

**OFFICE OF INSPECTOR GENERAL
CITY OF JACKSONVILLE**



**REPORT OF INVESTIGATION
2019-0008**

**INVESTIGATION INTO
ALLEGED PREFERENTIAL TREATMENT**

**LISA A. GREEN
INSPECTOR GENERAL**

SEPTEMBER 21, 2020

DATE ISSUED

“Enhancing Public Trust in Government Through Independent and Responsible Oversight”



EXECUTIVE SUMMARY

Report of Investigation 2019-0008

On August 14, 2019, the Florida Times-Union published an article titled, “*City official: Mayor Lenny Curry’s office pressured him to steer grant money to ‘preferred’ groups,*” which reported that Joseph Peppers (Peppers), former Chief Executive Officer, Kids Hope Alliance (KHA) had written a September 8, 2018, memorandum wherein he alleged that Brian Hughes, then Chief of Staff, Office of the Mayor (Mayor’s Office), and Sam Mousa, then Chief Administrative Officer (CAO), Mayor’s Office, had pressured him to provide preferential treatment to designated organizations for the “*Stop the Violence initiative [sic].*”

Unrelated to the August 14, 2019, news article, on August 15, 2019, CAO Hughes, Mayor’s Office, placed Peppers on administrative leave, effective immediately, pursuant to a memorandum issued due to a workplace investigation by the OIG into alleged misconduct.

On August 16, 2019, the Florida Times-Union published another article titled, “*As grant deadline neared, Mayor Lenny Curry’s staffer asked about church.*” In this article, it was reported that Hughes sent a text message to Peppers which stated “*Bethel gonna need micro,*” appearing to refer to Bethel Baptist Institutional Church (Bethel Baptist), 215 Bethel Baptist Street, Jacksonville, Florida 32202, and the *Stop the Violence Intervention and Prevention Mini-Grant Program* (Stop the Violence Program).

Based on the information contained within both Florida Times-Union articles, the OIG initiated an investigation in accordance with §602.303, *Ordinance Code*, to determine whether former CAO Mousa and/or CAO Hughes attempted to pressure Peppers into providing preferential treatment for designated organizations.

In addition, when interviewed by the OIG, Peppers testified that the Mayor’s Office attempted to portray him as “*unstable*” and “*mentally-ill*” so that his allegations would be discredited. This additional allegation that the Mayor’s Office attempted to discredit Peppers as “*unstable*” and “*mentally-ill*” was incorporated into the OIG investigation.

On August 16 and 20, 2019, the OIG briefed the Office of the State Attorney, Fourth Judicial Circuit (SAO), regarding the allegations. The SAO advised that the matter was best handled as an OIG administrative investigation.

The OIG administrative investigation focused on (1) the September 6, 2018, meeting involving Peppers, CAO Hughes, and former CAO Mousa (as referenced in the August 14, 2019 Florida Times-Union article); (2) the October 18, 2018 text messages exchanged between CAO Hughes and Peppers (as referenced in the August 16, 2019 Florida Times-Union article); and (3) a Review Of Alleged Attempts To Discredit Peppers.

The allegations and investigative findings are detailed in the body of this investigative report. However, based on interviews, the investigation determined that Peppers felt pressure to get the

Faith-Based Program grants “out” due to the upcoming end of the fiscal year. However, no one including Peppers, testified that the Mayor’s Office provided Peppers with any specific names of organizations to which he was to give preferential treatment. Rather, the investigation disclosed, based on a records review, the Mayor’s Office provided Peppers with a comprehensive list of 67 vendors, who had been sent or had downloaded the Faith-Based Program Request for Proposal, on the evening of September 6, 2018, via COJ e-mail.

The investigation determined the list, which is routinely used by COJ’s Procurement Division, is a living, breathing document that keeps track of all vendors interested in particular RFPs and ensures that all relevant communications or updates to the RFP are sent to all vendors. During Peppers’ interview with the OIG at the onset of this investigation, he made no mention of this list.

In brief, the allegations and respective investigative conclusions are provided below:

SECTION I: THE SEPTEMBER 6, 2018 MEETING

Allegation:

According to an August 14, 2019 Florida Times-Union article titled, “*City official: Mayor Lenny Curry’s office pressured him to steer grant money to ‘preferred’ groups,*” Peppers alleged in a September 8, 2018, memorandum that during a meeting Hughes and Mousa had pressured him to provide preferential treatment to designated organizations for the “*Stop the Violence initiative [sic].*”

Conclusion:

Based on the testimony obtained and records reviewed, the allegation that Peppers was pressured by then Chief of Staff Hughes and then Chief Administrative Officer Mousa during the September 6, 2018, meeting to provide preferential treatment to certain organizations was ***unfounded***.¹

SECTION II: THE OCTOBER 18, 2018 TEXT MESSAGES

Allegation:

According to an August 16, 2019, Florida Times-Union article titled, “*As grant deadline neared, Mayor Lenny Curry’s staffer asked about church,*” it was reported that Hughes sent a text message to Peppers which stated, “*Bethel gonna need micro,*” appearing to refer to Bethel Baptist, 215 Bethel Baptist Street, Jacksonville, Florida 32202, and the Stop the Violence Intervention and Prevention Mini-Grant Program (Stop the Violence Program).

¹ In accordance with Office of Inspector General, OIG Policy and Directives Manual, Directive 9-01, *Conclusions of Fact*, unfounded is defined as, “*An allegation is unfounded when it is proved to be false or there is no credible case supporting materials (or evidence) to support the allegation.*”

Conclusion:

Based on the testimony obtained and records reviewed, the allegation that Peppers was pressured by CAO Hughes to provide preferential treatment to Bethel Baptist was *unfounded*. Further, the investigation confirmed that Bethel Baptist did not apply or receive any funding under the Stop the Violence Program.

SECTION III: REVIEW OF THE ALLEGED ATTEMPTS TO DISCREDIT PEPPERS

Allegations:

During the OIG investigation, Peppers testified that the Mayor's Office attempted to portray him as "*unstable and mentally-ill*" in order to discredit any allegations he made against the Mayor's Office. In his testimony, Peppers alerted the OIG to three specific incidents:

1. The Mayor's Office may have collaborated with a KHA employee to draft a press statement in Peppers' name. According to Peppers, this drafted (but ultimately unused) press statement was written to make it appear that Peppers claimed to have been mistaken about the allegations he listed in the September 8, 2018 e-mail.
2. Peppers testified that he was told by a Florida Times-Union reporter that Hughes offered to share "*off-the-record*" information in response to the September 8, 2018 e-mail.
3. The Deputy Chief Administrative Officer made comments to KHA employees that had a negative reference to Peppers' mental health.

Conclusion:

Based on the testimony obtained and records reviewed, the allegation that the Mayor's Office attempted to portray him as "*unstable and mentally-ill*" in order to discredit any allegations he made against the Mayor's Office was *unfounded*.

The OIG has no recommendations related to this investigation.

INVESTIGATIVE REPORT

On August 14, 2019, the Florida Times-Union published an article titled, “*City official: Mayor Lenny Curry’s office pressured him to steer grant money to ‘preferred’ groups,*” which reported that Joseph Peppers (Peppers), former Chief Executive Officer, Kids Hope Alliance (KHA), had written a September 8, 2018, memorandum wherein he alleged that Brian Hughes, then Chief of Staff, Office of the Mayor (Mayor’s Office), and Sam Mousa, then Chief Administrative Officer (CAO), Mayor’s Office, had pressured him to provide preferential treatment to designated organizations for the “*Stop the Violence initiative [sic].*”

Unrelated to the August 14, 2019, news article, on August 15, 2019, Hughes, Chief Administrative Officer (CAO), Mayor’s Office, placed Peppers on administrative leave, effective immediately, pursuant to a memorandum issued due to a workplace investigation by the OIG into alleged misconduct.

On August 16, 2019, the Florida Times-Union published another article titled, “*As grant deadline neared, Mayor Lenny Curry’s staffer asked about church.*” In this article, it was reported that Hughes sent a text message to Peppers which stated “*Bethel gonna need micro,*” appearing to refer to Bethel Baptist Institutional Church (Bethel Baptist), 215 Bethel Baptist Street, Jacksonville, Florida 32202 and the *Stop the Violence Intervention and Prevention Mini-Grant Program* (Stop the Violence Program).

Based on the information contained within both Florida Times-Union articles, the OIG initiated an investigation in accordance with §602.303, *Ordinance Code*, to determine whether former CAO Mousa and/or CAO Hughes attempted to pressure Peppers into providing preferential treatment for designated organizations.

In addition, when interviewed by the OIG, Peppers testified that the Mayor’s Office attempted to portray him as “*unstable*” and “*mentally-ill*” so that his allegations would be discredited. This additional allegation that the Mayor’s Office attempted to discredit Peppers as “*unstable*” and “*mentally-ill*” was incorporated into the OIG investigation.

On August 16 and 20, 2019, the OIG briefed the Office of the State Attorney, Fourth Judicial Circuit (SAO), regarding the allegations. The SAO advised that the matter was best handled as an OIG administrative investigation.

The OIG administrative investigation focused on (1) the September 6, 2018 meeting involving Peppers, CAO Hughes and former CAO Mousa (as referenced in the August 14, 2019 Florida Times-Union article); (2) the October 18, 2018 text messages exchanged between CAO Hughes and Peppers (as referenced in the August 16, 2019 Florida Times-Union article) and (3) Review Of Alleged Attempts To Discredit Peppers.

BACKGROUND

KHA was established with the enactment of legislative bill 2017-563, *Ordinance Code*, on October 10, 2017. Effective January 1, 2018, the authority pursuant to Chapter 77, *Kids Hope Alliance*, stated, “*KHA shall primarily implement and manage the children and youth programs, services and activities permitted under the Plan through third-party service providers and other City agencies and may only perform Services in-house as permitted under this Chapter.*”

In addition, effective January 1, 2018, Chapter 51, *Ordinance Code*, the Jacksonville Children’s Commission (JCC), was repealed and all city programs, contracts and employees under JCC were transferred to and became the responsibility of KHA.

KHA’s mission statement, according to the KHA website is to, “*build and ensure access to a continuum of comprehensive and integrated programs, services, and activities that address the critical needs of children and youth.*”

In accordance with Chapter 77, *Ordinance Code*, the Mayor’s Office appoints seven members, subsequently confirmed by the City Council, to serve on the KHA Board of Directors (KHA Board).

Peppers was appointed as the KHA CEO in April of 2018 and resigned from this position on May 2, 2020.

In August of 2018, the Mayor’s Office appropriated \$50,000 in discretionary funding to establish a grant program known as the *Neighborhood Faith-Based Intervention and Prevention Program* (Faith-Based Program). The Faith-Based Program awarded grants to various vendors and was intended for intervention and prevention programs to address youth violence.

In addition to the Faith-Based Program, in August of 2018, the City of Jacksonville’s City Council subsequently appropriated \$364,550 to establish the *Stop the Violence Intervention and Prevention Mini-Grant Program* (Stop the Violence Program) and mirrored the goals of the Faith-Based Program. In January of 2019, an additional \$15,866 (approximately) was appropriated by Ordinance 2018-843-E, for mini-grants up to \$5,000, from KHA’s Trust Fund bringing the total of the Stop the Violence Program to approximately \$380,416.

INVESTIGATIVE FINDINGS

The Investigative Findings section of this report is separated into three separate sections and outlines the OIG’s findings related to: Section I: The September 6, 2018 Meeting; Section II: The October 18, 2018 Text Messages; and Section III: The Review of Alleged Attempts to Discredit Peppers.

GOVERNING DIRECTIVES

Florida Statute

Chapter 112, Public Officers and Employees

- §112.313(6), *Misuse of Public Position*

City of Jacksonville Ordinance Code

Chapter 602, Jacksonville Ethics Code

- §602.401(a), *Misuse of position, information, etc.*

The above-referenced directives are applicable to each of the three sections contained within this report.

SECTION I: THE SEPTEMBER 6, 2018 MEETING

According to an August 14, 2019 Florida Times-Union article titled, “City official: Mayor Lenny Curry’s office pressured him to steer grant money to ‘preferred’ groups,” Peppers alleged in a September 8, 2018 memorandum that during a meeting Hughes and Mousa had pressured him to provide preferential treatment to designated organizations for the “Stop the Violence initiative [sic].”

RECORDS REVIEW

The OIG reviewed records, including applicable state statutes and municipal ordinances; newspaper articles; various COJ records including e-mails and procurement records related to the Faith-Based Program; and various cellphones text messages.

Mayor’s Budget Review Committee, August 27, 2018

A review of the Mayor’s Budget Review Committee (MBRC) Agenda for the MBRC meeting on August 27, 2018 disclosed that the Mayor’s Office request for \$50,000 to fund grants up to \$10,000 each to community organizations working to end gang violence (Faith-Based Program) was approved by the MBRC.

City of Jacksonville Ordinance Code

Based on a review of records, City Council appropriated approximately \$364,550 for the Stop the Violence Program in the City of Jacksonville 2018-2019 Fiscal Year Consolidated Government Budget, Ordinance 2018-504-E (\$300,000) and subsequent Ordinance 2018-653-E (\$64,550). Both Ordinances were enacted on September 25, 2018 and appropriated funding for mini grants up to \$10,000. In January of 2019, an additional \$15,866 (approximately) was appropriated by

Ordinance 2018-843-E, for mini-grants up to \$5,000, from KHA's Trust Fund bringing the total of the Stop the Violence Program to approximately \$380,416. ²

September 8, 2018 E-mail

The September 8, 2018 e-mail³ sent by Peppers from a non-COJ e-mail account to the former Chief Operating Officer (COO), KHA, and the former Chief Strategy Officer (CSO) is provided below, *verbatim*:

Ladies,

I am stating for public record that I do not agree with the approach dictated to me by the mayors office regarding the facilitation of the RFP for the \$50k grants and the \$300k grants. I am also going on record as stating that I believe that I'm under undue influence from the mayors office. Two of the mayor's direct reports have intimated to me that they expect me to pass certain applicants based on their discretion regardless of how they score on the RFP.

On Thursday morning, August 6th,^[4] at 1130am, I had a meeting with Sam Mousa, Brian Hughes, and Marlene Russell. Damion Cook was also at the meeting for the initial 10 minutes. Initially, Brian asked Damian for clarification on what grant we were getting from the White House. After receiving clarification, he asked Damian to step out. Afterwards, Brian Hughes indicated that he didn't understand why I was trying to hire a contract manager for the micro grants and why I was talking to Greg Pease about hiring a contract manager. I stated that the full context was we needed a contract manager to manage 30 ten thousand dollar grants. Sam stated that we didn't need that. "This is family talking; this is political!" I said I wanted to make sure that we measured outcomes but that what I hear them saying is that these grants need to be simplified. I told them I talked to Mike [Weinstein] and they asked me why I talked to Mike. Sam stated that he wanted me personally involved in grading the grants. At no time did I agree or disagree with Brian and Sam, but I felt very uncomfortable with the conversation. Brian said I know that you are hearing two different things, but this is something you have to be really sure of when talking with Council-members. Brian stated that you still have to manage the normal contracts with outcomes, but this is different. "We want this to be something that happens fast." We started talking about my meeting with Councilman Becton. I told them that Councilman Becton didn't agree with me taking on this task. I told them I would also see Anna Broche later that day. Sam asked why I was having all of these meetings. I stated that I was asked to follow up with them or meet with them. I asked if I should not meet with them. He said no and got very angry with me. Marlene said very little. I closed the meeting

² The OIG is in the process of auditing the Stop the Violence Program grants and the results will be reported in a separate OIG Audit Report (OIG 2020-AR-0002).

³ It was determined that the memorandum referred to in the above-mentioned Florida Times-Union articles were in fact e-mails sent by Peppers to the former COO and the former CSO. There were two versions of the September 8, 2018 e-mail, with the latter version containing additional information. Unless otherwise noted, the OIG specifically referred to the only latter September 8, 2018 e-mail throughout this report.

⁴ It was later determined through testimony that this meeting occurred on September 6, 2018.

saying I guess I am over thinking it. To reiterate, both Brian and Sam stated that there would be designated applicants that would get preferential treatment during the application process.

I have shared this with Dawn Lockhart and Kevin Gay. I have also shared parts of this story with Councilman Schellenburg. He instructed me to do the right thing above all else. On Friday, I was told by Sylvester that some pastors are trying to blackmail me, stating they have a picture of me at a President Trump rally which isn't true. That rumor seemed strange on the heels of my conversation with Sam and Brian. This email serves as my recollection of the events that transpired last week. I do not plan to give any preferential treatment to any applicants. I spoke with Lawsikia Hodges Friday night and she told me not to make a big deal about the grants. She stated that the \$350k was insignificant compared to the \$32 mm we received and that I shouldn't "openly question the mayor." That I shouldn't "bite the hand that feeds me." I didn't tell her about my conversation with Brian and Sam, but I did ask what I should do if I felt like I was under undue influence. She said "we will cross that bridge if we get to it."

I will discuss this with Kevin Gay and Dr Darby tomorrow. I have a meeting Monday morning with Brian where I will let him know that I do not plan on supporting preferential treatment of applicants.

Text Messages Related to the September 6, 2018 Meeting

The OIG obtained the following text messages as part of a voluntary production of records from Peppers and the Division Chief, Juvenile Division, SAO.

After the September 6, 2018 meeting, Peppers exchanged text messages with Kevin Gay, Chairman, KHA Board of Directors (KHA Board), and the SAO Division Chief⁵ in the following days, as provided below, *verbatim*:

Text Messages Between Peppers and the SAO Division Chief

Date	Message Sender	Message Text
September 9, 2018	Peppers	<i>I'm sorry to text you on the weekend. I sent you an email⁶ that is sorta worrisome. Let's me know what you think.</i>
September 9, 2018	SAO Division Chief	<i>I just got your email. I can't talk freely right now, but I'm happy to give you a call tonight if you would like me to. You are doing</i>

⁵ The SAO Division Chief served on the KHA Board as a non-voting, subject matter expert.

⁶ Peppers testified that he sent the SAO Division Chief the September 8, 2018, e-mail.

Date	Message Sender	Message Text
		<i>everything correctly. Take a deep breath. Document. And hold fast to what you think is the right thing. What you don't want to do yet is share with too many outside of your closet circle. You are ethical and a great leader!</i>
September 9, 2018	Peppers	<i>Sorry</i>
September 9, 2018	Peppers	<i>Yes Tonight</i>
September 9, 2018	SAO Division Chief	<i>Okay! I'll call then.</i>
September 10, 2018	SAO Division Chief	<i>How did your meeting go?</i>
September 10, 2018	Peppers	<i>Awkward</i>
September 10, 2018	Peppers	<i>But no insinuating</i>
September 10, 2018	SAO Division Chief	<i>Okay. Happy to hear that. Sorry it was awkward...</i>
September 10, 2018	Peppers	<i>Kevin told the mayor we were going to do the right thing</i>
September 10, 2018	SAO Division Chief	<i>That is good to hear. love that Kevin.</i>

Text Messages Between Peppers and Chairman Gay

Date	Message Sender	Message Text
September 10, 2018	Peppers	<i>Morning Are we only articulating the timeline today at 11?</i>
September 10, 2018	Chairman Gay	<i>GM-Yes I believe that's all we need to do. Let's just share what we are thinking the timeline to be. Also let me know how your meeting with BRIAN goes. If he presses on specifics just tell him you will need to talk to the board as it's in process with the Governance Committee right now.</i>

Review of Peppers' COJ E-Mails

A review of Peppers' COJ e-mails disclosed a September 6, 2018 e-mail, with a time stamp of 5:24:53 PM, with a five-page attachment titled, *ESC-0567-18 Neighborhood Faith-Based Intervention and Preventions Program...doc*, was sent to Peppers from the Director Organizational Effectiveness, which stated in part, *verbatim*:

Joe:

As discussed, attached is the current list of organizations that have either been sent a copy or downloaded the RFP. If you have any additional organizations you would like Procurement to send the RFP, just let us know and we can do that.

The list will continue to grow as Chiquita receives calls and as others download the RFP.

Let me know if you have any questions.

Thank you,

The OIG confirmed that the attachment, a five-page running list of 67 names of various organizations and contact information related to RFP number ESC-0567-18, *Neighborhood Faith-Based Intervention and Prevention Program* was prepared by Procurement and commonly referred to as a bidders list. The OIG confirmed that this form is used by Procurement routinely to ensure that all vendors received the same information related to RFPs. The OIG confirmed that the RFP was first advertised on August 31, 2018, and the bid opening was extended from September 7, 2018 to September 14, 2018.

City of Jacksonville Faith-Based Program Procurement Records and related COJ E-mails

A review of COJ Procurement records revealed that the Faith-Based Program grant applications were evaluated by the former CSO and COJ's Grants Administrator, Office of Grant and Contract Compliance, Finance and Accounting Department, and given a numerical score. The bid opening for the RFP was held on September 14, 2018. The six highest evaluated organizations were awarded a Faith-Based Program grant ranging from \$5,000 to \$10,000 on September 28, 2018.⁷

A review of COJ e-mails disclosed that on September 17, 2018, e-mails exchanged between the former COO, the former CSO, and Peppers questioned the use of KHA executive-level employees to score the Faith-Based Program grant applications. The former COO initiated these e-mails in which she wrote, "*Do we know who we want to score? Obviously, asking the team to do so is a little controversial. Do we want to score it ourselves? Or ask for outside volunteers?*"

⁷ The OIG audited the Faith-Based Program grants, reported separately (OIG 2019-AR-0001).

The former CSO replied to the former COO's e-mail and suggested that an outside team be used to evaluate the Faith-Based Program grant applications. Peppers did not respond to the e-mails exchanged between the former CSO and former COO on September 17, 2018.

TESTIMONY

Peppers, while in the capacity of KHA's CEO was interviewed on August 19, 2019, at the beginning of this investigation. Peppers resigned from the CEO position on May 2, 2020.

Statement of Joseph Peppers, former Chief Executive Officer, Kids Hope Alliance

According to Peppers, the meeting documented in the September 8, 2018 e-mail occurred on September 6, 2018. The meeting occurred in the then Chief of Staff Brian Hughes' office and began at approximately 11:30 a.m. and lasted approximately one hour. Peppers had not expected the Grants Administrator and the Director Organizational Effectiveness to be present but was unconcerned about their presence. Peppers was not surprised when Hughes excused the Grants Administrator from the meeting, as the Grants Administrator would not likely be involved with KHA-related business.

Peppers said that the then Chief Administrative Officer (CAO) Sam Mousa told him during the meeting that he (CAO Mousa) wanted Peppers to be involved with scoring the grants. According to Peppers, CAO Mousa said something to the effect of "*We need someone we can talk to that is grading the grants.*" Peppers understood this to mean that Chief of Staff Hughes and CAO Mousa would be able to tell him which organizations would receive a grant and how to ensure the scoring would be favored toward these organizations.

Peppers said that Chief of Staff Hughes also told him "*to go ahead and build your process out*" but Peppers would be informed "*where certain people need to land on the scoring.*" According to Peppers, he understood this to mean that "*some people would be provided preferential treatment*" based upon Chief of Staff Hughes' and CAO Mousa's direction.

CAO Mousa said that he wanted to get to funds out quickly and to make the grant process as easy as possible for the interested organizations. Peppers recalled that CAO Mousa stated "*This needs to be easy. Joe, let's talk straight, this is family, this is politics.*" Peppers understood and interpreted CAO Mousa's statement to be, "*about hooking up people for support*" and "*this is family, this is politics,*" to mean regarding the upcoming 2019 local elections.

According to Peppers, Chief of Staff Hughes and CAO Mousa never specifically said to him that certain organizations would receive preferential treatment; however, it seemed clear to Peppers that some organizations were to receive preferential treatment. Peppers stated that during the September 6, 2018 meeting he was not told the name of any organizations which were to receive preferential treatment. According to Peppers, certain organizations were to receive preferential treatment by being given a high enough score [non-specified] to be awarded a grant.

Peppers stated that he thought it was inappropriate that the Mayor's Office (specifically, Chief of Staff Hughes and CAO Mousa) had dictated that the first round of grant funding (i.e. the Faith-Based Program) would be designated for faith-based organizations and churches. To Peppers' knowledge, prior to the Faith-Based Program, KHA did not have any plans to have faith-based grants. Peppers thought KHA should have been dictating the design of this grant process, likening the decision to "*telling Public Works you want them to fix a pothole and then explaining to them how to do it.*"

Peppers stated after the September 6, 2018 meeting ended, he talked with the former COO and the former CSO in person and by telephone about the September 6, 2018 meeting throughout September 6 and 7, 2018. He spoke with the former COO and the former CSO because he did not want to be in a scenario where he or KHA employees were doing anything that was "*illegal.*" According to Peppers, both the former COO and the former CSO thought the September 6, 2018, meeting was inappropriate.

Peppers confirmed that he wrote the September 8, 2018 e-mail and was referring to the Faith-Based Program and the Stop the Violence Program. Peppers sent this e-mail from his personal e-mail account rather than his COJ e-mail, as he was not sure if his e-mail was being "*tracked.*"⁸ He was trying to be discrete, but also wanted to protect himself. According to Peppers, there had been previous public record requests for his e-mails. Peppers wanted the September 8, 2018 e-mail to be in the "*public record*" which was why he e-mailed it to the former COO and former CSO's COJ e-mail. Peppers stated that there was an earlier version of the e-mail which might have been a draft he had sent by accident. Peppers felt it was unlikely the former COO's and former CSO's COJ e-mail accounts were being "*tracked.*"

In addition to the individuals Peppers noted in his September 8, 2018 e-mail that he spoke with about the September 6, 2018 meeting, Peppers also spoke with the SAO Division Chief and the Vice Chairperson, KHA Board. According to Peppers, he only told the former CSO, the former COO and the SAO Division Chief all of the details about the September 6, 2018 meeting. Peppers said he did not know how well he could trust any of the other individuals. He did not remember what specific details he did not share with the other individuals (refer to the September 8, 2018 e-mail on pages 7-8).

Peppers had a telephone conversation with a Deputy General Counsel, Office of General Counsel on September 7, 2018, as she was KHA's designated attorney. Peppers told the Deputy General Counsel that he did not know what was happening with the grant process. According to Peppers, the Deputy General Counsel told him not to make a big deal about the Faith-Based and Stop the Violence Programs as they only constituted around one percent of KHA's overall budget. Peppers said she also told him he did not want to oppose the Mayor's Office. After hearing these comments, Peppers said he decided against sharing any details with her as he felt like he could not be candid with her.

⁸ It should be noted that according to *Technology Use Policy 0516*, "*Nothing in this policy confers an individual right or should be construed to provide an expectation of privacy. Employees must not expect privacy while using any City communication or technology equipment.*"

Peppers had a telephone conversation with the former COO about his earlier conversation with the Deputy General Counsel. According to Peppers, the former COO thought the Deputy General Counsel's comments were inappropriate.

Peppers also spoke with Chairman Gay briefly on September 7, 2018, and in greater detail on September 9, 2018. Peppers told Chairman Gay that the September 6, 2018 meeting was inappropriate, and that Peppers did not "*want to go to jail and embarrass [his] mother . . . because of some mini-grants.*" He and Chairman Gay determined any decisions about the grants could be made by the KHA Board, so it would remove any concerns about favoritism.

In addition, on September 9, 2018, Peppers spoke with the SAO Division Chief by telephone after he sent her the September 8, 2018 e-mails. Peppers stated that he believed what occurred during the September 6, 2018 meeting was illegal and he wanted to be able to speak with someone in a position like hers (i.e. a prosecutor). The SAO Division Chief recommended Peppers focus on building a transparent process that "*was away from the politics*" as the Office of the State Attorney would be unable to take action as nothing had been done yet.

Peppers said he did not have the September 10, 2018 (Monday) meeting with Chief of Staff Hughes which he mentioned in the September 8, 2018 e-mail. Instead, Peppers attended a meeting with faith-based leaders and various Council Members, which Chief of Staff Hughes also attended.

Peppers advised that the Faith-Based Program grant applications were evaluated on or about September 19 or 20, 2018, when Peppers was at an out-of-town conference. The Faith-Based Program grant applications were scored by the former CSO and the Grants Administrator. Peppers did not know why the former CSO and the Grants Administrator were chosen to score the applications. Peppers stated that he would not have chosen either the former CSO or the Grants Administrator because Peppers believed non-management KHA employees should have been used, stating "*it should be as far away from leadership as possible.*" At some point, according to Peppers, Chairman Gay told either Chief of Staff Hughes and/or CAO Mousa not to call Peppers as the former CSO and the Grants Administrator would score the Faith-Based Program grant applications.

Peppers did not contact OIG after the September 6, 2018 meeting because he was unaware of the OIG's existence. Peppers also said that no one suggested that he contact the OIG. When Peppers met with OIG representatives in 2019 for an unrelated matter, the process he and Chairman Gay had already established related to the KHA Board making any decisions about the Faith-Based Program grants had alleviated his concerns about being pressured to provide preferential treatment.

Peppers testified he was not threatened with consequences if he did not give preferential treatment to an applicant. Peppers was not promised anything if he gave preferential treatment to an applicant. Peppers stated to his knowledge no applicant received preferential treatment for either the Faith-Based or the Stop the Violence Program.

Statement of an Associate of Peppers

The Associate stated she had known Peppers, since either October or November of 2016 and recommended Peppers to the former Director of Intergovernmental Affairs, Mayors Office for the position of KHA Board Member.

The Associate testified that immediately after a meeting on September 6, 2018 with then Chief of Staff Hughes and former CAO Mousa, Peppers called her. According to the Associate, Peppers reached out to her after the meeting because they were good friends.

During the call, Peppers said Chief of Staff Hughes and CAO Mousa told him that designated organizations would receive preferential treatment in the form of grants. According to the Associate, Peppers never told her which organizations were to receive the preferential treatment.

The Associate told Peppers to write an e-mail describing the meeting with the Chief of Staff Hughes and former CAO Mousa and send it to the former CSO and the former COO, with a separate copy to be sent to the SAO Division Chief. She explained to Peppers that he needed to document the meeting so he would have a contemporaneous record. The Associate did not suggest he report the incident to OIG because she was unaware about the OIG until recently.

The Associate also suggested Peppers speak with Chairman Gay and a former Council Member (CM).

As soon as the call with Peppers ended, the Associate informed a former CM about her call with Peppers. The former CM told her to have Peppers call him. According to the Associate, Peppers met with the former CM the following week. The Associate was not aware of any action Peppers or the former CM took after that.

The Associate stated as far as she knew no grant applicant received preferential treatment. The Associate was unaware of anyone who was threatened with any consequence for not providing preferential treatment to a grant applicant or was promised anything if they provided preferential treatment to a grant applicant.

Statement of the Former Chief Operating Officer, Kids Hope Alliance

The former Chief Operation Officer (former COO) was employed with KHA from June of 2018 to July of 2019. She oversaw several KHA departments, including Administration and Contracts. The former COO reported directly to Peppers and also served as the Interim KHA CEO from April 2019 through May 2019.

The former COO stated that near the end of August or early September of 2018, Peppers telephoned her and expressed concern regarding a meeting he had with members of the Mayor's Office. Peppers said that "*they want us to just go through the motions, but they want me to give specific contracts to certain people,*" in reference to the Faith-Based Program. Peppers did not

mention specifically who was involved in the meeting or who was to receive the Faith-Based Program grants (other than unnamed churches and non-profits). The conversation lasted less than approximately five minutes and took place on a Saturday. The former COO stated that Peppers sounded distressed and upset. She did not relay this information to anyone.

The former COO told Peppers that she would not participate in what he inferred or deviate outside the legal procurement process. During that conversation, Peppers did not state or infer that the Mayor's Office was pressuring him.

Sometime after the telephone conversation, the former COO and the former CSO received an e-mail from Peppers which stated that Peppers felt pressure from Mayor's Office to direct grants to certain faith-based groups.

The day after Peppers sent the September 8, 2018 e-mail, Peppers held a meeting with the former COO and the former CSO. Peppers asked whether they received his e-mail and had any questions. Peppers then advised the procurement process could move forward. According to the former COO, there was nothing out of the ordinary about the Faith-Based Program procurement process.

The former COO had a telephone conversation with Peppers a day after the telephone call mentioned above (exact date unknown). Peppers advised the former COO that he discussed his concerns with a Deputy General Counsel. According to Peppers, the Deputy General Counsel told him that no one was asking Peppers to do anything wrong.

The following week (exact date unknown), the former COO and Peppers had a brief telephone conversation with the Deputy General Counsel. While the Deputy General Counsel said she was aware the former COO had concerns, the former COO described the call as a one-way conversation of the Deputy General Counsel relaying to the former COO what she told Peppers, which was that nobody was asking them to do something that was not right, they will continue with the process, and there was nothing to worry about. According to the former COO, during the call, the Deputy General Counsel stated, "*It's not wise to go against the Mayor's Office, but he is not going to ask you to do anything that you should be concerned about.*" The Deputy General Counsel did not elaborate on what she meant by the statement. The former COO said the conversation felt dismissive of their concerns.

Regarding Peppers' reference to being threatened with "*blackmail,*" [in the September 8, 2018 e-mail], the former COO stated that in early Fall of 2018 (exact date unknown), the Assistant Director of Community Engagement (Assistant Director) came to the former COO's office and advised her that a group of Pastors (the Assistant Director of Community Engagement did not disclose their identities) said they had photographs of Peppers at rally or post-inauguration party for President Trump. The Assistant Director advised the former COO the Pastors indicated they would be dropping off a package at KHA containing photographs of Peppers at the President Trump event by 3:00 p.m. that same day. The Assistant Director thought the Pastors' efforts had to do with the Faith-Based Program.

The former COO informed Peppers about the Assistant Director's interactions with the Pastors, later that same day, at approximately 5:30 p.m. Peppers told the former COO that he had attended a party hosted by military veterans for President Trump during inauguration week in January of 2017. According to the former COO, Peppers was upset and expressed that it was unfair for people to judge him for his attendance at the event and stated he did not like the pressure he received from the faith-based community. The package never arrived. The former COO believed the information the Assistant Director had provided and Peppers feeling pressured by the Mayor's Office was coincidence.

In regard to the Faith-Based Program grants, the former COO participated in conducting the initial screening of applicants to determine which organizations met the minimum requirements. The former COO recalled that the Mayor's Office conducted the screening for Faith-Based Programs, and the former CSO led a KHA team to conduct the screening for applicants of the Stop the Violence Program. The former COO stated that the Mayor's Office conducted the initial screening for minimum requirements because, at the time, KHA did not have the capacity in-house to conduct the screening for Faith-Based Program.

Regarding the scoring of the Faith-Based Program grant applications, during a staff meeting (exact date unknown) Peppers told the former COO that the Grants Administrator told him (Peppers) KHA would be in charge of evaluating the grant applications. At the same time of this conversation, Peppers told the former CSO he wanted the former CSO involved with the Faith-Based Programs applications evaluation, which the former COO thought meant the former CSO would organize an evaluation team.

The former COO had no knowledge of any organization receiving preferential treatment to receive an award from the Faith-Based Program or Stop the Violence Program. She had no knowledge of anyone having been threatened with any consequences for failing to provide preferential treatment. The former COO had no knowledge of anyone having been promised anything for providing preferential treatment.

The former COO testified that she had no knowledge of the Mayor's Office pressuring Peppers or anyone else to provide preferential treatment to organizations to receive Faith-based Program grants and/or Stop the Violence Program mini-grants.

Statement of the Former Chief Strategy Officer, Kids Hope Alliance

The former CSO was employed by KHA from August 1, 2018 to August 16, 2019.

The former CSO recalled that Peppers told her about attending a meeting with then Chief of Staff Hughes and then CAO Mousa either via a telephone call or in a meeting with her and the former COO.

Peppers later sent an e-mail documenting the meeting to the former CSO and the former COO. Peppers went into more detail in the September 8, 2018 e-mail than what he had disclosed during

the conversation. In addition, Peppers told the former CSO that the Mayor's Office wanted him to evaluate "*these and I don't want to.*" Peppers stated that he told Chairman Gay to ensure that he (Peppers) would not have to make the decisions on which applicants received the grants. Peppers never told her anything that conflicted with what he wrote in the e-mail.

Regarding the scoring of the Faith-Based Program grant applications, she received telephone calls from Chairman Gay and then CAO Mousa. Chairman Gay told her it was desired that the evaluations were quickly completed.

During a telephone call, CAO Mousa told the former CSO that the Faith-Based Program grant applications needed to be evaluated quickly. CAO Mousa wanted the former CSO, Peppers or the former COO (i.e. a member of the KHA Senior Leadership team) to complete the evaluations as the Faith-Based Program was important to Mayor Curry. CAO Mousa did not pressure the former CSO to give preferential treatment to any specific applicant. According to the former CSO, CAO Mousa was aware that the former COO and Peppers were out of town at the time.

The former CSO was uncomfortable being a Faith-Based Program application evaluator as she was new to Jacksonville and unfamiliar with many of the organizations. She had previously evaluated grants for colleges but still considered herself inexperienced. In addition, the former CSO had never previously evaluated grants for the City of Jacksonville (COJ).

She was also surprised KHA was evaluating the Faith-Based Program grant applications because if Peppers felt concerned about evaluating the Faith-Based Program grant applications himself then she did not understand why it was appropriate for her to evaluate the Faith-Based Program grant applications. After Peppers was relieved of having to evaluate the Faith-Based Program grant applications "*he never spoke of it again,*" referring to the events he outlined in the September 8, 2018 e-mail.

Statement of Kevin Gay, Chairman, Kids Hope Alliance Board of Directors

Chairman Gay has served as the KHA Board Chairman since 2018.

At some point (exact date unknown), Chairman Gay had a conversation with Peppers regarding a meeting Peppers had with the Mayor's Office. According to Chairman Gay, Peppers told him that he was under pressure to get the Faith-Based Program grants "*out.*" Chairman Gay did not recall any other details Peppers may have provided other than then CAO Mousa and possibly then Chief of Staff Hughes were in the meeting.

After reviewing the September 10, 2018 text messages between Peppers and the SAO Division Chief shown to him by the OIG (refer to pages 8 and 9), Chairman Gay said that Peppers may have "*misremembered*" as Chairman Gay did not have any conversations or meetings with Mayor Curry about grants.

After reviewing the September 10, 2018 text messages he exchanged with Peppers shown to him by the OIG (refer to page 9), Chairman Gay explained that prior to the September 10, 2018 text messages he already worked to have the KHA Board Governance Committee take responsibility to oversee processing all KHA grants. Chairman Gay wanted to make sure KHA still followed its established process even during a time where many parties were frequently inquiring about the status of the Faith-Based Program and “*pressure was coming from all directions.*”

Chairman Gay did not remember any details Peppers may have shared about the meeting with then Chief of Staff Hughes referenced in the September 10, 2018 text messages.

At one-point (exact date unknown) Chairman Gay recommended to Peppers that one of the three highest ranking KHA employees (Peppers, the former COO and the former CSO) with the most available time should evaluate the Faith-Based Program grant applications. Chairman Gay thought high ranking KHA employees needed to evaluate the Faith-Based Program grant applications as it was a high-visibility grant and due to the pressure that the Faith-Based Program grant applications had to be evaluated quickly. Chairman Gay did not talk to anyone else about them serving as an evaluator for the Faith-Based Program.

Chairman Gay was not aware of any concerns about whether Peppers, the former COO and the former CSO had the experience to evaluate the Faith-Based Program grant applications. Chairman Gay believed that someone from KHA should be involved with evaluating the Faith-Based Program grant applications since KHA would be responsible for administering them. Chairman Gay thought Peppers had chosen the former CSO to evaluate the Faith-Based Program grant applications.

Chairman Gay did not recall that Peppers expressed concerns about evaluating the Faith-Based Program applications. Chairman Gay did not recall Peppers telling him that he (Peppers) was pressured to provide preferential treatment to any grant applicant.

Statement of the Vice Chairperson, Kids Hope Alliance Board of Directors

The Vice Chairperson had served on the KHA Board since February of 2018.

After a KHA Governance Committee meeting (the Vice Chairperson could not recall date of meeting), she had a separate one-on-one meeting with Peppers concerning grants (the Vice Chairperson could not recall which grant program). During this meeting Peppers stated he was feeling pressured concerning grants, but Peppers did not identify any specific individual or articulate how he was being pressured. The Vice Chairperson advised Peppers to follow KHA procedures and to “*do the right thing.*” Peppers did not tell the Vice Chairperson he was pressured to give preferential treatment to any grant applicant.

The Vice Chairperson did not recall having any further discussions with Peppers about him receiving pressure from anyone at COJ.

Statement of former Council Member, City Council, City of Jacksonville

Peppers called former Council Member (CM) sometime around or before September 8, 2018. According to the former CM, Peppers sounded upset and voiced concern that funding would not go “to the right people.” The CM told him “to do the right thing.” The CM advised that Peppers knew what to do but needed affirmation and the CM gave him that.

Peppers did not tell him what organizations were supposed to get preferential treatment. The former CM stated Peppers never said the pressure he was experiencing was due to political concerns. Peppers did not say specifically who was pressuring him, how he was being pressured, or when it happened. Peppers never said he was being pressured into giving preferential treatment to a grant applicant.

The former CM stated he was not aware of any applicant getting preferential treatment for the grants. The former CM was not aware of anyone being threatened with consequences if they did not give preferential treatment to a grant applicant. The former CM was not aware of anyone being promised anything if they gave preferential treatment to a grant applicant. The former CM stated to his knowledge no preferential treatment was given to any entity.

The former CM stated he did not discuss the conversation with Peppers with anyone else. He did not have further conversations with Peppers about this issue.

Statement of the Director of Strategic Partnerships, Office of the Mayor

The Director of Strategic Partnerships had been in this position since June 15, 2016. In her position, she works with philanthropic entities, non-profits and private-sector organizations to address specific issues, such as homelessness. She also attended KHA Board meetings.

Peppers never mentioned to the Director of Strategic Partnerships he was receiving undue influence or that he was being told to take a certain action he thought was inappropriate.

Statement of the Assistant Director of Community Engagement, Kids Hope Alliance

The Assistant Director of Community Engagement (Assistant Director) had been in this position since 2016. His current duties included working with entities such as, the Mayor’s Office and bringing organizations together to help support KHA programs. He reported to the former CSO from August of 2018 through the end of September of 2018.

The Assistant Director did not recall that he told anyone about Peppers attending an event or rally for President Trump or that he was told this by anyone. In addition, the Assistant Director was not aware of anyone threatening to release information about Peppers attending an event for the President. The Assistant Director believed that any such proof (i.e. such as a photograph) would have been released to the media.

Regarding the former CSO evaluating the Faith-Based Program grant applications, the Assistant Director was not aware of any senior KHA (or Jacksonville Children's Commission) employees that had ever evaluated any grants during his employment with either agency.

Statement of the Chief, Procurement Division, Finance and Accounting Department

The Chief has held this position since his appointment by City Council in February of 2012.

The Chief was not aware how the Faith-Based Program evaluators were selected or who selected them. Nor did the Chief know why the Grants Administrator and the former CSO were selected to evaluate the Faith-Based Program grant applications; however, he knew both were considered to be subject matter experts. He thought Peppers may have been initially assigned to evaluate the Faith-Based Program grant applications, but the Grants Administrator may have replaced Peppers as Peppers was out of town during part of the procurement process.

With regard to the individuals selected to evaluate, there is no specific guideline in determining who is considered a subject matter expert. An individual's job title has significance in determining whether they are subject matter experts, in that it would be a logical assumption they have knowledge and experience which brought them into their role. The Chief stated it was not unusual to have a top-level executive, such as the former CSO, as an evaluator. In addition, there was not a requirement for a particular number of evaluators to be used; although, according to the Chief, it was a standard practice to use two or three evaluators.

The Chief did not recall whether anyone expressed concern about KHA Senior Leadership team members serving as evaluators.

Statement of Deputy General Counsel, Office of General Counsel

The Deputy General Counsel had been in her position for approximately six years and had been employed with OGC for approximately 13 years. Her duties included providing legal advice to all COJ departments, including KHA. She drafted the legislation that created KHA.

On Friday, September 7, 2018, Peppers called the Deputy General Counsel sometime between 8:00 and 9:00 p.m. According to the Deputy General Counsel, it was not unusual for Peppers to call her on a Friday night or over the weekend. Peppers was upset that the Mayor's Office was involved with the development of the Faith-Based Program Request for Proposals (RFPs). During their September 7, 2018 conversation, Peppers believed that KHA was an independent agency. However, the Deputy General Counsel explained that KHA was not an independent agency, as per the COJ Charter, KHA fell under the purview of the Mayor's Office.

The Deputy General Counsel explained to Peppers that it was normal and not unethical for the Mayor's Office to be involved with the development of RFPs, as this was done with other COJ departments as well. Per the Deputy General Counsel, it sounded as though Peppers believed the Mayor's Office should not have any input into the development of the Faith-Based Program RFP.

She also tried to put Peppers' concerns into perspective for him by explaining that while he was worried about the RFP development for approximately \$300,000 of funding, his overall budget was approximately \$30 million. According to the Deputy General Counsel, she pointed out to Peppers that he would have an opportunity to use the \$30 million to design other projects so he should focus "*on the big picture.*" She gave this as advice, but she also reminded him that he was the KHA CEO and could communicate this to the Mayor's Office if he chose to do so.

The Deputy General Counsel did not know if she specifically told Peppers "*to not make a big deal out of the grants.*" However, the Deputy General Counsel told Peppers that the concerns he expressed to her during the telephone conversation did not seem "*to be a big deal.*" Even after the telephone conversation, the Deputy General Counsel was not concerned by what Peppers told her.

At one point towards the end of the conversation, Peppers asked the Deputy General Counsel about the actions he should take if he felt like he received undue influence. The Deputy General Counsel asked Peppers if that happened. Peppers denied that he received any undue influence. The Deputy General Counsel told Peppers that he could file a complaint with the Office of Ethics, Compliance and Oversight but stated, "*let's cross that bridge when we get there.*"

Peppers told the Deputy General Counsel that he had a meeting earlier (could not recall when Peppers said the meeting occurred) with then CAO Mousa and possibly then Chief of Staff Hughes. She said that Peppers did not go into any specific details about the meeting other than telling her the meeting pertained to the Faith-Based Program. If Peppers told the Deputy General Counsel that he had been told by the Mayor's Office to score grant applications "*a certain way*" she would have alerted her supervisor, the General Counsel.

Regarding the comment that Peppers "*should not openly question the Mayor,*" the Deputy General Counsel said that this referred to an observation by another OGC attorney that some KHA employees had spoken negatively about the Mayor's Office during a recent KHA Finance Committee meeting.⁹ The Deputy General Counsel did not want Peppers to be blindsided by the comments KHA employees made during a public meeting.

The Deputy General Counsel suggested to Peppers that he ensures KHA employees were "*on the same page*" as him and their comments were in alignment with Peppers' and the Mayor's Office's positions.

She also reminded Peppers that the KHA budget was approved by the Mayor's Office, so he needed to be aware of what the KHA employees were saying at these public meetings. It was in this context that the Deputy General Counsel said she may have made a comment to Peppers along the lines of "*Don't bite the hand that feeds you.*"

⁹ A review of an audio recording of the September 5, 2018 KHA Finance Committee meeting disclosed that two KHA employees, including the former COO, said that the Mayor's Office revised the draft Faith-Based Program RFP. In addition, two KHA employees, including the Assistant Director of Community Engagement, expressed concerns about KHA not having enough control over the Faith-Based Program procurement process.

The Deputy General Counsel stated she did not recall saying “*no one is asking [KHA] to do anything wrong.*”

The Deputy General Counsel stated she did not share the conversation with anyone else other than another OGC attorney that worked with KHA because she thought it was uneventful. The Deputy General Counsel stated she did not have a follow-up telephone call with Peppers, which included the former COO.

After reviewing the September 8, 2018 e-mail, the Deputy General Counsel said that Peppers misrepresented their conversation “*a 1000%*” and failed to include the relevant details and context. The Deputy General Counsel cited as an example that Peppers stated when he spoke with her on September 7, 2018, she told him “*not to make a big deal about the grants.*” However, their conversation mainly dealt with how much input the Mayor’s Office had regarding the development of RFPs.

In addition, Peppers’ statement that the Deputy General Counsel told him to not “*openly question the Mayor*” and “*[he should not] bite the hand that feeds me*” was pertaining to the above-mentioned KHA Finance Committee meeting, not any specific grant. According to the Deputy General Counsel, it could appear to some that read the September 8, 2018 e-mail that Peppers indicated the Deputy General Counsel knew what occurred in Peppers’ earlier meeting with CAO Mousa and Chief of Staff Hughes.

The Deputy General Counsel also pointed out that the September 8, 2018 e-mail omitted that Peppers told the Deputy General Counsel he was not under any undue pressure.

Statement of the Division Chief, Juvenile Division, Office of the State Attorney

The SAO Division Chief had held this position since March of 2017. She served on the KHA Board in the position designated for the SAO, as a subject matter expert.

On approximately September 9, 2018, the SAO Division Chief received a text message from Peppers, who advised that he sent an e-mail to her personal e-mail account. In this e-mail, the SAO Division Chief recalled that Peppers was concerned about a conversation he had with then Chief of Staff Hughes, and other members of the Mayor’s Office, possibly including then CAO Mousa, concerning a grant that KHA was to administer.¹⁰

Sometime on September 9, 2018, she spoke with Peppers via telephone. According to the SAO Division Chief, Peppers felt that Chief of Staff Hughes and CAO Mousa had asked him to provide grant dollars to certain organizations. The SAO Division Chief was unsure if Peppers had mentioned the specific names of the organizations to her.

¹⁰ The SAO Division Chief believed Peppers sent her the first version of the September 8, 2018 e-mail.

Peppers told her the organizations identified to Peppers worked with the Mayor's Office or had been part of Mayor Curry's campaign. She told Peppers if he took himself out of the grant review process then he could not be influenced. The SAO Division Chief did not recall that Peppers explicitly told her why he was being pressured regarding the grants. The SAO Division Chief believed that certain faith-based entities had good working relationships with Mayor Lenny Curry (Mayor Curry) and the Mayor's Office wanted to ensure they received grant dollars if they applied.

The SAO Division Chief emphasized that she told Peppers she was giving him advice on a personal level, not in her professional capacity as an Office of the State Attorney employee.

During this conversation, the SAO Division Chief also advised Peppers to speak with the KHA Board leadership, specifically Chairman Gay and the Vice Chairperson about the meeting. She believed Peppers told her that he was going to have a meeting with Chairman Gay and Chief of Staff Hughes on the following day, September 10, 2018.

The following day, September 10, 2018, the SAO Division Chief texted Peppers asking how the meeting between him, Chairman Gay, and Chief of Staff Hughes went. Peppers said the meeting was awkward but there was no further insinuation of preferential treatment made to Peppers.

The SAO Division Chief believed the concerns Peppers had expressed to her were resolved.

Statement of the Grants Administrator, Office of Grant and Contract Compliance, Finance and Administration Department

The Grants Administrator had been in this position since 2015. He was involved with the Faith-Based Program as the funding was routed through his department and it was his responsibility to oversee the Faith-Based Program through the procurement process, including getting the contracts awarded to the organizations.

The Grants Administrator said that he attended a meeting (he could not recall the date) with Peppers, then Chief of Staff Hughes, then CAO Mousa and the Director Organizational Effectiveness. During the meeting, the discussion pertained to the swift distribution of the Faith-Based Program. Chief of Staff Hughes and CAO Mousa gave directives on what needed to be done and advised him of his responsibilities. The Grants Administrator advised that the Faith-Based Program was expedited as the funding needed to be encumbered by the end of the fiscal year. The Grants Administrator said that while the process was "*necessarily quick. We didn't skip any steps. We didn't cut any corners.*"

The Grants Administrator was only present for the first part of the meeting, then he was excused by likely either CAO Mousa or Chief of Staff Hughes. It was the Grants Administrator's impression that he was excused because they were finished discussing matters that involved him.

During the meeting, nothing appeared out of the ordinary to the Grants Administrator. The Grants Administrator was not aware of what occurred during the remainder of the meeting after he left.

The Grants Administrator said he and the former CSO both evaluated the Faith-Based Program grant applications separately and did not discuss their evaluations. Nor did he discuss his evaluation with anybody else. The Grants Administrator typically evaluated any grant that went through his department. The Grants Administrator stated it was typical for someone from the using agency to evaluate the applications and it was likely that the former CSO was selected to evaluate because the contracts were going to be managed by KHA.

The Grants Administrator stated that the number of evaluators typically varied depending on the specifics of the solicitation; it was not unusual to have only two evaluators. The Grants Administrator had been scoring RFPs since he started his position and had scored approximately six grant opportunities.

According to the Grants Administrator, the Mayor's Office wanted the Faith-Based Program grant process completed quickly in order to be responsive to the need in the community due to the attention on two recent shootings. In addition, the Faith-Based Program funding needed to be used by the end of the fiscal year which was quickly approaching.

The Grants Administrator had minimal involvement with the Stop the Violence Program. However, he advised that one of his subordinate employees, a Grants Writer, served as an evaluator for this program.

The Grants Administrator denied that any applicant received preferential treatment or that he had been pressured by anyone to award grants to specific entities. The Grants Administrator had no knowledge of the Mayor's Office pressuring anyone to award grants to specific entities.

Statement of Leonard "Lenny" Curry, Mayor, City of Jacksonville

Mayor Curry initially became involved with the Faith-Based Program after he was approached by a Council Member, regarding starting a grant program in response to shootings which had occurred at the Jacksonville Landing and the Raines High School. After Mayor Curry was able to determine there was available funding, he had no further involvement. Although, Mayor Curry was sure he requested a status update from former CAO Mousa, no regular update was given to him on the Faith-Based Program status.

Mayor Curry stated that he was not aware that Peppers had concerns about being pressured by CAO Mousa and CAO Hughes to provided preferential treatment until it was reported to the local media. If Mayor Curry thought that there was an issue, he would have gathered all the individuals involved and get an explanation as to what had occurred.

Statement of the Director Organizational Effectiveness, Office of the Mayor

The Director Organizational Effectiveness (Director) had been in this position since 2015. The Director's duties include assisting the Chief Administrative Officer and Deputy Chief Administrative Officer with operational needs of COJ departments.

The Director stated the September 6, 2018 meeting had been scheduled to inform Peppers about the \$50,000 in funding (Faith-Based Program) Mayor Curry was appropriating for KHA to develop a Request for Proposal (RFP) for programs to stop violence. CAO Mousa called the Director into the meeting and when she entered, she found that then Chief of Staff Hughes, CAO Mousa, Peppers, and the Grants Administrator were all present. When the Director joined the meeting, the Grants Administrator, Peppers, and then Chief of Staff Hughes had been discussing an unknown topic and when they finished, Chief of Staff Hughes excused the Grants Administrator from the meeting. According to the Director, there was nothing unusual about the Grants Administrator being excused from the meeting.

CAO Mousa discussed that the \$50,000 came from Mayor Curry's contingency fund and articulated that the grants were intended to award small increments of money to small vendors and businesses who work with children and neighborhoods; those who normally did not have the resources to apply for regular funding.

During the meeting, Peppers asked questions regarding who would solicit and grade the RFP. Peppers mentioned he knew of multiple small organizations who would likely respond to the RFP. The Director could not recall whether he specified any by name.

The Director was assigned to assist Peppers and his staff to get the RFP out quickly. She was to assist Peppers in simplifying the RFP and meet the basic requirements, as opposed to a 100-page RFP that would deter smaller organizations from applying.

CAO Mousa demonstrated a passionate tone with focus on the urgency and expediency of the Faith-Based Program, which was normal for CAO Mousa when having a meeting about something urgent. At no point during the meeting did Peppers appear scared or intimidated. The Director described it as a "*normal*" meeting.

She explained there was a sense of urgency to prepare the RFP in order to make it available for organizations to apply as soon as possible. But there was no "*pressure*" being put on Peppers. The Director was not aware of any political considerations motivating the grants.

At some point during the meeting, Peppers mentioned hiring a contract manager for the grants. CAO Mousa and Chief of Staff Hughes voiced that they did not agree that hiring a contract manager would be necessary. At no point during the meeting did Peppers appear scared or intimidated. According to the Director, nobody's actions seemed unusual.

During the meeting, CAO Mousa suggested that Peppers and another high level KHA employee (the Director could not recall whether they specified who) should evaluate the Faith-Based Program grant applications. The Director could not recall whether CAO Mousa or Chief of Staff Hughes specified which KHA employee should grade the Faith-Based Program grant applications with Peppers. The Director said that Peppers agreed to this request and she did not recall Peppers voicing any concern about the suggestion.

The Director did not know why CAO Mousa suggested that Peppers evaluate the Faith-Based Program grant applications. It was not uncommon for the head of an organization (like Peppers) distributing funds to serve as an evaluator.

Since the Director's tenure with the Mayor's Office, this was the first instance in which a senior member of the Mayor's Office requested a certain individual grade an RFP. However, the Director said that in this instance it was not unusual for the Mayor's Office to request certain individuals to serve as evaluators because the Faith-Based Program funding came from the Mayor's Office contingency account and the Mayor's Office desired that the funding be used quickly.

The Director stated that CAO Mousa made no request to be kept informed regarding the evaluation process after he made the recommendation for Peppers to evaluate the Faith-Based Program grant applications. The Director denied that CAO Mousa suggested who should evaluate so that the Mayor's Office could control who would receive the Faith-Based Program grants.

The Director stated there was no discussion about politics during the meeting. The Director stated she was not aware that politics played any role in the grant process for the Faith-Based Program and the Stop the Violence Program, other than being consistent with Mayor Curry's continuous emphasis on stopping violence. The Director denied that the grants were a means to push a political agenda or intended to aide Mayor Curry's re-election.

The Director did not recall that any specific organizations were discussed during the meeting. The Director denied that there was discussion about who should be awarded the Faith-Based Program grants. The Director denied that then Chief of Staff Hughes told Peppers they would let Peppers know who would get the Faith-Based Program or who should be evaluated the highest. To the Director's knowledge, neither Chief of Staff Hughes nor CAO Mousa wanted the scoring to favor a particular organization.

The Director did not have any knowledge regarding who eventually evaluated and/or scored the Faith-Based Program grant applications or why they were assigned to evaluate them. The Director had no recollection that anyone from KHA expressed concerns that a KHA Senior Leadership team member would score Faith-Based grant applications.

The Director was not aware that Peppers felt pressure to provide preferential treatment to certain organizations during the September 6, 2018 meeting. She was not aware that Peppers shared those concerns with other individuals, until the Florida Times- Union article was published.

The Director was not aware of any organization receiving preferential treatment to receive an award for Faith-Based Program or Stop the Violence Program grants. She had no knowledge of anyone having been threatened with any consequences for failing to provide preferential treatment. The Director had no knowledge of anyone having been promised anything for providing preferential treatment.

The Director had no knowledge that members of the Mayor's Office pressured Peppers to provide preferential treatment to certain organizations. She has no knowledge of anyone sharing Peppers' concern with Mayor Curry or any other members of the Mayors' Office.

The Director had no knowledge of Pastors blackmailing Peppers with a photograph of Peppers at a President Trump event.

Statement of Brian Hughes, Chief Administrative Officer, Office of the Mayor

On January 2, 2018, Hughes became Chief of Staff for the Mayor's Office and effective July 1, 2019, he became the CAO. As the Chief of Staff, his position duties included being CAO Mousa's deputy and overseeing matters related to intergovernmental affairs. As the CAO, Hughes' job duties include running and overseeing COJ departments and department directors on behalf of Mayor Curry.

CAO Hughes did not have an independent recollection of the September 6, 2018 meeting prior to it being publicized. He recalled a meeting in which Peppers expressed he wanted to hire consultants to administer the Faith-Based Program. CAO Hughes communicated to Peppers that he should utilize the people and resources already available to him at no extra cost, and reminded Peppers that the purpose of the grants was to quickly get the money in the hands of the organizations serving the community.

CAO Hughes stated that the meeting took place in person in then CAO Mousa's office and it was CAO Mousa's meeting. CAO Hughes thought that the Grants Administrator may have been asked to leave the meeting because all of the business with the Grants Administrator had been addressed.

CAO Hughes advised the meeting started as "normal." He stated the tone could have easily shifted to being tense due to the frustration of Peppers' continuous requests to hire additional staff to perform duties within the capabilities of current staff. Peppers appeared stressed during this meeting, which according to CAO Hughes, was common for Peppers, especially during conversations regarding him asking for additional staff. CAO Hughes suspected Peppers' constant stress had to do with Peppers adjusting to unfamiliar processes.

CAO Hughes stated he assumed Peppers would have been involved in evaluating the applicants for Faith-Based Program grants. CAO Hughes did not recall that anyone asked Peppers to evaluate them. However, CAO Hughes stated it would be a normal practice to ask certain individuals to evaluate, especially if someone has a specific area of expertise.

CAO Hughes stated that during the meeting, there was no direct implication of important political considerations for a specific action. He also stated that neither the Faith-Based nor Stop the Violence Programs were part of Mayor Curry's political strategy for the then-upcoming 2019 Mayoral election. CAO Hughes did not recall discussing any particular organization during that meeting. CAO Hughes also never told Peppers anything to indicate that the Mayor's Office would let him know who would receive the grants.

CAO Hughes did not know whether CAO Mousa said anything to Peppers along the lines of wanting the money on the streets as fast and as easy as possible; however, it would have been consistent with the goal of expediting the process to immediately address the issues of violence in youth communities.

CAO Hughes did not believe that CAO Mousa would say anything to Peppers along the lines of, “*we need to know someone we can talk to is grading the grants,*” as CAO Mousa took the procurement process very seriously.

CAO Hughes denied that he wanted to favor any organization to receive Faith-Based Program grants. CAO Hughes had no knowledge of CAO Mousa wanting to favor any organization to receive Faith-Based Program grants.

CAO Hughes was not aware that Peppers felt pressured to provide preferential treatment as alleged in the September 8, 2018 e-mail, until it was publicized (i.e. the August 14, 2019 Florida Times-Union article). CAO Hughes said he “*dumbfounded*” by the idea that Peppers had these feelings.

CAO Hughes was not aware of anyone sharing Peppers’ concerns of feeling pressured with Mayor Curry or by any member of the Mayor’s Office, prior to it being publicized. CAO Hughes stated that Mayor Curry would have addressed an allegation like that immediately if Mayor Curry had heard about it.

CAO Hughes did not recall giving any directives or guidance as it pertained to the evaluation process for the Faith-Based Program, other than in general, to get the grants out as fast as possible within the confines of what was allowable.

CAO Hughes did not know who scored the Faith-Based Program grant applications prior to his OIG interview. CAO Hughes had no knowledge of anyone expressing concerns about the selected evaluators. CAO Hughes was surprised to learn that the Grants Administrator and the former CSO scored the grants and had no recollection of how they were selected to score them.

However, after learning from the OIG the identities of the Faith-Based Program grant evaluators, CAO Hughes stated that he had no doubts that the Grants Administrator and the former CSO were qualified to evaluate the Faith-Based Program applications. CAO Hughes advised that he was opposed to having an outside group evaluate the Faith-Based Program grant applications because the funding was government funding and the KHA employees were paid to do the work. He had no knowledge that the Stop the Violence Program had been evaluated by outside individuals and had he known he would have opposed it.

CAO Hughes had no recollection that anyone from KHA expressed concerns that a KHA Senior Leadership team member would evaluate the Faith-Based Program grants. CAO Hughes stated it was appropriate to have individuals from within the organization who would be handling the funding serve as evaluators.

CAO Hughes had no knowledge of Pastors threatening to disclose that Peppers attended an event for President Trump.

Statement of Sam Mousa, former Chief Administrative Officer, Office of the Mayor

Mousa stated he served as the Chief Administrative Officer (CAO) for Mayor Curry from July 1, 2015 until June 28, 2019. As CAO, his job duties included ensuring the daily operations of all government functions within COJ.

Regarding the Faith-Based Program, Mousa participated in the development of the RFP. Sometime around late August and early September of 2018, the Faith-Based Program was developed after a shooting at a local high school. Mousa was directed by Mayor Curry to develop a program to distribute money to faith-based organizations to help address the violence. The Faith-Based Program funding was from operating funds that would return to the COJ General Fund if not spent by the end of the fiscal year, September 30, 2018. Therefore, as Mousa pointed out, the funding needed to be quickly provided to the relevant organizations.

Mousa advised that the Faith-Based Program and the Stop the Violence Program were very important to Mayor Curry as Mayor Curry had done everything he could to help “*at-hope*” children. The purpose of these programs was not to aid Mayor Curry’s re-election or obtain a political gain but to help crime reduction.

Regarding the meeting documented in the September 8, 2018 e-mail, Mousa said that the meeting (exact date unknown) was held to provide the Faith-Based Program RFP developed by Mousa and the Director Organizational Effectiveness to Peppers. Mousa did not schedule the meeting and may have been asked by then Chief of Staff Hughes to be present for the meeting.

According to Mousa, as the Faith-Based Program funding would be transferred back to the COJ General Fund at the end of the fiscal year there was a need to distribute the funding before the end of September of 2018.

Peppers was instructed to get the Faith-Based RFP “*out on the streets.*” Mousa emphasized to Peppers that the money needed to be encumbered to ensure it was not reverted to the COJ General Fund at the end of the fiscal year. Mousa said that it was relayed to Peppers that “*We’re going to lose the \$50,000 if you don’t get your butt moving.*” However, Mousa said that Peppers acted as if he did not know what to do.

Mousa stated that as a result he told Peppers what he needed to do. Mousa advised Peppers to speak with the Chief, Procurement Division to have the Faith-Based RFP advertised. In addition, Peppers was told to obtain a list of interested organizations that were to be provided the Faith-Based RFP from the former Intergovernmental Affairs Liaison, Mayor’s Office.

During the meeting, Peppers explained that he needed a program manager to administer the Faith-Based Program. When Peppers mentioned about hiring someone to manage the Faith-Based

Program, Mousa said he “*exploded*” and told Peppers the funding was not for hiring additional staff. Mousa advised that this was not the first meeting where he had expressed frustration with Peppers as there had been previous meetings where Peppers would ask to hire more employees. According to Mousa, he told Peppers, “*I need you to roll up your sleeves and you do the program managing.*”

Mousa said that there was a feeling of concern during the meeting as Peppers acted like he had never done anything like this (the Faith-Based Program) before. He was surprised that Peppers did not know what to do and asked very basic questions. Peppers acted like this process was brand new but KHA employees were experienced with RFPs. Mousa stated these comments from Peppers were “*mind-bogglingly.*” Mousa thought “*What have you been doing with the 34 million if you don’t know what the hell are you doing with the 50,000?*”

Mousa stated Peppers did not raise any concerns at the meeting. Mousa did not know Peppers had any concerns or that Peppers had shared concerns with anyone else.

Mousa did not recall asking Peppers to be involved with evaluating the Faith-Based Program grant applications nor did he know who evaluated the Faith-Based Program grant applications. He never heard any concerns about any employee evaluating or not evaluating the Faith-Based Program grant applications. Mousa did not think the Director of an agency [such as Peppers] should ever evaluate grants as he said, “*that’s not what Directors do.*” Mousa would not want someone who had never evaluated a grant to do so. Mousa added that Directors are not normally involved in serving as evaluators.

Mousa stated, “*It is never normal for Senior Administration members to request specific individuals to score a grant.*” Mousa said that the decision on who should serve as an evaluator was to be decided on the director-level.

Mousa did not recall any reference to politics in the meeting. If Mousa said anything in reference to politics it may have been that the Faith-Based Program, as well as KHA, were important to Mayor Curry.

Mousa denied that he said anything along the lines of “*we need to know that someone we can talk to is grading the grants.*” Hughes did not say “*we will let you know who gets the grants.*” Mousa did not want to favor the scoring toward any organization. To Mousa’s knowledge, Hughes did not want Peppers to favor the scoring toward any organization. According to Mousa, no one said during the meeting that any particular organization should be given a Faith-Based Program grant.

Mousa stated during the meeting then Chief of Staff Hughes made similar comments to Peppers as Mousa and was also upset. The Director Organizational Effectiveness did not say much but she encouraged Peppers to get with the Chief of Procurement for further assistance.

Mousa denied that then Chief of Staff Hughes said anything about telling Peppers who needed to be evaluated with a top-ranking score. According to Mousa, Chief of Staff Hughes did advise

Peppers that the Faith-Based Program funding needed to be available as soon as possible. Mousa said that he (Mousa) and Chief of Staff Hughes never expressed or implied that any specific organization should be favored.

Mousa did not give any additional directions regarding the evaluation of the Faith-Based Program applications and was unaware anyone from the Mayor's Office had given any directions either. Mousa reiterated he was not aware of who evaluated any KHA grant application, including the Faith-Based Program. Mousa did not recall that he contacted the former CSO to ask her to evaluate the Faith-Based Program grant applications. He thought he had a conversation with her as there was confusion about who was going to evaluate the Faith-Based Program applications but only told her to work it out with Peppers. Mousa never heard any concerns about any employee evaluating or not evaluating the Faith-Based Program applications.

Mousa denied that anyone from the Mayor's Office pressured Peppers or anyone else to provide preferential treatment to certain organizations. Regarding the Faith-Based and Stop the Violence Programs, Mousa had no knowledge about the type of treatment, preferential or otherwise, any organization received. To his knowledge, no one was threatened with any sort of consequence if they failed to provide preferential treatment nor was any COJ employee promised anything if they provided preferential treatment.

In reference to text messages exchanged between Peppers and the SAO Division Chief on September 9, 2018 (refer to page 8 and 9), to his knowledge, no one shared Peppers' concerns with Mayor Curry.

Mousa had no knowledge about Pastors threatening to blackmail Peppers with a photograph of him (Peppers) at a President Trump rally.

Statement of former Intergovernmental Affairs Liaison, Office of the Mayor

The former Intergovernmental Affairs Liaison had held the position for approximately one year and her duties included lobbying between the Mayor's Office and City Council.

The former Intergovernmental Affairs Liaison was the contact person for organizations interested in applying for the Faith-Based Program RFP. She was responsible for compiling a list of organizations¹¹ that were interested in applying. She conducted mock interviews with interested organizations and questioned them about what their organizations could offer to help reduce crime.

The former Intergovernmental Affairs Liaison was not involved with the selection of Faith-Based Program grant application evaluators. However, she recalled, then Chief of Staff Hughes instructed her to send an e-mail to either the Executive Assistant, Kids Hope Alliance (KHA) or

¹¹ The attachment referenced on page 10 was not prepared by the former Intergovernmental Affairs Liaison but contained all the vendors that the former Intergovernmental Affairs Liaison had in a list she compiled.

another KHA employee to advise that Peppers would need to be involved in the evaluation process. She did not know how the evaluators for the Faith-Based Program applications were chosen or who chose them.

As with the Faith-Based Program, she was tasked with contacting the interested organizations and serving as the point of contact for the Stop the Violence Program. The former Intergovernmental Affairs Liaison had no knowledge of the Mayor's Office wanting any organization to receive a Stop the Violence Program grant.

Regarding the Faith-Based Program and the Stop the Violence Program, the former Intergovernmental Affairs Liaison was unaware of any organizations receiving preferential treatment. The former Intergovernmental Affairs Liaison was also unaware of anyone having been threatened with any consequences for failing to provide preferential treatment or promised anything for providing preferential treatment.

SECTION I: Summary of Findings – The September 6, 2018 Meeting

On September 6, 2018, a meeting between then Chief of Staff Hughes, then CAO Mousa, Peppers and the Director Organizational Effectiveness was held to discuss the Faith-Based Program RFP.

OIG interviewed Peppers at the onset of this investigation which was audio recorded and under oath. During this interview, Peppers stated that he understood from the conversations during the September 6, 2018 meeting with then Chief of Staff Hughes and then CAO Mousa that certain organizations would receive preferential treatment. However, Peppers testified that during the September 6, 2018 meeting he was not given names of organizations that were to receive preferential treatment.

The OIG interviewed all the participants in the September 6, 2018 meeting and the individuals Peppers identified that he spoke to about the September 6, 2018 meeting.¹² These interviews were conducted under sworn oath and were audio recorded. The former COO, former CSO and the SAO Division Chief all corroborated Peppers' testimony, in that he contacted each of them and shared concerns about the September 6, 2018 meeting.

The investigation disclosed that there were no discussions during the September 6, 2018 meeting instructing Peppers to give preferential treatment to certain organizations based on sworn testimony of former CAO Mousa, then Chief of Staff Hughes, and the Director Organizational Effectiveness. However, testimony disclosed that during the meeting, there were "*passionate*" discussions related to Peppers' desire to hire additional staff to manage the Faith-Based Program grants to which the Mayor's Office objected and Peppers was advised that he should use the existing KHA staff. Based on sworn testimony, there were discussions related to the urgency of making the Faith-Based Program funding available before the end of the fiscal year. In addition,

¹² Peppers identified two other individuals, not listed in the September 8, 2018 e-mail. The OIG was unable to interview one of those individuals due to the individual failing to respond to requests to contact the OIG.

former CAO Mousa testified that Peppers acted as if he did not know what to do regarding facilitating the Faith-Based Program. Therefore, Peppers was advised to speak with the Chief of Procurement and obtain a list of interested organizations that were to be provided the Faith-Based RFP from the former Intergovernmental Affairs Liaison.

The OIG obtained a copy of an e-mail sent by the Director Organizational Effectiveness containing an attachment consisting of a five-page running list of 67 names of various organizations and contact information related to the Faith-Based Program of September 6, 2018, at approximately 5:24:53 PM to Peppers (refer to page 10). According to the e-mail, the list was a current list of organizations that had been sent a copy or downloaded the RFP as of September 6, 2018. Peppers never mentioned this list to OIG during his interview.

The OIG confirmed that the attachment, was used by Procurement to ensure that all vendors received the same information related to the Faith-Based Program RFP. In addition, this internal Procurement document is routinely used to track interested vendors for RFPs.

Based on interviews, it is clear that Peppers was feeling pressure to get the Faith-Based Program grants “out” due to the upcoming end of the fiscal year. However, no one testified that Peppers provided any specific names of organizations to which he was to give preferential treatment.

All testimony was conducted under sworn oath and audio recorded. Aside from Peppers’ testimony, there is no direct testimony or other supporting evidence that confirmed Peppers had been pressured to take any action to provide preferential treatment to any particular organization during the September 6, 2018 meeting.

The investigation confirmed that Peppers was not involved in the evaluation of the Faith-Based Program grants.¹³ In addition, Peppers testified that to his knowledge no applicant received preferential treatment for either the Faith-Based Program or the Stop the Violence Program. Peppers also testified that he was not threatened with consequences, nor were any promises made to him regarding giving preferential treatment to any applicants.

Peppers was advised by a Deputy General Counsel and a SAO Division Chief to report any concerns he had regarding receiving undue influence or the awarding of grants to the Office of Ethics, Compliance and Oversight and the Office of Inspector General, respectively. Peppers testified that no one suggested that he go to the OIG. The OIG has no record of Peppers filing a complaint with the OIG regarding undue influence or the awarding of either the Faith-Based Program or the Stop the Violence Program.

¹³ The OIG audited the Faith-Based Program grants concurrently during this investigation and are the findings are reported under OIG Audit 2019-AR-0001.

CONCLUSION SECTION I: THE SEPTEMBER 6, 2018 MEETING

Based on the testimony obtained and records reviewed, the allegation that Peppers was pressured by then Chief of Staff Hughes and then Chief Administrative Officer Mousa during the September 6, 2018 meeting to provide preferential treatment to certain organizations was *unfounded*.¹⁴

SECTION II: THE OCTOBER 18, 2018 TEXT MESSAGES

According to an August 16, 2019 Florida Times-Union article titled, "As grant deadline neared, Mayor Lenny Curry's staffer asked about church," it was reported that Hughes sent a text message to Peppers which stated, "Bethel gonna need micro," appearing to refer to Bethel Baptist), 215 Bethel Baptist Street, Jacksonville, Florida 32202 and the Stop the Violence Intervention and Prevention Mini-Grant Program (Stop the Violence Program).

RECORDS REVIEW

Text Messages Pertaining to Bethel Baptist

The OIG obtained text messages from the public records release made by CAO Hughes, as well as, from a voluntary production of records by Peppers and the SAO Division Chief. Relevant text messages are highlighted below.

On October 18, 2018, CAO Hughes and Peppers exchanged the following text messages, as shown below, *verbatim*:

Text Messages Between Peppers and Hughes

Message Sender	Message Text
Hughes	<i>Bethel gonna need micro.</i> ¹⁵
Peppers	<i>Copy Did they apply?</i>
Hughes	<i>They should</i>

Based on a review of records, October 18, 2018, was a few days prior to the deadline for organizations to submit Stop the Violence Program applications. The following day, October 19, 2018, Peppers sent a screen shot of October 18, 2018 text messages he exchanged with CAO Hughes to the SAO Division Chief and Chairman Gay. Peppers then exchanged the following text messages with the SAO Division Chief and Chairman Gay, as shown below, *verbatim*:

¹⁴ In accordance with Office of Inspector General, OIG Policy and Directives Manual, Directive 9-01, *Conclusions of Fact*, unfounded is defined as, "An allegation is unfounded when it is proved to be false or there is no credible case supporting materials (or evidence) to support the allegation."

¹⁵ Based on records and testimony, it was determined the "micro" referenced by CAO Hughes referred to the Stop the Violence Program.

Text Messages Between Peppers and the SAO Division Chief

Message Sender	Message Text
Peppers	<i>Bethel gonna need micro. Copy Did they apply? They should</i>
Peppers	<i>This is what I'm dealing with</i>
Peppers	<i>Sorry for delayed response</i>
Peppers	<i>That's from Brian Hughes</i>
SAO Division Chief	<i>Let's talk about this soon. Hold strong with your transparent process...</i>
SAO Division Chief	<i>You can do this.</i>

Text Messages Between Peppers and Chairman Gay

Message Sender	Message Text
Peppers	<i>Bethel gonna need micro. Copy Did they apply? They should</i>
Peppers	<i>That's from Brian Hughes</i>
Chairman Gay	<i>It cut off.</i>
Peppers	<i>Bethel gonna need micro. Copy Did they apply? They should</i>
Chairman Gay	<i>Who is processing the RFP is it them?</i>
Chairman Gay	<i>Did you find out if we had an RFP from Bethel</i>
Peppers	<i>We received it by email.¹⁶</i>
Chairman Gay	<i>Was it on time</i>
Chairman Gay	<i>It will be scrutinized</i>

¹⁶ A review of COJ e-mail records did not disclose any such e-mail from Bethel Baptist.

KHA Procurement Records for the Stop the Violence Program

A review of KHA records disclosed that a team of evaluators¹⁷ was used to evaluate the Stop the Violence Program applications. A review of the KHA procurement records disclosed that Bethel Baptist was not listed in KHA records as having submitted a Stop the Violence Program application. Additionally, the review disclosed that Bethel Baptist did not receive any money under the Stop the Violence Program. Although, Bethel Baptist had been awarded a \$5,000 grant under the Faith-Based Program, the investigation and OIG Audit 2019-AR-0001, confirmed that Bethel Baptist never actually received any funds, and rescinded acceptance of the grant in September of 2019.

TESTIMONY

Statement of Joseph Peppers, former Chief Executive Officer, Kids Hope Alliance

Peppers advised that on October 19, 2018,¹⁸ then Chief of Staff Hughes and Peppers exchanged the above-mentioned text messages about Bethel Baptist. Peppers did not know why Chief of Staff Hughes contacted him about Bethel Baptist. This was the only communication Peppers had with Chief of Staff Hughes about Bethel Baptist receiving a Stop the Violence Program grant. Peppers did not think there was any other pressure for Bethel Baptist to receive a Stop the Violence Program grant other than Chief of Staff Hughes' text messages. Peppers did not know why Chief of Staff Hughes emphasized Bethel Baptist.

Peppers did not remember Chief of Staff Hughes specifically mentioning any other organizations that may need a grant. Peppers said that unlike the Faith-Based Program, the Stop the Violence Program applications were scored by an outside team of evaluators.¹⁹ Peppers thought the text messages Chief of Staff Hughes sent were inappropriate and it concerned him enough that he (Peppers) shared it with two people, the SAO Division Chief and Chairman Gay, who both were members of the KHA Board.²⁰ According to Peppers, Bethel Baptist did not receive a Stop the Violence Program grant.²¹

Statement of the Former Chief Operating Officer, Kids Hope Alliance

Peppers informed the former COO that then Chief of Staff Hughes inquired as to whether Bethel Baptist had applied for funding. Peppers showed a particular interest in Bethel Baptist; however, Peppers never explicitly expressed to her why he was interested with Bethel Baptist. Peppers never told her that he was pressured to provide funding to Bethel Baptist nor did Peppers express concerns to her about Chief of Staff Hughes' inquiry regarding Bethel Baptist.

¹⁷ Based on the OIG investigation, the evaluators' backgrounds ranged from employees of non-competing agencies to private citizens and included one COJ employee.

¹⁸ The investigation determined that these text messages were exchanged on October 18, 2018.

¹⁹ Based on a review of records, and per testimony of the Grants Administrator, one COJ Office of Grant and Contract Compliance employee also assisted with the evaluations.

²⁰ The SAO Division Chief was a non-voting, subject matter expert member of the KHA Board.

²¹ As was confirmed during an OIG review of KHA records.

Statement of the Former Chief Strategy Officer, Kids Hope Alliance

The former CSO advised that four external volunteer evaluators (refer to footnote 16) were chosen to evaluate the Stop the Violence Program applications. To the former CSO's knowledge, each of the evaluators was in a position where they would not be applying for the Stop the Violence Program.

The former CSO advised that Bethel Baptist did not submit a Stop the Violence Program application. However, based on conversations she had with Peppers, he seemed to think Bethel Baptist submitted a Stop the Violence Program application, as he made several inquiries regarding Bethel Baptist. The former CSO did not know why Peppers was so interested in Bethel Baptist.

According to the former CSO, Peppers did not mention being pressured to give Bethel a Stop the Violence Program grant. The CSO said that Peppers may have mentioned that then Chief of Staff Hughes asked about Bethel Baptist receiving a Stop the Violence Program grant, but she could not "swear to it."²²

Statement of Kevin Gay, Chairman, Kids Hope Alliance Board of Directors

After reviewing the October 19, 2018 text messages, he exchanged with Peppers (refer to page 35), Chairman Gay said he was only inquiring if Bethel Baptist had followed protocol. To Chairman Gay's recollection, after the October 19, 2018 text messages he and Peppers did not have any further communications regarding Bethel Baptist.

Chairman Gay was not concerned that Peppers was being directed to give a Stop the Violence Program to anyone. Chairman Gay stated there were a lot of inquiries about the Stop the Violence Program at that time. Chairman Gay did not interpret then Chief of Staff Hughes' text message to be a directive for Bethel Baptist to receive a Stop the Violence Program.

Chairman Gay did not recall Peppers telling him that he (Peppers) was pressured to provide preferential treatment to any grant applicant.

Chairman Gay was not aware of any grant applicant receiving preferential treatment. To Gay's knowledge, no one was threatened with a consequence if they did not provide preferential treatment to a grant applicant. Chairman Gay was not aware of anyone being promised anything if they provided preferential treatment to a grant applicant.

Statement of the Division Chief, Juvenile Division, Office of the State Attorney

After exchanging the October 19, 2018 text messages with Peppers, the SAO Division Chief spoke with SAO officials about the information Peppers provided to the SAO Division Chief. It was

²² The OIG was unable to obtain the October 18, 2018 text messages between Chief of Staff Hughes and Peppers prior to the former CSO's interview on August 20, 2019.

recommended to the SAO Division Chief that she advise Peppers to contact the OIG to investigate the matter if Peppers thought there was undue influence concerning how grants were to be distributed.

During an October 22, 2018 telephone call, the SAO Division Chief encouraged Peppers to contact the OIG if Peppers felt it was warranted. The SAO Division Chief also recommended that Peppers inform Chairman Gay and the Vice Chairperson about the text message he received from Hughes. The SAO Division Chief did not remember if Peppers gave her any indication that he would contact the OIG, Chairman Gay or the Vice Chairperson.

Statement of the Director Organizational Effectiveness, Office of the Mayor

The Director Organizational Effectiveness was not aware that then Chief of Staff Hughes contacted Peppers regarding Bethel Baptist prior to their text messages being published by the local media (i.e. the August 16, 2019 Florida Times-Union article). She had no knowledge as to why Chief of Staff Hughes contacted Peppers about Bethel Baptist. At no point was the Director Organizational Effectiveness aware that Peppers felt pressured to provide preferential treatment to Bethel Baptist.

Statement of Bishop Rudolph McKissick, Lead Pastor, Bethel Baptist Institutional Church, Jacksonville, Florida

Bishop McKissick did not meet with anyone associated with the Mayor's Office regarding the Stop the Violence Program nor was he aware of anyone from Bethel Baptist that met with Mayor Curry or then Chief of Staff Hughes about the Stop the Violence Program. Bishop McKissick stated that he did not know who Peppers was until he was identified by local media in response to the OIG investigation.

Bishop McKissick did not know why Chief of Staff Hughes sent the October 18, 2018 text messages to Peppers or why Chief of Staff Hughes had such interest in Bethel Baptist. Bishop McKissick did not recall discussing the Stop the Violence Program with Chief of Staff Hughes prior to the October 18, 2018 text messages.

Bishop McKissick did not know why Peppers thought Bethel Baptist e-mailed a Stop the Violence Program application. Bishop McKissick only recalled that Bethel Baptist had submitted an application for the Faith-Based Program, which they had been awarded, not any other COJ grants.²³

While Bishop McKissick personally supported Mayor Curry's election, this support was not connected to Bethel Baptist receiving any grant.

²³ Although Bethel Baptist was awarded a \$5,000 Faith-Based grant, no funds were ever disbursed to Bethel Baptist. OIG independently confirmed this during the OIG Audit 2019-AR-0001.

Statement of Brian Hughes, Chief Administrative Officer, Office of the Mayor

CAO Hughes said that Bethel Baptist was known to be well respected for their work and programs in the religious community. At some point between the Faith-Based Program and Stop the Violence Program, someone (he could not recall who or when) reminded him that Bethel Baptist had a youth program and he thought they should be invited to participate in the Stop the Violence Program application process.

CAO Hughes said that the October 18, 2018 text message which said, “Bethel gonna need micro” was intended as an “*extremely abbreviated*” way of telling Peppers to engage Bethel Baptist in the Stop the Violence Program application process. CAO Hughes stated that the text message was intended to engage Bethel Baptist and have Peppers go speak with them, but he admitted that the text was abbreviated.

CAO Hughes’ intention was to cast the widest net for applications to have greater options, and there was no other significance to Bethel Baptist than he heard they had a relevant program. CAO Hughes had no conversation about Bethel Baptist with Peppers after the October 18, 2018 text message exchange. CAO Hughes stated he later learned that Bethel Baptist did not apply or receive a Stop the Violence Program grant.

CAO Hughes had no recollection of making a similar recommendation for other procurements. However, CAO Hughes stated he would not be surprised if he did as he said that it was a legitimate and common practice before a solicitation was advertised.²⁴

CAO Hughes was not aware of Peppers feeling pressure to provide preferential treatment to Bethel Baptist. Additionally, neither Chairman Gay nor the SAO Division Chief contacted CAO Hughes regarding this issue.

Statement of Leonard “Lenny” Curry, Mayor, City of Jacksonville

According to Mayor Curry, he spoke with CAO Hughes in reference to October 18, 2018 text message, a couple of days after being reported by local media. CAO Hughes explained to Mayor Curry that the intent of his text messages was to ensure Bethel Baptist had applied for Stop the Violence Program. CAO Hughes told Mayor Curry that Bethel Baptist did not apply for Stop the Violence Program. Mayor Curry was not aware of Bethel Baptist ever receiving preferential treatment.

Statement of Sam Mousa, former Chief Administrative Officer, Office of the Mayor

Regarding the October 18, 2018 text messages, Mousa did not know then Chief of Staff Hughes sent them until it appeared in local media. He was not aware of why Chief of Staff Hughes sent the October 18, 2018 text messages, other than what had been reported in the local media.

²⁴ The OIG learned through prior investigations that it is a common, acceptable practice for COJ to reach out to prospective entities to alert them to upcoming procurement opportunities.

Mousa never had a discussion with Peppers about Bethel Baptist. Mousa was not aware of Peppers feeling pressure to provide preferential treatment to Bethel Baptist. Unlike the Faith-Based Program, Mousa did not have any involvement with the Stop the Violence Program.

SECTION II: Summary of Findings – The October 18, 2018 Text Messages

On October 18, 2018, then Chief of Staff Hughes sent Peppers a text message that said in part, “*Bethel gonna need micro.*” Peppers testified under oath that the October 18, 2018 text messages were the only communications he had with then Chief of Staff Hughes about Bethel Baptist and the Stop the Violence Program. Peppers also testified that Bethel Baptist did not receive a Stop the Violence Program.

Peppers testified that he was concerned about the October 18, 2018 text messages exchanged between then Chief of Staff Hughes and himself and reached out to Chairman Gay and the SAO Division Chief to express his concerns.

Chairman Gay testified that he did not interpret Chief of Staff Hughes’ text messages to be a directive to give preferential treatment to Bethel Baptist. Chairman Gay was concerned about whether Bethel Baptist had followed protocol. The SAO Division Chief testified that she advised Peppers to report the matter to the OIG if Peppers felt it was warranted.

Peppers testified that no one suggested that he contact the OIG. The OIG has no record of Peppers filing a complaint with the OIG regarding this matter.

CAO Hughes testified that the October 18, 2018 text message was an “*extremely abbreviated*” way of him telling Peppers to get Bethel Baptist in the application process. CAO Hughes testified that he had heard Bethel Baptist had a relevant program and he wanted to cast a wide net of applicants for the Stop the Violence Program. He confirmed the text messages were the only communication he had with Peppers concerning Bethel Baptist and the Stop the Violence Program.

Based on testimony and records, there was no supporting information to substantiate that CAO Hughes’ October 18, 2018 text messages were intended to pressure Peppers into giving preferential treatment to Bethel Baptist. The investigation confirmed that Bethel Baptist did not apply or receive any money under the Stop the Violence Program.

CONCLUSION: II. THE OCTOBER 18, 2018 TEXT MESSAGES

Based on the testimony obtained and records reviewed, the allegation that Peppers was pressured by CAO Hughes to provide preferential treatment to Bethel Baptist was *unfounded*. Further, the investigation confirmed that Bethel Baptist did not apply or receive any funding under the Stop the Violence Program.

SECTION III: REVIEW OF ALLEGED ATTEMPTS TO DISCREDIT PEPPERS

During the OIG investigation, Peppers testified that the Mayor's Office attempted to portray him as "unstable and mentally-ill" in order to discredit any allegations he made against the Mayor's Office. In his testimony, Peppers alerted the OIG to three specific incidents:

- 1. The Mayor's Office may have collaborated with a KHA employee to draft a press statement in Peppers' name. According to Peppers, this drafted (but ultimately unused) press statement was written to make it appear that Peppers claimed to have been mistaken about the allegations he listed in the September 8, 2018 e-mail.*
- 2. Peppers testified that he was told by a Florida Times-Union reporter that Hughes offered to share "off-the record" information in response to the September 8, 2018 e-mail.*
- 3. The Deputy Chief Administrative Officer made comments to KHA employees that had a negative reference to Peppers' mental health.*

RECORDS REVIEW

Press Statement of Joseph Peppers, Former Chief Executive Officer, KHA

In response to the August 14, 2019 Florida Times-Union article, a press statement was released by Peppers, presented below *verbatim*, in part:

In the email, I stated that I had a meeting with Mayor Curry's Chief Administrative Officer (Sam Mousa), Chief of Staff (Brian Hughes), and Executive Assistant Marlene Russell. I went on to give a recounting of the conversation and then communicated them to members of my senior team.

Here are the three key facts in proper context:

- 1. Mr. Mousa objected to the hiring of a new contract manager to execute contracts for the Stop the Violence micro grants because he wanted to eliminate a layer of bureaucracy from the process. Further, we already employed contract managers at KHA and he felt they were more than capable in handling the microgrants and adding another contract manager would be duplicitous.*
- 2. I was out of town when the Request for Proposals were graded but they were graded by the KHA Chief Strategy Officer, Dr. Jennifer Blalock and COJ Grant Administrator, Damian Cook. Both of these individuals were duly qualified to handle the grading of the RFPs.*
- 3. We had further conversations after our initial meeting in which things were clarified. We also brought in board chairman Kevin Gay into the conversation*

regarding the Stop the Violence micro grants in which we articulated a process for the appropriate scoring of applicants. These conversations led to a resolution to the things I called into question in my email dated September 8, 2018.

The OIG investigation independently verified the facts outlined above.

Review of KHA Computer and Associated Documents

The OIG located a file which contained Peppers' press statement on the COJ computer belonging to the former COO's successor, hereafter referred to as the former COO 2, KHA. According to the file's metadata, Peppers' press statement had been created on the former COO 2's COJ computer on August 14, 2019 at 9:02 a.m. and was last saved that same day at 9:34 a.m.

Review of COJ Telephone Records

A review of the former COO 2's office telephone records disclosed that he had no outgoing or incoming telephone calls between 9:02 a.m. and 9:34 a.m. on August 14, 2019.

However, the review disclosed the former COO 2's COJ office telephone number had an outgoing five-minute telephone call to the office telephone number of the Director of Public Affairs, Mayor's Office at 8:45 a.m. and a 35-second outgoing telephone call to the office telephone number of the Deputy Chief Administrator Officer's, Mayor's Office (Deputy CAO) at 2:48 p.m. on August 14, 2019.

Review of Florida Times-Union Reporter Interview Transcript

The OIG obtained a transcript and audio recording of CAO Hughes' interview with the Florida Times-Union reporter conducted on August 14, 2019. Based on a review of the audio recorded during the interview, CAO Hughes mentioned going "*off-the-record*" on four separate occasions, including making the following statement, *verbatim*:

When we go off the record, I want to talk about this sentence on discomfort of pastors? And people out to get him and blackmail him and I think these are things to talk about but I'd prefer it just be you and I. Legitimately off the record and I'll explain more.

A review of both the transcript and audio recording revealed that there was no further information regarding what CAO Hughes would tell or told the Florida Times- Union reporter "*off-the-record.*"

The OIG contacted the Florida Times- Union reporter concerning the "*off-the-record*" information, however, the reporter declined comment out of professional courtesy and long-standing practice of maintaining confidentiality.

TESTIMONY**Statement of Joseph Peppers, former Chief Executive Officer, KHA**

Peppers advised that a Florida Times- Union reporter attempted to contact Peppers on August 13, 2019 but ended up leaving a voice message indicating that the reporter wanted to speak with him about a memorandum.

On August 13, 2019, Peppers was told by the former COO 2 that the Florida Times- Union reporter had obtained the September 8, 2018 e-mail. The former COO 2 and Peppers then took a walk outside the KHA building to talk. During this walk, the former COO 2 told Peppers “*you know you are off the team,*” which Peppers took to mean “*the Curry, Hughes [and a political consultant associated with Mayor Curry and CAO Hughes] team.*” On that same day, Peppers and the former COO 2 tried to call CAO Hughes, but CAO Hughes was not available.

CAO Hughes later called Peppers on August 13, 2019 between approximately 6:35 and 6:40 p.m. According to Peppers, CAO Hughes was upset with him and stated, “*you put me in a bad situation here.*” Peppers told CAO Hughes that he had been uncomfortable, and this was the only occasion that he had documented something. CAO Hughes said that he should have called him (CAO Hughes) if he was uncomfortable and stated to him that he did not tell Peppers to do anything illegal. Peppers asked CAO Hughes if he wanted him to resign, which CAO Hughes declined.

During the conversation, CAO Hughes, in part, asked him to put together a response but only if Peppers wanted to do so. Peppers told CAO Hughes that he would provide a response that explained that a process was developed to alleviate the concerns he had, which CAO Hughes found acceptable.

The following day, August 14, 2019, CAO Hughes called Peppers at 9:15 a.m. and told Peppers that he and the former COO 2 needed to draft a response. Shortly after the call, Peppers met with the former COO 2 and noticed that the former COO 2 had already begun drafting a press statement on his (COO 2’s) computer in his (Peppers’) name.

The statement the former COO 2 had written said Peppers had taken things from the September 6, 2018 meeting out of context and that he had shared them with the former COO and the former CSO out of context. The statement drafted by the former COO 2 also stated that Peppers apologized. Peppers had the former COO 2 remove these statements. According to Peppers, the Senior Director of Communications, KHA witnessed him telling the former COO 2 to remove those statements.

While Peppers was in the former COO 2’s office, the former COO 2 received a telephone call on the former COO 2’s office telephone number from the Deputy CAO.²⁵ The Deputy CAO told the

²⁵ Peppers did not explain how he knew the Deputy CAO was on the telephone with the former COO 2.

former COO 2 that “*we need to get something out.*” The former COO 2 replied to the Deputy CAO that he was working with Peppers at that moment.

Peppers did not ask the former COO 2 why he was working on the press statement because he believed that the Mayor’s Office was working through the former COO 2.

After he finished working with the former COO 2, he spoke with Chairman Gay by telephone around 9:35 or 9:40 a.m. Peppers told Chairman Gay about the press statement initially being written to say that Peppers had taken things out of context, which was not true. According to Peppers, Chairman Gay advised Peppers that CAO Hughes and the Mayor’s Office had to “*cover their tracks.*”

Later on August 14, 2019 at approximately 3:15 p.m., Peppers had a telephone interview with a Florida Times- Union reporter. The Senior Director of Communications and the former COO 2 were also present with Peppers in his office. During the interview, the Florida Times- Union reporter told him that CAO Hughes said he would provide information to the Florida Times- Union reporter, both “*on and off the record,*” when the two of them (CAO Hughes and the reporter) met later that day at 4:00 p.m.

During his interview with the OIG, Peppers stated there was an effort by the Mayor’s Office to discredit him by portraying him as “*unstable and mentally-ill.*” As an example, Peppers pointed to Mousa’s press statement that said Peppers’ “*memory and emotional state seem to be completely separate from reality*” were a reference to Peppers’ personal issues.²⁶

As another example, Peppers explained that on August 15, 2019, Peppers met with CAO Hughes and was placed on administrative leave on an unrelated matter. While Peppers met with CAO Hughes, the Senior Director of Communications and the former COO 2 met with the Deputy CAO. Later that same day, and after the meeting Peppers had with CAO Hughes, according to Peppers, the Senior Director of Communications told Peppers that during the meeting he and the former COO 2 had with the Deputy CAO, she told them “*Make sure Peppers comes and gets his meds,*” which according to Peppers, the Senior Director of Communications described to Peppers as a “*dog whistle.*”²⁷

Statement of the former Chief Operating Officer 2, KHA

The former COO 2 began his employment with KHA in April or May of 2019, as the Senior Director of Communications. He was later promoted to COO 2 in August of 2019 and later that same month he was named Acting CEO after Peppers was placed on administrative leave in August of 2019. At the time of the interview he held the capacity of the COO 2 and Acting CEO.

²⁶ Mousa’s press statement was included in an August 15, 2019 Action Jax News article “*City leader’s 2018 memo alleged mayor’s office wanted grants to go to certain groups,*” which Peppers reviewed during his interview with the OIG.

²⁷ Based upon Merriam-Webster, a dog whistle is “a coded message communicated through words or phrases commonly understood by a particular group of people, but not by others.”

On August 13, 2019, while in the capacity of COO 2, he learned that August 14, 2019 Florida Times-Union article was going to be published. According to the former COO 2, a Florida Times-Union reporter called him and requested a copy of the September 8, 2018 e-mail and requested an interview with Peppers. The former COO 2 thought the Florida Times- Union reporter called him because he had been the former KHA Communications Director. The former COO 2 obtained the September 8, 2018 e-mail from Peppers and subsequently provided the e-mail to the Florida Times- Union reporter.

At some point, the former COO 2 and Peppers walked around the KHA building and discussed the September 8, 2018 e-mail. Peppers asked the former COO 2 for his opinion about the reaction to the September 8, 2018 e-mail. The former COO 2 told Peppers that it was going to be "*Watergate for KHA*" and they needed to craft a response. The former COO 2 thought he recommended Peppers accept an interview with the Florida Times- Union reporter, which Peppers agreed to do along with releasing a press statement. The interview with the Florida Times- Union reporter was either that same day or the next day.

The former COO 2 later spoke with CAO Hughes on the same day the Florida Times- Union reporter requested to interview Peppers. The former COO 2 reached out to CAO Hughes because CAO Hughes was mentioned in the September 8, 2018 e-mail and he personally knew CAO Hughes. Per the former COO 2, CAO Hughes was his campaign strategist during the former COO 2's 2016 campaign for a Florida House of Representatives seat.

During this conversation, CAO Hughes was upset and said the events documented in the September 8, 2018 e-mail were not accurate. According to the former COO 2, his understanding based upon this conversation was that the former COO 2 should cooperate with the media and CAO Hughes would speak with the media to "*correct the record.*" The former COO 2 stated CAO Hughes did not give him any direction to take any specific action.

The former COO 2 stated he, Peppers, and the Senior Director of Communications were present during the interview with the reporter. The former COO 2 stated he did not recall anything specific about the interview. The reporter wanted to know if Peppers stood by his e-mail, which Peppers did. The former COO 2 stated that Peppers had never discussed any of the events described in the September 8, 2018 e-mail with him.

The following day, the former COO 2 spoke with the Director of Public Affairs, Mayor's Office, either in her office or over the telephone because the former COO 2 wanted to get an idea of how the Director of Public Affairs planned to approach the matter. He and the Director spoke with one another on a regular basis. The former COO 2 had worked with the Director of Public Affairs on prior projects and he described her as an "*expert,*" so he wanted to get her advice. According to the former COO 2, he and the Director of Public Affairs decided to be transparent. The former COO 2 denied that he was told to take any specific action on how to proceed.

The COO 2 stated that he wrote Peppers' press statement in his office on his COJ desk computer. The COO 2 testified that he made the decision to write the press statement and stated that he was

by himself when he drafted the statement is was without any direction from the Mayor's Office. According to the COO 2, no one other than Peppers, who reviewed and revised the press statement, helped him draft the press statement. The former COO 2 did not remember exactly what Peppers changed. The COO 2 does not remember the specific edits made to the press statement. When Peppers reviewed the press statement, he told the former COO 2 that he had been pressured.

The former COO 2 did not remember any other conversation he had with the Director of Public Affairs or the Deputy CAO involving the press statement. He stated he remembered thinking specifically that Peppers needed to provide a statement. The former COO 2 did not recall what the telephone calls on August 14, 2019 (refer to page 42) he had with the Deputy Chief Administrative Officer and the Director of Affairs other than they may have contacted him to "*check-in.*"

The former COO 2 did not recall that he talked to Peppers about being, "*off the team*" in regard to Peppers having a relationship with CAO Hughes, Mayor Curry and a political consultant. However, he stated "*he could see how that was said.*" He explained that a comment like "*off the team*" would mean that it would be harder to get access to CAO Hughes, Mayor Curry and the political consultant.

The former COO 2 advised that on August 15, 2019, he, Peppers and the Senior Director of Communications had a scheduled meeting with the Deputy CAO to review policy changes with her. When the former COO 2 and the Senior Director of Communications arrived for the meeting, they went into the Deputy CAO's office. The Deputy CAO informed them that Peppers was being placed on administrative leave. The former COO 2 thought that the Deputy CAO may have said something about Peppers and his medication, but he does not remember exactly what she said or the context of the comment.

Statement of the Senior Director of Communications, KHA

The Senior Director of Communications (Senior Director) had been in this position since August 6, 2019. He headed communications and government relations for KHA.

The Senior Director said that he initially learned about the August 14, 2019 Florida Times-Union article about two or three days before it was published. He explained that a Florida Times- Union reporter called and left a message. According to the Senior Director the message was to inquire about whether Peppers would make a statement about the September 8, 2018 e-mail and if Peppers would agree to be interviewed. The Senior Director then returned the Florida Times- Union reporter's message but was unable to answer several questions the reporter asked because the Senior Director recently began his position at KHA.

The Senior Director then spoke with Peppers and the former COO 2 about how to respond. During this discussion, Peppers explained to the Senior Director that he provided a truthful recollection in the above-mentioned September 8, 2018 e-mail.

The following day, Peppers participated in a telephone interview with the Florida Times-Union reporter in the afternoon. During the telephone interview conducted on speakerphone, the former COO 2 and the Senior Director of Communications were present in the room with Peppers. Peppers did not want to discuss the September 8, 2018 e-mail and said to the Florida Times-Union reporter, *“The memo speaks for itself.”*

In regard to Peppers’ press statement, the Senior Director said that he walked into the former COO 2’s office while Peppers and the former COO 2 were working on the Peppers press statement on the COO 2’s COJ computer. The Senior Director read the Peppers’ press statement once it had been completed. The Senior Director said that Peppers told the COO 2 to take out statements that the COO 2 had included, which stated that Peppers may have *“remembered the events wrong”* or misinterpreted things and had not received undue pressure. Peppers was adamant about taking these statements out of the press statement and Peppers said *“that’s not how I feel about the situation so I’m not putting that in there to appease anyone . . . that’s not what happened so I’m not putting that part in.”* These statements [the ones Peppers wanted removed] were in the Peppers press statement when the Senior Director reviewed it and he advised Peppers to remove the statements if he felt they were inaccurate.

The COO 2 did not push back at Peppers and he took them out of the press statement. The Senior Director did not know why the COO 2 would have included the statements in the press statement.

Peppers explained to the Senior Director he wrote the September 8, 2018 e-mail to put things on paper that had happened which he sent to people he trusted for possible future use. Peppers was adamant that the events documented in the September 8, 2018 e-mail happened as he had documented them. The Senior Director did not know if Peppers was pressured by members of the Mayor’s Office to provide preferential treatment.

On August 15, 2019, the Senior Director went to Peppers’ scheduled meeting at the Mayor’s Office. The former COO 2 was already at the Mayor’s Office when Peppers and the Senior Director arrived. Once the meeting began, Peppers went into CAO Hughes’ office and the former COO 2 and the Senior Director went into the Deputy CAO’s office.

Once in the Deputy CAO’s office, the Deputy CAO told the former COO 2 and the Senior Director that Peppers was being placed on administrative leave due to an on-going OIG investigation. She told the Senior Director and the COO 2 they were not to communicate with Peppers because of the OIG investigation. The Deputy CAO explained that Peppers needed to be escorted by police officers if he needed to retrieve anything from the KHA Building. According to the Senior Director, the Deputy CAO said, *“If he needs to come get his stuff or anything, if he has any medication there, he needs to be escorted . . .”* The comment about medication seemed *“petty”* and *“not necessary”* to the Senior Director and he wondered why she would mention that one thing.

Later, after the Senior Director and the former COO 2 had left the meeting with the Deputy CAO, the Senior Director told the former COO 2 he thought the medication comment was strange and the former COO 2 agreed.

The Senior Director testified that he was not aware of any attempts by the Mayor's Office to discredit Peppers.

Statement of the Director of Public Affairs, Office of the Mayor

The Director of Public Affairs had been employed in her current position since April 9, 2019.

The Director of Public Affairs did not recall when she first learned about the August 14, 2019 Florida Times-Union article, but she thought it was likely she would have been contacted 24 hours prior to running the article.

The Director of Public Affairs was present for CAO Hughes' interview with a Florida Times-Union reporter conducted in CAO Hughes' office. CAO Hughes was the only person who interviewed with the Florida Times-Union reporter regarding Peppers' allegations. She stated that typically they do not invite media into the office for an interview; however, in this case, CAO Hughes felt he was being accused of things he had not done and was passionate about addressing that Peppers was making false allegations. CAO Hughes wanted a chance to fully explain the context of what occurred. The Director of Public Affairs stated the interview lasted approximately 20 minutes and was recorded by the Florida Times-Union reporter. CAO Hughes may have asked the Director of Public Affairs to record the interview to ensure accuracy and avoid being misquoted.²⁸

The Director of Public Affairs did not recall that the interview had been transcribed until she reviewed the interview transcript during the OIG interview. The Director of Public Affairs reviewed the following excerpt from the interview transcript (refer to page 42), in which CAO Hughes stated, "*When we go off the record, I want to talk about this sentence on discomfort of Pastors and people out to get him and blackmail him. I think these are things are things to talk about, but I prefer it be just you and I, legitimately off the record, and I'll explain more.*"

The Director of Public Affairs did not recall going "*off the record*" during this meeting. She did not know why CAO Hughes made this statement. According to the Director of Public Affairs, it is typical for someone to go "*off the record*" to give the reporter some perspective or background information that they would not want quoted. The Director of Public Affairs was not aware of CAO Hughes ever discussing anything pertaining to Peppers' mental state.

Regarding the Peppers' press statement, the Director of Public Affairs stated she did not recall being involved in the Peppers press statement. She did not recall what the August 14, 2019

²⁸ A copy of the audio recorded interview was provided to the OIG after the interview with the Director of Public Affairs. The OIG showed the Director of Public Affairs the transcript obtained during the investigation.

telephone call with the former COO 2 was regarding; however, she recalled that at the time, the former COO 2 and Peppers were working on a response to the August 14, 2019 Florida Times-Union article together. The former COO 2 and Peppers were going to give her a statement to provide the media. She remembered waiting for the response because it was time sensitive.

The Director of Public Affairs stated she would never have been okay with someone writing a statement for someone else in this situation. The Director of Public Affairs said that the former COO 2 was not acting on behalf of the Mayor's Office. The Director of Public Affairs was not aware of anyone from the Mayor's Office assisting with drafting Peppers' press statement.

The Director of Public Affairs had no knowledge that anyone from the Mayor's Office did anything to intentionally discredit Peppers.

Statement of the Deputy Chief Administrative Officer, Office of the Mayor

The Deputy CAO had been in this position since July 1, 2019. As the Deputy CAO, her duties included involvement with the operations of the COJ departments. CAO Hughes was her direct supervisor.

The Deputy CAO was aware that the former COO 2 had worked on the press statement with Peppers because the former COO 2 had relayed that to her and stated that she was the former COO 2's supervisor. The Deputy CAO did not know if anyone from the Mayor's Office requested that a press statement be drafted.

However, at one point (exact date unknown), the former COO 2 brought her a copy of the press statement, which she reviewed to correct grammatical errors. The Deputy CAO said that according to the former COO 2, he and Peppers collaborated on the Peppers press statement. The Deputy CAO did not speak to Peppers about the press statement. She did not recall any discussion about Peppers objecting to parts of the press statement.

The Deputy CAO did not recall what the August 14, 2019 telephone call (refer to page 42) to the former COO 2 was regarding, but the Deputy CAO guessed it was about the above-mentioned Peppers' press statement. It was possible that the Deputy CAO checked with the former COO 2 to see the status of Peppers' press statement. The Deputy CAO said this is something she would have done as part of her job duties.

The Deputy CAO confirmed she met with the former COO 2 and the Senior Director of Communications in her office while Peppers met with CAO Hughes on August 15, 2019. She told the former COO 2 and the Senior Director that Peppers was being put on administrative leave due to an on-going OIG investigation and security would be increased at the KHA Building. The Deputy CAO also told the former COO 2 and the Senior Director not to have contact with Peppers and to alert her if Peppers tried to contact them.

The Deputy CAO mentioned that if Peppers needed to obtain his medication from the KHA building he needed to be escorted. She was aware he was under a doctor's care and did not want him to be allowed into the KHA building unaccompanied. The Deputy CAO specifically mentioned Peppers obtaining his medication because it was an exception for the former COO 2 and the Senior Director to not have contact with Peppers.

Statement of Brian Hughes, Chief Administrative Officer, Office of the Mayor

Approximately one or two days prior to the release of the Florida Times-Union article, the Director of Public Affairs advised him that a Florida Times-Union reporter contacted her. The Director of Public Affairs shared with CAO Hughes quotes from the September 8, 2018 e-mail. CAO Hughes subsequently contacted either the former COO 2 or Peppers to determine what was happening and how CAO Hughes could obtain a copy of the September 8, 2018 e-mail.

At some point (CAO Hughes did not recall the date) CAO Hughes received a copy of the September 8, 2018 e-mail. CAO Hughes stated he might have spoken to Peppers about the September 8, 2018 e-mail. CAO Hughes confirmed that it was likely he stated to Peppers, something along the lines of, *"I can sleep good at night knowing I didn't tell you to do anything wrong."*

In response to the unfolding Florida Times-Union article, CAO Hughes thought that Peppers may have told someone, possibly the Director of Public Affairs, the Deputy CAO or Hughes, he *"basically disavowed"* the allegations noted in the September 8, 2018 e-mail. According to Hughes' recollection, Peppers indicated it was written during a different time when he was feeling pressure.

CAO Hughes stated the individuals who contacted the former COO 2 by telephone on August 14, 2019 (i.e. the Director of Public Affairs and the Deputy CAO) were not doing so under his direction. CAO Hughes did not know why the Director of Public Affairs and the Deputy CAO contacted the former COO 2 that day. CAO Hughes stated he had no knowledge that the statements inserted in Peppers' press statement, specifically, that Peppers apologized and said he (Peppers) had taken things out of context, were at the request of anyone from the Mayor's Office.

At some point (CAO Hughes could not recall when) CAO Hughes spoke with the Florida Times-Union reporter regarding the September 8, 2018 e-mail. The Director of Public Affairs was present during the interview, which took place in Hughes' office.

CAO Hughes reviewed the following excerpt from the interview transcript (refer to page 42), in which he stated, *"When we go off the record, I want to talk about this sentence on discomfort of Pastors and people out to get him and blackmail him. I think these are things are things to talk about, but I prefer it be just you and I, legitimately off the record, and I'll explain more."*

CAO Hughes stated that he did not want to be quoted that it was *"crazy"* to assume people were blackmailing Peppers because of a picture with President Trump.

CAO Hughes did not know why the other occasions he mentioned “*off-the-record*” discussions in the audio recording were omitted from the interview transcript. CAO Hughes denied that he directed anyone to omit the statements from the interview transcript.

CAO Hughes did not tell the Florida Times-Union reporter anything about Peppers’ medical history other than what was already publicly released by the media. CAO Hughes reminded the Florida Times-Union reporter that Peppers had been on leave and had recently returned. CAO Hughes also questioned if Peppers’ return and the September 8, 2018 e-mail had any correlation due to the “*paranoia*” displayed in the September 8, 2018 e-mail.

While CAO Hughes mentioned to the Florida Times-Union reporter that Peppers had a medical issue, he said that this information had already been made public and discussed by Chairman Gay during a public meeting (exact date not specified).²⁹ CAO Hughes stated that he mentioned Peppers’ medical issue in the context of CAO Hughes understanding Peppers’ medical issue as CAO Hughes was also a military veteran. CAO Hughes made no mention about the circumstances surrounding Peppers’ leave of absence.

The information disclosed during Hughes’ “*off-the-record*” session with the Florida Times- Union reporter was not discussed in attempt to discredit Peppers.³⁰ CAO Hughes used the “*off-the-record*” to contextualize “*in more colorful language*” his impression of how Peppers could have misread the September 6, 2018 meeting.

CAO Hughes had no knowledge of anything being done intentionally to discredit Peppers.

SECTION III: SUMMARY OF FINDINGS

REVIEW OF THE ALLEGED ATTEMPTS TO DISCREDIT PEPPERS

Peppers testified that the Mayor’s Office attempted to discredit him by portraying Peppers as “*unstable and mentally-ill.*” In Peppers’ testimony, he pointed to three specific incidents which were investigated by the OIG; specifically the drafting of a press statement in his name by a KHA employee, an interview CAO Hughes had with a Florida Times-Union reporter and comments made by a Mayor’s Office employee to KHA employees.

The former COO 2 testified that he was the one who drafted Peppers’ press statement and stated he made the decision to write the press statement. The former COO 2 testified that he was by himself when he drafted the statement and it was without any direction from the Mayor’s Office. Based on testimony, no one testified they were involved in the direction and/or the writing of the press statement other than the Deputy CAO’s testimony that she may have provided grammatical corrections to the Peppers press statement. Peppers, the COO 2 and the Senior Director testified that Peppers reviewed, and corrections based on his request were made prior to its release.

²⁹ The former Senior Director of Finance, KHA testified Chairman Gay told KHA employees during a staff meeting that Peppers was taking leave to address the medical issue. However, it should be noted that this was not a public meeting but an internal staff meeting.

CAO Hughes denied that he told Florida Times-Union reporter anything other than publicly available information. CAO Hughes denied that any information disclosed during the “*off-the-record*” conversations was done to discredit Peppers. The OIG was unable to independently verify any off-the-record comments made by CAO Hughes.

Regarding the comments made by the Deputy CAO, she confirmed she mentioned Peppers’ obtaining medication from his office as an example of something where Peppers would be allowed into the KHA Building. The Deputy CAO testified she used this as an example since it conflicted with another directive, she gave the former COO 2 and the Senior Director of Communications to not have contact with Peppers. The investigation did not disclose any information to refute the context of the statements made by the Deputy CAO as she described.

The OIG investigation did not disclose that CAO Hughes or anyone from the Mayor’s Office attempted to discredit Peppers.

CONCLUSION SECTION III: REVIEW OF THE ALLEGED ATTEMPTS TO DISCREDIT PEPPERS

Based on the testimony obtained and records reviewed, the allegation that the Mayor’s Office attempted to portray him as “*unstable and mentally-ill*” in order to discredit any allegations he made against the Mayor’s Office was ***unfounded***.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Not Applicable.

RECOMMENDED CORRECTIVE ACTIONS

The OIG does not have any recommended corrective actions relating to this investigation.

CAO HUGHES’ COMMENTS

On September 8, 2020, the OIG provided a copy of the draft Report of Investigation to the Attorney on file for CAO Hughes. The OIG provided CAO Hughes an opportunity to submit a written response concerning the draft Report of Investigation, due on or before September 18, 2020.

On September 18, 2020, the OIG received an e-mail from CAO Hughes who advised he had no comments regarding the draft Report of Investigation.

FORMER CAO MOUSA'S COMMENTS

On September 8, 2020, the former CAO Mousa was provided with a copy of the draft Report of Investigation. The OIG provided the former CAO Mousa an opportunity to submit a written response concerning the draft Report of Investigation, due on or before September 18, 2020.

On September 10, 2020, the OIG received an e-mail from former CAO Mousa who advised that he has reviewed the draft report and had no comments regarding the draft Report of Investigation.

MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS

On September 8, 2020, the Deputy Chief Administrative Officer, Office of Mayor Curry, City Of Jacksonville, Florida, was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in the draft Report of Investigation, due on or before September 18, 2020. On September 15, 2020, the OIG received an e-mail from the Office of the Mayor, advising that the Office of the Mayor had no comments regarding the draft Report of Investigation.

cc: IG Distribution 2019-0008

This investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.