

POLITICS

Michigan county found 'discrepancy' in lawmaker's COVID grants, let her keep the money

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Lansing — Kent County officials identified contradictory information in applications from Michigan state Rep. Kristian Grant for COVID-19 small business recovery funds but allowed her to keep \$15,000 in government assistance after she amended a tax filing three years late, according to documents obtained by The Detroit News.

Robert Womack, a former Kent County commissioner who's previously campaigned against Grant, said the fear of going after a Democratic legislator when Democrats control state government partially prompted county leaders not to claw back the \$15,000. But others in county government disputed his claim.

"It needs to be returned," Womack said of the \$15,000.

Grant, a Democratic lawmaker from Grand Rapids who was first elected to the state House in 2022, organized seven new businesses, using her home address, in 2020 during the coronavirus pandemic, according to state licensing records. The documents indicated a broad range of pursuits: one filing was for a laundromat, one for a notary service and one for a development firm.

Grant also scored two small businesses grants, totaling \$15,000, from Kent County — one for a newly organized business — through a 2020 COVID-19 relief program. But according to a Jan. 19, 2023, letter on behalf of the county to Grant, officials determined her two applications featured conflicting revenue information, which was part of the financial reporting she had to provide to win the money.

The News reviewed the county's letters to Grant after filing three open records requests with Kent County over multiple months.

In one application, Grant reported that a business named Game Plan Lifestyle Planner, which marketed day-planner books online, had \$4,250 in sales in December 2019, three months before COVID-19 hit Michigan.

But in an application for a separate business, called Mini Mogul Group, Grant's tax filings revealed only \$205 in sales for Game Plan Lifestyle Planner for all of 2019, according to the letter from the county's lawyer to her.

In the Jan. 19, 2023, letter, the county demanded an explanation from Grant by Feb. 2, 2023. On March 24, 2023, a lawyer for the county wrote again to Grant, saying she had "not provided any information despite multiple requests."

"Consequently, if we do not receive a substantive response addressing this discrepancy by Friday, March 31, we will need to discuss the return of the \$5,000 in grant funds for Game Plan Lifestyle Planner to Kent County pursuant to the terms of the grant agreement," wrote Matthew T. Nelson, an attorney with the law firm Warner Norcross + Judd.

Eventually, Grant informed Nelson on May 2, 2023, four months after becoming a state legislator, that she had "revised" her 2019 tax filings, apparently to reflect the larger sales amount in 2019, according to an email obtained by The News through an open records request.

Grant is a member of the House Tax Policy Committee, which crafts tax-related legislation and policy.

The county allowed her to keep the COVID recovery funds despite her previously signing documents in which she promised that the information in her applications was true.

"The good news is that we shouldn't have to ask for the money back as long as you told the truth on the grant application," said the agreement Grant signed in order to get the \$5,000.

Womack, the former Kent County commissioner who ran against Grant for the state House in 2022, said the county's handling of the situation showed favoritism benefiting an elected state lawmaker, and he demanded that Grant return the \$15,000.

Womack said the county's main lawyer, Linda Howell, privately questioned him at one point about how the county would look going after a Democratic lawmaker when Democrats were

in power in Lansing.

"We're going to need Kristian Grant when she's in the state House," Womack said of Howell's message to him.

Howell denied Womack's claim in a statement.

"As you know, we took the allegations seriously," Howell said. "We first conducted an internal review and then referred the issue to an external law firm for an independent review."

In a series of written responses to The News, Grant described the discrepancy as "a simple accounting error that was corrected."

"The product was delivered to customers in January 2020, but pre-order sales occurred in November and December 2019," Grant wrote. "The accountant I was working with at the time initially attributed the sales to the month of delivery instead of the month of the actual sale and subsequently the wrong year.

"As a result, I had to amend my state and federal returns and resubmit."

A day planner

Grant's explanation didn't detail why money her business reportedly made off ticket sales would have been attributed to the wrong month. Her past website also indicated people could simply pick up day planners in person.

Likewise, the financial numbers reported to the county suggested her business increased 50-fold, from \$205 in sales in 2019 to \$10,400 in sales across December 2019, January 2020 and February 2020, a 5,000% jump.

Grant declined to allow The News to review her tax filings to verify her assertions.

In 2020, at the time of the pandemic, Grant was a member of the Grand Rapids Public Schools Board of Education.

Both of her businesses that received grants from Kent County, Mini Mogul Group and Game Plan Lifestyle Planner, aren't registered with Kent County as businesses, according to the Kent County clerk's office.

Grant filed paperwork with the state to organize Game Plan Lifestyle Planner at the state level on Oct. 22, 2020, seven months after Michigan reported its first COVID-19 infections. As for Mini Mogul Group, which got a \$10,000 grant, the state hasn't received annual reports for it since 2018, according to the Michigan Department of Licensing and Regulatory Affairs.

Mini Mogul Group is "a company created to introduce children to entrepreneurial basics at a young age," according to its Facebook page.

Kent County's COVID-19 small business recovery program required participants to be businesses "located and registered in Kent County," according to the eligibility guidelines published online.

The county's eligibility rules say businesses needed to exist prior to Feb. 15, 2020, eight months before Grant formed her company, Game Plan Lifestyle Planner, with the state.

The Grand Rapids Area Chamber of Commerce helped the county administer the grant program, which relied on relief funds from the federal government. Businesses were scored on how many employees they had, how long they had been around and their financial stability, according to the eligibility requirements.

Asked why Grant's businesses received funding despite not being registered in Kent County, Andy Johnston, senior vice president of advocacy and strategic engagement for the Grand Rapids chamber, didn't provide a direct answer.

"Following a review by the county, it was determined that discrepancies existed," Johnston said. "Amended paperwork has been filed and reviewed by legal counsel to clarify this and ensure that requirements for the grant funding were met."

Grant said when she applied for the assistance for Game Plan Lifestyle Planner, she was focused on expanding the sales of a business planner that had previously been available since 2016 for purchase through a store she owned and operated.

"Ultimately, I formed a separate LLC dedicated to the production and distribution of the planner as its own business," Grant said of the October 2020 organization date.

The website for Game Plan Lifestyle Planner is no longer active. But archived versions of the site showed that Grant was selling 2019 day planners for \$43.99 each. Her grant application listed the business as having three employees in 2019, selling 50 planners at exactly \$45 each in December 2019, producing \$2,250, and making \$2,000 off "event ticket sales and booths."

Across November and December 2020, the business made more than 70 Facebook posts. But from Nov. 11, 2018, through Nov. 8, 2020, which includes the period reviewed for the grant, there were zero posts, according to Game Plan Lifestyle Planner's current Facebook page.

A closed inquiry

Nelson, the outside lawyer who handled the examination of the funds provided to Grant, declined to answer questions from The News.

Lori Latham, a spokeswoman for Kent County, said the county wouldn't lift attorney-client privilege to allow Nelson to be interviewed by The News.

In a statement, Kent County administrator Al Vanderberg said Grant had filed amended paperwork that clarified the discrepancy the county identified.

"This amended paperwork demonstrated that Ms. Grant met the requirements for the grant funding," Vanderberg said. "Upon the advice of our legal counsel and considering the findings from the independent review, we consider this inquiry closed."

Likewise, Stan Stek, chairman of the Kent County Board of Commissioners, said he believes questions from a member of the public spurred the county to examine the funds provided to Grant. Stek said it was determined that there was no basis for further investigation.

"On its face, everything appeared to be appropriate," Stek said.

But Womack maintained that Grant was being treated differently than other business owners in the county who had mishandled COVID-19 relief money.

"I don't know why they would bend all the way backward into a folding chair to let her get away with this," Womack said.

Nationally, the U.S. Department of Justice's COVID-19 Fraud Enforcement Task Force has charged more than 3,500 defendants for defrauding the government during the pandemic, according to a report issued last Tuesday.

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