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Silent partner? Grant's involvement clouds \$1.5 million Southbrook Mall deal



Credit: The Commercial Appeal

Greg Grant envisions big things for the aging, largely vacant Southbrook Mall in Whitehaven: New retail shops. A performing arts theater. A glimmering carousel. Grant's vision, shared with city leaders in meetings a year ago, resulted in the Memphis City Council this month conditionally approving a \$1.5 million grant for the project. Yet, according to an examination by The Commercial Appeal, Grant didn't mention in his pitch that he owes the federal government nearly \$6 million. (Brad Vest/The Commercial Appeal)

By Marc Perrusquia

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Grant was tagged with a \$5.9 million judgment in 2004 when then-U.S. Attorney Terry Harris convinced a judge that Grant cheated a federally funded health care program. The government showed a bus company owned by Grant submitted bogus bills by not carrying insurance and by claiming to have transported a TennCare patient to medical clinics when the patient was either in the hospital or getting treatment at home.

Grant said he's paid about \$5,000 toward the debt but called the judgment "politically inspired" and unfair. He said he asked recently that the U.S. Justice Department review the actions of U.S. Dist. Judge Jon McCalla.

McCalla found Grant submitted 3,306 false claims totaling \$62,573. By law, he tripled those damages to \$187,719 and then tacked on an additional \$5.7 million in civil penalties.

The newspaper uncovered the nearly decade-old, unpaid judgment, along with fresh questions about Grant's role in the Southbrook project.

Grant says he has no financial interest in the project. In interviews last year, as questions rose about his ties to Councilwoman Janis Fullilove, he told reporters his role was simply that of a consultant who helped trigger government interest and who then severed his ties to the project.

Indeed, Grant seemed to disappear. He bowed out as a nonprofit took over, and even wrote a September 2012 letter to city Community Development Director Robert Lipscomb acknowledging he'd been a controversial distraction, saying, "I have removed myself from the project" so that it might win funding.

Recently filed state records, however, list Grant as the registered agent for Southbrook Properties Inc., the nonprofit company set up to develop the project. An unannounced visit by a reporter to the mall last week found Grant's cellphone number listed on signs as the contact for businesses seeking to

lease space in the mall. Tucked away near the rear of the mall, Grant keeps an office, where he moved last spring, and where he fielded the newspaper's questions.

"We need to fix that," Grant said as rainwater dripped into a wastebasket from the discolored ceiling. A series of large tubs scattered in the mall walkway caught even greater leaks. Once the city money comes through, priorities include fixing the roof as well as the building's central air, Grant said.

"Everyone has a past. And I do too. My position in life is to embrace my past," said Grant, 54, speaking of his long tenure in Shelby County Democratic Party politics. Over the years, he's feuded with former state senator Roscoe Dixon and City Court Clerk Thomas Long. He also served as local president of Rev. Al Sharpton's National Action Network. Grant said the focus shouldn't be on him but on the merits of the project, backed by African-American leaders trying to restore a struggling Whitehaven business district. Racial politics is standing in the way, he said.

"I'm not ashamed of this project."

It's uncertain whether any city money will ever make it to the project. Although the Council voted 8-4 on Oct. 1 to divert \$1.5 million in capital improvement project funds targeted for nearby Elvis Presley Boulevard to the mall, the council decided Tuesday to delay the appropriation until its attorneys determine whether it would amount to an illegal private use of public funds.

Meantime, some councilmen have festering questions about the merits of the project and who controls it.

"This was the worst project we ever approved," said Councilman Jim Strickland, who voted against it and believes the developers have not been straightforward about who controls it. Strickland questioned the development group's retail experience at the Oct. 1 meeting when he also asked for roster of Southbrook Properties' board of directors. He later

said the answers he got seemed “intentionally mysterious.”

After learning details of the newspaper’s visit to the mall last week, Strickland said he’s even more disturbed about the mall’s ownership and Grant’s role in the project.

“It appears he’s one of the principals. And that was not disclosed to the council,” Strickland said.

Grant’s role is actually something far less, said Willie Harper, 57, president of A & A Bail Bond, who, along with a partner, bought the mall for \$200,000 at a 2010 foreclosure sale and deeded it last month to nonprofit Southbrook Properties of which he serves as chairman of the board. He said Grant is a “frat brother” who is working free of charge as the project’s adviser and organizer.

“It really isn’t about money for me and him,” Harper said. “I hope we can do something positive in the neighborhood.”

Grant surfaced as the public face of the Southbrook Mall renovation project about two years ago when developers began seeking public funds. But he disengaged following Fullilove’s much-publicized, August 2012 arrest on a domestic violence charge. She was later found not guilty.

As news cameras rolled, Grant escorted Fullilove from jail following her arrest, walking hand-in-hand with the councilwoman, who shielded her face. That scene triggered questions about Grant’s connection to Fullilove, a key backer of the Southbrook project.

“Janis Fullilove is a dear friend of mine. And she was in distress,” Grant told WREG-TV. In that interview, Grant said his role was that of a consultant who got the project going. He indicated that he was no longer active in the project.

“We were the ones who worked to pull it together. We got it in a good, comfortable position,” Grant said. “... My job was over. End of story.”

Yet, records show that in March of this year — seven months after that interview — Grant filed and signed Southbrook Properties' annual report, listing himself as registered agent. Grant also paid the firm's \$20 filing fee with a personal check.

A visit to the mall last week revealed signs taped to the glass doors out front and inside the mall reading, "Space Available," and listing Grant's cell phone number.

In a front parking lot, a black van labeled "TennCo Express Airport Shuttle" was seen pulling out onto busy Shelby Drive. Records show the firm once was headed by Grant's brother, Alonzo. Though Internet directories list the Southbrook Mall as the address for TennCo Express and Memphis Tours, a company Greg Grant ran with Alonzo, Grant said neither company is active and neither has an office at Southbrook.

"I've got several vans I run," Grant said, saying a van in the parking lot doesn't equate to an office in the mall. "You may see one of our vans anywhere."

After an initial round of quibbling, Grant agreed he maintains an office at Southbrook. He moved in about eight months ago, he said, describing the office as a place for him to meet with the project's general contractor, Bricks Inc., subcontractors and others involved in the project.

Asked about his comments last year contending he no longer was involved with the project, Grant said he stepped away temporarily but now is back as the project's consultant.

"I pulled back from the project initially to see if the criticism of me participating in the project had merit. (Then) the project went flat," he said, saying he re-engaged to get it moving again.

Grant agrees with Councilwoman Fullilove that public questioning of the project has a racial tone.

“People say, ‘Well, don’t talk about no black and white.’ Well, I’m going to talk about black and white,” Fullilove said earlier this month when the matter came to vote. “When it comes to black projects, why is it that we have to go through all of this red tape?”

Councilman Shea Flinn dismissed the suggestion that race played a role. “I don’t know anyone who thinks this is going to work,” Flinn said. “In the heyday of malls it didn’t work.”

Although Mayor A C Wharton’s administration backs the project, his community development director, Robert Lipscomb, offered tepid support last week.

“It has failed three of four times. Is this really our best thinking?” Lipscomb recalled telling Grant.

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