

March 22, 2019

City Manager Deborah Bowie
200 E. University Ave.
Gainesville, Florida 32601

Delivered via email to: bowiedv@cityofgainesville.org

Re: Response to Carlos Holt's Draft Audit Report dated March 11, 2019

Dear City Manager Bowie:

I am in receipt of Carlos Holt's Draft Audit Report dated March 11, 2019, as a result of the City of Gainesville's Audit of the Reichert House Youth Academy's—Governance, Financial Processes, and Performance Metrics ("Draft Report").

I am writing this response to the Draft Report on behalf of BOBI J. FRANK LAW, P.A., and myself, individually. The purpose of this response is to expose the false assertions contained within the Draft Report and to advise you of the information and facts that were omitted from the Draft Report. My goal is to make you aware of the pertinent details surrounding the production of the Draft Report, by Mr. Holt.

Mr. Holt's approach to, and actions during, his audit of the Reichert House Youth Academy have been nothing less than reckless, biased, and unprofessional, at best. His demeaning and authoritarian tenor throughout the process were shocking considering the fact that he has always represented the City of Gainesville while performing his official duties. He has made recklessly false assertions towards Palm Breeze Youth Services, Inc.; BOBI J. FRANK, P.A.; and Bobi J. Frank, Esq., individually. Some of those false assertions directed towards Bobi J. Frank, Esq., individually and professionally, are nothing short of libel, the written form of defamation.

Significantly, my name was the ONLY specific individual name included and opined about in the Draft Report. To be clear, my involvement in this audit was merely to facilitate the production of relevant documents to Carlos Holt, along with a fellow attorney, Timothy McLendon. Mr. Holt is well aware of this. I do not have access to any documents, I did not author any of the relevant documents. I did not maintain any of the relevant documents. And I certainly do not have any authority over Reichert House Youth Academy, the Director of Reichert House

Youth Academy, or the way the funds are handled. I volunteered my time, as a PBYS Board Member, to try and keep the process moving as efficiently as possible. Period.

I have included an Appendix with the following documents to support the assertions made below, and for your overall consideration:

- A-1 Letter from Bobi J. Frank to Carlos Holt dated December 18, 2018;
- A-2 Letter from Carlos Holt to PBYS Board of Directors dated January 28, 2019;
- A-3 Letter from Carlos Holt to the Chair and Vice Chair of PBYS, only, dated February 15, 2019;
- A-4 Letter from Bobi J. Frank to Carlos Holt dated February 20, 2019;
- A-5 Email sent from BOBI J. FRANK LAW, P.A. to Carlos Holt, with a responsive email from Carlos Holt both dated February 22, 2019;
- A-6 Letter from PBYS Board Chair Louis Kalivoda & Vice Chair Ken Van Nortwick to Carlos Holt dated March 4, 2019;
- A-7 Email from Carlos Holt to Bobi J. Frank and Timothy McLendon dated March 12, 2019;
- A-8 Email from Bobi J. Frank to Carlos Holt dated March 15, 2019;
- A-9 Letter co-authored by Timothy McLendon and Bobi J. Frank to Carlos Holt dated March 15, 2019; and
- A-10 Reichert House, Inc., Final Judgment dated August 25, 2016.

First, neither Mr. McLendon nor I have any relationship with the City of Gainesville. We are not employees of the City of Gainesville, nor of the Reichert House Youth Academy. We do not represent Reichert House Youth Academy, in any capacity.

Significantly, I wish to address Mr. Holt's opinions and false assertions made against NON-CITY GOVERNED ENTITIES including: 1) BOBI J. FRANK LAW, P.A.; 2) Bobi J. Frank individually; 3) Palm Breeze Youth Services, Inc.; 4) Black on Black Crime Task Force Gainesville, Alachua County Inc.; 5) Community Foundation of North Central Florida, Inc.; and 6) The Reichert House, Inc.

I feel compelled to point out the obvious, a point which was made numerous times to Mr. Holt from December 2018 to present: NON-CITY GOVERNED ENTITIES are not required under Florida State or Local laws, to respond to or, satisfy any requests from the City of Gainesville that do not directly relate to City-issued funds.

Notwithstanding this fact, Palm Breeze Youth Services, Inc., pursuant to a resolution of its Board of Directors, requested that Attorney Timothy McLendon and I, a PBYS Board Member, work to facilitate the production of relevant documents to Mr. Holt in an attempt to demonstrate

complete transparency and cooperation with the City's efforts pertaining to the Reichert House Youth Academy.

Specifically, on February 7, 2019, Mr. Holt, Ms. Emily Bowie, and I had a telephone conversation during which Mr. Holt felt the need to spend a considerable amount of time trying to reprimand me and discussing his feelings regarding my letter dated December 18, 2018 (Appendix A-1). The emotional immaturity of his approach astounded me.

For clarity, I was asked to write the December 18, 2018 letter (A-1) in response to the overly broad, vague, and inappropriate demand made by the City Auditor to Palm Breeze Youth Services, Inc. I should have stated that I was responding on behalf of PBYS, rather than the Reichert House, Inc. This was a simple oversight because of my past representation of the Reichert House, Inc., in an eviction matter. The response that I sent to Mr. Holt included not one, but two invitations to communicate with me to clarify his request and to open the lines of communication. Mr. Holt acknowledged this point during our subsequent February telephone conversation and Mr. Holt confirmed that he did not take the opportunity to clarify or discuss his improper demands, at any time.

Also, during the February 7, 2019, telephone discussion, I explained to Mr. Holt that the PBYS Board had requested that Mr. McLendon and I assist in collecting and submitting relevant documents to Mr. Holt. This was thoroughly explained to Mr. Holt, as was the purpose of our involvement. Mr. McLendon and I were requested to expedite the process as much as we could while ensuring preservation of anonymity and confidentiality of certain private donors, and their information. Mr. Holt was made well aware that neither Mr. McLendon nor I maintained any of the relevant documents, but that we would be relying on specific individuals to produce the documents in a timely fashion. We were merely the conduit of the information, not the maintainers or creators of these documents and records or the overall decision makers.

Although Mr. Holt was well aware of Mr. McLendon and my involvement at the request of PBYS Board, he sent another letter on February 15, 2019 (Appendix A-3), addressed only to the Chair and Vice Chair of PBYS, questioning my involvement in the matter, and again improperly requesting all PBYS bank records and "authorization for direct access with the financial institutions involved." The fact that he blatantly did not send Mr. McLendon or me a copy of this

letter after our lengthy conversations, immediately gave the impression of indecorum on the part of Mr. Holt.

It is significant that only my name, and not that of Mr. McLendon, is mentioned within the Draft Report. Mr. Holt was advised that all correspondence was co-drafted and co-authored together with Mr. McLendon, a male, and myself. Yet, he chose to never reveal this important point. His lack of disclosure of Mr. McLendon's involvement within the Draft Report suggests that Mr. Holt acted with bias and animus towards me individually, towards my Law Firm, and possibly towards PBYS.

On the first page of the Draft Report, Mr. Holt falsely asserts that "[w]e spent four months (November 2018 - February 2019) trying to collect as much information as possible and ***ultimately exhausting (sic) our resources (within city wide and non-city entities) to compose this report.*** Page 1, Note (emphasis added).

What Mr. Holt failed to reveal or include in his Draft Report are any of the conversations, or written correspondence between him, Mr. McLendon and myself, regarding his overbroad and inappropriate requests. Mr. Holt's first demand to PBYS (Appendix A-2), the email confirming receipt of a plethora of documents by Mr. Holt (Appendix A-5), Mr. Holt's second improper demand for documents from PBYS dated March 12, 2019 (Appendix A-7) – sent out one day **after** the release of his draft report – and the letter dated March 15, 2019 (Appendix A-9) that Mr. McLendon and I co-authored, expose Mr. Holt's unwillingness to be specific in any fashion with his requests to PBYS for information. Mr. Holt has been advised both in writing and verbally on numerous occasions throughout this process to be as specific as possible with his follow-up requests so that PBYS could timely respond, to no avail.

Specifically, in our letter of March 15, 2019 (A-9), we advised Mr. Holt:

First, Mr. McLendon and I, as a PBYS Board Member, were asked by the PBYS Board to help facilitate the production of relevant documents to the City, to identify which documents are germane and appropriate for release, as well as to determine which documents are outside the purview of the City's audit. We want to emphasize that the prudent approach that PBYS is taking in this matter is solely for the purposes of preserving the integrity of unrelated support matters between PBYS and community recipients and to preserve the anonymity of donors.

PBYS'S Mission Statement makes clear its purpose and mission:

Mission of Palm Breeze Youth Services, Inc.: The mission of the Corporation is to support and serve the youth of Alachua County through the provision of academic and vocational education, and through the provision of training in life skills and civic responsibility.

As you can discern from the Mission statement, PBYS has adopted a broad set of goals that do not exclusively encompass Reichert House Youth Program, or any other City governed program. Relevantly, Mr. McLendon and I have been advised that PBYS has not entered into any Memorandums of Understanding with Reichert House Youth Program, or any other entity, City governed or otherwise.

Equally, PBYS does not have any affiliation with, or control over, either the Reichert House, Inc., or the Community Foundation-Friends of Reichert House. We respectfully request that you direct and further inquiries pertaining to those entities to those entities specifically, or to the Director of Reichert House Youth Program, Mr. John Alexander.

Second, Mr. McLendon and I have been advised that the PBYS bank account that you received statements for beginning in December, 2017 was opened in November, 2017; therefore, you have the first statement available from that account. We were also advised that the aforementioned bank account is the only PBYS bank account that contained money specifically received or appropriated for Reichert House Youth Program.

Importantly, during the conversation that Ms. Emily Bowie, you, and myself had on February 7, 2019, I advised you that PBYS fully intended to produce any, and all, relevant materials upon request, and that we looked forward to the completion of the audit, and the City's findings. I also asked you to be specific with any follow-up requests for documents to ensure that we could respond with the appropriate materials in a timely manner.

In order to comply with your follow-up request in a timely manner, Mr. McLendon and I request that you explicitly identify the documents that you believe are still needed to complete the City's audit, rather than the broad requests contained in your email correspondence included above. We want to help bring this matter to a close but, we are unable to do so without your assistance.

Should you have any questions or concerns regarding the contents of this correspondence, please reach out to my office and my assistant will set-up a conference call between your office, Mr. McLendon, and myself.

See letter from Bobi J. Frank & Timothy McLendon to Carlos Holt, dated March 15, 2019

Mr. Holt's refusal to perform ***his*** job by thoroughly reviewing the documents provided to him by PBYS on February 22, 2019, and then following up with any ***specific*** requests for relevant documents is a transparent attempt to set PBYS up for failure. It is not Mr. McLendon or my

responsibility to try and guess what Mr. Holt is further seeking. As was explained to Mr. Holt on numerous occasions the following broad and improper requests would not and could not be honored:

- 1) All bank statements of October 1, 2015, to present for accounts that Palm Breeze Youth Services, Inc. was a party to.
- 2) A copy of all checks (front and back) from the accounts requested in item 1 for the same period.
- 3) A copy of all withdrawal slips for the same accounts for the same period.
- 4) Any and all supporting documentation for checks and deposits for the same accounts and the same period.
- 5) A copy of any other financial transactions that are related to City of Gainesville employees, Reichert House Youth Academy, Reichert House Inc., or Community Foundation – Friends of Reichert House.

See email from Carlos Holt to Timothy McLendon and Bobi J. Frank, dated March 12, 2019 (Appendix A-7).

Equally, he has been advised on more than one occasion that he is certainly not entitled to unfettered access to “any and all” bank accounts for which PBYS is a signatory. He has responded to that advice with disdain and a refusal to accept the boundaries of his proper authority. I have repeatedly requested Mr. Holt to provide contrary authority to our understanding of his parameters, again to no avail.

Importantly, in between the telephone conversation on February 7, 2019, and the production of documents on February 22, 2019, Mr. Holt and I had a telephone conversation during which I explained to him that I was doing everything that I could to produce all relevant documents to him as quickly as possible. I also explained to him that PBYS was very eager to see the results of the financial audit and to be assured that all transactions were appropriate. I also advised him that PBYS has absolutely zero authority over the Director of Reichert House Youth Academy and that, as such, PBYS could not make anyone do anything. I also reminded Mr. Holt of James Albright’s passing and my understanding of the devastating effect that had on Reichert House Youth Academy, specifically as it related to bookkeeping. I reminded Mr. Holt that Mr. Albright had been the keeper of all financial documents and that he had his own way of filing and maintaining records. None of the aforementioned is included in his Draft Report.

On page 3 of his Draft Report under the section titled GOVERNANCE, Mr. Holt improperly asserts that BOBI J. FRANK LAW, P.A. has played “a key role [] with Reichert House Youth Academy.” My Firm had one brief occasion, and when I say brief, I mean a matter of days, where it represented Reichert House Youth Academy. This was due to my lack of understanding at the time of the distinction between Reichert House, Inc., and Reichert House Youth Academy. Furthermore, his convoluted assertion regarding financial entanglements could leave the reader with the impression that my Firm has received or dispersed funds on behalf of Reichert House Youth Academy; this is absolutely false. My Firm has never had any financial dealings with Reichert House Youth Academy. Additionally, any section in the Draft Report devoted solely to capture his opinion regarding PRIVATE ENTITIES reading the above assertions is inappropriate and misplaced.

On page 5 of the Draft Report under the section titled PBYS, Inc., Mr. Holt again falsely states that the Director of Reichert House Youth Academy is a current Board Member of PBYS. Mr. Alexander *was* a Board Member of PBYS, until it was realized by the Board that it would be inappropriate for Mr. Alexander to fill the dual roles. Had Mr. Holt ever had a discussion with anyone from PBYS regarding this detail, he would have learned the circumstances surrounding this detail. However, like other important issues that he made conclusions of fact about, he chose not to inquire about that issue which resulted in one more untruth contained in his Draft Report.

He continues on page 5 of the Draft Report under the section titled PBYS, Inc., to recite PBYS’S Mission Statement. This means that he CLEARLY knows that neither PBYS’S purpose, nor its funds, are always and inevitably earmarked to serve the Reichert House Youth Academy. This is also proven by the multiple mentions by Mr. Holt throughout the Draft Report that none of the PRIVATE ENTITIES have MOU’s or contracts with the City. Now, he uses the lack of contracts to try and persuade the reader of further improprieties on behalf of ALL of the PRIVATE ENTITIES.

Page 5 also contains the patently false assertion that “a majority of the outside grants that have been awarded to Reichert House, Inc., are being managed and maintained currently in the PBYS, Inc. bank accounts. One has to ask, if he has not received the bank statements from all PBYS bank accounts, how could he make such an assertion? But in addition one may also ask whether, even if one private non-profit (PBYS) were indeed managing grant funds awarded to

another private non-profit (Reichert House, Inc.), why would this be any of the City of Gainesville's business?

If the City Auditor were approaching this audit in an unbiased and fair fashion one has to ask why he would couch those issues in such a negative manner. If he thinks that by stepping out of his lane, and ridiculing and scolding PRIVATE ENTITIES, as the City Auditor, that it will promote further involvement and support from the community and community organizations, he is gravely mistaken. Though, based on his actions, his deception, and his recklessness throughout this entire process, I suspect that he knows exactly what the consequences of these statements will be.

He continues throughout page 5 and onto page 6 to opine entirely on PRIVATE ENTITIES. Specifically, he asserts that during the interview with the Chair of Reichert House Inc., who is glaringly not mentioned by name, that she "was unaware of the existence of Palm Breeze Youth Services, Inc., and the joint accounts it had with Reichert House Youth Academy." First, I would like Mr. Holt to explain why he would be talking to the Chairman of Reichert House, Inc., about supposed bank accounts between Palm Breeze Youth Services, Inc., and Reichert House Youth Academy. Second, again, this statement is a blatant falsehood: there are no joint bank accounts between Palm Breeze Youth Services, Inc., and Reichert House Youth Academy that either Mr. McLendon or I are aware of. Common sense would suggest that it would be impossible to have a joint bank account with a City-governed program, when that program DOES NOT HAVE A BANK ACCOUNT. If Mr. Holt can prove otherwise, I invite him to do so.

Mr. Holt then dedicates an entire section, on page 6, to opine and make false statements about Bobi J. Frank, Attorney at Law. These allegations must be addressed. First, I have never "attempted to represent Reichert House Youth Academy on several occasions." I was briefly involved in the DCF matter that Mr. Holt refers to when I was asked to step into that matter by Chief Tony Jones because there was a deadline to file a request for an administrative hearing with the court. I was requested to step in on behalf of Black on Black Crime Task Force, Inc. However, once Assistant City Attorney Lee Libby and I had a detailed conversation regarding the matter, we both concluded that he should assume direction of the case. Mr. Libby and I had a good conversation regarding my involvement, which concluded with him thanking me for my

efforts. I immediately signed a Substitution of Counsel form, and I had no further involvement in the matter after that point.

Shockingly, Mr. Holt also asserts that I represented Reichert House Youth Academy in an eviction matter in late 2016. This is shocking for numerous reasons including the fact that I did not represent Reichert House Youth Academy, I represented Reichert House, Inc., after being duly appointed by the then Board Members to do so. The enclosed Judgment that resulted from the eviction case evidences this. (Appendix A-10). Mr. Holt was well aware of this fact both at that time, and of course when he wrote his Draft Report. Even if Mr. Holt and I had not corresponded on numerous occasions during and after the successful eviction, which yielded a nearly \$25,000.00 judgment for Reichert House, Inc., I would still expect that someone that is supposed to be doing a thorough, fair, and unbiased audit to take the time to at least verify who exactly I represented before making the assertion that I improperly represented a City program.

On page 8 of Mr. Holt's Draft Report he includes a triangle with the words "PBYS bank account (no access to records)." Again, this is a false statement. Carlos Holt received relevant documents from PBYS on February 22, 2019, a full 18 days prior to the date of his Draft Report. (Appendix A-4).

On page 9 of his Draft Report the City Auditor asserts that "[d]ue to the almost complete lack of transparency from internal and non-city entities, and poorly documented transactions . . . we have no reasonable assurance that financial operations are carried out in an effective manner." Again, as repeatedly stated, PBYS produced relevant documents to Mr. Holt in an effort to assist his efforts on this issue. He recklessly asserts that "there is no assurance that all funds intended for the Reichert House Youth Academy program's mission have been expended for the program." Mr. Holt cannot use his assertions as both a shield and a sword. If on the one hand he claims he doesn't have all documents, then how can he make such a damning statement within this report? How can he opine that there is a lack of transparency when he is requesting documents from PRIVATE ENTITIES that he is not entitled too?

On page 10 of his Draft Report Mr. Holt inappropriately opines on the lack of the NON-CITY ENTITIES' "business acumen." My name is specifically listed in the identified NON-CITY ENTITIES about which these comments are directed. With Mr. Holt's demonstrated gross

recklessness, incompetency, and flagrant bias, and his intentional untruths, that opinion is again, completely out of bounds in ANY professional setting, under ANY set of circumstances.

On page 12 of his Draft Report Mr. Holt again, misleads the reader by stating, “[o]nly after letters to all 12 Board members did [PBYS] provide [information].” This gives the impression that Mr. Holt had properly requested relevant documents from PBYS and that he was denied. However, as discussed above, Mr. Holt, to this day, refuses to be specific with his requests for information, and he further refuses to abide by the boundaries of the authority bestowed upon him as an agent of the City of Gainesville.

On page 13 of the Draft Report, Mr. Holt spends a large amount of time chastising City employee involvement in NON-CITY ENTITIES’ business. Again, it is not the City Auditor’s business how City employees may choose to spend their free time. If City employees want to give back to their community by volunteering to perform services for the betterment of our underprivileged youth, those decisions should be celebrated rather than rebuked and ridiculed by someone who has zero authority to do so. Rather than publicly demean and tear down the employees’ good intended efforts, he should have spent his time tastefully devising policies and plans to help the City employees and Reichert House Youth Academy flourish. Reichert House Youth Academy is, after all, a City-governed program. Is it appropriate for a child to be disciplined for behavior that they have never been taught was wrong? Does the City of Gainesville really condone the City Auditor’s approach to a Program that was created to serve and protect our most vulnerable population, our children?

Finally, Mr. Holt consistently advises that contractual agreements need to be mandated between Reichert House Youth Academy and all NON-CITY ENTITIES. If he believes that his efforts and the production of this Draft Report will further that outcome, he is woefully mistaken. Based on the endless false assertions contained within the Draft Report, the reckless manner in which the report was produced, and the malicious intent that seeps off of the page, it is my opinion that Carlos Holt’s primary objective is not to improve the Reichert House Youth Academy; rather his goal is to extinguish it.

The far-reaching potential repercussions of Mr. Holt’s reckless, biased behavior are monumental. Any professional who may think about volunteering their time for the betterment

of our youth will likely ponder long and hard before putting themselves in this cross-fire. Donors may likewise decide to allocate their funds to other organizations and causes. The devastating effect that Mr. Holt's self-serving actions could produce on at-risk children in Gainesville are profound.

My very own livelihood, reputation, and credibility have been wrongly called into question. I am licensed by the State of Florida to practice law. I respect, and meticulously follow every canon of ethics that my profession expects and demands. I have worked tirelessly to build my law practice, and to give back to my community. I cannot express strongly enough the danger that Mr. Holt's personal attacks have placed me in. With one foul swoop of his pen, he has managed to place everything that I have worked for my entire life in jeopardy. In the legal world, one goes directly to a court of law to rectify these types of wrongs.

I do not know Mr. Holt other than through a series of limited business interactions. However, based on his actions as fully explained above, it is crystal clear that he is not the correct person to be performing this audit, or any other audit. The City of Gainesville's taxpayers deserve a fair, unbiased Auditor, in all arenas. Mr. Holt has demonstrated that he does not meet this standard.

Should you have any follow-up questions regarding this response, please do not hesitate to reach out to me.

Sincerely,



Bobi J. Frank
Attorney at Law

cc: Mr. Timothy McLendon, Esq.
PBYS Board of Directors

Enc's: Letter from Bobi J. Frank to Carlos Holt dated December 18, 2018;
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