



**DESOTO ECONOMIC DEVELOPMENT CORPORATION  
TOWN HALL COMMUNITY MEETING  
BOARD MEETING MINUTES  
FEBRUARY 3, 2020**

The DeSoto Economic Development Corporation (DEDC) Board met at **7:00 p.m. on Monday, February 3, 2020** in the DeSoto Council Chambers located in City Hall at the DeSoto Town Center, 211 East Pleasant Run Road, DeSoto Texas 75115.

**Present:** Curtis Krohn, Board President  
Dr. Delva King, Vice President  
Michelle Jordan, Board Secretary/Treasurer  
Bobby Waddle, Board Director  
Paul Griffin, Jr., Board Director

**Staff Present:** Joe Newman — Chief Executive Officer  
Vanessa Barrios — Research and Business Development Manager  
Cynthia Noble — Administrative Assistant

**Also Present:** Mayor Curtistene McCowan — Mayor, City of DeSoto  
Renee Johnson — Interim City Manager, City of DeSoto  
Isom Cameron — Deputy City Manager, City of DeSoto  
Andre' Bryd, Sr. — Councilmember, City Council Liaison, City of DeSoto  
Kenneth Govan — Board Chairman, DeSoto Chamber of Commerce  
Joseph Gorfida — Attorney, Nichols, Jackson, Dillard, Hager & Smith, LLP  
Nicole Raphiel — Councilmember, City of DeSoto  
Dr. Dinah Marks — Councilmember, City of DeSoto  
Kenzie Moore III — Mayor Pro-Tem, City of DeSoto  
Lynda Gonzales — Photographer, Dallas Morning News  
Beverly Neal — DeSoto Resident, 903 Teakwood Lane, DeSoto, Texas  
Purette Pather — DeSoto Resident, 305 Painted Redstart, Desoto, Texas  
Arthea White — DeSoto Resident, 1131 Sawsawi Trail, DeSoto, Texas  
John McCalib — DeSoto Resident, 1344 Armstrong, DeSoto, Texas  
Al Molten — DeSoto Resident, 705 Robin Medow, DeSoto, Texas  
Scott McDonald — DeSoto Resident  
Mike Lee — DeSoto Resident  
LaSonja Ivory — DeSoto Resident  
June McDarby, — DeSoto Resident  
Dorothy Anne Dauenhauer — DeSoto Resident  
Dustin Dauenhauer — DeSoto Resident  
Precious Rita Davis — DeSoto Resident  
Cheri Simerly — DeSoto Resident

Hope Stevens – DeSoto Resident  
Yolanda Norman– DeSoto Resident  
Joel Sontac – DeSoto Resident  
Ralph St. John – DeSoto Resident  
Paula Chin – DeSoto Resident  
Emily Barmer– DeSoto Resident  
James Barmer– DeSoto Resident  
James Minors – DeSoto Resident  
Angela Sandes – DeSoto Resident  
Tom Simerly – DeSoto Resident  
Don Hancock – DeSoto Resident  
Kathy Reinya – DeSoto Resident  
Dave Reinya – DeSoto Resident  
Sheila Pritchard – DeSoto Resident  
Carmen St. John – DeSoto Resident  
Brenda Griffin – DeSoto Resident  
Marvin E. Earle – DeSoto Resident  
Joe Dewberry – DeSoto Resident  
Sandy Respass – DeSoto Resident  
Phoenicia Cole – DeSoto Resident  
Tamasha Pickens-Govan – DeSoto Resident  
Denise Valentine – DeSoto Resident  
Flusche Michael – DeSoto Resident  
R. Cook – Concerned Citizen  
Linda McAfee – DeSoto Resident  
Barron Coleman – Arts Commissioner  
Janice Garrett – Arts Commission

**A. OPENING REMARKS**

1. At 7:01 p.m., Board President Curtis Krohn called the meeting to order and acknowledged the presence of a quorum.
2. Invocation was given by Councilmember Andre’ Byrd, Sr., City Council Liaison, City of DeSoto.
3. Board President Curtis Krohn gave an opening statement, overview of the meeting format and introduced Nelson Forensic & Advisory Services’ representatives.

**B. ITEMS FOR DISCUSSIONS**

1. A Final Report on the DEDC Forensic Audit by Nelson Forensic & Advisory Services by Alan Nelson, Managing Director, CPA, CFF and Bill Brown, Attorney, CPA. Both Alan Nelson and Bill Brown summarized the Forensic Audit from different perspectives. Alan Nelson presented the timeline of events and the scope of the Forensic Audit. Bill Brown, Attorney, CPA, gave an overview to explain what the Forensic Audit is all about and what it all means. Mr. Brown talked

about his findings in his examination of the expense tracking and all other financial transactions made by the DEDC. Mr. Nelson discussed the imaging and electronic analysis of the hard drives. Mr. Brown said that the DEDC will want to further discuss with the attorney regarding legal action to recover any additional funds and any implications because of the statute of limitations. Mr. Nelson discussed and explained the examination of the digital history of all the DEDC electronic devices. Mr. Nelson explained the challenges he faced without a clear chain of custody of the electronic devices such as with the cellphones, and how a policy for it in the future would be beneficial. In conclusion, Mr. Brown addressed what corrections have been made and what policy and procedures are currently in place for future prevention. He noted to everyone that all of the improved DEDC policies and procedure are currently being followed.

2. Discussion by the DEDC Board and receive comments from interested citizens regarding the forensic audit. (Note: For this agenda item, citizens desiring to speak to the Board must complete a Request to Speak Card prior to the start of agenda item #2 in order to address the Board or auditors regarding the forensic audit. Each speaker will be limited to three minutes.)
  - a. June McDarby, DeSoto resident, who does not wish to disclose her address. The question to the Board was as follows: She stated, "City ethics rules direct the DEDC to avoid actions that can be perceived as a conflict of interest." She asked, "Why has it taken so long to prosecute this theft?" She also asked, "According to the auditor's recommendations, what is the Board going to do to seek recovery of the benefits based on the severance package, and vacation days?" President Curtis Krohn responded that the entire Board takes the recommendations of the auditors seriously and the Board will consider the matter and decide together after speaking with legal counsel.
  - b. Dorothy Anne Dauenhauer, DeSoto resident, at 317 Balsam Grove Ct. DeSoto, Texas. The question to the Board was as follows: She asked, "Were all the electronic devices turned in for the audit like cellphones and text messages?" Also, she asked, "Were there any evidence of doctored invoices for the Urban League payments on the computers; if not it could be done on a home computer which you didn't have access to?" She continued asking, "Were any of the gas receipts and expenditures cross-referenced with his traveling schedule to see if any of those were done while he was not in town?" Lastly, she asked, "Is there any reason why the DEDC or the City had not issued an apology to the community for the lack of accountability and oversight?" Mr. Nelson answered, "As best as we know, all of the devices were given to him by the DEDC that he asked for, but there is not an inventory of all of the computers." Mr. Nelson stated, "There is no tracking or chain of custody of who had what and when." Mr. Nelson clarified, "They gave us access to everything DEDC had, minus the phones." Mr. Nelson concluded, "No phones were done." Mr. Nelson explained, "The City of DeSoto's IT departments provides support only to the DEDC." Mr. Brown stated, "There was no evidence of doctored invoices; however, it could have been done on a home computer." Mr. Brown said, "The expenses showed

the gas receipt as local.” Mr. Brown continued, “Therefore, there is no need to cross reference, since we took the position that all of the gas purchases were improper charges.” DEDC President Krohn responded, “I am heartbroken, and I feel hoodwinked about what happened.” Also he said, “You can’t make it right.” He continues, “It is not a good look for the City or the DEDC.” Regarding the Board being the same as before, he explained, “That is not exactly right since many of the Board members are different, and the members who are on the Board now are serving with different responsibilities than before.” He said, “Speaking for myself, I am deeply sorry to be associated with that kind of malfeasance and it is a bad thing and not something I wanted to be associated with.”

- c. Dustin Dauenhauer, DeSoto resident, who does not wish to disclose his address. The question to the Board was as follows: He asked, “Why did the DEDC not move forward with a forensic audit until the community demanded it?” Also, he asked, “Why did Jeremiah Quarles receive severance pay if he resigned?” The response to these questions was given by Board President Curtis Krohn. He gave a timeline of the events to clarify what occurred and why it took the time that it did before the community could be informed. Regarding the time it took to inform the community, President Curtis Krohn stated, “This decision was based on legal counsel’s advice because it was a still pending criminal case and from the Dallas District Attorney’s restrictions regarding their on-going investigation of the case.”
- d. Precious Rita Davis, DeSoto resident, at 608 Tara Dr. DeSoto, Texas. The question to the Board was as follows: She asked, “What was the purpose of the audit?” She clarified, “What were the purpose, the scope, and the timeline that it covered?” The response was given by Bill Brown on the scope of the audit. Mr. Brown responded, “Because we knew it was important for everyone to know what the DEDC is presently doing, we went outside the scope of the audit to include up to 2019.” Mr. Brown said, “I reviewed all of the financial information and expenses related to that time.” Mr. Brown explained, “It did not include interviewing the former DeSoto City Manager, former auditors, and former administrative assistant.” Mr. Brown explained, “The former City Manager was not necessary to the scope of the audit.” Mr. Brown reiterated, “The former administrative assistant and former outside CPA refused to be interviewed by them.”
- e. Cheri Simerly, DeSoto resident, at 624 Regalwood Dr., DeSoto, Texas. The question the Board was as follows: She asked, “I have questions regarding what was the scope of the audit and what directions were given to the auditors?” She said for example, “Did you talk to the Urban League regarding the payments? Did you talk to the Dallas Chamber of Commerce regarding that invoice? Did you find that invoices had been paid and altered to benefit Candice Quarles? Was there accountability in finding out whether or not the Councilmember was complicit or had knowledge of this thief?” Bill Brown responded, “He didn’t talk to the Dallas Chamber of Commerce or the Urban League.” However, Mr.

Brown said, "I found no evidence that the Councilmember Candice Quarles had knowledge of these payments." He clarified, "I received emails from Candice Quarles that are located on DEDC computers only."

- f. Hope Stevens, DeSoto resident, at 720 Canyon Place, DeSoto, Texas. The question to the Board was as follows: She asked, "Why aren't the people who were to be accountable for this issues being included in the suit?" Board President Curtis Krohn said, "Most of this question can be explained in the details of the audit report. He noted, "In reading the report, you will see there was an attempt to interview the previous Board members."
- g. Nicole Raphiel, Councilmember, City of DeSoto. The question and comment to the Board was as follows: She asked, "Why was Belinda May as former Vice President the signature on the severance agreement; was she the chair at the time?" Also, she inquired, "Why was Quarles given six month severance two weeks prior to Quarles's voluntary resignation?" Board President Curtis Krohn said, "I do not know the reason why and would need to inquire from legal counsel regarding the answer to this question, so we will answer that question later." He pointed out, "None of the things that we know today were known at the time that he left."
- h. Purett Parker, Desoto resident, at 305 Painted Redstar, DeSoto, Texas. The question and comment to the Board was as follows: She explained, "I am a former City of Dallas employee for four and a half years, so I understand ethics." She continued, "They had classes to talk about gifts and anything that anyone can hold over you as an employee." She mentioned, "I am a public servant, and as you can see I am a Parks Board member." She commented, "People are very emotional because it is such malfeasance." She asked, "Why was the broad search so narrow, because everyone who was involved should have been on that report?" She asked, "In an open records request they would request records from everyone involved, so my question for the auditors is why the audit was so narrow?" Bill Brown responded, "We talked to the Board members and viewed board records and expense reports on all of the travel expenses." He explained, "They went so far as to view the past budgets to see if it was an approved expense in the budget according to the policy manual." He clarified, "Once we did not see any evidence of the expense referenced or approved, we did not need to go any further in investigating to know it was not authorized." Ms. Parker asked the auditors, "Why wasn't the chain of custody by the City of DeSoto audited as well?" The auditor responded, "The DEDC purchases and maintain their own data. He explains, "The City of DeSoto does not maintain the DEDC's equipment but provides support and helps the DEDC with purchasing when needed." He reiterated, "DEDC maintains their data." Mr. Alan summarizes, "Currently there is no policy in place for tracking the DEDC computer's users."

- i. Yolanda Norman, DeSoto resident, at 728 Palisades Dr., DeSoto, Texas. The question to the Board was as follows: She asked, "Would Mayor Curtistene McCowan consider an audit on Dr. Tarron Richardson?" Board President Curtis Krohn said, "I can't answer that question, because this is a DEDC meeting and I am not part of the DeSoto City Council." Likewise, he states, "It is a question for another place and time."

### **C. CLOSING REMARKS**

1. Closing remarks presented by DEDC Board President Curtis Krohn.

Board President Curtis Krohn informed the attendees that the completed full Forensic Audit is available for viewing on the DEDC website: [www.dedc.org](http://www.dedc.org) whereas it may be able to answer any further questions. The auditors illuminated that the first 19 pages are the narrative of the report, so you would not need to wade through the other 680 plus pages, if you did not wish to. Board President Curtis Krohn thanked everyone for their interest in the continued economic growth and success of the city of DeSoto.

### **I. ADJOURNMENT**

With no further business to discuss Board President Curtis Krohn adjourned the meeting at 8:20 p.m.

  
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Curtis Krohn, Board President  
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Dr. Delva King, Board Vice President