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Houseplant craze has taken root. **E1**

Cardboard box demand not folding. **B1**



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Rain: High 45, Low 34

Nonprofits benefited over food banks

One-fifth of CRE8AD8's output went to Valley church retreat center

By Tom Orsborn

STAFF WRITER

Nearly 20 percent of the 500,000 food boxes distributed by a San Antonio event planner through a federal aid program went to a Rio Grande Valley church retreat center – with no independent verification that the food ultimately reached hungry families.

The U.S. Department of Agriculture, which awarded the \$39.1 million contract to CRE8AD8 in May, provided a final tally of the company's food deliveries to the San Antonio Express-News.

It showed most of the boxes went to faith-based nonprofits, and those organizations could provide little information about the final recipients, the Express-News found.

Only a third of the boxes went to food banks, records obtained through the federal Freedom of Information Act showed.

CRE8AD8's owner, Gregorio Palomino, had told the USDA that two-thirds of the boxes would go to food banks, which have well-established procedures for receiving donated food and typically keep meticulous records showing how it was dis-

tributed.

Palomino's contract called for him to deliver 750,000 boxes of produce, protein and dairy products by June 30.

In the end, CRE8AD8 fell short by nearly 250,000 boxes, USDA records show. The company was paid \$31.5 million, about \$7.6 million less than the contract allowed.

The USDA's \$4 billion Farmers to Families Food Box program was designed to help farmers and ranchers redirect unsold meat, dairy and produce to hungry Americans after the pandemic crippled the economy.

Emails obtained from USDA indicate various problems arose during CRE8AD8's contract peri-

CRE8AD8 continues on A10



Carlos Javier Sanchez / Contributor file photo

Volunteers distribute food at Cornerstone Church in June. Records show the church got 8,680 boxes from CRE8AD8.

FROM THE COVER



Photos by Jerry Lara / Staff file photos

CR8AD8's Lauren Lear, second from right, talks with San Antonio Food Bank produce procurement manager Dayna Robokowski, second from left

CRE8AD8

From page A1

od, which ran from May 15 to June 30. The company was one of the few participants in the Food Box program whose contracts weren't renewed for the program's second phase.

From the beginning, food bank officials and others in the produce business expressed concern about CRE8AD8's lack of experience with large-scale distribution and its lack of facilities.

CRE8AD8's headquarters was a mailbox store, and a location where Palomino's staff was photographed packing food boxes was a borrowed special events room at a restaurant.

Palomino insisted to the media and the federal government that he had access to the packing and storage space necessary to distribute millions of pounds of dairy, meat and produce.

But a June 3 email from USDA contract specialist David Cottrell to Palomino suggests otherwise.

Government auditors who on June 1 went to inspect the San Antonio facilities CRE8AD8 described in its successful contract proposal found no facilities to inspect.

"Your initial reports to USDA were that delivery had begun. However, you also explained to the audit team that, because shipment has not yet begun, there were no facilities available for USDA inspection," Cottrell wrote to Palomino on June 3.

Cottrell also pointed out "suspected deviations" between what Palomino said CRE8AD8 would do and what it actually was doing. Cottrell cited a "lack of existing supplier agreements and partnerships with proposed subcontractors," contrary to what CRE8AD8 had represented in its bid.

Palomino later provided the requested information.

It indicated the company entered into agreements with vendors and suppliers after submitting its bid to the USDA in late April. Some of the emails are heavily redacted, at Palomino's request, so details of those agreements are unknown.

Food bank concerns

Some of the harshest complaints about CRE8AD8 were from food banks, which had expected to receive the lion's share of the boxes based on Palomino's early comments.

In a May 20 interview with the Express-News, he said he had an "exceptional" relationship with the San Antonio Food Bank and others in the USDA's seven-state Southwest Region, which he was supposed to serve under his contract.

Palomino said he and Eric Cooper, president and CEO of the San Antonio Food Bank, had come up with a plan for distribution of the food boxes.

"We have been coordinating our master efforts with the San



CRE8AD8 owner Gregorio Palomino talks after delivering the five pallets of food to the San Antonio Food Bank in May.

Antonio Food Bank," Palomino said in that interview. "We have talked to and communicated with them regarding the food banks around Texas."

In a May 29 email, Palomino provided USDA with a spreadsheet that listed 28 nonprofits; the first 22 are food banks affiliated with the Feeding America food bank network.

No. 1 on the list: The San Antonio Food Bank, which was scheduled to receive 108,000 boxes. Next was the Houston Food Bank, with 72,000.

But the San Antonio Food Bank ended up with only 26,617 boxes, which Cooper said barely was enough to meet the demand for a single week during the pandemic.

Houston received even fewer: 23,832.

"I can say that to work with CRE8AD8 was very disappointing," said Brian Greene, president and CEO of the Houston Food Bank.

Of the 516,150 boxes Palomino told USDA he planned to deliver in his first two weeks, he said 504,000 would go to Feeding America food banks. In the end, he delivered only 176,571 boxes to those food banks.

Palomino didn't meet that two-week goal during the entire six weeks of the contract. Government records show he delivered a total of 506,955 boxes.

"Clearly, CRE8AD8 didn't have the experience to have such a large contract," said Celia Cole, CEO of Feeding Texas, a coalition of 21 Texas food banks under the Feeding America umbrella.

Food banks serve as a hub where large quantities of food can be distributed to smaller nonprofits; the San Antonio Food Bank, for example, works with 500 nonprofits within a 16-county region.

Palomino said his company delivered food boxes to nonprofits that aren't served by the San Antonio Food Bank, thus expanding the program's reach.

USDA records show CRE8AD8 delivered 330,384 boxes directly to nonprofits other than Feeding America food banks.

The biggest recipients were the Valley Baptist Retreat Center

in Mission, with 95,802 boxes valued at \$3.3 million, and Jehovah's Witnesses Congregation Support Inc., which received a total of 35,715 boxes valued at \$1.6 million at several locations in Texas and one in Utah.

Church deliveries

The retreat center in Mission received more than 60 deliveries between June 18 and June 30, the last day of Palomino's contract, USDA records show.

Othal E. Brand Jr., who oversees the center as chairman of the Valley Baptist Missions Education Center, said the food boxes were distributed in an "honest and straightforward" manner to churches in the Rio Grande Valley.

"I thought it was a great opportunity for those below poverty level in the Valley, and we wanted to take full advantage of it," Brand said.

He declined to name the churches, and he couldn't say how many families received food.

"We would go on Google and call all the churches in McAllen, or all the churches in Brownsville, or all the churches in Harlingen," Brand said. "We got an unbelievable number of churches to respond, all denominations. We had all sorts show up. The churches were literally taking them to colonias and homes. They were serving people who didn't have cars."

A spokesman for Jehovah's Witnesses said volunteers delivered the food boxes to families, but he couldn't provide any details such as the dates and locations.

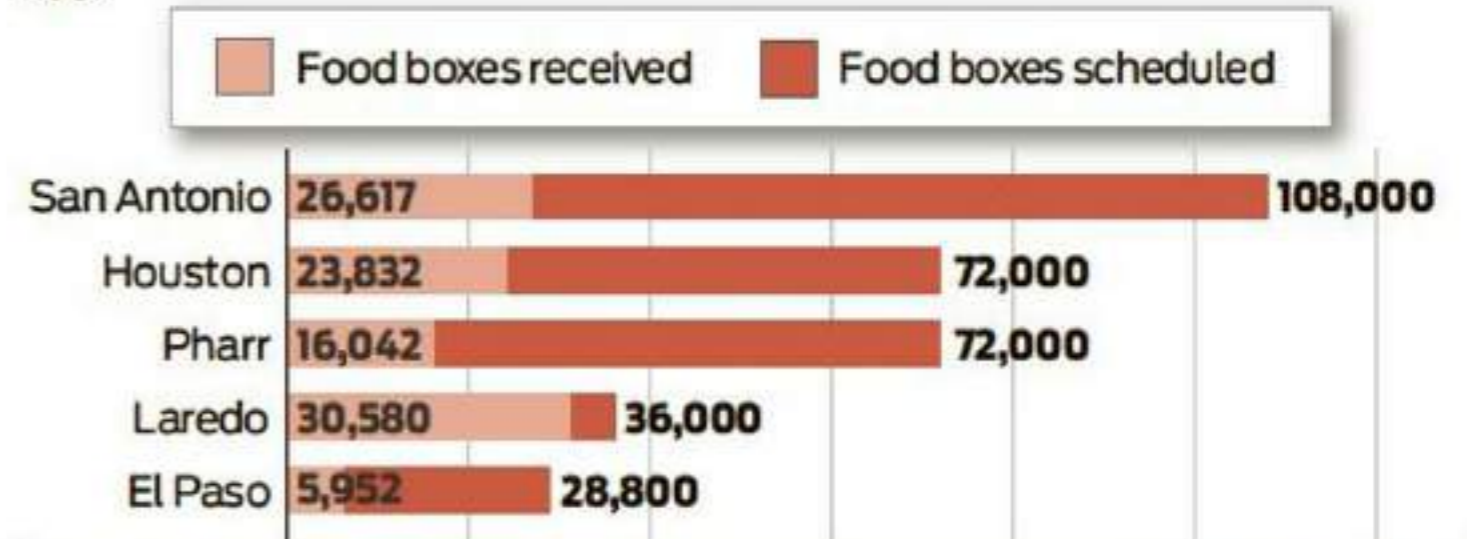
CRE8AD8 delivered the boxes to parking lots and unrelated businesses, bills of lading provided by USDA show. In San Antonio, the deliveries were made at a nondescript building in the 1200 block of North Hackberry Street on the East Side with a for-sale sign on it.

Church volunteers collected the boxes and delivered them to "the doorsteps of the recipients," said Robert Hendriks, national spokesman for Jehovah's Witnesses.

Hendriks said Jehovah's Wit-

Coming up short

CRE8AD8 of San Antonio provided considerably fewer boxes of food to Texas food banks than its owner Gregorio Palomino told the federal government he would deliver. This shows the differences for the top five.



Source: USDA

Mike Fisher/Staff artist

nesses congregations "established the names of those in need" and delivered the food "anonymously."

Asked how the church could be certain families actually received the boxes, Hendriks said: "A phone call is made and the individual is alerted that there is something at their doorstep. Either that or, if somebody is home, a quick knock, and then they will get off the step and go back to their car."

"To my knowledge, we have had nobody take anything off somebody's doorstep," he said.

Laredo Stepping Stone, an interdenominational ministry facilitation and retreat center, received 9,360 boxes from CRE8AD8.

"We contacted the local churches in our community and asked them if they would partner," said Richard Hall, director of Laredo Stepping Stone. "We set up a distribution point and then we went out throughout the community and knocked on doors and asked people that needed food. ... So many times, we knocked on the doors, and they told us they hadn't eaten for two or three days, and what a blessing the food was to them."

The hungry also were encouraged to go to churches to receive boxes, Hall said.

"People just came in and got the food," Hall said.

The problem with that, food bank officials said, is there's no way to verify independently that the recipients are in need or that food safety standards have been met.

USDA officials raised the same concern in an email exchange with Palomino.

"You are responsible for all supply chain and logistic activities necessary to ensure that boxes are distributed to persons in need of food assistance," Cottrell wrote to Palomino on June 4.

Change in plans

Asked why CRE8AD8 sent so few boxes to the food banks compared to what he had told USDA, Palomino blamed Cooper. He said Cooper wanted to "control" distribution and "deliver only to food banks."

Cooper and Cole believe Palomino changed his mind because the San Antonio and Houston food banks conducted detailed inspections of the first CRE8AD8 deliveries, checking the temper-

ature of the trucks and food, weighing and counting the boxes and inspecting them for damage.

"I believe that he knew that food banks ... would hold him to a standard that he didn't want to be held to," Cooper said. "It was easier to work with an organization that would see him as Santa Claus versus one that saw him as a government contractor."

Palomino said his company shifted its emphasis away from food banks plan after receiving calls, emails and texts from "hundreds of other nonprofits" that needed help.

"Our plan not only provided to the Feeding Texas and Feeding America network, it also provided much needed food directly to dozens of other nonprofits and hundreds more indirectly in the United States," Palomino said. "We wanted to do the most good."

With just a few exceptions, bills of lading for CRE8AD8 deliveries to the Valley Baptist Retreat Center show no temperature checks of the trucks or product delivered.

"We didn't do any temperature (checks) of the product," Brand acknowledged. "They were not required. We did not have any issues with bad product."

The numbers

About 80 food banks, churches, faith-based organizations, schools and other nonprofits received boxes from CRE8AD8, the USDA data shows.

Deliveries were made to each of the seven states in the Southwest Region the company agreed to serve under the contract.

In Bexar County, CRE8AD8 made deliveries to Church Under the Bridge, 270 boxes; Cornerstone Church, 8,680; Harlandale Independent School District, 1,540; Meals on Wheels, 93; North East ISD, 3,080; and Northside ISD, 2,000.

Some food bank officials praised CRE8AD8's work.

"From our standpoint, they did a great job," said Jeff Quick, CEO of the Food Bank of North Central Arkansas, which received 6,050 boxes. "They were as good as any organization we worked with."

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