did provide proof of his permanent U.S. residency when he applied for M/WBE certification for all three companies. Mr. Lowe, and any other non-U.S. citizen applying for certification would not have known they did not qualify as a minority person unless they read the actual policy. OEO, however, should have known better since the policy clearly states that a minority person is a person born or naturalized in the United States, and resident aliens and holders of permanent visas are not considered to be citizens. This was clearly the failure of OEO and not Mr. Lowe.

Michael Ashford's Response & OIG Comments

Mr. Ashford's response consists of a seven-page letter attached to an email. The letter indicates that it was also sent via certified mail, however, the OIG only received the response attached to an email. Mr. Ashford's response is attached to this Final Report as Appendix B.

Mr. Ashford raises many concerns related to DSC's behavior towards CPS and DSC's verbal removal of CPS in favor of Mr. Lowe's new company, SBC. DSC's failure to pay monies owed to CPS for work already performed is also very concerning, especially since DSC was paid for the work by the School District. S/MBEs and M/WBEs certainly cannot stay in business without timely payments or no payment at all from the prime contractors. Mr. Ashford also complains that after numerous attempts to address his concerns, no one at the School District has been willing to assist him; and he feels that the reason is because it involves DSC. Needless to say, although we believe that Mr. Ashford raises valid concerns regarding the prompt payment of subcontractors that need to be addressed, they are outside the scope of this report. Accordingly, in this report we will address Mr. Ashford's response as it relates to the fronting issue.

Mr. Ashford in his response states that Mr. Lowe presented himself to Mr. Ashford as an expert working for the School District. He states that Mr. Davis and Mr. Lowe told him that there "would be no realistic way for our company to even have the slightest chance at any school board contracts unless we were a minority contractor." He claims that he now knows Mr. Lowe is no expert and Mr. Lowe damaged "my company terribly." Mr. Ashford additionally states that because Mr. Lowe had no money to invest in the company, they struck a "sweat equity deal." (Mr. Lowe claims that his only buy-in is bringing new jobs to CPS.) According to Mr. Ashford's response, Mr. Lowe's financial situation was very difficult due to the actions of the owner of CEI/RNH, but he could get by without a paycheck for several months. Several months later after they proceeded with the projects, Mr. Lowe expected to be paid $52.00 per hour "right off the bat." Mr.

Ashford claims that if Mr. Lowe would have made this demand upfront, he, Mr. Ashford, would have rejected the deal because CPS could not afford such a salary. Mr. Ashford then goes on to address Mr. Lowe's absence from his commitment and responsibilities with CPS.

Responding to CPS's finances, Mr. Ashford includes that he established a bank account especially for the School Board projects in which he, Mr. Davis and Mr. Lowe had signing privileges. Mr. Ashford states that since Mr. Lowe was new to the organization, he felt this would "provide a very clear way to account for money in and money out associated with the school board projects for the benefit of all." Mr. Ashford expected the school board account would dwarf the operations account, and he felt comingling any funds from the school projects would lead to problems between him, Mr. Davis and Mr. Lowe. We can only surmise from Mr. Ashford's actions, that Mr. Lowe was only going to be entitled to a share of monies coming in to CPS from School Board projects. Although he claims that both Mr. Davis and Mr. Lowe would have had unfettered access to the records, it is clear from Mr. Ashford that he was the true boss and ran the company. Mr. Ashford decided what accounts Mr. Lowe would have access to, what if anything he would be paid, and, even in this response he refers to CPS as "my company."

While Mr. Ashford responds to the fronting allegation by asserting that he was willing to relinquish controlling interest in CPS, and had even reached out to an attorney who was drafting an agreement, his actions demonstrate the opposite. This is a self-serving statement on the part of Mr. Ashford. It is clear from all the evidence gathered, including statements taken by the OIG, and the subsequent walk-out of Mr. Lowe, that Mr. Ashford never turned over control of his company to Mr. Lowe. If Mr. Lowe was in fact the 51% owner, why would he be the one to walk out? In fact, Mr. Ashford describes Mr. Lowe's relationship with CPS as that of a "sweat equity" partnership. Mr. Lowe brings in school projects and supervises the day-to-day of those school projects and eventually Mr. Ashford would decide how much Mr. Lowe would be paid in connection to those projects. It was Mr. Ashford's decision to keep school board projects separate from other CPS projects, hence the separate account. It was Mr. Ashford's decision that CPS could not afford to pay Mr. Lowe the $52.00 per hour he claims in his response that Mr. Lowe requested. Mr. Lowe was never a 51% owner of CPS he was merely—if at all—a partner in CPS working in some sort of a contingency arrangement. Mr. Ashford knew this, Mr. Davis knew this, and Mr. Lowe knew this. All three conspired to use Mr. Lowe as the African-American minority front in order for CPS to get certified as an M/WBE. Had Mr. Lowe been the true 51% owner of CPS, he would have been the one making the decisions for CPS, and he would have been the one telling Mr. Ashford what to do and not the other way around. The irony is that there

was nothing wrong with their partnership arrangement and CPS could have been legitimately certified as an S/MBE. What is wrong is the fraudulent misrepresentation of Mr. Lowe as the 51% minority owner when he was not.

The Administration's Response & OIG Comments

The OIG received a response on behalf of the Administration from the Superintendent's Chief Strategy Officer, who oversees the OEO. The five-page response to the investigation includes, as an attachment, the Superintendent's recent report to the School Board entitled *2012 – 2017 Office of Economic Opportunity Report – Part 1 – General Obligation Bond*. The entire 25-page submittal is attached to this Final Report in Appendix C.

In summary, the response to the investigation's findings agrees that "the owners [of CPS] did knowingly make false statements with the intent to mislead OEO in the performance of their official duties as evidenced in the conflicting messages sent to DSC and then to OEO." But the Administration does not agree that "CPS had intent to mislead OEO with their initial certification..." The Administration is only willing to find that the conflicting statements made in the Spring of 2016 – that prompted OEO to refer the matter to the OIG – "suggests an intentionality to sustain M/WBE status under false pretenses."

Clearly, the OIG disagrees with the Administration's half-way conclusion. The evidence of a fronting scheme at the initial certification stage is overwhelming. Without summarizing the entire evidentiary findings here, let us reiterate that CPS had been in business for over five years. In order to be certified as a "minority-owned" firm, the owners of CPS brought in Mr. Lowe to be – on paper – the 51% owner. Moreover, this phony transfer took place contemporaneously with their certification efforts – not years or even months before. There was no capital investment or any other financial exchange to transfer ownership and control of the company to Mr. Lowe. As matter of fact, as the 51% owner of the company, Mr. Lowe did not have ownership control of the company, and the correspondences in the Spring of 2016 proves this point. How is it that Mr. Ashford, a 25% shareholder, could write: "If/when Mr. Lowe decides to change his relationship with this company I will take steps to maintain our minority status as quickly as possible."? (See Exhibit 8) It is because CPS is—and has always been—Mr. Ashford's company.

How and why the Administration fails to acknowledge that CPS was a front, at the point of initial certification, is baffling. The response also addresses the fact that Mr. Lowe can, pursuant to the School Board's policy, be the minority owner qualifying more than one M/WBE firm. The OIG acknowledges this in our report, however, we believe this loophole should be prospectively addressed as it can negatively impact program integrity. Even with Mr. Lowe "owning" and qualifying more than one firm, the Administration's response does acknowledge that because Mr. Lowe was not a U.S.

citizen, CPS (and Mr. Lowe's other firms) should not have been certified as an M/WBE because the definition of "minority" only includes U.S. citizens.

Further, the Administration's response discusses and includes the summary results from their review of 268 firms' certification records. This review was initiated by the Administration but conducted by five individuals (Certification Review Team) not within OEO or the Office of School Facilities. According to the report, these 268 certified firms have all received work under the GOB Program. Of the 268 firms, only 245 were able to be fully reviewed. Of the 245 firms, 224 were deemed "eligible" for certification. The report provides limited detail of the Certification Review Team's methodology and scope of review. What is not clear from the summary is whether certifications were deemed to be properly made at the time of certification or whether the test of eligibility for "a" certification (S/MBE or M/WBE) was determined in hindsight. The Administration in its response asks that the OIG meet with the Certification Review Team and review their work. We intend on doing this in the near future, as their assessment process may shed light on the Administration's position that CPS's initial certification was not tainted.

Last, the Administration's response asks the OIG what we recommend as the appropriate course of action to take concerning CPS and Messrs. Lowe, Ashford, and Davis. This final report contains those recommendations on the last page. Simply put, CPS' certifications (both M/WBE and S/MBE) should be deemed *void ab initio* (voided from the onset) and none of its work should be counted towards meeting any utilization goals. Even though the fraudulent misrepresentations directly pertained to the minority ownership of the firm, its S/MBE certification was accorded through the same application process and upon reliance of the same misrepresentations. CPS should not be allowed—as a default—to benefit from its intentional misrepresentations.

CONCLUSION & RECOMMENDATIONS

The OIG investigation clearly shows that Mr. Lowe, Mr. Ashford and Mr. Davis engaged in a concerted scheme to deceive M-DCPS regarding the true ownership of CPS. CPS was a "front company" and Mr. Lowe, although he represented himself as the 51% minority owner, had no control of the company and its profits. It is also clear that Mr. Ashford, who was the 60% majority owner before Mr. Lowe appeared on the application for certification, remained the true owner in charge of the company and its profits. It is obvious from Mr. Ashford's statements throughout his interview and his response to the draft report that he actually controlled the company and its finances. Had OEO reviewed the documents, scrutinized and verified the information and not just merely checked off that they were received, they would have suspected from the beginning that Mr. Lowe was a front for CPS in order to get certification as an M/WBE. Just a cursory review of the documents submitted in support of this M/WBE application, should have resulted in a denial of certification.

OEO, in its rush to certify as many M/WBEs and S/MBEs as possible, failed to train its staff on the actual criteria required by School Board Policy 6320.02, and on how to review the actual contents of the applications submitted for certification.[46] If OEO staff had actually reviewed the contents of the application against the School Board's requirements for certification, they would have realized that Mr. Lowe not only was a "minority front" but also that he actually did not qualify as a 51% minority owner because he was not a U.S. citizen.

Messrs. Lowe, Davis and Ashford engaged in a scheme to represent that Mr. Lowe was the 51% owner of CPS. As such, CPS would have been Mr. Lowe's company, and CPS—a minority-owned firm. This was all a falsehood from the onset of its application for M-DCPS certification and, as such, CPS's M/WBE certification should be deemed *void ab initio*. The same should apply to CPS' S/MBE certification status as it too is based on the same materially false statements regarding the business entity's ownership status. The two certifications were received hand-in-hand, and the false statements regarding minority ownership cannot be sanitized and separated from its S/MBE certification.

Based on our investigative findings in this case, and in comport with the *Sanctions and Violations* listed in School Board Policy 6320.02, the OIG contends that sections A.1,[47] A.2[48] and A.3[49] have been violated, and we recommend that:

1. In accordance with subsection B of the *Sanctions and Violations* section, OEO should pursue suspension, contract cancellation and/or debarment of CPS, and its principal, Mr. Ashford.

2. Mr. Davis and Mr. Lowe should also be suspended and/or debarred from qualifying any other business entity for S/MBE certification.

3. All of the work performed by CPS should be excluded from counting towards meeting any S/MBE utilization measure and none of it should be tracked as being performed by an M/WBE. In so far as these amounts are already included

[46] It is even doubtful that the former head of OEO was entirely familiar with School Board Policy 6320.02, since he was the one that created the checklist that included the language "foreign passport if not U.S. citizen."
[47] Violation A.1 states: "fraudulently obtain, retain, or attempt to obtain, or aid another in fraudulently obtaining, retraining, or attempting to obtain or retain certification status as an SMBE or M/WBE for purposes of this policy."
[48] Violation A.2 states: "willfully falsify, conceal or cover up by trick, scheme or device, a material fact or make any false, fictitious or fraudulent statements or misrepresentations, or make use of any false writing or document knowing it contains any false, fictitious, or fraudulent statements or entry pursuant to this policy.
[49] Violation A.3 states: "willfully obstruct, impede, or attempt to obstruct or impede any authorized official or employee who is investigating the qualifications of a business entity that has requested certification as an SMBE or M/WBE."

in summary reporting statistics, they should be backed out, and the totals recalculated.

As the report ends with recommendations directed to the Administration relating to CPS' certification status, we respectfully request to be provided with a report in 90 days, on or before January 22, 2018, regarding the status of our recommendations.

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 1

Letter from Complete Power Systems LLC to Miami-Dade County Public Schools, Office of Economic Opportunity Dated February 4, 2015 Re: Operating Agreement

(1 page)

OIG Report
SB1516-1006

COMPLETE POWER SYSTEMS, LLC

Electrical Contractors

February 4, 2015

Miami-Dade County Public Schools
Office of Economic Opportunity
1450 NE 2nd Avenue – Suite 428
Miami, FL 33132

RE: Complete Power Systems, LLC, Operating Agreement

Dear Ms. Hicks-Levy,

Complete Power Systems, LLC never created or filed this document. Please note that we have an attorney that is creating the "Operating Agreement" to represent the ownership of Complete Power Systems, LLC We expect this document to be ready within the next 30 days.

Please do not hesitate to contact us if you have any questions. Typically our office manager Tiffany Ortega at 305 888 8428 Tiffany@completepowersystems.net will be able to provide you any answers you need more quickly than myself.

Best Regards,

Michael Ashford
Complete Power Systems, LLC

230 N. Esplanade Drive
Miami Springs, FL 33166 PH: (305) 888-8428
www.completepowersystems.net

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 2

Letter from Complete Power Systems LLC to Miami-Dade County Public Schools, Office of Economic Opportunity Dated February 4, 2015 Re: Articles of Organization

(1 page)

OIG Report
SB1516-1006

COMPLETE POWER SYSTEMS, LLC

Electrical Contractors

February 4, 2015

Miami-Dade County Public Schools
Office of Economic Opportunity
1450 NE 2nd Avenue - Suite 428
Miami, FL 33132

RE: Complete Power Systems, LLC, Articles of Organization

Dear Ms. Hicks-Levy,

Please see the attached document from 9/2009, it is the original "Articles of Organization". Please note that we have an attorney that is creating a new "Articles of Organization" We expect this document to be ready within the next 30 days.

Please do not hesitate to contact us if you have any questions. Typically our office manager Tiffany Ortega at 305 888 8428 Tiffany@completepowersystems.net will be able to provide you any answers you need more quickly than myself.

Best Regards,

Michael Ashford
Complete Power Systems, LLC

270 N. Esplanade Drive
Miami Springs, FL 33166 PH: (305) 888 8428
www.completepowersystems.net

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 3

Florida Department of State Division of Corporations Detail by Entity Name for Florida Limited Liability Company, Complete Power Systems LLC, Showing Jubert Lowe as a Managing Member

(2 pages)

OIG Report
SB1516-1006

FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS

Detail by Entity Name

Florida Limited Liability Company

COMPLETE POWER SYSTEMS "LLC"

Filing Information

Document Number	L09000090309
FEI/EIN Number	270986831
Date Filed	09/17/2009
State	FL
Status	ACTIVE

Principal Address

230 N. ESPLANADE DRIVE
MIAMI SPRINGS, FL 33166

Mailing Address

230 N. ESPLANADE DRIVE
MIAMI SPRINGS, FL 33166

Registered Agent Name & Address

ASHFORD, MICHAEL P
230 N. ESPLANADE DRIVE
MIAMI SPRINGS, FL 33166

Authorized Person(s) Detail

Name & Address

Title MGRM

ASHFORD, MICHAEL P
230 N. ESPLANADE DRIVE
MIAMI SPRINGS, FL 33166

Title MGRM

DAVIS, GLENN
10832 SW 132 Circle CT
MIAMI, FL 33186

Title Managing Member

Jubert, Lowe
230 N. ESPLANADE DRIVE
MIAMI SPRINGS, FL 33166

Annual Reports

Report Year	Filed Date
2013	02/27/2013
2014	02/28/2014
2015	01/07/2015

Document Images

01/07/2015 -- ANNUAL REPORT	View image in PDF format
02/28/2014 -- ANNUAL REPORT	View image in PDF format
02/27/2013 -- ANNUAL REPORT	View image in PDF format
02/08/2012 -- ANNUAL REPORT	View image in PDF format
01/27/2011 -- ANNUAL REPORT	View image in PDF format
03/15/2010 -- ANNUAL REPORT	View image in PDF format
09/17/2009 -- Florida Limited Liability	View image in PDF format

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State of Florida, Department of State

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 4

Statement of Owners' Duties from Complete Power Systems LLC
to Miami-Dade County Public Schools, Office of Economic Opportunity
Dated February 4, 2015

(1 page)

OIG Report
SB1516-1006

COMPLETE POWER SYSTEMS, LLC

Electrical Contractors

February 4, 2015

Miami-Dade County Public Schools
Office of Economic Opportunity
1450 NE 2nd Avenue – Suite 428
Miami, FL 33132

RE: Complete Power Systems, LLC, Statement of Owner's Duties

Dear Ms. Hicks-Levy,

Jubert Lowe's duties primarily consist of procuring new projects and overseeing the day to day of those projects.

Glenn Davis's duties will to be provide operational, field, and administrative support for Jubert Lowe.

Michael Ashford duties are primarily administrative, there will be occasions that Michael will have to be in the field for site surveys and meetings that Jubert and Glenn cannot attend in person. Michael Ashford will be interacting with the support staff, field electricians, and venders at the direction of Jubert Lowe and Glenn Davis.

Best Regards,

Michael Ashford

Complete Power Systems, LLC

230 N. Esplanade Drive
Miami Springs, FL 33166 PH: (305) 885-8478
www.completepowersystems.net

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 5

Email from Mike Ashford of Complete Power Systems LLC (CPS)
to D. Stephenson Construction, Inc., Re: Jubert Lowe's Departure from CPS
Dated March 25, 2016

(2 pages)

OIG Report
SB1516-1006

Louizi, Asmide

From: MINCEY MILLS, DENISE
Sent: Thursday, March 02, 2017 4:06 PM
To: Louizi, Asmide
Subject: FW: Jubert Lowe has Moved on from Complete Power Systems

From: Hicks Levy, Michelle Y.
Sent: Thursday, April 28, 2016 4:01 PM
To: MINCEY MILLS, DENISE <denisemills@dadeschools.net>
Subject: FW: Jubert Lowe has Moved on from Complete Power Systems

From: Jubert Lowe [mailto:statebuildingelectric@gmail.com]
Sent: Thursday, April 28, 2016 3:43 PM
To: Hicks Levy, Michelle Y.
Subject: Fwd: Jubert Lowe has Moved on from Complete Power Systems

FYI
This is the e-mail Mike Ashford send to D Stephenson.
---------- Forwarded message ----------
From: **Jubert Lowe** <jubertrnh@gmail.com>
Date: Thu, Apr 28, 2016 at 3:41 PM
Subject: Fwd: Jubert Lowe has Moved on from Complete Power Systems
To: Jubert Lowe <statebuildingelectric@gmail.com>

---------- Forwarded message ----------
From: **Clarence Anthony** <canthony@dstephenson.com>
Date: Fri, Mar 25, 2016 at 3:43 PM
Subject: Fwd: Jubert Lowe has Moved on from Complete Power Systems
To: "Jubert@completepowersystems.net" <Jubert@completepowersystems.net>

Sent from my iPhone

Begin forwarded message:

> **From:** Mike Ashford CPS <Mike@completepowersystems.net>
> **Date:** March 25, 2016 at 2:14:21 PM EDT
> **To:** 'Chris Hardham' <CHardham@dstephenson.com>, 'Roger Reyes' <RReyes@dstephenson.com>, 'Iris Laurez-Llerena' <ilaurez-llerena@dstephenson.com>, <dreed@dstephenson.com>
> **Cc:** 'Glenn Davis' <glenn@completepowersystems.net>, 'Clarence Anthony' <canthony@dstephenson.com>
> **Subject: Jubert Lowe has Moved on from Complete Power Systems**

All,

Jubert's departure from the company was unexpected and abrupt. Jubert Lowe no longer represents Complete Power Systems. Please share this with anyone in DSC that is involved with our companies' common projects. There has been a number of comments that Complete Power Systems has been difficult to contact. Please in the future feel free to contact me at 305 788 6705 or 954 892 1115 if you experience this problem again. I spend most of my time in the office and from time to time cell calls do not ring through. If you feel I am not responding in a timely manner this could be the case, please text me at either of those numbers or call the office at 305 888 8428. I make a genuine effort to respond promptly to all calls whether I have an answer to your inquiry or not.

Mike

--

Jubert Lowe
Officer/Chief Estimator
7600 NW 27TH Ave Suite A12
Miami, FL 33147
Ph: 305 970-2260
Fx: 786 549-2693

--

SBC
14320 SW 181 TERR
Miami, FL 33177
305 970-2260
Fax: 786 549-2693

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 6

Letter from Miami-Dade County Public Schools, Office of Economic Opportunity to Complete Power Systems LLC Granting them Certification for SBE, MBE, and M/WBE Dated February 13, 2015, Certification Certificates, and Application for Certification

(8 pages)

OIG Report
SB1516-1006

Miami-Dade County Public Schools
giving our students the world

Superintendent of Schools
Alberto M. Carvalho

Economic Development Officer

Miami-Dade County School Board
Perla Tabares Hantman, Chair
Dr. Lawrence S. Feldman, Vice Chair
Dr. Dorothy Bendross-Mindingall
Susie V. Castillo
Carlos L. Curbelo
Dr. Wilbert "Tee" Holloway
Dr. Martin Karp
Dr. Marta Pérez
Raquel A. Regalado

February 13, 2015

Complete Power Systems, LLC
Attn: Glenn Davis
230 N. Esplande Drive
Miami, FL 33166

RE: SBE, MBE and MWBE Certification

Mr. Davis:

We are in receipt of **Complete Power Systems, LLC** Business Enterprise Program Certification Application submitted to The School Board of Miami-Dade County, Florida ("Board").

Kindly note that after careful review of the documents provided by your company, it has been determined that your application is complete and your firm is certified for the following:

Small Business Enterprise (SBE)
Micro Business Enterprise (MBE)
Minority/Women Business Enterprise (M/WBE)

The period of certification **commenced on 02/10/2015** and **expires 02/10/2018.**

Please feel free to contact our office if you have any questions or concerns.

Sincerely,

Michelle Hicks Levy

Michelle Hicks-Levy
SBE Certification

MIAMI-DADE COUNTY PUBLIC SCHOOLS

MINORITY/WOMEN BUSINESS ENTERPRISE CERTIFICATE

THIS CERTIFIES THAT

Complete Power Systems, LLC

IS A(N)

African-American

OWNED AND CONTROLLED FIRM, PURSUANT TO MIAMI-DADE COUNTY PUBLIC SCHOOL BOARD POLICY 6320.02

2/10/2015
ISSUE DATE

2/10/2018
EXPIRATION DATE

6519646
VENDOR NO.

Michelle Hicks Levy

MICHELLE HICKS-LEVY, COORDINATOR
OFFICE OF ECONOMIC OPPORTUNITY
1450 NE 2nd Avenue, Suite 428
MIAMI, FLORIDA 33132

MIAMI-DADE COUNTY PUBLIC SCHOOLS

SMALL & MICRO BUSINESS ENTERPRISE

THIS CERTIFIES THAT

COMPLETE POWER SYSTEMS, LLC

OWNED AND CONTROLLED FIRM, PURSUANT TO
MIAMI-DADE COUNTY PUBLIC SCHOOL BOARD POLICY 6320.02

February 10, 2015
Issue Date

February 10, 2018
Expiration Date

6519646
Vendor No.

Brian Williams, OEO Development Officer
Office of Economic Opportunity
1450 NE 2nd Avenue, Suite 428
Miami, Florida 33132

SBE, MBE
Am

2015 JAN 22 PM 12: 39
OFFICE OF ECONOMIC OPPORTUNITY

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
BUSINESS ENTERPRISE PROGRAM CERTIFICATION APPLICATION

OFFICE OF ECONOMIC OPPORTUNITY
1450 N.E. 2nd Avenue, Suite 428
Miami, Florida 33132
(305) 995-1307

Date Received (Stamp Date Below):

CHECK CERTIFICATION(S) REQUESTED	
Small Business Programs: [ ] Small Business Enterprise (SBE) [ ] Micro Business Enterprise (MBE)	Other Programs: [✓] Minority/Women Business Enterprise (M/WBE)

INSTRUCTIONS: Please complete each item. Do not leave any spaces blank. If a question is not applicable to your business, please insert "N/A" in the space provided for your answer. Whenever space is insufficient to answer a question completely, attach additional sheets necessary; use the question number to identify any answer continued on an additional sheet. An incomplete application will be returned and considered non-responsive.

(PLEASE PRINT LEGIBLY OR TYPE)

1. GENERAL BUSINESS INFORMATION

Complete Power Systems, LLC
Company name

Trade Name/Doing business as (D/B/A)

230 N. Esplanade Drive
Business Street address

Mailing address of Registered Agent (if different)

Miami Springs, FL 33166
City *State* *Zip*

City *State* *Zip*

Glenn Davis, Managing Member
Contact Person *Title*

Jubert Lowe Jr
Majority Owner's Name

(305) 888-8428
Office Telephone Number *Fax number*

(305) 888-8428
Business Mobile phone

glenn@completepowersystems.net
Email address

www.completepowersystems.net
Website address

2. BUSINESS STRUCTURE

Business Established: 09 / 17 / 09 *Federal Tax Id No. (FEIN):* 270986831

Business Structure:

[ ] CORPORATION Date of Incorporation: 09 / 17 / 09 State of Incorporation: Florida
[✓] LLC
[ ] PARTNERSHIP
[ ] SOLE PROPRIETORSHIP
[ ] JOINT VENTURE
[ ] OTHER _____

Is the company a franchise, subsidiary or affiliate of another company? [ ] Yes [✓] No

FM-3920 Rev. (06-14)

3. OFFICE FACILITY (Please submit current signed copy of the lease agreement/warranty deed)

☑ Rent/Lease ☐ Own Number of years at current location: 5

Name of Landlord: Judith Ashford
Address: 2160 E. Fry Blvd., Ste. C-5 #335
City: Sierra Vista State: AZ Zip Code: 85635

List below if other than the prime facility is used for storage in the day-to-day operations of the business:

4. TYPE OF BUSINESS

☐ Manufacturer ☐ Distributor ☐ Factory Rep. ☐ Commodities Supplier ☐ Professional Services ☐ Dealer
☐ Broker ☐ Retailer ☑ Construction ☐ CCNA Professional ☐ Importer/Exporter ☐ Jobber
☐ Wholesale ☐ Specialty Trade

Please indicate the services provided, work performed, and/or products sold:
Electrical Contractor

List all NIGP codes that apply to your firm

(28030) (28500) (28095) (28510) (28518) (28519) (28535)

If applicable, please provide below any and all licensed trade information:

Type of License/Certificate of Competency	Certification Number	Expiration Date	Name of Qualifier
Electrical	EC13005707	8-31-2016	Michael P. Ashford

5. EMPLOYEE INFORMATION (List the number of current employees)

Permanent/Full Time: 8 *Part Time:* 1 *Temporary:* _____ *Total:* 9

6. CORPORATION INFORMATION (Identify all shareholders, owners, and/or partners individually and list the requested information for each)

Name of Owner(s)	Years of Ownership	# Shares Held	Type of Shares	Voting %
Jubert Lowe Jr	5	51%		
Michael P. Ashford	5	25%		
Glenn Davis	5	24%		

Identify and list the requested information of all owners that have ownership and/or financial interest in another firm (to include non-profit organizations) and list the requested information for each.

Name	Company Name	Type of Business	Years of Ownership	% Ownership

Identify company officers and key personnel. Indicate responsibilities and provide separate resume for each individual.

Title	Name	Date Elected/Employed	Sex (M/F)	Race/Ethnicity	Current Salary
President	Jubert Lowe Jr.	9/17/2009	M	African/American	62220.00
Vice President	Glenn Davis	9/17/2009	M	American	49920.00
Secretary					
Treasurer					
Chief Operating Officer					
Qualifier	Michael P. Ashfor	9/17/2009	M	American	49920.00

Is the principal owner a citizen of the United States? ☐ Yes ☑ No

If NO, is the principal owner a permanent lawful resident of the United States? ☑ Yes ☐ No

7. MINORITY STATUS

Is the business a Minority/Women Owned Business Enterprise? ☑ Yes ☐ No

If yes, specify the ethnic group and percentage of ownership of the minority/women person(s) who owns and controls 51% or more of the company.

(* Please note that this information is used for reporting purposes only. It does not affect eligibility for the SBE/MBE Programs. Companies seeking M/WBE certification are required to provide the information requested)

51 % (African American) _____ % (Hispanic American) _____ % (Asian American)

_____ % (Native American) 49 % White (Non-Hispanic) _____ % (Service-Disable Veteran)

_____ % (Female) _____ % (Males)

8. OPERATIONAL CONTROL (Identify those individuals who are responsible for day-to-day management and policy decisions. Check where applicable and provide resumes of each individual)

Responsibility	Name 1	Name 2
a. Check Signing	Jubert Lowe Jr.	Michael P. Ashford
b. Payroll Signing	Jubert Lowe Jr.	Michael P. Ashford
c. Signing and guaranteeing loans	Jubert Lowe Jr.	Michael P. Ashford
d. Acquiring lines of credit	Jubert Lowe Jr.	Michael P. Ashford
e. Acquiring surety bonding and insurance	Jubert Lowe Jr.	Michael P. Ashford
f. Purchasing major equipment/services	Jubert Lowe Jr.	Michael P. Ashford
g. Signing contracts/change orders/payment requisitions	Jubert Lowe Jr.	Michael P. Ashford
h. Estimating	Jubert Lowe Jr.	Michael P. Ashford
i. Qualifying the Company for Professional/Trade License(s)	Jubert Lowe Jr.	Michael P. Ashford
j. Hiring and firing managerial employees	Jubert Lowe Jr.	Michael P. Ashford
k. Hiring and firing non-managerial employees	Jubert Lowe Jr.	Michael P. Ashford
l. Supervising field operations	Jubert Lowe Jr.	Michael P. Ashford
m. Supervising office personnel	Jubert Lowe Jr.	Michael P. Ashford

9. SIZE STANDARDS (Specify the gross revenue of the firm for the last three years. These figures are available on your business Income Tax Returns. If in business less than three years, complete for years that apply. Use additional sheets for subsidiaries and/or affiliates, if applicable.)

GROSS RECEIPTS (Please submit Owner/Officer signed copies of corporate federal tax returns)

YEAR	GROSS REVENUE	AVERAGE OF THREE YEARS
201 3 :	$ 888,692.52	$ 645,226.08
201 2 :	$ 576,507.37	
201 1 :	$ 470,478.34	

10. BONDING CAPACITY (Identify your current bonding capacity and bank. Identify a letter of credit, if applicable.

Bonding Company Name	Bank Name	Letter of Credit
Nielson, Hoover & Associates	Suntrust Bank	

11. CERTIFICATION HISTORY

Describe your firm's certification history with all other governmental agencies (Federal, State, County, City, etc.):

Agency	Certification Type	Expiration Date
_____	_____	__/__/__
_____	_____	__/__/__
_____	_____	__/__/__
_____	_____	__/__/__

Has your firm been denied certification, decertified, suspended, or challenged as a small, micro, minority, or Disadvantaged Business Enterprise (DBE) by any agency or institution. If "Yes", Identify:

Agency	Type of Action	Date of Denial
_____	_____	__/__/__
_____	_____	__/__/__
_____	_____	__/__/__

CERTIFICATION APPLICATION AFFIDAVIT

School Board Vendor ID #: 65196446

Complete Power Systems, LLC (referred to as "Applicant") hereby declares that the statements contained in this application (referred to as "Application") and all pertinent documentation in support of this application is true and correct.

Applicant agrees to provide the Certifying Agency, The School Board of Miami-Dade County, Florida (hereafter referred to as the AGENCY) with current, complete, and accurate information regarding THIS APPLICATION, its attachments, or any project or contracts issued by the organizations or corporations utilizing the AGENCY for their own small business enterprise, micro business enterprise, or minority/women business enterprise.

Applicant acknowledges on behalf of the applicant business, that the applicant business is ready, willing and able to perform work for The School Board of Miami-Dade County, Florida and intends to actively compete for such opportunities with the AGENCY as are within the applicant's scope of business.

Applicant understands that this Application and all pertinent documentation are subject to Florida's Public Records Laws, Chapter 119, Florida Statutes.

Applicant recognizes and acknowledges that the statements contained in THIS APPLICATION are true and that any material misrepresentations will be grounds for denial of certification or for decertification and may result in not awarding or terminating contracts which may be awarded as the result of information contained in THIS APPLICATION.

Applicant acknowledges that he/she may not fraudulently obtain, retain, attempt to obtain nor aid another in fraudulently obtaining or retaining or attempting to obtain certification; willfully make a false statement, to any official of a certifying jurisdiction or employee for the purpose of influencing the certification of an entity as an SBE, MBE, or M/WBE; or willfully obstruct, impede or attempt to obstruct or impede any official or employee who is investigating the qualifications of a business entity which has requested certification. The Agency's Office of Economic Opportunity (hereinafter referred to as OEO) has exclusive right to determine the authenticity of all documents submitted for verification purposes, and to conduct inquiries regarding any company certifying as an SBE, MBE, or M/WBE with the Agency. Any applicant, certified principal(s) and all related parties, who misrepresent the status of any concern as a SBE, MBE, or M/WBE or is a party to such misrepresentation to obtain business or contracts with the School Board under the OEO, **may be suspended from doing business with the School Board for fourteen (14) months.**

Applicant acknowledges that certification is normally reviewed every two years however; the Agency retains the right to reevaluate the certification of any firm at any time. The undersigned further acknowledges that should the Agency change the eligibility requirements for certification during the two year certification period, the applicant must meet all new eligibility requirements in order for the certification to remain valid. Further, the undersigned is notified of their responsibility to notify the OEO whenever a change occurs in ownership, management or control of the company within fifteen (15) business days.

(Corporate Seal, if appropriate)

J Lowe
Business Enterprise Owner's Signature

Hubert Lowe
Name (type of print) Title

On this 15 day of January, 2015, personally appeared before me, the undersigned officer authorized to administer oaths Hubert Lowe
(Please print name)

known to be the person described in the foregoing affidavit, who acknowledged that he/she executed the same in the capacity stated and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tiffany K. Ortega
Notary Public

My Commission Expires:

TIFFANY K ORTEGA
MY COMMISSION # EE 136608
EXPIRES: October 6, 2015
Bonded Thru Budget Notary Services

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 7

Email from Michelle Hicks-Levy of OEO to Glenn Davis of Complete Power Systems LLC (CPS) Requesting an Update on Ownership and Confirmation of CPS Dated April 15, 2016

(1 page)

OIG Report
SB1516-1006

Hicks Levy, Michelle Y.

From: Hicks Levy, Michelle Y.
Sent: Friday, April 15, 2016 4:16 PM
To: glenn@completepowersystems.net
Subject: Information

Mr. Glenn Davis,

If you could please provide me an update as to whether your company ownership has changed and if so when was the change. If ownership hasn't changed, please provide the ownership information. In addition we need to know whether Mr. Jubert Lowe is still with the company and if so is he still the 51% owner? Please provide the information on company letterhead and return to me no later than 4/22/16. Thanks in advance for your assistance.

Michelle Y. Hicks-Levy
Miami-Dade County Public Schools
Office of Economic Opportunity
1450 N.E. 2nd Avenue - Suite 428
Miami, Florida 33132
mhicks-levy@dadeschools.net
305.995.3003 Office ~ 305.523.0739 Fax

Miami-Dade County Public Schools ... *Giving Our Students the World*

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Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 8

Letter from Complete Power Systems LLC (CPS)
To Miami-Dade County Public Schools, Office of Economic Opportunity
Dated April 22, 2016 Re: Jubert Lowe's Operating Agreement

(1 page)

OIG Report
SB1516-1006

April 22, 2016

Miami-Dade County Public Schools
Office of Economic Opportunity
Attn: Michelle Y. Hicks-Levy
1450 N.E. 2nd Avenue - Suite 428
Miami, Florida 33132

COMPLETE POWER SYSTEMS, LLC

Electrical Contractors

RE: Information - CPS Miami Dade County Public School Status

Dear Mrs. Hicks – Levy,

I am Mike Ashford principal and qualifier of CPS, I understand the current situation and information shared with you by others is to say the least confusing. Let me say that Jubert Lowe has not provided any change to his presence within the company. I have been told by others outside the company that Mr. Lowe was fired. Let me reassure you that no one has "fired" Mr. Lowe or asked him to change his status within the company. For reasons unknown to me Mr. Lowe has opened his own company. If/ when Mr. Lowe decides to change his relationship with this company I will take steps to maintain our minority status as quickly as possible. Frankly I do not know what else to say on the matter.

As things go in business it seems change is inevitable. If Mr. Lowe was to separate himself from this company what would be the grace period for us to work with another person to retain our minority status in the view of the school board?

Best Regards,

Michael Ashford
Complete Power Systems
305 788 6705

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 9

Eligibility & Checklist for SBE/MBE & M/WBE Certification for Complete Power Systems LLC's

(2 pages)

OIG Report
SB1516-1006

ELIGIBILITY & CHECKLIST FOR SBE/MBE & M/WBE CERTIFICATION

(PLEASE REVIEW AND ATTACH SUPPORTING DOCUMENTS)

In order to be considered eligible for certification in SBE (Small Business Enterprise)/MBE (Micro Business Enterprise) and M/WBE (Minority/Women Business Enterprise) your business must be:

OED Use Only

SBE/MBE

- ☐ Independently owned and operated business that is not dominant in its field of operation and is performing a commercially useful function. ☐ Submitted
- ☐ The business has an actual place of business in Miami-Dade County for at least a year preceding the application and be registered as a vendor with M-DCPS. ☐ Submitted
- ☐ The business has been established for at least one year and the principals of the business have at least three years of relevant experience prior to forming or joining the business. ☐ Submitted
- ☐ The business has an occupational license and all required professional licenses and/or contractor qualifier licenses. ☐ Submitted
- ☐ The owner and/or qualifier of the business must have the required professional license(s) and contractor qualification license. ☐ Submitted

ADDITIONAL ELIGIBILITY REQUIREMENTS

Industry	*Micro Business Enterprise*	*Small Business Enterprise*	
Construction & Specialty Trades	Less than $1,000,000*	Tier 1 – Less than $3,000,000*	Tier 2 – Less than $6,000,000*
Goods and Services	Less than $1,000,000*	Tier 1 – Less than $2,000,000*	Tier 2 – Less than $4,000,000*
Professional Services (A/E)	Less than $500,000*	Tier 1 – Less than $1,000,000*	Tier 2 – Less than $2,000,000*
Professional Services (non A/E)	Less than $1,000,000*	Tier 1 – Less than $2,000,000*	Tier 2 – Less than $4,000,000*

**Revenue averaged over a three year period*

M/WBE (MINORITY/WOMEN BUSINESS ENTERPRISE) ELIGIBILITY

- ☐ Employs 200 or fewer permanent full time employees and in conjunction with its affiliates, has a net worth of $5 million or less. For sole proprietorships, the $5 million net worth requirement shall include both personal and business investments. ☐ Submitted
- ☐ It is owned and controlled by at least 51% minority person(s) who is a member of an insular group (African American, Hispanic American, Asian American, Native American, Woman and/or Service-Disabled Veteran). ☐ Submitted
- ☐ It has its actual place of business in Miami-Dade County for at least one year prior to the submission of the application. ☐ Submitted
- ☐ The business has an occupational license and all required professional licenses and/or contractor qualifier licenses. ☐ Submitted
- ☐ The owner and/or qualifier of the business must have the required professional license(s) and contractor qualification license. ☐ Submitted

REQUIRED SUPPORTING DOCUMENTS

SBE/MBE

- ☐ Copy of Florida driver license for all owners ✓ ☐ Submitted
- ☐ Copy of all owner's resumes ✓ ☐ Submitted
- ☐ Statement of all owner's duties within the business ✓ ☐ Submitted
- ☐ Copy of business occupational license/business tax receipt ✓ ☐ Submitted
- ☐ Copy of professional license (if applicable to business industry) ✓ ☐ Submitted
- ☐ Copy of corporate federal tax returns (recent three (3) years) 2012, 2013, 2014 ✓ ☐ Submitted
- ☐ Copy of bank signature card for business account or letter from bank stating all persons authorized to sign on the account ✓ ☐ Submitted
- ☐ Proof of business structure (Articles of Incorporation, Stock Certificate, Corporation meeting minutes) ✓ ☐ Submitted
- ☐ Current lease Agreement, Purchase Agreement, or Copy of Warranty Deed to show ownership of property ✓ ☐ Submitted

M/WBE

- ☐ Copy of full form birth certificate (must state parent's ethnicity) for each minority owner — ☐ Submitted
- ☐ Copy of United States Passport (for foreign born naturalized U.S. citizens) or foreign passport if not U.S. citizen ✓ ☐ Submitted
- ☐ Copy of Naturalization Certificate (for foreign born naturalized U.S. citizens) (ONLY IF U.S. CITIZEN) — ☐ Submitted
- ☐ Copy of Florida driver License for all owners — ☐ Submitted
- ☐ Copy of all owner's resumes — ☐ Submitted
- ☐ Statement of all owner's duties within the business — ☐ Submitted
- ☐ Copy of business occupational license and business tax receipt ☐ Submitted
- ☐ Copy of Professional License (if applicable to business industry) ☐ Submitted
- ☐ Copy of corporate federal tax returns (recent three (3) years) ☐ Submitted
- ☐ Copy of Bank Signature Card for business account or letter from bank stating all persons authorized to sign on the account. ☐ Submitted
- ☐ Current lease Agreement, Purchase Agreement, or Copy of Warranty Deed to show ownership of property ☐ Submitted

ADDITIONAL REQUIRED SOLE PROPRIETORSHIP DOCUMENTS

- ☐ Copy of completed (signed and dated) Stock Certificates (cancelled and current)
- ☐ Copy of organizational meeting minutes (recent two (2) years)

- ☐ Copy of individual tax returns (recent three (3) years)

ADDITIONAL REQUIRED CORPORATION DOCUMENTS

- ☐ Copy of Articles of Incorporation
- ☐ Copy of Corporate Bylaws
- ☐ Copy of completed (signed and dated) Stock Certificates (cancelled and current)

ADDITIONAL REQUIRED PARTNERSHIPS

- ☐ Copy of signed Partnership Agreement

ADDITIONAL REQUIRED LIMITED LIABILITY COMPANY/CORPORATION

- ☐ Copy of Articles of Incorporation ☐ Submitted
- ☐ Copy of signed and dated Operating Agreement ☐ Submitted

RETURN COMPLETED APPLICATION AND SUPPORTING DOCUMENTS TO:
MIAMI-DADE COUNTY PUBLIC SCHOOLS
OFFICE OF ECONOMIC OPPORTUNITY
1450 N.E. 2ND AVENUE, ROOM 428
MIAMI, FLORIDA 33132

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 10

OEO Approval Request Form with Attached Emails Between OEO and DSC
Requesting RNH be replaced by CPS
Dated: August 18, 2015 & August 20, 2015
(5 pages)

OIG Report
SB1516-1006

OEO Approval Request Form

Name of Prime Contractor: D. Stephenson

Project Name: Oak Grove Elementary

Name of MBE/SBE or M/WBE: RNH Electric

Project#: 1337300

Requesting OEO Approval (check all that apply)

☐ Reduction In Subcontract Scope

☐ Termination

☒ Substitution for a designated SBE/MBE or M/WBE subcontractor

Justification/Explanation of Request
(attach additional documentation if needed)

See attached documentation from D. Stephenson and Verification form from RNH Electric.

Requested by

Joe Sanches

Prime Contractor

See attached Verification Form

SBE/MBE or M/WBE Signature

D. Stephenson

Prime Company Name

RNH Electric

SBE/MBE or M/WBE Company Name

Prime Phone#: (305) 370-3028

SBE/MBE or M/WBE Phone#: (305) 970-2260

Approved by

Brian Williams

Office of Economic Opportunity

MIAMI-DADE COUNTY PUBLIC SCHOOLS

giving our students the world

MINCEY MILLS, DENISE

From:	Williams, Brian A.
Sent:	Tuesday, August 18, 2015 5:51 PM
To:	ALSTON, TOREY; MINCEY MILLS, DENISE; Hicks Levy, Michelle Y.
Subject:	Fwd: Project No. 0133730 Oak Grove Elementary GOB Project - Replacement of MSBE and M/WBE Subcontractor
Attachments:	RNH Email - Withdrawal.pdf; Electrical Bid Tabulation.pdf
Importance:	High

Let's discuss tomorrow and createll a form letter.

Sent from my Verizon Wireless 4G LTE smartphone

-------- Original message --------
From: Joseph Sanches <jsanches@dstephenson.com>
Date: 08/18/2015 5:46 PM (GMT-05:00)
To: "Hicks Levy, Michelle Y." <MHicks-Levy@dadeschools.net>
Cc: "Williams, Brian A." <BrianWilliams@dadeschools.net>
Subject: Project No. 0133730 Oak Grove Elementary GOB Project - Replacement of MSBE and M/WBE Subcontractor

Good afternoon Ms. Hicks-Levy,

We have been informed by one of our M/SBE and MWBE (African American Male) subcontractors, RNH Electric, that they wish to withdraw from participating in our Oak Grove Elementary Project. RNH Electric has expressed to us that slow turnaround in payments has negatively impacted their ability to properly staff the project.

While we do our best to help our subcontractors get paid as quickly as possible, including making payments prior to being paid ourselves from time to time, delayed payments make it very difficult for most small contractors to continue to do business.

In this case, we are fortunate that the next bidder, Complete Power Systems, is also a M/SBE and MWBE (African American Male) and has agreed to do the project at the same price as RNH Electric. The net impact is there is no change in SBE, MBE or MWBE utilization or the Guaranteed Maximum Price on the project.

School Board Policy 6320.02 requires that we obtain written approval from the OEO for the termination of a designed SMBE or M/WBE Subcontractor. We hereby request such written approval. Your immediate response would be appreciate to avoid delaying the project. The contact person for RNH Electrical is Mr. Jubert Lowe, and he can be reached at 305-970-2260 or jubertrnh@gmail.com.

Thank you,

Joe

Joseph M. Sanches, MBA, CGC, LEED AP BD+C

Executive Vice President

D. STEPHENSON
Construction, Inc.

Build Like Champions!

www.dstephenson.com

CGC 1521515

7270 NW 12th Street, Suite 345

Miami, FL 33126

Phone 305.370.3028

Fax 305.602.8480

jsanches@dstephenson.com

OEO MBE/SBE – M/WBE Verification Form

The purpose of this form is to provide an MBE/SBE or M/WBE firm, contracted on an M-DCPS job, a means to provide comments on your interactions on the current project. If space provided is insufficient, attach additional information.

First Name	Middle Name	Last Name	
Jubert	G	Lowe	
Address	**City**	**State**	**Zip Code**
6600	Miami	Florida	33147
Company		**Date**	
RNH Electric LLC		8/20/2015	
Daytime Telephone	**Fax**	**Email**	
305 970-2260	786 549-2693	Jubertrnh@gmail.com	

What was the action(s) taken for or against your company? *(Be specific and provide the project title, project number, and other relevant information. Comments could include confirmation of the scope reduction of your company, termination or substitution, and/or other relevant information for the proposed action(s).*

There was no action taken, RNH terminate themselves from this contract due to man-power issue, we have a few jobs that we were in the process of finishing up and was unable to transfer manpower we have been trying to hire more workers, but most of them could not passed the background check.

Thanks.

Please provide the contact information for the person who took these action(s)

First Name	Last Name	Title	
Jubert	Lowe	Owner	
Address	**City**	**State**	**Zip Code**
14320 SW 181 TERR	Miami	Florida	33177
Daytime Telephone	**Fax**	**Email**	
305 970-2260	786 549-2693	Jubertnh@gmail.com	

Was the individual identified above representing another company or business? ☐ ***Yes*** X ***No***

If yes, provide the name and address of the company _____

_____

What was the reason or explanation given for the action taken against you or your company?

All executed originals of the form must be submitted to the Office of Economic Opportunity via email at compliance1@dadeschools.net.

J Lowe
Signature of MBE/SBE – M/WBE Company

8/20/15
Date

OFFICE USE ONLY

Date Received _____

Date sent to Legal _____

_____ _____
Signature Date

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 11

Certification Application for State Building Contractors LLC
and Certification Application Affidavit
Dated: May 18, 2016
(9 pages)

OIG Report
SB1516-1006

Certification Application: View Application

Help & Tools

Main Documents Signature Submit Q & A Utilities Cert List

State Building Contractors LLC
Application Type: **New Application**
Application Number: **1419712**

Application status: **Submitted, Pending Receipt**
Application started: **5/18/2016**
Submitted: **5/18/2016**

Print to Printer | Print to PDF File

Certification Application Information

Application Type	New Application
Certifying Agency	Miami Dade County Public Schools
Business Name	State Building Contractors LLC DBA 1959
Current Status	Submitted, Pending Receipt
Application Number	1419712
Contact Person	Jubert Lowe

Section 1: Certification Information - Business Contact Information

1.A. Company Name

State Building Contractors LLC

Section 2: Certification Information - History

2.N. Describe your firm's certification history with all other governmental agencies (Federal, State, County, City, etc.)

No

Section 1: Certification Information - Business Contact Information

1.A.1. Trade Name/Doing Business as (D/B/A)

1959

Section 2: Certification Information - History

2.O. Has your firm been denied certification, decertified, suspended, or challenged as a small, micro, minority, or disadvantaged business enterprise (DBE) by any agency or institution.

No

Section 1: Certification Information - Business Contact Information

1.B. Address

14320 SW 181 Terr
FL
Miami, FL 33177

1.B.1. Mailing Address

14320 SW 181 Terr
FL
Miami, FL 33177

1.C. Contact Person

Jubert Lowe, Manager

1.C.1. Majority Owner Name

Jubert Lowe, Manager

1.D. Office Phone

305-970-2260

1.E. Business Cell Phone

1.E.1. Fax Number

786-549-2693

1.F. E-mail Address

statebuildingelectric@gmail.com

1.G. Website Address

N/A

Section 2: Certification Information - Business Profile

2.A. The firm was established on

3/3/2016

2.B. Federal Tax ID#

383993217

2.C. Company Type

LLC

2.D. Date Incorporated

3/8/2016

2.E. State Incorporation

FL

2.F. Is the company a franchise, subsidiary or affiliate of another company?

No

2.G. Type of Business

Construction Related

2.H. Please indicate the services provided, work performed, and/or products sold.

Electrical Work

2.H.1. List the PRIMARY NIGP code that applies to your firm.

NIGP 99239: Electrical Systems Testing Services

2.H.2. List an additional code that applies to your firm.

2.H.3. List an additional code that applies to your firm.

Section 3: Ownership

3.A. Corporation Information

Name	Title	Gender	Ethnic Group	Citizen	Officer	Owner/ Partner	Date of Ownership	Ownership Percentage	Voting Percentage	Number of Shares	Cost of Shares	Type of Shares
Jubert Lowe	Owner	Male	African American	No	Yes	Yes	3/3/2016	100.0%	100.0%	0	$0	Preferred

Section 2: Certification Information - Business Profile

2.H.4. List an additional code that applies to your firm.

2.H.5. List an additional code that applies to your firm.

2.H.6. List an additional code that applies to your firm.

2.H.7. List an additional code that applies to your firm.

2.I. Number of Employees

Full-time	3
Part-time	0
Contract Personnel	0

2.J. Is the principal owner a citizen of the United States?

No

2.J.1. If NO, is the principal owner a permanent lawful resident of the United States?

Yes Doc attached

2.K. Minority Status

African-American or Black

2.L. Is the business a Minority/Women Owned Business Enterprise?

Minority Business Enterprise (MBE)

2.L.1. If yes, specify the ethnic group and percentage of ownership of the minority/women person(s) who owns and controls 51% or more of the company.

Section 4: Control - Inventory

4.A. Indicate your firm's Office Space:

Yes

Office Space Street Address	Owned or Leased by Firm or Owner?	Current Value of Property or Lease
14320 SW 181 Terr	Owned by Owner	$350,000

Section 4: Control - Licenses & Contracts

4.C. List current licenses/permits held by any owner and/or employee of your firm (e.g. contractor, engineer, architect, etc.)

Yes

Name of License/ Permit Holder	Type of License/Permit	Expiration Date	License Number	License State
Jaime Juan	Electrical	8/20/2016	EC13005717	FL

Section 2: Certification Information - Business Profile

2.M. Gender Status

Male

Section 4: Control - Inventory

4.A.1. Number of years at current location:

19

4.A.2. List the name of Landlord and Address:

Jubert Lowe 14320 SW 181 Terr Miami FL 33177

4.B. Indicate your firm's Storage Space:

None

Section 4: Control - Management Personnel

4.D. Duties of Owners, Officers, Directors, Managers, and Key Personnel

1. Sets policy for company direction/scope of operations

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

2. Bidding and estimating

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner

Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

3. Major purchasing decisions

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

4. Marketing and sales

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

5. Supervises field operations

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

6. Attends bid openings and lettings

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

7. Perform office management (billing, accounts receivable/payable, etc.)

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

8. Hires and fires management staff

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

9. Hire and fire field staff or crew

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

10. Designates profits, spending or investment

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

11. Obligates business by contract/credit

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black		0.0%	Always	n/a

12. Purchase equipment

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner

Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

13. Signs business checks

Name	Title/Position	Ethnicity	Gender	Percent Owned	Frequency	Owner Type
Jubert Lowe	Manager	Black	Male	100.0%	Always	Majority owner
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a
Jubert Lowe	Manager	Black	Male	0.0%	Always	n/a

Section 4: Control - Operational Control

4.E. Identify those individuals who are responsible for day-to-day management and policy decisions.

1. Financial Decisions

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

2. Estimating

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

3. Bid Negotiations/Scheduling

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

4. Bonding/Insurance

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

5. Acquisition of Lines of Credit

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

6. Marketing & Sales

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

7. Hiring & Firing of Management Personnel

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

8. Supervising Field Operations

Name	Title/Position	Ethnicity	Gender	Owner
Miguel Chacon	Superintendent	Hispanic American	Male	

9. Purchasing of Major Equipment/Supplies

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

10. Manging & Signing Payroll

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

11. Negotiating/Signing Contracts

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

12. Check Signing

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

13. Management Decisions

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

14. Office Management

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

15. Operating Management

Name	Title/Position	Ethnicity	Gender	Owner
Jubert Lowe	Manager	African American	Male	Yes

Section 4: Control - Financial Information

4.F. Gross Receipts

Year Ending	Gross Revenues	% of Revenue in Public Sector
2012	$0	0.0%
2013	$0	0.0%
2014	$0	0.0%

4.G. Bonding Information

No bonding currently in place

Mandatory Documents

Document	Status
Affidavit of Certification Certification_Affidavit.pdf (PDF, 413.08 KB)	**Attached** by Jubert Lowe on 5/18/2016
Copy of Florida driver license for all owners Drivers_License.pdf (PDF, 123.29 KB)	**Attached** by Jubert Lowe on 5/18/2016
Current Lease Agreement, Purchase Agreement, Copy of Warranty Deed to show ownership of property Property_Owner.pdf (PDF, 82.27 KB)	**Attached** by Jubert Lowe on 5/18/2016
Copy of Corporate Federal Tax Returns (recent 3 years) Tax_Forms.pdf (PDF, 5.31 MB)	**Attached** by Jubert Lowe on 5/18/2016
Copy of Bank Signature Card for business account or letter from bank stating all persons authorized to sign on the account. Signature_Card.pdf (PDF, 1.33 MB)	**Attached** by Jubert Lowe on 5/18/2016
Copy of Birth Certificate (must state parent's ethnicity)for each minority owner Birth_certificate(1).pdf (PDF, 873.89 KB)	**Attached** by Jubert Lowe on 5/18/2016
Articles of Incorporation Corporate.pdf (PDF, 220.06 KB)	**Attached** by Jubert Lowe on 5/18/2016
Copy of business occupational license/business tax receipt LBT.pdf (PDF, 194.60 KB)	**Attached** by Jubert Lowe on 5/18/2016
Statement of all owner's duties within the business Letter_of_Responsibility.pdf (PDF, 107.94 KB)	**Attached** by Jubert Lowe on 5/18/2016
Copy of all owner's resumes Resume.pdf (PDF, 586.69 KB)	**Attached** by Jubert Lowe on 5/18/2016
Copy of signed and dated Operating Agreement Letter_of_Responsibility(1).pdf (PDF, 107.94 KB)	**Attached** by Jubert Lowe on 5/18/2016

Required Documents

Document	Status

Copy of Naturalization Certificate (for foreign born naturalized U.S. citizen) (ONLY IF U.S. CITIZEN)
Residence_Card.pdf (PDF, 106.01 KB)
Attached by Jubert Lowe on 5/18/2016

Copy of United States Passport (for foreign born naturalized U.S. citizens) or foreign passport if not U.S. citizen
Passport.pdf (PDF, 328.60 KB)
Attached by Jubert Lowe on 5/18/2016

Copy of Professional License (if applicable to business industry)
Electrical_License.pdf (PDF, 245.46 KB)
Attached by Jubert Lowe on 5/18/2016

Electronic Signature

Signature	**Jubert Lowe**
Title	**Manager**
Organization	**State Building Contractors LLC**
Date	**5/18/2016**

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CERTIFICATION APPLICATION AFFIDAVIT

School Board Vendor ID #: 6515722

State Building Contractors LLC (referred to as "Applicant") hereby declares that the statements contained in this application (referred to as "Application") and all pertinent documentation in support of this application is true and correct.

Applicant agrees to provide the Certifying Agency, The School Board of Miami-Dade County, Florida (hereafter referred to as the AGENCY) with current, complete, and accurate information regarding THIS APPLICATION, its attachments, or any project or contracts issued by the organizations or corporations utilizing the AGENCY for their own small business enterprise, micro business enterprise, or minority/women business enterprise.

Applicant acknowledges on behalf of the applicant business, that the applicant business is ready, willing and able to perform work for The School Board of Miami-Dade County, Florida and intends to actively compete for such opportunities with the AGENCY as are within the applicant's scope of business.

Applicant understands that this Application and all pertinent documentation are subject to Florida's Public Records Laws, Chapter 119, Florida Statutes.

Applicant recognizes and acknowledges that the statements contained in THIS APPLICATION are true and that any material misrepresentations will be grounds for denial of certification or for decertification and may result in not awarding or terminating contracts which may be awarded as the result of information contained in THIS APPLICATION.

Applicant acknowledges that he/she may not fraudulently obtain, retain, attempt to obtain nor aid another in fraudulently obtaining or retaining or attempting to obtain certification; willfully make a false statement, to any official of a certifying jurisdiction or employee for the purpose of influencing the certification of an entity as an SBE, MBE, or M/WBE; or willfully obstruct, impede or attempt to obstruct or impede any official or employee who is investigating the qualifications of a business entity which has requested certification. The Agency's Office of Economic Opportunity (hereinafter referred to as OEO) has exclusive right to determine the authenticity of all documents submitted for verification purposes, and to conduct inquiries regarding any company certifying as an SBE, MBE, or M/WBE with the Agency. Any applicant, certified principal(s) and all related parties, who misrepresent the status of any concern as a SBE, MBE, or M/WBE or is a party to such misrepresentation to obtain business or contracts with the School Board under the OEO, **may be suspended from doing business with the School Board for fourteen (14) months.**

Applicant acknowledges that certification is normally reviewed every two years however; the Agency retains the right to reevaluate the certification of any firm at any time. The undersigned further acknowledges that should the Agency change the eligibility requirements for certification during the two year certification period, the applicant must meet all new eligibility requirements in order for the certification to remain valid. Further, the undersigned is notified of their responsibility to notify the OEO whenever a change occurs in ownership, management or control of the company within fifteen (15) business days.

(Corporate Seal, if appropriate)

_____
Business Enterprise Owner's Signature

Jubert Lowe — President
Name (type of print) — Title

On this _____ day of _____, 20____, personally appeared before me, the

undersigned officer authorized to administer oaths _____
(Please print name)

known to be the person described in the foregoing affidavit, who acknowledged that he/she executed the same in the capacity stated and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

_____
Notary Public

My Commission Expires: _____

(SEAL)

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 12

UCC Financing Statement (UCC1) for Complete Power System LLC
Filed December 3, 2015
(1 page)

OIG Report
SB1516-1006

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
Corporation Service Company 1-800-858-5294

B. E-MAIL CONTACT AT FILER (optional)
SPRFiling@cscinfo.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

108699353 - 391380
Corporation Service Company
801 Adlai Stevenson Drive
Springfield, IL 62703

Filed In: Florida (S.O.S.)

FLORIDA SECURED TRANSACTION REGISTRY

FILED
2015 Dec 03 01:52 PM
****** 201505878061 ******

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME: COMPLETE POWER SYSTEMS "LLC"

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
230 N Esplanade Drive	Miami	FL	33166	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME: FC Marketplace, LLC

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
747 Front St., Floor 4	San Francisco	CA	94111	USA

4. COLLATERAL: This financing statement covers the following collateral:

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid. All machinery, equipment, furniture, furnishings, tools, tooling, fixtures, and accessories, and all inventory, accounts receivable, instruments, contract rights and other rights to receive the payment of money, patents, chattel paper, licenses, leases and general intangibles, including all trade names and trade styles and all additions, accessions, modifications, improvements, replacements and substitutions thereto and therefor, whether now owned or hereafter acquired or arising, and the proceeds, products and income of any of the foregoing, including insurance proceeds.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

C34 108699353

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 04/20/11)

Corporation Service Company
2711 Centerville Rd. Ste. 400
Wilmington, DE 19808

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 13

Copy of SunTrust Bank Check Paid to Jubert Lowe
on January 13, 2016 For $599.00
(1 page)

OIG Report
SB1516-1006

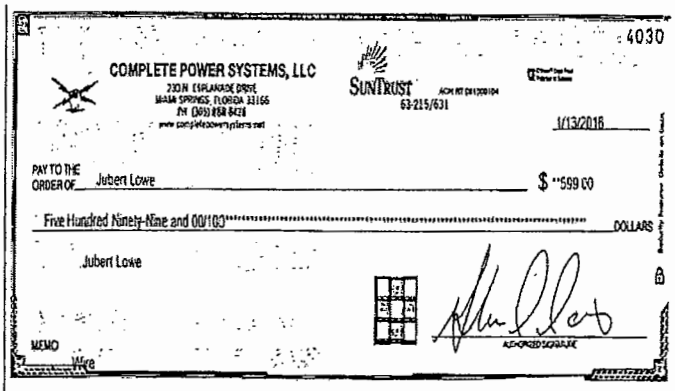
SUNTRUST

Close Window Print Screen

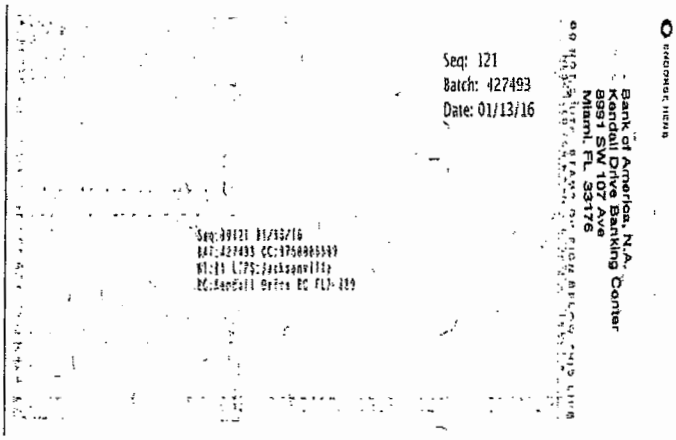
View Transaction Printable View

Front and Back of Check

Views: Front Back **Front and Back**



Enlarge Save



Enlarge Save

Account:	Primary Business Checking - **********0596
Transaction:	Debit with image 4030
Customer Reference Number:	4030
Date/Time Cleared:	01/13/2016 00:00
Amount:	$(599.00)
Date/Time Initiated:	01/13/2016 00:00
FI Reference Number:	20160113000000000599000000000040304
Description:	CHECK

Miami-Dade County Public Schools
Office of the Inspector General

Exhibit 14

Email from D. Tiffany Ortega to Archie Moore and D. Stephenson Construction, Inc.'s Email to Re: Close Out of Complete Power System LLC (CPS) Projects and Informing that State Building Contractors LLC will Replace CPS

(2 pages)

OIG Report
SB1516-1006

MOORE, ARCHIE

From: Tiffany Ortega <tiffany@completepowersystems.net>
Sent: Friday, September 23, 2016 11:40 AM
To: MOORE, ARCHIE
Cc: 'Mike Ashford CPS'; Glenn
Subject: Email correspondence to close out (2) DPO's received from D. Stephenson
Attachments: HP1516.pdf

Hi Mr. Moore,

Please find attached the scanned email sent to us by D. Stephenson in there change orders to close out the (2) open DPOs on the Southridge High School job per your request.

Regards,
Tiffany Ortega
Complete Power Systems, LLC
305 888 8428

Menendez, Caridad O.

From: Iris Laurez-Llerena <ilaurez-llerena@dstephenson.com>
Sent: Monday, April 18, 2016 12:53 PM
To: Menendez, Caridad O.
Cc: Roger Reyes
Subject: Close Out 2 DPO's
Attachments: 20160418114737.pdf

Cari,

As aforementioned in our previous conversations last week Complete Power Systems is no longer working with D.Stephenson therefore I have attached Two DPO's that we need closed out they are as follows:

- DPO #9000190173 to Electrical Supplies, Inc. with Remaining P.O. Balance $10,143.19
- DPO #9000190024 to South Dade Electrical with Remaining P.O. Balance $14,993.57

We will be sending a new DPO Request for South Dade Electrical for the amount of $25,136.76 from the new electrical subcontractor State Building Contractors, LLC.

Thank you,

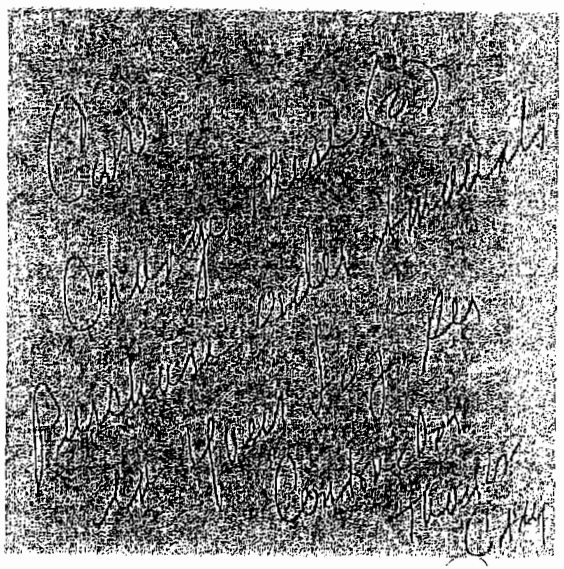
Iris Laurez-Llerena
Project Engineer

D. STEPHENSON
Construction, Inc.

Build Like Champions!

www.dstephenson.com
CGC 1521515

7270 NW 12th Street, Suite 345



Miami-Dade County Public Schools
Office of the Inspector General

Appendix A

Jubert Lowe's Response to Draft Report
(3 pages)

OIG Report
SB1516-1006

McDonald, Laudelina (OIG)

From: Jubert Lowe <jubert@statebuildingelectric.com>
Sent: Wednesday, September 27, 2017 7:55 AM
To: McDonald, Laudelina (OIG)
Subject: Case # SB-1516-1006
Attachments: Jubert Lowe.pdf

Please see attach Letter

Thanks

--
Jubert Lowe
President
S.B.C LLC
14320 SW 181 TERR
Miami, Florida 33177
305 970-2260
Fax: 786 549-2693
Web: MY-SBC-LLC.COM

Jubert Lowe
14320 SW 181 TERR
Miami, Florida 33177
9/27/17

Mary T. Cagle
Inspector General
Miami Dade Public Schools

Dear Mary T. Cagle:

I am replying to OIG Draft Report SB-1516-1006,

This letter is to clarify my position as stated in Investigation Report, this all started with Mr. Glenn Davis whom I considered a friend, I have known him for over 20 years plus for a long time we have been talking about starting up a company together but it never happens but we always keep in touch, he told me that he joins up with Mr. Michael Ashford and he would like me to meet with them, because they would like me to be partners with them.

We finally set a date and meet for lunch, during lunch they told me they were bidding lots of work but they only getting a small percentage of the jobs, I told them that I started a company by the Name of RNH with a friend and employer of mines Mr. Bill Harmon, **(May he rest in peace**) and we are doing work for the school board through D. Stephenson Construction. But he wants to move back to New York, he said if the Schools were paying on time we could keep the company open but he could not wait to get paid in Ninety days when we must pay our suppliers in thirty days so we decide to close it out.

Mr. Michael Ashford stated that if we joins up together we could start bidding on some of that work, I told him that I have one of the top of the line estimating system that I have been using for years, also Mr. Glenn Davis know the system that I used, Mr. Ashford stated if I join with them we could bid on some of the minority work, I told him the only way he could do that is if I owned 51% of is company and my only buy-in bringing new jobs in the company, he said he would have to think about it and I told Mr. Ashford and Mr. Davis if they decide to give me a call.

I always keep in touch with Mr. Davis he told me that Mr. Ashford still don't made his mind up as yet because its hard thinking about turning his company over to me, I told Mr. Davis they has my number if they decided. A few weeks went by when Mr. Ashford and Mr. Davis call me and told me that they are ready to start the partnership Mr. Ashford told me he has a Lawyer working on the

papers, which I still don't see yet, all the statement I gave to the Inspector general investigators is true.

A for the statement from the inspector general office , stating that I am not qualify has a Minority because I am a Jamaican, there is no place that I see in that application that I should not be qualified, all the papers that they ask of me was produce and I get no rejection until now when I found this out, also I have been working in this country for over 30 years paid my taxes and employed people so that the government on the communities benefited from my work.

Sincerely,

Jubert Lowe

Enclosure

Miami-Dade County Public Schools
Office of the Inspector General

Appendix B

Michael Ashford's Response to Draft Report
(8 pages)

OIG Report
SB1516-1006

McDonald, Laudelina (OIG)

From: Mike <mike@completepowersystems.net>
Sent: Friday, September 29, 2017 4:24 PM
To: McDonald, Laudelina (OIG)
Subject: Complete Power Systems Responses to the Ig's report
Attachments: Response to the IG report proofed.docx

To Whom it may concern,

Here are my responses to the IG's Report provided to me.

Michael Ashford
Complete Power Systems, LLC.
305 495 1276

COMPLETE POWER SYSTEMS, LLC

Electrical Contractors

September 29, 2017

To: Mary T. Cagle Office of the Inspector General for Miami-Dade County Public Schools
Miami-Dade Office of the Inspector General
601 NW 1st Court 22nd Floor
Miami, FL 33136

RE: Michael P. Ashford's Responses to the OIG Draft Report of Investigation – SB1516-1006

Sent Via Certified Mail : 7016 0910 0000 1288 4986

Preface,

Ms. Cagle I suffer from dyslexia often when I create a document I incorporate typographical or grammatical errors and no matter how many times I proofread something my brain does not pick up the mistake(s). If there is any information contained within this document that does not make sense or is grammatically confusing or otherwise unclear please advise me, and I will provide a corrected portion of text. I cannot afford legal consul currently, so the information below is provided as a response as requested by you, as a layman. If there is any portion of the response that is unclear, ambiguous, confusing, or similar please inform me.

For Clarity,

CPS was removed from the projects verbally by Mr. Reyes within days of Mr. Lowe acquiring a qualifier for his new company. Please clarify, as I understand it, the qualifier must either be the majority owner or have a substantial stake in ownership. Does SBC or DSC comply with these guidelines? It is also my understanding that Joe Sanches is the qualifier for DSC, I have not been able to ascertain his level of ownership in DSC. It should be a public record, who do I contact at the school board to find out this information? CPS was not provided a letter of intent to remove for either project. Iris' claim about a letter, would have been related to raising and lowering existing lighting in an office area for the installation of a new acoustical ceiling, at Oak Grove. I am happy to provide you with the related emails. Per Mr. Reyes we were removed because of an issue at Southridge. I have covered the specifics of this claim many times in many emails to many members of the school board. I never was provided such a letter or any verification of delivery to CPS of any such letter for either project. I have asked Dinah at DSC to provide a transmittal of the letter itself. As of yet, she has not responded to that request. It seems clear DSC did not follow the school board's regulations for removal of a sub-contractor. It is my understanding that all of the DSC employees directly involved with the Oak Grove project are no longer with DSC.

The school board has made itself exempt from the lien laws the school system must have a realistic method in place to resolve matters like these. I cannot believe with so many attorneys involved this has gone unnoticed or unaddressed. Who do I contact to find out what the method of resolution is?

I have removed Mr. Davis from his role as an employee for the company. This has created a hostile relationship between him and me. There a numerous reasons I relieved him, primarily because of his overall performance especially as of late he has not been commensurate with the responsibilities of that position. The company is financially upside down primarily due to the events being discussed in this document, allowed to occur under Mr. Davis' watch. If DSC will not pay us. Failure is very likely and a small company comprised primarily of minority individuals, who have worked very hard to make this company what it is, will be unemployed.

Mr. Davis made a demand that a current employee of the company process his responses to your office. Mr. Davis is no longer and employee of Complete Power Systems, LLC and does not enjoy any of the benefits thereof. I feel it is best his responses are generated and kept solely under his control. I declined his demand.

Ms. Inspector General,

There are several items in the report that need clarification of additional information. To be clear, I involved myself in this partnership trusting Mr. Davis and Mr. Lowe entirely. My duties at the company limited my time in overseeing the actions of Mr. Davis. Per his verbal and written claims of superior knowledge and experience of the construction industry, I felt the change to the company was is competent hands. I was repeatedly assured, by Mr. Davis that Mr. Lowe was extraordinarily adept at working with the school board and would be able to fulfill all the school board's requirements. In hind sight, I suspect Mr. Lowe had another agenda and used Mr. Davis', as a tool to, manipulate the situation to Mr. Lowes benefit.

It is my understanding the Mr. Lowe reached out to Mr. Davis about coming on board. Since I was not privy to those conversations nor have I seen anything in writing, I have no further comment. Please contact Mr. Davis for additional clarification.

When Glenn Davis presented me with the idea to incorporate Mr. Lowe into the company, I was told by Mr. Davis that Mr. Lowe was finishing up a couple of projects with RNH electric and was idle with CEI. I was told that Mr. Lowe was fed up with Bill, the owner of CEI and RNH electric, treatment. Bill for reasons unknown to Mr. Lowe was no longer bidding projects and no longer wanted to participate in the Oak Grove project.

When we met face to face Mr. Lowe repeated these same pieces of information to me. I was operating under the belief that Mr. Lowe would no longer be employed by CEI or RNH electric in a very short time. From my perspective, in reading the report provided, it would seem that I was misled by Mr. Lowe and or Mr. Davis.

Mr. Lowe presented himself as an expert in working with/for the school board. Mr. Davis and Mr. Lowe told me that there would be no realistic way for our company to even have the slightest chance at any school board contracts unless we were a minority contractor. I now know that Mr. Lowe is by no means and expert in working with the school board, and in reading the report it would seem he should have never been eligible for minority status in the first place. If he were an expert he would have known his status as a resident alien would have precluded him form this program. My company is in possession of documentation where Mr. Lowe clearly indicates that he is a resident alien.

It would seem that with Mr. Davis' help, unwittingly or not, Mr. Lowe was able to damage my company terribly and was re-awarded the disproportionally profitable remainders of the Oak Grove and Southridge projects. With what I understand to be profitable change order(s), as well. Additionally, as covered in many other correspondences DSC still owes CPS many thousands of dollars. Please note the time line of when we, CPS were removed from the jobs and when Mr. Lowe was able to acquire a qualifier for his new company. At the very least it is very curious. If CPS was performing so badly why were we not replaced sooner, why would DSC take a chance on reusing an individual from an organization that was performing dissatisfactory?

In regards to money paid to Mr. Lowe, in the first face to face meeting, he informed me that he had no way to buy into the company at that time. In order to accommodate Mr. Lowe's finical situation, we struck a sweat equity deal. Mr. Lowe portrayed his financial situation, at that time, as on the cusp of becoming very difficult, due to the actions of the owner of CEI/RNH. But could get by for several months and would not need a regular paycheck until March or April. Only after we proceeded with the projects did Mr. Davis come to me that Mr. Lowe now expected to be paid $52.00 per hour right off the bat. If this demand would have been made to me upfront, I would have had no choice but to reject the deal, because we simply could not have afforded such a salary within the company.

As best as I understand it, once the projects ramped up Mr. Lowe almost immediately ceased working closely with Mr. Davis in managing the day to day operations at the schools in a meaningful manner. It is my belief that, Mr. Davis did not usurp Mr. Lowes authority Mr. Lowe was intermittently absent almost immediately from his commitments and responsibilities.

As for Mr. Lowe having control over the day to day operations, as I stated before Mr. Lowe did not seem to want to perform day to day operations from the onset.

Now reading the draft report it seems that his primary interests were elsewhere explaining his disinterest in performing the day to day operations. From what Mr. Davis had told me was that Mr. Lowe was an extremely experienced and successful electrical contractor and frankly I was looking forward to his insight and mentoring to help me become a better contractor. I continued to run the day to day operations and was forced to pick up the slack for the issues associated with the school board simply because no one else was.

I had several conversations with Mr. Davis regarding what was going on, with Mr. Lowe's aloofness and he assured me he could work it all out.

Mr. Lowe's statement that he was president of CPS since 9/17/09 was made without my knowledge or approval. Please refer additional questions to Mr. Davis as he was lead on bringing Mr. Lowe into the company. It is my recollection Mr. Lowe and Mr. Davis prepared most of the specific paper work for this project and only came to myself or Tiffany only when they wanted a specific piece of information. CPS established a bank account especially for the school board projects, Mr. Davis and I signed the signature cards and requested Mr. Lowe to do so although he never was willing to do so the bank which is less than 1 mile from the office. Since Mr. Lowe would have been new to the organization I felt this would provide a very clear way to account for money in and money out associated with the school board projects for the benefit of all. I fully expected that this account would dwarf the operations account. I also felt it was best to have one account strictly associated with the school projects because of Mr. Davis' approach to finances. Mr. Davis has a poor memory and as is quick to anger, I felt comingling any funds from the school projects would lead to problems between all and Mr. Davis. Mr. Davis seems to need extra steps and procedures to be able to become comfortable with issues associated with finances. Company policy has always been any owner is entitled to ask any question about the record keeping at any time. Mr. Davis and Mr. Lowe would have had unfettered access to the records at any time.

Mr. Lowe and Mr. Reyes, have been in business in the past and to the best of my understanding are in business again. I believe that Mr. Lowe and Mr. Reyes seized upon the issues created by Mr. Lowe, Mr. Davis, and Mr. Reyes (I believe Mr. Reyes was intentionally withholding or interfering with our progress payments* to force us off the job so he could re-award the projects to Mr. Lowe under his new company. I approached Mr. Reyes prior to 12/31/2015 while of site at Oak Grove informing him of the delayed payments and how it was adversely affecting my company. His response was ("if you do not have the money to run the job, I will just throw you off then.")* meaning the Oak Grove project.

*Per the email from Brian A. Williams to Torey Alston, Denise Mincy Mills, Michelle Levy Hicks with the subject of Project No. 0133730. It would seem the reason Mr. Lowe told me that RNH was leaving the Oak Grove project was very troubling in that the school board and or DSC were not making timely payments from very early on in the project.

In light of this information, it would seem the Mr. Lowe most certainly would have been aware of this issue and should have advised myself and Mr. Davis of this fact. I cannot speak to what Mr. Davis was told by Mr. Lowe but I was told that the project "was just starting up." Furthermore in the portion of the email between Ms. Hicks and Mr. Sanches, Mr. Sanches, clearly indicates that Mr. Sanches is aware of payment problems as early as 8/18/2015. Mr. Sanches states that "While we do our best to help our subcontractors get paid as quickly as possible, including making payments prior to being paid ourselves from time to time, delayed payments make it very difficult for most small contractors to continue to do business." It is unmistakably clear that DSC was both aware that there was a payment problem with this job and it damages small subcontractors. Why was this allowed to continue by DSC and the school board then?

In regards to the notion that we were creating a "Front Company" this simply is not true. I was willing to relinquish controlling interest in the company to make this work. We reached out to an attorney and the agreement was being drafted. However, I became suspicious of Mr. Lowe early on when he was mostly absent almost from the get go and was having conflict with Mr. Davis about where and when to schedule staff. Mr. Davis assured me he was capable of working with both Mr. Lowe and the GC to get things back on track. DSC was consistently late on progress payments for both Oak Grove and Southridge schools. Please understand that there we many issues occurring in concurrently. Mr. Lowe's absence and the late and very late payments from DSC and the conflict Mr. Davis embroiled with Mr. Reyes was consuming an incredible amount of time. Preventing me from following up on many tasks. CPS is in possession of payment record and it seems the DSC simply chose not to pay CPS for reason only known to DSC.**

**In conversations with DSC, Dinah admitted to me that the money owed to us by DSC was already spent. How is this possible, DSC without question knew that we were owed those funds? It is also my belief that Mr. Reyes intentionally did not perform the walk-through noted in our dismissal letter, in order to create a more financially favorable situation for Mr. Lowe. Why was Mr. Reyes not more closely supervised by the upper management of DSC? It is my understanding there are other subcontractors from the same period that have not been paid in full either. Why is the school board not enforcing its already in place rule about punishments for prime contractors not paying the sub-contractors? Why was has more work been awarded to DSC if there is even the slightest hint of anything unsavory associated with a prime contractor?

In regards to my notice that Mr. Lowe was no longer representing CPS, this notification was made purely out of desperation***, my fear was that Mr. Lowe may make commitments that the company simply could not fulfill further damaging CPS, damaging DSC, and impacting the projects themselves. By then I had lost any faith Mr. Davis was capable of effectively managing the projects or working with Mr. Lowe.

***I had many conversations with Mr. Davis asking him what was going on with Mr. Lowe and the school projects, why Mr. Lowe was not attending meetings returning phone calls responding to emails, Mr. Davis had no meaningful answers. I was extremely perplexed as to why Mr. Davis's 30 year friend of his was acting this way. I have no way to confirm what was discussed between Mr. Davis and Mr. Lowe when I was not present. I am very disappointed that Mr. Davis was not diligent in monitoring Mr. Lowes actions.

There is a statement, in the report, that I Michael Ashford bought Tiffany Ortega a car. The way this is presented in the report is very misrepresentational. I shared with the investigator the exact conditions surrounding this company vehicle. This car is leased in the company's name with a monthly payment of $215. The acquisition of the vehicle was discussed and agreed upon between Mr. Davis and myself. The conditions of use of this vehicle was that Ms. Ortega will have to provide support service, at any time, to the field staff. We often work off hours, as well as periods of time that prevent the normal interaction with clients and AHJ's. A reliable vehicle was needed for pickup and delivery of various documents, small electrical items, food and water etc.

Complete Power Systems was removed from two school board jobs without a letter of intent to remove. The letter sent by Iris about lack of performance was premature on the part of DSC. As I recall DSC even ended up approving a small change order for the item that Iris sited in her letter of lack of performance. This letter was for Oak grove. Regardless of the exact details the work in question was performed within the time allotted in the letter from Iris, per Mr. Davis. It is my understanding a letter of lack of performance is very different than a letter for intent to remove. I further reject the statement as per Mr. Reyes in the meeting we were being removed because of issues at Southridge, there is no letter of intent to remove associated with ether project. At the very last instant before Roger stormed out of the room, he stated that we were also removed from Oak Grove as well.

In short, I strongly believe that Mr. Reyes and/or Mr. Lowe intended to use my company as a stop gap measure until Mr. Lowe could get his company established and then create a situation where my company could be removed from the jobs at a point that would be fairly beneficial to Mr. Lowe's new company. I believe Mr. Lowe exploited Mr. Davis' lack of ability and long term relationship. As I understand it virtually all of the DSC employees associated with the Oak Grove project are no longer with DSC from Chris Hardham on down to David Reid.

The statement from Mr. Lowe indicating that I demanded that employees report directly to me is completely false. I had no part in the day to day operations of the schools until it was clear, at the very end, that Mr. Davis was incapable of resolving the financial problems allowed to develop by Mr. Lowe and Mr. Davis. Even then, Mr. Davis was still the contact point between the employees on the school jobs.

COMPLETE POWER SYSTEMS, LLC

Electrical Contractors

All of the above aside, the school board should have caught that Mr. Lowe was not eligible for minority status. I in no way had any intent to create a "Front" company. I cannot answer for Mr. Lowe or Mr. Davis' intentions. The school board has allowed a large powerful and well-connected contractor to damage small vulnerable sub-contractors. The school board has not followed its own guidelines in punishing prime contractors that do not pay their sub-contractors. It seems there are plenty of rules and safe guards in place why are they not be followed or enforced? I want to reiterate, neither myself nor any of the current employees of Complete Power Systems had or have any intent to deceive the school board.

Ms. Cagle, I encourage you to gather all the emails I have sent to the various employees of the school board on this matter. If you would like I could provide you with the many dozens of emails associated with this matter. I believe that the review of the emails may provide you with additional insight to this matter.

Lastly will the lack of payment by DSC to my company be looked into by your office? If this matter does not fall under your jurisdiction please direct me to the appropriate person or department. It seems since this matter involves D. Stephenson Construction no one really has the willingness to see this matter through. I get passed around from person to person and department to department. It is my understanding that the person I need to speak with is Raul Perez, as I understand it he is in charge of construction. Obviously at this time he and his office must be swamped in matters getting the school back up and running. Is there another person similar to his position that I could speak with as an alternate?

Michael Ashford

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Miami-Dade County Public Schools
Office of the Inspector General

Appendix C

M-DCPS Administration's Response to Draft Report
(25 pages)

OIG Report
SB1516-1006

M E M O R A N D U M **October 19, 2017**

TO: Ms. Mary Cagle, Inspector General
Office of the Inspector General

FROM: Lisa M. Martinez, Chief Strategy Officer
Office of the Superintendent

SUBJECT: RESPONSE TO THE OFFICE OF INSPECTOR GENERAL DRAFT REPORT OF INVESTIGATION – FRONTING BY M/WBE ELECTRICAL SUBCONTRACTOR, COMPLETE POWER SYSTEMS (CPS)

The following is the administration's response to the *Draft Report of Investigation – Fronting by M/WBE Electrical Subcontractor, Complete Power Systems* (Report). Your analysis and recommendations on the submitted matter are important and will inform the continued refinement of our work in the Office of Economic Opportunity (OEO). Although OEO makes every effort to engage, guide and support small and minority-owned businesses as established by School Board Policy 6320.02 *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, it is just as important to ensure that compliance requirements are not contradicted.

We would like to thank you and your staff for the professional manner in which you have conducted the above referenced investigation. After reviewing the content, we value the opportunity to provide the following response and feedback on the initially drafted report:

FRONTING BY M/WBE ELECTRICAL SUBCONTRACTOR

As stated in the introduction of the Report, the investigation on CPS was initiated at the request of Ms. Michelle Hicks-Levy, an OEO employee. Upon learning of a possible material change to the company structure of CPS (which would deem the company ineligible for their Minority/Women-Owned Business Enterprise (M/WBE) certification status), Ms. Hicks-Levy, following proper protocols, followed up with CPS. Mr. Michael Ashford, one of the company's owners, stated in writing to OEO that there were no material changes to the structure of their company; however, as acknowledged in the OIG report, there is an email from CPS stating the opposite to D. Stephenson Construction (DSC) a prime contractor doing business with CPS. As the report states, Ms. Hicks-Levy was concerned that the owners may be attempting to sustain a "front" to continue their M/WBE certification status and sought out assistance from the Office of Inspector General (OIG) to further investigate this matter. She, of her own volition, took the initiative to submit her concerns about CPS to the OIG after she followed up with the firm's owners directly. Based upon the investigation's conclusion, Ms. Hicks-Levy's concern was found to be correct.

It is unclear, from the current Report, what the OIG proffers as the appropriate course of action now that it has been concluded that some or all of CPS owners were in fact intentionally using Mr. Lowe as a front for their M/WBE certification status. The investigation acknowledges the accuracy of the initial complaint, but recommendations focus solely on OEO's certification process and not on any sanctions to the individuals or firms involved.

As shared with you last summer, the Superintendent has had some reservations about the S/MBE and M/WBE program's certification application process. Later in this response, you will find feedback to the Report's findings, an update on our own internal review of the certification process, insights and next steps regarding improvements, and some

considerations for further OIG review; however, based upon the initial intent of the OIG's investigation and conclusions on this matter, the owners did knowingly make false statements with the intent to mislead OEO in the performance of their official duties as evidenced in the conflicting written messages sent to DSC and then to OEO. It is not our assessment that CPS had intent to mislead OEO with their initial certification application; however, the conflicting statements provided in March 2016 to DSC and in April 2016 to OEO staff suggests an intentionality to sustain M/WBE status under false pretenses.

Based on this report, staff will work with the School Board Attorney's Office to move forward with any and all appropriate action.

BUSINESS HOLDINGS AND SUBCONTRACTOR SUBSTITUTIONS

The report details Mr. Lowe's businesses and provides an overview of three companies owned by Mr. Lowe. It also specifies Mr. Lowe's efforts to achieve certification status for all three businesses as noted in Table 1 below. The Report does clarify that School Board Policy 6320.02 does not prohibit a minority owner from qualifying more than one firm for M/WBE certification. Individuals can own multiple companies and the companies can all do business with the District, so long as, selection processes follow all proper protocols.

Table 1 – Companies Referenced in Report

NAME OF FIRM	OWNERS	STATUS OF CERTIFICATION	OEO STAFF REVIEWERS	SUBMITTED APPROVED
Complete Power Systems	***Jubert Lowe*** 51% Owner ***Michael Ashford*** 25% Owner ***Glenn Davis**** 24% Owner	Under review based upon this report's conclusion and our independent certification review process explained in Attachment I	Michelle Hicks-Levy	Submitted 1/22/15 Approved 2/10/2105
RNH Electric	***Jubert Lowe*** 51% Owner ***Wililam Harmon**** 49% Owner		Gustavo Perez Taimar Prince	Submitted 11/4/2014 Approved 6/5/2015
State Building Contractors	**Jubert Lowe** 100% Owner	Ineligible for Certification.	Asmide Louizi	Rejected February 2017

**Mr. Lowe currently works for CEI LLC as an employee. One of the owners of CEI LLC is William Harmon, Lowe's business partner at RNH Electric as noted in Table I. Based upon the OIG investigation, it is clarified that Mr. Lowe still receives a salary from CEI LLC. Additionally, Mr. Lowe previously worked with Mr. Davis too.*

Although RNH Electric (RNH) was unable to complete contracted work at Oak Grove Elementary School due to alleged challenges with timely payment and the hiring of workforce (as expressed in the substitution request documentation submitted to OEO), Lowe continued to work on the same project when CPS took over as the subcontractor as submitted by DSC and approved by OEO and Facilities. In addition to Oak Grove Elementary, CPS soon took on additional projects. Similar to RNH, CPS also had challenges completing the District projects. These challenges, based upon the interviews

reviewed in the Report, were apparently related to the disagreements among the three owners of CPS and the shifting of workers off worksites.

As noted in the OIG Report, State Building Contractors (SBC) was brought on board by DSC to complete CPS's unfinished work on M-DCPS projects. Mr. Lowe, the 100% owner of SBC, sought certification from the District but did not meet eligibility; therefore DSC could not use SBC to meet participation goals. Additionally, in this instance, the substitution of CPS did not follow the established protocols.

Although the OIG investigation focuses on M/WBE certification criteria and awards, it is important to underscore, as acknowledged in the Report: "the District's program for subcontractor utilization goals are based on S/MBEs and not M/WBEs", and that M/WBE goals were not in place for the subject projects. Projects currently have only SBE, MBE and/or local workforce goals.

S/MBE AND M/WBE CERTIFICATION PROGRAM AND REVIEW PROCESS

On Tuesday, October 17, 2017, a report was transmitted to the Board titled *2012 – 2017 OFFICE OF ECONOMIC OPPORTUNITY REPORT – PART I - GENERAL OBLIGATION BOND* (attached for your reference). In this report, we shared that the Superintendent initially contacted your office for assistance on the review of the District's S/MBE and M/WBE certification program application process. As you are also aware, an internal review independent of OEO and the Office of School Facilities was initiated by the Superintendent and requested that this review accomplish the following:

- determine if the certification application process adhered to policy;
- assess if certified firms' applications met the eligibility criteria for certification as set forth in Board policy;
- assess impacts to utilization data;
- compile a list of firms that will require further follow-up and review by OEO staff, the School Board Attorney, or the Office of the Inspector General; and
- develop recommendations for improvement to the certification process after assessment is complete.

It is our hope that you consider meeting with the team that performed this work to:

- review their assessment of the certification program;
- consider the recommendations that emerged from the process; and
- determine if there are any additional recommendations that may improve the District's certification process.

OEO Certification Application Criteria and Checklist

This current Report and the detailed analysis of two application files included in the report (CPS and RNH) have raised some of the same questions that emerged in the work done by the certification review team. The OEO certification checklist was developed by OEO leadership in 2013 and at times (as noted in the attached report to the Board and in the Report) the checklist created confusion for OEO staff charged with reviewing applications. The checklist and certification application were the staff's guiding documents for certification review.

Since there was some lack of clarity between the checklist and policy, it has become evident that staff reviewing applications consistently implemented the requirements detailed

on the checklist. At times, the checklist was more stringent than policy; on other items the checklist did not clearly distinguish differences between S/MBE and M/WBE requirements.

Recommendations to address these issues include a modification of the checklist, development of detailed instructions for the application process, refresher training for all current staff and the development of an onboarding module for new OEO staff. Additionally, specific observations and recommendations emerged related to eligibility criteria mentioned in the Report including:

Citizenship

School Board Policy 6320.02 may benefit from some updates related to the citizenship criteria. This will be a topic discussed with our Board. For example, if M/WBE certification depends on an applicant's US citizenship, it should state so clearly in the policy section referencing the M/WBE Eligibility and Certification requirements. Currently, this criteria is embedded within the policy's terms and definition section; and even in the definition of minority, it does not directly state that a minority person must be a citizen. If this is a criterion for M/WBE certification, the policy should be more clearly stated.

Minority Ownership

School Board Policy 6320.02 also provides OEO the latitude to analyze documentation to assess ownership by providing various examples on how to ascertain ownership control. Based upon the Report, we do acknowledge that there is value in creating greater specificity in policy, procedures, the application and/or in application instructions regarding what is required as minimum evidence to prove ownership control. This greater clarity in process will reduce the room for internal or external interpretation, will better define rationale for approval, will strengthen documentation for decision making, and will provide a stronger foundation to hold firms accountable regarding stated company structures.

Based upon CPS's certification application, the investigation's interviews, and the documentation/communications gathered through 2017, it is clear that OEO staff, Mr. Lowe, Mr. Ashford and Mr. Davis were all under the impression that Mr. Lowe had control over staff and project management even beyond M-DCPS projects. As soon as Mr. Lowe's power of control was usurped by the shifting of employees from a project, significant challenges emerged. Nevertheless, after a close review of the application and supporting documents, staff should have been more thorough with initial review and follow up. Expectations will be clarified at upcoming trainings and will be underscored in all onboarding processes.

Established as a Business for at Least One Year

Although not directly related to Complete Power Systems, nor mentioned in the Report, it is important to note that the earlier referenced certification review team also noted that the RNH certification application requires further review for reasons beyond citizenship. RNH began as an established business in August 2014, but they received their certificate June 2015. A business needs to be established for at least one year to be eligible for certification. RNH was two months short of that requirement.

Next Steps – CPS and RNH Electric

Both the CPS certification file and the RNH certification file will be reviewed by OEO and ultimately, under current policy, will need to go through the decertification process minimally due to Mr. Lowe not being a U.S. citizen. Citizenship is not required to remain eligible as an

SBE or MBE. It may be determined that the firms retain their S/MBE certification status. Currently, District participation goals have been solely based upon S/MBE participation.

Proper Information and Tracking of Applications Deemed Ineligible

Finally, the Report references the manner in which OEO staff reviewed and deemed SBC's application ineligible. OEO staff is required to inform applicants regarding their ineligibility in writing and provide an opportunity for appeal. OEO did provide SBC an explanation for the application's ineligibility, but procedures regarding notification and the level of detail required for these determinations will be assessed based upon the observations shared in the Report.

If you have any questions or need additional information regarding the Office of Economic Opportunity please contact at 305 995-1918.

LMM:sm
LMM003

cc: Mr. Alberto M. Carvalho
Mr. Jaime G. Torrens
Dr. Daniel Tosado
Ms. Ronda A. Vangates
Ms. Michelle Hicks-Levy

M E M O R A N D U M **October 17, 2017**

TO: The Honorable Chair and Members of The School Board of Miami-Dade County, Florida

FROM: Alberto M. Carvalho, Superintendent of Schools AMC

SUBJECT: **2012 – 2017 OFFICE OF ECONOMIC OPPORTUNITY REPORT – PART I - GENERAL OBLIGATION BOND**

Over the last six months, the Board has received various updates regarding the Office of Economic Opportunity (OEO). These updates included: a memorandum on April 5, 2017, titled *Office of Economic Opportunity Update*, presentations at the Facilities and Construction committee on May 17, 2017, and on June 14, 2017; and a memorandum titled *Staff Follow-Up: Board Meeting of May 24, 2017, Agenda Item H-5, GOB Progress and Accountability* on July 11, 2017. The following provides a full report on OEO as it relates to the General Obligation Bond (GOB). This content will also be shared and discussed at the upcoming GOB and OEO Board Workshop scheduled for Wednesday, October 25, 2017, from 2:00 p.m. to 4:00 p.m. The proposed recommendations included in this memorandum and discussed at the referenced Board workshop will be brought forth for Board consideration and action. In addition to this report and workshop, the Board will receive a second update on all other elements related to OEO through October 2017. These two reports will be compiled along with the 2018 OEO Action Plan into one document and transmitted to the Board. This compiled document will meet the required OEO reporting elements per School Board Policy 6320.02. This content will also be shared with the Small Business Enterprise (SBE) Advisory Committee at their regularly scheduled October 19, 2017, meeting.

CONCLUSIONS AT A GLANCE

Of the $498,771,969.97 GOB investments as of August 31, 2017:

- *A total of 11.72%, or $58,452,097.30, has been awarded to M/WBE certified prime firms.*
- *A total of 11.62%, or $57,929,637.70, has been awarded to subcontractors that are within the subgroups that previously faced disparity.*
- *When the prime and subcontractor awards are compiled, African American firms total 18.74% or $93,483,452.90.*

Overall, 224 or 91.43% of all 245 reviewed certified firms were determined eligible for certification.

Recommendations to refine and improve the District's certification process have been developed.

INTRODUCTION

The 2012 GOB was passed with resounding community confidence and the District's full commitment to implement the program with expediency, efficiency, and quality. To sustain public confidence, it was important that promises made during the bond campaign were promises kept. This has required a commitment to not only deliver projects as promised, but to also address historical economic disparities by adopting policies and implementing procedures that benefit underrepresented sectors of the local business community.

Since the 2012 vote, we are keeping our promises with over 150 projects already completed, dozens more under construction or in planning stages, and more than $512 million already invested in our community's schools, with another $86 million under contract. The trajectory

continues as we launch the remaining projects over the next 18 months and invest an additional $600 million in our schools by 2020. On any given day, students, their families, and the community can see their trust being honored and investments at work. Campus improvements, renovations, and brand new schools continue to be delivered across the entire District in fulfilment of the promises made to the community in 2012.

DIVERSITY AND INCLUSION

In preparation for the implementation of the community-approved GOB program and in order to have legal sufficiency to sustain a Minority/Women-Owned Business Enterprises (M/WBE) program, the School Board, pursuant to the US Supreme Court decision in City of Richmond v. J.A. Croson, 109 S. Ct. 706 (1989), took definitive action setting forth policy establishing the groundwork to address economic inequities. The following summarizes these steps:

- Prior to the continued implementation of an M/WBE program, on November 21, 2012, the Board approved the commissioning of MGT of America, Inc (MGT) to conduct Phase I of a Comprehensive Disparity Study to determine if disparity existed in the utilization of M/WBEs in the Board's procurement of capital construction and construction-related professional services. At the same meeting, the Board also adopted a gender and race neutral Small and Micro Business Enterprise (S/MBE) program and established the Office of Economic Opportunity.
- On February 13, 2013, the Board approved the hiring of its first Economic Development Officer. As part of this work, initial priorities focused on efforts to engage small and micro businesses to become certified firms in M-DCPS's newly established S/MBE program. Later in this report, a detailed summary and analysis of the certification process and the status of the program are provided.
- On November 19, 2014, the Board approved:
    - MGT's findings of significant disparities in the District's utilization of ready, willing, and able M/WBE's in prime construction, construction–related professional services, and design and construction-related professional service subcontracts for African-American, Asian-American, Native American, and non-minority women businesses; and
    - the retaining of Dr. Thomas Boston, CEO of the firm Euquant, Inc., to reanalyze the study's conclusions regarding African American subcontractors in the construction industry.
- On the same day, the Board initially adopted amendments to Board Policy 6320.02, Small/Micro and Minority/Women-Owned Business Enterprise Programs, to re-establish its M/WBE program in the categories identified by MGT's accepted conclusions.
- On September 9, 2015, the Board accepted Euquant's conclusion that there was a "strong basis in fact and a compelling governmental interest in establishing a remedial subcontracting program for African-Americans in the construction industry". The Board also initially adopted additional amendments to Policy 6320.02, Small/Micro and Minority/Women-Business Enterprise Programs, to include Euquant's final conclusions of Phase I of the Comprehensive Disparity Study.

To ensure that promises made to level the playing field for minority firms are in fact promises kept, Board policy requires the administration to provide annual progress updates. OEO issued a report on January 2016, addressing years 2013-2014 and 2014-2015. This report included District spend analysis, but did not include GOB contract data. A detailed update on the implementation of the online system that is used to track contract awards and payments as well as data derived from the system is provided later in this report. The update includes all GOB investments made on projects started from 2012 through August 31, 2017. It is important to note that the District's implementation

of the Bond thus far reflects a fulfillment of the promises made to the community. Some highlights include:

- Of the $498,771,969.97 awarded to primes through August 2017, 8.89% has been awarded to African American primes, 2.81% to non-minority women primes.
- Additionally, of the 34.31% awarded to certified subcontractors:
    - 9.85%, or $49,151,116.25, has been awarded to African American subcontractors;
    - 0.10%, or $485,344.63, has been awarded to Asian American subcontractors;
    - 1.13%, or $5,611,554.13, has been awarded to non-minority women subcontractors;
    - 0.01%, or $51,016.67, has been awarded to Native American subcontractors; and
    - 0.53%, or $2,630,606.07, has been awarded to Service Disabled Veterans.
- The data from Phase I of the Disparity Study period (2006-2012) highlighted that there were no M/WBE's beyond Hispanic firms receiving prime construction awards, but the current data demonstrates the following:
    - A total of 11.72%, or $58,452,097.30, has been awarded to M/WBE certified prime firms. This data point includes awards made to African-American primes, non-minority women primes and Asian-American primes.
    - A total of 11.62%, or $57,929,637.70, has been awarded to subcontractors that are within the subgroups that previously faced disparity.
    - When the prime and subcontractor awards are compiled for African American firms awards total 18.74% or $93,483,452.90.

TWO-PRONGED APPROACH TO A SUCCESSFUL S/MBE AND M/WBE PROGRAM

The first prong of a successful S/MBE and M/WBE program is the establishment of a robust availability pool of certified firms and the actual utilization of the certified firms. S/MBE and M/WBE programs not only provide a pathway to opportunities for small and minority businesses, but they also work to scaffold growth through technical assistance and mentoring. Outreach efforts are necessary to cast a broad net for opportunity; however, the integrity of the certification process is imperative or the program loses its credibility. This comprehensive report on OEO provides data on the progress of establishing availability of certified firms, an assessment of the certification application process, and recommendations for the future implementation of the District's S/MBE and M/WBE certification program.

Another vital element to an effective S/MBE and M/WBE program is the tracking and reporting of the utilization of available small and minority businesses. This second prong determines if progress is being made in the elimination of disparity and empowers staff and stakeholders alike with reliable data to inform future decisions. Without a comprehensive contract reporting and monitoring system to track this data, it becomes challenging to draw definitive conclusions. The District's Online Diversity Compliance System (ODCS), a complex and comprehensive online platform, has taken time to fully ramp up, which in turn impacted our ability to share information in a timely manner. This report provides an update on the status of all seven system modules as well as the most recent utilization data.

Reflections on progress and recommendations for refinements and improvements on past and current practices are essential. In the past, self-requested reviews by the Office of the Inspector General and the Office of Management and Compliance Audits (OMCA) have been part of this administration's management protocols and have now been employed for the betterment of the implementation of Policy 6320.02. These reviews will be referenced in greater detail below, and recommendations that emerge from these independent offices will be included in OEO's future work to further improve the District's supplier diversity program. For example, on Tuesday, October 10th, 2017 the Office of Management and Compliance Audits presented an *Internal Audit Report on Selected Data Related to the 65 Year One and Year Two GOB Financially Closed Projects and*

Miami Norland Senior High (Initial OEO Audit) at the District's Audit and Budget Advisory Committee. Insights and recommendations from this review are already included in this report and are noted with a reference to the Initial OEO Audit completed by the OMCA.

S/MBE AND M/WBE CERTIFICATION PROGRAM

At the inception of OEO, the office focused strongly on creating a pool of certified businesses. As noted in Table 1, in January 2013, the District had 3 certified firms. By the end of the same year, that number had grown to 253. In 2014, the number more than doubled to 649. The year after that, the pool grew more than 20%. In September 2016, the certification program had 902 certified firms, the highest to date.

In November 2016, a new Economic Development Officer was hired and a focus on an assessment of office processes was initially defined as the priority. Although an assessment and identification of improvements are always valuable, these cannot impede the proper implementation of a certification program. As noted earlier, a successful S/MBE and M/WBE program must have a pool of available certified firms to be realized. The downward trend of the certification of firms that began in October 2016 has been assessed and process driven improvements will be implemented including the processing of approximately 90 pending applications.

As noted later in this report, utilization rates have increased exponentially over the last 3 years. This is a trend that we want to sustain as a result of a robust certification and outreach program. It is also essential that specific strategies are employed to not only gain new certified firms but to retain those that are in the program. An additional 48 firms' certifications will be expiring over the next 3 months. Targeted outreach efforts will be employed to ensure that these firms are reminded and encouraged to reapply before their certification expires. Additionally, based upon the Initial OEO Audit, direct purchase order (DPO) vendors will be explored as a new pool of vendors to recruit and engage in the District's S/MBE and M/WBE certification programs.

Recommendations regarding outreach, engagement, and technical assistance will also be included in the 2018 OEO Action Plan referenced later in this report. These recommendations will build upon strategies that have worked in the past, hone in on industry-specific outreach strategies, require collaboration with other District bureaus and external partners, and have clear metrics to define progress.

Table 1 - Total Number of Certified Firms 2013- Present - As of Oct. 4, 2017

	2013	2014	2015	2016	2017
January	3	262	661	826	878
February	7	291	676	839	860
March	12	319	687	850	855
April	19	344	694	856	853
May	29	376	712	871	845
June	49	422	718	882	834
July	78	484	731	886	807
August	97	552	739	896	761
September	132	579	756	902	736
October	181	607	775	892	714
November	224	628	795	891	
December	253	649	810	880	

Review of the S/MBE and M/WBE Certification Process

Initial concerns were raised by the current Economic Development Officer regarding the validity of a prime contractor's certification. This issue was addressed with expediency and reviewed by external counsel to determine if there was a need to refine the District's policy interpretation. The results of the external counsel's review were transmitted to the Board on July 11, 2017, by the School Board Attorney's Office. Although the concerns were directly addressed and determined to be unfounded, similar questions remained and external stakeholders began to share concerns about the validity and/or reliability of the certification process.

The review and refinement of implementation and management processes are important and essential for continuous improvement. After first contacting the Office of the Inspector General for assistance on this matter, I initiated a review of the certification process independent of OEO and the Office of School Facilities and requested the review accomplish the following:

- determine if the certification application process adhered to policy;
- assess if certified firms' applications met the eligibility criteria for certification as set forth in Board policy;
- assess impacts to utilization data;
- compile a list of firms that will require further follow-up and review by OEO staff, the School Board Attorney, or the Office of the Inspector General; and
- develop recommendations for improvement to the certification process after assessment is complete.

Below is a summary of the methodology for the review process and conclusions.

Methodology

Five District administrators outside of OEO and the Office of School Facilities were selected to review the District's S/MBE and M/WBE certification process for the 269 firms that have received GOB funding as noted in the ODCS and had been reported previously to the Board. Of the five administrators, three have been auditors in the past, and two have extensive research, evaluation, and administrative experience. The team was provided access to scanned certification files, the original OEO certification application and checklist, Policy 6320.02, and the ODCS certification module.

The OEO certification application and checklist were compared to Board Policy 6320.02. In some areas, policy requirements were not made clear in the OEO application or checklist. When the group identified a lack of clarity between the application/checklist and the policy, it was determined that the policy would drive the certification review process. Additionally, the group discussed and reviewed eligibility requirements for both the S/MBE and M/WBE programs and determined which supporting documents were minimally required to address validation of eligibility requirements per Board Policy. A set of reflections on the current application and checklist and proposed revisions to ensure alignment to Board Policy are attached as Appendix 1.

The group examined all available scanned documents to assess the certification review process since the inception of OEO in 2013. The approach was similar to an audit protocol; however, instead of sampling as was recently done in the audit of the 65 financially closed projects, the group researched/reviewed all available scanned/online documents for all participating firms included in the July 11, 2017 report to the Board. This included a total of 284 records or 269 unique firms with 15 firms working as primes and subcontractors on different projects. One

subcontractor's scanned/online certification file could not be opened, so it was left out of the review narrowing the review group to 268 unique firms (or 283 records).

Of the 268 firms, 245 were able to be fully reviewed. 224 of the 245 or 91.43% were deemed eligible and 21 or 8.57% were deemed ineligible based on available documentation. Fourteen, or 5.22%, of the 268 were conditionally eligible based upon their recertification application documents alone. If the group only had access to a vendor's recertification documents, the firm's applications were still reviewed, but were not categorized as fully reviewed. Another 9, or 3.36%, of the 268 were previously approved by OEO via reciprocal agreements as provided for in Board Policy, but did not meet the eligibility requirements based on documents made available to the group and were noted as such. However, the group felt, as a follow-up, that it was important to determine the terms of the reciprocal agreements. If the certifying entity's certification criteria were aligned with the M-DCPS process, the fact that their files may be incomplete may not be a disqualifying factor. The group recommended that these cases receive further review.

Results of Review Process

The review team concluded that more than 90% of firms fully reviewed met eligibility based on the available data. As shared earlier, M-DCPS' certification program includes more than 700 firms. The review team only reviewed certification applications for those firms actually contracted to perform work on Bond construction projects, as reported to the Board in July 2017. Appendix 2 provides a detailed summary of the results of this review; some important highlights are provided below.

- All 55 primes reviewed were deemed eligible to receive the S/MBE certification status based upon document review (3 firms based on recertification files). One Hispanic prime's M/WBE certification was deemed ineligible due to lack of proof of citizenship.
- 228 subcontractor firms were deemed eligible to receive their certification status based upon document review (11 firms based on recertification).
- Overall, 224 or 91.43% of the 245 fully reviewed unique certified firms were determined eligible for certification based on the criteria set forth and the documents available for review.
- The other 21 or 8.57% will be submitted to OEO staff for final assessment. These firms' eligibility have been referred for staff follow-up for different reasons including, but not limited to:
    - proof of citizenship;
    - proof of local place of business;
    - partial tax documentation; and
    - years in business.

If any of these firms are ultimately deemed ineligible for certification, a slight adjustment to the previously reported utilization data may be required; and if the additional OEO review yields a recommendation for decertification of some firms, the utilization data being reported today would also be updated accordingly in the February update.

Recommendations to improve the current certification process have been developed based upon the conclusions of this review, a review/comparison of other certification models, conclusions drawn from the recently conducted audit on the 65 financially closed projects, and feedback from the Office of the Inspector General. These recommendations are summarized in Appendix 1. Upon transmittal of this summary report to the Board, results of the review process will be shared with the OEO staff and the School Board Attorney's office (SBAO). OEO will be required to address the 21 files currently deemed ineligible, the 9 files requiring further review based upon reciprocal agreements and the 14 files reviewed based upon recertification documents alone.

Protocols for assessment will be addressed and a process for decertification of firms will be established with the SBAO in alignment with Board Policy 6320.02.

Since only 245 of the 714 certified firms have been fully reviewed by an independent cohort, prior to any contracts with participation goals coming before the Board for approval, District staff is now required to submit the companies' names to OEO for review to ensure that they still meet certification eligibility requirements prior to award. OEO staff is now required to review application documents again to identify any potential concerns or missing documents. If a concern arises, follow up with the firm will be required. If any missing documents cannot be obtained or any issues cannot be reconciled with Board approved policy, then the decertification process will commence. This approach aligns with the management response recently submitted in the audit of the 65 closed projects, when the auditor found that two firms were missing one year's worth of tax returns in their files.

To ensure that the most thorough review is conducted of the District's certification process, the research team's work product and the conclusions of this review process will be shared with the Office of the Inspector General. This work will further inform any inquiries or reviews of the certification process led by their office.

COMPLIANCE

A holistic approach to compliance is essential to determine if the intended goal of eliminating disparity is being met. A detailed update on the status of the ODCS is provided below. This powerful, real-time automated tool will inform day-to-day decisions related to outreach, technical assistance, and goal setting. Additionally, it will provide the reporting tools needed for District and vendor accountability. Compliance however, is not only about reports and online tools. Strategies linked to staff engagement and follow-up, inclusive of desktop monitoring and project site visits, are essential for a strong compliance unit. Recommendations and next steps related to the compliance unit will be included in the 2018 OEO Action Plan referenced later in this report.

Online Diversity Compliance System

The District selected and, as of September 2017, has fully implemented a compliance system that enables online applications, reporting, reviewing, and monitoring. It is a 100% cloud-based modular platform accessible from any internet browser. This system is used successfully across the country by both private and public sector entities implementing S/MBE and M/WBE programs. It will provide OEO staff comprehensive diversity management tools that support desktop monitoring and project site visits.

OEO staff initially researched options through 2014 and entered into a contract with B2GNow in January 2015. It was anticipated that development and implementation would take a bit longer at M-DCPS because of the various required data system interfaces (i.e. SAP, Capital Payment System, Compass/Gordian Group, P-card data integration) and the need for a single sign-on system. Through the first half of 2016, three of the modules (certification, prequalification, and outreach) were implemented successfully. These modules allow for contractors to apply online for certification, recertification, and prequalification. The outreach module provides various systematic ways to communicate directly with vendors.

Even though significant staff turnover in OEO and at B2GNow delayed complete roll-out of the system, all modules are now live and implemented. A status update of the roll-out on the final four modules, training, data related to contractor awards and payments, and contactor system utilization is provided below.

Module IV - Contract Compliance

As noted earlier in this report, the Board has received data updates related to prime contractor awards and payments and subcontractor awards. This data emerges from the ODCS contract compliance module. The District uploads data on a monthly basis, however contractors, required to input and/or validate payments, can do so at any time. Beginning with the August 31, 2017, reporting cycle, contractors failing to fulfill reporting requirements will be subject to sanctions. Thus far, staff has offered five trainings/webinars and has made approximately 100 individual phone calls to primes and subcontractors to ensure system engagement begins and that questions are addressed. Additional training/support sessions will be offered throughout October and as needed thereafter.

Since March 31, 2017, data has been uploaded into the system through a phased approach. It began with a data-set inclusive of 65 financially-closed projects. This data was shared in early April 2017 with the Chief Auditor for review. Recommendations emerging from the Initial OEO Audit are being incorporated into OEO procedures and work flows as appropriate. These include the following:

- The ODCS currently captures certified and non-certified primes as well as certified subcontractors. The Initial OEO Audit provided a full picture of every project including all certified and non-certified subcontractors. Staff will determine if the ODCS can serve as the clearing house for all subcontractors (certified and non-certified).
- Staff will reconfirm that any approved subcontractor substitutions have been updated in the SDCMS on a monthly basis and that appropriate workflows are instituted to ensure that the system is updated on a timely basis.

Data uploads have expanded on a monthly basis. As of August 31, 2017, contract data, inclusive of Bond and non-Bond facilities contracts, maintenance contracts, and goods and services contracts have been uploaded into the ODCS. District data uploads will continue at the end of every month. Primes and subcontractors are also expected to report on a monthly basis.

Reports from the Contract Compliance Module will be reviewed by staff on a monthly basis and will be shared with the SBE Advisory Committee and School Board on a quarterly basis beginning in February 2018. It is our hope that by then, the implementation of the system will be mature enough to not only continue reporting publicly on prime awards/payments and subcontractor awards, but to also report on validated subcontractor payment data. It is essential that the data shared with all stakeholders be accurate. Subcontractor payment data relies on prime inputs and subcontractor validation. Until such time as contractors input and subcontractors validate monthly data, the subcontractor payment data will not be comprehensive enough to provide a reliable snapshot on subcontractor payments. That is why the subcontractor payment data has not yet been shared with stakeholders. This same position was shared in the Initial OEO Audit management response and it aligned with OCMA's recommendation. Subcontractor payment data will not be released or shared with stakeholders until the information is verified. We have and will continue to focus on ensuring that primes and subcontractors have opportunities to be trained on the SDCMS; we are also taking time to fully explain the sanctions that will commence if reporting requirements are not adhered to

Table 2 and Table 3 provide a summary of the most current data upload. Appendix 3 – Prime Awards and Payments and Appendix 4 – Subcontractor Awards are also attached and provide data detail that will also be reviewed at the upcoming Board workshop.

Table 2 - All Prime Awards and Payments – As of August 31, 2017

Race/Ethnicity/Gender	Total Award Value	Total Award Percent	Total Payments
Non-Minority	$119,944,451.64	24.05%	$109,342,364.28
African American	$44,332,366.70	8.89%	$33,277,368.87
Caucasian Male	$14,630,529.23	2.93%	$12,358,242.21
Caucasian Female	$14,028,134.34	2.81%	$9,151,141.77
Hispanic American	$282,973,179.97	58.74%	$214,214,034.20
Asian American	$91,626.31	0.02%	$85,028.43
Other Minority	$ 12,771,711.78	2.56%	$10,165,931.79
TOTAL	**$498,771,969.97**	**100%**	**$388,594,111.55**

Table 3 - Subcontractor Awards of the Total Awards to Primes – As of August 31, 2017

Race/Ethnicity/Gender	Total Sub-Award	Total Sub-Award %*
African American	$49,151,116.25	9.85%
Asian American	$485,344.63	0.10%
Caucasian Female	$5,611,554.13	1.13%
Caucasian Male	$2,706,752.17	0.54%
Hispanic American	$110,412,099.27	22.14%
Native American	$51,016.67	0.01%
Other Minority	$98,382.00	0.02%
Service-Disabled Veteran	$2,630,606.07	0.53%
TOTAL	**$171,146,871.17**	**34.31%**

**Percentage of Total GOB*

Module V - Local Workforce Utilization

As shared with the Board on July 11, 2017, the Local Workforce Utilization Module went live in July 2017. A webinar was held on that same day for contractors, and additional training was held on September 6, 2017, and on October 4, 2017. Contractors have begun to utilize this module, and all vendors were to report online for the August 31, 2017, reporting cycle. Non-compliance sanctions will begin for contractors on this module as well. Staff has input all reports previously submitted. A customized District report for this module is being finalized, and reports on individual projects should be available for the October 31, 2017, contractor data reporting cycle. A summary report will be shared with the SBE Advisory Committee and Board as part of the quarterly report in February 2018.

Module VI – Spend Analysis

The Spend Analysis Module is now live and will include GOB-funded expenditures related to technology and furniture, fixtures and equipment. It captures PO and P-Card data and provides reports regarding the District's overall spend beyond contracts reported in the Contract Compliance Module. Data from July 2012 through present day is being uploaded into this module and will be part of future reports shared with the Board.

Module VII – Goal-Setting Module

The Goal-Setting Module provides a process to set contract specific goals and is based upon statistical methods, past accomplishments, and market conditions. The module is complete, and Goal-Setting Committee members and staff participated in an initial webinar on September 26, 2017. A meeting with the Goal-Setting Committee to address how this will inform and refine the goal-setting processes took place on October 6, 2017. The utilization of the Goal-Setting Module will be included in the procedures that will be transmitted to the Board.

As conveyed in the Initial OEO Audit and management response, goal setting and participation goals are the cornerstone of a successful supplier diversity program. The audit only covered 65 financially closed projects which were initiating projects for the GOB Program and reflected on the progress of 10 initiating projects with goals. With many projects at different stages of completion, a comprehensive report on completed projects can be shared in the near future. The ODCS will be a very useful tool for staff to not only set goals, but to monitor progress and to eventually report on goal achievements once a project is complete.

NEXT STEPS - 2018 OEO ACTION PLAN

At the upcoming Board Workshop, a draft action plan for the upcoming year will be presented to the Board. This same action plan will be shared with the SBE Advisory Committee. Once feedback is obtained, a final action plan for the next twelve months will be transmitted to the Board. The next annual report that will be presented to the Board in October of 2018 will include data on all deliverables detailed in the referenced action plan, including those for outreach, certification, technical assistance, and utilization.

If you have any questions or need additional information regarding the Office of Economic Opportunity, please contact Ms. Lisa M. Martinez, Chief Strategy Officer, Office of the Superintendent, at 305 995-1918. For information regarding the GOB Program, please contact Mr. Jaime G. Torrens, Chief Facilities Officer, Office of School Facilities, at 305 995-1607.

AMC:sm
M326

Attachments

cc: School Board Attorney
Superintendent's Cabinet
Ms. Ronda A. Vangates

Appendix 1
Observations and Recommendations on S/MBE and M/WBE Certification Program

Through the certification review process and a review of other agencies' certification programs, key findings/observations were collected. Recommendations regarding opportunities to refine the District's certification process are provided below. Some of these recommendations will be considered for inclusion in the procedures that will be transmitted to the Board. Other items will be provided to the Office of Economic Opportunity for immediate implementation.

- Detailed instructions for certification application questions should be made available to all applicants. Instructions should also include definitions for each document or one of several documents and explanations as to why the record is necessary. These instructions will not only help guide applicants, but will ensure a consistency in the review and interpretation of certification applications eligibility by Office of Economic Opportunity (OEO) staff.
- Not all documents requested are required to meet eligibility. OEO currently requests multiple documents to prove the same eligibility requirement. Clarification on the minimum requirements is important and should be noted more clearly in the application and instructions.
- The inclusion of National Institute of Governmental Purchasing (NIGP) and North American Industry Classification System (NAICS) codes in the application is an important element to determine what types of industries are represented in the District's availability pool. This information is also important to assist in tracking data for future disparity analyses. The inclusion of links to the lists of the codes for applicant reference and an explanation about the importance should be included in the application directions.
- OEO uses the same certification application for S/MBE and M/WBE certifications. The M/WBE certification program requires applicants to be US citizens, but the S/MBE certification program does not. One application question asks if the applicant is a US citizen, and if the applicant is not, it asks if the applicant is a permanent lawful resident of the United States; however, the questions do not denote how it relates to certification eligibility requirements. Additionally, the documents listed as required request naturalization papers ***only if*** the applicant is a citizen. Again, the application does not make it clear that Board policy requires citizenship for the M/WBE program. The application should be revised to clarify eligibility requirements for different certification programs.
- An applicant's net worth for the M/WBE program is currently calculated based upon submitted tax returns. IRS tax transcripts, financial statements certified by a C.P.A, or a personal financial statement affidavit would provide greater detail to determine a firm's true net worth and should be considered as a requirement.
- The current application affidavit should be more specific. The elements that the applicant is attesting to should be clarified in more detail and instructions should state that it must be notarized.

- The recertification application is intended to be less cumbersome than the original application process. This is justified so long as the company attests to no changes in the originally submitted documents. This approach streamlines processes for small businesses and should be sustained except for one adjustment. Currently, firms are only required to submit one set of tax returns with their recertification application. Firms should be asked to submit tax returns for the last three years to strengthen the verification of financial thresholds.
- A new question should be added to the application to identify any conflicts linked to employment with M-DCPS or any association with M-DCPS employees. This should also be referenced in the affidavit.
- The applicant is asked to submit any required business licenses, but the application does not specify what businesses require specific licenses. A link to the state-required licenses should be included in the application and in application instructions, so that both applicants and new staff have a reference for license requirements.
- As firms are submitting their applications, they should be required to complete a technical assistance planning survey to inform OEO's technical assistance program offerings. This should be a brief online survey as part of the application process.
- During the review of files, the team identified that some firms in the earlier years of the program were allotted certificates for both MBE and SBE certifications. It was determined that firms initially allotted the dual certification met the MBE criteria. This dual certification was intended to communicate to MBE firms that they were eligible to apply for solicitations allotted for both MBE and SBE certified firms. It should be noted that MBE firms are eligible to bid for MBE and SBE work while SBE firms may only bid for SBE work. Although this practice was only implemented for a short period of time, and the applications did meet MBE criteria, the review group felt it important to note its conflict with Board policy in their observations. The certification tiers are clearly delineated in policy and the practice of allotting two certifications does not adhere to Board policy. OEO currently issues MBE certificates, SBE Tier I and Tier II certificates, and M/WBE certificates.
- Several company files included records that were not legible. It is recommended that uploaded documents not clearly copied or scanned be rejected. Additionally, staff should ensure that communications regarding requests for additional documentation or questions submitted to applicants be retained in the applicant's file.
- To ensure that firms still meet conditions for certification when being considered for a contract award, the firm should be required to submit an attestation form conveying that all conditions remain the same as when approved for certification. This verification process will be coordinated through OEO.
- Procedures that explain how to process reciprocal agreements as referenced in policy should be finalized and included in OEO procedures and referenced in application instructions.
- Certification training for staff should be developed and all OEO employees should be required to participate. Additionally, an onboarding training module should be developed for OEO and all new employees should be required to participate.

- An annual internal office desk top monitoring audit should be conducted of certification files to ensure fidelity of implementation of the OEO certification program.

Appendix 2 – Results Summary of Certification Review

Total # of Unique Firms	# of Unique Firms Meeting Certification Eligibility Review		# of Unique Firms Not Meeting Certification Eligibility Review	
245	224	91.43%	21	8.57%

Race/Ethnicity/Gender	Total Records Reviewed*		Count		%		% Overall of 284	# of Firms With Application Documentation Meeting Eligibility Review M/WBE	# of Firms With Application Documentation Meeting Eligibility Review SMBE	# of Firms With Application Documentation Not Meeting Eligibility Review M/WBE	# of Firms With Application Documentation Not Meeting Eligibility Review SMBE
African American	73	Prime	8		14.5%		25.8%	8	7	0	0
		Sub	65		28.51%			57	60	6	5
Asian American	9	Prime	0		0%		3.18%	0	0	0	0
		Sub	9		3.95%			7	8	2	0
Caucasian Male	13	Prime	3		5.5%		4.59%	0	3	0	0
		Sub	10		4.39%			0	9	0	1
Caucasian Female	20	Prime	3		5.5%		7.07%	3	3	0	0
		Sub	17		7.45%			15	16	1	1
Hispanic American	160	Prime	41		74.5%		56.54%	40	33	1	0
		Sub	119		52.19%			101	103	13	10
Native American	2	Prime	0		0%		0.70%	0	0	0	0
		Sub	2		0.88%			1	2	0	0
Other Minority	1	Prime	0		0%		0.35%	0	0	0	0
		Sub	1		0.44%			1	1	0	0
Service Disabled Veteran	5	Prime	0		0%		1.77%	0	0	0	0
		Sub	5		2.19%			5	5	0	0
TOTAL	283		Prime	Sub	Prime	Sub					
			55	228	19.37%	80.63%		238	250	23	17

**Total records reviewed include total number of unique firms, firms reviewed based on recertification documents only (14 deemed eligible), firms based upon reciprocal agreements requiring more review (9 deemed ineligible), and counts for firms that acted as both primes and subcontractors. It should be noted that not all firms apply for both S/MBE and M/WBE certifications*

Appendix 3 - Prime Awards and Payments – As of August 31, 2017

Race/Ethnicity/Gender	Total Award Value	Total Award Percent	Total Payments
Undetermined	$119,944,451.64	24.05%	$109,342,364.28
African American	$44,332,336.70	8.89%	$33,277,368.87
Asian American	$91,626.31	0.02%	$85,028.43
Caucasian Female	$14,028,134.34	2.81%	$9,151,141.77
Caucasian Male	$14,630,529.23	2.93%	$12,358,242.21
Hispanic American	$292,973,179.97	58.74%	$214,214,034.20
Other Minority	$12,771,711.78	2.56%	$10,165,931.79
Total	**$498,771,969.97**		**$388,594,111.55**

M/WBE Certified Prime Contractors			
Race/Ethnicity/Gender	Awarded	Award Percent	Total Paid
African American	$44,332,336.70	14.23%	$33,277,368.87
Caucasian Female	$13,440,234.97	4.32%	$8,797,473.68
Hispanic American	$253,696,314.62	81.45%	$181,905,800.52
Total	**$311,468,886.29**		**$223,980,643.07**
MBE Certified Prime Contractors			
Race/Ethnicity/Gender	Awarded	Award Percent	Total Paid
African American	$3,078,038.84	12.37%	$2,488,193.93
Caucasian Female	$1,750,016.37	7.03%	$1,005,063.55
Caucasian Male	$444,248.36	1.79%	$265,923.25
Hispanic American	$19,606,267.01	78.81%	$14,835,278.15
Total	**$24,878,570.58**		**$18,594,458.88**
SBE Certified Prime Contractors			
Race/Ethnicity/Gender	Awarded	Award Percent	Total Paid
African American	$5,285,043.04	3.72%	$4,490,932.73
Caucasian Female	$11,690,218.60	8.22%	$7,792,410.13
Caucasian Male	$1,497,083.80	1.05%	$721,722.85
Hispanic American	$123,672,157.29	87.00%	$97,594,357.46
Total	**$142,144,502.73**		**$110,599,423.17**

** Variances between awards and payments may be attributed to projects not yet being complete or financially closed.*

Appendix 3 – All Prime Awards and Payments as of August 31, 2017*

	GOB- Year 1		GOB-Year 2		GOB-Year 3		GOB-Year 4		GOB-Year 5	
Race/Ethnicity /Gender	Prime Award Value	Prime Payment Value	Prime Award Value	Prime Payment Value	Prime Award Value	Prime Payment Value	Prime Award Value	Prime Payment Value	Prime Award Value	Prime Payment Value
Undetermined	$78,573,068.13	$75,365,821.10	$34,114,500.56	$30,596,649.90	$2,826,170.81	$1,397,437.20	$3,808,363.44	$1,747,468.08	$622,348.70	$234,988.00
African American	$8,613,450.65	$8,055,237.67	$23,301,361.79	$19,334,359.17	$9,431,696.45	$5,143,836.71	$2,787,589.00	$666,663.72	$198,238.81	$77,271.60
Asian American	$43,626.01	$43,626.01	$48,000.30	$41,402.42	$0	$0	$0	$0	$0	$0
Caucasian Female	$1,052,601.85	$636,201.42	$3,872,624.18	$3,742,987.72	$7,147,578.18	$3,229,316.97	$1,194,518.70	$829,859.57	$760,811.43	$712,776.09
Caucasian Male	$12,472,257.99	$10,958,288.97	$1,000,698.74	$435,106.53	$114,126.60	$74,584.85	$907,717.50	$881,338.45	$135,728.40	$8,923.41
Hispanic American	$86,665,373.24	$80,389,862.88	$99,476,398.27	$80,876,705.10	$77,065,772.76	$45,332,723.09	$26,344,611.97	$6,384,018.83	$3,421,023.73	$1,230,724.30
Other Minority	$7,597,057.07	$7,393,223.02	$320,205.00	$320,205.00	$2,534,009.71	$2,071,678.31	$2,299,440.00	$380,825.46	$21,000.00	$0
Total	**$195,017,434.94**	**$182,842,261.07**	**$162,133,788.84**	**$135,347,415.84**	**$99,119,354.51**	**$57,249,577.13**	**$37,342,240.61**	**$10,890,174.11**	**$5,159,151.07**	**$2,264,683.40**

- *Variances between awards and payments may be attributed to projects not yet being complete or financially closed.*

Appendix 3 - Prime Awards and Payments – As of August 31, 2017

MBE Certified Prime Contractors

Race/ Ethnicity/Gender	GOB-Year 1		GOB-Year 2		GOB-Year 3		GOB – Year 4		GOB-Year 5	
	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid
African American	$303,752.10	$274,201.11	$1,621,687.13	$1,413,129.69	$681,869.60	$465,006.25	$279,240.00	$263,646.88	$191,490.01	$72,210.00
Caucasian Female	$257,786.00	$75,616.85	$645,732.15	$518,023.24	$831,498.22	$411,423.46	$15,000.00	$0	$0	$0
Caucasian Male	$137,236.32	$16,827.49	$307,012.04	$249,095.76	$0	$0	$0	$0	$0	$0
Hispanic American	$3,798,514.41	$2,575,844.11	$8,885,573.61	$7,958,977.45	$5,406,790.73	$3,449,624.97	$1,484,329.70	$850,831.62	$31,058.56	$0
Total	**$4,497,288.83**	**$2,942,489.56**	**$11,460,004.93**	**$10,139,226.14**	**$6,920,158.55**	**$4,326,054.68**	**$1,778,569.70**	**$1,114,478.50**	**$222,548.57**	**$72,210.00**

SBE Certified Prime Contractors

Race/ Ethnicity/Gender	GOB-Year 1		GOB-Year 2		GOB-Year 3		GOB-Year 4		GOB-Year 5	
	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid
African American	$138,801.10	$128,669.51	$3,877,435.53	$3,232,595.69	$1,262,057.61	$1,124,605.93	$0	$0	$6,748.80	$5,061.60
Caucasian Female	$206,916.48	$206,916.48	$3,226,892.03	$3,224,964.48	$6,316,079.96	$2,817,893.51	$1,179,518.70	$829,859.57	$760,811.43	$712,776.09
Caucasian Male	$1,064,228.05	$686,039.20	$385,686.00	$18,000.00	$30,497.00	$12,508.65	$16,672.75	$5,175.00	$0	$0
Hispanic American	$38,982,402.09	$36,105,490.22	$33,192,955.77	$30,195,664.55	$40,005,122.20	$26,455,664.75	$8,876,069.78	$3,897,588.37	$2,615,607.45	$939,949.57
Total	**$40,392,347.72**	**$37,127,115.41**	**$40,682,969.33**	**$36,671,224.72**	**$47,613,756.77**	**$30,410,672.84**	**$10,072,261.23**	**$4,732,622.94**	**$3,383,167.68**	**$1,657,787.26**

MWBE Certified Prime Contractors

Race/ Ethnicity/Gender	GOB-Year 1		GOB-Year 2		GOB-Year 3		GOB-Year 4		GOB-Year 5	
	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid	Awarded	Total Paid
African American	$8,613,450.65	$8,055,237.67	$23,301,361.79	$19,334,359.17	$9,431,696.45	$5,143,836.71	$2,787,589.00	$666,663.72	$198,238.81	$77,271.60
Caucasian Female	$464,702.48	$282,533.33	$3,872,624.18	$3,742,987.72	$7,147,578.18	$3,229,316.97	$1,194,518.70	$829,859.57	$760,811.43	$712,776.09
Hispanic American	$76,582,343.01	$70,926,217.85	$77,424,948.06	$61,575,667.42	$73,470,385.79	$42,229,248.57	$22,854,210.97	$5,943,942.38	$3,364,426.79	$1,230,724.30
Total	**$85,660,496.14**	**$79,263,988.85**	**$104,598,934.03**	**$84,653,014.31**	**$90,049,660.42**	**$50,602,402.25**	**$26,836,318.67**	**$7,440,465.67**	**$4,323,477.03**	**$2,020,771.99**

Appendix 4 – Subcontractor Awards as of August 31, 2017

Race/Ethnicity/Gender	Total Subcontractor Award	Total Subcontractor Award Percent*
African American	$49,151,116.25	9.85%
Asian American	$485,344.63	0.10%
Caucasian Female	$5,611,554.13	1.13%
Caucasian Male	$2,706,752.17	0.54%
Hispanic American	$110,412,099.27	22.14%
Native American	$51,016.67	0.01%
Other Minority	$98,382.00	0.02%
Service-Disabled Veteran	$2,630,606.07	0.53%
Total	**$171,146,871.19**	**34.31%**

M/WBE Certified Subcontractors

Race/Ethnicity/Gender	Subcontractor Award	Subcontractor Award Percent*
African American	$48,250,937.38	28.69%
Asian American	$163,178.60	0.10%
Caucasian Female	$6,055,385.77	3.60%
Hispanic American	$111,019,559.56	66.02%
Native American	$51,016.67	0.03%
Service-Disabled Veteran	$2,630,606.07	1.56%
Total	**$168,170,684.04**	

MBE Certified Subcontractors

Race/Ethnicity/Gender	Subcontractor Award	Subcontractor Award Percent*
African American	$32,693,263.01	49.90%
Asian American	$341,524.44	0.52%
Caucasian Female	$5,066,470.64	7.73%
Caucasian Male	$12,654.60	0.02%
Hispanic American	$24,719,420.98	37.73%
Native American	$41,867.50	0.06%
Other Minority	$12,347.00	0.02%
Service-Disabled Veteran	$2,630,606.07	4.02%
Total	**$65,518,154.24**	

SBE Certified Subcontractors

Race/Ethnicity/Gender	Subcontractor Award	Subcontractor Award Percent*
African American	$24,273,579.25	25.54%
Asian American	$69,102.87	0.07%
Caucasian Female	$2,575,097.38	2.71%
Caucasian Male	$2,694,097.57	2.83%
Hispanic American	$64,723,422.69	68.09%
Native American	$9,149.17	0.01%
Service-Disabled Veteran	$705,891.71	0.74%
Total	**$95,050,340.65**	

**Percent of the total GOB*

Appendix 4 - Subcontractor Awards as of August 31, 2017

	GOB- Year 1	GOB- Year 2	GOB- Year 3	GOB- Year 4	GOB-Year 5
Race/Ethnicity/Gender	Subcontractor Award Value	Subcontractor Award Value	Subcontractor Award Value	Subcontractor Award Value	Subcontractor Award Value
African American	$18,119,957.14	$18,025,279.08	$10,798,836.72	$2,199,861.30	$7,182.00
Asian American	$71,825.00	$143,784.50	$254,489.63	$11,255.50	$3,990.00
Caucasian Male*	$869,520.00	$2,622,294.75	$1,969,949.18	$147,795.20	$1,995.00
Caucasian Female	$1,732,507.00	$795,900.64	$178,344.53	$0	$0
Hispanic American	$39,586,355.69	$42,887,556.66	$26,695,608.93	$1,139,278.99	$103,299.00
Native American	$0	$39,880.00	$6,842.17	$4,294.50	$0
Other Minority	$49,980.00	$48,402.00	$0	$0	$0
Service-Disabled Veteran	$127,349.00	$1,456,680.35	$791,856.09	$254,720.63	$0
Total	**$60,557,493.83**	**$66,019,777.98**	**$40,695,927.25**	**$3,757,206.12**	**$116,466.00**

Appendix 4 - Subcontractor Awards as of August 31, 2017

MBE Certified Subcontractors					
	GOB-Year 1	GOB-Year 2	GOB-Year 3	GOB- Year 4	GOB-Year 5
Race/Ethnicity/Gender	Sub-Awards	Sub-Awards	Sub-Awards	Sub-Awards	Sub-Awards
African American	$11,247,214.14	$11,958,679.77	$7,459,177.60	$2,028,191.50	$0
Asian American	$71,825.00	$143,784.50	$123,367.44	$2,547.50	$0
Caucasian Female	$468,480.00	$2,598,100.64	$1,959,450.98	$40,439.02	$0
Caucasian Male*	$0	$0	$12,654.60	$0	$0
Hispanic American	$2,719,099.36	$11,211,046.36	$10,662,831.26	$126,045.00	$399.00
Native American	$0	$39,880.00	$0	$1,987.50	$0
Other Minority	$0	$12,347.00	$0	$0	$0
Service-Disabled Veteran	$127,349.00	$1,456,680.35	$791,856.09	$254,720.63	$0
Total	**$14,633,967.50**	**$27,420,518.62**	**$21,009,337.97**	**$2,453,931.15**	**$399.00**

SBE Certified Subcontractors					
	GOB-Year 1	GOB- Year 2	GOB-Year 3	GOB-Year 4	GOB-Year 5
Race/Ethnicity/Gender	Sub-Awards	Sub-Awards	Sub-Awards	Sub-Awards	Sub-Awards
African American	$9,126,783.29	$8,951,185.33	$6,040,600.83	$155,009.80	$0
Asian American	$0	$0	$56,404.87	$8,708.00	$3,990.00
Caucasian Female	$400,942.00	$863,324.40	$1,201,479.80	$107,356.18	$1,995.00
Caucasian Male	$1,732,507.00	$795,900.64	$165,689.93	$0	$0
Hispanic American	$19,387,304.38	$27,665,251.85	$16,463,925.47	$1,104,040.99	$102,900.00
Native American	$0	$0	$6,842.17	$2,307.00	$0
Service-Disabled Veteran	$0	$122,552.45	$581,533.64	$1,805.63	$0
Total	**$30,647,536.67**	**$38,398,214.67**	**$24,516,476.71**	**$1,379,227.60**	**$108,885.00**

MWBE Certified Subcontractors					
	GOB-Year 1	GOB- Year 2	GOB-Year 3	GOB-Year 4	GOB-Year 5
Race/Ethnicity/Gender	Sub-Awards	Sub-Awards	Sub-Awards	Sub-Awards	Sub-Awards
African American	$17,388,983.14	$18,022,798.68	$10,657,018.76	$2,182,136.80	$0
Asian American	$0	$12,800.00	$135,778.10	$10,610.50	$3,990.00
Caucasian Female	$1,365,876.36	$2,590,164.03	$1,949,555.18	$147,795.20	$1,995.00
Hispanic American	$39,542,335.69	$43,054,840.37	$27,126,348.51	$1,192,735.99	$103,299.00
Native American	$0	$39,880.00	$6,842.17	$4,294.50	$0
Service-Disabled Veteran	$127,349.00	$1,456,680.35	$791,856.09	$254,720.63	$0
Total	**$58,424,544.19**	**$65,177,163.43**	**$40,667,398.81**	**$3,792,293.62**	**$109,284.00**