

JURY FEE PAID
AUG 12 2011

FILED
CATHY M. GARRETT
WAYNE COUNTY CLERK

AUG 12 2011

BY *Cathy M. Garrett*
WAYNE

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF

SHENETTA COLEMAN,

Plaintiff,

-VS-

Coleman, Shenetta v CITY OF DETRO
Hon. Brian R. Sullivan 08/12/2011



11-009841-CD

CITY OF DETROIT, a Michigan
municipal corporation,

Defendant.

Deborah L. Gordon, PLC
Deborah L. Gordon (P27058)
Carol A. Laughbaum (P41711)
Attorneys for Plaintiff
33 Bloomfield Hills Parkway, Suite 275
Bloomfield Hills, MI 48304
(248) 258-2500

COMPLAINT AND DEMAND FOR JURY TRIAL

There is no other civil action between these parties arising out of the same transaction or occurrence as alleged in this complaint pending in this court, nor has any such action been previously filed and dismissed after having been assigned to a judge, nor do I know of any other civil action, not between these parties, arising out of the same occurrence as alleged in this complaint that is either pending or was previously filed and dismissed, transferred, or otherwise disposed of after having been assigned to a judge in this court.

Plaintiff Shenetta Coleman by her attorneys Deborah L. Gordon PLC complains
against Defendant as follows:

Jurisdiction and Parties

1. This is an action for retaliation and discrimination in violation of public policy and Michigan's Whistleblowers' Protection Act, MCL 15.361 *et seq.*
2. Plaintiff **Shenetta Coleman** (hereafter Plaintiff) is a resident of Wayne County, Michigan.
3. Defendant **City of Detroit** (hereafter **Defendant**) is a Michigan municipal corporation located in Wayne County, Michigan.
4. The events out of which this case arose occurred in Wayne County, Michigan.
5. The amount in controversy exceeds \$25,000.00 exclusive of interest, costs, and attorney fees and the matter is otherwise within the jurisdiction of this Court.

Background Facts

6. In or about March 1999, Plaintiff became employed with Defendant as an Administrative Assistant II.
7. Plaintiff's performance was at all times satisfactory or better.
8. In fact, Plaintiff was promoted to Head Social Planning and Development Specialist, now titled Manager II, in or about April 2000.
9. In or about July 2005, Plaintiff was appointed to the position of Director of Defendant's Department of Human Services.
10. During the last five years, the Department of Human Services has had an annual budget of more than 65 million dollars.
11. A substantial portion of those funds come from the federal government and pass through the State of Michigan.
12. The funds are highly regulated and can only be used for certain purposes.

13. Because of Plaintiff's excellent performance and leadership, her appointment to the position continued beyond the administration of former mayor, Kwame Kilpatrick, through the Cockrel Administration and most recently, the administration of Mayor Dave Bing.

Administration's Campaign to Use Grant Funds for Rehabilitation of Herman Kiefer, an Unallowable Expense

14. Beginning in or about January 2010, discussions of combining and/or co-locating the Department of Health and Wellness and the Department of Human Services began inside the Bing Administration.
15. A central focus of these discussions was the proposed relocation of both departments into a new facility.
16. The Administration eagerly sought to use the Department of Human Services' grant funds to rehabilitate the Herman Kiefer Health Complex.
17. Plaintiff repeatedly complained and objected that grant funds could not legally be used for this purpose; specifically to purchase real estate, to rehabilitate or remodel any building, or on construction costs.
18. Whenever Plaintiff reported that it would be illegal to use grant funds in this way, she was met with hostility.
19. On more than one occasion and in response to her objections, Plaintiff was told she needed to "embrace change" and be "cooperative."
20. Plaintiff even brought in outside agencies to substantiate her claim that grant funds could only be used for the Department of Human Services and had to remain separate from the city of Detroit Health and Wellness Promotions Department. This was

discussed in a meeting with the former Director of the State of Michigan's Department of Human Services and the Director of the State of Michigan's Bureau of Community Action.

21. Based on information and belief, Defendant sought to utilize more than \$600,000 in grant funds received by the Department of Human Services on unallowable and illegal expenditures related to the rehabilitation of Herman Kiefer.

Without Explanation or Justification, Administration Doubles Cost of "Central Staffing" Charged to Department of Human Services, Taking an Additional \$500,000

22. In or about December 2010, Defendant increased the "central staffing costs" charged to the Department of Human Services from more than \$500,000 to more than \$1,000,000.
23. "Central staffing costs" are those costs charged to all City departments for the support received from other departments, such as the finance and budget departments.
24. The Department of Human Services was already charged directly for the services of several departments, including Human Resources and the Law Department.
25. Plaintiff objected to the Defendant's plan to more than double the "central staffing cost" charged to the Department of Human Services, as such expenditures were unjustified, particularly in light of the fact that it corresponded with a decrease in some services and no increase in services.
26. Plaintiff was particularly concerned about Defendant's efforts to capture grant funds through exorbitant "central staffing costs," which had been previously questioned by the State of Michigan Bureau of Community Action.

27. Plaintiff also objected to Defendant's attempts to charge the Department of Human Services for personnel not directly working, either in full or in part, on the Department's behalf.

28. Throughout 2010, Plaintiff also objected to the unlawful and impermissible allocation of the full salary of Greg Murray and other union representatives to the Department of Human Services, in that they expended time representing members in other Departments, as well.

Administration Takes More Than \$600,000 to Cover City's Debt Service on Pension, an Unallowable Expense

29. Beginning in or about March 2011, Plaintiff also began objecting to Defendant's unlawful and impermissible use of grant funds to cover Defendant's debt service on their pension system, or what are referred to as UAAL costs.

30. Defendant had unlawfully taken more than \$600,000 in grant funds from the Department of Human Services budget for this purpose.

Administration's Retaliation, Unlawful Discharge and Constructive Discharge of Plaintiff

31. On or about May 11, 2011, Plaintiff was approached by Shannon Holmes, then Chief of Staff to Mayor Bing, about a news article suggesting that grant funds had improperly been used to buy furniture for the Department of Human Services.

32. In that meeting, Plaintiff told Holmes that the expenditures were allowable, unlike the more than half a million dollars the Defendant unlawfully charged the Department of Human Services for debt service on the pension. Previously, Plaintiff had specifically discussed with Holmes that it was illegal to use grant funds to cover UAAL costs.

33. On other occasions, including on May 17, 2011, Plaintiff again told Holmes that the furniture expenditures were allowable.
34. Holmes admitted that the furniture expenditures were lawful.
35. Nonetheless, on or about May 18, 2011, Plaintiff was unappointed as the Director of the Department of Human Services in retaliation for her objections and complaints about the Defendant's unlawful use of grants funds and her refusal to go along with plans to use additional grant funds in an unlawful manner.
36. Although Defendant was aware that the expenditure of grant funds on the furniture was allowable and no unlawful activity had occurred, Mayor Bing and the Administration withheld this information from the press and the public, and gave the false impression that Plaintiff had violated the law.
37. Plaintiff was to be reverted to her civil service position of General Manager, but instead of receiving any notice of such, Plaintiff was suspended.
38. Mayor Bing publicly announced that he would be recommending Plaintiff's termination.
39. Due to the retaliation, extreme hostility and threats to which Plaintiff was subjected, as well as the loss or potential loss of her pension and other accrued benefits in the event she was terminated, Plaintiff was compelled to resign, and did so resign from her civil service position.
40. Based on information and belief, Defendant's representatives falsely stated that Plaintiff had been escorted from the building by police.

41. Despite the Administration's knowledge that the furniture expenditures were allowable, and that nothing unlawful or fraudulent had occurred, the Administration held a press conference falsely accusing Plaintiff of misusing grant funds.
42. Despite Plaintiff's objections and the Administration's acknowledgment that the more than \$600,000 for the debt service on the pension system had been taken improperly and illegally and would have to be returned, the money had not been returned as of Plaintiff's discharge.
43. Despite Plaintiff's objections, based on information and belief Defendant has continued to move forward with plans to use grant funds for the rehabilitation of the Herman Kiefer Health Complex, an unallowable and illegal use of those funds.
44. On or about July 26, 2011, Mayor Bing held a press conference and admitted that the purchase of furniture for the Department of Human Services was neither criminal nor fraudulent.

COUNT ONE

WRONGFUL DISCHARGE IN VIOLATION OF PUBLIC POLICY

45. Plaintiff repeats and realleges paragraphs 1 through 44 with the same force and effect as though set forth in full here.
46. During her employment with Defendant, Plaintiff refused to violate or acquiesce in violations of law, statutes, regulations and/or rules promulgated pursuant to law.
47. In particular, Plaintiff refused to violate or acquiesce use of federal grant funds in violation of state and federal law.
48. Plaintiff's termination was carried out, in part, in retaliation for her refusal to violate or acquiesce in violations of law.

49. Plaintiff's termination violated clearly established public policy of the State of Michigan that an employer may not discharge an employee where the alleged reason for the discharge of the employee is the failure or refusal to violate a law in the course of employment.
50. The actions of Defendant, its agents, representatives and employees were intentional and willful, and were in deliberate disregard of and made with reckless indifference to the rights and sensibilities of Plaintiff.
51. As a direct and proximate result of those actions, the terms, conditions and privileges of Plaintiff's employment were adversely affected, and Plaintiff was unlawfully terminated.
52. As a further direct and proximate result of Defendant's wrongful acts, Plaintiff has sustained injuries and damages including but not limited to: loss of earnings and earning capacity; loss of career opportunities; loss of fringe and pension benefits; mental anguish; anxiety about her future; physical and emotional distress; humiliation and embarrassment; loss of professional reputation; damage to her good name and reputation; and loss of the ordinary pleasures of everyday life, including the right to pursue gainful employment of her choice.

COUNT TWO
VIOLATION OF MICHIGAN'S WHISTLEBLOWERS' PROTECTION ACT

53. Plaintiff repeats and realleges paragraphs 1 through 52 as though set forth above with the same force and effect as though set forth in full here.
54. Plaintiff was an employee and Defendant was her employer as covered by and within the meaning of the Whistleblowers' Protection Act, MCL 15.361 *et seq.*

55. Defendant was aware that Plaintiff had reported or was about to report violations or suspected violations of law to a public body.
56. Defendant terminated Plaintiff's employment because she had or was about to report violations or suspected violations of law, regulations or rules promulgated pursuant to law to a public body.
57. The violations or suspected violations of law that Plaintiff reported included, but were not limited to, use of grant funds in violation of state and federal law.
58. The retaliatory conduct of Defendant and its agents violated the Whistleblowers' Protection Act.
59. The actions of Defendant, its agents, representatives and employees were intentional and willful, and were in deliberate disregard of and made with reckless indifference to the rights and sensibilities of Plaintiff.
60. As a direct and proximate result of those actions, the terms, conditions and privileges of Plaintiff's employment were adversely affected, and Plaintiff was unlawfully terminated.
61. As a further direct and proximate result of Defendant's wrongful acts, Plaintiff has sustained injuries and damages including but not limited to: loss of earnings and earning capacity; loss of career opportunities; loss of fringe and pension benefits; mental anguish; anxiety about her future; physical and emotional distress; humiliation and embarrassment; loss of professional reputation; damage to her good name and reputation; and loss of the ordinary pleasures of everyday life, including the right to pursue gainful employment of her choice.

Relief Requested

For all of the foregoing reasons, Plaintiff **Shenetta Coleman** demands judgment against Defendant as follows:


A. Legal Relief:

1. Compensatory damages in whatever amount she is found to be entitled;
2. Exemplary damages in whatever amount she is found to be entitled;
3. A judgment for lost wages and benefits, past and future, in whatever amount she is found to be entitled; and,
4. An award of interest, costs and reasonable attorney fees.

B. Equitable Relief:

1. An order out of this Court placing Plaintiff in the same position she would have been in had there been no wrongdoing by Defendant;
2. An injunction out of this Court prohibiting any further acts of discrimination or retaliation;
3. An award of interest, costs and reasonable attorney fees; and,
4. Whatever other equitable relief appears appropriate at the time of final judgment.

DEBORAH L. GORDON, PLC

By 


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Bloomfield Hills Michigan 48304
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Dated: August 12, 2011

JURY DEMAND

Plaintiff **Shenetta Coleman** by her attorneys **Deborah L. Gordon, PLC**, demands a trial by jury of all the issues in this case.

DEBORAH L. GORDON, PLC

By 

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Dated: August 12, 2011