

**COMMISSION ON ETHICS
ADVISORY OPINION
RQO 99-36**

BACKGROUND: Milton Wallace, Chairman of the Housing Finance Authority, is seeking an advisory opinion regarding his purchase of a controlling financial interest in a company that currently holds county contracts.

NARRATIVE: Wallace has recently acquired a controlling financial interest in Recio and Associates. Although Wallace has requested and received a waiver pursuant to 2-11.1(c) for a pending contract, he is concerned about the effect of the purchase on current county contracts held by Recio.

ARGUMENT: Wallace may not transact business with the county under the existing Recio contracts. Section 2-11.1(d) of the Code of Miami-Dade County provides that a county employee may not "enter into any contract or transact any business through a firm, corporation, partnership or business entity in which he has a controlling financial interest, direct or indirect with Dade County or any person or agency acting for Dade county and any such contract, agreement or business engagement entered in violation of this subsection shall enter the transaction voidable." The ordinance defines "transact any business" as purchase or sale by the County of specific goods or services for a consideration. Any work or purchase orders under existing contracts by Recio issued after Wallace obtained a controlling financial interest would constitute transacting business as defined in the ordinance and would be prohibited under 2-11.1(d). Therefore, Recio cannot transact new business under the current contracts .

CONCLUSION: The Conflict of Interest and Code of Ethics ordinance prohibits Wallace from transacting new business with the county under Recio's existing contracts.