



**Business Enterprise Program Council
CERTIFICATION SUBCOMMITTEE MEETING MINUTES**

Monday, September 23, 2019

1:30 pm – 3:30 pm

James R. Thompson Center

100 W. Randolph Street, Suite 4-404

Chicago, IL 60601

SUBCOMMITTEE COUNCIL MEMBERS IN ATTENDANCE

Sharla Roberts; Bola Delano; Beth Doria; Jaime DiPaulo; Jesse Martinez; Sharron Matthews

SUBCOMMITTEE COUNCIL MEMBERS NOT IN ATTENDANCE

Karen Eng; Larry Ivory; Edward McKinnie; Sheila Hill Morgan

OTHERS IN ATTENDANCE

Reggie Lampkin

COUNCIL SECRETARY

Radhika Lakhani

CMS STAFF IN ATTENDANCE

Steve Booth; Carlos Gutierrez; Radhika Lakhani; Mike Merchant



**Business Enterprise Program Council
CERTIFICATION SUBCOMMITTEE MEETING
Monday, September 23, 2019
1:30 pm – 4:00 pm
Chicago (JRTC Room 4-404);
Via Teleconference Number - 888-494-4032
Access Number - 2587213722**

AGENDA

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Posted Business
 - Approvals of Minutes for the July 22, 2019 Meeting Minutes
 - Appeal:
 - Advanced Supply Company Inc.
 - Jennings Painting, Inc.
 - Ezell Excavating, Inc.
 - Great Pacific Securities
 - Totalmed Staffing
- V. Suggestions for BEP Council meeting agenda
 - Next BEP Council Meeting – October 28, 2019
 - Next Subcommittee Meeting – November 25, 2019
- VI. Public / Vendor Testimony
- VII. Adjournment



I. Welcome

Chair Roberts welcomed everyone to the meeting.

II. Call to Order

Chair Roberts called the meeting to order at 1:30pm and proceeded with roll call.

III. Roll Call

Roll call was conducted. Quorum was not established. Bola Delano arrived and quorum was then established.

IV. Posted Business

- Approvals of Minutes for the July 22, 2019 Meeting Minutes
 - Approval was postponed due to no quorum.
 - Quorum was later established; a vote was taken on the minutes
 - Chair Roberts put forward a motion to approve; Member Delano motioned to approve; Member Doria seconded the motion; the motion was approved
- Appeal:
 - **Advanced Supply Company Inc.**

Chair Roberts introduced herself and welcomed Colleen Thompson of Advanced Supply Company, Inc. Ms. Thompson stated she began at Advanced Supply Company in 2003, is capable of working any position in the company, is the go-to person for all her customers, and just closed a 3-million-dollar deal with a company in Texas. The previous owners were Kathy and Michael Leonard, who showed her everything about the business. Ms. Thompson developed many relationships with customers and vendors. A year ago, she purchased 51% of the company from Michael Leonard, whose wife had passed some years past. Ms. Thompson plans to eventually own 100% of the company. January 1, 2019 is the date she purchased 51% of the company, which is why Mr. Leonard appeared as 100% owner on the tax returns submitted. He officially resigned December 31, 2018. She is the chief decision-maker, and full account signatory. (Bola Delano entered)

Member Doria asked Ms. Thompson about the structure of the stock purchase. Ms. Thompson said she received a loan to a trust and the loan comes out of the profits of the company. Member Doria asked if Mr. Leonard still retains 49% of the company. Ms. Thompson confirmed this. Chair Roberts requested the name of the party to whom the loan is entrusted. Ms. Thompson stated it is the Leonard Trust Family. Member Doria asked whether the trust is irrevocable. Ms. Thompson stated the trust cannot be altered but did not know the answer. Member Doria said that was all right and we would have to find out.

Member Matthews pointed out that there were two documents signed and not dated by Michael Leonard. Ms. Thompson stated that they should have the date on them and could bring this to her attorney's attention. Chair Roberts explained that such documents need to be completed before an application can be considered for certification. Ms. Thompson confirmed she would obtain the documents as soon as she



returned to her office. Chair Roberts inquired whether Ms. Thompson knew what parties form the Leonard Family. Ms. Thompson was unsure but stated there are two children and that Mr. Leonard had remarried. (Jesse Martinez entered) Member Doria asked what the reason was for the 51%/49% split. Ms. Thompson stated that was all she could afford and that her 51% ownership gave her control of the decision-making. Member Doria offered that Mr. Leonard is just a shareholder. Ms. Thompson affirmed this. Member Doria asked if there was cumulative voting within her bylaws. Ms. Thompson said she did not think so and that there are no board of directors, just her. Member Doria asked if there were supporting documents for this and requested the amended bylaws stating such. Ms. Thompson stated she would submit them. She also affirmed that she is seeking WBE and MBE certification because she is half Mexican.

Member DiPaulo asked who is on the checking account. Ms. Thompson asserted that she is the only one named on the checking account and that Mr. Leonard does not have access to the checking account nor is he an employee of the company. Member Matthews asked Ms. Thompson what documentation is available in support of her request for MBE certification. Ms. Thompson stated she submitted a copy of her birth certification demonstrating her father's Mexican ethnicity. Carlos Gutierrez showed Ms. Thompson the breadth of documents received and Ms. Thompson countered that she had submitted more documents. Jesse Martinez stated that Ms. Thompson was already vetted through We Bank, who retain the majority of the documents. George Lopez clarified that BEP reserves the right to further vet the applicant. Ms. Thompson made a final statement expressing how important and how much certification means to her. Chair Roberts thanked her and stated that a decision will be made in two weeks.

- **Jennings Painting, Inc.**
Not present.

- **Ezell Excavating, Inc.**
Chair Roberts introduced herself, welcomed Carol Ezell and explained the proceedings. Ms. Ezell related her experience in the excavating business including manual labor, obtaining permits, delivering goods to job sites, appearing in court to collect from non-paying customers, accounting, purchasing, banking, advertising and trucking. Ezell Excavating was incorporated in July 2000 when she was named president of the company. Mr. Ezell lost his left arm and left leg in an auto accident in 2008. Ms. Ezell explained that no decisions can be made without her approval.

Ms. Ezell continued in answer to the concerns that were brought up about her certification. She explained there are three people named on the Ezell bank account signature card account. She stated she owns 51% of the shares and Mr. Ezell holds 49%, therefore the bank required both of them to be named on the account. An employee was added to the signature card account in case of emergencies, but he has now been removed and another process has been put in place for emergencies.

She further described that she makes the employee decisions, daily decisions in day-to-day matters and policy, is frequently on the job, has 25 years' experience, is involved in and understands every step of the job, does not run the heavy equipment, and will sit for the septic system license exam in January 2020. She explained her outside



employment with the University of Illinois (University) is an IT management position but one in which she manages 24 employees performing construction-type work designing and physically installing IT systems.

She stated that herself and Mr. Ezell are the only voting members in the company, however her vote is the deciding vote. There is a board of directors, but she confirmed that her vote is known as the majority vote. She said she is seeking certification to open more doors to expanding the business and to create more jobs in her community and the State of Illinois. She stated certification would be a great asset in achieving this goal.

Chair Roberts thanked Ms. Ezell for her opening statement. Member Matthews asked about her availability 24 hours 365 days a week while she works full time for the University. Ms. Ezell explained that during that time she is available via phone or text message and running errands during her lunch period.

Chair Roberts asked if she had any contracts with the University. Ms. Ezell answered that they do not. Chair Roberts then asked if she will be seeking contracts with them. Ms. Ezell stated that she subcontracts with companies that work for the University for trucking. Chair Roberts asked if this was disclosed to the University in her RNUA. Ms. Ezell confirmed that she discloses this in her annual report.

Chair Roberts asked if she had any training in the area of excavating outside of what she already mentioned. Ms. Ezell stated that she has no certifications but learned on the job and does not run the heavy equipment but runs the business.

Chair Roberts inquired as to whether there were any set limits on the non-eligible owner in regard to the bank account. Ms. Ezell answered that either one can sign. Chair Roberts asked if the company was initially set-up at 50-50 or 51-49 ownership. Ms. Ezell stated that it has always been 51-49.

Member Doria pointed out that her husband's resume state he was president from 2008 to 2010. Ms. Ezell confirmed that he was president for 2 years because the motorcycle accident put them in financial hardship and she thought that having her husband as president of the company would qualify them for University contracts, however she was incorrect and the presidency was switched back to her. Member Doria asked about her DBE certification application with IDOT. Ms. Ezell confirmed she was denied because of her outside employment. Member Doria said that the bylaws stated that a quorum is a majority of the directors and asked how many directors there were. Ms. Ezell stated there are two directors and reconciles the voting by the shares. Member Doria asked how this works with a quorum. Ms. Ezell stated that is the reason she is working to get the bylaws straightened out.

Member DiPaulo pointed out that the paperwork states there are four officers on the board. Ms. Ezell stated that she thought this meant only how many can vote and always thought that someone could not vote unless they were a shareholder. She said one officer is an employee and the other, Alexandra is away at college. Chair Roberts asked what their relationship is. Ms. Ezell replied they are son and daughter. Chair Roberts gave the floor to Ms. Ezell for closing statement.



Ms. Ezell stated the certification would help the company move forward and find more avenues to obtain more work. Chair Roberts thanked Ms. Ezell and told her she would be informed of a decision in two weeks.

Closed Session

Carlos Gutierrez announced that Jennings Painting had not yet arrived and would call to move one of the attendees ahead.

Member Doria motioned to move to executive session regarding the 1st two presentations.

Deliberations were held, votes taken, and the following recommendations were made:

- **Advanced Supply Company Inc.** – Recommendation tabled pending review of further documentation
- **Ezell Excavating, Inc.** – Recommended upholding the denial

Member Doria motioned to end the closed session; Member Matthews seconded the motion; Vote taken; Motion passed.

- **Great Pacific Securities**

Carlos Gutierrez reported that Christopher Vinck recently restructured the whole company again, fixed many of the anomalies that had been found, changed the bylaws, became majority owner, and modified a lot of the documentation. He stated it is a licensed investment firm. Chair Roberts pointed out that the bank signature card looks like they are all equal.

Chair Roberts welcomed Mr. Vinck and explained the proceedings.

Mr. Vinck thanked everyone. He stated he has the skills, runs the company, contributes the majority of the capital, and is a first generation Mexican-American. Mr. Vinck praised the subcommittee and their work. He continued and pointed out that the company was previously certified and believes the certification may have been denied because it was said that their board of directors decides the direction of the company. Mr. Vinck said the company is 30 years old, he has been with the company for 24 years and partner for 20 years. He demonstrated the company minutes, emphasizing that the board has two members with himself as chairman, the person who can call for a vote to remove a board member, tie-breaker, and a go-to person who creates information requested by the State. Mr. Vinck spotlighted the company's work with the Hispanic community through collaboration with a bilingual business paper and with Habitat for Humanity. He stated that he is the person who decides whether a monetary deal will or will not be made.

Chair Roberts asked what type the previous certification was. Mr. Vinck replied it was a recognition by Chicago Minority Business Council. Chair Roberts asked if he remains as 51% owner. Mr. Vinck clarified that they had not restructured since their last appeal, but rather brought additional documentation. Chair Roberts asked if there was only additional, owner. Mr. Vinck confirmed this, also stating that Mr. Swoish is 49% owner



and that. He clarified that the name, Great Pacific Securities, had not been released although the previous firm had become defunct and was therefore in the past known as Great Pacific Securities, Inc. dba Great Pacific Securities.

Member Doria asked Mr. Vinck to explain GKC Investments. Mr. Vinck said "GKC" stands for Grace, Kris and Chris and that it was an investment company he and his friends started in grad school. Member Matthews asked about the 50/50 landholding with his business partner. Mr. Vinck explained their previous landlord would raise the rent in good times or bad, so he and Mr. Swoosh purchased a building which only houses the company. Chair Roberts asked whether the President or CEO is grander. Mr. Vinck replied it is the Chairman of the Board, meaning he. He stated that Mr. Swoish takes care of sales and acts as CEO. Member Delano pointed out that the documents indicate there are five board members as opposed to the two mentioned. Mr. Vinck stated that the intention was to have an advisory board but that it was later decided not to go in that direction. Member Matthews read that the Articles of Incorporation stated that the officers are comprised of a President, a Secretary, and a Chief Financial Officer, as well as additional iterations of officers working under them. She then pointed out that the company is not set-up this way. Mr. Vinck responded that the CEO is Secretary and that there are 30 employees total who have to wear a lot of hats. Mr. Vinck assured the subcommittee that he, a minority, runs the company. No further questions were asked.

Mr. Vinck summarized he has control of the firm, is the majority shareholder, that the company is doing good for the community, and that most of the money put into the company is his. He expressed his appreciation and hope that he provided enough information to come to a decision. Chair Roberts asked for clarification on prior ownership of the firm. Mr. Vinck stated that he began with 5%, to 20%, then 30% before finally taking over from a retiring majority owner at 51%. Chair Roberts thanked Mr. Vinck and told him a decision would be made in two weeks.

○ **Totalmed Staffing**

Carlos Gutierrez stated this was over-the-cap 75 million. He said they are back because of the cost and the JCAR rules to make sure they are up to par with the Administrative Rules.

Chair Roberts greeted Mr. Nabbefeld and explained the proceedings.

Mr. Nabbefeld greeted and thanked everyone. Mr. Nabbefeld introduced himself as the Director of Operations in Illinois for Totalmed which does health care recruiting. He explained that one of the business units serves Medicare/Medicaid health plans and that one of the possibly most stringent financial incentives in the state Medicaid contracts is for BEP spend.

Mr. Nabbefeld expressed the desire for the company to maintain their BEP certification in order to continue doing business with Medicaid. He continued, stating specific exception he would like to clarify is on hiring stats. He distributed a copy of the hiring stats from last year, outlining a 40% increase in hiring overall, over 80% of those being minorities and females, however they were unable to track disability hires because it is



not part of their HR system. Mr. Nabbefeld stated these stats demonstrate that the company has met the minority and female requirement for the five contracts, in addition to having a positive impact on minority and female hires as well as for the Medicaid population.

Mr. Nabbefeld clarified that the company was seeking exemption for five contracts and not seeking new partnerships at this time. Member Matthews pointed out that the that the letters of intent did not include the required start date, percentage or known dollar amount. Mr. Nabbefeld said the letters would be brushed up and added that most of their partners have been reluctant to commit and include a dollar amount until the company is BEP certified. He added that some partners have pulled back from doing business with them due to uncertainty over their BEP certification. Chair Roberts clarified for Mr. Nabbefeld that there is a substitution process in place that should have gone into effect prior to these partnerships ending and that the partnerships they have must remain committed to the bid throughout the BEP certification process.

Carlos Gutierrez requested the total gross sales for 2018. Mr. Nabbefeld stated that he did not come prepared with those numbers and apologized. Member Matthews inquired what the ask was in terms of increased performance on placements. Mr. Nabbefeld answered that traditionally the positions would remain open until filled making that essentially 100%. Chair Roberts requested clarification from Carlos Gutierrez. He answered that it is a per contract amount not aggregate and that since the company provided an aggregate amount, they were unable to ascertain whether there was an increase or decrease to what was requested for certification. Chair Roberts stated that Mr. Nabbefeld needed to provide a per contract increase for the exception in order for a decision to be made regarding their certification. Mr. Nabbefeld stated he could provide that by tomorrow.

In closing Mr. Nabbefeld apologized for not having the information requested and assured the subcommittee he would have it all by the end of the week. Chair Roberts thanked Mr. Nabbefeld and stated there would be a separate meeting on the evidence provided. Chair Roberts requested from Carlos Gutierrez every bid from Medicaid with the company to be looked over at the next Compliance Subcommittee Meeting. Radhika Lakhani confirmed she would be able to obtain that information.

Member Doria motioned to move to executive session regarding the remaining two presentations; Member Matthews seconded the motion.

Deliberations were held, votes taken, and the following recommendations were made:

- **Great Pacific Securities** – Recommended overturning the denial
- **Totalmed Staffing** – Recommendation tabled pending review of further documentation

Member Doria motioned to end the closed session; Member Matthews seconded the motion; Vote taken; The Motion passed.

V. Suggestions for full Business Enterprise Council meeting agenda item(s)

- Next Council Meeting – October 28, 2019



- Next Subcommittee Meeting – November 26, 2019

VI. Public /Vendor Testimony

Chair Roberts asked if there was public/vendor testimony. There was none.

VII. Adjournment

Member Doria moved to adjourn; Vote taken; The Meeting adjourned at 4:04 pm.