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What the hell is going on in Middleburg Heights? Unpaid overtime, spy-novel snooping, bitterness underlie lawsuit

By Cory Shaffer, cleveland.com | Posted September 06, 2018 at 11:46 AM | Updated September 06, 2018 at 01:18 PM

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John Maddox, left, standing behind Gary Starr in 2011. (Photo: Chuck Crow, The Plain Dealer)

MIDDLEBURG HEIGHTS, Ohio -- A lawsuit filed in January by Middleburg Heights's former police chief has its roots in a dispute over \$22,000 worth of unused sick pay that the chief said Mayor Gary Starr refused to let him tap into upon his 2017 retirement.

Ex-chief John Maddox's attorney spent eight months collecting records that revealed the extraordinary lengths that Starr and interim city law director John Ligato went to have Maddox investigated by multiple agencies as the more than three decade relationship between Starr and Maddox soured.

Those records include surreptitiously recorded conversations that Starr and his attorneys failed to disclose to Maddox's lawyer; Starr's spy novel-esque attempt to lift Maddox's fingerprints to compare to a year-old anonymous letter; and emails that Ligato sent from his personal email account to a state agent that laid out what Ligato claimed were several crimes that Maddox committed.

Lawyers for Maddox and Starr are in negotiations that could soon bring the lawsuit to an end.

Records already made public in court filings offer a behind-the-scenes look into a long-steady administration that, in the past 14 months, mired itself in abrupt and often unexplained firings; an \$80,000 payout to a former safety director; and a bizarre incident that saw the door to the ousted law director's office at city hall plastered in police tape.

All of this started in late 2014 when Starr's adult son, who once came under suspicion, but was never charged after \$20,000 disappeared from an armored truck, applied to become a Middleburg Heights police officer, according to court filings.



Starr with son, Peter Starr, in 2010. (Photo: Kathleen Murphy Colan)

The theft

Peter Starr worked as a driver for Loomis Security for a short time in 2014, according to investigative records obtained by cleveland.com. He drove a truck with another employee to fill ATMs around Northern Ohio on Sept. 1, 2014, when \$20,000 in cash went missing.

The other employee, Keith Marshall, wrote in a statement to police that a few days after the money went missing, Peter Starr said that he heard about another Loomis employee who stole \$40,000 but was never caught because the company couldn't prove it. Marshall also wrote that Peter Starr told him he would never take a lie-detector test, and that he asked about security cameras mounted inside the trucks.

Marshall described other statements that Peter Starr made before the money disappeared.

Peter Starr once adjusted the cameras to face the road instead of the drivers, and on two occasions carried money back to the truck instead of dropping it off in a gas station ATM, Marshall wrote.

Marshall wrote that he told the younger Starr that it would be "a headache" for them and said that the gas station manager would get in trouble because he had signed off on a delivery order that said he received the money.

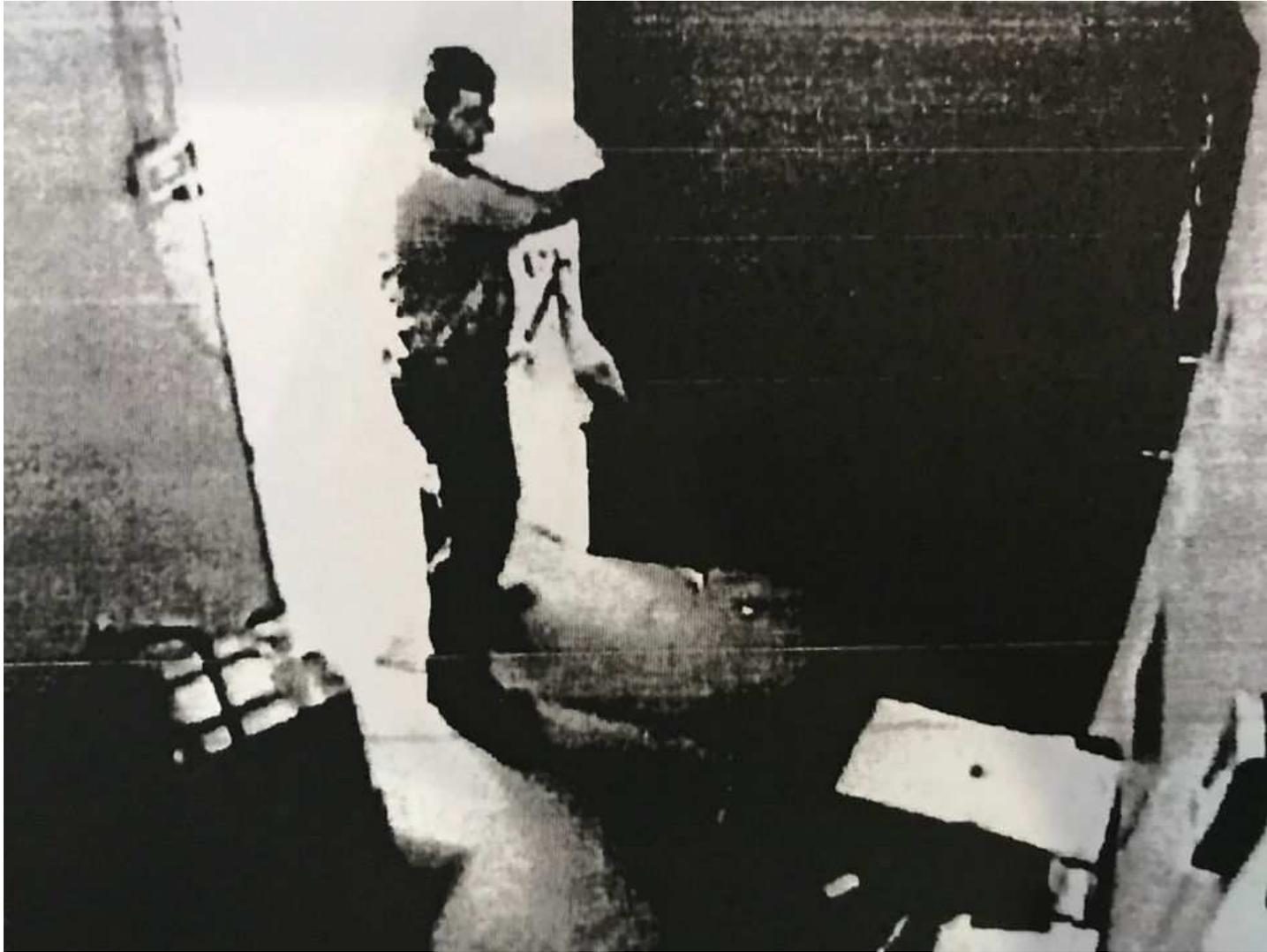
"Peter's comment to me was 'so we could have kept that money and split it,'" Marshall's statement read. "My trust for Peter was totally gone after that."

Marshall said that on Sept. 16, 2014, he and a manager at Loomis devised a scheme to casually mention in front of Peter Starr that video from the truck's cameras were retrievable for up to 30 days after an incident and gauge his reaction.

The younger Starr's eyes got wide and his mouth fell open, as if he was in shock, Marshall wrote. Another employee later corroborated that statement.

The next day, Peter Starr called in sick, saying he sprained his ankle playing basketball and couldn't walk.

He resigned the next day by text message to a manager and declined an offer to come in for an exit interview, according to a copy of the messages.



Surveillance video of Peter Starr with trash bag. (Photo: Garfield Heights police file).

The investigation

Loomis reported the theft of \$20,000 to Garfield Heights police, who assigned a detective to investigate. They found surveillance video of Peter Starr leaving the office on the day the money went missing with a bag of trash that appeared to be "heavy and swinging as he carried it," the report said. Another employee offered to take the bag, and Starr rejected the offer, the report said.

The video showed Starr then walked out of the office into the parking lot, turned back toward the door and walked directly to his car without dropping the trash bag into the garbage can, the report said.

The detective went as far to recreate the surveillance video with a mocked-up trash bag that had a brick of \$20,000 in \$20 bills, according to police records. He then sent it to a Parma police detective to have it analyzed to determine if it swayed like the bag seen in the video of Peter Starr. The detective wrote that, while there were no significant differences in the bags, the video was too grainy for him to testify in court that the two bags were a match.

Investigators took Marshall's statement and a BCI agent gave him a lie-detector test. The agent wrote that Marshall "told the substantial truth" during the test.

Peter Starr did not take a lie-detector test or provide police with a statement.

No charges were filed.

"The matter from Garfield Heights from four years ago was investigated and nothing was found to implicate Peter," Peter Starr's lawyer, Tom Rein, said in a statement to cleveland.com.



Bob Sandrick, special to cleveland.com

Mayor's polygraph questions begin

Maddox and Starr began negotiating the terms of Maddox's retirement from the department in January 2015, according to handwritten notes from Maddox obtained by cleveland.com.

They reached an agreement over lunch at the Crowne Plaza Hotel in Middleburg Heights that would see Maddox stay on the job through 2017, the notes said. Maddox wanted to spend six-to-eight weeks in Florida during the winter months, the notes said.

Starr immediately pivoted to asking questions about the police department's background check process for recruits, the notes say. The mayor asked Maddox for the department's views on previous drug usage, specifically marijuana, and asked if the department contacted a recruit's previous employer, the notes say. He also asked why the department made recruits take lie-detector tests, which he said were inaccurate, and asked Maddox if he would ever ditch the process, the notes say.

Maddox said no, and wrote in his notes that he found Starr's questioning unusual. Starr seemed "agitated" about the background check process.

"I wondered if it was because his son is on the entrance list," Maddox wrote in the notes.



Beth Mlady, special to cleveland.com

An intern's notes

A summer intern in Starr's office supplied notes that she jotted down while listening to a July 2015 conversation between Mayor Starr and Maddox. The intern said she could hear the conversation from outside the mayor's door.

The mayor chewed out Maddox and said there was "a rat" in the department who was wasting public money in investigating his son's connection to the missing money "based on false rumors," according to the notes. He also again asked Maddox about the department's policy on administering lie-detector tests, the notes said.

The intern wrote that after Maddox left the room, she heard Starr tell his assistant, Robert Downey, that he wanted to get rid of the department's policy to administer polygraph tests to police recruits because they are "liable to cast more suspicion than alleviate it," the notes say.

He then joked with an employee on the phone about forcing all current police department employees to undergo a lie detector test at the mayor's direction "with or without cause," the notes say.



Cory Shaffer, cleveland.com

Maddox's lawsuit

Things heated up in early 2017, when Starr abruptly fired longtime Safety Director Sandra Kerber without giving a public explanation.

The city eventually paid Kerber about \$87,000 as part of a settlement after she submitted a draft of a wrongful termination lawsuit in June 2017. Maddox submitted his notice of retirement from the department that same month, and city's finance director, Jason Stewart, told Maddox that the city would not pay him the \$22,000 in unused sick time, according to Maddox's lawsuit.

Starr withheld the payment as a way to retaliate against Maddox because Starr accused Maddox of helping Kerber compile information to put together her draft complaint that also mentioned efforts by Starr to ditch the department's polygraph requirements for police recruits, according to Maddox's lawsuit.

In the months that followed, Starr sent a letter to city council members that accused Maddox of trying to coerce a state prisons employee to file fraudulent documents related to an annual inspection of the city jail, as well as lying and using obscene gestures, the lawsuit says.

In January, Maddox filed his lawsuit accusing Starr of retaliation, defamation and withholding his unused sick pay.



Starr swears in John Ligato as interim safety director. (Photo: Beth Mlady, Special to cleveland.com)

Unearthing records

Maddox's lawyer, Steve Forbes, filed several public records requests for documents related to Maddox, in addition to relying on lawyers for Starr and the city to hand over evidence.

The move paid off when the Ohio Attorney Office's Bureau of Criminal Investigation supplied an August 2017 email in which the city's interim safety director, John Ligato, requested a special agent investigate Maddox, records show.

The message, sent from Ligato's private email address because he does not have a Middleburg Heights government email address, included a 12-page document marked "confidential" that Ligato compiled. The document referenced several conversations between Starr and Maddox, Ligato and Maddox, and Starr and then-law director Peter Hull. Many of the conversations were "consensually recorded," the document says, but Forbes did not have copies of the recordings.

The document lays out an extraordinary tale that in some parts reads like a spy novel.



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Richard Kendzierski, The Plain Dealer (1989)

Spies like us

Ligato, a decorated Vietnam War veteran, ex-FBI agent and author of two novels about an FBI agent who engages in high-stakes and deep-cover investigations, describes an attempt by Starr to get Maddox's fingerprints sometime in 2016, about a year after a package that included information about the Garfield Heights investigation involving Peter Starr was sent anonymously to city council offices.

The mayor gave Maddox a golf ball and lifted Maddox's fingerprint off the plastic case it came in, the letter says. Starr then sent the print, along with a "latent fingerprint" that was found on a letter inside the anonymous package, to a fingerprint analyst to determine if the two were a match, the letter says.

The analyst said he could not determine that the two prints matched, the document said, but Ligato still listed evidence as circumstantial.

It's unclear if the analyst, who is not named in the document, was paid to make the comparison.

In another example, Ligato writes that Hull and Maddox worked together on a criminal conspiracy to extort Starr by threatening to expose his son's involvement in the 2014 Loomis truck theft investigation unless Starr appointed Maddox as safety director and let Maddox hand-pick his successor as chief.

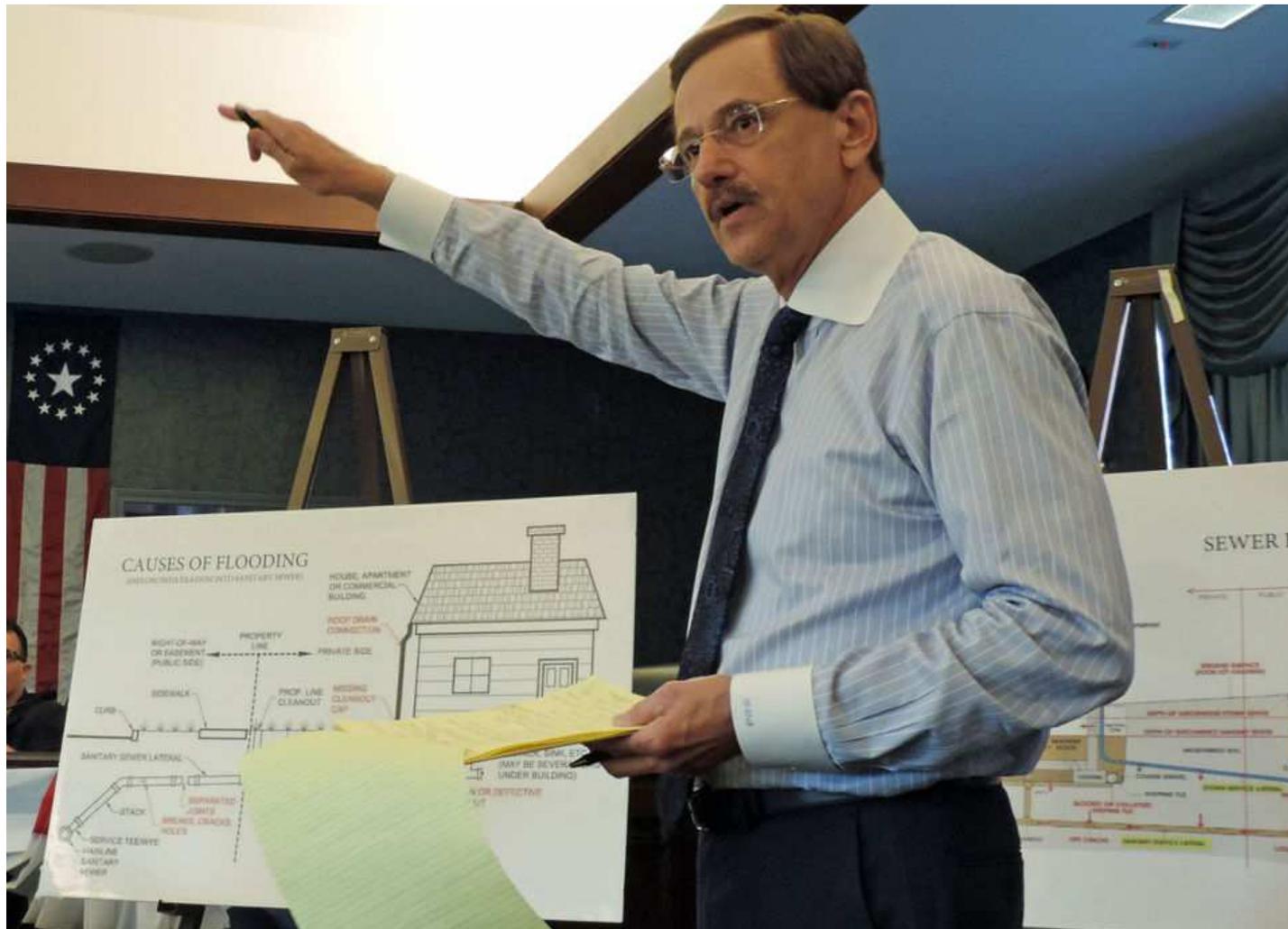
Starr asked Hull in July 2017 whether Maddox would leave his family alone if he agreed to the terms, and Hull said it would all go away, the letter says. Starr asked Hull to find out if Maddox agreed with the deal and to call him back the next day and say "something like "the weather is great in Colorado" or something like that, the letter says.

The next day, Hull told Starr in a voicemail that "the weather in Colorado is nice," the letter said.

Ligato sent a follow-up email to the special agent two days later and said that he and Starr would be willing to drive to Columbus and meet the agent in person to discuss the investigation, court records show.

The agent referred the document to the Cuyahoga County Prosecutor's Office's public corruption unit, which promptly decided that no charges were warranted and declined any further investigation, records show.

None of those documents or any audio recordings, were included in Middleburg Heights's response to Forbes' initial records request. Lawyers representing Starr said in letters to Forbes that many of the tapes did not exist. Ligato was deposed earlier this year as part of the lawsuit and said that some of the tapes had been given to the FBI and were part of an active investigation, but he could not provide any documentation to show there actually was an investigation. He and Starr also said no one made copies of any of those tapes to keep on file with the city.



Beth Mlady, special to cleveland.com

Hull's firing, police tape

Starr abruptly fired Hull less than a month after Maddox filed his lawsuit and, in a bizarre incident, orchestrated a stunt to have Hull's door covered in police tape.

The mayor claimed that surveillance video showed Hull broke into his office after a meeting and remove a piece of paper. Starr then claimed that several records had been shredded in the office, and called city council members in to view the shredded documents, officials said.

Hull and a lawyer reviewed the video at city hall and said that the person on the video was not Hull.

A few days later, a sign that read "Please do not enter" showed up on the door alongside a strip of yellow police tape. City officials said they were conducting an "administrative review" before a decision is made to hire a new law director and wanted to ensure that no one disturbed the office.

Starr's executive assistant, Bob Downey, told cleveland.com that police were not involved in the investigation.

Starr still has not given a public reason for Hull's firing.

In March, Starr asked council to create two new assistant law director positions -- one that would oversee civil litigation and the other be the city's prosecutor. Starr asked council to let him appoint Jazmyn Stover, who had handled his early representation in the lawsuit, into the civil position.

Council balked and refused to OK the creation of the new positions.



Beth Mlady, special to Sun News

Rebuking the mayor

City council members voted at an August council meeting to hire their own lawyer, Joe Diemert, after they said Starr and Hull's replacement, Gary Ebert, were giving them heavily redacted documents related to the lawsuit and city expenses that left council unable to perform its oversight job.

The move touched off a public dispute with Starr, who objected at the meeting. Starr last week imposed his veto power to prevent the hiring, but Diemert and council claim the mayor cannot do so.

Diemert told cleveland.com before that move that he and council are prepared to do "whatever we have to" to compel the administration to release un-redacted versions of the documents.



File photo

Peter Starr resigns

Peter Starr did go on with his career as a police officer.

He was hired out of the police academy in 2016 by Gates Mills, and moved to the Cleveland Clinic police department in March 2017, records show. He worked through July 30, a hospital spokeswoman said. He applied for a position as a police officer in Ashland but withdrew his application "in the last 30 days or so," during the department's background check process, Chief David Marcelli told cleveland.com.

Records show Peter Starr was hired on Aug. 20 as a Cuyahoga County sheriff's deputy.

A county spokeswoman confirmed that Peter Starr took a lie detector test as part of his application process on June 26.

But a copy of his employment application shows that Starr did not include his time at Loomis on his employment history, and checked "no" when the application asked if he had ever been "investigated, suspected, arrested or charged with an offense by any law enforcement agency."

After an August report by WKYC Channel 3 noted the investigation, supervisors in the sheriff's department called Peter Starr to ask him about the omission on his application, county spokeswoman

Peter Starr submitted a three-sentence letter of resignation on Aug. 27, one week after he was hired, in which he said he was leaving immediately "to pursue another career in law enforcement."