



**MARICOPA COUNTY ATTORNEY'S OFFICE
INVESTIGATIONS DIVISION**

SUPPLEMENTAL REPORT FORM

Report / Case #: MCAO IR 2025-026

Tracking #: MCAO IR 2025-026

Victim: N/A

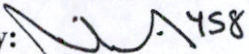
Defendant: N/A

Charge(s): Inquiry Only

Date: 04/15/2025

Detective: D. Peckham #752

Attorney: N/A

Approved by:  458

On 02/19/2025, I was contacted by Maricopa County Attorney's Office, Investigations Lieutenant Joe Plummer, who had been advised by Maricopa County Attorney's Office, Executive personnel that a complaint had been received through the City of Scottsdale. This inquiry necessitated several interviews of Scottsdale City Council Members to determine whether or not a violation of Arizona Criminal Code or Scottsdale City Charter, had been violated by the current City of Scottsdale, Mayor Lisa Borowsky.

I was provided phone contact information for the following Scottsdale City Council members:
Jan Dubauskas - Current Scottsdale City Council member- (Vice Mayor)
Barry Graham - Current Scottsdale City Council member
Adam Kwasman - Current Scottsdale City Council member

On 02/26/2025, I contacted each person by phone and left a voice message, requesting return contact in order to schedule an interview with each subject. Each person, as listed above, made contact with me, at which time interviews were scheduled. Each interview was conducted in person by myself and Maricopa County Attorney's Office, Investigations Detective M. Lane #838. Each interview was audio recorded, however, a summary of the interview will be notated.

Interview of Scottsdale City Council Member, Adam Kwasman:

On 02/26/2025 at approximately 1100 hours, Adam Kwasman, was contacted in person at his place of employment in Scottsdale, Arizona. Detective Lane and I advised Mr. Kwasman that

we were conducting interviews regarding an allegation of possible wrongdoing by the Mayor of the City of Scottsdale, Lisa Borowsky.

At the outset of the interview, I asked Mr. Kwasman to provide a brief overview and background of his professional education and political career. Mr. Kwasman said he had held positions within the Arizona State Legislature. Mr. Kwasman is currently licensed to practice personal injury law in the State of Arizona and currently owns his own personal injury law firm. Mr. Kwasman ran for Scottsdale City Council on a platform of Public Safety. Following the election in November of 2024, Mr. Kwasman won a majority vote and was later sworn in as a Scottsdale City Council member on January 14th, 2025.

Mr. Kwasman continued to describe the Scottsdale City Council as a 7-member Council, which Kwasman described as more progressive than years past. Mr. Kwasman described the Mayor's role within the City Council as one in which the Mayor is only a voting member and does not have the ability to place items on the agenda, as a Charter Officer, such as the City Manager, would. Mr. Kwasman described the Scottsdale City Charter as the City's Constitution. Mr. Kwasman said that the Mayor can appoint members to each subcommittee. Mr. Kwasman said the Mayor, Lisa Borowsky, is provided a Chief of Staff, Policy Staffer, and a Scheduling Secretary, however, the other six City Council Members share a scheduling secretary.

Mr. Kwasman said that he had conversations with Jan Dubauskas and Barry Graham regarding the issues being brought forth to the Maricopa County Attorney's Office for further inquiry. Mr. Kwasman said he would provide information which he had knowledge of but stated Jan Dubauskas and Barry Graham, each of whom had more tenure than he, may have more details than he could provide.

Mr. Kwasman continued, stating that the Mayor can vote through a regular agendized vote or through the consent calendar on items such as liquor licensing or certain types of procurement contracts which have already been negotiated. In 2019, a Bond was passed, which allocated money to assist with parking in the Old Town area of Scottsdale. Supporters of the bond wished for a parking structure to be built in the area of the Farmer's Market. In 2024, a disagreement

took place within the City Council and public, regarding what location would be the best for a parking garage to be built. The procurement process took place in 2024, under the previous Scottsdale City Council. At the time, the bidding was completed in 2024, and Chasse Building Team was selected in the process. In order for the contract to be accepted and finalized, the process would end after final approval from the Scottsdale City Council in the Consent Agenda.

Mr. Kwasman indicated that on 02/10/2025 at approximately 1630 hours, he was contacted by Terrance Thornton, the Chief of Staff for Mayor, Lisa Borowsky. Mr. Thornton advised Mr. Kwasman that the Mayor requested he attend a meeting to discuss the parking garage, as he was believed to be interested in beautifying the City of Scottsdale in the future. Mr. Thornton advised that the meeting would be attended by David Hovey, for a possible consulting contract. Mr. Kwasman then contacted Barry Graham and asked him if he had been contacted by the Mayor, to which Mr. Graham replied that he had been invited to attend.

Mr. Kwasman was later at Scottsdale City Hall and saw the Mayor and David Hovey, walking into a side entrance together. Mr. Kwasman said the meeting took place and was attended by Mayor Lisa Borowsky, Architect- David Hovey, Terrance Thronton, and Vice Mayor Jan Dubauskas. Mr. Kwasman said he was told by Jan Dubauskas that she was provided plans which had an alternative design for the parking structure, and which plan had "Optima" at the top of the plan. Mr. Kwasman believed the Mayor acted improperly by having a meeting in which David Hovey, a campaign max-donor to the Mayor, Lisa Borowsky, presented an alternate plan for the parking garage. Mr. Kwasman said the Mayor later attended the City Council meeting, at which time she voted against the Consent, however the Consent passed, 6 (yes) to 1 (no). Mr. Kwasman was asked if the Mayor had gained any benefit by voting against the Consent. Mr. Kwasman believed the Mayor was providing a consulting contract to David Hovey, thus leading Mr. Kwasman to believe the Mayor had possibly committed a criminal act.

Mr. Kwasman then said the Mayor had refused to sign the Consent, but later claimed Lisa Borowsky directed the Vice Mayor, Jan Dubauskas, to sign it. Mr. Kwasman said the one "NO" vote, on behalf of the Mayor, did not change the Consent approval. Approximately a week following the vote, Mayor Borowsky signed off on the Consent.

Mr. Kwasman said he believed Barry Graham had been told by the Mayor's Chief of Staff, that they need to take care of their donors. Mr. Kwasman said that he had been contacted by the Mayor and asked that he vote against the Consent, as the Mayor wanted to provide a more appealing design. When asked, Mr. Kwasman said he did not have any knowledge of the donor status related to Chasse Building Team.

Mr. Kwasman said he believed the Mayor, Lisa Borowsky, had violated the City of Scottsdale Charter, regarding Contracts, within Article 8, Section 5, titled Fraud and Collusion. Mr. Kwasman believed the Mayor attempted to subvert the contractual agreement as was accepted on behalf of Chasse Building Team, by attempting to move David Hovey into a position to be awarded a future contract. Mr. Kwasman did not have any additional information and the interview was concluded at approximately 1200 hours.

Interview of Scottsdale City Council Vice Mayor, Jan Dubauskas:

On 02/26/2025 at approximately 1235 hours, City of Scottsdale, Vice Mayor Jan Dubauskas, was contacted in person at her residence. Detective Lane and I advised Ms. Dubauskas that we were conducting interviews regarding an allegation of possible wrongdoing by the Mayor of the City of Scottsdale, Lisa Borowsky.

At the outset of the interview, I asked Ms. Dubauskas to provide a brief overview and background of her professional education and political career. Ms. Dubauskas is an attorney and has worked as General Counsel for various health insurance companies. In 2021, Ms. Dubauskas ran for State Senate in Legislative District 3, however Ms. Dubauskas did not win that election. In 2024, Ms. Dubauskas ran for the Scottsdale City Council and won in the primary. Ms. Dubauskas was elected as Vice Mayor in July 2024, but advised she is still only 1 of 7 members of the City Council.

Ms. Dubauskas said the current Scottsdale City Council began their term on 01/14/2025. They had an item on their agenda for 01/28/2025, regarding the design build contract for the 1st Street and Brown Avenue parking garage, in the City of Scottsdale. Ms. Dubauskas said the parking

garage was part of the 2019 bond project. As such, the citizens of Scottsdale, in 2017, had determined the need for a parking garage in the Old Town area of Scottsdale, and advocated for it to be put out to the voters in the 2019 election, at which time the Bond passed.

Ms. Dubauskas said there were 3 original sites which were debated for the parking garage to be placed. At the time of debate in 2024, the City of Scottsdale Mayor David Ortega, an architect, voiced concern regarding the design of the parking garage and whether it would be aesthetically pleasing. The location at 1st Street and Brown Avenue is currently an underground parking garage which was built in a way to allow additional parking structures to be placed on top of it. Currently, the Farmer's Market is held on the lower level of the parking garage, each Saturday of the week from October to May.

Ms. Dubauskas said during the procurement process, there were 2 bidders on the parking garage contract, with parameters which had been put forward from the previous City Council (2024). Following the bidding process, a selection was made for Chasse Building Team to design the parking garage. An item (resolution) had been placed on the consent agenda for the City Council meeting on 01/28/2025, which was for the Mayor to sign the design build contract for Chasse Building Team to move forward with the design.

On 01/24/2025, Ms. Dubauskas learned that Mayor Borowsky had asked the City Manager, Greg Caton, to move the parking garage resolution to the 02/11/2025 City Council meeting. Ms. Dubauskas contacted the Scottsdale City Manager and inquired as to why the resolution had been moved from the agenda for 01/28/2025. Ms. Dubauskas said the City Manager advised he had been contacted by Mayor Borowsky, who said she needed more time to understand all facets regarding the parking garage resolution and asked that the resolution be moved to the City Council meeting which was to occur on 02/11/2025.

Ms. Dubauskas said they were approaching the 02/11/2025 meeting, when she was contacted by Adam Kwasman, who stated the Mayor, Lisa Borowsky, was attempting to schedule a meeting with David Hovey, which Mr. Kwasman believed to be illegal as David Hovey is a donor to

Mayor Borowsky's campaign and according to Ms. Dubauskas, Mr. Kwasman believed Mayor Borowsky was trying to give the contract to David Hovey.

Ms. Dubauskas then received a phone call from City Council member Barry Graham, inviting him to attend the meeting with David Hovey. The following day, 02/04/2025, Ms. Dubauskas received a text message from Mayor Borowsky's Chief of Staff, Terrance Thornton, who asked that Ms. Dubauskas attend a meeting with Mayor Borowsky, David Hovey, Terrance Thornton, and Greg Caton (city of Scottsdale Interim City Manager) to discuss the parking garage. Ms. Dubauskas agreed to attend the meeting.

Ms. Dubauskas attended the meeting on 02/05/2025, during which a discussion took place regarding the parking garage. Mayor Borowsky said she was concerned about the parking garage, stating she (Mayor Borowsky) had spoken with Barry Graham, who said he was committed to the existing parking structure and was worried about underground parking, as according to Ms. Dubauskas, is a specialty of Optima, David Hovey's company. During the meeting, David Hovey presented a colored rendering of what the parking garage could look like, if re-designed. Ms. Dubauskas inquired as to the amount of spaces which would be available based on the design put forward by David Hovey, to which David Hovey did not have a number available. Ms. Dubauskas said David Hovey replied that another level could be added to the current structure and a green area could be added to the top of the structure.

During the meeting, a discussion took place regarding the cost of the project and what monies would be available from city funding. Ms. Dubauskas asked David Hovey if he would bid on the project if given the opportunity, to which Mr. Hovey replied he might. Mayor Borowsky allegedly stated Mr. Hovey could be a Sub-contractor/ Architect consultant to the General Contractor. Mayor Borowsky then asked the attendees to go back to council and see if they can delay for 30 days in order to push out the vote to find another solution for the design of the parking garage.

Ms. Dubauskas said on 02/10/2025, Mayor Borowsky held a meeting with David Hovey and several Scottsdale residents regarding the parking garage. Ms. Dubauskas said David Hovey was described in the meeting as a Consultant, while presenting his ideas for the parking garage.

On 02/11/2025, a City Council meeting was held in order to vote on the Consent for the parking garage. Just prior to the meeting, Terrance Thornton sent out a press release regarding other possible locations for the parking garage to be located. Mayor Borowsky called for a separate item to be placed on the agenda so that she may present her idea at the City Council meeting. The Scottsdale City Council voted 6 to 1 to move forward with the project.

On 02/14/2025, Ms. Dubauskas was contacted by Barry Graham, who advised he had been contacted by Terrance Thornton, and Mr. Graham was told that Mayor Borowski was upset that the parking garage vote passed and stated the Mayor wanted a win. Following the vote to approve the resolution, on 02/15/2025, fliers were distributed in the Scottsdale Old Town area, informing residents that the City Council voted to proceed with the construction and listed each City council member who voted yes on the resolution. Ms. Dubauskas believed the fliers were generated and distributed through Mayor Borowsky's office.

On 02/18/2025, Vice Mayor Dubauskas was asked to sign off on the contract as Mayor Borowsky was not signing off on the resolution, as was required. Mayor Borowsky later signed the contract as was voted on by the City Council for the resolution. As per a press release which was generated by the Mayor's office, a request had been made by Mayor Borowsky to Ms. Dubauskas, as the Vice Mayor, to sign off on the resolution, as she had supported it. Ms. Dubauskas advised she could only sign off on the resolution if the Mayor was incapacitated, which was not the case. On 02/22/2025, Mayor Borowsky was approached by the Scottsdale City Attorney and reluctantly signed off on the resolution.

Ms. Dubauskas advised she was not told, "please do this as a favor for our donor," however she was told Hovey would be a Sub-Contractor Architect. Ms. Dubauskas also advised David Hovey was a max donor to Mayor Borowsky's campaign, \$6,650 (December 2024), which is public record.

Ms. Dubauskas advised each City Council member is provided Ethics training, of which Ms. Dubauskas provided the manuals/handouts. When asked if Mayor Borowsky would benefit based on the vote, it was determined Ms. Borowsky did not gain anything. Ms. Dubauskas added the Hovey family is very wealthy and well known in the Scottsdale Community, as they have designed and built different facilities in Scottsdale. Ms. Dubauskas was asked if there was anything illegal which would prohibit David Hovey from pursuing work as a sub-contractor with Chasse Building Team, to which Ms. Dubauskas said there was not a violation unless the request was originating directly from the Mayor's office.

Ms. Dubauskas then addressed the Scottsdale Charter, Article 8, Section 5: Fraud and Collusion, believing the Mayor may have violated the Article. Ms. Dubauskas did not provide any additional information and the interview was concluded on 02/26/2025 at approximately 1340 hours.

During the interview, Ms. Dubauskas provided the following documents:

- Scottsdale City Council Charter pamphlet
- Ethics Training for Mayor and Council- Colored copy
- Color Rendering of parking garage as designed by David Hovey, "Optima"

Interview of Scottsdale City Council Member, Barry Graham:

On 02/27/2025 at approximately 1310 hours, City of Scottsdale, Council member Barry Graham, was contacted in person at his employment location. Detective Lane and I advised Mr. Graham, we were conducting interviews regarding an allegation of possible wrongdoing by the Mayor of the City of Scottsdale, Lisa Borowsky.

At the outset of the interview, I asked Mr. Graham to provide a brief overview and background of his professional education and political career. Mr. Graham advised he is a Certified Public Accountant and is a current City of Scottsdale, City Council Member. Mr. Graham began to show interest in Commissions and Boards in 2014 and began to serve on such for the past 10 years with the City of Scottsdale. Mr. Graham said he had seen a deficit in city leadership and in

2022 became a candidate and ran a campaign for Scottsdale City Council. In 2023, Barry Graham won election into the Scottsdale City Council and became a voting member in January, 2023. Barry Graham described four new City Council Members who entered office in 2024; Vice Mayor Jan Dubauskas, Adam Kwasman, Maryann McAllen, and Mayor Lisa Borowsky.

Barry Graham said he uses his skills (as a Certified Public Accountant- CPA) to ask questions regarding items that come to City Council, when they are asked by residents what the government is doing for them, from a financial standpoint. Barry Graham explained the issue with the parking structure, which had been approved in a bond election in November, 2019 and passed with 68% of the vote. Barry Graham said the bid was put out under the previous City Council. The ballot did not specify a location for the parking structure, so the City Council had looked at different locations in the Old Town area of Scottsdale and had decided on the location of 1st Street and Brown Avenue, where a parking garage is currently erected.

On January 24th, 2025, Barry Graham determined the Consent for the parking garage vote was removed from the agenda, which was to take place on January 28th, 2025, during the City Council meeting. During the January 28th meeting, Barry Graham commented on the record that the project was very important and added he had previously made a motion to accept the consent agenda. On January 29th, 2025, Mr. Graham was contacted via phone by Mayor Borowsky, who expressed a distaste for the design of the parking garage. Mayor Borowsky expressed her desire for an alternate design for the parking garage. Mr. Graham felt the design Consent should go through, as had been voted on originally, which appeared to upset Mayor Borowsky.

On February 4th, 2025, Mr. Graham received an invitation on Outlook from Terrance Thornton, Mayor Borowsky's Chief of Staff, requesting his attendance at a meeting on February 5th, 2025, from 1100-1200 hours. The meeting was titled, "David Hovey Parking Solution." The attendees were to be Mayor Borowsky, Terrance Thornton, Greg Caton (City Manager), and Jeff Walther (Asst. City Manager). Mr. Graham was unable to attend the meeting and Ms. Dubauskas attended.

On February 7th, 2025, Mr. Graham was working from City Hall and was preparing his lunch in the breakroom, when Terrance Thornton contacted him and asked what they were going to do about the “boondoggle”, referring to the David Hovey parking structure design. Terrance Thornton told Mr. Graham he felt the design was impractical, and that led Mr. Graham to believe Terrance had doubts about the strong push for the design on behalf of Mayor Borowsky. Later in the afternoon, Terrance contacted Mr. Graham and again spoke about the parking garage. During the conversation, Terrance allegedly said that David Hovey is a donor and they were just trying to help him out. Mr. Graham asked Terrance what could be done in order to work better together, at which time Terrance allegedly said, “well, you just need to bend the knee a little.” A week later, Mr. Graham again had contact with Terrance, when Terrance asked Mr. Graham to work with him because the parking garage was eating up his life.

Mr. Graham said there was never a quid-pro-quo made, he just said he felt pressured to deliver for the donors. I asked Mr. Graham if it is uncommon for items to be brought forward prior to the final approval process, as had occurred with the consent vote on the parking structure. Mr. Graham said it happens all the time, but he felt Mayor Borowsky was improper as she was attempting to direct the City of Scottsdale whom to hire, referring to David Hovey.

Mr. Graham was asked if the point of going back to City Council for a final approval, is a check and balance within the system for final approval. Mr. Graham said that if the vote had gone the way of non-approval, then the City Manager may feel that he may have to go with the wishes of Mayor Borowsky, to bring David Hovey on board in the process. Mr. Graham is aware that David Hovey is a max donor to Mayor Borowsky’s campaign and believes Mayor Borowsky and David Hovey have a long-time friendship.

Mr. Graham said he is not involved in the bidding process and that process as a whole is kept separate from the City Council. He was unaware if David Hovey was a bidder in the original bidding process, of which Chasse Building Team was selected for the project. Mr. Graham confirmed he has not had a conversation with Mayor Borowsky since January 29th, 2025, and said he believed that Ms. Dubauskas had reported their concerns involving the process to the

Maricopa County Attorney's Office for review. Mr. Graham did not have any additional information to add and the interview was concluded at 1355 hours.

Investigative Follow-Up:

During the course of this investigation, multiple articles have been posted in media publications in both written and electronic form, in support of the stance Mayor Lisa Borowsky has taken against the current approved design of the parking garage but also against Mayor Borowsky for the attempted delay of the project design, which would have occurred with a "No" vote on the Consent Vote.

A review of the Scottsdale City Charter, Article 8 (Contracts), Section 5 (Fraud and Collusion), states the following:

Any member of the council or any officer or employee of the city who shall aid or assist a bidder in securing a contract to furnish labor, material, equipment, supplies or services at a higher price than proposed by any other bidder, or who shall favor one bidder over another by giving or withholding information or who shall willfully mislead any bidder in regard to the character of the labor, material, equipment, supplies or services called for, or the conditions under which the proposed work is to be done, or who shall knowingly accept materials, supplies, or equipment of a quality inferior to those called for by any contract, or who shall knowingly certify to a greater amount of labor or service performed than has been actually performed or to receipt of a greater amount or different kind of material, supplies, or equipment than was actually received, shall be guilty of a misdemeanor and upon conviction thereof shall be removed from office.

This investigation learned that the project for the Design and Construction of the Parking Structure located at 1st Street and Brown Avenue, in the City of Scottsdale, Maricopa County, had previously been placed for bid and Chasse Building Team was chosen as the company for design and construction of the parking garage. At the time Mayor Lisa Borowsky took office, 01/14/2025, the contract was in place and awaiting final approval.

It was determined Mayor Borowsky was not in favor of the current design of the parking garage, for which she sought to improve on the design. As such, Mayor Borowsky enlisted the assistance of David Hovey, a prominent valley architect who had designed numerous structures

in the City of Scottsdale area. Though a meeting took place which was attended by members of City Council, including Jan Dubauskas and Mayor Borowski, along with David Hovey, no violations of open meeting laws appear to have been violated, nor does it appear David Hovey or his company "Optima, Inc." were in a recognizable position of a "bidder" as is required under the aforementioned section of the Scottsdale Charter.

During the City Council meeting which took place on February 11th, 2025, Mayor Borowsky presented her desire to have a 30 day pause on the consent vote for the parking garage contract moving through the final phase; which was defeated by a City Council vote of (5-2) against the delay. On the same date, an additional Consent vote by the City Council then took place for the project to move forward through the final phase, with Chasse Building Team, which was voted with a (6-1) vote to proceed on the project as originally voted on. The one "No" vote of discordance was cast by Mayor Lisa Borowsky. It was determined in each interview that no type of threat for action either in favor of OR against the parking garage structure, has taken place by any involved party.

This Review/Inquiry has found no violation of either Arizona Criminal Law Statutes (Arizona Revised Statutes) OR violation of the City of Scottsdale Charter, therefore this case will be considered CLOSED.