



Miami-Dade Commission on Ethics & Public Trust

Investigative Report

Investigators: Manuel W. Diaz, Breno Penichet

Case No.: K12-183	Case Name: Edelcup/Thaler/ Ottinot Sunny Isles Beach	Date Open:	CASE CLOSED Date: <u>1/7/15</u>
	Subject(s): Edelcup/Thaler/Ottinot	12/11/12	

Allegation(s):

Joseph Centorino, Executive Director of the Miami Dade County Commission on Ethics and Public Trust (COE) received information from an anonymous source (see attached e-mail). The e-mail alleged that Mayor of Sunny Isles Beach (SIB) Norman Edelcup (Edelcup), the Vice Mayor of SIB Lewis Thaler (Thaler), and the City Attorney of SIB Hans Ottinot (Ottinot) had violated the Sunshine Law, the SIB City Charter and the Miami-Dade County Conflict of Interest and Code of Ethics Ordinance. The anonymous letter made numerous allegations.

After discussion with the COE Advocate, the investigation focused on the following allegations:

- Edelcup, Thaler and Ottinot had accepted Miami Heat Basketball tickets from a SIB developer (Katz) who is an owner of the Miami Heat.
- Edelcup directed SIB administration to construct an office for a friend of his who works for SIB.
- Edelcup directed that SIB funds be re-routed to the privately run the SIB K-8 Trust (Trust) without SIB Commission approval.
- Ottinot violated his contract with SIB by having an assigned SIB vehicle and also collecting a car allowance.

Relevant Ordinances:

Miami Dade County Conflict of Interest and Code of Ethics Ordinance , Sec 2-11.1

“(g) *Exploitation of official position prohibited.* No person included in the terms defined in Subsections (b) (1) through (6) and (b) (13) shall use or attempt to use his or her official position to secure special privileges or exemptions for himself or her or others except as may be specifically permitted by other ordinances and resolutions previously ordained or adopted or hereafter to be ordained or adopted by the Board of County Commissioners.”

Miami -Dade County, Florida. Code of Ordinances >> PART I –

CONSTITUTIONAL AMENDMENT AND CHARTER (A)

“2. *Truth in Government.* No County or municipal official or employee shall knowingly furnish false information on any public matter, nor knowingly omit significant facts when giving requested information to members of the public.”

“6. *Right to Notice.* Persons entitled to notice of a County or municipal hearing shall be timely informed as to the time, place and nature of the hearing and the legal authority pursuant to which the hearing is to be held. Failure by an individual to receive such notice shall not constitute mandatory grounds for cancelling the hearing or rendering invalid any determination made at such hearing. Copies of proposed ordinances or solutions shall be made available at a reasonable time prior to the hearing, unless the matter involves an emergency ordinance or resolution.”

Sunny Isles Beach Code of Ordinances

Article 3. Administrative (Copy in file)

Article 14. Code Enforcement (Copy in file)

Investigation:

Interviews

Jorge Vera (Vera), Former Assistant City Manager SIB. At the time of the interview Vera was employed as the Public Works Director for the City of South Miami.

Vera was advised as to the scope of the investigation.

Vera advised that he was not aware that Katz had provided free Heat tickets to Edelcup, Thaler or Ottinot.

Vera explained that he had worked for SIB since the City was incorporated. During the time he had sat in on numerous staff meetings that Edelcup and Thaler had attended. He described both as involved in the day-to-day decision making process of the City's administration. Neither Edelcup nor Thaler would discuss how they would vote on any matters that could come before them.

Vera explained that Edelcup and Thaler would speak directly to staff but to his knowledge neither directed staff to do anything. When issues would arise, Edelcup and Thaler would contact the City Manager, who would evaluate the concern, and if necessary, direct staff to address the issue.

Vera confirmed that Joel Wadsworth (Wadsworth) is a friend of Edelcup. He works in the Parks Department and is assigned to the Heritage Park. The office referred to in the anonymous complaint, is located in the Heritage Park garage which is adjacent to the Park. The office was constructed for the employee assigned to the park and not specifically for Wadsworth.

Vera explained that the Norman Edelcup School was built on land purchased by SIB and given to the Miami-Dade School Board. The \$25,000 mentioned in the anonymous letter was given to the school via SIB resolution, and resulted from a development agreement worked out between SIB and Navarro pharmacy. Vera was not aware of the \$40,000 special master award mentioned in the letter.

Vera supervised the Building and Public Works Department prior to leaving SIB. He advised that all required permits for the Collins Avenue Streetscape were obtained and complied with during his tenure.

Lazaro Quintino (Quintino), Miami-Dade DERM, Supervisor Environmental Resources Regulation

Quintino was interviewed. He advised that all the required permits for the work on the Collins Avenue Streetscape project were obtained by the City. According to Quintino, DERM inspects and closes the permits when the work is completed. He advised that some of permits have been inspected and closed. There are other permits which are open and have been open for some time because of continuing work on the project. When the work is completed, DERM will inspect to insure compliance.

Captain McGregor Shepherd (Shepherd), Miami-Dade Fire Department – Fire Prevention Bureau.

Shepherd was interviewed via telephone. He confirmed that the garage had an office/storage facility as mentioned in the letter.

He agreed to send a fire inspector to the garage to inspect the office/storage facility for violations. The inspector reported several violations and issued SIB violations for improper storage. (Copies in file) McGregor advised that any violations will be brought into compliance.

Alan Cohen (Cohen), Former City Manager of Sunny Isles Beach. At the time of the interview Cohen was the City of Manager of the City of Sunrise, Florida.

Cohen was interviewed concerning the information in the anonymous letter.

Cohen was aware that Edelcup, Thaler and Ottinot attended Heat games. The owner of the Heat is Katz, a City developer. Cohen described Katz as “demanding.” Edelcup directed Cohen to prioritize a number of Katz’s project. This was a verbal direction from Edelcup to Cohen, there is nothing in writing.

Cohen believes that the three also attended the opening day events for the Marlins’ game, at the invitation of Jose Milton, a SIB developer, who he believes is a Marlins season ticket holder and has a private arena sky box.

Cohen recommended that the COE contact the current SIB Finance Director Minal Shah for additional information.

Cohen confirmed that Edelcup directed SIB employees to construct an office with a door in the City’s Heritage parking garage. The office was not on the original plans as originally approved. This construction was completed without approved plans, according to Cohen. The work was done after Cohen left SIB.

Cohen stated that while the City Manager questioned the manner in which developers in SIB made contributions to the Trust, he explained that the K-8 was named after Edelcup and Thaler sat on the board of the school.

City funds were donated to the Trust without Commission approval, Cohen believes, to prevent any criticism from Edelcup and Thaler's political opponents. Cohen noted that developers negotiated directly with Edelcup and Ottinot. He was not involved in the negotiations.

He noted one instance where Navarro Pharmacy wanted a variance to sell liquor. A donation of \$25,000 from Navarro to SIB was written into the Resolution that was passed by the Commission. In Cohen's opinion, the donation was made to SIB and not to the Trust, any disbursement of funds to the Trust should have been approved through Commission action.

In another instance, a special magistrate awarded SIB \$40,000 as a result of a Code Enforcement lien. The payments were to be made directly to the City. The payments were to be made in three payments. Two of the payments went to SIB; a third payment of \$6,000 went to the Trust. The last payment was approved by Ottinot and donated to the Trust without Commission approval.

Cohen noted that Ottinot gets a city car and a car allowance. Cohen believes this is contrary to his employment contract with SIB.

There is an e-mail between himself and Ottinot where Cohen expresses his concerns. Cohen was fired after the exchange.

Minal Shah (Shah), Former Finance Director SIB

Shah left her employment with SIB she is currently employed as the Finance Director with the City of Sunrise, Florida.

Shah noted the following irregularities in the Town's financial practices. She reported all to the irregularities to Cohen.

Navarro Pharmacy

Navarro Pharmacy requested a zoning variance to allow for the sale of alcohol, for their store located in SIB. An agreement was made between SIB and Navarro. Navarro was to pay \$25,000 (as a mitigation fee) to obtain the variance.

According to Shah, SIB did not receive the money. The \$25,000 was given directly to the Trust, as a donation. Shah noted that Thaler is a member of the Trust Board. The K-8 is named after Edelcup.

According to Shah, the fee should have gone to SIB and should have been used for City services. If SIB wished to make the donation, the donation should have been made with Commission approval.

She does not know if there was pressure on Navarro to make the donation to get the variance.

Aqualina Resort and Spa

The resort was to pay a development fee to SIB. The fee (\$40,000) in four annual payments. The owners (Trump Development Group) were directed to make the donation to the Trust without Commission approval.

Shah advised that she had no knowledge of the donation until her office received a check from LPLA Partners, LLC. She contacted Billy Lillyczop at LPLA to inquire about the check. He was told that the \$10,000 was part of a \$40,000 agreement between LPLA and SIB, where LPLA would donate the \$40,000 to the Trust. She was instructed by the City Attorney to deposit the LPLA check and issue a check to the Trust.

Chateau Beach Condominium

A special master determined that the condominium was to pay SIB a settlement for Code Enforcement lien. The settlement was to be made in three different payments. The first two payments went to SIB the third payment was made to the Trust. There was no commission action approving the donation. There is a memorandum in the file from Ottinot directing the condominium was to pay the school directly.

Sunny Isles Beach Property Holdings, LLC

Sunny Isles Beach Property Holdings, LLC paid \$30,000 to settle Code Enforcement Lien violations. According to Shah, \$15,000 went to the City and \$15,000 went to the Trust without Commission approval.

No-bid contract

There was a no-bid contract awarded to erect a bench and gate at a newly constructed pier behind one of the condominiums. The award should have been considered by the Commission. Public Works did get approval from the Commission. Shah refused to sign the check to the builder for the work. The City Manager signed the check.

Former Vice-Mayor Thaler

Thaler's car was damaged when he drove in high water during recent street flooding earlier this year. Edelcup was apparently in the car. Edelcup directed the city to reimburse Thaler for the damages (\$300).

Russo (the current city manager) and Ottinot

Both recently received mid-year raises. The raises were not approved by the Commission. Their contracts require Commission approval. Ottinot opined that the raises were permitted.

Hans Ottinot (Ottinot), SIB City Attorney

Ottinot was interviewed. He was represented by Kendall Coffey, Esq., Coffey Burlington, 2601 S. Bayshore Drive., PH1, Miami, Florida 33131.

Present during the interview was COE Investigator Penichet.

Ottinot was advised that the COE had received an anonymous complaint alleging that he had inappropriately used his City-issued vehicle, that he had received event tickets from SIB developers and not filed the appropriate gift disclosure forms. The complaint also alleged that City funds generated through code enforcement actions and zoning agreement between SIB and developers had been distributed to the Trust without Commission approval.

Ottinot was advised that the COE had reviewed the gift disclosures that he filed and his filings appear to be in compliance. He was also advised that the COE has inquired as to the use of his City vehicle and that his use of the vehicle seemed to be in compliance with his employment contract with SIB.

Ottinot was also advised that the COE had inquired into the allegations that the City had not complied with DERM regulations in the Ocean Drive redevelopment project. DERM had reported that SIB complied with all of its requirements for the project.

The focus of the interview changed to the City's donations to the Trust. Ottinot explained the City's participation in the Trust. He said that that a member of the Commission as well a representative from the City Manager sat on the board of directors. The donation of funds was a management decision. He had no involvement in the process. He explained that all SIB General Funds donated to the Trust were approved by Commission resolution.

He explained that donations resulting from code enforcement fines were considered as additional revenue to SIB. As a result, City management decided where the revenue would be spent. He again had no input in the decision making. According to Ottinot, management could make contributions to the Trust without Commission approval.

Ottinot acknowledged that several donations to the Trust came from development agreements between the City and the developers. When the agreements specified the amounts that were to be donated to the Trust, the developer made the donation directly to the Trust with no Commission action required. When the amounts were not specified in the development agreement, the decision on how much to donated rested with City management.

Norman Edelcup (Edelcup), Former Mayor SIB

Edelcup was interviewed. Edelcup was represented by Kendall Coffey Esq. Coffey Burlington, 2601 S. Bayshore Drive., PH1, Miami, Florida 33131. Also present, representing SIB was Ottinot.

Investigator Penichet was present for the interview.

Edelcup acknowledged that he accepted three Heat basketball tickets from Katz. He advised that he filled out the gift disclosure forms and submitted the forms to the SIB City Clerk. Edelcup was advised that a public records request to the Clerk produced one form reflecting one game attendance. Ottinot advised that he would contact the City Clerk for Edelcup locate the gift disclosure form and provide copies to the COE.

Edelcup acknowledged that he had attended an opening season game day ceremony at for the Marlins at the invitation of Jose Milton. Edelcup advised that he inquired from Ottinot if he was required to report the invitation as a gift. Ottinot opined that the value of the invitation was \$75.00 and Edelcup was not required to report the invitation as a gift.

Edelcup denied having anything to do with the allegation that he directed City staff to build an office in the City's Heritage parking garage for a friend and SIB employee Joel Grunzweig (Grunzweig). Note: in the anonymous letter the writer identified the SIB employee as Joel Wadsworth. During the interview Edelcup properly identified the employee as Joel Grunzweig. Edelcup acknowledged that Grunzweig was a friend and an employee of SIB.

According to Edelcup, the office in the Heritage garage was on the original plans for the garage, and he did not direct City administration to build the office.

Edelcup advised that he knew of the Navarro \$25,000 donation to the Trust; he denied any involvement in the negotiations with Navarro.

Edelcup was aware that LPLA Partners, LLC paid \$40,000 to SIB as part of a development agreement. He denied any involvement in the City's negotiation with LPLA Partners, LLC. Edelcup advised that he was not aware of the Special Master agreement between SIB and the Chateau Beach Condominium.

Edelcup advised that he was not involved in the negotiations with Sunny Isles Beach Property Holdings and the decision to donate \$15,000 to the Trust. Edelcup advised all negotiations were handled by City Administration; Ottinot and the property owners or developers. With the decision to donate funds to the Trust coming from administration.

Concerning the damage and repair to Thaler's vehicle, Edelcup confirmed that Thaler's car was stalled out in a rain storm, while Thaler was driving him to a City function. Edelcup said that he called Russo. Russo arranged for a City tow truck to respond to tow Thaler's vehicle. He is not aware if Thaler's vehicle was repaired by the City.

Edelcup described the Trust as a not-for-profit which was established to support school functions, activities and supplies that were needed by the school. The Trust board was comprised of SIB residents, the SIB City Manager and a member of the SIB Commission.

According to Edelcup, the school was built by the School Board on land donated to the Board by SIB.

Public Records:

Quarterly Gift Disclosures

A public records request was made to the SIB City Clerk for Quarterly Gift Disclosure forms (Form 9s) filed by the members of the Council and the City Attorney for the years 2010-2013. The Clerk's Office provided the following:

Edelcup - Form 9 Quarterly Gift Disclosure filed on June 22, 2012. The form indicates that Edelcup received a ticket to a basketball game on April 19, 2012.

Ottinot –

Form 9 filed May 18, 2010, reflecting two (2) Miami Heat tickets on January 23, 2010, and (2) Miami Heat tickets on March 9, 2010. The gifts were from Danny Katz.

Form 9 filed April 11, 2011, reflecting tickets to basketball game from Danny Katz on February 22, 2011, tickets to jazz concert from Shirley Gibson on March 20, 2011, and tickets to basketball game on March 25, 2011, from Danny Katz.

Form 9 (date unknown) (not attested to by Clerk), reflecting Heat tickets Indiana game, on January 4, 2012, from Danny Katz.

Form 9 filed on May 31, 2012, reflecting two (2) tickets to Jazz in the Gardens from Shirley Gibson on March 13, 2012, two (2) tickers to Heat game from Danny Katz on April 8, 2012, two tickets to Marlins game from Lou Montello on April 31, 2012, two (2) tickets to Heat game from Danny Katz on May 5, 2012.

Form 9 filed on April 18, 2013, reflecting tickets to Miami Heat Game from Ranaan Katz on 1/25/13, tickets to Jazz in the Gardens from Oliver Gilbert on 3/16/13 and ticket to the Miami Heat game from Rannan Katz on March 22, 2013.

According to the City Clerk, there were no other Gift disclosures filed by any other member of the City Commission

A Public Records was made to SIB for the following:

- Agreement between SIB and Navarro Discount Pharmacies and copy of payment of \$25,000.
- A Copy of Resolution NO. 11-Z-121. (11/27/11)
- Copies of payments/donations issued to SIB K-8 Trust for 2010 – 2013

The following documents were provided:

Navarro Discount Pharmacy to SIB receipt of funds noting the amount of \$25,000 and the Resolution.

A copy of a memorandum from Thaler to the Mayor and Commission asking the Commission to consider a resolution contributing \$5,000 to the 8 Trust for the College Scholarship Program. The Donation is from the City Commissions Donation budget. A copy of Commission Resolution NO. 2011-1791 approving the donation. A copy of SIB check # 2212 from the SIB to Sunny Isles Beach K-8.

A copy of a SIB check # 9389 to the Sunny Isles Beach School Trust for \$5,000. The check is dated 12/5/13. There was not accompanying Commission Resolution. There is no indication where the funds were drawn from.

A copy of two Invoices from Sunny Isles Beach Community School Trust Fund to the City of SIB, dated 4/4/12. A check from SIB to the Sunny Isles Beach K-8 for \$900. The notation on the check is PCB Annual scholarship dinner at Newport. There is no accompanying Commission Resolution.

A copy of a memorandum form Thaler to the Mayor and the City Commission asking for the contribution of \$5000 to the Sunny Isles Beach K-8 Trust for the First Generation College Scholarship Program. The memorandum indicates that the funds are available in the SIB General Fund. A copy of SIB resolution No. 2012-1986 approving the contribution. The attached SIB check # 5607 indicates that the check was issued on 10/19/12.

A copy of two Invoices from Sunny Isles Beach Community School Trust Fund to the City of SIB, dated 3/8/13. A check from SIB to the Sunny Isles Beach K-8 for \$1350. The notation on the check is Scholarship Gala Award Event (\$450) and PD Scholarship Gala Award Event (900). There is no accompanying Commission Resolution.

A copy of a General Fund Claim Voucher. The voucher is for \$50. The check indicates that the funds were to pay for a gift card for a DARE Essay winner for 2013. The check was issued on 6/7/13.

A copy of a SIB computer screen shot indicating that there was a payment made for one table for a scholarship gala. The check was issue on 5/5/11. A notation that SIB was "unable to locate copy of check in old file storage facility."
No accompanying Commission Resolution was provided.

A copy of a SIB computer screen shot indicating that there was a payment made for made to the Sunny Isles Beach Community School Trust on 5/3/11 for \$10,000. A notation that SIB was "unable to locate copy of check in old file storage facility." No accompanying Commission Resolution was provided.

A copy of a SIB computer screen shot indicating that there was a payment made to the Sunny Isles Beach Community School Trust for \$2,500. The check was issued on 11/8/10. A notation that SIB was "unable to locate copy of check in old file storage facility." No accompanying Commission Resolution was provided.

A copy of a check from LPLA Partners, LLP to Sunny Isles Beach K-8 for \$10,000. The check is dated 4/15/13.

A copy of the SIB check attachment indicating a check was issued by SIB to the Sunny Isles Beach K-8 for \$10,000. There is no supporting Commission Resolution.

SIB Web Site: www.sibfl.net

The SIB Commission archived minutes were queried for “Navarro Pharmacy”\

An item was heard by the Commission on April 21, 2011. Navarro at the time had requested a variance which would permit an existing Navarro Pharmacy to sell liquor and a second variance to permit a sign. During the presentation by the architect for the project, the architect indicates that Navarro will present SIB with \$25,000, as a “good neighbor policy.” According to the presenter, SIB could use the money for it park or its school. The application package (also on line) was reviewed. Under the “Conditions of Use” portion of the application package, there is no mention of a donation,” good neighbor policy.”

Resolution No. 11-Z-121, as provided by SIB as part of the response to a public records request contained the following under #7. “That the applicant shall provide payment of \$25,000.00, for mitigation purposes to the City for its recreational programs and school.”

The SIB Commission minutes for 2012 and 2013 was queried for agenda items concerning “Acquilina”; none were found.

The same minutes were queried for “LPLA Partners, LLC,” the minutes reflect the following:

May 16, 2013, the Commission approved the use of a SIB parking lot for construction purposes. LPLA was to reimburse SIB \$15,000 for the use of the lot.

July 19, 2013, the Commission approved amending an ordinance that would provide an extension for fees owed to SIB for the purchase of Transfer of Development Rights (TDR’s) and Bonus Units. LPLA was one of three developers who received the extension.

October 18, 2012, the Commission heard a presentation from the City Planner concerning the Transfer Development Bank Account. LPLA Partner, LLP (1,462,500) along with two other developers 18555 Collins Development., LLC (975,000) and Abus, LLC (1,000,000) were noted in the report as having TDR Funds uncollected.

August 21, 2012, the Commission approves the extension of payments for TDRs and Bonus Payments, and approved a promissory note in the amount of \$6,704,100 for LPLA Partners, LLC.

The SIB site was queried for “Chateau Beach Condominium” which yielded the following:

February 16, 2012, the Commission considered the approval from private TDR Bank Account and City TDR Bank Account, also seeking an exemption of a beach access agreement and several other variances. Request was made to continue the item.

April 19, 2012, the Commission considered a request for a temporary sales office structure.

May 20, 2012, the Commission considered a mural to be installed on the property fence.

The SIB site was queried for “Sunny Isles Property Holdings, LLC” (the parent company of Chateau Beach Condominium) which yielded the following:

May 10, 2012, the Commission considered the item previously heard on February 16, 2012. (above)

February 18, 2010, the Commission considered a resolution approving a 10 year extension of Temporary Development Rights for Sunny Isles Property Holdings, LLC.

The below documents were provided to the COE by a third party, and were not provided by the SIB City Clerk pursuant to a COE public Records request.

*Copy of letter from Bergman & Jacobs, PA to Amuchastegui at SIB. In the October 26, 2011, letter the firm clarifies the distribution of a fund from a settlement agreement between Chateau Beach LLC and SIB. In the settlement agreement, there is no mention of the distribution of funds to the Trust. There are a series of e-mails attached between Ottinot and Shah where Shah questions a distribution to the Trust without commission approval.

*Letter from Ruden and McCloskey to SIB to Ottinot. The letter refers to a settlement between their client Sunny Isles Beach Property Holdings, LLC and SIB for code enforcement violations. There is no mention the Trust in the letter. The letter was sent February 23, 2010. The check was dated February 18, 2010. Documents attached to the letter indicate “per Jasmine, this is a settlement is to be split equally between Jazz Festival and SIB School Trust.” (Jasmine Barnes is the Executive Assistant to the SIB City Attorney.) Notations on accompanying documents indicate that the SIB Finance Director directed that \$15,000 of the settlement was directed to a SIB activity and \$15,000 was to be directed to the Sunny Isles Beach Trust Fund

*A SIB Memorandum from Ottinot to Shah referencing the Navarro Discount Pharmacy, LLC presentation to the SIB as a condition of the zoning approval. Ottinot instructs Shah that \$15,000 is to be allocated to a SIB festival and \$10,000 is to be paid to the Trust.

*Copy of an LPLA Partners, LLP check # 481 to the Sunny Isles Beach K-Trust Fund.

Hans Ottinot on use of City Vehicle

Employment Agreement between SIB and Ottinot was passed by the SIB Commission in 2005.

Section 4. Automobile

In lieu of the automobile allowance previously allotted to the City Attorney, the City shall provide Employee a new City-Owned vehicle and shall insure, maintain and repair that vehicle, provided, however that when the employee uses the vehicle for her own personal use, he shall reimburse the City for fuel costs. The car shall be the same mode and type provided to other appointed charter officers.

Sunny Isles Beach Code of Ordinances

Article 3. Administrative

C-3.2. The Powers and Duties of the City Manager

The Manager shall:

(2) Direct and supervise the administration of all departments and offices....

C-3.6. City Attorney

...The City Attorney shall report to the Commission...

Article 14-8 Civil penalties; continued and repeat violations.

(C) H. Civil penalties assessed pursuant to this chapter by the Special Master are to and payable to the City at the close of the hearing....

NOTE: Sunny Isles Beach 2012/2013 Comprehensive Annual budget Adopted annual budget shows Fines and Forfeitures under Fund Summaries

Summary of Facts

Edelcup, Thaler and Ottinot had accepted Miami Heat Basketball tickets from a SIB developer who is an owner of the Miami Heat.

In response to a public records request, the SIB City Clerk produced one completed Form 9 Gift Disclosure for Edelcup, indicating that he received one ticket to a Miami Heat basketball game.

During an interview with the COE, Edelcup acknowledged that he received three (3) Miami Heat tickets. He advised that he filed three Form 9 Gift Disclosures with the City Clerk. Ottinot who was present during the interview advised that he would contact the City Clerk and provide copies of the two Form 9 submitted by Edelcup.

During the same interview, Edelcup confirmed that he was invited to attend an opening day ceremony for the Miami Marlins by Milton, a SIB developer. Ottinot, who attended the interview, opined that Edelcup did not have to report it as a gift because the cost of attendance was \$75.

In response to a public records request, the SIB City Clerk produced a number of Form 9 Gift Disclosure for Ottinot. In an interview with the COE, Ottinot advised that the Form 9 obtained from the Clerk's office accurately reflect the gifts he received while in office.

Edelcup directed SIB administration to construct an office for a friend of his who works for SIB.

During an interview, Edelcup denied that he directed administration to construct an office for a SIB employee who was a friend of his.

Former SIB Acting City Manager and former SIB Public Director, in an interview with the COE advised that Edelcup had nothing to do with the construction of the office.

Edelcup directed that city funds be re-routed to the privately run Sunny Isles Beach K-8 Trust Fund.

Four (4) instances were identified Navarro, LAPA Partners, Chateau Beach Condominium, and Sunny Isles Beach Holdings.

Edelcup, in an interview with the COE, denied involvement in directing any City funds to the Trust. He was asked concerning donations made by Navarro, LAPA Partners, Chateau Beach Condominium, and Sunny Isles Beach Holdings to the Trust. He acknowledged that he was aware that developers had made donation to the Trust in the form of mitigation fees. He also acknowledged that code enforcement fines resulting from the decisions of special master had been donated to the Trust. Edelcup advised that the donation of funds was the decision of SIB City Administration. All decisions were reviewed and approved by Ottinot.

Ottinot violated his contract with SIB. Ottinot has a SIB vehicle assigned and collected a car allowance for the vehicle.

Public records obtained through the City Clerk do not support this allegation.

Article II – Code Enforcement

Chapter 14 - 8

H. Civil penalties assessed pursuant to this chapter by the Special Master are due and payable to the City at the close of the hearing and shall become delinquent if not paid within 10 days after notice to the violator of the Special Master's decision itemizing the civil penalties. If a proper appeal of the Special Master's decision is made, the civil penalties assessed pursuant to this chapter by the Special Master are due and payable to the City when the appeal has been finally decided adversely against the named violator.

Chapter 14 advises that funds derived from the decisions of the Special Master as a result of Code Enforcement actions are City funds.

Article II – Charitable Donations

172-4 Charitable Donation.

A. Financial Donation. Cash donations to charitable organizations must be approved by affirmative vote of at least four members of the City Commission at a public meeting.

The analysis of the public records provided by SIB and records indicate that there were payments to the Trust that were not approved by the Commission.

Navarro: As part of the zoning agreement with the SIB, the developer agreed to the donation. There was no Commission action approving the donation to the Trust.

Aquilina: There is no Commission approval for the donation to the Trust.

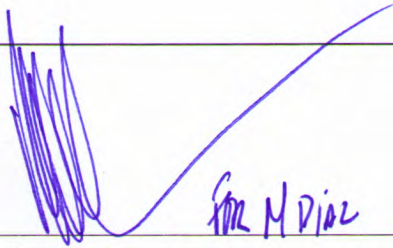
Chateau Beach Condo: There is no Commission approval for the donation Trust.

Sunny Isles Beach Property Holdings, LLC: There is no Commission approval for the donation to the Trust.

Ottinot stated in his interview that funds derived from code enforcement fines are not included in the General Fund of SIB, therefore, management does not need a Commission approval to donate funds to the Trust. The Charter does not seem to differentiate between the general fund and other City funds.

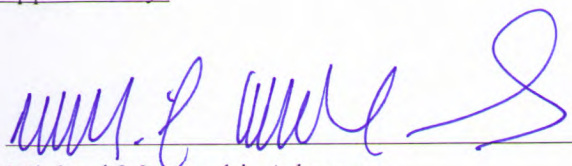
Conclusion:

The anonymous letter received by the COE listed various instances of alleged wrongdoing within the city of SIB. After conducting an investigation the vast majority of the allegations were determined to be without merit or so *de minimis* as not to warrant any further action. Wherefore, this matter is closed with no further action.

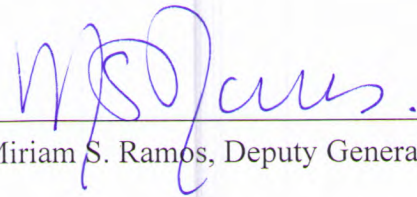


Manuel W. Diaz & Breno Penichet, COE Investigators

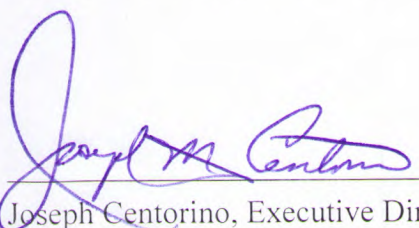
Approved by:



Michael Murawski, Advocate



Miriam S. Ramos, Deputy General Counsel



Joseph Centorino, Executive Director Date

4/6/15
Date