

Grand Haven Area Public Schools | June 9, 2022

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## Loss Analysis



plante moran | Audit. Tax. Consulting.  
Wealth Management.

**ATTORNEY WORK PRODUCT – PRIVILEGED & CONFIDENTIAL**

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## ATTACHMENTS

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Attachment 1 – Infinity Invoices

Attachment 2 – Cash App Payments



## ATTORNEY WORK PRODUCT – PRIVILEGED & CONFIDENTIAL

June 9, 2022

Daniel R. Martin, Esq.  
Thrun Law Firm P.C.  
3260 Eagle Park Drive  
NE Suite 121  
Grand Rapids, MI 49525

Re: Grand Haven Area Public Schools – Loss Analysis

Dear Mr. Martin:

As requested, we provided an analysis to determine the losses incurred by Grand Haven Area Public Schools ("GHAPS" or the "District") as a result of the problematic activity performed by the former Assistant Superintendent, Brian Wheeler ("Wheeler"). Our work included forensic investigative services in connection with payments to the vendor Infinity Electrical LLC ("Infinity") from October 2014 through November 2021.

For this engagement, we performed the following:

- Interviewed key personnel;
- Verbally received information gathered by Detective Rasch;
- Obtained information from the District's accounting system including the check register, employee master file, vendor master file, and invoice register;
- Obtained a copy of Wheeler's hard drive and network drive;
- Obtained a download of Wheeler's employee email account activity;
- Analyzed invoices purported received from Infinity;
- Performed background research; and
- Analyzed Wheeler's GHAPS computer hard drive, network drive, and email activity using keyword searches.

Our report is to provide you with the results of our analysis. It is not intended to express an opinion on the District's internal controls or financial statements in accordance with standards issued by the American Institute of Certified Public Accountants.

## EXECUTIVE SUMMARY

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Through analysis, review of supporting documentation, and interviews, we determined that GHAPS incurred losses due to Wheeler's actions of \$944,410.00, with additional possible losses of \$150,521.66, for a total possible loss of \$1,094,931.66, comprised as follows:

<b>Description</b>	<b>Amount</b>
<b>Loss:</b>	
Payments to Infinity	\$ 944,410.00
<b>Additional Possible Loss:</b>	
Payments to Business Office System Support	150,521.66
<b>Total Possible Loss</b>	<b>\$ 1,094,931.66</b>

We did not find evidence to indicate Wheeler colluded with other employees at the District to execute his scheme.

## INTERVIEWS

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In order to complete our objectives, we conducted interviews with the following individuals:

- Scott Grimes, Superintendent
- Cecil Hammond, Director of Technology
- Jason Mackay, Director of Operations
- Lyndsey Fleser, former Director of Business Services
- Char VanderStel, Payroll Accountant
- Sandra Graybills, Accounting Coordinator
- Betsy Sleva, Accounts Payable ("AP") Coordinator

## OTHER KEY INDIVIDUALS

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- Eric Rasch, Grand Haven Public Safety Detective
- Andy Ingall, former Superintendent

## BACKGROUND

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### **1. Technology Bond Fund**

In 2014, the District passed an \$18.9 million technology bond. The bond provided for classroom updates and computer devices for every student in the District. It is our understanding that, while planning for the bond, GHAPS budgeted approximately \$500-\$600 per device. Shortly thereafter, Chromebooks came to market for approximately \$200 per device. Further, the State offered an incentive for school districts to purchase Chromebooks, lowering the actual cost per Chromebook to approximately \$150. Because of the large cost savings for devices (\$150 per device versus the originally estimated \$500-\$600 per device), GHAPS had a surplus of funds available from the technology bond.

### **2. Discovery of the Scheme**

On November 4, 2021, GHAPS business office employees discovered unusual activity within the Technology Bond fund, specifically a large number of payments to Infinity for alleged electrical work at the District. GHAPS performed online research and discovered the address listed on Infinity's invoices was a residential address and the business did not have an active electrician's license. Wheeler, as the Assistant Superintendent overseeing the Technology Department, had oversight responsibility for the technology bond fund expenditures. Upon being questioned about Infinity, Wheeler left the District's premises and did not return. District personnel accessed Wheeler's GHAPS-provided computer to further research Infinity, during which they located the following:

- Microsoft Excel versions (i.e., editable versions) of the purported Infinity invoices. This discovery established the possibility Wheeler created the purported Infinity invoices, himself, before submitting to AP for payment.
- Cash App receipts detailing payments from Duran Mullen ("Mullen"), the owner of Infinity, to Wheeler. Each time Infinity was paid from the District, Mullen transferred to Wheeler the entirety of the invoice, less \$900.

It is our understanding the former Superintendent, Andy Ingall, contacted Detective Eric Rasch of Grand Haven Public Safety on November 4, 2021 (the same day of the aforementioned discoveries). Detective Rasch initiated an investigation and, as a result, Wheeler was arrested on November 23, 2021. Wheeler pleaded no contest in the criminal proceeding on January 24, 2022, and on January 27, 2022, Wheeler passed away while in the Ottawa County jail.

## ANALYSIS

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The following section details our determination of losses incurred by GHAPS from the scheme involving Wheeler and Infinity, based on the following significant findings:

- Infinity was not an active company during the time period they were paid.
- The workers listed on Infinity's invoices were not electricians and appear to be names of Wheeler's friends, family members, and/or recent connections.
- Key GHAPS personnel, of whom would have knowledge of electrical work performed, had never met the workers listed on Infinity's invoices nor had they previously heard of Infinity, which contrasts with the significant hours billed by Infinity (i.e., multiple full-time employees' worth of hours, each year).
- Mullen made routine payments to Wheeler via Cash App which directly corresponded to invoice amounts less a specific amount (\$900) for Mullen (surmised to be his share for his involvement and/or complicity in the scheme).
- Mullen stated in his interview with law enforcement that the only work he performed for the District during our scope period was "about a week's worth" of work in 2014. In addition, it appears Mullen was paid directly for this work (i.e., the checks were issued to Mullen as the vendor, rather than Infinity).
- Mullen stated in his interview with law enforcement that Wheeler created all the Infinity invoices and Mullen was not involved.

**Email/Hard Drive/Network Drive Analysis:** We performed keyword searches on Wheeler's District-issued Gmail account activity, the hard drive from his District-issued computer, and the District's network drive to identify emails and/or files relating to:

- 1) The known scheme with Infinity;
- 2) Potential additional schemes; and
- 3) Potential collusion between Wheeler and other GHAPS employees.

We prepared a keyword list using common "red flag" words which may be indicative of problematic correspondence (e.g., steal, conceal, etc.) in addition to terms related to the known scheme at GHAPS (e.g., Mullen, Infinity, etc.). We analyzed over 15,000 emails/files and extracted notable

findings, as discussed throughout this report. We did not identify emails or files indicating other District employees assisted with, and/or were aware of, the scheme perpetrated by Wheeler<sup>1</sup>.

### **1. Infinity Electrical LLC**

GHAPS first paid Infinity on October 30, 2014. In total, GHAPS paid \$944,410.00 between October 2014 and October 2021, in relation to 174 Infinity invoices, as summarized, by year, in the ensuing table.

<u>Year</u>	<u>Amount Paid</u>	<u>Count of Checks</u>
2014	\$ 2,970.00	2
2015	67,660.00	21
2016	92,900.00	25
2017	135,200.00	26
2018	161,760.00	25
2019	166,860.00	26
2020	169,320.00	28
2021	147,740.00	21
<b>Total</b>	<b>\$ 944,410.00</b>	<b>174</b>

The Infinity invoices were saved on Wheeler's network drive as Excel files (.xlsx format) within a folder named "Bond". Based on information gathered during interviews and email review, Wheeler was known amongst GHAPS staff as being the point of contact for this vendor and would personally provide the invoices to AP for payment.

As described in subsequent sections, we identified evidence that Infinity did not provide services to GHAPS and the invoices were fictitious and part of a kickback scheme involving Wheeler and Mullen. Therefore, the total amount paid to Infinity is deemed as a loss incurred by GHAPS.

#### ***a. Background Research***

Based on the information identified during our background research, Infinity does not appear to have been an active business during the time they received payments from GHAPS.

- Infinity registered with the State of Michigan on March 8, 2002 with Duran Mullen listed as the Registered Agent. As of February 24, 2014, prior to Infinity receiving its first payment from GHAPS, the company was not in good standing, as shown below.

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<sup>1</sup> This conclusion is based upon our analysis in combination with the District's analysis for which they performed on select employee provided email accounts.



**LARA Corporations Online Filing System**  
Department of Licensing and Regulatory Affairs

ID Number: 801194767 [Request certificate](#) [Return to Results](#) [New search](#)

Summary for: INFINITY ELECTRICAL LLC

The name of the DOMESTIC LIMITED LIABILITY COMPANY: INFINITY ELECTRICAL LLC

Entity type: DOMESTIC LIMITED LIABILITY COMPANY

Identification Number: 801194767 Old ID Number: B0162E

Date of Organization in Michigan: 03/08/2002

Purpose: All Purpose Clause

Date of In Existence But Not In Good Standing: 02/24/2014 Term: Perpetual

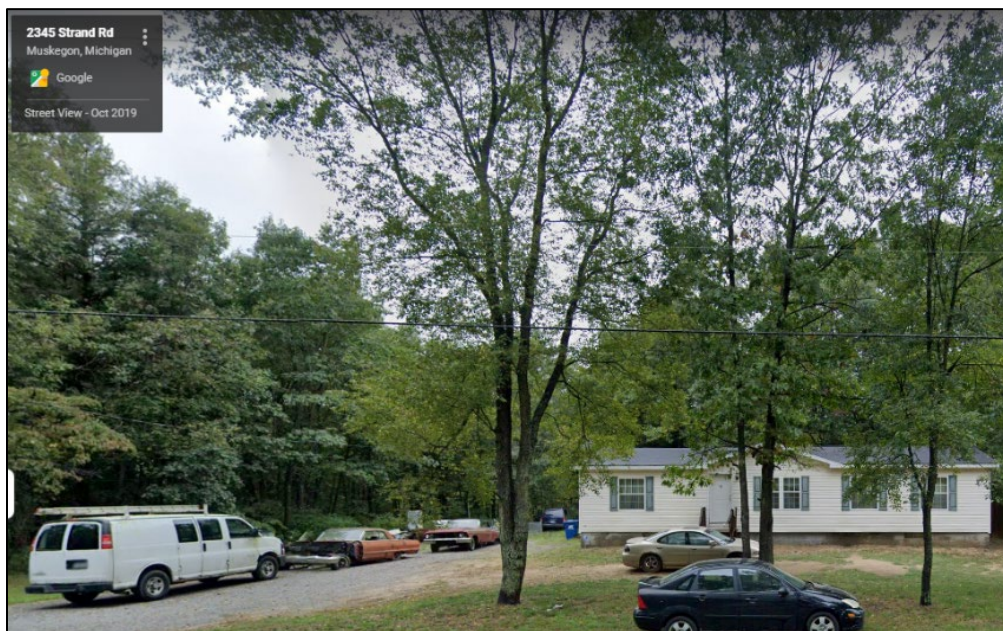
The name and address of the Resident Agent:

Resident Agent Name: DURAN MULLEN  
Street Address: 2345 STRAND  
Apt/Suite/Other:  
City: MUSKEGON State: MI Zip Code: 49445

Registered Office Mailing address:

P.O. Box or Street Address:  
Apt/Suite/Other:  
City: State: Zip Code:

- Infinity's address, 2345 Strand Rd, is a residential address (surmised as Mullen's), as shown.



- We did not identify a company website and/or online profile (e.g., LinkedIn, Google) for Infinity.



**b. Invoice Analysis**

We obtained copies of the Infinity invoices paid by GHAPS and analyzed the information provided on the invoices. We traced the payments to GHAPS's bank statements to verify the disbursements were made using GHAPS's funds. See **Attachment 1** for copies of the invoices and corresponding GHAPS bank disbursements. Invoices were typically submitted bimonthly for services or materials allegedly provided and included the following *purported* details:

- Date of service;
- Name(s) of worker(s);
- Hours of work performed;
- Billing rate; and
- Total invoice amount.

The following is an example of an Infinity invoice.

Infinity Electrical L.L.C  
2345 Strand Road  
Muskegon, MI 49445

**INVOICE**

Customer		Date	2/16/2016
Name	Grand Haven Area Public Schools	Order No.	5321
Address	1415 Beechtree Ave	Rep	10999
City	Grand Haven	State	MI
ZIP	49417	FOB	

Qty	Description	Unit Price	TOTAL
76	Ben Thomas - Electrical	\$20.00	\$1,520.00
75	Desiree Robinson	\$20.00	\$1,500.00
SubTotal			\$3,020.00
Shipping & Handling			\$0.00
Taxes			
TOTAL			\$3,020.00

**Payment Details**

☐ Cash  
☒ Check  
☐ Credit Card

Name \_\_\_\_\_  
CC # \_\_\_\_\_  
Expires \_\_\_\_\_

46,1456.3190

2/16/16

LIC #6110014 - 231.747.3664

RECEIVED  
FEB 17 2016

Some of the invoices also had a project name listed. No additional documentation was provided with the invoices to support the hours worked (e.g., no timesheets, no detail of dates worked nor specific services provided, no listing of locations/buildings worked within the district, etc.).

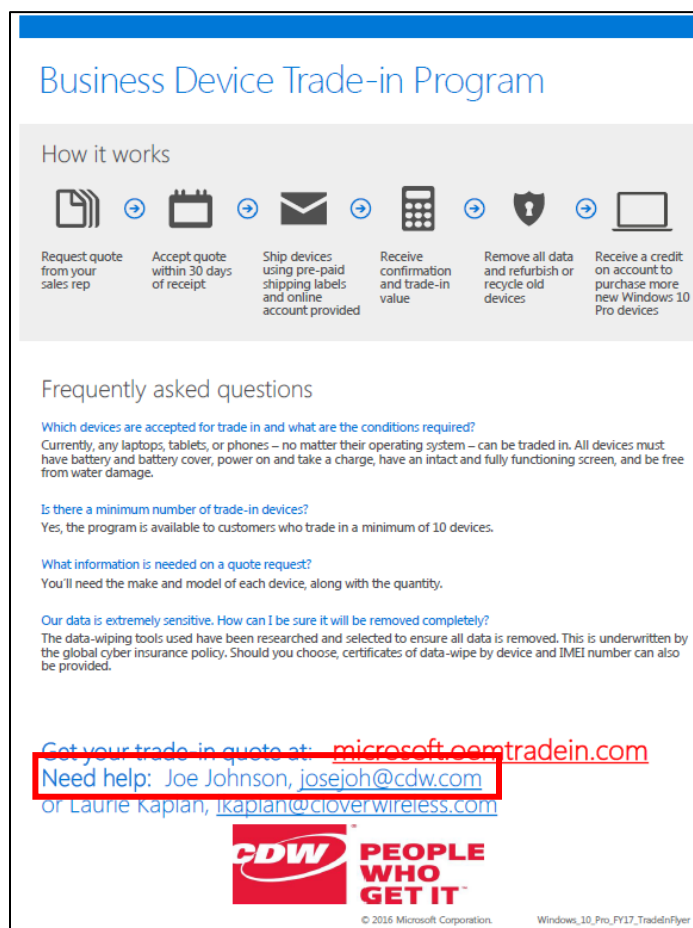
**i. Workers**

The Infinity invoices included hours purported as worked by the 16 individuals listed below.

- |                     |                    |
|---------------------|--------------------|
| 1. Ben Thomas       | 9. Frank Smith     |
| 2. Brandon Mullen   | 10. Fred Price     |
| 3. Darryl Paige     | 11. Greg Price     |
| 4. Desiree Robinson | 12. Harold Allen   |
| 5. Duran Mullen     | 13. Jailon Johnson |
| 6. Evan Johns       | 14. Joe Johnson    |
| 7. Frank Cook       | 15. Joe Williams   |
| 8. Frank Price      | 16. Robert Diggs   |

We researched the names in the Michigan Department of Licensing and Regulatory Affairs (“LARA”) database and identified that none of the individuals had an active electrician’s license. Mullen previously held an electrician’s license in Michigan, but the license lapsed in 2018. The District requires that electrical work performed onsite be completed by either a journeyman or an individual working with a master electrician. The lack of active electrician’s licenses held by the workers listed on the invoices is problematic.

We searched for the names of Infinity workers during our email and hard drive analysis to identify additional information. The findings suggest Wheeler utilized his friends’ names and/or names of people with whom he recently corresponded as the fictitious workers. For example, Wheeler received an informational packet from CDW representative Joe Johnson on May 25, 2017, as shown in the ensuing image. Joe Johnson was subsequently listed as a worker on Infinity invoices dated between June 2017 and October 2017. We did not identify any correspondence or information to indicate Joe Johnson performed work on behalf of Infinity.



**Business Device Trade-in Program**

**How it works**

- Request quote from your sales rep
- Accept quote within 30 days of receipt
- Ship devices using pre-paid shipping labels and online account provided
- Receive confirmation and trade-in value
- Remove all data and refurbish or recycle old devices
- Receive a credit on account to purchase more new Windows 10 Pro devices

**Frequently asked questions**

**Which devices are accepted for trade in and what are the conditions required?**  
Currently, any laptops, tablets, or phones – no matter their operating system – can be traded in. All devices must have battery and battery cover, power on and take a charge, have an intact and fully functioning screen, and be free from water damage.

**Is there a minimum number of trade-in devices?**  
Yes, the program is available to customers who trade in a minimum of 10 devices.

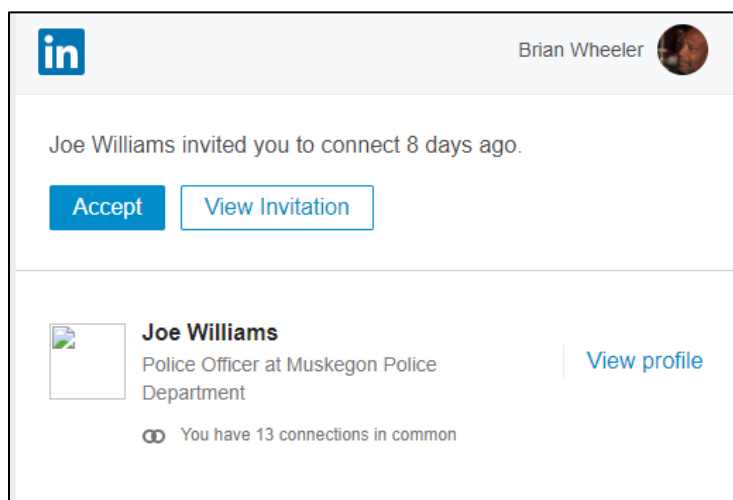
**What information is needed on a quote request?**  
You'll need the make and model of each device, along with the quantity.

**Our data is extremely sensitive. How can I be sure it will be removed completely?**  
The data-wiping tools used have been researched and selected to ensure all data is removed. This is underwritten by the global cyber insurance policy. Should you choose, certificates of data-wipe by device and IMEI number can also be provided.

Get your trade-in quote at: [microsoft.com/tradein.com](https://microsoft.com/tradein.com)  
Need help: Joe Johnson, [josejoh@cdw.com](mailto:josejoh@cdw.com)  
or Laurie Kaplan, [lkaplan@cloverwireless.com](mailto:lkaplan@cloverwireless.com)

**CDW** PEOPLE WHO GET IT™  
© 2016 Microsoft Corporation. Windows\_10\_Pro\_PY17\_TradeInFlyer

An email received by Wheeler on April 22, 2019 includes a LinkedIn invitation from Joe Williams, Police Officer at Muskegon Police Department. Joe Williams was subsequently listed as a worker on Infinity invoices in July 2019 and August 2019. We did not identify any correspondence or information to indicate that Williams performed work on behalf of Infinity.



LinkedIn interface showing an invitation from Joe Williams to Brian Wheeler. The invitation was received 8 days ago. There are buttons for 'Accept' and 'View Invitation'. Below the invitation, Joe Williams' profile is shown: Police Officer at Muskegon Police Department. A link to 'View profile' is present. At the bottom, it states 'You have 13 connections in common'.

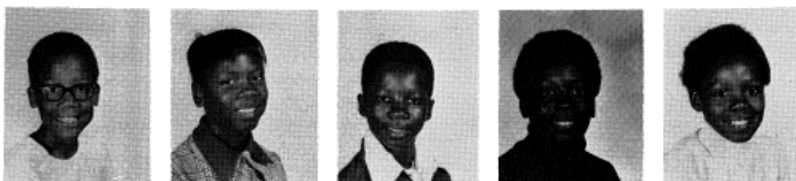
Within Wheeler's email activity, we identified pages that had been scanned from a 5<sup>th</sup> grade yearbook showing that Wheeler was classmates with Robert Diggs, who was also listed as a worker on Infinity invoices.

## GRADE 5

MR. J. DEPHOUSE  
Zellis Bankhead  
Wanda Carson  
Derrick Collins  
Roosevelt Day



Robert Diggs  
Fairron Green  
Steven Hewlett  
Charles Hill  
Craig Jackson



Brian Wheeler  
Mishelle Williams  
Stanford Williams  
Jackie Wilson  
Douglas Wyrick

We did not identify any correspondence or information to indicate that Diggs performed work on behalf of Infinity.

We also identified the following information about other workers listed on the invoices:

- Brandon Mullen is Duran Mullen's son;
- Darrell Paige and Ben Thomas provided services to GHAPS as subcontractors through Trivalent Group; and
- Desiree Robinson is listed in the GHAPS Employee Master File as a former employee, terminated on August 30, 2014.

ii. **Hours Purported as Worked**

We summarized the invoices by hours billed, individual, and year, as shown in the ensuing table.

<u>Name</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total Hours</u>
Ben Thomas		54	1,471	1,860	2,002	1,924	1,755	856	9,922
Greg Price				1,546	2,076	1,931	1,759	860	8,172
Darryl Paige		70	851	624	2,073	1,924	1,769	860	8,171
Robert Diggs					2,033	1,928	1,763	858	6,582
Brandon Mullen			644	1,860	441				2,945
Duran Mullen	99	1,301	227						1,627
Fred Price							761	647	1,408
Frank Smith			517			404			921
Desiree Robinson		570	305						875
Joe Johnson				758					758
Frank Price						126	401		527
Harold Allen		365	127						492
Frank Cook					294				294
Evan Johns			292						292
Joe Williams						182			182
Jailon Johnson				112					112
N/A		8						10	18
<b>Total Hours per Year</b>	<b>99</b>	<b>2,368</b>	<b>4,434</b>	<b>6,760</b>	<b>8,919</b>	<b>8,419</b>	<b>8,208</b>	<b>4,091</b>	<b>43,298</b>

It is our understanding that, as the Director of Operations, Jason Mackay would be aware of electrical work performed at the District, especially work that would require multiple workers on an almost full-time basis for multiple years. Mackay and his team are responsible for unlocking the building doors for vendors performing work onsite, so his team would have been involved with coordinating onsite work performed by Infinity. We gathered the following information during our interview with Mackay:

- 1) Mackay had never heard of Infinity before talking with the former Superintendent in November 2021 as part of the GHAPS internal investigation.
- 2) Mackay did not recognize any of the 16 workers' names shown on the invoices.
- 3) The District typically uses the vendors CS Erickson and Rycenga Electric Inc. for electrical work.
  - o Analysis of the check register confirmed GHAPS paid the vendors CS Erickson and Rycenga Electric Inc. each year from 2014 through 2021, totaling over \$353,000 in payments during the same time period that Infinity was paid.

The information represented by Mackay, combined with the significant hours billed by Infinity, further supports our conclusion that the Infinity invoices are fictitious, and services were not performed.

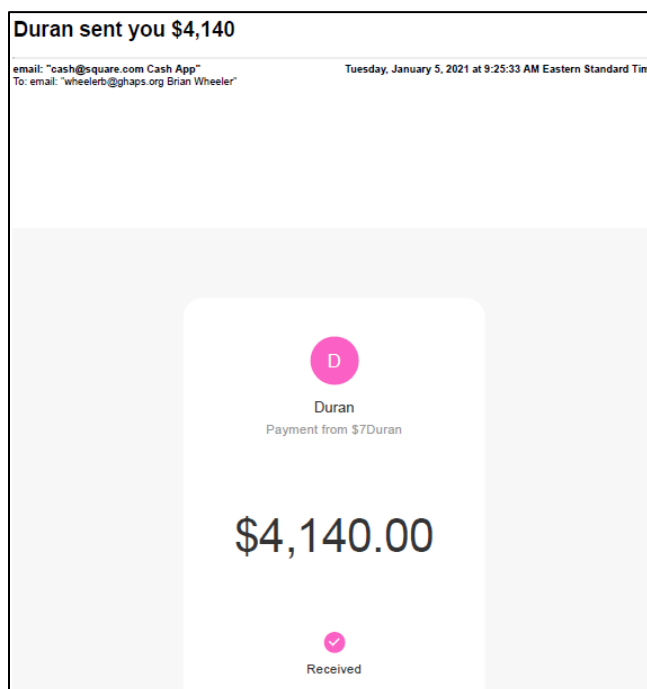
**c. Payments from Mullen to Wheeler**

Mullen (username \$7Duran) sent funds to Wheeler during 2021 via Cash App for what appears to be kickbacks for the Infinity invoices paid by GHAPS. Notifications from the Cash App were sent to Wheeler’s GHAPS Gmail account. It appears the first Cash App transfer occurred on January 5, 2021. We identified the email below showing the first “test” transfer from Mullen to Wheeler.



Subsequently, a notification was sent to Wheeler’s email each time he received a payment from Mullen. An example of such notification is shown in the ensuing image.



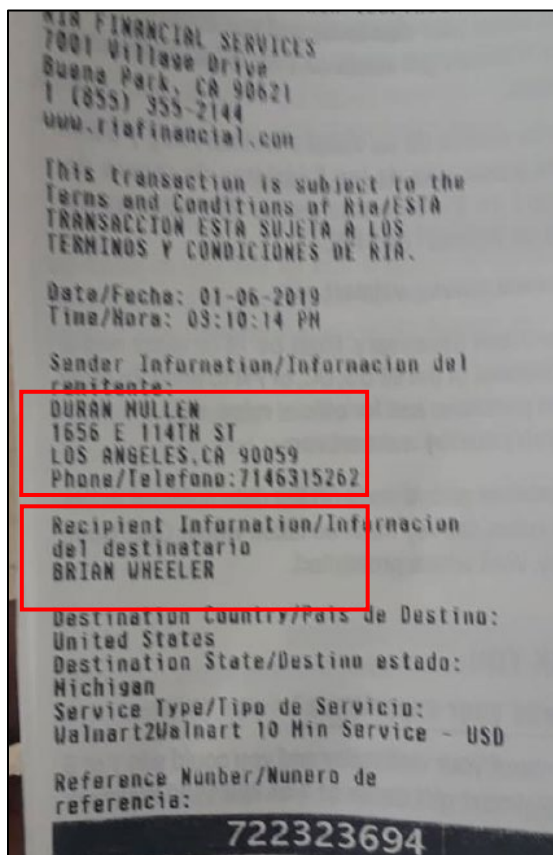


The Cash App transfers typically occurred within a few days of the check date and each transfer Mullen made to Wheeler was for the Infinity invoice amount less \$900. In total, Wheeler received \$94,920 from Mullen in 2021, as shown in the ensuing table<sup>2</sup>. The Cash App notifications for the payments Wheeler received from Mullen are provided in **Attachment 2**.

Infinity Invoice Number	Check Date	Cash App Transfer Date	Invoice Amount	Cash App Transfer Amount	Amount Difference
10352	12/22/2020	1/5/2021	\$ 5,040.00	\$ 4,140.00	\$ 900.00
10442	1/14/2021	1/15/2021	5,120.00	4,220.00	900.00
10487	1/28/2021	1/30/2021	5,960.00	5,060.00	900.00
10487	2/11/2021	2/13/2021	5,960.00	5,060.00	900.00
10587	2/25/2021	2/26/2021	6,560.00	5,660.00	900.00
10781	3/25/2021	3/27/2021	7,120.00	6,220.00	900.00
10823	4/22/2021	4/24/2021	7,400.00	6,500.00	900.00
10883	5/6/2021	5/8/2021	7,220.00	6,320.00	900.00
10984	6/3/2021	6/5/2021	7,400.00	6,500.00	900.00
11034	6/30/2021	7/3/2021	7,660.00	6,760.00	900.00
11212	7/29/2021	7/31/2021	6,820.00	5,920.00	900.00
11234	8/12/2021	8/14/2021	6,880.00	5,980.00	900.00
11421	8/26/2021	9/1/2021	7,780.00	6,880.00	900.00
11512	9/9/2021	9/14/2021	7,240.00	6,340.00	900.00
11513	10/7/2021	10/8/2021	7,840.00	6,940.00	900.00
11576	10/21/2021	10/22/2021	7,320.00	6,420.00	900.00
<b>Total</b>				<b>\$ 94,920.00</b>	

<sup>2</sup> As shown, invoice #10487 was paid twice.

We found evidence that Mullen paid Wheeler prior to 2021 using other payment methods, including a receipt from January 6, 2019, which details Mullen sending Wheeler a money transfer via Ria Financial Services using their Walmart2Walmart service. The receipt does not reference the amount paid.



It is likely Mullen made additional payments to Wheeler prior to 2021; however, we do not have Wheeler's personal bank account information to identify those receipts. The kickbacks paid by Mullen to Wheeler do not impact the losses incurred by the District, as the District's loss equals the total amount paid to Infinity .

#### ***d. Mullen Interview***

It is our understanding Detective Rasch interviewed Mullen in November 2021 as part of the Grand Haven Public Safety investigation. Detective Rasch shared the following information which he gathered during his interview with Mullen.

- Mullen currently lives in California and has not lived in Michigan in recent years.

- Mullen estimated that he performed about a week of electrical work for GHAPS in 2014 installing cameras<sup>3</sup>.
- When Detective Rasch asked Mullen if he performed the work shown on the Infinity invoices, his response was “Hell no”.
- Mullen did not create the Infinity invoices submitted to GHAPS for payment. Mullen understood that Wheeler created the invoices.
- Because Mullen was residing in California, Mullen’s wife or Wheeler would deposit the check payments received from GHAPS into Infinity’s/Mullen’s bank account in Grand Haven using a “For deposit only” stamp. Mullen would subsequently send funds to Wheeler, most recently through the Cash App.

The information gathered from Detective Rasch further

supports that the Infinity invoices paid by GHAPS were fictitious.

## **2. Additional Possible Losses**

During our review of Wheeler’s network drive, we identified invoices saved as Excel files (.xlsx format) for the following vendors in addition to Infinity:

- a. Business Office System Support;
- b. McDaniel Developers LLC; and
- c. Technology and Consulting Services.

These invoices were located in the same “Bond” folder as the Infinity invoices. Analysis of each vendor is detailed in the ensuing subsections of this report.

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<sup>3</sup> Duran Mullen was paid \$7,712 as a vendor of GHAPS, separate from Infinity, between April 2013 and August 2014. Based on the information gathered, it appears these payments were for the work Mullen referred to on his call with Detective Rasch.

GHAPS paid Business Office System Support \$150,521.66 between 2012 and 2018, as shown in the ensuing table.

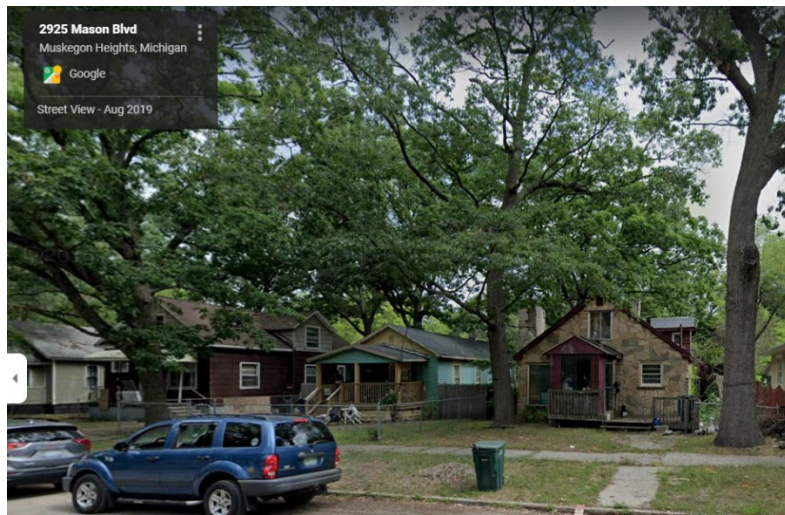
<u>Year</u>	<u>Amount Paid</u>	<u>Count of Checks</u>
2012	\$ 101,239.50	41
2013	4,780.00	8
2014	9,250.00	7
2015	34,010.16	24
2016	-	-
2017	-	-
2018	1,242.00	1
<b>Total</b>	<b>\$ 150,521.66</b>	<b>81</b>

Business Office System Support is not registered with the State of Michigan. The invoices include descriptions of work performed by Steve Black (“Black”), an example of which is provided.

<h2 style="margin: 0;">Business Office System Support</h2> <h3 style="margin: 0;">2924 Mason Blvd</h3> <h3 style="margin: 0;">Muskegon, MI 49444</h3>		<div style="border: 1px solid black; background-color: #f0f0f0; padding: 5px; margin-bottom: 10px;">Customize...</div> <h2 style="margin: 0; color: #c00000; font-family: sans-serif;">INVOICE</h2>																																																								
<b>Customer</b> Name    Grand Haven Area Public Schools Address    1415 Beechtree Ave City    Grand Haven      State    MI      ZIP    49417 Phone _____		Date                 1/19/2015 Order No.          3496 Rep _____ FOB _____																																																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Qty</th> <th style="width: 60%;">Description</th> <th style="width: 20%;">Unit Price</th> <th style="width: 10%;">TOTAL</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">11</td> <td>Steve Black - Install Services</td> <td style="text-align: right;">\$20.00</td> <td style="background-color: #00ffff; text-align: right;">\$220.00</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		Qty	Description	Unit Price	TOTAL	11	Steve Black - Install Services	\$20.00	\$220.00																																					<table style="width: 100%;"> <tr> <td style="width: 70%;"></td> <td style="text-align: right;">SubTotal</td> <td style="text-align: right;">\$220.00</td> </tr> <tr> <td></td> <td style="text-align: right;">Shipping &amp; Handling</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>Taxes</td> <td style="text-align: right;">State</td> <td> </td> </tr> <tr> <td></td> <td style="text-align: right;"><b>TOTAL</b></td> <td style="background-color: #00ffff; text-align: right;"><b>\$220.00</b></td> </tr> </table> <div style="background-color: #cccccc; height: 50px; width: 100%; margin-top: 10px;"></div>		SubTotal	\$220.00		Shipping & Handling	\$0.00	Taxes	State			<b>TOTAL</b>	<b>\$220.00</b>
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<b>Payment Details</b> <input type="radio"/> Cash <input checked="" type="radio"/> Check <input type="radio"/> Credit Card  Name _____ CC # _____ Expires _____																																																										

Steve Black 231.343.0635

The address on the invoices, 2924 Mason Blvd, is a residential address (surmised as Black's), as shown.



It is our understanding that Black was an employee of GHAPS in the Custodial Department between January 2010 and October 2015 and was paid as an employee during this time. It is not known whether Black is aware of the existence of these invoices and/or the purported company, or whether Wheeler merely created the invoices himself and used Black's name without consent.

As payments to Business Office System Support for hours worked by Black occurred during the same time period as payroll disbursements to Black, this may represent a double billing of hours worked by Black. Therefore, we have included the amount paid to Black during this time period as additional possible losses. Five (5) invoices, totaling \$4,882, were paid subsequent to October 2015 (after Black was no longer employed by the District); however, we have also included those invoices in the additional possible losses due to the problematic nature/pattern of the invoices. Additional analysis would likely be needed to confirm the payments to Business Office System Support represent a loss to the District.

The District concluded not to perform additional research on this vendor given the costs of incurring additional professional fees likely outweigh the benefits for what will likely be unrecoverable losses. Should the District change its mind, we can perform this research upon request.

*b. McDaniel Developers LLC*

GHAPS paid McDaniel Developers LLC \$47,246.50 between 2014 and 2016. McDaniel Developers LLC registered with the State of Michigan on April 30, 2004, with Mikoyan C. McDaniel (“McDaniel”) as the Registered Agent.

The screenshot displays the LARA Corporations Online Filing System interface. At the top, navigation links include 'LARA Home', 'Contact LARA', 'Online Services', 'News', and 'MI.gov'. The main header features the LARA logo and the text 'Corporations Online Filing System' and 'Department of Licensing and Regulatory Affairs'. Below this, a search bar shows the ID Number: 801276509, with buttons for 'Request certificate', 'Return to Results', and 'New search'. The summary section identifies the entity as MCDANIEL DEVELOPERS, L.L.C. and lists the name of the domestic limited liability company. Subsequent fields provide details on the entity type (DOMESTIC LIMITED LIABILITY COMPANY), identification number (801276509), old ID number (B4324F), date of organization in Michigan (04/30/2004), purpose (All Purpose Clause), date of in existence but not in good standing (03/29/2018), and term (Perpetual). The resident agent section lists Mikoyan C. McDaniel with a street address of 682 Lincoln St, Muskegon HTS, MI 49444. The registered office mailing address is also listed. The act formed under is the 023-1993 Michigan Limited Liability Company Act. The managed by section lists 'Members'.

<b>ID Number:</b> 801276509				<a href="#">Request certificate</a>	<a href="#">Return to Results</a>	<a href="#">New search</a>
<b>Summary for:</b> MCDANIEL DEVELOPERS, L.L.C.						
<b>The name of the DOMESTIC LIMITED LIABILITY COMPANY:</b> MCDANIEL DEVELOPERS, L.L.C.						
<b>Entity type:</b> DOMESTIC LIMITED LIABILITY COMPANY						
<b>Identification Number:</b> 801276509 <b>Old ID Number:</b> B4324F						
<b>Date of Organization in Michigan:</b> 04/30/2004						
<b>Purpose:</b> All Purpose Clause						
<b>Date of In Existence But Not In Good Standing:</b> 03/29/2018 <b>Term:</b> Perpetual						
<b>The name and address of the Resident Agent:</b>						
<b>Resident Agent Name:</b>		MIKOYAN C MCDANIEL				
<b>Street Address:</b>		682 LINCOLN ST				
<b>Apt/Suite/Other:</b>						
<b>City:</b>	MUSKEGON HTS	<b>State:</b>	MI	<b>Zip Code:</b>	49444	
<b>Registered Office Mailing address:</b>						
<b>P.O. Box or Street Address:</b>						
<b>Apt/Suite/Other:</b>						
<b>City:</b>		<b>State:</b>		<b>Zip Code:</b>		
<b>Act Formed Under:</b> 023-1993 Michigan Limited Liability Company Act						
<b>Managed By:</b>						
Members						

We identified emails sent from McDaniel to Wheeler documenting electrical work performed by McDaniel at the District. These emails often included significant details describing the purported work, including descriptions about work completed during that day, any issues identified during work, timing of future work, and total hours worked. An example of one of these emails is provided.



**Update: 1/17/2015 and Time Sheet**

From: Mikoyan McDaniel <mcdaniel.developersllc@gmail.com>  
To: Brian Wheeler <wheelerb@ghaps.org>, steven black  
<stevenbmskgn1@yahoo.com>  
Sent: January 17, 2015 10:27:13 PM EST  
Received: January 17, 2015 10:27:14 PM EST  
Attachments: TS Jan 5 to Jan 18 2015.pdf

Hey Brian, today I went to every room in the 600, 700 and 800 wings. I want to get with Steve Black Monday to see how much "raceway" we are going to need to hide the data wires coming from the ceilings down to the smart cart/board and components as well as the electrical for the "SC/B".

Presently, the number of rooms that has the "SC/B" cables coming from the ceiling totals "8". They are: 609..701..809, 810, 811, 812, 813, 814. The other "23" rooms in the 600, 700 and 800 wings has the "SC/B" cables hidden inside the raceways. All the science rooms has a few issues which Steve and I will take a look at and determine the best routes to take and confirm it with you.

Per our conversation concerning the data port outlets, we talked about getting 4 port data outlets to install into the raceways, 3 data drops each for the "teacher" and "student" areas..."capping" one to use as an extra in both areas.

There are two (2) data cables dedicated to the smart cart/board and components, what about getting 3 port data outlets for those? Two (2) data drops and "capping" one for future use.

The Access Point cables can be connected to the present "AP boxes" so we won't have any extra cost for "AP boxes", you will have to determine if we still need the 25' blue cable that we are presently using. All of the above should make ordering the parts we need a little easier.

Worked a couple of hours today, please see the attachment for the last two weeks of work.

Timesheets signed by McDaniel and documenting, by day, the 33 hours worked between January 5<sup>th</sup> and January 18<sup>th</sup> were attached to the email, as shown in the ensuing image.

### Timesheet

Printed on: 01/17/2015

Name: McDaniel Developer, LLC Jan 5 to Jan 11, 2015

Customer/Job	Service Item	Notes	Class	M	Tu	W	Th	F	Sa	Su	Total	Bill*
Grand Haven Public Schools	Wiring - Cat 6	White Pines		4:30	5:30	3:00					13:00	B
Totals				4:30	5:30	3:00	0:00	0:00	0:00	0:00	13:00	

Signature *William McDaniel*

### Timesheet

Printed on: 01/17/2015

Name: McDaniel Developer, LLC Jan 12 to Jan 18, 2015

Customer/Job	Service Item	Notes	Class	M	Tu	W	Th	F	Sa	Su	Total	Bill*
Grand Haven Public Schools	Wiring - Cat 6	White Pines		7:00	5:30	1:00		4:30	2:00		20:00	B
Totals				7:00	5:30	1:00	0:00	4:30	2:00	0:00	20:00	

Signature *William McDaniel*

We identified the corresponding invoice for 33 hours saved on Wheeler’s network drive, as shown. Note the invoice date is 1/21/2014 but the file is saved as “Mike-invoice 1-19-2015”. It appears the year on the invoice is incorrect.

McDaniel Developers, LLC  
682 E. Lincoln Ave  
Muskegon, MI 49444

Customize...

**INVOICE**

**Customer**

Name	Grand Haven Area Public Schools				
Address	1415 Beechtree Ave				
City	Grand Haven	State	MI	ZIP	49417
Phone					

**Date** 1/21/2014  
**Order No.** 23743  
**Rep**  
**FOB**

Qty	Description	Unit Price	TOTAL
33	White Pines Middle Schools - Classroom Wiring	\$20.00	\$660.00

**Payment Details**

☐ Cash  
☒ Check  
☐ Credit Card

SubTotal \$660.00  
Shipping & Handling \$0.00  
Taxes State  
**TOTAL \$660.00**

As described, the activity pattern involving McDaniel differs from that of Infinity and Business Office Support System. Based on the many emails which McDaniel sent to Wheeler containing detailed descriptions of the work performed and attaching supporting documentation, it appears likely this vendor provided services to the District. However, it appears Wheeler created the invoices submitted to AP for payment and it is unclear why this arrangement existed. We have not verified that all the hours detailed on the McDaniel Developers LLC invoices agree to McDaniel’s emails and timesheets, but we can do so, upon request.

As it appears likely the District received services from this vendor, we have not included the payments to McDaniel in our loss calculation.

*c. Technology and Consulting Services*

GHAPS paid Technology and Consulting Services \$101,386.06 in 2012 and 2013. Technology and Consulting Services is not registered with the State of Michigan. An example Technology and Consulting Services invoice is shown in the ensuing image.

Wheeler was initially hired by the District in 2000, but there were periods of time between 2000 and Wheeler's end of employment when he was not employed by GHAPS. It is our understanding the District contracted with Wheeler through this company when he was not an employee. Upon a precursory review, it appeared these invoices were issued during those time periods. Therefore, we have not included the payments to Technology and Consulting Services in our loss calculation. We can further analyze this vendor, upon request.

We would be pleased to update these findings, upon request, should additional information become available.

Eric Confetti

**ATTORNEY WORK PRODUCT – PRIVILEGED & CONFIDENTIAL**