

**Investigative Report on Alleged Improprieties and  
Use of City Of Richmond Resources at the First Baptist Church  
Iron Bridge Road Construction Project**

## **OIG REPORT AS RESULT OF COMPLAINT**

In late 2015, the Office of the Inspector General (OIG) for the City of Richmond (COR) received a complaint that Mr. Emmanuel Adediran, then Interim Director of COR's Department of Public Works (DPW), had been neglecting his DPW duties by serving as project manager for the construction of First Baptist Church's (FBC) new development in Chesterfield County. The complaint alleged Mr. Adediran had "spent numerous hours during the City's workday visiting the construction site and attending meetings and phone calls related to FBC's Chesterfield development."

After investigating this complaint, the OIG summarized its findings in a letter to COR's Chief Administrative Officer on January 5, 2016. The OIG concluded that Mr. Adediran had spent at least (38) hours during the City's workday on conference calls related to FBC's Chesterfield development, and that he had been using his COR email address to coordinate aspects of the construction project. Although at the time the OIG could not determine whether Mr. Adediran had visited the construction site during the City's workday, Mr. Adediran acknowledged providing necessary construction "guidance" to the project in his role as an associate pastor with FBC. Finding the matter sufficiently substantiated, the OIG referred it for appropriate administrative action. Eventually, Mr. Adediran "refunded" the City the estimated 38 hours of work time by forfeiting accrued vacation leave.

While responding to a Freedom of Information Act (FOIA) request from local media, the OIG uncovered emails that raised other questions about the Mayor's knowledge of Mr. Adediran's involvement with the FBC project. Aware of the OIG's new concern, on January 14, 2016, the Mayor sought an outside investigation by Virginia State Police (VSP). He requested

that VSP review Mr. Adediran's performance of his official duties with COR and “any use of City property and resources in relation to his role” in FBC’s construction project.

In consultation with VSP, our office concluded that the requested investigation of Mr. Adediran would necessarily include some focus on Mayor Jones. The Mayor is Mr. Adediran’s supervisor in two capacities—as both the head of COR government and the Senior Pastor of FBC. Our office worked with VSP to obtain the required authorization from the Richmond Metropolitan Multi-jurisdiction Grand Jury (MJGJ) to proceed with an expanded investigation that included Mayor Jones, an elected official. With MJGJ authorization on February 10, 2016, VSP began its investigation with assistance from the FBI and OIG. This report reflects the results of the investigation and our office’s determination of any probable cause for indictment for violations of applicable criminal laws.

#### **ANGLES OF INVESTIGATION**

We did not seek, nor were we authorized, to generally investigate the Mayor, FBC or any of its members. We therefore consciously avoided undue mission creep. Our office considered three plausible theories of criminal conduct:

First, was there evidence of COR funds being used to finance or facilitate the construction of FBC’s Chesterfield development?

Second, was there evidence of COR employees leveraging their official positions or authority to obtain lower prices for FBC’s construction needs?

Third, was there evidence of any *quid pro quo* arrangement, whereby COR vendors may have been offered additional City contracts in exchange for discounts on FBC’s project?

Finally, as a corollary to these theories, the investigation explored allegations of cronyism related to FBC members in COR positions—specifically, on reports that several FBC members

had secured high paying positions in City government by virtue of their membership in the Mayor's church.

## **I. LOGISTICAL CONDUCT OF THE INVESTIGATION**

With assistance from the FBI and OIG, VSP has discovered and interviewed witnesses, uncovered and reviewed documents, subpoenaed and analyzed telephone records and email traffic, and tracked down other relevant leads. Specifically, VSP interviewed current and former COR employees and executives, FBC's general contractor, representatives from COR vendors, general FBC members, as well as members of FBC's executive team—including the Mayor's son, Assistant Pastor Derik Jones. All witnesses were interviewed individually.

Among other things, the team reviewed Mr. Adediran's telephone and email records, including his communications with COR contractors, and relevant emails among Mayor Jones, members of FBC's executive team and the construction team. VSP also analyzed several additional sources of documentation, such as City records pertaining to Mr. Adediran, purchase records for the Department of Public Works, lists of FBC's equipment requirements for its construction project, and comparisons of FBC's ministry rosters with COR employee registers. The investigative team also searched for any communications, invoices, and ordering information between FBC and COR vendors.

Of special note, Mayor Jones, Mr. Adediran, and Derick Jones were interviewed. All appeared voluntarily upon request. The Mayor and Mr. Adediran were accompanied by counsel. There has been no indication that Mayor Jones in any way obstructed or otherwise attempted to thwart this investigation. Finally, although this report was not provided to the Mayor's administration prior to its public release, we have provided an oral summary of our findings to his attorneys and the attorney for Mr. Adediran.

## II. LEGAL REQUIREMENTS

Our analysis proceeded under the constraints of the relevant criminal statutes, namely, the Commonwealth's public corruption laws found in Virginia Code § 18.2-112 and § 18.2-112.1. Taken together, these statutes are intended to criminalize misuse and embezzlement by elected officials and public employees. Virginia originally prohibited embezzlement, the misappropriation of funds or property in one's trust, under a general statute within the Commonwealth's broader larceny laws. The additional benefit and purpose of Virginia Code § 18.2-112 and § 18.2-112.1 is to provide a clear, supplementary layer of criminal liability to prevent embezzlement and misuse specifically by *elected officials*. Section 18.2-112 prohibits misuse of public funds, while section 18.2-112.1 prohibits the misuse of public assets, including property and labor (of government employees).<sup>1</sup> Indictments under these, or any, criminal statutes must be based on sufficient evidence of probable cause that a crime has occurred. We reviewed the Commonwealth's Conflict of Interest Act (COI) and concluded that it did not apply to this investigation. In short, the provisions of the COI are intended to prevent an elected official: (1) from receiving inappropriate gifts; or (2) having a personal interest in the subject of government business. Neither the FBC project nor the behavior surrounding it presents these scenarios.

## **ANALYSIS/APPLICATION OF THE SPECIFIC THEORIES OF PROSECUTION**

*Before we begin the substance of our analysis it is important to note that throughout the investigation, Mayor Jones and Mr. Adediran disputed the characterization of Mr. Adediran as “project manager.” Instead, they regarded his role as that of an informal “advisor” or “owner’s rep.” Other witnesses, however, were consistent in their recollections of Mr. Adediran introducing himself or being introduced as “project manager.” Our analysis assumes the accuracy of the witnesses’ recollection that Mr. Adediran was indeed held out as “project manager.”*

### **A. COR FUNDS AND RESOURCES USED FOR FBC CHESTERFIELD**

The first theory of investigation was that COR funds may have been used to finance or facilitate the construction of FBC’s Chesterfield development. In simple terms, Virginia Code § 18.2-112 clearly prohibited the Mayor, or any other COR employee, from using COR funds for anything other than City business. There would have been no justification for any degree of City financial support of the FBC project. Indeed, during his interview, Mayor Jones acknowledged that any “intermingling” of COR and FBC funds would have been illegal. Both the Mayor and Mr. Adediran have consistently maintained that no COR resources were used for the FBC project. Neither the OIG nor the VSP located any records of city expenditures related to the project. No COR employee we interviewed was aware of any COR funds used for the project. There was also no evidence of COR employees (other than Mr. Adediran) contributing in any way to the FBC project during the City workday.

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<sup>1</sup> Perhaps in an effort to avoid incidents of mistake, the General Assembly included a monetary threshold for misuse of public assets—that a charge is substantiated only when the value of unlawful misuse exceeds \$1,000 in any 12-month period.

By forfeiting the estimated (38) hours, Mr. Adediran acknowledged that he was, at a minimum, careless in conducting FBC business during his workday. He does not dispute that he participated in conference calls and exchanged emails regarding the FBC project during City work hours. Mr. Adediran maintains that he rarely visited the construction site during the workday, but that he routinely inspected the project on his way to and from work. We were unable to approximate through the analysis of cell phone data how much, if any, time Mr. Adediran spent at or near the construction site during the workday.

As a salaried, executive level employee, Mr. Adediran is not expected to maintain a normal 40 hour work week. By most expectations, and many accounts, he often worked well beyond 40 hours a week and was accessible 24 hours-a-day. In light of the 38 hour administrative penalty and Mr. Adediran's employment classification, the arguable violation of the City's Time and Attendance policy (A.R. No 513) is moot and does not constitute probable cause of a crime. Finally, we are aware of no "tips" or "whistleblowers" alleging the use of COR funds at the FBC project.

## **B. COR OFFICIALS LEVERAGING POSITION FOR FAVORABLE PRICING**

The second theory of criminal conduct was that COR employees may have leveraged their official positions or authority to obtain lower prices for FBC's construction needs. It contemplates the concern that Mr. Adediran (at the Mayor's behest) may have attempted to inappropriately use his position as director of public works to solicit preferential pricing from City vendors. During his interview the Mayor acknowledged that any attempt of FBC to exploit relationships with COR vendors effort would be "improper" and reflect poorly on his administration. He insisted that he was aware of no such effort prior to the OIG report.

Mr. Adediran has been employed by the City since 1999. His tenure began in the Department of Parks and Recreation. He transferred to the Department of Public Works in 2011 and was subsequently promoted to the position of project manager in 2013. In 2014, he enjoyed two promotions to the level of interim, then deputy director. Finally in July 2015, he was appointed Director of Public Works. In his various roles, Mr. Adediran would have developed countless relationships with contractors and suppliers who conducted business with the City. Although Mr. Adediran has undoubtedly held positions of influence and authority, our understanding of COR policies is that negotiations of significant contracts are handled by the procurement department, effectively preventing any agency head from hand picking City vendors.

FBC is a long-standing and celebrated African-American church. In some respects it has been an anchor in the development of the Hull Street and Blackwell corridor. Despite its rich history, we concluded from the investigation that while the FBC executive team may have been very skilled at providing spiritual guidance, it appears to have been in well over its head by trying to coordinate the Chesterfield construction project.

Representatives from Joplin Construction (project general contractor) were interviewed. They were very familiar with Mr. Adediran and the rest of the FBC project management team. They recalled frequent contact with Mr. Adediran, and one of them specifically recalled Mr. Adediran visiting the site in his capacity as “project manager.” The witnesses echoed frustration in dealing with the FBC team, observing that the church wanted “champagne on a beer budget,” insisting on fixtures and equipment it “could not afford.” We were left with the clear impression that the FBC decision makers, including the Mayor, were struggling to find ways to save money and cut costs.



Several witnesses described Mr. Adediran as a “big talker” who insisted that he could save the church thousands of dollars through his contacts. Indeed, Adediran impressed the Mayor by managing the renovation and construction of the City’s Day Reporting Center (DRC) below expected costs. Along that same line, one of the Joplin Construction witnesses recalled that Mr. Adediran believed he could secure preferential pricing from COR vendors because he had recently completed a significant COR construction project (presumably the DRC).

In addition to witness accounts, the investigative team discovered emails alluding to Mr. Adediran’s efforts to solicit low bids from City vendors. Perhaps the most notable among them is a June 7, 2014 email from a member of the FBC team updating Mayor Jones and co-pastor Derik Jones about project budget problems. The email is entitled “**Construction costs-please read**” and marked “**high importance.**” It addressed several areas of concern, but of particular significance to us was the following text: “**Emmanuel’s savings – As you know, Emmanuel said he could save us roughly \$500,000 based on relationships he has with vendors he worked with in the City.**” During questioning, Mr. Adediran had no specific recollection of any such statement(s). Likewise, the Mayor insisted that he had not read the email; rather, he relied on his son and other members of the team to remain abreast of the many issues arising with the project. Needless to say, investigators challenged the Mayor’s lack of knowledge. For purposes of our analysis, members of the investigative team found the Mayor’s claim implausible, and we therefore concluded that he was aware of Mr. Adediran’s efforts, as described in the email. Frankly, we found it hard to believe that the Mayor would simply rely on his son to keep him informed, given the sheer magnitude of the undertaking.

In fairness, when the author of the email was interviewed, she confirmed that she was at one time the official project manager and took personal offense at the notion that Adediran

brought any expertise to the project, and certainly not as project manager. She believed that he was fundamentally a good man, but that he rarely delivered on big promises. In fact, she further stated that she meant to convey a facetious tone when she wrote about “Adediran saving us roughly \$500,000.” She recalled one occasion when pastor Derik Jones may have evinced a similar lack of confidence in Adediran’s ability to find savings.

Nevertheless, our conclusion about the Mayor’s knowledge was partly informed by the relationship between Adediran and the Mayor (marked by Adediran’s adulation), and the fact that both participated in weekly conference calls and emails regarding the project. Some emails suggest that the Mayor Jones was indeed aware of Mr. Adediran’s plan to contact COR vendors, and that he believed Mr. Adediran was addressing problems that were not being properly handled by the general contractor. A January 7, 2014 midday exchange between Adediran and the Mayor offered some perspective on their relationship and the Mayor’s knowledge of Adediran’s role. The Mayor wrote: **“At some point we need to determine roles. I’ve never built a church where as owner we had to do all of this work. Seems to me that the people we’re paying [enjoy] E doing this leg work. DCJ”**

In a later June 27 2014 email entitled **“Emmanuel vendor relation”** and regarding a **“First Baptist church QUOTE”** Mr. Adediran updates a member of the FBC team, Derik Jones and “Dad” (Adediran has been known to refer to the Mayor as “Dad”). He states **“This is the company I buy electrical materials from that gave me the quotes I submitted to Rusty. Now I see the electrical contractor is trying to order his materials from them. There should be some savings here. Christy, this should be one of the agenda on Thursday.”**

Although the Mayor denied any knowledge of specific actions by Adediran, he conceded that he provided little guidance or limitation on how to manage his COR role as Director of

DPW and his personal involvement in FBC's construction project. Instead, he assumed Adediran would exercise appropriate discretion and avoid any appearance of wrongdoing. Both insist that all overtures to vendors were on Mr. Adediran's own initiative and not at the specific request of the Mayor. The investigative team was not at all persuaded by the Mayor's position. Given the contents of the emails and witness accounts of their relationship, any lack of knowledge on the part of Mayor Jones raises the specter of willful ignorance, at best. This office concludes that Mayor Jones was well aware that Mr. Adediran was contacting COR vendors for quotes, and that he did nothing to stop him.

Our conclusion that Mr. Adediran attempted to leverage his relationships, if not his directorship, to obtain lower prices is not dispositive. For one thing, he was unsuccessful. The quotes he obtained tended to be higher than those from non-COR vendors and those secured by the general contractor. From the more important legal standpoint, however, a lower bid from a COR vendor, without a promise of something in return from the City, would not have been illegal. The law does not prohibit vendors who do business with the City from engaging in private contracts with City employees or officials, unless that contract involves the use of City funds or promises future City business as part of the deal. Ultimately, while Mr. Adediran's attempt to obtain favorable pricing is unseemly and significantly undermines public confidence—it was not public embezzlement. It was not illegal. This analysis does not change on the assumption that the Mayor was aware of Mr. Adediran's actions.

### **C. QUID PRO QUO SCHEME—OFFERING EXCHANGE FOR DISCOUNT**

The third theory of criminal conduct was that there may have been a *quid pro quo* arrangement, whereby COR contractors were offered additional City contracts in exchange for

discounts on FBC's project. More than simply asking for lower pricing because of a relationship with, or as a favor to, Adediran or FBC, this theory posited Adediran soliciting discounted bids from COR vendors in exchange for future City contracts that would more than make up for the discount. This would have committed City funds, via future public contract obligations, to pay for construction services at the FBC project. Such a scheme would undoubtedly violate the Commonwealth's public corruption and embezzlement statutes. Not surprisingly, both the Mayor and Mr. Adediran adamantly denied any such scheme. While several witnesses were very critical about various aspects of City government (including its integrity), no witness confirmed, suggested or hinted at the existence of such a scheme. In the absence of a specific tip, complaint, or "whistle blower," the search for evidence of this theory was akin to looking for a needle in a haystack, as investigators were searching for evidence of future contracts and commitments.

The investigators reviewed available expenditure records for COR vendors that were in any way connected to the FBC project. They also analyzed the emails of Mr. Adediran and the Mayor for any references to promises, inducements or additional City business flowing to those COR vendors. In all, we identified ten potentially relevant vendors, four of whom were referred to the OIG by an undisclosed member of the media. We once again searched for evidence of City payments, and we expanded our focus to include evidence of inducements (*quid pro quo*).

The focus distilled to a careful examination of the City's relationship with Grainger, a COR vendor actively engaged in business with the City when Mr. Adediran requested quotes for FBC. With the assistance of counsel, Grainger cooperated with investigators by providing emails and other documentation, as well as by volunteering access to the representatives contacted by Mr. Adediran. The investigation revealed that at one point, the church's executive team learned that the construction contract did not cover the cost of the church's landscaping or

kitchen equipment. During his interview, Mr. Adediran estimated that the cost for these services and equipment was estimated to easily exceed \$200,000.<sup>2</sup> Mr. Adediran informed FBC's building company that he was seeking additional quotes and contacted Grainger for a quote on kitchen equipment.

At some point during his communications with the Grainger representative, Mr. Adediran used the City's customer account number, and he vaguely referred to the project as a "community center." Importantly, his quote request also failed to specify that the items were to be used for an FBC project, not COR general services. He now explains this as "oversight." When interviewed, the Grainger representative strongly disputed Mr. Adediran's recollection of informing her that the quote was for an FBC purchase. Grainger's initial quote for three pieces of kitchen equipment totaling approximately \$25,000 was later discounted by approximately \$7,000 in a subsequent email exchange with Mr. Adediran. Ultimately, the Grainger quote proved to be high relative to market prices. Indeed, Grainger did not supply any of the equipment for the FBC project. Moreover, the Grainger rep explained to us that when she learned that Adediran was inquiring about an FBC project, she referred the business to different vendor, RE Replacements Parts.

Mr. Adediran, the Mayor and pastor Derik Jones all denied offering any inducements to Grainger or any other vendor or contractor to obtain the low bids. We found no evidence to the contrary for any of the ten COR vendors who provided services or products to the FBC project.

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<sup>2</sup> We believe the June 7, 2014 email reflects concern about the shortfall, and it was during that exchange when a member of the FBC team commented about Adediran's claim that he could save the church \$500,000.

### **III. CHARGING RECOMMENDATION**

For the lack of evidence to establish probable cause of any of the three foregoing theories of criminal conduct, we cannot recommend the filing of any criminal charges to the Multi-jurisdictional Grand Jury. Although the investigation raises suspicion and concern about opaque governance, and calls into question the credibility of many of the involved parties, these facts do not constitute probable cause for prosecution under the Commonwealth’s public corruption laws. As a colleague reminded me, “the governing norm is that the criminal courtroom is not the public square—what may rightly provoke the public ire is not sufficient for criminal prosecution.”

### **IV. CRONYISM**

As a corollary to these prosecution theories, our office also followed up on allegations of cronyism related to FBC members in COR positions—specifically, on reports that several FBC members had secured high paying positions in City government by virtue of their membership in the Mayor’s church. Although not part of the original focus of the investigation, interviews included vague allegations that Mayor Jones had placed FBC members in high paying COR positions in order to directly increase tithing for his church. This raised an additional concern about a potential in-kind benefit of such hiring practices, whereby FBC members placed in high paying COR positions may have been expected to volunteer in demanding executive positions for the Mayor’s church—effectively staffing FBC’s executive teams on City salaries.

FBC members occupy (6) out of (58) executive-level positions in the Mayor’s administration—in total, (5) out of (71) COR employees earning \$100,000 or more annually are FBC members. Our investigation did not focus on the inner-workings of FBC, and therefore

could not confirm or dispel suspicion of a tithing scheme.<sup>3</sup> We discovered no actual evidence of a tithing scheme; although, one witness (who is not an actual member of FBC) suggested that certain members of the church might have relevant information. Investigators could not confirm this lead.

The investigation revealed that, like most churches, FBC generally preaches the importance of tithing. The Mayor insists, through counsel, that FBC does not require individuals to give. Indeed, according to the Mayor's representatives, none of these senior COR employees actually tithe to FBC, with some donating little or no money at all. And while the Mayor has made the hiring of FBC members a priority, this also coincides with a broader policy focus on hiring African American Richmonders, as FBC is the largest, predominately African American church in South Richmond with nearly 3,000 members. Without commenting on the merits of the hiring policy, certainly nothing prevented the Mayor from hiring among the thousands of women and minorities in the Richmond area who don't belong to FBC.

Several witnesses (including former COR employees) alleged that members of FBC benefitted from the Mayor's influence on hiring decisions and received other accommodations to preserve pay status or ensure higher salaries. Each of those employees has served in position of leadership or contributed in some substantive way to the operations and ministries at FBC. The investigation revealed the ease with which dual priorities for COR employees leads to the appearance of impropriety, at a minimum. We intentionally excluded from this report the names of the individuals who were the subjects of those accusations.

While the concerns associated with Mayor Jones employing FBC members in executive-level COR positions smacks of cronyism, this practice is not, in fact, criminal. While it may

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We did not seek authorization for a global investigation or audit of the Mayor's church, nor do we mean to recommend that such an investigation is warranted.<sup>3</sup>

reflect poor judgment and endear loyalty to the Mayor, as opposed to the Office, nothing in the Commonwealth's criminal statutes prohibits such conduct. This determination, however, does not foreclose the need for serious public discussion (perhaps among newly elected officials) regarding how these practices undermine confidence in our City government.

Michael N. Herring

Commonwealth's Attorney