

# Hanifa Shabazz: I stand by the grant to my predecessor

Christina Jedra, **The News Journal** Published 8:49 p.m. ET **Aug. 1, 2017**

News Journal reporter Christina Jedra breaks down Wilmington City Council discretionary fund spending.



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*(Photo: William Bretzger, The News Journal)*  
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Wilmington City Council President Hanifa Shabazz has no regrets.

In her first public statement since it was revealed she directed \$40,000 in taxpayer funds to a nonprofit led by her predecessor — up to half of which went to him directly — Shabazz made no apologies for what many citizens considered a political payoff.

"I regret that the present debate surrounding the process for fund allocations has overshadowed the benefits that Wilmingtonians have long derived from such grants," she said. "I stand by the support I have given organizations."

Shabazz's comments come after [The News Journal reported she used the council discretionary fund to give \\$40,000 to an organization headed by former Council President Theo Gregory during her first days in office.](#) The mission of the program, Student Disabilities Advocate, is to support children who are homeless, bullied or have special needs.

For his services over the first six months of this year, Gregory was budgeted to receive \$20,000, records show, although he said he got only \$15,000.

After dodging questions about Gregory's involvement for two weeks, Shabazz [vehemently denied knowledge](#) of Gregory's grant-funded position and salary at a public meeting last week.

In her statement, Shabazz did not address accusations of political favoritism. Instead, she said supporting Gregory's nonprofit was a way to help city youth.

"If this grant funding helps the organization prevent even a single child from winding up behind bars – or worse, from being added to the mounting list of shooting and homicide victims – then I feel it will have been a worthwhile investment in our children," she said.



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Theo Gregory speaks during the Wilmington mayoral debate at the Holy Trinity Greek Orthodox church in Wilmington in July 2016. (Photo: KYLE GRANTHAM/THE NEWS JOURNAL)

Whether the grant money saved any lives is unclear.

As a city grant recipient, the program is required to file reports with the city during and after the program. The News Journal requested those records from the City Council and filed a Freedom of Information Act request with the Law Department, but has not yet received a response.

Gregory told The News Journal that he has completed several consultations with youth and families, 18 by phone and eight in person. He said 10 additional clients are "due process" cases that he may pursue as an attorney.

**STORY: [With spotlight on \\$40K grant, Wilmingtonians call for audit](#)**

**STORY: [Wilmington council president gave \\$40K in taxpayer money to predecessor](#)**

In response to public calls for outside review of council spending, Shabazz said she welcomes an audit of the discretionary fund – by the city auditor.

"I respect the prerogative of the city auditor to independently determine whether an audit of any expenditures is warranted," she said. "In fact, I welcome such outside scrutiny as a means to affirm the legitimacy of council's support for various causes and organizations that directly benefit Wilmington."

Whether she would welcome a state audit, [which some residents and public officials have requested](#), she did not say. Only the mayor and the council president can summon the state auditor into the city for a matter not involving state funds. The mayor has not decided if he will use this power.

On Tuesday, Shabazz repeated an earlier claim: that the grant to Gregory's nonprofit is "consistent with the recommendations" from the [Centers for Disease Control and Prevention](#), a federal agency that studied Wilmington's gun violence as a public health issue and released a report in 2015.



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Members of Wilmington City Council update the public on efforts to follow the anti-violence recommendations from the Centers for Disease Control and Prevention in March 2017. (Photo: William Bretzger, *The News Journal*)

That report recommended that the city work with government and private entities to share data, such as school truancy and health records, on city youth to identify individuals

based on risk factors. High-risk children would then be targeted with wrap-around services. Nearly two years later, officials have completed none of these objectives.

Whether Gregory's work follows the advice of the CDC, Councilman Bud Freel said last week he couldn't "say yes or no."

Shabazz reiterated in her statement that discretionary funds under her leadership would be spent based on a strategic plan council members will agree upon.

She did not comment on the fact that Gregory's program requested the \$40,000 on Jan. 4, hours after Shabazz took office, and she approved the grant by Jan. 12 — weeks before council started strategic planning sessions.

Gregory rejected the idea that Shabazz gave him special treatment, noting that they are not family members.

"She is my colleague," he said on Friday.

Much of Gregory's grant proposal focused on promoting his organization, which was Gregory's first post-politics venture after losing the mayoral election last year.

The proposal called for an "aggressive" education and marketing campaign that would include thousands of brochures, a website, a "social media blog," a Facebook page and several television appearances. The organization also planned a promotional tour of city youth centers, religious institutions, school administrative offices and Parent Teacher Association meetings.



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Wilmington City Council President Hanifa Shabazz takes part in the listening tour conducted by city officials Thursday before evading questions about a \$40,000 grant. (Photo: William Bretzger, The News Journal)

The grant money came from a nearly \$450,000 annual discretionary fund that essentially allows council members to give money to any nonprofit they want with little transparency

or oversight. Council members get \$10,000 each, mostly for scholarships, and the president controls the remaining \$327,000.

The City Council does not limit how much money an organization can receive, does not vote on which organizations get grants and is not obligated to share grant information with council members or the public.

The News Journal recently found that while there are guidelines for how the money should be spent, there are few controls to ensure rules are followed and money is spent as intended.

Questions about conflicts of interest can be rejected by the president, according to one council staffer. This environment allowed Gregory to provide nearly \$600,000 to a nonprofit he founded, Education Voices Inc.

And while the council's chief of staff said the Auditing Department reviews "all grants" over \$5,000, the Auditing Department said that isn't true.

Shabazz said on Tuesday that the discretionary fund does have accountability because that the city requires that grantees give reports to the Auditing Department.

"The Auditing Department has always had access to records of council grant allocations and of the organizations which receive funding," she said.

While grantees are required to give reports to the city auditor, they often do not, according to a city audit.

The most recent audit of city grants, an August 2015 report obtained by The News Journal, tested 38 grants and found that 100 percent of the organizations that received city funds failed to provide reports to the city auditor.

In 68 percent of cases, the grantee didn't even file a report with the department that provided the money.

The City Council responded to the audit by saying there was nothing for it to mitigate because the city code already required such reports, the audit shows.

While Shabazz indicated she felt she had done nothing wrong, she said, "We, as public officials, must be open to constructive suggestions from the public. And I welcome debate and discussion on this matter."

She said she plans to work toward "greater transparency" for the grant fund by:

- Considering a "grant application period for significant requests to help in streamlining the application process and making funding decisions."
- Enhancing communication among council members to ensure more transparency and coordination.
- Making data on grant funding available on a forthcoming City Council website "so that this information is readily available to the public for review and scrutiny"
- Considering legislation to "enhance controls on significant grant fund allocations" made by the council, the mayor and the city treasurer.

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