

Case No. 100000437
Report No. 100000437.5
Report Date: 2/2/2010

Subject: EMBEZZLEMENT

Case Report Status: A - Approved
Agency County: 50 - Macomb
Agency City/Township: 90 - St Clair Shores
Occurred On: 7/7/2007 12:00:00 PM
Or Between: 1/21/2010 12:00:00 PM
Business Name:
Location: 27600 Jefferson Ave
CSZ: ST CLAIR SHORES, MI 48080
Census/Geo Code:
Jurisdiction:
Grid:
Sector:
Map: 0 - N/A
Call Source: Telephone
Vehicle Activity:
Dir. Veh. Traveling:
Cross Street:
Means:
Motive:

Entered On: 3/19/2010 11:35:53 AM
Entered By: 00180 - Centala, David
Verified On: 5/3/2010 9:32:26 AM
Verified By: 00180 - Centala, David
Approved On: 5/3/2010 9:34:05 AM
Approved By: 00180 - Centala, David
Related Cases:
Disposition: Active
Excp. Clear Reason:
Excp. Clear Date:
Reporting Agency: Saint Clair Shores PD
Report Type: Follow-Up Report
Division: Investigations
Notified:
Related Cases:

Reporting Officer: 00180 - Centala, David
Assisted By: 00193 - Eidt, Margaret
Agency Assisted:

Call for Service #: 100002658

Report Narrative

03/19/10

*****Interview with Kenneth Blankenship who is a service tech for the Water Department:
(586) ~~XXXXXXXXXX~~

Kenneth told us that he is sure that City of St. Clair Shores water meters have disappeared from cold storage in the last six months because he is the person who moved them there. Kenneth moved three boxes on Sean's orders, and now there is only a box and a half left. Kenneth also told us that the copper box filled up (copper put back in) around the time this investigation started. Kenneth added that when copper disappeared and the workers knew they did not take it in, there was a running joke that "it must be hunting season." Kenneth added that he would often see people he did not know on the grounds. As in the one time he observed a black pick up after hours throwing things away in a City owned garbage truck. Kenneth did not see the person or get a plate number. Kenneth wrote a statement upon our request.

*****Interview with Samuel Mcalister: (586) ~~XXXXXXXXXX~~

Samuel Mcalister is the Team Leader of the Sewer Department. Sam did not know about the scrap fund nor did he know that Dumas kept money in his office. Sam had never seen money pass between Sean and Dumas or anyone else. Sam did not have anything to add to this investigation.

*****Interview with Sheldon Wood who is a service tech for the Water Department:
(586) ~~XXXXXXXXXX~~

Sheldon also confirmed that scrap copper was returned to the copper bin around the time this investigation started. He also confirmed that no one from the water department took in the scrap copper for the last few years. Sheldon did tell us that about two years ago, when he was new in the Water Department, he was asked by Dumas or Sean (he could not remember which one) to take a load of scrap into Detroit.

The strange part was that the truck was already loaded and he was told to turn the sealed envelope he got from the yard over to Barb (Dumas' secretary). The receipt he received from the scrap yard located somewhere near Mt. Elliot in Detroit, only had the weight of the scrap and no money amount on it.
Sheldon wrote a statement on our request.

03/22/10

I located Sean Houtekier's home address, [REDACTED] and received a printed photo showing the City owned lots next door to the East and the West toward the Laukel Street or rear side. I drove to the location and noticed several trees cut down on the City owned lot to the West of Sean's. Sean also appeared to be storing small items such as a row boat and trailer on the lot.

03/23/10

I had the Dittman Tree Service invoice faxed to me today from City Hall and upon reviewing it, it shows many trees on Laukel that had been removed. I call Jim Harbison who confirmed that the trees were removed because they were Ash trees. He also explained that City workers cut the grass on the City owned lots and because of that, some work was also done for mowing.
It should be noted that a criminal history check on Brad Dittman shows a felony conviction for Grand Theft (Truck) out of Ohio and a Misd. conviction out of Port Huron.

03/24/10

*****Second interview with Mike Smith Assistant City Manager:

Smith told us that Ken Podolski told him that he allowed Curt to keep "a few hundred bucks" from "scrap metal." Smith told us that he was sure Ken said scrap metal and not donations. Smith only was told about this upon the allegations of Curt's embezzlement which would have been sometime in January of this year. Smith told us that Dumas treated his job "like his own candy store" and told us about Dumas driving a City vehicle to and from home. Smith addressed this with Podolski several times only to learn that Dumas had stopped but still drove a City vehicle around during his work hours. Again he addressed this with both Podolski and Dumas before it stopped. (Dumas had a car allowance that was rolled in to his base pay).
Smith also told us that it was his job to get \$75.00 watches for employees on their retirement day. Smith did not feel comfortable about this and voiced his concerns to Ken Podolski telling him that it was not legal. Smith did buy six or seven watches including one gift certificate out of public funds because it was the "Human Resource Director's job." (Upon interviewing Podolski again, he adamantly denies this and told us that Smith never complained and even volunteered to pick up the watches. Please see Podolski's third interview.)

I talked to Smith about case 07-5015 in which I investigated a few years ago. In that case I was investigating a possible larceny by a D.P.W. worker. While still conducting the investigation, Smith called me and told me that the subject talked to him and that in his opinion nothing else happened and that I need to close the case. At the time, I had proven a crime did occur (albeit minor in nature that would probably would not have been authorized). Smith was the Human Resource Director at the time.

Below is the investigative report that I completed for this case:

08/15/07

I WAS ASSIGNED THIS CASE AND AFTER REVIEWING THE FILE, I STARTED MY INVESTIGATION BY TALKING TO THE SERGEANT IN RECORDS. (PIETRZAK)
SGT. PIETRZAK TOLD ME THAT AFTER THE SECURING CABLE ON THE BIKES WERE CUT, TWO WERE MOVED. UNFORTUNATELY, IT IS UNKNOWN IF A BIKE WAS ACTUALLY STOLEN. TO

CONFIRM AN ACTUAL THEFT OCCURRED, A COMPLETE INVENTORY WOULD HAVE TO BE CONDUCTED. PER RECORDS BUREAU PERSONAL, THIS WOULD TAKE HOURS UPON HOURS TO COMPLETE.

I ASKED SGT. PIETRZAK WHAT HIS GUT FEELING WAS ON THE THEFT, HE REPLIED THAT HE FEELS THAT AFTER THE CABLE WAS CUT, THE BIKE WAS TAKEN FOR A JOY RIDE OR MORE POSSIBLY, THE SUSPECT (S) WERE GOING TO COME BACK FOR THE TWO BIKES THAT WERE MOVED AT A LATER TIME.

I, ALONG WITH DETECTIVE SEMS, AND SGT. PIETRZAK WENT TO THE COLD STORAGE UNIT THAT THE BIKES ARE BEING KEPT AT. THE AREA IS OPEN TO ALL D.P.W. WORKERS INCLUDING MOTOR POOL AND THE WATER DEPARTMENT. THE TWO BIKES THAT WERE MOVED ARE BOTH EXPENSIVE BRAND NAMED MOUNTAIN BIKES IN GOOD CONDITION. (ONE IS A MONGOOSE AND THE OTHER A DIAMONDBACK)

WHILE AT THE STORAGE UNIT, I TALKED TO SEAN HOUTEKIER WHO IS THE ASSISTANT DIRECTOR. I ASKED HIM FOR HIS OPINION ON WHO I SHOULD INTERVIEW ABOUT THE THEFT. SEAN STATED THAT HE HAD NO IDEA. I ASKED FOR A LIST OF ALL WORKERS INCLUDING SUMMER TEMP WORKERS. SEAN SAID HE WOULD MAKE ONE AND DROP IT OFF AT THE STATION.

LATER IN THE DAY, SEAN DROPPED OFF THE LIST. HE TOLD ME HE TALKED TO JAMES HARBISON WHO IS THE DIRECTOR OF PARKS AND REC. JAMES TOLD HIM THAT HE SAW DAVID CONKLIN FROM THE SEWER DEPARTMENT LOAD A BIKE INTO A GREEN CITY VAN. NO DATE OR TIME GIVEN AT THIS TIME.

08/16/07

I CALLED JAMES HARBISON AGAIN, AND THIS TIME LEFT A MESSAGE ON HIS CELL PHONE. I ALSO DROVE PAST DAVID CONKLIN'S HOUSE IN MT. CLEMENS LOOKING FOR A BIKE IN OPEN VIEW. THE HOUSE HAD A LARGE PRIVACY FENCE AROUND IT.

JIM HARBISON CALLED ME BACK, HE TOLD ME THAT HE OBSERVED DAVID PUT A RED BIKE INTO HIS GREEN WORK VAN LAST WED/THURSDAY AROUND 1430 HOURS. JIM'S FIRST THOUGHT WAS "HE'S NOT DOING WHAT I THINK HE'S DOING" DAVID WAS BY HIMSELF. I ASKED JIM TO WRITE OUT A STATEMENT FOR ME AND DROP IT OFF AT THE STATION. JIM SAID THAT HE WOULD, BUT ADDED HE DOESN'T WANT HIS NAME USED. JIM STATED THAT BECAUSE HE IS A SUPERVISOR, IT COULD BE BAD IF IT GOT AROUND.

I GOT A HOLD OF DAVID AND HE AGREED TO COME INTO SEE ME.

INTERVIEW WITH DAVID CONKLIN:

DAVID SEEMED VERY NERVOUS WHEN HE TALKED TO ME. HE TOLD ME HE HAD NO IDEA WHY HE WAS ASKED TO COME IN. WHEN I EXPLAINED THAT IT'S IN REGARDS TO A STOLEN BIKE FROM COLD STORAGE, DAVID WAS VERY COOPERATIVE STATING HE WOULD TAKE A POLYGRAPH AND THAT WE COULD GO TO HIS HOUSE TO LOOK IN HIS SHED. AFTER ABOUT 25 MINUTES OF QUESTIONING, DAVID REFUSED TO GIVE CONSENT ON CHECKING THE SHED AT HIS HOUSE. STATING HE DID NOT TRUST ME. DAVID ALSO CHANGED HIS MIND OVER THE POLYGRAPH TELLING ME THAT HE WOULD LIKE TO TALK TO HIS UNCLE FIRST BEFORE SAYING YES OR NO. (HIS UNCLE, HE TOLD ME, IS AN ATTORNEY.)

DAVID EXPLAINED THAT HE BOUGHT HIS SON, WHO IS TWELVE YEARS OLD, A BMX BIKE FROM A STORE. THAT BIKE WAS BOUGHT ABOUT TWO WEEKS AGO. SHORTLY AFTERWARD, HE FOUND ONE AT A GARAGE SALE ON LAVON STREET. HE STATED HE BOUGHT THAT ONE FOR \$10.00. IT WAS A ORANGE BMX BIKE. HE SAID HE THEN TOOK IT INTO THE DPW COMPLEX TO POWER WASH AND LUBE IT. WHEN HE WAS FINISHED, HE PUT IT INTO HIS WORK VAN. HE TOLD

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ME THIS HAPPENED A WEEK OR TWO AGO.

DAVID TOLD ME HE NEVER STOLE A BIKE, NOR DID HE EVER CUT THE CABLE TO THE BIKES THAT WERE AT THE COLD STORAGE UNIT IN THE D.P.W. COMPLEX.

EVEN THOUGH DAVID WOULD NOT GIVE CONSENT TO LOOK AROUND AT HIS PROPERTY, HE STATED THAT HE WOULD SHOW US THE HOUSE ON LAVON THAT WAS HAVING THE GARAGE SALE WHEN HE BOUGHT THE BIKE. DETECTIVE CHAVIS AND I, FOLLOWED DAVID TO LAVON AND DAVID POINTED OUT THE HOUSE WHICH STILL HAD A MOVING SALE GOING ON. DETECTIVE CHAVIS TALKED TO THE HOME OWNER WHO DID CONFIRM THAT SHE SOLD DAVID AN ORANGE BMX TYPE BIKE LAST WEEK FOR \$10.00. WHEN DAVID WAS TOLD THAT THE HOME OWNER CONFIRMED THE SALE OF A BIKE TO HIM, DAVID'S REPLY WAS "GOOD, NOW IT'S OVER." I EXPLAINED TO DAVID THAT I WOULD STILL LIKE TO COMPLETELY ELIMINATE HIM AS A SUSPECT AND TO DO THAT, I WOULD LIKE CONSENT TO CHECK IN HIS SHED. DAVID ONCE AGAIN TOLD ME NO. I GAVE DAVID MY CARD AND DAVID LEFT THE SCENE.

AFTER LEAVING THE SCENE, DAVID WAS FOLLOWED BY UNDER COVER OFFICERS FROM THE ST. CLAIR SHORES POLICE DEPARTMENT. DAVID DROVE HOME, UP HIS DRIVEWAY, AND THEN CLOSED THE PRIVACY FENCE BEHIND HIM. (THERE IS A LARGE WOODEN PRIVACY FENCE ACROSS THE ENTIRE LENGTH OF HIS PROPERTY.) A FEW MINUTES LATER, DAVID LEFT IN HIS CAR AGAIN. AFTER MAKING SOME QUICK TURNS, DAVID WAS OBSERVED THROWING A FULL BOX OF SAFEGRIP LATEX GLOVES OUT OF HIS WINDOW ONTO THE STREET. (PLEASE SEE DETECTIVE CROOKS REPORT) AFTER THROWING OUT THE BOX, DAVID MADE MORE QUICK TURNS AND THE UNDERCOVER OFFICERS LOST SIGHT OF HIM. THE BOX OF GLOVES WERE RECOVERED BY DETECTIVE CROOKS.

LATEX GLOVES BOX INFORMATION:

MICROFLEX SAFEGRIP. RECORDER # SG-375-XL
LOT # 2001250716003750 2006-03 REF: 60363764 SIZE EX-LARGE.

I CALLED THE D.P.W. ASSISTANT DIRECTOR SEAN AGAIN REGARDING INFORMATION ON THE GLOVES. SEAN SAID THAT EACH SEWER WORKER KEEPS A BOX OF GLOVES IN THEIR WORK VAN. SEAN TOLD ME THAT THE BOX IN THE VAN DAVID USES IS:

MICROFLEX SAFEGRIP. RECORDER #SG-375-XL
LOT # 2001210607003750 2007-03 REF: 70384714. PJN: 90126 SIZE EX-LARGE.

I TALKED TO RONALD EDWARD DEMSKI ~~XXXX~~70 WHO IS THE PERSON WHO ORDERS LATEX GLOVES FOR THE SEWER DEPARTMENT. EACH DEPARTMENT IN THE CITY CAN ORDER ANY TYPE OF LATEX GLOVE FROM ANY SUPPLIER. RONALD TOLD ME THAT THE SEWER DEPARTMENT USES ARGUS SUPPLY COMPANY IN CHESTERFIELD MI. (586) 596-2015. I CALLED ARGUS SUPPLY COMPANY AND TALKED TO BECKY SCHNIEDER. I GAVE HER THE LOT NUMBER, REFERENCE NUMBER AND REORDER NUMBER FROM THE BOX OF GLOVES THAT WERE RECOVERED FROM DAVID. BECKY STATED THERE WAS NO WAY TO TRACK ANY OF THE NUMBERS EXCEPT THE REORDER NUMBER. THE REORDER NUMBER WAS CONFIRMED AS THE SAME AS THE SAME TYPE AS THE SEWER DEPARTMENT IN ST. CLAIR SHORES USES. SHE ADDED THAT THE ONLY OTHER COMPANYS WITH THAT REORDER NUMBER THAT ARGUS SUPPLY HAS CONTRACTS WITH ARE FORD MOTOR IN DEARBORN (DOUBLE EAGLE DIVISION) AND THE MACOMB COUNTY D.P.W. RONALD EDWARD DEMSKI GAVE ME COPIES OF INVOICES FROM ARGUS SUPPLY COMPANY. THE INVOICES SHOW THE REORDER NUMBER AS SG-375-XL WHICH IS THE SAME AS ON THE RECOVERED BOX OF GLOVES.

AT THIS POINT IN THE INVESTIGATION, I ADVISED THE DETECTIVE SUPERVISOR AND THE CHIEF OF POLICE OF MY FINDINGS.

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08/20/07

I CALLED DAVID AGAIN AND TOLD HIM I WOULD LIKE TO TALK TO HIM REGARDING THE GLOVES HE THREW OUT OF HIS CAR. DAVID AGREED TO COME IN AND SEE ME RIGHT AWAY. DAVID CALLED ME BACK A SHORT TIME LATER AND TOLD ME HE WILL NOT COME IN WITH OUT HIS ATTORNEY. I EXPLAINED THAT WOULD BE NO PROBLEM. DAVID SAID HE WOULD CALL ME BACK SOMETIME THIS WEEK WITH A TIME HE COULD COME IN.

DAVID LEFT A MESSAGE FOR ME TO CONTACT ATTORNEY MIKE DENNIS AT (586) ~~771-3900~~. I CALLED HIS ATTORNEY WHO TOLD ME THAT HE USUALLY WILL NOT LET CLIENTS TALK TO THE POLICE. I EXPLAINED THE INVESTIGATION TO ATTORNEY MIKE DENNIS AND HE STATED HE WILL GET WITH DAVID AND GET BACK TO ME REGARDING A YES OR NO ON THE MEETING.

08/22/07

MIKE SMITH FROM CITY HALL CALLED ME AND WE TALKED ABOUT THE CASE. DAVID WROTE HIM A STATEMENT SAYING HE STOLE A BOX OF LATEX GLOVES.

THIS CASE IS NOW CLOSED.

D/SGT. CENTALA

During the interview with Mike Smith, he explained that he did not remember the phone call he made to me or the case. The more we talked about it, he remembered more and told me that he thought I had wasted too much time on a box of gloves. Smith did not remember if he wrote up the D.P.W. employee or if he told Ken Podolski about the incident.

The interview lasted about two hours.

03/25/10

Requested and received Legal Request 05-24 for Lawful Expenditures dated July 5, 2006 signed by Rober Ihrle City Attorney.

Please see point six of this case file.

Offense Detail: 2798 - Embezzlement - Misappropriate Funds

Offense Description	2798 - Embezzlement - Misappropriate Funds		Location Type	11 - Government/Public Building	No. Prem. Entered
IBR Code	270 - Embezzlement		Offense Completed?	Yes	Entry Method
IBR Group	A		Hate/Bias	00 - None (No Bias)	Type Security
Crime Against	PR		Domestic Violence	No	Tools Used
Offense File Class	27000 - EMBEZZLEMENT				
PACC					
Local Code					
Using					
Criminal Activity					
Force Level					
Weapons					