

RECOMMENDATIONS AND OPINIONS

Public service is a public trust. It requires that public servants demonstrate integrity, responsibility, accountability and disinterested conduct in carrying out their responsibilities of the office they hold. These are all an essential part of the fiduciary duty owed by public officials and public servants to the citizens they represent. Toward that end, public officials and public employees must avoid any actions that even create the appearance of impropriety in carrying out their duties.

The investigation of this office focused on the conduct of four Ypsilanti officials who made the trip to China in September of 2017, namely, Mayor Amanda Edmonds, Director of Economic Development, Elizabeth Ernat, Mayor Pro Tem, Nicole Brown, and Police Chief Anthony DeGiusti. The investigation also included the City Manager, Darwin McClary, who did not travel to China. After a thorough review of this matter, including the sworn testimony of eight individuals involved, it is our opinion that there was **no evidence of any unethical conduct or breach of any fiduciary duty by City Manager, Darwin McClary, Police Chief DeGiusti, or Mayor Pro Tem, Nicole Brown.** In fact, City Manager McClary was the one who initially questioned Amy Foster's offer of a trip to China because he knew it to be inappropriate, and it was the City Manager who requested the City Attorney to issue an opinion which he immediately forwarded to Ms. Ernat, Chief DeGiusti, and the City Clerk for distribution to all members of the City Council and the Mayor. Mr. McClary further advised Ms. Ernat to make it clear to Amy Foster and International Village that city officials and employees cannot accept any gifts or offers of trips from them. From the stand point of Mayor Pro Tem, Nicole Brown, and Chief Anthony DeGiusti, their arrangements for the China trip were all made through Beth Ernat, and there no was no indication they received any direct or specific information on funding of the trip.

Accordingly, the balance of these Recommendations and Opinions will focus on three individuals, Mayor Amanda Edmonds, Economic Development Director, Beth Ernat, and owner of International Village and Global Capital Group, Amy Foster.

Mayor Amanda Edmonds:

Mayor Edmonds testified that she understood the City's Ethics Policy, knew that she could not accept gifts valued over \$25, and that the trip to China would well exceed that amount. *Exhibit C, p. 18.* This was reinforced by the City Attorneys opinion on May 24, 2017, in which he referenced the City's Ethics Ordinance and concluded: "Even though a China Trip would be educational, the benefit conferred, considering that the developer is requesting action by the city, would, in my opinion, make accepting the trip unethical and illegal under the city ordinance." As early as May 24, 2017, if not before, Mayor Edmonds would have been aware that Amy Foster was an agent of Global Capital Group by way of an email from Amy Foster forwarded to Mayor Edmonds by Beth Ernat.

Subsequent emails forwarded by Ms. Ernat to the Mayor from July through September 2017, also showed the association between Amy Foster and Global Capital Group.

In August 2017, Mayor Edmonds exchanged a number of texts messages with both Beth Ernat and Amy Foster regarding Foster obtaining the Mayor's visa for the China trip and the fact that the Mayor's was delayed. The Mayor testified that she understood that obtaining a visa is not free (*Exhibit C, p. 39-41*), but at no time did she appear to question who was paying for the visas.

On September 7, 2017, Beth Ernat forwarded an email to Mayor Edmonds from Wayne Hofmann of Spence Brothers. Attached to the September 7th email from Wayne Hofmann was the scholarship letter, supposedly from the Wayne State CSSA. Mr. Hofmann states in this email "Amy sent this to me, assume it goes to you?" Based upon this email chain, it should have been clear to both Mayor Edmonds and Beth Ernat that it was Amy Foster who had emailed the scholarship letter to Wayne Hofmann who, in turn, forwarded the email and scholarship letter to Beth Ernat. The scholarship letter is also suspect in that it is not signed by any individual from the WSU CSSA and, in fact, does not identify any CSSA individual nor contain any contact information for the CSSA. This was the only copy of the scholarship letter that Mayor Edmonds ever received. She never received a copy directly from the Wayne State CSSA either by email or by regular mail. Mayor Edmonds testified she was not concerned by the fact that the CSSA's scholarship letter came through Amy Foster and Wayne Hofmann because the Mayor presumed that Beth Ernat and Amy Foster were reaching out to others for funding opportunities. *Exhibit C, p. 48-49, 53*. Furthermore, the scholarship letter itself specifically notes that the mission of the Wayne State CSSA "Is promoting cultural exchanges between China and the United States, *laying a foundation for the construction of the International Village of Michigan...*". On September 9, Beth Ernat forwarded Mr. Hofmann's September 7th email (with the scholarship letter attached), to City Manager, Darwin McClary, but she deleted the reference in Mr. Hofmann's email to Amy Foster. Mayor Edmonds, did however, ask Beth Ernat for confirmation that the CSSA's funds did not come from International Village and Beth Ernat responded that they did not. *Exhibit C, p. 38*.

On September 10, 2017, Mayor Edmonds found contact information for the Wayne State CSSA (there was none in the scholarship letter) online and sent both an email and LinkedIn message to Peifeng Li, a former CSSA President. Mayor Edmonds testified she sent these emails and messages not because she was concerned about from where the funding had come, but because she anticipated "public scrutiny on the issue." *Exhibit C, p. 65-66*. On this same date emails were exchanged between Beth Ernat and others going on the China trip, including the fact that they were flying to China "business class". Mayor Edmonds testified she did not question the fact that it might not have been feasible or realistic for a student group to fly the Ypsilanti Officials "business class" to China. It simply did not occur to her, and she left the details of the trip to Beth Ernat and the travel agency. *Exhibit C, p. 93-94*.

On September 12, 2017, former CSSA President, Peifeng Li, responded to Mayor Edmonds, stating among other things: "It's worth noting that *these 'scholarships' are mainly funds from a company called Global Capital Group LLC, based out of Michigan.*" This LinkedIn message from Peifeng Li indicated, without question, that it was Amy Foster's Global Capital Group that was providing most of the "scholarship" funding for the China trip. However, Mayor Edmonds testified that she never saw Peifeng Li's response before the China trip occurred because she was out of town and "not on email much that week." *Exhibit C, p. 62-63.* She admits that she would usually receive an email message alerting her that she had received a LinkedIn message, but she denies ever seeing such an email and explaining that she had five active email accounts. She further admitted that she gets emails on her phone but explained that she's "taken it on and off at different points", and she did not know which email she had set up on her phone at the time. *Exhibit C, p.65.* She further admits she had specifically written to this CSSA group requesting where the scholarship money was coming from and anticipating a response, but claims she never saw Peifeng Li's emails until after the China trip on October 3, 2017. She further admits that had she seen this response from Peifeng Li before leaving for China, she would have seen the connection to Amy Foster and alerted the City Manager and City Attorney. *Exhibit C, p. 70-71.* Mayor Edmonds testimony is further questionable because on September 13, 2017, she was advised by the City's FOIA Coordinator, Jennifer Healy, that the City had received a FOIA request for copies of "emails or other written documents that have anything to do with the City Council's travel to China regarding International Village, the Water Street in Ypsilanti since April 1, 2017..." Mayor Edmonds testified that in response to this FOIA request, she searched her emails and forwarded anything she could find to Jennifer Healy. She denies finding the LinkedIn message from Peifeng Li because she believed that message would have gone to her Growing Hope email address. *Exhibit C, p. 74-78.* Growing Hope is a non-profit with which the Mayor was associated.

On September 18, 2017, the City Council adopted a resolution approving a purchase agreement with International Village for the sale of the Water Street property. The agreement was executed on September 20, 2017. In Mayor Edmonds written responses to questions from the City Council, she indicated (in response to question number 1) that she had learned directly from Amy Foster and Hal Edwards on September 19, that funding for the trip had come from the Chinese Consulate. She claims that Amy Foster told her directly that the Consulate was the source of the funding for the trip. However, Amy Foster testified that the Chinese Consulate would *not* give funding to the CSSA for this kind of event (the China trip) because their level is not high enough. *Exhibit I, p.69.*

Based upon the foregoing, it is the opinion of this firm that had Mayor Edmonds been diligent in reviewing the communications and documentation that came to her, she should have realized the intimate involvement of Amy Foster and Global Capital Group in financing this trip to China, and she would have recognized that the acceptance of such a gift and travel expenses was unethical and in breach of her fiduciary duties of her office

as Mayor. While there appears to be insufficient evidence that the Mayor *intentionally* used her public office for private gain, it does appear, in our opinion, that she was careless, neglectful and lax in carrying out the fiduciary duties of her public office.

The Ypsilanti City Charter contains a Conflict of Interest provision in Section 9.01(a) which gives the general admonition that the “use of public office for private gain is prohibited.” The City Charter goes on to provide that the City Council must implement this prohibition by ordinance with regulations to include “the acceptance of gifts and other things of value.” Similarly, Section 9.01(b) regarding Standards of Conduct, requires the City Council to adopt ordinances to “put into effect the ethical standards of conduct” described in the Charter. Toward this end, the City has adopted Article III, Ethical Standards of Conduct, an ordinance to carry out the intent and enforcement of the Charter provision. The potentially applicable section to Mayor Edmonds would be Section 46-76(a) which provides:

“No person referred to in Section 46-75 (which includes a city officer and employee of the city) shall accept a gift... *based on an agreement that the vote or the official action or decision of an officer, employee or candidate for elected office in the city would be influenced thereby.*” (emphasis added)

A strict reading of the above ordinance indicates that it requires not only the acceptance of a gift by an officer or employee, but the acceptance of that gift must be “*based on an agreement that the vote or the official action or decision of an officer... would be influenced thereby.*” While Mayor Edmonds did vote in favor of approving the purchase agreement for the International Village – Water Street property on September 19, 2017, and it could be inferred that she did so because of the gift of the trip to China, we did not find any specific evidence of an “agreement” that her vote was influenced by the gift of the trip to China.

The state statute, MCL 750.118, is similar to the Ypsilanti ordinance in that it requires a public officer to “corruptly accept any gift or gratuity... *under an agreement, or with an understanding that his vote... shall be given in any particular manor.*”(emphasis added) As indicated, we did not find any specific evidence of such an “agreement” and furthermore, it does not appear that the legislature intended this statute to control the way local units of government enforce ethical conduct. Specifically, “public officers” under the statute appear to be only those individuals “appointed by the governor or another executive department official.” MCL 15.341(c). See also *Higgs v. Houston-Philpot*, N. 302767, 2012 WL 1314104 (Mich. Ct. App. 2012), finding that a member of the Delta College Board of Trustees was not a “public officer” as defined by MCL 15.341(c). Without evidence of this quid pro quo requirement, it does not, in our opinion, appear that Mayor Edmonds violated the technical requirements of the above Ypsilanti ordinance or state statute.

The common law in Michigan has recognized a criminal offense of “misconduct in public office”. This common law offense does not have the “quid pro quo” requirement of the above statute and ordinance. Although the crime of misconduct in office does require “corrupt intent”, it does not necessarily require an intent for one to profit for oneself.” See *People vs. Coutu* 235 Mich App 695 at 706-707 (1999) (On Remand). Furthermore, a charge of misconduct in office can be sustainable when it sets forth “non-feasance”, failing to do an act required by the duties of the office. *People v. Milton*, 257 Mich App 467, 470-471 (2003).

Recommendation:

Based upon our review and analysis, it is our recommendation that the City Council review our investigation and findings for its own determination of whether it believes there has been a prima facie case presented for a violation of the ethical standards set forth in the Ypsilanti Ordinances. However, regardless of whether or not the Council believes there has been a technical violation of any ordinance, if the City Council finds the Mayor’s conduct to be in violation of her fiduciary duties as Mayor, the Council can vote to publicly censure (officially reprimand) the Mayor or the Council can elect to take no action at all. A public censure could include reminding the Mayor of her mission for public service and an explanation of why her conduct was unacceptable and in breach of her responsibility to the public.

It is further our opinion that probable cause has been shown for a potential violation of the common law charge of “misconduct in office”, as described above, and we recommend that the City Council refer this matter to the Washtenaw County Prosecutor for further review, investigation and possible charges.

Elizabeth (Beth) Ernat:

Our review of this matter has found what we believe to be several instances of questionable conduct by the Director of Economic Development, Beth Ernat. As was the case with Mayor Edmonds, Beth Ernat understood the city’s ethics policy that she could not accept gifts from someone doing business with the city, if they had a value of over \$25, and she further understood the City Attorney’s opinion of May 24, 2017, that the acceptance of a trip to China from Amy Foster, International village, or Global Capital Group, would be unethical.

Just before the May 23, 2017, Council meeting, at which Amy Foster and Wayne Hofmann made the presentation for the International Village, Ms. Ernat received a jade bracelet from Amy Foster. The City Manager instructed Ms. Ernat to turn the bracelet over to the City Attorney (*Exhibit A, p. 12*), but Ms. Ernat testified she does not recall receiving such an instruction and that the jade bracelet remains in her office. *Exhibit D, pp. 19-20*. Ms. Ernat was further instructed by the City Manager, in writing, to make it clear to Amy Foster that city officials could not accept gifts or offers of trips from Foster (*Exhibit K*), however, there is no record to indicate this was ever done by Ms. Ernat. Ms. Ernat testified that she did advise Amy Foster in person of the problem with gifts to city officials during

a meeting on June 22, 2017. *Exhibit D, pp. 27-28.* Amy Foster initially testified that she was unaware of the City Manager's issue with gifts but later recalled Ms. Ernat explaining that Amy Foster's organizations could not pay for the China trip because of the City Managers concerns. *Exhibit I, pp.33-35.* (Throughout Amy Foster's testimony, she suggested that we do not understand the Chinese culture and seemed perplexed that there was anything wrong with giving gifts to public officials.)

Sometime in June 2017, Ms. Ernat advised the City Manager that she was involved in discussions with SPARK, the LDFA and the MEDC about possibly funding the China trip. At that time, the City Manager advised Ms. Ernat that it was important to make sure that whoever funds the trip has no ties to the developer. *Exhibit A, pp. 25-29.*

On August 4th, Foster sent an email to Ms. Ernat stating that she "got 4 visa with passport today, Monday will get one more. I will bring them to you Wednesday." This, of course, was well before any funding for the trip had become available. According to Beth Ernat, Amy Foster handled everyone's visa application because she was the trip sponsor. Ernat did not pay for the cost of her visa and claims she did not know that there was a cost. *Exhibit D, p. 31.* Foster has since admitted that she paid for the visas. *Exhibit I, p.44.* The visas were personally delivered to Ernat by Amy Foster at one of their meetings. *Exhibit I, p. 52.*

Beth Ernat claims she received a copy of the check for \$16,800 on September 7, 2017, *via text from Wayne State CSSA.* (See *Exhibit 5 attached to Exhibit D, Ernat statement to John Barr, City Attorney.*) She further testified that she received the check via a text from Jinpeng Xue of the CSSA. *Exhibit E, p. 4.* However, Ms. Ernat claims she no longer has any of the texts from that period of time because her phone only stores them for 120 days. *Exhibit D, p. 47 and Exhibit E, p. 4.* Yet, at the time of her interviews in December, even assuming the texts are only stored for 120 days, she should have had text messages back to August 2017 and should have still had any text messages from the CSSA. It is highly unlikely that Ms. Ernat received a copy of the check *from the CSSA* because Amy Foster's associate, Jingming Liang, took the check directly from Bingwen Wang while at the credit union on September 8, 2017. *Exhibit H, Wang Stmt., p. 48.* Amy Foster and a man (believed to be Jingming Liang) personally delivered the cashier's check to Youngs Travel. *Exhibit G, Cho stmt., p.12.* There is no indication the cashier's check was ever in the possession of the CSSA. Furthermore, the check for \$16,800 for Youngs Travel is a cashier's check and nowhere on the check does it show any affiliation with the CSSA.

According to Beth Ernat, around August 28, 2017, WSU CSSA member, Jinpeng Xue, called her about the China trip, asking how many people were going and about the cost. He also allegedly asked for help preparing the CSSA's offer letter. *Exhibit D, Ernat vol. I at p. 43.* Beth Ernat also claims that Jinpeng Xue, her only contact at the CSSA, had prepared the letter awarding the scholarship, and he wanted Ms. Ernat to review it. (*Exhibit 5 attached to Exhibit D.*) However, we now know from emails produced by Amy Foster that it was *Ms. Ernat herself who drafted the scholarship letter* and sent it to Amy

Foster for review on September 6th. *Exhibit T*. This September 6th email and the draft letter sent to Amy Foster was never produced by Beth Ernat during any part of any investigation by either the City Attorney, the City Council, or by this law firm. This email and draft scholarship letter was only produced as a part of multiple emails provided by Amy Foster. Furthermore, this September 6th email and form letter from Beth Ernat seriously calls into question her testimony that she was working with Jinpeng Xue of the CSSA to draft this letter since August 28th, as discussed above. Ernat's draft letter nowhere mentions the WSU CSSA and was not sent to Jinpeng Xue, but only to Amy Foster and Hal Edwards. *Exhibit T*. This correspondence from Ernat likewise calls into question Ernat's sworn testimony that she could not explain why she would have received the WSU CSSA's award letter through Foster and Wayne Hofmann, rather than only from the CSSA. See *Exhibit D, Ernat vol. 1 at p. 42; Exhibit E, Ernat vol. 2 at pp. 5-6*.

On September 6th, Beth Ernat sent a text message to the Mayor to let her know that a "U of M student union" was going to give the city scholarships for the trip. *Exhibit U*. Again, this text by Ernat is inconsistent with Ernat's testimony that she worked with Jinpeng Xue of the WSU CSSA to draft their offer letter beginning in August.

On September 7, 2017, Beth Ernat sent an email to Mayor Edmonds attaching the scholarship letter supposedly from the WSU CSSA. Ms. Ernat had received the scholarship letter through Wayne Hofmann of Spence Brothers, via an email that explained he received it from Amy [Foster]. See *Exhibit X*. This again is inconsistent with Ms. Ernat's testimony that she had been working with Jinpeng Xue of the CSSA because the letter came from Wayne Hofmann and Amy Foster. Even assuming Jinpeng Xue drafted the letter (instead of Ms. Ernat), the fact that it came from Amy Foster should have alerted Beth Ernat to an issue as to the origin of the funding. Ms. Ernat now concedes that the fact that the scholarship letter came from Amy Foster via Wayne Hofmann should have been a "red flag". *Exhibit D, p. 44 and Exhibit E, pp. 11-13*. Ernat testified that she had also received a copy of the scholarship letter in a text directly from Jinpeng Xue, however, like the text she claimed from Jinpeng Xue with the cashier's check, she no longer has that text message. *Exhibit E, pp. 6-7*. It should be noted that Mayor Edmonds never directly received a copy of the scholarship letter from the CSSA, even though it was addressed to her. As discussed above, Beth Ernat's email and form scholarship letter sent to Foster on September 6, 2017, calls into question her entire explanation of this issue, as she failed to mention that she drafted the scholarship letter during either of her sworn interviews with this law firm or her testimony before the City Council. *Exhibit T*.

On September 9, 2017, Beth Ernat forwarded the email from Wayne Hofmann attaching the CSSA scholarship letter to the City. However, Ernat *deleted Mr. Hofmann's note that the email and Scholarship letter had originally come from Amy Foster* before forwarding the message. (Compare the 2 versions in *Exhibit OO*). She claims that this was her normal practice when forwarding emails. *Exhibit E, Ernat vol. II at p. 9*.

On September 10, 2017, Beth Ernat received China trip "confirmation" emails from Youngs Travel via Amy Foster. *Exhibit RR*. Foster's email forwarded the email dated

September 5th from Chou Shanrong of Young's Travel indicating the flights had been reserved as of September 5th. Ernat testified she did not pay attention to the date and believed that it may have been an itinerary. *Exhibit E, pp. 33-35*. She was not bothered by the fact that the flights would have been confirmed before receipt of the CSSA's scholarship offer letter and before, or contemporaneously with, her drafting of the award letter and forwarding it to Foster and Edwards on September 6th. *Exhibit E, pp. 33-34*.

During the China trip, the City Manager texted Beth Ernat on September 25th indicating that the Metro Times was alleging that the International Village paid for the China trip. The next day Ms. Ernat called Mr. McClary and stated that "International Village had applied for a grant through the Chinese consulate for the funding and that the grant was approved and a check was being issued to International Village, who then would forward the funding on to CSSA." *Exhibit A, McClary stmt. at p. 49*. However, based upon the testimony of Amy Foster, the Chinese consulate did not provide any funding for the China trip to the CSSA. *Exhibit I, pp.68-69*.

Based on emails produced by Amy Foster, it appears that Beth Ernat and Amy Foster have met as recently as February 19th of this year. *See Exhibit 1 attached to Exhibit I, Foster Stmt.*

Recommendation:

Based on our review and investigation, it is our opinion that Economic Development Director, Beth Ernat, knew more than she revealed to the City Council and to our firm of the involvement of Amy Foster and the International Village in the funding of the China trip. Furthermore, she failed to disclose important matters such as the fact that she drafted the scholarship letter and sent it to Amy Foster for use. There are also several inconsistencies in her testimony leading to her lack of credibility. It is our opinion that Ms. Ernat either knew of the intimate involvement of Amy Foster in financing this trip to China or she turned a blind eye toward what was occurring. At best, she was negligent in carrying out her duties and, at worst, she was directly involved in assisting Amy Foster in her actions.

Pursuant to the Ypsilanti City Charter, Section 4.03, the City Manager has "sole authority to appoint and remove all administrative department heads, directors and employees of the City". Therefore, it is our opinion that appropriate disciplinary action against Ms. Ernat should be taken by the City Manager up to the possible termination of her services for the City.

It is further our opinion that probable cause has been shown for a potential violation of the common law charge of "misconduct in office", as described above, and we recommend that the City Council refer this matter to the Washtenaw County Prosecutor for further review, investigation and possible charges.

Amy Xue Foster:

As indicated in the Timeline Summary, pages 2-3, Amy Foster and her associate, Jingming Liang, tried to intimidate witnesses to not cooperate with our investigation. They were successful in convincing Jinpeng Xue not to cooperate, and Peifeng Li and Bingwen Wang did so very reluctantly and only after persistent attempts to meet with and subpoena them. Jingming Liang refused to cooperate and give an interview and Amy Foster agreed to do so only if we would have no further contact with any of the Chinese students and her associates, including Hal Edwards.

At the May 23, 2017, Council meeting, City Manager Darwin McClary found Foster's offer of a China trip to be inappropriate, and this prompted him to immediately seek an opinion from City Attorney John Barr. *Exhibit A, McClary stmt. at p. 10-11.*

Either the day before or the day of the May 23rd meeting, Foster sent a jade bracelet to Beth Ernat's home. *Exhibit A, McClary stmt. at p. 12.* The bracelet remains in Ernat's office. *Exhibit D, Ernat vol. I. at pp. 19-20.* Foster does not recall giving Beth Ernat a jade bracelet, explaining that most Chinese people wear them and she has gifted more than 100 jade bracelets. *Exhibit I, Foster stmt. at pp. 32-33.*

Foster initially testified that she was unaware of the City Manager's concern and the legal opinion authored by the City attorney regarding Foster's offer of a trip to China. *Exhibit I, Foster stmt. at p. 33.* However, Foster later recalled Ernat explaining to her that she could not pay for the trip to China because of the City Manager's and City Attorney's concerns. *Exhibit I, Foster stmt. at pp. 34-35.*

Beth Ernat testified that Foster handled everyone's visa application because she was to be the trip sponsor. *Exhibit D, Ern at vol. I. at p. 31.* Foster initially stated that it was possible her assistant, a Chinese student, paid for the visas, but she was "not clear about that." *Exhibit I, Foster stmt. at pp. 40-41.* Upon being advised that her travel agent told us Foster paid for the trip visas, Foster responded, "If she said I paid for it, then I paid for it. To me, that's not something significant, not important." *Exhibit I, Foster stmt. at p. 44.*

On September 6th, Ernat sent an email to Foster attaching a form scholarship award letter to be used by whichever student group was ultimately going to fund this trip to China. *Exhibit T.* Also, on September 6th, Amy Foster issued a check for \$16,800 to Youngs Travel from the International Village account. This check to Youngs Travel says that it is to "Hold air tickets". *Exhibit V.* It was later replaced the same day with the cashier's check which Amy Foster personally delivered to Young's Travel. *Exhibit G, p. 11.* On September 7th, Ernat received the scholarship letter back (with the CSSA information added) from Wayne Hofmann in an email that explained he received the letter from Amy [Foster]. *See Exhibit X.*

According to photos from a surveillance camera and records from the Michigan First Credit Union, two males (one now identified as Foster's associate, Jingming Liang)

deposited a total of \$16,800 in cash into the CSSA's checking account shortly before 2:00 p.m. on September 8th. *Exhibit AA*. This was accomplished by a series of smaller cash deposits, all under \$5,000, which total exactly \$16,800. See *Exhibit BB, Statement of Accounts*. An hour and a half after these deposits, Jingming Liang and Bingwen Wang (a Chinese student) withdrew \$16,803 from the CSSA's account to obtain a cashier's check in the amount of \$16,800 payable to Youngs Travel. *Exhibit DD*. The records received from Huntington Bank regarding the accounts for International Village LLC and Global Capital Group LLC demonstrate that the \$16,800 cash deposited into the CSSA's account on September 8, 2017 came directly from the account of International Village LLC. On September 7th, Amy Foster withdrew \$1,500 from the International Village account. *Exhibit GG*. Then, on September 8, 2017, Amy Foster wrote the following checks from the same account:

1. One check for \$8,888 made out to "Cash" with the notation "cover check # 8001 WSU-CSSA". *Exhibit HH*.
2. One check for \$6,200 made out to Jingming Liang with the notation "cover check #8001 WSU-CSSA". *Exhibit II*.

In addition to these clear references to the WSU CSSA on these checks, these withdrawals (\$1500, \$8888, and \$6200) total \$16,588.

Foster was questioned regarding the cash deposits into the WSU CSSA's bank after being shown surveillance photos that depict Jingming Liang and another male performing the deposits. *Exhibits AA & DD*. Foster stated that cash was likely used to get these funds to the CSSA because of Chinese restrictions on wire transfers. She went on to explain, in very vague terms, that part of the money was from her son and his efforts collecting donations and support. *Exhibit I, Foster stmt. at pp. 79-80*.

Bingwen Wang's first communication with Jingming Liang was on September 8, 2017, the same day she met him at the Michigan First Credit Union. Jingming Liang was the one who talked to the bank to request the check. *Exhibit H, Wang stmt. at p. 16*. All Liang told Bingwen while they were at the bank together was that he needed a favor and just needed her to sign and show her driver's license to obtain this check. *Exhibit H, Wang stmt. at p. 21, 47*. She did not take anything home with her from the bank that day; *she left everything, including the cashier's check for \$16,800, with Jingming Liang. Exhibit H, Wang stmt. at pp. 47-48*.

Bingwen had no further contact with Jingming Liang until she contacted him to find out what they did wrong after our firm's first attempts to contact Bingwen and schedule her interview. *Exhibit H, Wang stmt. at p. 22*. Thereafter, Bingwen spoke with Jingming Liang through the "We Chat" app and received a number of voice and text messages from him regarding the China trip and investigation. *Exhibit H, Wang stmt. at pp. 23-24*. According to Bingwen Wang's translation of these messages, Liang tried to prevent Bingwen from speaking with us, telling her multiple times that she had no legal obligation to give an interview. *Exhibit H, Wang stmt. at p. 34-35*.

We had a great deal of difficulty locating Jingming Liang. We subpoenaed his address from the University of Detroit Mercy which show that, in May 2017, he changed his address to 1928 Shepherds Drive in Troy, Michigan. *Exhibit LL*. There appears to be no such address in Troy, however, a company called Management One, LLC owns two residential properties on Shepherds Drive in Troy – 1877 Shepherds and 1829 Shepherds. Amy Foster is the resident agent for Management One, LLC and paid the property taxes for these two parcels out of a Global Capital Group LLC account in October 2017. *Exhibit MM*. Therefore, it appears that Amy Foster houses Liang at the property at 1829 Shepherds. When we contacted Jingming, *he denied knowing anyone named Amy Foster* and denied that he had any employer, explaining that he was only a student. *He refused to give us an interview.*

Peifeng Li, the individual who responded to Mayor Edmonds' inquiry about who funded the scholarship, served as the president of the CSSA from about August 2015 to August 2016. *Exhibit F, Li stmt. at pp. 4-5*. Peifeng Li testified that everything he knew about Global Capital Group's involvement with the CSSA and funding for the trip came from Jingming Liang. *Exhibit F, Li stmt. at p. 8*. Liang is not a member of the CSSA nor even a WSU student. Jingming Liang first called Peifeng about the trip to China in September 2017, asking him whether the CSSA would help with a cultural exchange. *Exhibit F, Li stmt. at p. 9*. Liang mentioned the City of Ypsilanti and International Village during this call. However, Mr. Li could not say whether the Global Capital Group was also referenced at this time. *Exhibit F, Li stmt at p. 13*. Peifeng Li responded to Liang that he was no longer a member of the CSSA and directed Liang to contact the current president. *Exhibit F, Li stmt. at p.14*. Peifeng Li did not know why Liang needed the CSSA's help with this cultural exchange, and he never helped Liang with any banking for it. *Exhibit F, Li stmt. at pp. 19-20*. However, after the Mayor contacted Peifeng Li to ask about the source of the CSSA's funding, Mr. Li called Jingming Liang to ask, and that was when he learned of Global Capital Group's funding. *Exhibit F, Li stmt at p. 16*. He was unaware of any connection between the CSSA and Global Capital Group before this time. *Exhibit F, Li stmt. at pp.16-17*.

Recommendation:

Based on our review and investigation, it is our opinion that Amy Foster deliberately ignored the warning for her or her companies to not pay for the trip to China while knowing it was unethical for her to offer or give gifts to city officials. Furthermore, she took great steps to try and prevent anyone from the City from discovering that the funding for the China trip came from the International Village account, including having her associate and friend, Jingming Liang, make cash deposits into the WSU CSSA account totaling \$16,800 (the cost of the trip) and having the Michigan First Credit Union issue a cashier's check for \$16,800 to Youngs Travel obviating the need for anyone from the CSSA to sign a check and be identified. Then, during our investigation, Amy Foster and Jingming Liang repeatedly attempted to infringe upon and prevent our investigation from going forward.

It is within the City Council's discretion to deal with Ms. Foster as it deems appropriate or to do nothing at all. Ypsilanti's Board of Ethics has jurisdiction over "issues which may arise concerning questions of standards of conduct *for public officers and employees.*" Therefore, Amy Foster's conduct does not appear to fall within the authority of the Board of Ethics. However, based on our investigation, the City of Ypsilanti may decide to refer this matter to the Washtenaw County Prosecutor for further review and investigation. Potential Michigan criminal statutes that may be involved would be MCL 750.117 which provides in pertinent part:

"Any person who shall corruptly give, offer or promise to any public officer, agent, servant or employee.....any gift, gratuity, money, property or other valuable thing, the intent or purpose of which is to influence the act, vote, opinion, decision or judgment of such public officer, agent, servant or employeeshall be guilty of a felony."

Furthermore, because of the interference by Ms. Foster and Jingming Liang in the ongoing investigation, MCL 750.479 may be implicated which provides:

"A person shall not knowingly and willfully do any of the following:

(a)...obstruct, acity attorney....court officer, or other officer or duly authorized person serving or attempting to serve or execute any process, rule, or order made or issued by lawful authority or otherwise acting in the performance of his or her duties."

Respectfully,

The Plato Law Firm

Dated: April 6, 2018

By: Edward D. Plato
Jessica J. Bond