



**Small Business Enterprise Certification Application
Findings & Recommendation**

(Revised 6/2019)

Company: **P.L. Freeman Co.**

Applicant: **Prentice Freeman**
2836 N. Brookfield Road Suite 5
Brookfield, WI 53045
262-784-6860
prenticejr@plfreeman.com

Ethnicity: **African American** **Gender:** **Male**

Recommendation: **Disbar**

Completion Date: **1/29/2020**

Review Conducted by: **James Methu**

Signature: _____

Date: _____

Findings & Recommendation

Application Status: N/A

City Receipt Date: N/A

Analyst Receipt Date: N/A

Business Statistics			
Name	P.L. Freeman Co		
Date Established	November 21, 2003		
Type of Business/Date Incorporated	Type Corporation/ November 21, 2003		
Primary Activity	Mechanical, Electrical, Plumbing and Roofing contractor	Other Certifications	
Size Standards & Annual Receipts	NAICS Code	Description	Size Standard(s)
	238220	Plumbing, Heating, and Air-Conditioning Contractors	\$15 Million
	238210	Electrical Contractors and Other Wiring Installation Contractors	\$15 Million
	238160	Roofing Contractors	\$15 Million

Financial Information

Year	Form	Gross Receipts or sale	Net Income* (loss/profit)
		\$	\$
		\$	\$
		\$	\$

* Form 1065 – Line 22 | Form 1120 – Line 28 | Form 1120S – Line 21 | Schedule C – Line 31

Workforce Information

Year	# of Employees
2018	0
2017	0
2016	0

Summary: According to the 2016 F&R P.L. Freeman Company is a full service mechanical, electrical, plumbing, and roofing contractor, specializing in HVAC, plumbing, electrical, controls, roofing, MEP site utilities, specialty metals, and sewer, water & tunnel services. The Office of Small Business Development received a formal complaint on 11/1/2019. On 11/6/2019 this office met with multiple SBE firms and received a letter from Steamfitters Local 601 (addressed to Milwaukee County).

OSBD Analyst James Methu visited P.L. freeman and performed a site visit on 12/16/2019. Prentice was cordial and responsive to my request for information and turned over payroll information along with other business/ operation documents. I asked him questions about the firm's master plumber and electrician regarding their presence in the firm.

OSBD analyst James Methu spoke with Iron Workers Union reps and was directed to [REDACTED] a foreman on the Bucks arena: He was pretty straightforward with regard to his work and how things went. He and 4 other employees came over from Grunau Metal to PL Freeman to achieve minority participation goals for the arena contract. Grunau supplied the materials but labor was paid by P.L Freeman. After the project concluded he went back to work for Grunau for a year.

This **raises a flag about the management operations** of P.L. Freeman and warranted further review.

[REDACTED] doesn't appear to be regular employee of the firm even though he was on P.L. Freeman's payroll for the job. On my site visit: I asked about the firm's management personnel and he mentions he controls this aspect with input from Foreman [REDACTED] and that interns act as project manager.

Face to face Interview with workers

I met with Steam Fitters Union on Monday 1/13 at 11:30 am to meet with 2 employees of Grunau who worked with PL Freeman, [REDACTED] and the project foreman [REDACTED]. They confirmed in our meeting that Prentice was hardly present on the job site and only cared about payroll numbers and attendance. After the job was completed the two individuals worked with Grunau and did not associate with P.L. Freeman after the job was completed.

Research:

What is the normal industry workforce practice?

Preliminary research and common sense tells me that in order to be considered an independent business, a firm must keep a regular workforce. Firms cannot "share" employees with non-SBE contractors, particularly the prime contractor.

P.L. Freeman does have a regular workforce but it appears a few of the employees were transferred to him from Gruneau Metal for the sole purpose of meeting a requirement.

Those associated with Unions informed me of the fact that workers will follow the work, so moving from one firm to another is common but it shouldn't be done for sole purpose of fulfilling a "minority" requirement.

Key Questions:

Would P.L. Freeman be performing in the same manner if there was no SBE program? (Does SBE firm perform this work on private contracts?) Is there a Commercially Useful function? A firm should have a necessary and useful role in the transaction, of a kind for which there is a market outside the context of the program. The firm's role must not be a superfluous step added in an attempt to obtain credit towards the goal. Was P.L. Freeman just an extra participant?

The Deer District Fiserv Forum Final Report notes

P.L. Freeman Co.	SBE	Grunau Company, Inc.	Materials and Installation	\$ 2,496,359
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P.L. Freeman Co.	Grunau Company, Inc.	Plumbing/HVA C	4,411. 8	1,419.5 (Inclusion Hours counted)
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It appears Grunau received workforce credit for RPP inclusion for Plumbing/HVAC services performed.
It also appears that P.L. Freeman installed materials that may have been purchased from Grunau Company (based on information from workers interviewed)

Conclusion:

Firms cannot "share" employees with non-SBE contractors, particularly the prime contractor. Especially for the sole purpose of meeting a RPP, SBE or MBE requirement. The goal should be to build capacity and uplift SBE firms, not make it harder for legitimate firms to g P.L. Freeman has a regular workforce but it appears a few of the employees were transferred to him from Grunau Metal for the sole purpose of meeting a requirement.

I recommend decertification/disbarment of the prime contractor from bidding on City of Milwaukee projects and SBE subcontractor P.L. Freeman from the City of Milwaukee SBE program while understanding that this practice may be fairly widespread based on the initial complaint from multiple SBE's. Union leaders that I spoke with would be willing to help gather any other information or individuals needed.

Based on the information submitted by the applicant and research, it is recommended that [P.L. Freeman Co](#) be disbarred as a SBE by the City of Milwaukee.

Authorized Signature: _____
Small Business Development Director, City of Milwaukee

Date: _____