

As previously reported, the City of Detroit and the Detroit Land Bank Authority received notice from the Treasury Department's Office of the Special Inspector General for the Troubled Asset Relief Program concerning inadequate documentation by demolition contractor Den-Man as to the source of the fill material used to backfill 200 Den-Man demolition sites. In the absence of the contractually-required documentation, the City and the Land Bank undertook initial random testing of 16 lots among the 200. Based on the results of the initial testing, the City and the Land Bank ordered Den-Man to test the remaining lots and take all steps necessary to remediate any lots not conforming with contractual requirements. When Den-Man failed to comply, the City and the Land Bank took steps to test the remaining lots. All of the remaining lots were fenced and neighbors were notified, pending completion of the process.

All of the 127 lots among the 200 which were publicly-owned at the time the investigation began have been tested. Where the testing showed direct contact exceedances of applicable substances according to contractual standards, remediation was ordered. Such remediation is on track to be completed. Please see the Chart dated February 22, 2024 for an update regarding these particular properties. Fences have been removed from all lots where remediation was not required. Final testing results have been posted for all of the publicly-owned lots.

All lots among the 200 which were privately-owned at the time of the investigation (for example, all lots which had been purchased in the ordinary course from the Land Bank as sidelots after completion of the demolition) were identified. Owners of these lots were contacted and offered the opportunity to have their lots tested, free of charge, and if necessary remediated, free of charge. Testing was not conducted unless owners provided authorization and access. All owners who authorized testing and provided access have had their lots tested. Owners who requested testing results have been provided such results. Owners of lots where remediation was recommended were notified, and all lots where the owners authorized remediation have been included in the remediation process. Fences have been removed from lots which did not require remediation or where the private owner did not authorize or provide access for testing.

The City and the Land Bank remain committed to completing the investigation and remediation as necessary and holding Den-Man accountable for all costs and expenses relating to this process, according to the applicable contracts. The Michigan Attorney General's Office has filed criminal complaints against certain private individuals related to Den-Man and this demolition work. It is anticipated that the criminal penalties will include partial repayment to the City and the Land Bank of public funds spent in this process. Den-Man is on notice that the City and the Land Bank will seek recovery from Den-Man of all public funds spent to date and of additional public funds which will be spent for further work as required.