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INVESTIGATION REPORT

City of Box Elder
Kristi Vetri-City Attorney
420 Villa Drive
Box Elder, SD. 57718

INVESTIGATION SCOPE

On the date of 17, September 2018 I was contacted by your office in order to conduct a due diligence investigation regarding various complaints concerning a member of the City Council, Scott Allen (known throughout this report as “Allen”) who was first elected as a council member 01 May 2012.

The issue of investigating such complaints had been addressed to the council who, as a whole, declined to pursue the matter directly.

The City of Box Elder has created an Employee Handbook (Revision Dated 05 January 2018) which is very specific concerning these incidents. Section 1.5 Workplace Violence Prevention discusses that the city’s employees right to work without the fear of threats or violence in the course of their employment. Incidents will be investigated fully, without fear or threats of reprisal.

“City of Box Elder is committed to preventing workplace violence and to maintain a safe work environment without intimidation, threats of violence. Any action which, in the City’s opinion, is inappropriate to the workplace will not be tolerated”.¹

¹ Employee Handbook page attached

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The investigation was comprised of witness interviews, video review of council meetings, written documentation as well as public records. All recorded interviews will be provided to you upon request.

I (known throughout this report as “Investigator”) will now present the following information discovered in this report.

INTERVIEW FINDINGS

The first individual interviewed was an initial complainant. They will be known here as “Doe” to protect their identity. A strong fear was evident during my two (2) sessions with “Doe”. Whistleblowers are employees or officers who “out” misconduct in an organization. This can include waste, fraud, abuse, and harassment, discrimination, including many forms of questionable or dishonest practices. It is not uncommon for different people to have different views of whistleblowers – high-minded informers or noble protectors of the public good. Federal and state laws generally take the latter view, and various protections exist for whistleblowers depending on the conduct at issue and the applicable law.

Behavior analysis identified no signs of deception. It was noted a couple of times when the individual had to catch their breath and calm down as to the fear they felt for reporting the events.

This Investigator was advised that Doe had filed an official grievance with both, the City Attorney, Kristi Vetri and City Administrator/Chief Finance Officer, Nicole Schneider on 20 August 2018. This report is on file with your office and I will not be disclosing its contents, or the identity of the individual.

This report identifies other employees and elected officials whose names will be open here. They validated much of what “Doe” reported.

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“Doe” openly discussed the behavior of “Allen” in which they and other Box Elder City employees and elected officials feel was not only harassing in nature but showed a level of discord and propensity towards violence.

Dates and notes were provided to this Investigator ranging back to 2013.

When this Investigator asked “Doe” why they took so long to address the harassment and fear in the workplace, they stated that until recently they did not feel safe to discuss any of the matters, fearing both reprisal and retaliation from “Allen”.

The most recent event was from a City Council meeting on August 07, 2018 when “Allen” entered the audience and began discussing city business with unknown individuals sitting in the front row of the audience. It was at this point “Allen” had a personal interest and biased opinion for a rezoning ordinance, #577 which discussed a rezoning of the area on Box Elder Road. This area is where “Allen” has his business, AC/DC Automotive.

During said meeting, “Allen” did not openly disclose his bias or personal interest in the issue of rezoning the district nor did he recuse himself as a member of the City Council. It was further witnessed by “Doe” that “Allen” made verbal attacks upon the City Attorney Kristi Vetri and others. “Allen” stated during this event that lies and deception were created within the issue at hand.

“Doe” further believes that “Allen” has operated his portion of his towing business without a Conditional Use Permit, as authorized by the City Council per ordinance and is currently on the Police Department’s call rotation for towing services.

An email was produced² in which “Allen” questions a water shut off event regarding a Dennis Boosmsa. Based upon review, the issue was a temporary water connection that was placed on property of this individual and the cities obligation to provide this temporary service was discontinued on July 01, 2018. The email chain appeared to be a question of a legal nature for said shut off.

² Email Dated August 14 2018

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“Allen” stated in his email response, “The legality was never in question; my point was why a simple phone call wasn’t made. It simply is good business not to treat people like shit. It seems that lately this is the norm”.

Behaviors, vulgar verbiage and intimidation have become evident in this investigation, which will be addressed throughout this report.

“Doe” further discussed other incidents, which I will address in order of date.

On April 04, 2018, Mayor Larson addressed an issue where blank ammunition was found in the mailbox of “Allen”. Upon discussion, Mayor Larson discovered that the Police Department gave blank and confiscated ammunition to “Allen” on a regular basis per his request.

*Investigator note: This activity places the City in a liability stance should one of these cartridges explode prematurely. As well, this practice maybe considered unethical to provide these items to “Allen” at no cost.

On February 20, 2018, the City Council addressed the Ethics Policy adopted and approved. Council President Hollinshead requested “Allen” sign the document. “Allen” refused, thus sending a negative message to the citizens, council members and staff of the city.

On January 08, 2018, the City Administration building was under a renovation construction stage. As such, the Veterans flags were removed to protect them from damage. “Allen” stated he was unhappy by this event and demanded the flags be returned to their former position. When this request was refused, “Allen” stated that he was going to run for Mayor and terminate everyone in the building. This caused fear among the staff.

On January 03, 2018, “Allen” was observed acting in a threatening and obscure manner and harassing the city staff. So much so, that the City Administrator/CFO Nicole Schneider and Mayor Larson met with the Pennington County Sheriff’s office, Captain Corey Brubakken. The incident surrounded the adopted Ethics document, to which “Allen” disagreed with.

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On December 07, 2017 a discussion was had led by City Administrator/CFO Nicole Schneider concerning an email and text message chain that had been circulating regarding the Ethics document³. The main proponents were “Allen” and Councilman Rick McPherson, a known friend and supporter of “Allen”.

It was reported that Nicole’s gender and that of a failed leader were discussed. Mayor Larson was notified that the Department Heads would not stand for a hostile work environment, which was being created by “Allen”.

On November 09, 2017 City Administrator/CFO Nicole Schneider, Robert Kaufman and “Doe” held a meeting to discuss Nicole’s safety. She was particularly concerned, as “Allen” had begun to follow her home in his vehicle at the end of her workday. A request for her to contact the Pennington County Sheriff’s office was issued.

On November 01, 2017 Bruce Hagel a former Councilman, contacted the city to inquire if “Allen” or his business (ACDC Automotive) had submitted a required Conditional Use Permit. Hagel also inquired if “Allen” and his business were on the rotation list used for towing operators, to which his business was listed. Mr. Hagel commented that he believed “Allen” was using his council position as a power position to influence his business and other things.

On October 17, 2017, “Allen” was observed at the office of Ron Koan, City of Box Elder Planning Director. With the office door open, “Allen” was heard yelling at Koan. This was concerning a plot of land that the Fire District had for sale. “Allen” had long wanted to purchase this property in order to expand his business. Based on the heard conversation “Allen” asked Koan why he was “working with the Fire District President Barb Ferichs” to prevent “Allen” from the purchase of said land. Koan calmly stated he did not agree with “Allen” and had no such collusion.

--Investigators note: “Allen” has a long history of verbal attacks towards Ron Koan. Several witnesses confirmed this issue stating conversations and verbal attacks could be heard at both council meetings and in Ron

³ Text Message Chain Copy

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Koan's office. "Allen" further blames Koan regarding the outstanding issue of the Conditional Use Permit requirement for "Allen" and his business. Thus, creating a very hostile working environment.

On June 05, 2017, "Allen" filed a verbal complaint concerning a grass ordinance violation at property address 502 Box Elder Road. He stated that Code Enforcement needed to place a violation on the property due to not having the grass cut. It was noted a Code Enforcement Officer had been by this property earlier in the morning and stated it was in fact up to code.

"Allen" then stated, "I am going to rewrite some zoning ordinances, or I will "fill" the planning and council chambers with people until it's to my satisfaction".

--Investigators note: The property listed above belongs to a former business partner of "Allen", Kenneth Jobbins, with whom there was a major disagreement and discourse.

On May 08, 2017, "Allen" was heard complaining that his son had received an ordinance violation letter concerning an inoperable vehicle on his property, located at 563 Stealth Lane, Box Elder. Asking how he could prevent such harassing letters from being sent, "Allen" was advised that the vehicles needed to be covered. "Allen" then asked if he could issue a license for the cars, since he was a car dealer, he would issue a temporary license, and then the letters would stop. "Allen" had been previously advised (January 06, 2017) by the Zoning Department that the vehicle needed to be removed and/or repaired. "Allen" stated he would tow it to his business, which never happened. The initial complaint came from a citizen on December 27, 2016 stating there were three (3) inoperable and non-licensed vehicles on the property of "Allen's" son.

On November 01, 2016, "Allen" complained to the Code Enforcement Division that his former business partner Kenneth Jobbins was sleeping and living at his place of business, Charo Enterprises 502 Box Elder Rd. West; located in Box Elder.

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The code enforcement division visited the business, confirmed that Jobbins was not residing at the business and notified “Allen” of the findings. However, “Allen” made the accusations again on November 3 and November 14, 2016, even asking the Code Enforcement and Zoning Department to place the business under surveillance, to which they denied the request.

In March of 2013, the former Mayor Bill Griffiths was under investigation for creating a hostile and harassment filled work environment⁴. The result was a public display resulting in negative press coverage for the city as well as a loss in faith for the mayor. He was required to undergo a psychological exam and apologize to the victims.

Based on additional findings, “Doe” stated that “Allen” had addressed these victims in an individual way stating that he (“Allen”) was there for them should they want to talk to him. This action was a clear violation that the identities of said persons were to be protected, which in turn was lost by the actions of “Allen”. It has been further discovered that “Allen” and the former Mayor are close friends.

Interview of Nicole Schneider-City Administrator/CFO **29 September 2018**

Investigator conducted an interview with Schneider in her office on the date listed. Behavioral analysis indicated no openly observed signs of deception.

-Schneider was hired to her position on October 03, 2016. She handles many of the city’s departments and oversees Human Resources, Finance and overall operations of the city.

She provided the Investigator with a timeline of events when she interacted with “Allen”. At many times she felt threatened by his actions and attempted to address them in both a one on one and group setting.

⁴ City Council Memo dated March 20, 2013

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On February 08, 2017, Schneider received a call from “Allen”. During this call, he stated that there had been five (5) years of cover up within the city. “Allen” when questioned could not provide specific details on the alleged events, nor any parties he knew responsible. Allen stated he felt a right to talk to, demand and direct Schneider, however, he saw fit and specifically stated, “You don’t tell me what to do”. Schneider advised “Allen” that he was not to communicate to Schneider in this loud, demanding and derogatory tone. Allen” then stopped all communication with Schneider.

She then discussed how “Allen” would degrade and belittle Schneider during City Council sessions; this activity was confirmed with other staff and appointed officials in subsequent interviews.

Immediately after this event, Schneider observed “Allen” following her to her residence after her workday. She first thought maybe it was a coincidence as they both live in the same general neighborhood. Her concern was so great that she thought she and her family should move away from the neighborhood.

Based on notes provided by Schneider, on the dates of April 03, 04 and 13 2017, “Allen” received information from an unknown or confirmed source that a Police Department employee assigned to City Hall had been contacting a Council person to share information. On April 17, a meeting was held with Schneider, “Allen” and City Attorney Rex Hagg. “Allen’s” complaints were heard, and he again was unable to substantiate his allegations. At this time, “Allen” was given a warning by Hagg not to interfere in individual departments and to allow the chain of command.

In May of 2017 (exact date unknown) one on one meeting were scheduled and held with each council member to discuss a comprehensive plan for the city. “Allen” refused to appear, only to attend jointly later with Council Member Hollinshead.

In July of 2017, one-on-one pre-budget meetings were held after being scheduled with Council Members. “Allen” attends yet left the meeting prematurely.

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In August of 2017 (exact date unclear), “Allen” accuses the police department of insubordination. At the same time stated, the “numbers” (arrests) need to increase. “Allen” further made a statement that the department had several unhappy officers in the ranks; though he could not nor would not produce names.

In October of 2017 during the Public Safety Committee meeting, “Allen” accused three (3) officers of sleeping while on shift. Yet again, he produced no names or dates when he personally “caught” them.

In November of 2017, Schneider again feels concern about her safety as “Allen” appears to be following her to her residence after hours. (As previously discussed above).

On December 19, 2017, the original Code of Ethics document is approved by City Council, with the verbal objection of “Allen”.

On January 03, 2018, a meeting was held with the Pennington County Sheriff’s office concerning the alarming behavior being exhibited from “Allen”. In attendance were Chief Deputy Willie Whelchel, Captain Corey Brubakken (Pennington County Sherriff), Mayor Larry Larson, Nicole Schneider City Administrator/CFO and Public Works Director Bob Kaufman. Whelchel and Brubakken took the information, stating they would investigate the incidents; though they felt no criminal statutes were broken. No further information was provided to the City Leaders listed above from the Sheriff’s office.

On February 20, 2018, additional changes were made to the Code of Ethics document for elected officials. Council Members Weathers, Hollinshead, Cowley and Hagel signed as did Mayor Larson. The documents were placed in the appropriate personnel files.

On February 21, 2018, Council Member McPherson signed and submitted his Code of Ethics document to Human Resources for their files.

For the majority of 2017 until he stepped down from office, Council Member Hollinshead worked with Schneider to dispel “conspiracy theories” raised by “Allen”. During that time, Schneider learned from Hollinshead that “Allen” did not like her and was attempting to find ways

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to discredit her in any way possible. When Hollinshead attempted to address the inappropriate conduct with “Allen”, it only drove a wedge between the two. Ultimately, Council Members Hollinshead, Cowley and Hagel refused to run again for reelection due to “Allen’s” behavior between them and staff members.

From February through May of 2018 a series of post cards were mailed to voters on behalf of former Mayor Griffiths who was now running for election as a Council Member. These post cards were very slanderous towards Schneider and her work with the city. It was then learned that “Allen” was in fact helping his friend Griffiths with his campaign. Much of the false information was later contributed to both “Allen” and Griffiths.

On March 12, 2018, “Allen” approached the staff in the Finance office demanding copies of the petitions that Griffiths submitted. Having been advised by the staff that Griffiths submitted two different candidate petitions, only validated petitions would be accepted. “Allen” then argued with the staff when he was advised that the State of South Dakota law would be followed. “Allen” yelled, “I don’t have time for this shit” before storming out of the building.

On April 03, 2018, “Allen” was heard badgering Ron Koan in his office. This was concerning a City ordinance requiring engineering to be done on pole building structures. “Allen” then threatened that he would bring his friend Brian Faulkner to the Legal, Finance and Public Safety committee to discuss his disapproval of hiring an engineer to build a pole barn. It gave the appearance that “Allen” was using his political position to pressure the issue.

On April 09, 2018, “Allen” had Brian Faulkner attend the Finance, Legal and Public Safety meeting. At this point Faulkner shared his belief that an engineer’s study was not needed to build a pole barn. It was later learned that “Allen” wanted Faulkner to build such a barn on his behalf, thus having a personal gain in the changing of the ordinance.

At the same time, “Allen” then complained that the opponent to his friend Bill Griffiths campaign, Dawn Beltran, was placing her signs in unapproved areas in violation to city code. Code Enforcement found no

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such violations. “Allen” would again complain on this false issue of signage three (3) more times. All complaints were identified as false with no violations noted.

On April 05, 2018, Mayor Larson arrived at the office of Schneider. He inquired as to the safety and validity of “Allen” receiving ammunition and brass casing placed in his mailbox. (This confirms the previous listed report from Doe). Schneider advised that this activity was not allowed and to have Mayor Larson put an end to the practice.

On April 17, 2018, Council Member Hanson signed and submitted his Code of Ethics document to Human Resources for their files.

On May 01, 2018, Council members Knight and Beltran signed and submitted their Code of Ethics document to Human Resources for their files.

During the June 05 and June 26, 2018 City Council meetings “Allen” was heard and recorded making slanderous remarks directed towards Ron Koan. These comments were hostile in nature. “Allen” stated Koan did not know how to do his job and was deceitful in his enforcement policies. These comments were concerning the rezoning of highway 14/16 and in the presence of City Attorney Kristi Vetri.

On August 07, 2018, “Allen” invited a group of individuals to the council meeting. Ignoring “Robert’s Rules of Order”, “Allen” and his apparent friends became belligerent and verbally abusive to the new City Attorney Vetri. The issue discussed was again the rezoning proposed for Highway 14/16. At this time, “Allen” clearly broke conflict of interest regulations as he has his business in this area. “Allen” was defamatory to both Vetri and Koan during this meeting.

On August 21, 2018, Council Member “Allen” signed and submitted his Code of Ethics document to Human Resources for their files.

On August 28, 2018 an email⁵ was received by Schneider from Public Works Director Bob Kaufman, stating the behavior exhibited by “Allen”

⁵ Email Correspondence Attached

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was hurtful to staff. While Kaufman confirmed he specifically did not feel threatened, he understood how many others affected would be. This email was a previously reported complaint issued directly to the former City Attorney Richard Pluimer on January 06, 2018. Kaufman wanted to advise Schneider that he attempted to address the issue of “Allen’s” behavior with no results.

--Investigators note: Schneider has attempted on many occasions to protect herself and the City of Box Elder from the behaviors exhibited by “Allen”. She has brought the city into compliance in many areas that were both dysfunctional and detrimental to the well being of the City and its residents. “Allen’s” behaviors not only caused her concern for Human Resource violations but her own safety as well.

Interview with Michael Irwin September 10, 2018

Investigator met with Irwin at his place of business, M&W Towing located at 22759 Radar Hill Road Box Elder SD.

As he appeared slightly disgruntled during the initial opening introduction, Irwin began to understand the importance of the pending investigation. Behavioral analysis indicated no signs of apparent deception.

His involvement with the city extended to the year 2000 while being a part of the Zoning and Planning Board.

He stated he has seen extensive improvement in the past year on all avenues of communication.

He discussed the Conditional Use Permit process and his role as a provider for towing services within the city. Many times, he had disagreed with it. We further discussed his meeting with the City Finance Department and how best to improve the CUP process. Irwin believes the City Council has been running on authoritative means, circumventing the Mayor completely.

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When this Investigator inquired into the relationship and dealing with “Allen”, Irwin stated he had very little to do with him.

Irwin could not recall specific disagreements the two may have had yet stated “Allen” seems to have preference in the towing rotation and repair of city vehicles. Irwin was concerned that the charges to the City may not be accurate.

Interview with Jane Doe October 15, 2018

Investigator met with a female employee, only on the condition that her identities remain concealed. She will be addressed in this report as “Jane”. Behavioral analysis indicated no indications of deception during the interview.

“Jane” has been employed with the city for over five (5) years. She stated her main reason for wanting interviewed was her interaction with “Allen”.

During the previous administration, “Jane” was one of the victims of harassment at the hands of former Mayor Griffiths. She stated he would give both unwanted hugs and attempted to kiss her forehead several times. While she had been advised, her reporting of that incident would be kept confidential, she later learned that “Allen” was sharing both her name and statement verbatim to other persons.

She felt an immediate distrust of the City and administration representatives.

“Jane” further mentioned that she really like her position and hoped to stay with the City for several years, though when her name was made public, she considering legal remedies against the City, Griffiths and “Allen”.

Interview with Jeremy Washington October 15, 2018

Jeremy Washington is a City Clerk/Administration Assistant employed since July 05, 2018. Behavioral analysis indicated no apparent signs of deception.

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Jeremy's role within the City is vast. He is responsible for handling the daily water department deposits, agenda for the City Council meetings and assisting various department heads in the course of the administration's business. He is further responsible for the security of City Council video documentation and attends every meeting.

When asked, Jeremy stated he observed the previously discussed incidents listed in this report when "Allen" verbally abused Vetri, Schneider and Koan during various meetings. He provided the video and/or audio copies.

When asked of his involvement and interactions with "Allen," Jeremy stated he felt "Allen" has escalated in his offensive behavior. He noted that the Code of Ethics seemed to be a highpoint of "Allen's" poor behavior.

Interview with Kenneth Jobbins October 22, 2018

Kenneth is the former business partner of Allen.

Behavioral analysis indicated a high level of stress on the topics at hand, though no apparent signs of deception.

Together "Allen" and Kenneth filed for an LLC as Charo Automotive in 2011. The goal was to start a towing business together, in which "Allen" had a twenty-five percent (25%) ownership and ran the business while Kenneth was home in Australia attempting to obtain his United States Citizenship. Kenneth would be responsible for the upfront capital investment and "Allen" would supply the management,⁶ "In Kind" time and effort.

Two (2) tow trucks were purchased for the business and a Conditional Use Permit was applied for and approved by the City of Box Elder.

The business quickly dissolved in November 2014 with major disagreements between both parties. The extent of the dissolution required "Allen" to return to Kenneth certain property. When this was scheduled to take place, Kenneth called the Box Elder Police Department

⁶ Charo Auto Operating Agreement

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to be in attendance while the transaction occurred, as he was concerned that “Allen” may bring his usually concealed firearm.

On December 18, 2014, Kenneth was recorded in a conversation with “Allen” making threats to him and other staff. When asked about this event, Kenneth said that he was very upset after reviewing the bookkeeping of the former business run by “Allen”. Kenneth further stated there were multiple questionable transactions that benefited “Allen”. Kenneth further stated that “Allen” was using the Conditional Use Permit that was assigned to Charo Automotive.

This Investigator inquired if law enforcement had been notified of the potentially fraudulent activity; Kenneth stated he did not think anyone would believe his account. Financial records for Charo Automotive that were the property of Kenneth, the majority business owner, were given to this Investigator to support his statements.

In the spring of 2015, both Kenneth and “Allen” had yet another heated display. This time an Order for Protection was attempted. Both individuals appeared before Pennington County Judge Davis. He advised both parties to settle this agreement and stay away from each other.

On November 01, 2016, Kenneth was accused by “Allen” of sleeping and making a permanent residence at his place of business, a clear violation of city code.

Kenneth stated that a representative from Code Enforcement came to the business and recorded photographs indicating that Kenneth was not in violation. Based on the report and subsequent visit, Kenneth found out “Allen” was the complaining party.

Interview with Michael Knight October 22, 2018

Michael is the Ward 2 Councilman, elected on May 01, 2018. Behavioral analysis indicated no clear signs of deception.

Michael, upon election, took the initiative to absorb and learn as many facets of his position as he could. He stated he works about 6-8 hours per week on behalf of his position.

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When asked about any irregular or concerning activities from his fellow Council Members, he immediately discussed both “Allen” and Rick McPherson.

During his interview, Michael stated upon election “Allen” asked him to come down to his shop, ACDC Automotive. “Allen” apparently wanted to discuss the Council and the past events. “Allen” asked many political questions and Michael was uncomfortable with this activity, declined and left.

Michael then went on to state that “Allen” was opposed to the current Code of Ethics that was approved, saying, “They railroaded that down our throats”.

Michael had minimal knowledge of any other events concerning “Allen” yet wanted to state McPherson has extensive attendance issue for Council meetings; thus, making it unfair to the other members that do attend.

Interview with Rex Hagg-Former City Attorney **November 16, 2018**

Rex Hagg was the City Attorney for Box Elder for over twenty years, his tenure ended abruptly in September of 2017. He stated it was both a surprise and an uncomfortable end to such a long tenure. When his tenure was over, he offered and often received calls from Nicole Schneider. He had high praise for her work and integrity in bringing the city into compliance and operational proficiency.

This Investigator inquired into the investigation of former Mayor Bill Griffiths. Rex stated he was the one responsible for having the case investigated by a third party, Lisa Wesolik. His main goal was to stay out of the active investigation and remain neutral. He supported the findings, made recommendations and insured litigation would not be pursued. He then constructed a draft for Standard Operating Procedures for the Mayor’s office.

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While he reviewed the Sexual Harassment training that followed, he had no influence or attendance for the training provided.

When questioned concerning “Allen”, Rex stated he had many an unfortunate discussion with him.

One such event occurred when there was an obvious conflict of interest regarding “Allen” repairing city vehicles in his shop, ACDC Automotive. When “Allen” was approached, concerning this issue Rex stated “Allen” became very vocal, though ended the practice.

This Investigator inquired as to the towing Conditional Use Permit policy and procedures. Rex stated that he had not created any drafts or updates. He stated he knew and agreed with Ron Koan pulling similar procedures from Sturgis South Dakota’s code.

Regarding the Conditional Use Permit for ACDC Automotive, Rex stated he advised “Allen” that he needed to get the application and approval from the City Council, as “Allen” could not just transfer the Charo Automotive permit into his own name, as “Allen” wanted to do.

A main issue Rex stated was the relationship between “Allen” and his former business partner Ken Jobbins. Rex stated he knew of the discourse and attempted several times to calm “Allen” down, who would not, as Rex stated, “Let it go”.

Rex went on to discuss the Code of Ethics document for City Council Members. He stated he helped draft the initial paper and received immediate resistance from “Allen”. According to Rex, this was the normal behavior for “Allen” as he was often very vocal, was stealth in his actions and very quick to give negative opinions.

Interview with Mayor Larson December 03, 2018

Mayor Larry Larson was elected to his position in April of 2014; he is on his second term in office.

Behavioral analysis indicted a heightened level of stress, but no deception indicators.

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He started the interview my saying, “I am aware of what this is about, Scott Allen”. I asked him to expand in his statement.

He then advised me of an initial meeting with “Allen” who entered his office saying, “I run this town, not you”. This caused an immediate concern that “Allen” had a dislike for Larson.

In June of 2014 “Allen”, asked Larson to have both the Public Works Director and Finance Officer terminated from employment, Larson firmly refused and disagreed with this demand.

Larson then went off to discuss the Chamber of Commerce. He stated that “Allen” wanted to control all the activities that Director Dennis Livingston was trying to institute. The Chamber returned the money issued by the city and dissolved. The relationship became so sour that the Chamber even relocated its office.

Larson next discussed his knowledge of the relationship between “Allen” and his former business partner Kenneth Jobbins. During “Allen’s” accusation of Jobbins living and sleeping and the business, Larson went by and took pictures proving the accusation false.

He recalled on February 27, 2017 in a Planning and Zoning Meeting when “Allen” made several derogatory comments towards Ron Koan. “Allen” said Koan was influencing his former business partner and that he was lying about events that occurred. It was often when “Allen” would sit in the audience of such meeting causing disruptions.

Interview with Bruce Hagel December 27, 2018

Bruce is a former Council Member who left due to extensive conflicts with the other member, namely “Allen”. Behavioral analysis indicated no apparent signs of deception.

Hagel recalled in either April or May 2015, he, “Allen and Jeff Hollinshead met offsite at the Local Flying J truck stop. They met to discuss reducing the powers of the current Mayor Larry Larson.

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Hagel recalls “Allen” stating, “It was about time and we have to plan for that”. Hagel found his comments and rude behavior disturbing.

The topic of “Allen’s” Conditional Use Permit was offered by Hagel. He stated “Allen” kept dodging the compliance requirement. He knew “Allen” applied and received the permit for Charo Auto but relinquished it in 2012. He even recalled the former City Attorney pulling “Allen” aside and telling him to get this issue, (CUP) straightened out. He said that “Allen” only changed the address on the permit to his own business, ACDC.

When the issue regarding the previous investigation into the behaviors of former Mayor Bill Griffiths, Hagel said it was a flurry of document shredding by the then Mayor. It was at this time when Hagel was called and advised by “Allen”, “You’re President.

Hagel closed the interview by stating “Allen” has tried to “run” the city since he was first elected and has constant conspiracy theories when another member challenges his power.

Interview with Chief of Police Jason Dubbs January 08, 2019

Chief Dubbs became a fulltime police officer in 2002, promoted to Chief of Police in August 2012. Behavioral analysis identified no apparent signs of deception.

Dubbs stated his relationship with “Allen” used to be really good. This relationship ended once “Allen” obtained his elected seat. However, he noted that in the past three (3) years “Allen” has become paranoid, full of conspiracy theories, with constant “highs and lows” in behavior. Seemingly noted was “Allen” following the commissioned officers and complaining to anyone that would hear how they were not “doing their jobs”. This issue was evident when “Allen” would question the arrest statistics for the department.

Dubbs advised me that he heard that “Allen” was attempting to get police intelligence from its officers, thus making the department staff very uncomfortable. It was then that Dubbs notified all his officers that there is a chain of command and to not entertain such actions.

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The issue of “Allen” performing work on the cities vehicles was addressed; Dubbs knew of this arrangement and really did not pay any attention to it.

When “Allen” called Dubbs concerning the towing company rotation with the city, Dubbs advised “Allen” that it was not his decision. An email⁷ from “Allen” was shown to Dubbs where “Allen” states he has not towed for the city for some time, and then he was presented the towing records for the city identifying a deception of the facts by “Allen”.

During the interview this Investigator could tell the discussion concerning “Allen” was not pleasing to Dubbs, many times he shook his head as in disbelief.

Interview of Councilman Richard McPherson January 10, 2019

Richard McPherson is the Councilman for Ward 3, elected May 02, 2017.

When this Investigator requested an interview with McPherson, he demanded it be in the presence of his Attorney Stephen Demik. An agreed date and time were set and said interview commenced at 1617 Sheridan Lake Road Rapid City, SD. 57702.

Initial behavioral analysis identified McPherson as highly agitated and guarded. He maintained this posture throughout the interview. McPherson has an extensive law enforcement background and retired from the Pennington County Sheriff's Office.

He made it immediately clear that he does not agree with the independent investigation being performed on behalf of the City of Box Elder. In his opinion, the Council voted the process down and to quote him, “The Council runs this town”. While he was approving of the employment of the current City Attorney Kristi Vetri, McPherson believes she should only speak when spoken to. Her opinion should be for legal issues only.

⁷ Email Dated 9.25.18 W/Towing records

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When this Investigator inquired as to the working relationship with the Mayor Larry Larson, McPherson stated he did not trust the Mayor and has very little communication with him.

This Investigator continued with the questioning of “Allen” and the text messages previously discussed in this report, as well as an additional text chain that concerned recently terminated staff. McPherson denied any involvement in either event.

The topic of “Allen” following the police officers was discussed. McPherson offered no answer on whether he had discussed the issue with “Allen”.

--Investigators Note: As a former Police Officer one would think the friendship between “Allen” and McPherson would have been paramount in this issue. It is believed that “Allen” would seek out the input from his friend whom he knew worked in police procedures to confirm/deny the ability of the Chief and Department.

When this Investigator inquired into the relationship and knowledge McPherson may or may not have between “Allen” and Kenneth Jobbins, McPherson only stated he heard they had a falling out. He was resistant in providing any known details.

Regarding the Code of Ethics document, McPherson stated while he agrees with ethics, he did not appreciate the fact if he did not sign, he would be “thrown out”.

In his closing statement, he was adamant that he would not seek reelection.

Interview with City Council President Michael Hanson January 22, 2019

Michael Hanson is the City Council President and Councilman for Ward 1, elected President May 2018.

Behavioral analysis indicated no apparent signs of deception.

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Hanson stated he knew of many negative issues that have been dated back to previous administrations. There is an underlying resentment between council members. He noted that the negative issues surrounding “Allen” have, in many times, prevented city improvements.

This behavior with “Allen” was called in question when Hanson read the email sent to City Attorney Vetri. This was based on an event in where “Allen” was outside and yelled out to Hanson and fellow council member Beltran, “That was a real chicken shit way to throw me off the Council”. In his opinion, Hanson believes “Allen” plays by his own rules and has become a detriment to the City and it is Council.

Ironically, right after this verbal altercation, the office building Hanson uses, located at 635 Northern Lights Blvd, was damaged severely. Hanson arrived to find an unknown assailant had driven into his office wall causing extensive damage. Had he been at his desk when the impact occurred, he would have been greatly injured. While Hanson stated he had his opinions as to the driver of the vehicle, he contacted the Box Elder Police Department. Upon arrival, the officer took pictures and advised Hanson that he would “look around” in an attempt to find a vehicle with recent damage. No paint or light lens fragments were searched for by the officer. In fact, Hanson himself recovered light grey paint chips to the police department. No arrests or suspects were identified.

On the issue regarding the text message chain discussed earlier, Hanson stated both inappropriate email and text chains surfaced; to which were ceased by order of City Attorney Vetri.

Regarding the issues surrounding the relationship between “Allen” and his former business partner Kenneth Jobbins, Hanson recalled the incident on April 28, 2017 in the Planning and Zoning meeting when “Allen” accused Ron Koan of “screwing him over” and lying. Hanson stated it was a heated exchange.

This investigator questioned Hanson concerning the Mayor and his role in the city. Based on his report, Hanson believes the Mayor wants order within the Council, acting as the CEO of the city. However, Hanson firmly believes that Mayor Larry Larson has a fear of “Allen”.

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Hanson closed with saying “Allen” seems to have changed in the past 3-4 years, becoming more hostile.

---A secondary interview was conducted on February 26, 2019. This was after Hanson had reported suspicious activity. This Investigator was informed that a few days earlier Hanson arrived home only to find a Grey Dodge Durango parked nearby in a round-a-bout section of the street, where normal traffic does not park. This vehicle matched the description of “Allen’s” wife, to which Hanson became nervous, as it was facing his residence.

Once at home, Hanson immediately pulled into his garage, exited his vehicle haltingly and entered his residence through the garage to house door. He further mentioned that he was concerned enough not to turn on the interior lights and immediately closed his blinds. He was unable to get a clear visual of the driver or license plate.

Interview with City Councilwoman Dawn Beltran January 29, 2019

Dawn Beltran is the Councilwoman for Ward 3, elected April 10, 2018. Behavioral analysis indicated no apparent signs of deception.

Beltran began the interview discussing her election campaign. She was running against former Mayor Bill Griffiths, there were several events of derogatory tactics used (mudslinging as she put it). She stated she wanted to perform a civic duty to run for office and was tired of the “good old boys” system that she had witnessed.

While new to the board she said, she is always trying to learn procedures and requirement for her position.

This Investigator approached the confrontation that occurred between “Allen”, her and Hanson. She stated that “Allen” was outside smoking and it was as though he was waiting for the both of them to exit the building. When he made the comment “That was a real chicken shit way to get me off the council” she felt as though it was a verbal attack on both her and

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Hanson. She now exits all meeting immediately at the conclusion as to not be confronted like that again.

When asked her observations of “Allen” Betran stated he wants things his way only, with very little room for compromise.

Regarding the Code of Ethics document, Beltran stated she was very happy it was brought out and signed immediately.

When this Investigator inquired on her knowledge of the Conditional Use Permit process, she stated she was learning to understand the cities stance. She was not aware of any information concerning “Allen”.

Interview with City Council Vice President Steve Cowley February 05, 2018

Steve Cowley is the Councilman for ward 3. He served a term on the council previously for 6 years only to return after being asked to do so by “Allen”. When Cowley was resistant to return, “Allen” assured him that he had calmed down. The first meeting after returning to the council lasted until after 9:00 PM.

Cowley shared that the city was operationally ran poorly for long time. He is happy to see the change in direction and contributes this in protocol from operational leadership.

When this Investigator inquired on the Code of Ethics document Cowley stated he felt it much needed. He said though the Council was acting like children, commitment of the document and city leaders will rid the council of the “Old Guard”. When asked to elaborate, Cowley stated it has been a “good old boy system” for far too long.

When asked on any unusual behaviors regarding any council members, Cowley immediately discussed “Allen”. He said “Allen” has a very hard time letting go of the past. When a former employee Allen Styre was terminated, Cowley said “Allen” was upset. He talked of unfair labor practices and the city “made a mistake” in the termination.

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This Investigator inquired on his thoughts of the current investigation Cowley said he was very happy to see the Council challenged, eliminating the “swept under the rug” mentality.

Interview with former Council President Jeff Hollinshead **March 21, 2017**

Jeff is the former Council President whom was first elected in May 2012. He served for five years, ending in 2017.

Behavioral analysis indicated no signs of deception.

When asked why he did not seek re-election, he responded that the fights were no longer worth the aggravation. When this Investigator asked him to expand, Hollinshead expressed frustration and stress with the actions of “Allen” to continue trying to help the city. He further stated that when “Allen” recruited both Rick McPherson and Trisha Weatherson to run for election, thus having his “own” picks for influential votes; it was very upsetting.

One such argument was in the fall of 2016. The council was in Executive session with a discussion concerning the Code of Ethics document. Hollinshead described how “Allen” became very heated in his arguments. At one point “Allen” shouted “Go Fuck Yourself”, while leaning over a table pointing at Hollinshead.

This Investigator inquired as to the relationship between “Allen” and the police department. Hollinshead discussed when “Allen” would follow the police officers and monitored their “sit time”, travel routes and activities. “Allen” would constantly badger Police Chief Dubbs in the following council sessions. When Hollinshead would question any such evidence “Allen” would have concerning these events, he produced none.

At one point a police officer, whose name could not be recalled by Hollinshead; arrived at his personal residence to complain about the department.

Hollinshead then discovered that this officer was working with “Allen” to discredit the department and its leadership.

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Hollinshead then discussed when “Allen” asked him to visit his shop ACDC Automotive in the summer of 2016. Once there “Allen” showed Hollinshead “cages” that “Allen” was building, stating they were to protect his extensive selections of firearms.

Hollinshead recalled in the winter of 2016 when he, Chief Dubbs and “Allen” were standing outside after a council meeting. “Allen” then bragged about a new XTS45 weapon he had recently purchased. It was not a surprise to Hollinshead when “Allen” immediately removed it from his waistband. Hollinshead stated that “Allen” rarely ventures from his residence without some type of concealed firearm, and always at Council meetings.

This Investigator inquired if any Manage, Associate or fellow Council Members came to him with concerns of “Allen”. His response was “daily”.

He shared that Nicole Schneider called him on several occasions when “Allen” was really aggressive. In the fall 2016 he, Nicole and Chief Dubbs discussed if the threat was real or perceived. No action was taken due to the Mayor (whom Hollinshead believed is fearful of “Allen”) not backing their concerns.

As well, three other employees reported offensive behavior concerning “Allen”; however, Hollinshead wanted to protect their identities for fear of reprisal from “Allen”.

The issue of ACDC Automotive and the Conditional Use Permit was discussed. Hollinshead stated he recalled “Allen” saying he was “grandfathered in” and did not have to apply. Former Councilman Bruce Hagel and “Allen” got in an intense argument on the issue. Hollinshead said the issue was never resolved and “Allen” would continue to tow vehicles.

Hollinshead was asked about the offsite meeting between him, “Allen” and Bruce Hagel in April or May of 2015 at the Flying J.

He stated “Allen” had coordinated the meeting, which was concerning how to hire a City Administrator. “Allen” led the conversation, as he was the strongest opponent to Mayor Larry Larson. “Allen” stated he wanted to

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strip the cities decision-making power from Mayor Larson. Hollinshead said he was disturbed that the meeting was not at the city offices.

Hollinshead closed the interview with discussing the friendship between “Allen” and McPherson. He found extreme favoritism between the two and their personal matching agendas. Apparently, “Allen” donates money to the charity that is run by McPherson and McPherson has all of his vehicle repairs completed at ACDC Automotive, owned by “Allen”.

Interview Attempt Councilman Scott Allen

On February 28, 2019, this Investigator sent an email request to “Allen” to schedule an interview time to best suit his schedule.

On March 04, 2019, this Investigator received a voicemail message from Attorney John S. Rusch, whom stated he represented “Allen”. We eventually connected and scheduled March 08, 2019 at 1:30 PM. This Investigator agreed to conduct said interview at the offices of Rausch Law located at 731 St. Joseph Street, Suite 220 Rapid City, SD. 57701.

On March 08, 2019, I received a voice mail from John Rusch stating he was cancelling the interview. Your office next sent this Investigator an email that was originated from said Attorney indicating the reason for the cancellation⁸.

Based upon his communication, he stipulated that the investigation was illegal and said financial records were not allowed by Federal Law.

This Investigator communicated the case is being investigated as an employee grievance under the City’s Employee Handbook and said financial records were in fact provided by the Charo Automotives majority business owner Kenneth Jobbins. As you may recall, “Allen” was his former business partner.

⁸ Email Communication March 08 and 15, 2019

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No personal financial records for “Allen” were requested nor obtained.

As of March 15, 2019, “Allen” has not been interviewed in this case.

End Report

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ATTACHMENTS