

MEMORANDUM

TO: Katherine Schad, Chief Administrative Officer, City of Burlington

FROM: Heather E. Ross, Sheehey Furlong & Behm PC

DATE: July 31, 2023

RE: Financial Review of Expenditures by Racial Equity Inclusion and Belonging Department (“REIB”) in Fiscal Years 2021 and 2022

The City of Burlington engaged Sheehey Furlong & Behm PC (“SFB”) to conduct a review of the contracting processes and expenditures associated with spending by REIB in fiscal years 2021 and 2022, particularly with respect to Juneteenth 2022, to determine whether there was fraud, waste or abuse.

Concerns were raised in mid-March 2023 when multiple news articles from Minneapolis, Minnesota reported that Ms. Green abruptly left her position there as REIB Director allegedly related to a Black History Month event that took place on February 25, 2023. According to the news articles, the event ran into financial issues. According to a March 29, 2023 article in the Minneapolis Post, Ms. Green “first floated putting on an event to mark Black History Month [in September 2022]: an expo that would feature musical artists, speakers, panel discussions on health and personal finances, and a market for owners of local Black businesses. This expo concept came from the proprietors of Touched Apparel, LLC, the Atlanta-based clothing company with which [Ms.] Green had worked during her previous job with the city of Burlington, Vermont.” The article went on to state that Ms. Green “attempted to fast-track a contract with the event planner, arguing Touched Apparel offered precisely the expo concept Green wanted to use. In mid-October, the city’s Procurement Division rejected Green’s request, saying a public bidding process was necessary. Two other event planners applied, but in mid-November, Green selected Touched Apparel.” According to the news articles, Minneapolis accused Ms. Green of making false statements regarding a purported sponsorship from the Bush Foundation, and they were further investigating a large event that was allegedly over-budget or in excess of any reasonable budget, for which Touched Apparel was the Event Coordinator. The City of Minneapolis reportedly spent \$680,978.20 for the event.

Casey Ellerby, a/k/a Jersey Ellerby, a/k/a Jersey Moulin is the founder and CEO of Touched Apparel. Ms. Ellerby worked full-time for the City of Burlington’s REIB Department from December 27, 2021 through October 3, 2022 as an Event Planner with responsibility for Juneteenth 2022. Given that Ms. Ellerby worked on the Juneteenth 2022 event, which exceeded the City’s approved budget, the City became concerned about a pattern of behavior.

In light of the concerns raised in Minneapolis, and some of the apparent factual similarities between the event there and the Juneteenth 2022 celebration in Burlington, including the involvement of Ms. Green and Ms. Ellerby, the City requested some assurances from its auditor, Marcum LLP (“Marcum”) regarding a lack of financial improprieties. The auditor had performed a financial transaction audit, which has as its objective the evaluation of the financial statements to make sure that the financial records are a fair and accurate representation of the transactions they claim to represent. As the auditor explained, given the specific purpose of the audit, the fact that there had been such an audit did not standing alone rule out fraud, waste or abuse. In response to the City’s request for further work, Marcum used a software program to review invoices. The software identified a couple of invoices that had been randomly selected as suspicious based on the appearance of the invoice itself. In particular, for one of the invoices, the service was described only as a “stipend” or “honorarium” and the invoice did not contain a telephone number. The auditor also stated that the business did not appear to be a legal business as it was not

registered to do business.¹ As a result of this information from the auditor, the City asked SFB to look more closely at the services obtained by REIB, particularly with respect to Juneteenth 2022, to ensure that there was no fraud, waste or abuse.

The scope of SFB's review included gathering and analyzing information related to the planning and execution of Juneteenth 2022, but also focused on other expenditures by REIB in fiscal years 2021 and 2022, including procurement, contracting, funding, and payments. This report summarizes the procedures performed as well as our findings and observations.

This report is intended solely for use in connection with this review and may contain confidential information. SFB's review is not intended to be, nor should it be, considered an audit, review, or compilation in accordance with generally accepted auditing standards ("GAAS"). An audit is defined as the review of financial statements and the expression of an opinion on the fairness with which they present, in all material respects, financial position, results of operation, and cash flows in conformity with generally accepted accounting principles ("GAAP"). In contrast, this review was conducted to analyze specific processes and activities pertaining to expenditures by REIB during the relevant time period with a focus on expenditures related to Juneteenth.

The review performed was limited to that described herein based on the documents and information referenced below. Information obtained after this report's date may affect SFB's analysis, and this effect may be material or significant. This report may need to be updated or supplemented upon learning additional information that may affect SFB's observations, findings or conclusions.

I. Investigative Procedures

We gathered and reviewed the following information in undertaking our analysis.

We reviewed potentially applicable City policies and procedures, including conflict of interest policies and procurement policies.

Building off the auditor's work, we reviewed invoices for Juneteenth 2021 and 2022, as well as all invoices for fiscal year ("FY") 2022 applicable to REIB. We reviewed General Ledger data for FY 2021 and 2022. We compared the General Ledger data for FY 2022 to the invoices we received for 2022. We also reviewed available contracts as well as certain requests for proposals ("RFPs") and responses. In addition, we reviewed notes and emails in the City's accounting software system regarding certain invoices.

We conducted Secretary of State searches both inside and outside Vermont on the vendors used by REIB in FY 2022 to determine whether they were registered to do business, where the business was located (inside or outside Vermont), and the identities of the principals and registered agents.² A chart indicating the vendors for whom we had invoices for FY 2022, whether they were registered to do business, and if

¹ KOKO's Studio, Inc. (Honorarium) and the VFW Howard Plan Post 782 (Utility Cost for Juneteenth) were the two invoices highlighted by Marcum.

² The following vendors are not included on the list and were not subject to Secretary of State searches because they are well-known entities: Best Western Inn, Calendly, City Market, Costco, Courtyard by Marriot, Delta, Doubletree Hotel, Etsy, Facebook, Google Play, Hannaford, Hotel Vermont, King Street Center, Myers Container Service, Squarespace, Uber, Vermont Racial Justice Alliance, Vermont Tent Company, and Vermont Public Radio.

so, where is attached as **Exhibit A.**³ We conducted some limited social media reviews and/or internet searches of publicly available materials.

We received Ms. Green’s emails during her tenure with the City, as well as the files she maintained at the time of her departure. Given the volume of documents produced from Ms. Green’s files, we used key terms to run targeted searches related to vendors, budget, Juneteenth expenditures, and donors or grants. We also received Ms. Ellerby’s emails and conducted some targeted email searches of her emails. Finally, we reviewed limited emails and documents provided by other individuals who were interviewed.

We reviewed memoranda involving Budget amendments for REIB for the relevant time period, including the amendment in the Fall of 2022 for Juneteenth 2022. We reviewed the video for Board of Finance and City Council meetings for the relevant time period involving the REIB budget or at which Ms. Green presented.

We interviewed eight (8) current City employees. We also interviewed Ms. Green and Ms. Ellerby. All interviewees were cooperative and responsive.

II. Applicable Policies and Procedures

The City of Burlington has a procurement policy entitled “Purchasing Policy,” which applies to all departments of the City and was last amended on December 22, 2010. In relevant part, the Purchasing Policy provides: “All purchases in excess of \$1,000 must be competitively bid.” “Purchases in excess of \$15,000 require the development and public availability of written specifications, requirements and conditions regarding the purchase. In addition, interested vendors must submit written bids. Purchases in excess of \$50,000 shall require the preparation of and dissemination of a ‘Request for Proposal’ (RFP), the submission of written proposals, and subsequently the execution of a contract.”

The Policy further defines competitive bidding as conducting purchases “on the basis of a fair and competitive” process, and “in all instances bids shall be obtained, if possible, from three or more vendors.” It further explains that small items under \$1,000 used on a day-to-day basis may be purchased without competitive bidding; “[h]owever, even on these items, periodic telephone checks should be made to be certain the purchase are secured from a local source at the lowest cost for the quality needed.”

The Policy further states that although the City may reject an otherwise lowest bid, a “detailed explanation must be made for City of Burlington to recommend a bid award if the bid is not the lowest.” Further, the Policy provides, “[w]henver possible and competitively advantageous to the City, purchases should be made within the City limits.”

³ The following are vendors for which no invoices were provided to us: Ebony Edosomwan (Catering), Windjammer (Hotel Rooms), Ryan Critchlow LLC, d/b/a Paragon (Cleaning for Juneteenth), Adrianna Gomez (Sculpture Stipend), Christine Longmore (Sculpture Stipend), Vermont Public Radio (Media for Juneteenth), Kerubo Music Productions, LLC (Music for Juneteenth), Charlie Mayne (Music for Juneteenth), Bodel Zabili (Music for Juneteenth), Luis Calderin (Music for Juneteenth), Lutalo (Music for Juneteenth), David Cooper (Music for Juneteenth), Omega Jade Williams (Music for Juneteenth), McKenzie Music, LLC (Music for Juneteenth), Dakota Burr (Music for Juneteenth), DJ Ron Stoppable (Music for Juneteenth), Jennie Johnson (Music for Juneteenth), Melo Grant (Music for Juneteenth), Judith Emanuel-Dyke (Music for Juneteenth), Seven Days (Media for Juneteenth), Mbie Albino (Music for Juneteenth), Calto’s Popsicles (Food for Juneteenth), Andrew Champagne (Music for Juneteenth), Paragon Vermont LLC (Bathroom Cleaning), and Church Street Marketplace Foundation Ltd. (Light Pole Banners for Juneteenth). As noted, most of these are music performers, and we did not do separate Secretary of State searches for each of them. We did, however, add Ebony Edosomwan, and Calto’s Popsicles to our Exhibits as they appeared to be food vendors for Sunday, June 19, 2022.

With respect to sole source purchasing, the Policy provides: “A department of the City may purchase services or goods on a non-competitive, sole source basis within available appropriations whenever there is only one qualified vendor or when the continuing basic services requirements of a department require an immediate purchase from a qualified vendor.”

Regarding Selection Procedures for Professional Consulting Services, the Policy provides, “The selection of professional consultants is made upon the basis of price, integrity, past performance, applicable experience and availability. A direct price driven bid process may not be advantageous to the City. Qualifications based procedures using a fair and open selection process based upon the qualifications of the firm may be used. The fees for such services are established following the selection of a firm through a negotiation process to determine a fair and reasonable price. Contracts for professional consulting services of \$2,500 or less may be negotiated directly with qualified professional consultants without competitive selection. However, periodic prequalification of qualified professional consultants should be made to be certain the contracts are from a local source and at the lowest cost for the quality required.” Contracts in excess of \$15,000 require competitive selection and contracts in excess of \$50,000 must go through the RFP process.

The Policy also includes a Conflict of Interest section, which states in full as follows:

No City employee shall participate in any fashion on any purchasing matter in which either a direct or indirect conflict of interest is present. Nor shall a City employee participate on any purchase in which such participation or vote would reasonably create in the mind of an objective person the appearance of a direction or indirect conflict of interest. The presence of a circumstance as above enumerated shall be regarded as a conflict of interest situation. For the purposes of this section, the following definitions shall be applicable:

- a. Direct Conflict of Interest shall mean a situation in which the City employee has a direct and immediate financial interest in a matter which is officially before such employees.
- b. Indirect Conflict of Interest shall mean a situation in which the City employee is a spouse, parent, child, brother, sister, grandparent or grandchild, uncle, aunt, niece, nephew or first or second cousin of an individual who would have a Direct Conflict of Interest were such City employee involved in the situation.
- c. While not proscribed by the precise requirements of this section, a City of Burlington employee is also requested to consider declaring a conflict of interest situation and not participating in any matter where as a result of a close personal friendship with an applicant or for any reason unrelated to the merits of the matter, the City employee is not able to consider the matter at issue without being influenced and guided by such friendship or other reason unrelated to the merits of the matter.

In addition to the conflicts of interest provision in the Purchasing Policy, the City also has a Charter provision on conflicts of interest that applies to all City officers. The Charter provides, in pertinent part:

No city officer shall participate in any fashion or cast a vote on any matter in which either a direct or indirect conflict of interest is present. Nor shall a city officer participate or vote on any question in which such participation or vote would reasonably create in the mind of an objective person the appearance of a direct or indirect conflict of interest. . . . In the event a conflict of interest situation arises, the affected city officer shall at the first opportunity formally declare the existence of the conflict of interest situation. Thereafter, such officer shall not participate in any fashion at any level, formally or informally, in the discussion of the matter, nor cast a vote of any kind at any level with respect to the matter to which the conflict of interest situation applies.

For purposes of this provision, a city officer shall mean “the mayor, a member of the city council, a member of the board of school commissioners, a commissioner appointed by the city council, with mayor presiding, a superintendent or corresponding department head of a city department or any city official who is appointed by the mayor subject to the approval of the city council.”

The Charter provision provides the following definition of a direct conflict of interest: “a situation in which the city officer has a direct and immediate financial interest in a matter which is officially before such officer or before a board of which such officer is a member.”

The Charter provision further provides a definition of a direct and immediate financial interest as follows: “Such financial interest shall be regarded as present if the city officer is either the self-proprietor of the organization seeking to do business with the city or an officer, partner, professional associate, shareholder holding at least five (5) percent of the outstanding shares of any particular class of shares, director or managerial employee of such organization. It shall also be regarded as present if the city officer serves as legal counsel, accountant, architect or consulting engineer, or has another such professional relationship with such organization.”

Seeking to do business with the City means “contracting within the city, seeking or opposing a permit or similar permission for a particular activity, seeking or opposing a legal enactment or some amendment thereof, soliciting employment with the city or otherwise requesting some status, right or benefit from the city that has a financial value.”

The sections on indirect conflict of interest and on when an officer should consider declaring a conflict of interest are the same as those in the Purchasing Policy.

Finally, the Charter provision provides that “[a]ny city officer who violates the provisions of this section shall be regarded as guilty of bad conduct.”⁴

⁴ Section 133 of the Charter regarding conflicts of interests for city officers provides in full:

No city officer shall participate in any fashion or cast a vote on any matter in which either a direct or indirect conflict of interest is present. Nor shall a city officer participate or vote on any question in which such participation or vote would reasonably create in the mind of an objective person the appearance of a direct or indirect conflict of interest. The presence of a circumstance as above enumerated shall be regarded as a conflict of interest situation. In the event a conflict of interest situation arises, the affected city officer shall at the first opportunity formally declare the existence of the conflict of interest situation. Thereafter, such officer shall not participate in any fashion at any level, formally or informally, in the discussion of the matter, nor cast a vote of any kind at any level with respect to the matter to which the conflict of interest situation applies. For the purposes of this section, the following definitions shall be applicable:

(1) *Direct Conflict of Interest* shall mean a situation in which the city officer has a direct and immediate financial interest in a matter which is officially before such officer or before a board of which such officer is a member. Such financial interest shall be regarded as present if the city officer is either the self-proprietor of the organization seeking to do business with the city or an officer, partner, professional associate, shareholder holding at least five (5) percent of the outstanding shares of any particular class of shares, director or managerial employee of such organization. It shall also be regarded as present if the city officer serves as legal counsel, accountant, architect or consulting engineer, or has another such professional relationship with such organization. For purposes of this subsection, doing business with the city shall mean contracting within the city, seeking or opposing a permit or similar permission for a particular activity, seeking or opposing a legal enactment or some amendment thereof, soliciting employment with the city or otherwise requesting some status, right or benefit from the city that has a financial value. Doing business with the city shall not include supporting or opposing the passage of a legislative measure unless such measure relates substantially to the city officer’s business or business organization rather than to a broad scope of private and public interests which may include the private financial interests of the city officer.

The City also has personnel policies governing Business-Related Travel for Employees. These policies were last amended in December 2019. Said policy provides the following: “Prior to traveling on department business requiring an overnight stay, expenditure of funds must be approved in advance by the employee's supervisor. All approvals must be received prior to committing the department to any financial obligations including, but not limited to, airline tickets, hotel rooms, meal costs, and registration fees.”

With respect to other expenses, the policies provide: “A cash advance may be issued for expected items that are not typically allowed as credit card purchases (such as cab fare, tolls, and meals). Cash advance requests should be submitted a minimum of ten (10) business days prior to departure date. All advances will be calculated according to the standards of the Office of Government-Wide Policy of the U. S. General Services Administration. The rates can be calculated according to the travel destination at the following website: <http://www.gsa.gov>. Travelers wishing to be reimbursed for their expenses after the travel event will be reimbursed according to the above listed per diem rates. Within five (5) business days of returning to work, employees are to submit all receipts along with the claim form.”

The policy further provides: “In the absence of requesting a travel advance for per diem costs, employees traveling on department business are requested to use their personal credit card for these expenses. The City will reimburse the employee for allowable expenses within ten (10) business days of receiving a Reimbursement Form.”

(2) *Indirect Conflict of Interest* shall mean a situation in which the city officer is a spouse, parent, child, brother, sister, grandparent or grandchild, uncle, aunt, niece, nephew or first or second cousin of an individual who would have a Direct Conflict of Interest were such city officer involved in the situation.

(3) *City Officer* shall mean the mayor, a member of the city council, a member of the board of school commissioners, a commissioner appointed by the city council, with mayor presiding, a superintendent or corresponding department head of a city department or any city official who is appointed by the mayor subject to the approval of the city council.

(b) The proscribed appearance of a conflict of interest shall be deemed to be present when either the city officer formally announces the existence of such or two-thirds of the whole number of the city council, or in the case of a city officer in the school department two-thirds of the whole number of the board of school commissioners, shall vote in a particular situation that such a conflict of interest situation exists for a particular city officer. In such a proceeding, the mayor shall preside and vote as a member of the city council, but no city council or school board member shall participate or vote if such officer is the subject of the discussion as to whether a conflict of interest situation exists.

(c) Any city officer who violates the provisions of this section shall be regarded as guilty of bad conduct. City officers other than the mayor, members of the city council, and members of the board of school commissioners shall be subject to removal or suspension in accordance with the procedures set out in this city charter and applicable state statutes. The mayor or a member of the city council shall be subject to official censure upon affirmative vote of two-thirds of the whole number of the city council with the mayor presiding and voting as a member thereof. A member of the board of school commissioners shall be subject to official censure upon the affirmative vote of two-thirds of the whole number of such board. Provided, neither the mayor, a member of the city council nor a member of the board of school commissioners shall participate in such discussion and vote if such individual is the subject of the discussion.

(d) While not proscribed by the precise requirements of this section, a city officer is also requested to consider declaring a conflict of interest situation and not participating in any matter where as a result of close personal friendship with an applicant or for any other reason unrelated to the merits of the matter, the city officer is not able to consider the matter at issue without being influenced and guided by such friendship or other reason unrelated to the merits of the matter. Further, a city officer who holds less than five (5) percent of the shares of any particular class of shares in any organization seeking to do business with the city is also requested to declare his or her ownership of such shares when voting on a matter in which he or she would have a conflict of interest if the percentage of ownership were five (5) percent or greater.

III. Factual Background

The operations of the REIB commenced with the start of Tyeastia Green's employment on April 6, 2020 as the first Director of REIB. Ms. Green ended her employment on March 10, 2022. For FY 2020, which ended on June 30, 2020, REIB's budget was part of the Human Resources Budget. For FY 2021 and 2022, REIB had its own budget. The approved budget for Juneteenth 2021 was \$100,000 in City funds. For Juneteenth 2021, through private donors, about \$149,000 was raised. The cost for Juneteenth 2021 was \$231,938.32. Thus, about \$17,000 of funds allocated from the City was left over after Juneteenth 2021.

Similarly, the approved budget for Juneteenth 2022 also was \$100,000. It later expanded to \$180,000. Ultimately, the amount expended on Juneteenth 2022 was \$414,677.03. Of this cost, \$103,019.19 was provided by private donors. The City had to make up the difference in cost in the amount of \$131,657.84.

During Ms. Green's approximately two-year tenure, REIB hired multiple employees, including Marielle Mathews (2/2/21 – 4/15/22), Skyler Nash (11/16/2020 – 3/10/22), Belan Antensaye (11/16/2020 – 2/23/23), Casey Ellerby (12/27/21 – 10/3/22), Phet Keomanyvanh (1/24/22 – Present), Thea Heck (11/15/21 – 3/15/23), Mohamed Jafar, (9/6/21 – 6/1/23), Katie Green (8/17/21 – Present), Vanessa Bonebo (8/17/21 – 9/2/22), Mairead Collins (6/3/21 – 10/14/22), and Nyla Ruiz (7/26/21 – 4/15/22). Casey Ellerby a/k/a Jersey or Jersey Moulin was hired as the Event Planner and was in charge of planning and organizing Juneteenth 2022. Phet Keomanyvanh became the Acting Director of REIB when Ms. Green departed in March 2022.

On Saturday, June 19, 2021, the City of Burlington hosted its first annual Juneteenth celebration. Juneteenth is a holiday celebrating the emancipation of those enslaved in the United States. The annual Juneteenth celebration was intended to commemorate the history, culture, and resiliency of Black Americans in the hopes of educating and unifying Burlingtonians and Vermonters of all races around the true history of freedom in our nation, and the struggle and resiliency of Black people to achieve that freedom. The event was free to the public with the exception of merchandise. This means food (from selected vendors), entertainment, and educational opportunities were all free.

On March 22, 2021, at a City Council meeting, a resolution was adopted approving \$100,000 in City funds to be used for the City's first annual Juneteenth celebration. This City Council resolution was approved by Mayor Weinberger on April 5, 2021. This resolution was prompted by an undated memorandum from Ms. Green, Skylar Nash, Public Policy and Research Analyst, and Belan Antensaye, Public Policy and Research Analyst, to the Board of Finance and City Council requesting \$100,000 in City funds and attaching a proposed budget for the event of \$264,100. The remainder of the funds were to be provided by private donors. The memorandum stated that a total of \$55,000 in commitments from three private donors had been made to date (\$30,000 from Seventh Generation, \$10,000 from VSECU, and \$15,000 from Vermont Community Foundation). In the attached budget, under Talent, it was noted that \$4,000 would be allocated for Travel and Hospitality.

The signed City Council resolution provided in relevant part as follows:

“WHEREAS, the REIB has created a budget for this event that would include \$100,000 from the City's Fund for Racial Justice, with the balance of the budget to be covered by donations, grants, contributions, or gifts, and approximately \$55,000 in grants has already been received;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves and authorizes the Director of Racial Equity, Belonging & Inclusion to spend up to \$100,000 from Fund 7650_350, Fund for

Racial Justice, to hold the first annual Burlington Juneteenth celebration, in a manner consistent with the types of expenditures outlined in the attached budget and with the City’s purchasing policies; and

BE IT FURTHER RESOLVED that the City Council approves and authorizes the Director of Racial Equity, Belonging & Inclusion to apply for, seek, and accept donations, grants, contributions, or gifts (hereafter “grants”) on behalf of the City for the purpose of supporting this first annual Burlington Juneteenth celebration; and

BE IT FURTHER RESOLVED that the City Council approves and authorizes the Director of Racial Equity, Belonging & Inclusion to spend up to the total amount of grants received on the Juneteenth celebration in addition to the Racial Justice funds approved above, in a manner consistent with the types of expenditures outlined in the attached budget and with the City’s purchasing policies.”

On May 19, 2021, Ms. Green presented her budget for REIB for FY 2022 to the Board of Finance. As part of that budget, Ms. Green proposed \$100,000 to be funded by the City for Juneteenth 2022. She also proposed \$165,000 for a public art sculpture in Dewey Park. This budget was ultimately approved by the Board of Finance and the City Council.

On September 27, 2021, Ms. Green appeared before the Board of Finance requesting approval for four (4) new positions, including an Event Planner (a position filled by Casey Ellerby) and Digital Designer (a position filled by Thea Heck).

Sometime after the original budget for Juneteenth 2022 was passed, there was an amendment to the Juneteenth budget from \$100,000 to \$180,000. According to data from the General Ledger, as well other documentation, Ms. Green had a fund balance from FY 2021 that she requested be reallocated to FY 2022. Of that fund balance, \$80,000 was allocated to Juneteenth 2022 resulting in an amended budget for Juneteenth 2022 of \$180,000.

The weekend of June 19, 2022, the City of Burlington held its second annual Juneteenth celebration. This celebration was a three-day affair (Friday through Sunday). The National Hip Hop Museum set up an exhibit at the Flynn that opened on Thursday, June 16, 2022. On Friday, June 17, 2022, there was an invitation only black-tie event at Hula to honor members of the Black community. On Saturday, June 18, 2022, there was the Black Experience put on by nuWave Equity Corporation, for which the City was one of the sponsors. On Sunday, June 19, 2022, beginning in the afternoon, there were performers at multiple locations as well as free food available to the public.

Based on the information provided, we did not observe any detailed event plan outlining the agenda, vendors, services, supplies, timeline, funding, or budget needs for Juneteenth 2022. Indeed, despite having Ms. Ellerby as an Event Planner since December 2021, there was no budget for the event or other planning documents that we found in targeted email searches for REIB employees or through our interviews of former or current REIB employees. Because little to no advance planning seems to have been done for Juneteenth 2022, there were multiple examples of higher fees charged by vendors for expedited shipping or last minute services. Subsequent to Ms. Green’s departure, Okay, Okay was also brought in as an event planner for Juneteenth 2022 to ensure that the event could take place as scheduled.

On November 11, 2022, REIB Economic Equity Analyst and then-Acting Director Phet Keomanyvanh submitted a memorandum to the Board of Finance regarding the Juneteenth donations and the need for budget amendments. In the memorandum, she sought approval for the acceptance of donations in the amount of \$103,019.19, as well as certain amendments to cover the approximately \$131,000 in cost overruns for Juneteenth 2022.

IV. Summary of Tyeastia Green Interview and Observations Based On Information Reviewed

Ms. Green agreed to speak with this interviewer. Ms. Green was interviewed on June 16 and June 20, 2023. The following is a summary of statements made during the interview. This summary is not intended to be a verbatim transcript.

Ms. Green stated that the budget for Juneteenth 2022 was intended to be \$500,000 and therefore the intended budget was not exceeded.

In the information reviewed as described herein, we could not find documentation or information supporting this statement about a budget of \$500,000. Ms. Green herself presented the budget for Juneteenth 2022 to the Board of Finance in May 2021 and asked for a \$100,000 budget for Juneteenth. This was later amended to \$180,000. Based on our review of the information identified in this report, we could not find any evidence of a discussion with the Board of Finance or City Council of an alleged \$500,000 budget for Juneteenth.

Ms. Green stated that she had commitments for between \$200,000 and \$300,000 in sponsorships/private donations for Juneteenth before she left the REIB in March 2022. She explained that with respect to Juneteenth 2022, she focused her efforts on obtaining donations and on introducing Ms. Ellerby to private donors. She further stated that based on the commitments she received, as well as those she expected Ms. Ellerby to receive, she believed that the City would only have to provide \$100,000 towards Juneteenth 2022. Ms. Green also stated that there was about \$30,000 in leftover funds from Juneteenth 2021 that could be put towards Juneteenth 2022.

Private donations for Juneteenth 2022 were only about \$103,000 in total. In conducting targeted searches on Ms. Green's email account, we found significant correspondence between Ms. Green and potential and actual donors for Juneteenth 2021. However, for Juneteenth 2022, we found very limited correspondence related to potential donors, and even when there was correspondence with those who had given the year before, the general sense seemed to be that said donors were giving less, if at all. Furthermore, after Ms. Green's departure, the Acting Director for REIB was told that two private sponsors were giving \$50,000 and \$25,000, respectively. In fact, subsequent email correspondence showed that each of these vendors only gave \$5000. We did not find anything in our searches that substantiated commitments of \$200,000 to \$300,000 from private donors for Juneteenth 2022 had been made or could be expected.

Ms. Green stated that she never heard the words "sole source contract" before going to work in Minneapolis.

There were multiple times when Ms. Green was made aware of the City's Purchasing Policy, which specifically references sole source contracts. The Chief Administrative Officer provided Ms. Green with a copy of the City's Purchasing Policy early in her employment. At a Board of Finance meeting on August 24, 2020, in which Ms. Green was making a presentation and seeking approval to use certain consultants, Councilor Dieng asked a question about the procurement process. Then-City Attorney Eileen Blackwood explained how the procurement process worked, that there was an applicable Purchasing Policy with certain requirements that had to be met, that an RFP had to be done at certain thresholds, that contracts had to be used at certain thresholds, and that sole source contracts were only available under very limited circumstances, including one that was being used by Ms. Green at the time with respect to the Racial Justice Alliance. In addition, the Clerk/Treasurer's Office on multiple occasions asked Ms. Green questions about compliance with the City's Purchasing Policy.

When asked whether she knew Noble Julz before she was awarded a contract, Ms. Green stated that Ms. Julz was her first-year college roommate. At the time they lived together, Ms. Julz went by the name Julia. Ms. Julz left college after the first year and went back to Newark, New Jersey. Ms. Green claimed that although the two had stayed in touch through social media over the years, they had not been in close contact. With respect to the RFP contract that Ms. Julz was awarded, Ms. Green stated that there were only two responses to the RFP--one from Ms. Julz and one from a company out of Washington.⁵ She stated that initially a company from Boston had expressed interest, but ultimately it did not submit a response to the RFP. Ms. Green stated that three people within REIB would review the responses to an RFP and decide who to select.

Ms. Green stated that she was part of the hiring committee with respect to Casey Ellerby as Event Planner. When asked whether she knew Ms. Ellerby before hiring her, Ms. Green initially stated that she did not. She stated that they might know people in common. After further questioning, Ms. Green stated that Ms. Julz might have introduced her to Ms. Ellerby once before. Ms. Green also stated that Human Resources is responsible for weeding out the applications in the first instance. She stated that Nyla Ruiz made the decision to hire Ms. Ellerby.

When asked about who found the food vendors or was responsible for negotiating a fair price with them, Ms. Green stated that a Burlington City Arts was responsible for negotiating prices with the food vendors for Juneteenth 2021 and that Nyla Ruiz was responsible for hiring and negotiating with the food vendors for Juneteenth 2022.

Ms. Green stated that she believed her room at Hotel Vermont for four nights for her and her spouse during Juneteenth 2022 could be paid by the City because she was presented with an award at Juneteenth 2022. She also stated that REIB employees were begging her to come to Juneteenth 2022, and that she told them that she would only come if she could stay at Hotel Vermont. Ms. Green stated that she did not know that she was winning the award before she came to Vermont but had been told by REIB employees that she would be put up at Hotel Vermont.

When asked where Ms. Ellerby stayed during Juneteenth 2022 and whether, in her opinion, it would have been appropriate for the City to pay for Ms. Ellerby's hotel given that she was a City employee, Ms. Green stated that she did not know where Ms. Ellerby stayed. She then stated she believed that Ms. Ellerby stayed with Dr. Jackie.

When asked about the contract for which the Vermont Professionals of Color Network and more specifically, the Vermont Health Equity Initiative, was the subrecipient of substantial American Rescue Plan Act ("ARPA") funds, Ms. Green stated that she was not familiar with that contract. When read an email on which she was copied describing the services of the contract, including that it was for ongoing vaccination support through community partners, Ms. Green stated it sounded like a good idea, but that she did not have any involvement with it.

V. Summary of Interview with Casey Ellerby

Ms. Ellerby agreed to speak with this interviewer. Ms. Ellerby was interviewed on July 17, 2023. The following is a summary of statements made during the interview. This summary is not intended to be a verbatim transcript.

⁵ The Colorado company, Zilo International, is the entity that submitted the other response to the RFP.

Ms. Ellerby stated that the budget for Juneteenth 2022 was \$500,000 and had been approved by Ms. Green. Ms. Ellerby stated that the budget for Juneteenth 2022 was not exceeded, as the budget was \$500,000.

Ms. Ellerby stated that her primary job as Event Planner was planning Juneteenth 2022. Ms. Ellerby also stated that Ms. Green had commitments or expected commitments of \$300,000 from private donors before she left REIB. Ms. Ellerby stated that she did not anticipate any of the budget for Juneteenth 2022 would come from the City of Burlington.

Ms. Ellerby stated that she was limited in her ability to obtain additional funding from private sponsors after Ms. Green's departure due to the Acting Director's failure to attend meetings with such sponsors. The then-Acting Director denies this allegation. Our review of emails revealed no evidence of cancelled meetings.

According to Ms. Ellerby, after Ms. Green left REIB, other REIB employees who would have helped with the planning for Juneteenth quit or did not assist with Juneteenth, with the exception of Thea Heck.

With respect to food vendors, Ms. Ellerby stated that she thought that they were paying the food vendors for events held on Sunday during Juneteenth 2022 no more than \$500 or \$1,000 per food vendor. In fact, payments to the food vendors offering free food to the public on Sunday, June 19, 2022 ranged from \$6,000 to \$14,000 per food vendor.⁶ Unlike Ms. Green, Ms. Ellerby did not identify Nyla Ruiz as responsible for negotiating with food vendors for Juneteenth 2022.

At all times when she worked as a full-time employee for the City of Burlington, Ms. Ellerby lived in or around Atlanta, Georgia. Ms. Ellerby stated that Ms. Green approved paying for her flight to attend Juneteenth 2022. She also stated that she stayed with Dr. Jackie when she was in Burlington for Juneteenth 2022. Ms. Ellerby stated that she came to Vermont in late April or early May 2022 for work related to Juneteenth and that prior to her departure, Ms. Green had approved payment of Ms. Ellerby's hotel expenses related to that trip. According to a review of the invoices, the hotel expenses for Ms. Ellerby's stay for that trip were \$2,101.98.

Ms. Ellerby stated that she had a contract with every single performer, vendor or service provider for Juneteenth 2022. A review of the materials we were provided showed limited contracts related to Juneteenth 2022.

Ms. Ellerby stated that she may have interacted with Ms. Green on one occasion before she was hired by REIB. On this occasion, they were introduced through their mutual acquaintance Noble Julz. As described below, there was additional communication between Ms. Green, Ms. Julz and Ms. Ellerby in September 2021 before Ms. Ellerby was hired.

According to Ms. Ellerby, while she had worked with Ms. Julz before over the years, she was not involved in the Cultural Transformations RFP that Ms. Julz was ultimately awarded. As noted herein, Ms. Julz in fact identified Ms. Ellerby as one of the individuals who would be performing paid work on the Cultural Transformations project.

⁶ No particular motive is ascribed to Ms. Ellerby in having made this statement. It does appear to reinforce that there was not an accurate accounting, plan or budget for expenditures for Juneteenth 2022.

When asked about the event space rental in Georgia, for Tassili’s Raw Reality Café, Ms. Ellerby stated that REIB rented space in Georgia for a panel of Black History month speakers. The speakers appeared live in Georgia but were streamed for viewing in Vermont.

VI. Additional Findings and Observations

1. Associations Between Vendors and REIB Personnel

We conducted Internet searches as well as Secretary of State searches on significant vendors, including all vendors for Juneteenth 2022, to see if anyone associated with REIB was a principal, registered agent, or otherwise associated with vendors receiving payments from REIB. We found three instances reflecting connections between REIB personnel and vendors, as described more fully below.

a. The ARPA Contract For Ongoing Vaccination Support

On September 13, 2021, the City Council authorized the release of City ARPA funds to provide ongoing vaccination support through community partners. In November and December 2021, Ms. Green was copied on emails from Kara Alnasrawi discussing the ARPA funds in the amount of \$200,000, which were going to be distributed by REIB. An email dated January 28, 2022, shows that the Vermont Health Equity Initiative, which is under the umbrella of the Vermont Professionals of Color Network, was being discussed as an intended recipient of the ARPA and requested an amount of \$147,730.00. Marielle Mathews is identified in the emails as the person responsible for these contracts.

REIB entered into a contract awarding funds of at least \$49,995 to the Vermont Health Equity Initiative. Under the terms of the contract with Vermont Health Equity Initiative, payment was to be made on September 15, 2022 and continue through March 15, 2023. The contract was signed by the Financial and Administrative Coordinator in November 2022 after the contract was already under way.

According to Ms. Alnasrawi, \$200,000 was ultimately awarded for this purpose through REIB.

The contract included a conflict of interest provision, which provided as follows:

“The Subrecipient [Vermont Health Equity Initiative] certifies and warrants that neither it nor any members of its Boards of Directors, officers or employees has or will derive any personal or financial interest or benefit from the activity or activities assisted pursuant to this Agreement, nor has an interest in any Agreement, sub-Agreement or agreement with respect thereto, nor the proceeds thereunder, either for themselves or for those with whom they have family or business ties, during their tenure and for one year thereafter. Subrecipient shall avoid all conflicts of interest which are prohibited by applicable federal regulations including but not limited to those set forth in 31 C.F.R. Part 35 as presently promulgated and as same may be revised from time to time in the future.”

Generally speaking, in addition to what is in the contract, the conflict of interest provision at 2 C.F.R. § 318(c) applies to any funds distributed under ARPA, as per 87 FR 4338-01.

2 C.F.R. § 318(c) provides:

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.**

Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. . . .

Belan Antensaye was an employee of REIB from November 16, 2020 through February 23, 2023 and Ms. Green referred to her as one of her “managers.” In addition, Ms. Antensaye was on the Board of Directors of the Vermont Professionals of Color Network and was the co-Founder and Program Director for the Vermont Health Equity Initiative. The Acting Director of REIB following Ms. Green’s departure also had been a member of the Board of Directors of the Vermont Professionals of Color Network. According to information provided by the Acting Director, she resigned from the Board of Directors in April 2022 shortly after assuming the role of Acting Director.

In a statement to WCAX on May 12, 2021, Ms. Antensaye identified herself as both a member of REIB and the Vermont Professionals of Color Network and spoke about the vaccination efforts with respect to Black and brown communities. “We’re offering an in-person experience that has been missing for vaccinations for these members of our community.”

Under the terms of the federal regulation, a conflict of interest arises if an employee or an organization which employs any of the parties has a financial or other interest in a firm considered for a contract. The regulation prohibits participation by someone with a real or apparent conflict in participating in the selection, award, or administration of such a contract.

As far as we can tell, only awards to “contractors” are subject to 2 C.F.R. § 218(c) and the related procurement procedures. If the grant were properly classified as a “subaward” to a “subrecipient,” it is possible that these provisions may not apply.

The information we received suggested that either the Mayor’s Office and/or the individual identified as the COVID-19 Responder or Coordinator for the City made the decision to select the Vermont Professionals of Color Network as the grant recipient and the Vermont Health Equity Initiative as the subrecipient. There is no information suggesting that this decision was made by either of the two individuals at REIB who had connections to the Vermont Professionals of Color Network or the Vermont Health Equity Initiative. Furthermore, according to interviews and the contract itself, the REIB Financial and Administrative Coordinator was responsible for administering the contract. No information has been presented suggesting that the contract was administered by either of the individuals at REIB who had connections to the Vermont Professionals of Color Network or the Vermont Health Equity Initiative.

b. Noble Julz and Casey Ellerby

As noted above, Ms. Julz, f/k/a Julia Hamilton, was Ms. Green’s first year college roommate. Ms. Julz was a performer at Juneteenth 2021, for which she had a contract. Ms. Julz also received lodging for Juneteenth 2021.

On July 19, 2021, Ms. Green issued an RFP for a Cultural Transformation project at a cost not to exceed \$85,000. There were two responses to the RFP---one from Zilo International Group, LLC of Centennial, Colorado with a proposed budget of \$84,000, and the other from Noble Julz for a proposed budget of \$89,600. In her response to the RFP, Ms. Julz described herself as a “transformational consultant” and “a student of human behavior and mind for over 20 years.” She further stated that she is “a current graduate of the University of Metaphysics with a Bachelor’s Degree in Metaphysical Science.” According to our research, the University of Metaphysics is an online non-accredited spiritual institution. As part of the

contract, Ms. Julz submitted a copy of Articles of Organization under the name Noble Julz LLC with the Vermont Secretary of State's Office and an effective date of October 6, 2021. In the Articles of Organization, Ms. Julz listed herself as the agent of the organization under the name of Julia Hamilton with a physical address of 59 Claire Point Road, the same physical address as the one on file for Ms. Green.

Ms. Julz identified four speakers as part of her proposed budget who would receive total remuneration in the amount of \$11,600, which she identifies as including fees, hotels, and travel. According to her RFP response, one of those speakers was Jersey Moulin, who we know to be Casey Ellerby. The contract was signed by Ms. Julz and Ms. Green on October 20, 2021 and October 21, 2021, respectively. It is not clear whether Ms. Julz received monies for speakers that in turn went to Ms. Ellerby when she was a City employee.

On September 13, 2021, Ms. Green prepared a memorandum to the Board of Finance identifying the scores given to Ms. Julz and Zilo International Group, LLC as a result of their responses to the RFP and recommending that the Board approve the award of the contract to Ms. Julz for \$89,600. The memorandum did not disclose that Ms. Julz had been Ms. Green's college roommate or that any prior relationship existed.

On September 16, 2021, there was an email from Ms. Ellerby, identified as the founder and CEO of Touched Apparel, to Ms. Green about her "Too Dope to Bully" Campaign. On September 29, 2021, there was another email from Ms. Ellerby to Ms. Julz and Ms. Green stating as follows:

"First, I appreciate all of you for helping to make this possible. I would be lying if I didn't say that I am nervous. Attached you will find the Proposal/Information to help move Touched Apparel in the right direction. Let me know what you guys think. Meeting in 30 minutes. . . I should probably shower." Attached is a pdf entitled "The Too Dope To Bully Experience" prepared for Seventh Generation. On the last page, Ms. Julz is identified as a "Too Dope To Bully Ambassador for Cultural Change." The pdf also identifies Shar Bates as someone with whom Ms. Ellerby has partnered for the last six years.

As the news articles illustrated, Ms. Ellerby joined Ms. Green in preparing the expo event in Minneapolis, Minnesota, an event that allegedly had significant questionable financial expenditures.

Ms. Green did not disclose her prior connection to Ms. Julz when making a decision about her as a vendor in response to the RFP. Ms. Ellerby likewise had a preexisting relationship with Ms. Julz.

In total, from June 30, 2021 through November 10, 2022, Ms. Julz was paid \$91,048 by the City of Burlington (\$1,450 related to Juneteenth 2021 and \$89,598 for the Cultural Transformations project).

c. Thea Heck and Heck Productions

Thea Heck was a Digital Designer with REIB, employed from November 15, 2021 through March 15, 2023, and was heavily involved in Juneteenth 2022. On August 31, 2021, an invoice was submitted to Ms. Green at REIB for \$6,000 for video editing of Juneteenth celebration highlights. The invoice identifies "Heck Productions" followed by "Ted Heck" and a physical address in Williston, Vermont. The address in Williston is the same address associated with Thea Heck in her personnel file. Nonetheless, this invoice, although in FY 2022, appears to pre-date Thea Heck's employment.

Because Heck Productions was hired and performed work before Thea Heck's employment, there does not appear to be a violation of any policy.

d. Several Vendors Appear to Have Exceeded the Thresholds Under the Purchasing Policy Without REIB Following Proper Competitive Bidding Procedures.

As a result of our review, we identified anomalies regarding compliance with the City's Purchasing Policy. For example, Heck Productions, Bethsheba Rem, Healthy Kingdom, and Jamaican Jewelz Catering involved City expenditures of \$4,000 or more and there is no information about whether a competitive bid was obtained or whether any attempt was made to get the goods at the lowest cost for the quality needed.⁷ When the Clerk/Treasurer's Office asked Ms. Ellerby for more information about Bethsheba Rem and specifically whether different vendors were contacted for pricing, Ms. Ellerby did not respond to the question as it related to competitive bidding. The Clerk/Treasurer's Office also advised Ms. Green that anything over \$2,500 needed to have competitive pricing or notes reflecting why this was not possible. Attached as **Exhibit A.1** is a list of vendors used in FY 2022 as shown on Exhibit A with the total amount paid to the vendor in FY 2022 according to both the invoices and the General Ledger data.⁸

Because there was a wide discrepancy in what was being charged by food vendors at Juneteenth 2022 to provide meals to the public (at no cost to the public), we prepared a chart of the food vendors indicating the services provided, the price per meal, and how that price compared to publicly available information about pricing.⁹ This chart is attached as **Exhibit B.**¹⁰ With respect to certain vendors, and the prices they charged, it seems unlikely that attempts were made to secure goods at the lowest cost for the quality needed as the Purchasing Policy requires.

There were also a number of missing invoices. As noted above in footnote 3, there were some vendors in FY 2022 for whom we received no invoice at all. For others, there was not an invoice related to each line item of the General Ledger data. However, for FY 2022, we compared each invoice we had to the General Ledger data to make sure the amount of the invoice matched the amount submitted for payment on a particular line item within the General Ledger data. Thus, if vendor A billed the City for services on five occasions, and there were three invoices, we checked to ensure that the three invoices matched the line items on the General Ledger data. We used this method to reconcile the invoices with the General Ledger data.

e. There Were Certain Invoices That Reflected Some "Red Flags."

In reviewing invoices, we looked at whether the invoice provided an address or telephone number for the business, whether the business was located inside or outside Vermont, whether the business was registered to do business, a description of the service provided, and the amount of each invoice, including the total spent for the fiscal year if there were several invoices for the year involving that vendor. We also

⁷ Broken Pencil was also in excess of the Purchasing Policy thresholds; however, this invoice/entity was approved as a sole source contract. When Ms. Keomanyvanh came on as Acting Director of REIB after Ms. Green's departure, she submitted certain contracts to the Clerk/Treasurer's Office for approval as sole source contracts.

⁸ As noted supra, at footnote 3, for some vendors there were no invoices at all, and these vendors are not included in our Exhibits.

⁹ Cloud 9 Caterers catered a black-tie event on Friday, June 17, 2022 held at Hula for 200 guests. This is not included on Exhibit B, which is a list of food vendors providing "free" meals to the public on Sunday, June 19.

¹⁰ No ill motive is intended to be ascribed to the various food vendors. The purpose of noting the difference in prices by vendor suggests an unexplained lack of uniformity. A greater degree of uniformity would be expected if a budget had been in place.

looked at whether the invoices looked similar in appearance or used the same invoice number. Because, by its nature the Juneteenth celebration involves speakers and performers, we decided that the description of the service as a stipend or honorarium with no other red flags was not a basis for further review or analysis and we did not include such vendors in the attached chart.

As a result of this review, we developed a chart of invoices/vendors that displayed one or more “red flags,” meaning that the invoice lacked an address or telephone number or that the entity was not registered to do business and/or that the invoice looked similar in appearance to another invoice from a different vendor or otherwise looked generic. That chart provides the total amount paid to each vendor according to the invoices and the purchase order report and is attached as **Exhibit C**.

For those vendors identified on Exhibit C, we also reviewed the metadata related to each invoice. Unfortunately, however, the metadata was limited and therefore not of significant use. There were no irregularities based on the metadata we were able to review.

f. Other Anomalies Noted.

We identified certain anomalies in terms of the number of out of state vendors used, as well as payments for hotels, flights, meals and Uber rides that appeared excessive or unusual. Attached as **Exhibit D** is a summary chart showing vendors used by REIB in 2022 as shown on Exhibit A and identifying whether they were in state or out of state as well as how many were not registered to do business in any state. The number of out of state vendors used raises a question whether there was a meaningful attempt by REIB to procure goods and services locally.

Attached as **Exhibit E** is a list of payments for lodging and hospitality for Juneteenth 2022, including the names of each individual hotel used, the hotel rate, total fees incurred for the hotel, the individual who occupied the hotel room if shown on the invoices, as well as the total incurred for flights and Uber fees and the individual associated with each if shown on the invoices. Given the high-end lodging secured, and the overall lodging costs incurred, it raises questions about whether purchases were made at the lowest cost for the quality needed.

VII. Findings and Conclusions

Based on the information provided and the scope of our review, we found no evidence of embezzlement or theft, nor could we conclude that fraud had been committed with respect to Juneteenth 2022. However, there does appear to have been mismanagement or carelessness prior to Juneteenth 2022, as more specifically described below.

Ms. Green and Ms. Ellerby both stated that the budget for Juneteenth 2022 was always intended to be \$500,000. Based on our review and the documents provided, we found no evidence that a budget of \$500,000 was shared with the Board of Finance or the City Council.

Ms. Green and Ms. Ellerby both stated that the bulk of the budget for Juneteenth 2022 was intended to be provided by private sponsors. Ms. Green stated that she had between \$200,000 and \$300,000 in commitments from private sponsors by the time she left REIB in March 2022. Ms. Ellerby stated that she thought there were \$300,000 in commitments from private sponsors at the time Ms. Green left. Based on the documentation we reviewed, we saw no evidence of actual or expected commitments in that amount at the time of Ms. Green’s departure. Rather, the documentation of requests for private sponsorships or commitments for Juneteenth 2022 is sparse when compared to Juneteenth 2021, for which the total

commitments for private sponsors were \$149,000. We do not know on what basis a conclusion would reasonably have been reached to determine that \$300,000 or more in private sponsors would have been available for Juneteenth 2022. In fact, there was approximately \$103,000 in private sponsorships.

Ms. Ellerby stated that lodging was provided for any out-of-state vendors, as well as any out-of-town vendors or performers at Juneteenth 2022. At some of the higher end hotels used, the stay was \$299 per night, and individuals were provided lodging for multiple nights.

Many out-of-state vendors were used for Juneteenth 2022, as well as for Black History month in 2022. In addition, there were multiple vendors or contractors used by REIB who were not registered to do business in any State.

There was a general lack of documentation within REIB related to Juneteenth 2022, including the lack of a budget and lack of detailed planning information. There was also a lack of documentation showing that attempts were made to secure goods at the lowest cost for the quality needed, as the Purchasing Policy requires, or that some exception should be made to this general requirement in a particular instance.

As noted above, Ms. Ellerby, a full-time City employee, was given permission by Ms. Green to have her lodging paid for in late April or early May 2022 when she came to Burlington.¹¹

VIII. Recommendations

We make the following recommendations to the City to mitigate its risks and vulnerabilities regarding fraud, waste, and abuse.

The Board of Finance should be made aware of the Juneteenth Budget (and like events for any Department) as part of the annual budgeting process and certainly well before any such event happens. Even for Juneteenth 2021 when there was more information given to the Board of Finance by REIB, the language that REIB may “spend up to the total amount of grants received on the Juneteenth celebration” is not sufficiently specific to prevent issues should the amount of grants or private sponsorships received end up being far less than the planned budget.

The Clerk/Treasurer’s Office does a good job alerting responsible individuals to the City’s Purchasing Policy. However, the City might want to hold annual reminder trainings for any employee authorized to make purchases regarding its requirements. Individuals responsible or authorized to make purchases under the City’s purchasing policy, especially on higher dollar purchases, should understand the competitive bidding and sole source contract requirements and be expected to maintain documentation showing that such requirements were met.

Importantly, the City does have a conflict of interest policy as part of its Purchasing Policy, as well as a conflict of interest provision applicable to City officers in its Charter. However, the City should consider strengthening its conflict of interest policy. High level employees responsible for preparing RFPs or recommending RFP awards should be required to disclose any actual or apparent conflict of interest without it being limited to their immediate financial interests or those of their family members. High

¹¹ In August 2022, the City enacted a policy regarding remote work, including whether flights, lodging, and meals are covered when such employees come to Burlington. It provides in relevant part: “In very limited circumstances, the City may employ a person with a specific skill set who lives in another state/country for a special project for temporary remote work. The City is not responsible for travel expenses or lodging costs for employees who are working remotely.”

level employees should be required to disclose any personal friendships or anything else that could be perceived as impacting their decision. Said disclosures would not necessarily mean that an individual has a conflict of interest preventing their further involvement in the matter, but it would provide the City with information necessary to make such a determination. For example, in selecting between two responses for an RFP in excess of \$89,000, it would have been better practice for the Board of Finance to have known that Noble Julz was Ms. Green's college roommate.

As a deterrent measure, the City should establish a robust fraud, waste and abuse policy to ensure that all employees are encouraged to report mismanagement or more serious conduct promptly so that appropriate follow-up action can be taken.

The City should have a policy that sets forth when or to what extent out-of-town or out-of-state vendors, artists or others are allowed to have lodging and travel expenses paid for by the City. The City should also consider whether such expenditures should be capped at a certain daily rate for lodging.

Multiple interviewees stated that the City expects that all in-state contractors must be registered to do business in Vermont. Furthermore, we understand that there exists a similar expectation for all out-of-state vendors or contractors. These are good practices; however, we recommend that the City enact measures to formalize these requirements.

We understand that the City expects all contracts to be timely executed by a person with a sufficiently high level of authority within the Department. We recommend that the City memorialize this requirement in a written policy to the extent it has not already done so.