



Florida Department of Law Enforcement

OFFICE OF EXECUTIVE INVESTIGATIONS

Brevard County Clerk of Courts

INVESTIGATIVE SUMMARY

INVESTIGATIVE PREDICATE

In July of 2012, the Florida Department of Law Enforcement (FDLE) received information alleging that Brevard County Clerk of the Court (BCCC) Mitch Needelman directed and approved BCCC contracts to Michigan based company BlueWare, LLC (also known as BlueGem, RoseWare) in exchange for personal financial gain for himself and his former business partner, William Matthew Dupree. Based upon this information and preliminary interviews of several witnesses, the FDLE, Office of Executive Investigations (OEI), initiated an investigation regarding BlueWare's association with the BCCC, Needelman, Dupree, BlueWare Chief Executive Officer Rose Harr, and the payment of monies by the BCCC to BlueWare.

The FDLE investigation also focused on BCCC awarding BlueWare a multi-million dollar contract for the scanning/digitization of BCCC records in June of 2012, even though Needelman and other members of the BCCC knew that BlueWare did not have the necessary resources or equipment to scan / digitize BCCC records at the time the contract was awarded.

INVESTIGATIVE OVERVIEW

During the course of the investigation, FDLE interviewed witnesses, obtained financial records, and reviewed email correspondence between BlueWare employees and BCCC officials, to include former Court Clerk of the Court Needleman. As a result, the following information was discovered:

On January 25, 2012, during a function at a restaurant in Melbourne Florida, Dupree introduced Harr and BlueWare Chief Operating Officer Nick Geaney to Needelman and a former BCCC Chief Deputy. During this meeting, Needelman indicated that the BCCC had records that needed to be scanned and archived (digitized) and asked Harr and Geaney if BlueWare was interested in performing this task. As a follow-up to this meeting, Harr and Geaney met with BCCC employees to discuss the scanning and digitization of BCCC records. Subsequent to meeting with the BCCC employees, BlueWare emailed Dupree a proposed contract for the scanning and digitization of BCCC records (scanning project).

In March of 2012, Geaney and his wife were taken to Needelman's residence by Dupree, where Geaney, Needelman, and Dupree discussed the details of the scanning project. During this meeting, Needelman and Dupree informed Geaney that BCCC would enter into a contract with BlueWare for the scanning project with the understanding that a portion of the BCCC monies paid to BlueWare would be diverted back to Dupree to support Needelman's 2012 reelection campaign. With the subsequent approval of Harr, Geaney agreed to the conditions set forth by Needelman and Dupree that a portion of the monies BlueWare received from the scanning project contract would be diverted back to Dupree to support Needelman's 2012 reelection campaign.

Subsequent to the meeting at Needelman's residence, Geaney, BCCC staff, and BlueWare personnel conducted a walkthrough of a gymnasium in Titusville where, according to Needelman, the BCCC records that needed to be scanned / digitized were being stored. It was later determined that approximately seventy-five percent (75%) of these records were eligible for destruction and did not need to be scanned / digitized.

In March of 2012, Dupree advised Geaney that he (Dupree) needed \$10,000 for a political mailing related to Needelman's 2012 reelection campaign. Dupree further advised Geaney that he wanted BlueWare / Geaney to bill BCCC for an audit in the amount of \$10,000. Upon payment by the BCCC, the money was to be diverted back to Dupree to pay for the political mailing. Following Dupree's instructions, BlueWare sent BCCC an invoice in the amount of \$10,000 for an audit of services. Upon receipt of the \$10,000 payment from the BCCC, BlueWare made two deposits of \$5,000 each into a bank account of Eligere Strategies, LLC, which was controlled by Dupree.

In April of 2012 and in anticipation of the BCCC publishing an Invitation to Negotiate (ITN) for the scanning project, a sample ITN was sent to BlueWare by the BCCC with the request that they draft the ITN. In response to this request, BlueWare completed a portion of the ITN and returned it to BCCC, along with a scanning contract proposal. BlueWare's information was then forwarded to Needelman's personal email account.

On May 4, 2012, the ITN for the scanning project, which BlueWare had assisted in drafting, was publicly posted to Onvia by BCCC with a closing date of May 11, 2012. In response to the published ITN, BCCC received email questions from two interested vendors. At Needelman's direction and in an attempt to avoid Florida's public records laws, the vendor questions were sent to a BCCC employee's personal email account and then emailed to Harr and Geaney, requesting BlueWare guidance on answering the questions. After receiving BlueWare's responses to the questions, the responses were then emailed back to the vendors using BCCC's email system.

On May 11, 2012, BlueGem, LLC, (also known as BlueWare) officially responded to the ITN and was ultimately awarded the contract to scan and digitize the BCCC's records. On May 23, 2012, a "Contract Guaranty Payment" of \$500,000, which was approved by Needelman, was wired to BlueGem, even though the contract between BlueGem and BCCC had not been signed and Needelman was publically stating that the scanning contract had not been signed.

The actual contract for the scanning project between BlueGem and the BCCC was signed on June 29, 2012, and, on that same day, BCCC wired BlueGem the first payment of the contracted monthly fee of \$90,000.

PAYMENTS TO BLUEWARE AND REELECTION CAMPAIGN

During the course of the investigation, it was discovered that BlueWare received payments from the BCCC for questionable contracts and that some of the monies from these payments were diverted back to Dupree in support of Needelman's 2012 reelection campaign. Some of the identified contract and payments are as follows:

On March 20, 2012, BlueWare provided an invoice to the BCCC, via email to Dupree, for an audit of services in the amount of \$10,000. On March 22, 2012, with the approval of Needelman, BCCC wired \$10,000 to BlueWare. On March 27, 2012, upon the receipt of the \$10,000, BlueWare made two deposits of \$5,000 each into Eligere Strategies bank account, which was controlled by Dupree.

On April 6, 2012, the BCCC entered into two contracts with BlueWare (AKA RoseWare), one labeled "IT Consultancy", and the other "Cost Containment for Brevard County Clerk of the Court." The "IT Consultancy" contract required the payment of \$100,000 upon signing. On April 6, 2012 and with Needelman's approval, the BCCC paid RoseWare (AKA BlueWare) \$100,000, \$30,000 of which was later transferred to Eligere Strategies.

During April and May of 2012, the BCCC, with the approval of Needelman, paid BlueWare (AKA BlueGem) \$10,000 and \$150,350 for software and services. It later discovered that the software and services were never provided to the BCCC.

As previously noted, the BCCC wire transferred \$500,000 to BlueGem on May 23, 2012 as a "Contract Guaranty Payment" for the scanning project, even though the contract between BlueWare and the BCCC had not been signed, and Needelman was publically stating that the contract had not been signed. The investigation later determined that a majority of the \$500,000 was used by Harr to pay the overdue salaries of her employees in Michigan, the IRS, London expenses, and to cover business expenses in Michigan. A portion of the \$500,000 (\$90,000) was transferred to an Eligere Strategies bank account, which was controlled by Dupree.

FDLE was able to locate several suspicious payments to specific vendors on behalf of Needelman's 2012 reelection campaign. The source of these payments was determined to be Matt Dupree. Cash withdraws from Dupree's accounts, along with deposits and payments to vendors from Needelman also suggest an attempt to disguise the source of the funds.

On August 14, 2012, Needelman lost the 2012 primary election for Brevard County Clerk of the Court, causing him to relinquish his position in January 2013. Two months after losing the election, Needelman, in his capacity as Clerk of the Court, entered into a contract with Hewlett-Packard Financial Services (HP) to loan BlueGem \$5,690,526. Information was obtained which indicated that BlueGem received the money from HP and that Needelman had obligated the BCCC to repay the entire loan. HP recently filed a legal action against the BCCC in federal court seeking repayment of this loan.

SUMMARY

Information obtained during the course of the FDLE investigation indicates that Needleman, acting in concert with Dupree, solicited a bribe from BlueWare. Based upon that solicitation, Harr agreed to make payments to Needleman via Dupree in exchange for the awarding of BCCC contracts at the direction of Needleman. Evidence also indicates that Needleman, Dupree, Geaney, and Harr then proceeded to carry out this plan by acting together as co-conspirators to ensure that a portion of BCCC monies were channeled through BlueWare to financially benefit Needleman, Dupree, and Harr.

The FDLE investigation also supports the allegations that: Needleman committed the crime of Official Misconduct by directing BCCC employees to use private e-mail addresses to conceal records from the public. Pursuant to the conspiracy, Needleman committed Bid Tampering, with Dupree and Harr as principals to Bid Tampering, by manipulating the bid process to guarantee that BlueWare would be awarded the contract for scanning BCCC, while withholding records and information from other bidders that would have allowed those bidders to fairly compete for the scanning contract with BlueWare.