

January 10, 2023

Vice Mayor Lucas-Burke and members of City Council,

I would like to start by informing you that Mayor Shannon Glover falsified and/or embellished information to solicit your vote to terminate my employment with the city of Portsmouth. The document presented to you on January 3, 2023, that resulted in a majority vote for my termination was false and/or blatantly misleading and not supported with evidence. There are witnesses and evidence that will invalidate his assertions.

The most egregious allegations presented by the Mayor are as follows:

Fiscal responsibility

Misrepresentation of facts and blatant disregard for truth

Material breach of the management agreement regarding the handling of city business. The Mayor alleges I made a statement during the November 22, 2022 work session. He specifically stated “You publicly stated that a pending external investigation was being conducted by the FBI, State Police and the Commonwealth Attorney’s office to investigate allegations of financial misconduct by the previous administration; however, I later admitted (to the Mayor and during a previous council meeting), that no investigation had been conducted or assigned to any external agency at that time, which further eroded the community’s distrust of city leadership. The statement put the city further at risk for lawsuits and a waste of resources.”

The assertion that I later admitted to the Mayor that no investigation had been conducted or assigned to any external agency is unequivocally false. During the public work session on November 22, 2022, I informed Council that the matter relating to the gift cards, which were unaccounted for, was reported to the proper authorities (approximately 40-44 minute mark).¹ I indicated that upon receiving the documentation for the distribution of the gift cards, there were duplicate names and duplicate identifications. In essence, although the policy that was presented to us indicated that recipients would only receive one gift card, the Interim CFO determined that over 400 cards were distributed to individuals with the same names and over 400 cards were distributed to individuals presenting the same identification (possibly belonging to others), which equates to over \$80,000. Furthermore, the policy presented and signed by the risk manager indicated that the cards would not be activated until the date of distribution; however, the majority of the cards were activated at one time during the latter part of April 2022 and have a 13 month expiration date.

Mayor Glover contacted me the morning of November 23, 2022 to inquire about the nature of the investigations and who was investigating. I informed Mayor Glover that there were two sets of investigations. One investigation was being conducted by the Portsmouth Police Department and because ARPA funds are federal, the State Police and FBI had taken a report on the ARPA

¹ <https://www.youtube.com/watch?v=t94jgFTaHd8>

funds. At no time after November 22, 2022 did I admit to the Mayor that no investigation had been conducted or assigned to any external agency. This information can be verified by local, state and federal authorities. The City Attorney can verify this information, as she was included in the phone conversation with the Mayor. An audio recording of the conversation is attached (Attachment A).

Forensic Audit

First, let me make it clear that the forensic audit has not been conducted and no city funds were spent. The city was in the process of presenting the scope of work to a forensic auditing firm, determining a final cost, and ensuring the proper procurement procedures were adhered to, when I was terminated.

At no time did I indicate that the \$300,000 would be used for the sole purpose of conducting a forensic audit on \$80,000 worth of missing gift cards. Resolution 22-369 adopted by City Council on December 13, 2022 requests \$300,000 for the purposes of an audit and assessment. As specified during the Council Meeting on 12/13/22 by the Interim CFO² (1 hour 47 min mark) and the scope of work she prepared indicates that the focus of the forensic audit included 1) ARPA procurement procedures and expenditures to include gift card purchasing and distribution process, 2) General Services budget line to include procurement procedures and general fund spending, 3) the community liaison programs where approximately 20 individuals received quarterly payments of \$3000-\$4000, totaling over \$30,000/year without proper verification of work performed, accountability and justification for the payments. An individual also received over \$90,000 for their work as both a violence interrupter and through the general fund budget. Upon preliminary investigation, the Parks and Recreation Director and Chief of Police indicated the individual may have been paid by both agencies for the same time span. The resolution also included funding for 4) an assessment of public utilities and waste management processes and billing. The scope of work presented to the Hyder Consulting Group verifies the scope of work to be conducted by the auditing firm. The Interim CFO Berisha, Deputy City Manager Baldwin, the City Attorney's Office, and the Hyder Consulting Group can verify the information (Attachment B).

As previously indicated, the forensic audit had not started, no company had been procured and no funds have been expended. Furthermore, City Council voted to approve Resolution 22-369 by a vote of 6-1 to approve the transfer of the \$300,000 for the audit and assessment.

ACFR

The mayor indicated that the Annual Comprehensive Financial Report was not completed by the deadline of December 15, 2022 and the failure to complete the report by the deadline could ultimately affect the city future credit rating.

As you are aware, Ms. Coleman, the representative from CLA presented their "unmodified finding" to Council on December 13, 2022, which indicated that the audit was complete. The

² <https://www.youtube.com/watch?v=6a-kYIIXT64>

audit then needed to go to CLA's quality control (QC) section as standard procedure. The completed ACFR was then sent to the city and dated December 19, 2022. Although Interim CFO attempted to get the final report sooner, the city had no control over the auditing firm as they had numerous audits to complete for other cities and cited staffing challenges. The audit has only been dated by December 15th, once in the last five years. The City of Portsmouth's ACFR reports³ are dated as follows:

<u>Year</u>	<u>Date completed</u>	<u>CFO</u>
2022	December 19, 2022	Berisha
2021	December 15, 2021	Terry
2020	December 21, 2020	Terry
2019	March 13, 2020	Phillips
2018	Date cut off online	Spivey

The Deputy CFO sent an email verifying the aforementioned information. The claim that the report could ultimately affect the city's credit rating is not in his area of expertise for the mayor to determine. Furthermore, in case the report was not received by the filing date, in an effort to ensure due diligence, an extension was filed to ensure the city was in compliance.

Abuse of Power

I followed normal HR procedures and practices during the hiring of all executive level employees and all background information received was taken into consideration. The persons selected were the most qualified applicants for the positions. The allegation presented by the mayor that I deliberately failed to comply with the city's HR policies and best practices are false. The Interim HR Director can verify that a background check was conducted on all new hires.

The allegation that city leadership was contacted by an attorney due to the potential harm and conflict to state/city employees has not been validated at this point. Furthermore, contrary to the assertions made by the Mayor, the employee cited in the document was never the Deputy City Manager (DCM) assigned to oversee Permits and Inspections. City Council has an email that verifies that assignments of each DCM. This assertion is false.

The Mayor asserts that I attempted to negotiate an employment (6) month severance package with an employee who was terminated and that the corrective action plan to remedy the matter was presented after the matter became public. Again, this allegation is inaccurate.

The separation agreements received by the Department Directors and DCM new hires was established under the former administration and was provided to all DCMs and specific department Directors by the previous administration. In order to ensure consistency, all new hires and individuals serving in an interim director capacity were afforded the same protection as current and former employees. Unfortunately, due to the circumstances surrounding one employee's termination, the separation agreement was rescinded by me at the point of

³ <https://www.portsmouthva.gov/Archive.aspx?AMID=40>

termination. The assertion by the Mayor that it was rescinded after the public was made aware of the agreement is absolutely false. Again, the City Attorney can verify this information.

Additional allegations

Technology

The technology issues encountered by the city were not as a result of a lack of employee experience. The Interim Director Williams indicated the outage was a result of a software upgrade/glitch that resulted in devices having to be reset. The change in leadership has resulted in advancing Portsmouth's technology capabilities. This can be verified by the former Interim CFO Williams.

Crime Reduction Grant - Operation Blue Line

The police department applied for the Operation Blue Line grant. In December, Interim Chief Jenkins informed me of the grant and stated that they were not successful in receiving the grant because of their request for Body Worn Cameras (BWC). He expressed his disappointment in his team for submitting the request for BWCs. He stated something to the fact, "How embarrassing is it when you apply for a grant meant for you and you don't get it" He then stated for me not to worry because they were told to resubmit the grant. This grant was applied for by the police department and not by the City Manager's office.

Conclusion

All of the aforementioned information presented in this document can be validated through audio recordings, documentation, and/or witnesses, to include but not limited to the City Attorney.

During my tenure as city manager, I worked diligently to ensure the city was acting in the best interest of the citizens, I maintained fiscal responsibility, and ensured accountability. I can assure you that I was a good steward of the city's finances. I have never misrepresented any information nor had a blatant disregard for the truth, as indicated by the mayor. The dismissal of employees was justified and properly documented. I have been informed that the city attorney has the results of the investigations.

The citizens of Portsmouth deserve better, and they deserve to know the truth about where "the people's" money is being spent. As a councilmember it should be your responsibility to ensure transparency and accountability.

As a result of the misinformation presented to Council and the egregious abuse of authority by the Mayor, I request that Council grant my \$400,000 severance, as outlined in my employment agreement.

Respectfully submitted,

Tonya Chapman

