

REPORT OF INVESTIGATION

SUBJECT:
Joliet Area Historical
Museum/Old Joliet Prison

November 22, 2023

BY:
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I. Initiation.

On June 6, 2023, the Joliet Inspector General (IG) Investigator Martin Walsh was contacted by Christine Johnson, a former employee of the Joliet Area Historical Museum (JAHM); Ms. Johnson was fired from her job two weeks earlier. Christine worked as a full-time Museum Assistant (M.A.) and Tour Guide at the Old Joliet Prison (OJP). She stated she was one of seven employees/volunteers given, or notified by email, a termination letter signed by JAHM Chief Executive Officer Gregory T. Peerbolte.

The IG reviewed Ms. Johnson's termination letter, the other letter(s) issued to former employees and reviewed allegations made by the JAHM Chief Executive Officer and allegations made by fired individuals. Based on the large number of employees terminated, the IG initiated this investigation. The individuals fired include Christine Johnson, Mike Johnson, Nicolina Diorio Perkins, Rob Johnson; Dan Philips, Kara Philips and Ron Trujillo. They all received identical separation letters from Peerbolte. They were either fired by JAHM Chief Executive Officer Gregory Peerbolte or Chief Operating Officer Kelly Klobucher.

This investigation is conducted pursuant to Joliet Code of Ordinances, Chapter 2, Article XVI, Section 2-506(c)(5).

II. Executive Summary.

JAHM is a not-for-profit Illinois corporation incorporated on December 20, 1999. It is a component unit of government of the City of Joliet (COJ) due to the significant amount of funding provided by COJ. Currently, COJ provides JAHM with monthly payments of \$16,666.00. In 2021, COJ paid \$275,000 for operating expenses; in 2022, it was \$200,000. Besides monthly support payments, COJ provides additional funding, for example in 2021, it paid \$163,390 to replace JAHM's HVAC. JAHM also relies on state and federal dollars and a small number of private donations. Additionally, JAHM generates revenue from OJP tours and facility and special event rentals at the museum and prison.

Further, COJ owns the building located at 204 N. Ottawa Street in Joliet and allows the museum to use the space rent free. Also, COJ leases OJP from the State of Illinois and allows JAHM to run the prison as a tourist destination, also rent-free. For oversight, COJ appoints a City Council member to the JAHM Board of Directors. Currently, Councilman Cesar Guerrero serves in this position; he was appointed by Mayor Terry D'Arcy. Joliet City Planner, Jayne M. Bernhard is also a JAHM board member. Quinn X. Adamowski currently serves as President of the Board of Directors.

COJ is not involved in the day-to-day operations of JAHM/OJP. Gregory Peerbolte serves as Chief Executive Officer and is ultimately responsible for every aspect of JAHM/OJP operations, including its employees and volunteers. Peerbolte was hired in 2013 and serves at the pleasure of the JAHM Board of Directors. He supervises

6 full-time employees, 28 part-time employees and 28 volunteers. JAHM relies heavily on volunteers and donated labor. According to a 2020 CDBG grant application, "Old Joliet Prison has obtained 12,000 documented volunteer hours, over \$1 million dollars in donated labor."

In June 2023, seven employees/volunteers were fired from JAHM/OJP based on an alleged association with a Facebook post sent to Gregory Peerbolte's wife. During his interview, Peerbolte stated the individuals were fired for multiple reasons, however, the letter he issued to the terminated employees/volunteers only listed their alleged association with the Facebook message. Peerbolte cited the employee and volunteer handbook, stating that JAHM/OJP employees and volunteers are at will and can be terminated at any time. While this may be true, this IG investigation revealed questionable employment practices by JAHM/OJP leadership. To be more specific, this investigation revealed poor management and business practices by Peerbolte and other senior leaders that JAHM/OJP. This poor management and these questionable business practices negatively affected JAHM/OJP and increased the financial demand on the City of Joliet, the State of Illinois, and the federal government. Improved management and business practices should increase revenue generated by JAHM/OJP and decrease its dependency on taxpayer dollars. As a result, the City of Joliet should demand a full financial audit of JAHM/OJP and hire a human resources/business consultant to analyze JAHM/OJP's business practices, before the City commits to additional funding of the museum and prison.

III. **Conduct of the Investigation.**

A. Interviews & Background Information

1. **Gregory T. Peerbolte**: On June 28, 2023, Martin Walsh interviewed Gregory Peerbolte at his office at JAHM headquarters. Peerbolte is CEO of JAHM. Attorney Bryan Kopman, a partner at Joliet law firm Kavanagh, Grumley & Gorbold was also present for the interview representing Peerbolte. IG Investigator Walsh requested he be allowed to record the interview. Peerbolte, on the advice of Attorney Kopman, refused. Prior to this interview, Walsh met with Peerbolte briefly and advised of the nature of the investigation. Peerbolte agreed to provide all documents related to the terminations of JAHM/OJP employees and volunteers. There had been a brief, first meeting, which was informal and brief; the second interview, on June 28, lasted approximately 1 hour 30 minutes. Upon completion, Mr. Walsh informed Attorney Kopman and Peerbolte it would be necessary for Peerbolte to be interviewed again; Peerbolte agreed. He has since refused a second formal interview and any further interviews of himself or his management team.

During the interview, Peerbolte stated the individuals fired on May 25 and 26, 2023, (which includes Christine Johnson, Mike Johnson, Ron Trujillo, Dan Phillips, Kara Phillips, Rob Johnson and Nicolina Diorio Perkins) were aware of, or involved with, a Facebook message to Peerbolte's wife. He provided a copy of the separation letter outlining the alleged misconduct leading to the terminations. Additionally, Peerbolte

asserted that the terminated individuals were involved in a “documented pattern of misconduct,” that first came to his attention in fall 2021. He provided a piece of paper listing the titles, compensation and brief description of disciplinary actions related to each employee/volunteer separated from JAHM between January 1, 2023, and June 26, 2023. This document did not identify individuals by name and lacked specific termination dates. In total, Peerbolte turned over 115 pages of JAHM documents during his second meeting with Mr. Walsh. Many of these documents had redactions which made them mostly useless for investigative purposes.

Peerbolte cited various issues tied to terminated individuals including; unauthorized parties with alcohol; violations of JAHM’s rules and regulations, vandalism, and personal conflicts amongst museum assistants and volunteers. He said, “it’s parties, alcohol, behavior and insubordination,” Peerbolte added, “We don’t act to terminate, we react to behavior.” Despite his various claims of bad behavior by employees, the letter provided to the fired employees only listed “association with a webpage and social media group” as the reason for termination; the parties, alcohol, behavior and insubordination claims were not included in Peerbolte’s termination letters.

Peerbolte included the JAHM Employee Handbook and JAHM Volunteer Handbook in the documents he provided Martin Walsh. He cited the Employee handbook’s “Employment at-will-Statement” which every employee received which states, “[a]s always been the case-and in conjunction with the State of Illinois statute – each and every employee of the Joliet Area Historical Museum has an ‘at-will’ employment relationship with JAHM. ‘At-will’ means your employment at JAHM is ongoing; you or JAHM have the right to terminate your employment at any time, with or without notice, and with or without cause.” JAHM Employee Handbook, p. 2.

All employees/volunteers fired were members of OJP’s “Saturday Squad;” this was a group of 12-20 people who performed maintenance and cleanup work on the weekends at OJP. It is an informal group started in 2017. According to Christine Johnson, and other members, it provided “thousands of hours” of free labor to OJP.

Despite allegations he made in his termination letters, Peerbolte could not provide evidence supporting his accusations other than a Facebook message screenshot from (“Jack Diddly”). Peerbolte stated he believed the “threatening” message sent to his wife was written and sent by OJP volunteer and vendor Dan Philips. Philips denied he wrote or sent this message and said he did not know who sent it. Philips, was a member of the “Saturday Squad.” During an interview with Mr. Walsh, he flatly denied having anything to do with the Facebook message.

Peerbolte said the decision to separate the employees/volunteers resulted from a long-running documented pattern of misconduct by some members of the “Saturday Squad.” Specifically, he said “it’s a pattern of misconduct with a small group of staff and volunteers...It’s the same group, over and over.” Peerbolte said some members of the “Saturday Squad” held unauthorized parties on OJP grounds where alcohol was consumed. Peerbolte said he became aware of the misconduct in fall 2021. He claimed

some of the OJP staff and volunteers were insubordinate as well. "This is not something I got mad at one day," Peerbolte explained. "This was a year in the making." Mr. Walsh asked Peerbolte to provide any documented disciplinary actions for the employees/volunteers who were fired. Peerbolte refused, citing "privacy rules" related to personnel laws.

To obtain documents necessary for this investigation, the IG issued a subpoena to Peerbolte on August 22, 2023, in an effort to compel JAHM to turn over the personnel files requested by Mr. Walsh. JAHM complied with the subpoena and provided nearly 3,000 pages of documentation. The IG and Mr. Walsh reviewed the entirety of the subpoenaed documents. Peerbolte claimed he was unable to discuss "personnel" matters due to published news accounts indicating some fired individuals were considering legal action against Peerbolte and JAHM. Walsh informed Peerbolte he was in possession of a letter confirming his belief. As of November 18, 2023, no known legal actions have been filed in Will County or federal court against Peerbolte or JAHM.

2. **Quinn X. Adamowski**: on August 11, 2023, Martin Walsh conducted a telephone interview with Quinn X. Adamowski, President of the JAHM Board of Directors. Adamowski is a long serving volunteer member of the JAHM Board. During a telephone interview, he stated he was "very aware" of an IG investigation into JAHM personnel issues. Mr. Walsh told Adamowski that Peerbolte was not cooperating with the investigation; Adamowski responded he was aware of Peerbolte's position, however, he would not state whether he supported Peerbolte's decision not to cooperate. Next, Mr. Walsh told Adamowski it was the position of the Joliet IG that as a component unit of COJ, Peerbolte is obligated to cooperate with this IG investigation. In response, Adamowski said he was "deferring to the lawyer." Further, Mr. Walsh said Peerbolte's refusal to cooperate may not be in the best interest of the museum; Adamowski said he was aware of the published reports claiming the museum was facing possible litigation from terminated employees. Adamowski also said he was aware of personnel issues at OJP.

According to multiple sources, Adamowski is regularly on OJP grounds. He also attends JAHM events and was a founding member of the Old Joliet Prison coalition. He served as the JAHM board vice-president before taking over as president following the death of Lynne Lichetnauer in February 2021.

3. **Scott Jones**: on August 16, 2023, Martin Walsh interviewed Scott Jones by telephone. Jones was previously the JAHM Director of Operations. Part of his duties included administering JAHM personnel matters. Jones' official title was Senior Director of Operations and Human Resources according to Peerbolte, Jones left his position at the museum Tuesday, May 23, 2023, three days before the seven OJP employees were fired by Peerbolte. Repeated attempts to contact Jones were unsuccessful until August 16, 2023, when Jones returned a call to Walsh. Jones is a former JAHM Board vice-president. He took over as Senior Director of Operations in July 2022, after working as director of human resources at Caesars Entertainment Corporation. Peerbolte said Jones resigned voluntarily on or about May 23, 2023, two

days before the terminations. During his one-year tenure, Jones conducted at least three investigations and inquiries related to personnel issues at OJP.

Mr. Walsh informed Jones he would like to speak to him about personnel matters at JAHM; including his own resignation. Jones refused to answer any questions about personnel matters or any issues at the museum. Walsh asked Jones if he signed a non-disclosure agreement with JAHM; he refused to answer. This conversation lasted less than two minutes. Jones' reason for separation was recorded as "Resignation, Good Standing."

4. **Kelly Klobucher**: On September 7, 2023, Martin Walsh emailed JAHM Chief Operating Officer Kelly Klobucher requesting to interview her. Klobucher has not responded to this interview request. She was hired by JAHM in July 2022, as Senior Director of Programs and Education. According to JAHM board records, the position was created the same month Klobucher was hired. In less than a year, Klobucher was promoted to JAHM Chief Operating Officer in May 2023. The "Chief Operating Officer" position appears to have been created for Klobucher.

Prior to being hired by JAHM, Klobucher was the Executive Director of the Ephraim Historical Foundation in Door County Wisconsin. According to Cody Schreck, the EHF Executive Director, who was interviewed September 8, 2023, Klobucher's tenure at the Ephraim Historical Foundation was "chaotic." Schreck worked closely with Klobucher between August 2020 to July 2022. Schreck said Klobucher "was not fulfilling her responsibilities at any level. It was apparent very early that Kelly was in way over her head. Her financial literacy was not great. She didn't even know how to use QuickBooks. She failed to submit financial statements for months. We had a backlog of three years of IRS audits that we're just getting caught up with now. I'm not bashing Kelly, but her inability to get things done was apparent very early on. She butted heads with everybody. A lot of our members stopped giving donations and support because of her." When asked to describe Klobucher's two-year tenure, Schreck said, "we call it the lost years." The Ephraim Historical Foundation, EHF, is a 501 (c) 3 not for profit organization. Its annual budget of \$378,000, is 1/4th of JAHM. Schreck was appointed EHF Executive Director after Klobucher resigned.

5. **Christine Johnson**: Christine Johnson was interviewed multiple times by Martin Walsh. Christine is a 57-year-old former JAHM M.A. During her employment, she worked as a tour guide at OJP. Christine was fired by Peerbolte on May 26, 2023. She claimed Peerbolte verbally abused and threatened to have her arrested for trespassing when she was fired in the OJP lunchroom. Christine informed Mr. Walsh she may seek legal action against JAHM. Christine denied she had anything to do with any "threatening" messages sent to Greg Peerbolte's wife. Johnson provided Mr. Walsh with an audio tape that captured parts of the interaction between Peerbolte and Johnson when she was fired at the OJP breakroom. Johnson was paid \$13.50 per-hour.

Christine said she was "traumatized and humiliated" by Peerbolte to the point where she needed medical attention. According to Johnson, Peerbolte was "extremely

abusive" and "was yelling at me...he said I was part of a conspiracy...that I gave aid and comfort...it was so awful I broke down...I was so upset I could barely drive home...me and my husband (Mike) had nothing to do with anything he was accusing me of...he threatened to have me arrested...Greg is a bully and has gotten away with this type of abuse for years...it's so disgusting, really...my only hope is it stops, and nobody else has to go through what I did with him."

Immediately after firing Johnson, Peerbolte handed M.A. and former Illinois Department of Corrections Officer Ron Trujillo the same letter he gave to Johnson. Trujillo was standing in the OJP gift shop adjacent to the room where Johnson was fired. Johnson's reason for separation was classified as "Separated for Cause."

6. **Mike Johnson**: Mike was interviewed multiple times by Martin Walsh. He is a 66-year-old former employee of JAHM and the husband of Christine Johnson. He worked as a tour guide at OJP. Mike was fired by Peerbolte via email. He worked for the Illinois Department of Corrections for 30 years as a correctional officer and counselor at the Joliet Prison before the institution closed in 2012. Mike denied having anything to do with any threatening messages. He gave the popular Guard Tours at OJP. During his 30-year career in corrections, Mike spent 17 years working at OJP as a correctional officer and counselor. He was a JAHM volunteer for 16 years. His reason for separation is recorded as "Separated for Cause."

7. **Clay Johnson**: Martin Walsh interviewed Clay Johnson multiple times by telephone. Clay is a 69-year-old former Joliet Museum Board Member. He was fired by JAHM for "job abandonment" according to records supplied by Peerbolte. Clay worked as OJP's maintenance supervisor. He supervised and was friends with members of the "Saturday Squad." He said, "Greg told me we're nothing but a bunch of cowboys out there. He had no respect for the work the people did. These people were dedicated to the prison. The Saturday workers did 2,500 hours of free-labor and these people treated them like children."

In a letter dated June 8, 2023, signed by Peerbolte and delivered to Johnson by Klobucher at OJP, Peerbolte wrote: "Due to the continued inattention to the Public Native Gardens Project at the Old Joliet Prison, a project you supervised, JAHM has forfeited \$75,000 in awarded grant funding." Johnson strongly disputed Peerbolte's allegations against him and said the project was on schedule for its targeted July 2023 completion date. "He was fully informed and knew I was going on a vacation to Hawaii with my wife. I emailed him when I got back and told him I was ready to come back to work. I didn't hear back. The stuff about the Garden project was not true. That project was substantially finished. We had some delays due to the weather and other things that were out of my control, but the project would have been completed on time. The whole thing is nonsense."

Clay said he was fired by email after returning from a scheduled vacation with his wife to Hawaii. He had been involved at JAHM since 2007. Clay said Klobucher told him "You're guilty of the company you keep." He was fired June 7, 2023, by Klobucher.

Klobucher also fired M.A.s Eric Fitzmaurice and Brandon Jerrod the same day. Clay denied any wrongdoing. According to a document supplied by Peerbolte, Johnson had "5 documented disciplinary actions; Job Abandonment as defined in JAHM (no contact for four days after stated return date.) Johnson is exploring taking legal action. Johnson's reason for separation was recorded as "Separated for Cause."

8. **Melissa Patterson:** Martin Walsh interviewed Melissa Patterson multiple times. Patterson worked for JAHM as a Museum Assistant for less than two months when she was fired from her position on May 27, 2023, by Klobucher for "my behavior" toward other employees. Patterson was hired by Steve Jones on March 21, 2023, after she filled out an application online. "I absolutely loved it there," she said, and "I didn't know anybody when I started." Patterson said she was present when JAHM membership director Victoria McKay attempted to physically "attack" Christine Johnson in April 2023. Patterson said Zak Tyler had to step in front of McKay to stop her. Tyler confirmed Patterson's account in an interview and memo sent to Scott Jones regarding the incident. Patterson stated, "there have been problems with bullying there" and "Some people there are not held accountable They didn't do anything. They seem to be able to do what they want when they want." Patterson further stated she had a couple verbal disputes with a co-worker, including one May 26, 2023. Patterson said she was fired for sticking up for Christine Johnson and that she heard Johnson "crying hysterically" in the lunchroom during the firing. "I was down the hall 100 feet away and I heard screaming," Patterson added. She also said she was so concerned for Johnson's safety that she pushed her way into the lunchroom. "Kelly said Greg had asked her to let me go. I wasn't given a reason other than my behavior towards other employees. I wasn't provided any paperwork and I asked for it." Patterson was not part of the seven OJP employees fired for their alleged association with a Facebook site. Patterson's reason for separation was recorded as "Separated for Cause."

9. **Ron Trujillo:** Martin Walsh interviewed Ron Trujillo multiple times by telephone. Trujillo is a 70-year-old retired employee of the Illinois Department of Corrections. He worked for IDOC for 34 years which included assignments at OJP. After retiring, Trujillo was a prison tour guide. He also gave the popular Guard Tours at OJP. Trujillo was near the lunchroom when Christine Johnson was fired by Peerbolte. He stated "[Peerbolte] was hollering at her, he was threatening her, he was above ignorant...she was crying and he's still hollering at her" Trujillo explained. Trujillo further stated "then he (Peerbolte) comes out and got in my face...he tells me 'I want you out of here too. You and your friends insulted my wife.'" Trujillo went on to explain, "[Peerbolte] said I was associated with some website. I had no idea what he was talking about. I can barely figure out my cell phone." He further stated Peerbolte "insulted me and challenged my character. He's a bully and a disgrace. He fired 15 people for no reason. He should be fired and lose his pension. Something has changed drastically at that place...these people have gone off the deep end." Trujillo's reason for separation was recorded as "Separated for Cause."

10. **Zak Tyler**: Martin Walsh interviewed Zak Tyler multiple times by telephone. Tyler is a 41-year-old former OJP employee. He supervised the OJP gift shop. Tyler was fired by Klobucher on July 11, 2023. He said he was put on a 60-day "probation" by Steve Jones two-months before he was fired. Tyler said he was "investigated" by JAHM for making an inappropriate and suggestive comment about a coworker's tattoo. According to Tyler, "all I said was that I liked her tattoo. I didn't make any sexual comments or anything like that." He went on to state "I loved my job. I loved going to work." Tyler was promoted to OJP manager September 15, 2022. He was in charge of the day-to-day operations at OJP and worked closely with, and supervised, the museum assistants and the "Saturday Squad" volunteers. Tyler said he was under pressure to cut back on OJP labor costs by Klobucher due to "money problems." "My last paycheck was late," Tyler explained. "I was told by other people that they had that problem too." Tyler said the OJP gift shop was running low on inventory and was not being restocked due to financial issues. He claimed tensions amongst OJP employees and volunteers increased dramatically when Klobucher and McKay became more involved at OJP. "Kelly had a bee in her bonnet," Tyler said. "There was a lot of animosity that built up since winter of last year...clashing personalities...Kelly wanted to take the prison in a different direction. She wasn't a fan of the guard tours. She said to me that 80 percent of the inmates were innocent or wrongly convicted. She expressed to me that she wanted to have a memorial for the inmates. A lot of the problems were based on her feelings. There was no real chain of command. We broke down after Scott Jones left. He (Jones) seemed to be the glue that was holding things together. I do feel I was blindsided by Kelly." Tyler, a 12-year OJP employee was fired by Klobucher at OJP. "She (Klobucher) brought Victoria McKay and handed me a letter and asked me to sign off on it, and that was it." Tyler's reason for separation was recorded as "Mutual Separation." Tyler earned an M.A. in Anthropology from Northern Illinois University and earned a certificate in museum studies. Tyler has also worked as a substitute teacher and tutor.

11. **Dan Philip**: Martin Walsh interviewed Dan Philip by telephone on June 11, 2023. Philip was an OJP volunteer and the creator of "Hella Obscura." Peerbolte alleged Philip sent the "threatening message" to Peerbolte's wife. Philip denied it, but added he does not hold Peerbolte in high regard. On April 23, 2023, Philip authored a three-page article posted on the Hella Obscura website that appeared to be critical of Peerbolte. Although the article did not mention Peerbolte by name, Philip confirmed the article was "meant to get a reaction from that dude. I just needed him to hear it. He's an authoritarian type who is in way over his head." Mr. Walsh asked him directly if he sent any messages to Mrs. Peerbolte; Philip said he did not. Peerbolte emailed separation letters to Philip and his wife Kara on May 25, 2023.

12. **Nicolina Diorio Perkins**: Martin Walsh interviewed Nicolina multiple times by telephone. She was a volunteer at OJP and a member of the "Saturday Squad." Perkins received her separation notice from Peerbolte via email. Perkins, 27, earned a M.S. in Workforce Development and Training and a B.A. in History from the University of St. Perkins "liked" the Hella Obscura Facebook page, but adamantly denied any involvement in an email to Peerbolte and Klobucher. "I want to

clarify that I had no participation in the creation and/or disbursement of the concerning social media posts or private messages you referenced in your letter, nor do I condone any of the behavior that may have been exhibited by others.” Diorio said she was “shocked” by the separation letter. “I had nothing to do with anything Greg accused me of in the letter.” Perkins was a JAHM volunteer for more than four years. Diorio Perkins’ reason for separation was recorded as “Separated for Cause.”

The IGO interviewed 24 people during the course of this investigation. Several of those interviewed asked to remain anonymous due to their ongoing association or employment at JAHM.

B. Document Review:

1. JAHM Employee Handbook (dated April 4, 2023)
2. JAHM Volunteer Handbook (dated April 7, 2023)
3. JAHM Workplace Harassment Policy Statement (effective date unknown, signed by employees on April 22, 2022)
4. Memo of Expectations from Volunteer Staff to Scott Jones dated August 1, 2022. This document is unsigned.
5. Letter to unknown recipient(s) from Greg Peerbolte, dated March 10, 2023, on JAHM letterhead, suspending volunteer activities at JAHM.
6. JAHM Investigation Conclusion, dated April 3, 2023, from Scott Jones to (name redacted). This document is unsigned.
7. Statement of Understanding dated May 1, 2022. The name of the person signing, and their signature, is redacted.
8. Termination letter dated May 26, 2023, from Peerbolte to Trujillo.
9. Hella Obscura article dated April 23, 2023 “Silence and Old Lace”
10. JAHM Deed of Gift Agreement for items donated by Mike Johnson to JAHM. (Signed by Mike Johnson June 8, 2008). Attached is an email dated June 16, 2023, from Peerbolte to Klobucher.
11. Screenshot provided by Peerbolte which includes the social media message Peerbolte claims was sent to his wife. This screenshot does not include a date, only “Tue 5:29 PM”

12. Excel spreadsheet provided showing payments by the City of Joliet to JAHM from January 2012 to August 2023.
13. JAHM Separations document.
14. Scott Jones March 2023 37-page investigation.
15. A recording of the audio from Christine Johnson's firing.
16. List of the 13 people separated
17. Flow chart of JAHM personnel
18. JAHM Board minutes/agendas

IV. **Analysis**

Greg Peerbolte's limited cooperation and Kelly Klobucher's failure to cooperate made this investigation difficult. The Joliet Area Historical Museum is a component unit of government of the City of Joliet because Joliet pays more than \$4,000 per week of taxpayer dollars to support the museum and prison. As a result, a negative inference should be applied to their lack of cooperation. By taking their positions to not fully cooperate, it seems obvious that they do not believe the City of Joliet, and more importantly, the Citizens of Joliet, deserve to know how their taxpayers' dollars are being used at JAHM. The cooperation from Peerbolte is incomplete. He did not produce the documentation he agreed to provide or stated he possessed. Peerbolte did not corroborate the statements he made to Martin Walsh during his hour and a half long interview. In order to receive necessary documents from Peerbolte, the IG had to issue him a subpoena; Peerbolte responded to this subpoena. It is the position of the Inspector General that a potential threat of a lawsuit against Peerbolte and JAHM does not preclude or excuse Peerbolte or any other employee of JAHM from cooperating with this investigation. Peerbolte is on record repeatedly stating JAHM is a "public trust" institution. He was aware, during the interview with Martin Walsh, that some of the fired OJP employees/volunteers were considering legal action against him and JAHM. Christine Johnson sent a memo to Peerbolte, Klobucher, Adamowski, and COJ Deputy Corporation Counsel Chris Regis on May 31, 2023. "Your accusations rise to the tort claim of defamation as your false accusations regarding my character were published to a third party."

In the absence of Peerbolte's and Klobucher's cooperation, the IG used the statements provided by cooperating witnesses and documents provided by Peerbolte and other sources to make findings and recommendations. In the end, it is not the duty of the IG, or within the scope of the IG's authority, to recommend discipline for Peerbolte, Klobucher or any other JAHM employee because they are employees of a not-for-profit corporation, governed by a board of directors. However, it is the duty of the IG, and within the scope of the IG's authority to investigate, analyze and make findings

and recommendations to the Mayor and Council Members as to whether the City of Joliet should continue to provide taxpayers' dollars to an entity such as JAHM.

Employment Terminations

Without a doubt, there was friction between some of the JAHM/OJP employees/volunteers and Peerbolte's "leadership team" of Kelly Klobucher, Victoria McKay and Curator Steven Wright. Peerbolte, and every JAHM/OJP employee/volunteer interviewed for this investigation, confirmed that there was tension between the leadership and employees/volunteers. Ron Trujillo described the relationship as "unpredictable...they had an us against them attitude...Kelly had no idea of what she was doing." He further stated Klobucher "wanted everything changed because she didn't like the prison's history. She tried to rewrite the prison history. She wanted us to change how we described the prison. I worked there for a long, long time. I had a pretty good idea how the place really was and I told our guests about it honestly during the tours. It's hard for people who never worked here to understand, but this place grows on you. I've spent a good part of my life in and around this place. I've never had an inmate talk to me like Greg, never."

In April 2023, Jones conducted an investigation at OJP regarding an incident involving Christine Johnson and Victoria McKay at OJP on April 20, 2023. Specifically, Johnson claimed she was verbally assaulted and nearly physically assaulted by McKay after McKay told her to go home and that she was not needed. Zack Tyler said McKay "approached Christine in an aggressive manner. I stood between them and kept them separated, holding Victoria back..." Tyler and Patterson were the only eyewitness to the altercation. Johnson filed a JAHM workplace complaint against McKay. Johnson and McKay had been involved in a previous altercation, according to the memorandum Tyler sent to Jones. A month later Johnson was terminated. McKay is still employed at JAHM.

McKay is 36-years-old and previously worked at JAHM as a part-time seasonal Museum Assistant between April-October 2019, according to individuals employed by JAHM during that time. During his interview, Mr. Walsh asked Peerbolte about McKay. He refused to discuss or confirm whether McKay was previously employed by JAHM. Walsh told Peerbolte several people interviewed claimed McKay had a "do not hire" memo in her personnel file. "You are wrong," Peerbolte said, when asked if McKay was fired from her post at JAHM. Individuals with first-hand knowledge told Mr. Walsh that McKay's employment "contract" was not renewed/terminated due to performance issues. McKay remains a member of JAHM's "leadership team."

On May 25 and 26, 2023, Peerbolte fired Christine Johnson, Mike Johnson, Ron Trujillo, Dan Phillips, Kara Phillips, Nicolina Perkins and Rob Johnson for allegedly being involved with a "threatening" Facebook message to Peerbolte's wife. Christine was fired by Peerbolte in the lunchroom in front of her colleagues. Trujillo was fired moments after Christine by Peerbolte inside the OJP gift shop. Trujillo was handed the same separation letter as Johnson on JAHM letterhead, signed by Peerbolte, and copied the Deputy Corporation Counsel for the City of Joliet. See Exhibit A. By copying

the City of Joliet, Peerbolte clearly understands that his actions are accountable to the COJ and its taxpayers. Five volunteers and two OJP employees received identical termination letters. Only the names and dates were different.

Peerbolte provided Martin Walsh a copy (with redaction) of this message which states it is from an individual named, or claiming to be named "Jack Diddly," it reads "Greg is likely going to lose his job for [redaction]. It would be better for you to hear about their relationship from him instead of the Joliet folks. I'm sorry for you." See Exhibit B.

Due to the redaction, it cannot be determined why Jack Diddly believed Peerbolte was in jeopardy of losing his job, however, after reading the remainder of the message, it appears to involve some type of relationship Peerbolte had. The type of relationship, and with whom, is not clear.

Based on what Peerbolte told Christine Johnson, and included in his letter to Trujillo, Peerbolte terminated these individuals because they were "one of several individuals associated with a webpage and social media group whose content has become progressively threatening, intimidating, and harassing of JAHM employees and their families." See Exhibit A. In his termination letter to Trujillo, Peerbolte goes on to state "the group's social media page – a publicly hosted group – which named two specific JAHM employees in a post, a cyberbullying tactic known as 'doxing.'"

From Peerbolte's termination letter to Trujillo, it becomes clear the "relationship" Jack Diddly referred to in his post was between Peerbolte and a fellow JAHM employee. The question is whether this message was "threatening, intimidating, and harassing" and "doxing." While the message may have been construed as untoward and insensitive towards Mrs. Peerbolte, it was not threatening, intimidating, or harassing; it also does not rise to the level of "doxing." If "Jack Diddly" had an issue with Peerbolte's behavior, he should have addressed it directly with Peerbolte or with the JAHM Board of Directors. This message to Mrs. Peerbolte was unfortunate, however, an untoward and insensitive message does not necessarily equate to being threatening, intimidating, harassing or involve "doxing."

The letter sent to the seven individuals and signed by Peerbolte, lists the association with the webpage as the sole reason for terminating their employment/volunteer activity. This letter does not list previous performance counseling or discipline besides being associated with this webpage. As a result, it can be concluded they were fired based on this association only, and not prior misconduct or poor performance.

Klobucher was directly involved in the termination of five OJP employees/volunteers. According to Melissa Patterson, an OJP tour guide, Klobucher fired her at the OJP lunchroom on May 27, 2023. Patterson had been employed at OJP for two-months when she was fired by Klobucher. Patterson said she had a minor verbal dispute with a fellow employee (Sylvia) earlier that day. Around Noon, she was called

into the OJP lunchroom where Klobucher and JAHM Curator Steven Wright were waiting. According to Patterson, Klobucher informed her she was being fired effective immediately for "my behavior with other employees." Patterson was not given any written explanation from Klobucher. "I was fired because I tried to help Christine (Johnson) the day before. I just wanted to diffuse the situation. This has been very traumatic for me; I was never given a chance to explain what happened. I still don't understand it."

Patterson's account differs from the account Klobucher memorialized in her May 27, 2023, memo. In this memo, she stated "Sylvia Scoggins called her in tears from the "prison" due to Patterson's behavior. Scoggins relayed to Klobucher that Zak Tyler arrived late to work and assigned Scoggins to work in the yard with a co-worker named Angel. Scoggins complied and Patterson screamed at Scoggins to come back and work at the gift shop. In response, Scoggins said Tyler assigned her to work in the yard and kept moving towards the yard. Next, Patterson used a golf cart to drive to the yard, when Scoggins arrived, she yelled for her to "[g]et her ass back to the gift shop." Klobucher's memo goes on to state that Patterson continued to yell at Scoggins and call her names. Further, the memo states that when interviewed, Angel said Patterson approached Scoggins in an aggressive manner and he had to step in front of Scoggins because he was afraid Patterson would harm Scoggins. This memo concludes by remarking that this was not the first complaint of "bullying, rudeness, profanity or gross insubordination about [Patterson]."

The next step is to determine whether the terminated employee's alleged "association" with the Facebook message violates the JAHM Employee Handbook or the JAHM Volunteer Handbook. Even if the terminated employees were "associated" with the Facebook message, their behavior would not violate either the JAHM Employee Handbook or the JAHM Volunteer Handbook. More specifically, their alleged behavior does not violate the Social Media, Employee Conduct Standards, Harassment sections of the employee handbook or the social media, Volunteer Conduct Standards, or Harassment sections of the volunteer handbook. Further, it does not appear Peerbolte followed the sections of the employee and volunteer handbooks outlining "What to do if you Experience or Witness Harassment."

Understandably, Peerbolte was upset about the Facebook message "Jack Diddly" sent to his wife; however, anger does not justify the action he took against his employees. As the JAHM CEO, he is expected to put the best interests of JAHM and his employees and volunteers first, and not overreact to petty and cowardly Facebook messages from someone not even willing to use their own name. The actions Peerbolte took, in the wake of the Facebook message, were not supported by evidence and not supported by either the employee handbook or volunteer handbook. Of note, there was at least one JAHM office employee, bookkeeper Karen Horn who "liked" the Hella Obscura Website until May 25, 2023. Additionally, another OJP volunteer also "liked" the Hella Obscura site. Both these individuals still work and volunteer at JAHM. Klobucher also "liked" and followed Hella Obscura for a period of time.

JAHM/OJP Finances

This investigation was also hindered by the lack of publicly sourced information available regarding JAHM. Since Quinn Adamowski took over as board president, there has been a decided decline in the quality and details contained in the JAHM Board of Director minutes. Starting on September 26, 2022, the JAHM board began using Kelly Klobucher as “note taker” for board meetings. Since then, JAHM’s board minutes no longer included a record of the Treasurer’s Report. The September 26, 2022, board minutes “year-end financial statements were presented,” but a motion was made to place the Financial Report on file for audit. There was no record of discussion regarding JAHM’s yearly financial checkup. This board meeting lasted 2 hours and 22 minutes and there is no record of any discussions regarding JAHM’s finances. The September 2022 meeting was the board’s first meeting held after arguably the largest event ever held by JAHM, which was Blues Brothers Con held August 19 and 20, 2022. Between 5,000-6,000 people attended this event and there is no recorded discussion related to the highest profile event in JAHM’s 20-year history.

For this event, general admission tickets for adults were \$60 and \$20 for those under 18. JAHM also offered “Crystal Head (Vodka) VIP All Access tickets for \$500, and a “Crystal Head Platinum VIP ticket for \$5,000. Parking cost \$30. Proceeds from the event benefitted JAHM and OJP.

The only information related to the 2022 Blues Brothers Con was contained in the February 27, 2023, board minutes. “We had atypically high prepaid expense towards BBCon, and also some earned revenue from advanced ticket sales and sponsorships due to BBCon. This is the money that was spent or received prior to the June 30th end of year.” It is important for COJ to have an accurate accounting of an event of the size and scope of the Blues Brothers Convention. According to JAHM Board minutes, COJ assigned 20 Police Officers each night of the event. COJ also provided other “soft” resources for the event.

During the review of JAHM’s board minutes, it was discovered that JAHM was seeking to purchase (for \$1 million dollars) the shuttered Launching Pad Drive-In Restaurant, 810 E. Baltimore Street, Wilmington II.; an adjacent single-family residence at 808 E. Baltimore Street, Wilmington; and, the 28-foot tall “Gemini Giant” Route 66 roadside attraction. According to the JAHM board minutes from February 27, 2023, JAHM offered “\$750,00 for the business. This includes \$500,000 for the property and building, \$50,000 for equipment, and \$150,000 for the monument and intellectual property. JAHM also made a \$250,000 offer for the 3-bedroom home sitting on 0.2 acres.

The January 2023 JAHM board minutes indicated JAHM was looking to purchase the statue, store/restaurant, and house next-door, according to Quinn Adamowski. Adamowski is on record stating, “The state will reimburse us if we purchase and make part-of our collection. We will be responsible for operation of a visitor center and will

lease the restaurant as a concession.” The board granted Peerbolte the authority to move forward on the \$1 million dollars purchase.

On March 27, 2023, Peerbolte asked the JAHM board for the authority to secure a \$1 million dollars bridge funding (loan) to be used to purchase the property. He said, “we have met with a potential lessor for the restaurant portion of the Gemini Giant.” The Launching Pad restaurant permanently closed in July of 2022, according to published reports. The restaurant and property were purchased by Holly Carol Barker and Tully Garrett in 2017 for \$300,000. The Gemini Giant monument is located on the Launching Pad property. It is unclear if the 2017 purchase price of \$300,000 included the appraised value of the Gemini Giant statue and its intellectual property value. The property is owned by Gemini Giant LLC, as of September 2023. The Launching Pad Restaurant opened 18-months after the 2017 purchase. Published reports stated the restaurant was closed for extended periods of time between 2018-2022. It was closed between 2010 and 2017 when Barker purchased the entity.

The latest JAHM board minutes provided by the museum are not actually minutes; it was just the board meeting agenda. This agenda included a line item citing “Gemini Giant Contract” under the CEO report; it did not include any further information about the \$1 million dollars real estate deal or any of the due diligence reports or documents JAHM may or may not have used to determine the true market value of the properties. Additionally, there was no information on how JAHM expected to pay for the property, statue and maintenance. Further, while JAHM was seeking to spend \$1 million dollars, Peerbolte was requesting a \$100,000 advance from the Joliet City Council to cover a yearlong operational funding deficit.

The Gemini Giant statue may be valued at \$150,000, however, there are no records or documents outlining JAHM’s due-diligence efforts supporting the purchase. There is no record of an appraisal or survey of the properties or the statue. There is no business plan or feasibility study. If such documents exist showing JAHM conducted proper due diligence before committing to these purchases, it should be provided to the IG so this report can be updated. There is a record of JAHM applying for the \$1 million dollar State of Illinois grant, but it is not dated. There is no record of a lessor for the Launching Pad Restaurant or record explaining why JAHM would purchase a three-bedroom house.

JAHM is seeking to purchase a restaurant that has been closed ten of the last thirteen years. Further JAHM has proposed to lease the property to a yet to be named restauranter. JAHM has submitted a bid of \$250,000 for the 1,000 square foot residence. The \$250,000 price (250 per square foot) far exceeds the residential comparables for nearby homes. Realtor.com listed the home’s value at \$171,000. Zillow lists the home’s estimated value at \$172,400.

JAHM is almost entirely dependent on public grants and loans. These types of publicly funded subsidies, while approved, are often delayed, or become entangled in bureaucratic red tape. In June 2023, Peerbolte told the COJ Finance Committee that

JAHM needed a \$100,000 lump-sum cash infusion because the grant funds counted on to pay for OJP work, completed a year earlier, had not arrived.

Financial Support for JAHM/OJP

The Inspector General sought to determine if financial problems at JAHM may have been a contributing factor leading to the firings. Every JAHM/OJP witness interviewed said they heard firsthand or were under the impression that OJP and JAHM were facing funding shortfalls.

As stated above, COJ provides significant financial support to JAHM and OJP. Specifically, it gives JAHM \$16,666.66 monthly payments, which is \$199,999.92 per year. Additionally, JOC provides "soft" support subsidies and grants as needed. For example, on July 24, 2023, Joliet made two payments totaling nearly \$100,000 to JAHM. The City Council approved a lump sum payment to JAHM after Peerbolte said his organization failed to pay contractors for work completed at OJP a year earlier. At a June 23, 2023, COJ Finance Committee meeting, Peerbolte downplayed the significance of the need for a cash injection, claiming "it's a timing thing, not a money thing." The committee voted 2-1 to approve the payment. A review of JAHM's board minutes secured by the subpoena paints a less favorable picture of JAHM's Finances.

According to JAHM board minutes from the May 22, 2023, meeting, Peerbolte asked for and it was approved by the board to seek an open line of credit for \$100,000. Peerbolte reported that JAHM needed bridge funding to help operate between grant payments. Around this same time, Peerbolte approached COJ to secure the lump sum payment of \$100,000. It is not clear if Peerbolte also secured the \$100,000 line of credit. This was the second time in 2023 Peerbolte asked for board approval to secure a line of credit.

It is not wrong for Joliet to provide financial support to JAHM and OJP, however, it is crucial to determine whether current JAHM leadership is properly managing the museum and prison in a financially prudent way. If not, Joliet should reconsider whether to provide financial assistance to JAHM until it is being managed properly.

According to the latest available 2022 IRS 990 tax filings, in 2021, JAHM received \$640,549 in Government grants and contributions. Its total 2021 revenue was \$1,152,214. JAHM's 2021 net assets or fund balances were \$1,552,542.00. Approximately 90 percent of JAHM's funding is from government support; it also generates revenue from rental income, membership dues, admissions and gross sales of inventory at the gift shop.

Currently, JAHM is awaiting an awarded Community Development Block Grant from the State of Illinois for \$3 million dollars. The state grant was sponsored by State Representative Larry Walsh. Additionally, Congressman Bill Foster (D-Illinois) secured federal grant(s) for \$3.5 million dollars. Both grants are to be used to repair deteriorating infrastructure at the 165-year-old prison. Neither grant has arrived.

OJP is a popular and exciting tourist location, however, it is being underutilized. Currently, the public can go on a self-guided tour for \$20, or Prison After Dark tours for \$40. Other tours, including General History tours for \$30, Prison Guard Tours for \$40, Private Paranormal tours for \$125, and Private Paranormal Investigations for \$1500-\$2,500 per event, were cancelled. OJP employees, including Mike Johnson, Christine Johnson, Melissa Patterson, Zak Tyler and Ron Trujillo, Nicolina Perkins, who supported these popular tours were fired.

Other OJP events, such as Blues Brothers Con 2022, held in August 2022, featured Jim Belushi and Dan Aykroyd performing at a concert held at OJP on August 19, 2022. This event was expected to draw approximately 5,000-6,000 people. This IG investigation was not able to accurately determine whether JAHM profited from this event, and if it did, by how much. During an appearance in front of COJ City Council, and during his discussion with Martin Walsh, Peerbolte claimed the profit was \$5,000.00, however, no supporting documents were provided.

V. **Findings.** After carefully considering the evidence, this investigation finds the following:

A. The termination of the seven OJP employees/volunteers, along with additional terminations of at least seven more OJP employees and Museum Assistants has reduced tour options and decreased revenue at OJP.

B. The wording employed in the separation letters given to the seven individuals made allegations that were not based on evidence and was at best circumstantial.

C. The terminations and the ensuing media have cast the JAHM and OJP in a negative light and may hurt recruitment of future employees/volunteers.

VI. **Recommendations.** Given the above findings, this investigation recommends the following:

A. Before committing additional taxpayer dollars to JAHM and OPJ, the City of Joliet should do the following:

1. Engage an accounting firm to conduct a financial audit of JAHM and OJP;

2. Hire a human resources/business consultant, preferably one with not-for-profit experience, to evaluate the current leadership and human resource practices at JAHM and OJP.

B. That JAHM make a concerted effort to increase its level of transparency and accountability to the general public and the City of Joliet per Article VIII "Books and Records" addendum in its bylaws.

C. Temporarily suspend its pursuit of the Gemini Giant property until a third-party can determine the real initial and future impact on JAHMs short and long-term operating costs.



By:

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