



**Miami-Dade Commission on Ethics & Public Trust**  
**Investigative Report**

**Investigators: Nilda Olmo/Karl Ross**

<b>Case:</b> C18-14-03/ K18-21	<b>Case Name:</b> Fuller v. Carollo, et. al.	<b><u>Date Opened:</u></b> 03/12/18	
<b>Complainant(s):</b> Bill Fuller c/o Barlington Group	<b>Subject(s):</b> <b>Joe Carollo</b> Commissioner, City of Miami, District 3 <b>Steve Miró</b> , Former Aide/District Liaison for Commissioner Carollo <b>Alberto Parjus</b> , Former Assistant City Manager <b>Mary Lugo</b> , Union Rep. AFSME LOCAL 1907		

**Relevant County Ethics Code Ordinance:**

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 Subsection (b) (1) through (6) and (b) (13) shall use or attempt to use his or her official position to secure privileges or exemptions for himself or herself 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.

**Allegation(s):**

This investigative report is predicated on a formal complaint filed by Bill Fuller (Fuller), c/o The Barlington Group, on 03/12/18. The complaint was filed against City of Miami District 3 Commissioner Joe Carollo (Carollo), Steve Miró (Miró), former Aide to Carollo, Mary Lugo (Lugo), City of Miami employee and currently Board Member of American Federation of State, County and Municipal Employees LOCAL 1907 (AFSCME) and Alberto Parjus (Parjus), former Assistant City Manager, currently Deputy Director for Miami-Dade County Transportation and Public Works (DTPW). Fuller alleges the aforementioned parties have acted and/or are acting outside the scope of their official duties, and in violation of the Conflict of Interest and Code of Ethics Ordinance, as follows:

**1. Commissioner Carollo's Pre-Election Illicit Interference with Complainant.** On 11/18/17, Fuller alleges that during a rally for Alfie Leon, Carollo's opponent in the runoff elections for District 3, Miro arrived and proceeded to photograph the event, confronting attendees and questioning the nature and legality of the event. The rally was held on a lot owned by Fuller. City of Miami Code Enforcement Inspectors as well as police arrived shortly thereafter, shutting down the event. Fuller learned that Carollo, with the assistance of Miro, Parjus and Lugo, had called City of Miami Special Events Department and Code Enforcement to demand the shutdown. Fuller received a text from Miro the following day confirming that Carollo's camp was responsible for the shutdown.

**2. Commissioner Carollo's post-election unsanctioned and unlawful exercise of powers beyond the limits of his legislative power as a City of Miami Commissioner to intentionally cause harm to complainant.**

**(a) Commissioner Carollo's attempt to shut down the Barlington Group's private Christmas party.** On 12/15/17, The Barlington Group held their holiday party at the Tower Hotel, located at 1450 SW 7<sup>th</sup> Street, a private property owned by Fuller and his partner Martin Pinilla. At approximately 9:00PM, Fuller stated that Code Enforcement Officer Scarlet Morua (Morua) arrived at the property stating Code Enforcement had received a complaint from a neighbor regarding a potentially unsanctioned party. Fuller indicated Morua spent over 2 hours outside the property, in plain view of the guests, thereby causing a sense of intimidation to the guests that included family members and young children. Morua questioned Fuller regarding the Certificate of Use (CU) and thereafter left the premises stating that she would confirm the information and in the event one was not issued the event would be shut down. Approximately an hour later, Morua returned and advised Fuller he was not in violation. By that time, Fuller stated the guests had left due to the level of discomfort created by the Code Enforcement presence. That same night, at approximately 1:00AM, Fuller received a call from the property manager indicating that a Code Enforcement representative had returned asking to speak with him and provided Fuller with a contact number. Upon contacting the representative, Fuller was informed that Lugo had made several calls and sent photographs of possible illegal drugs at the holiday party, leading to Morua being dispatched to that location.

**(b) Albert Parjus's attempt to target the business operations of Ball & Chain.** Fuller indicates that at least on one prior occasion, Parjus, in his role as Assistant City Manager, contacted a Code Enforcement employee requesting that Code Enforcement cite Ball & Chain (business co-partnered by Fuller) for a code violation. With no apparent basis for citing and no existing complaints at the time, the employee inquired as to the reason for

citing them to which Parjus responded a noise violation for music would be a good generic reason. Stating that would not be ethical, constitute selective enforcement by the department and illegal, the employee refused to participate in the request.

**(c) Commissioner Carollo’s unsanctioned “investigation” into Ball & Chain’s Valet Operator’s Parking Lot leases.**

On 02/18/17, at approximately 1:30 AM, Fuller alleges Carollo in his private vehicle driven by him and accompanied by several unidentified associates entered a parking lot attached to St. Peter & Paul Orthodox Christian Church, located at 1411 SW 11 St. Fuller indicated that at night the lot is leased from the Church by Ball and Chain valet operator S.H. Valet.

On the night in question, the complaint alleges that the valet attendant noticed a female on the premise and when approached, she stated she was there to visit the priest but did not enter the church and proceeded to photograph parked cars. He confronted the female and asked her to stop photographing the area and leave the property. At that point, Carollo flashed his City of Miami identification and told him he was there on an official capacity, as a City of Miami Commissioner, performing an “official investigation” on the valet operations.

Shortly thereafter, valet operator Alain Garcia (Alain) arrived at the location and approached Carollo and indicated that the valet operation leases the lot at night from the Church and that said lot had been approved by Miami Parking Authority. When Garcia questioned Carollo about his presence at the location, he responded, “I am the law” and continued by stating that although he (Garcia) might be a hard worker doing his job, he was “working for a millionaire.” At that point Carollo was asked to leave the property and prior to leaving he told Alain he would receive the official result of his “investigation” in the next few days, exiting the lot.

**(d) Commissioner Carollo’s continued selective enforcement against Fuller’s properties of City of Miami Ordinances.**

**(e) Commissioner Carollo’s direct usurpation of the administrative powers of the City Manager to interfere with the operations and procedures of the MPA.**

On 03/03/18, City of Miami Parking Authority (MPA) contacted S.H.Valet revoking their valet permit for Ball & Chain, without prior notification, even though a day earlier, as per complainant, S.H. Valet had been to MPA and the account was in “good-standing.” The complaint alleges that Humberto Escandón (Escandón), Senior Manager of Operations, MPA, who contacted S.H.Valet on the above mentioned date, stated the revocation was a result of a complaint received by Carollo’s office, indicating the lots utilized by S.H. Valet for Ball & Chain were “not to code.” Complainant notes that the same lots had been vetted and approved by the MPA for over 3 years.

An agreement was reached and S.H. Valet was permitted to operate with the caveat that they would utilize a storage lot owned by the Complainant, located at 300 SW 12 Ave., until the MPA was able to further investigate the status of the lots herein mentioned. Further alleged, at approximately 11:30 PM, Carollo was seen outside Ball & Chain in his vehicle and proceeded to follow a valet driving a patron's vehicle to the storage lot agreed upon earlier that day. A photograph depicting Carollo inside his vehicle by the storage lot was attached as part of the complaint. As a result of the disruption caused by the lots' revocation and the distance between Ball & Chain and the storage lot, patrons expressed significant dissatisfaction with the valet operations and refunds had to be issued to those patrons, causing significant financial harm and monetary damages to the establishment.

**Investigation:**

**Interviews:**

On April 23, 2018, at the request of Commissioner Carollo, COE Executive Director and Investigator Nilda Olmo met with Carollo at the COE office. Carollo stated that he was in receipt of the complaint and denied the allegations. Carollo was concerned about “corruption” and “illegal activities” occurring on Fuller’s properties. Investigator Olmo and Mr. Centorino listened to Carollo’s statements and the Commissioner was advised that he would be formally interviewed at a later date.

Carollo indicated that he was introduced to Fuller by Art Noriega in 2017, when campaigning for District 3 Commission. He met Fuller a second time with partner Pinilla where he said Fuller bragged about being close to Noriega. During the election, “Fuller’s camp” contacted his office regarding what amount to donate and he later received two checks.

Carollo described Bill Fuller as the “Godfather of Little Havana” adding that Fuller wanted to “Delatinize” Little Havana by creating a “Wynwood in steroids” approach to take over the area. He stated Fuller and his partner are buying properties using strong arm tactics on neighbors and tenants. “They take over the area by sending realtors first.” Furthermore, that Fausto Realty takes advantage by buying properties from “3<sup>rd</sup> generations” in Little Havana. Carollo stated Fuller lives in a 3 million dollar home and not where he says he lives.

Carollo mentioned Fuller’s properties have Health Department violations and he also owns several lots where the permits are not valid as well as many music violations, but nothing is done due to his connections in the city with Building & Zoning inspectors, etc. He also mentioned connections with “Lending Institutions.”

He indicated that when calls come into the Police Department regarding noise complaints about Ball & Chain, dispatch operators receive the call and tell callers to contact off-duty officers. The police do not respond and citizens have been told it (Ball & Chain) has the right to play music.

Carollo recalled driving by as a Commissioner to three different places in Little Havana: Ball & Chain, Cuba Ocho and Union Beer, the latter selling beer without a license. He said he had received calls regarding “Union people” not being legal. While at “Cuba Ocho” that Saturday night, he was with Detective Wayne Tillman and noticed an off-duty police officer working at Ball & Chain following him with a cell phone, hiding behind a post. The officer approached him and asked what he was doing there and Carollo told him “You can’t intimidate me or buy me off.”

As to the 11/18/17 Pre-election Event for Alfie León, Carollo stated the rally was held without a permit on a private parking lot, by the library, on a property belonging to Fuller. As a result of not having a permit a fine was issued. Carollo stated that Steve Miró was not the Chief of Staff, as

stated on the complaint. He advised Miró helped him with the campaign. He said he came in approximately in December and assisted him for 2-3 months.” He said Fuller called Miró on that day.

Regarding Allegation 2 on 12/15/18, Fuller’s Holiday Party, he said he received a call/text from Mary Lugo and added he never told Lugo to call Code Enforcement. Lugo contacted Code Enforcement Director Diez directly. He stated many calls came in by neighbors/tenants that night about a party with loud music. Code Enforcement Officer Scarlet responded. He mentioned that although the Tower Hotel is an unsafe, empty building with all the doors shut down and many violations Fuller’s holiday party was held there. Carollo said that Lugo told him, “They had permits” (referring to the Tower Hotel). Carollo said he drove by the place for two hours and saw Scarlet there for 40 minutes and said information can be verified by pulling GPS tracking records for the City cars to show the length of time the inspector spent at the location the night of the Holiday party. On the night in question, Carollo stated he called Herald reporter Brenda Medina to accompany him and be his “witness.” At approximately 11:00 PM he saw a Code Inspector City vehicle with no tag drive by the building (Tower).

Regarding Allegation 2b (pertaining to Parjus), he only added that Parjus was the former Assistant City Manager and that there was “bad blood with Diez and Parjus... little contact.”

Carollo denied the allegations regarding the 02/18/18 S.H.Valet incident stating that as a Commissioner, he “has to enforce his job” He said that original permits for S.H. Valet were given several years ago to park at another location in SW 8<sup>th</sup> ST & 16<sup>th</sup> Ave (1637/1641). That the only valid permit expired 03/02/18. The Church location and 4 other lots (including 1637/1641) were not legal.

He referred to overall City-wide corruption several times. On 2/18 at approximately 12:30AM, he was with three people parked on the street. He entered the parking lot briefly (stayed in the car) “looking for the female.” There were 60-70 vehicles, according to Carollo, parked illegally on a residential area with no permits or illegal permits. The lot had no asphalt, drainage, shrubbery, lighting or markings, therefore not valid and that S.H. valet had an illegal lease with the Church. He said there was no confrontation with the valet, although the valet had an attitude. He denied mentioning an “investigation” or telling the valet, “I am the law.” The valet was described as a Spanish-speaking “Cuban Military Scumbag”, “Not afraid, to the point”, “Typical, swarming public officials”, “confrontational and demanding”, asking him what he was doing there. Carollo denied telling the valet that he (valet) worked for a millionaire. He stated the valet was working knowing they were operating illegally. The valet’s runner, as per Carollo, chased the two females one was Lugo, the other one Miró’s wife, who was on the street filming. The valet did not ask him not to take pictures or to leave the premises. Furthermore, the parking did not have “No Trespassing” signs. Carollo denied flashing his ID on that day as well as having an “Official Business” placard on the window or pulling it out. “There was no badge, don’t carry it... can get me in trouble”, he said.

Carollo stated that a week after the 18<sup>th</sup> (Church incident,) an outside company hired by MPA found S.H. Valet had under paid the City +/- \$83,000. For 3 years, lots were not being checked, therefore, the City was losing money (referring to the 15% surcharge). He mentioned Frank Lazo.

Carollo said he received 3<sup>rd</sup> party information regarding 4 or 5 valets having bulk of permits without paying dues, stealing from the City. Carollo said things have changed due to his presence. Carollo stated MPA is a semi-independent department of the City, not under purview of the City Manager.

He brought up “selective enforcement” benefitting Fuller and his “group.” He said that Alain Garcia is not the owner of S.H. Valet and accused Fuller of perjuring himself several times in the complaint.

A topic brought up by Carollo and not in the complaint was “SideBar”, located at 337 SW 8<sup>th</sup> St and owned by Fuller. He mentioned that police and code enforcement officers, as well as other City personnel were guests at Fuller’s 2016 Christmas party. Carollo described it as “not ethical” and added that Fuller’s “connections” have expedited the process for SideBar violations and the illegal lots. Carollo provided documents pertaining to SideBar. He mentioned the establishment had several violations and as a result of his presence the establishment was fined. An email from Jose Dacal, Permit Coordinator- In-House Consultant, Florida Department of Transportation (FDOT) regarding Valet parking within FDOT right-of-way was also provided.

He stated he had additional information and documents that he will provide at a later date.

On or about 02/18/18, a production company filmed at Ball & Chain and Carollo stated the following:

- Film crew “Loaded the generators.”
- Referred to the filming as a “sex party, free for all, with nudity”
- Questioned permit validity.

With regards to the last allegation in the complaint, Carollo stated that on 03/02/18, an “off-street” parking employee gave the permit for the first time to S.H. Valet. He stated it was impossible to obtain a permit that fast, since the process takes several weeks due to each department having to confirm and approve. Carollo said he never met Escandón but Escandón told him Fuller dealt with Noriega on Saturday, March 3<sup>rd</sup> regarding the valet permits but he never met with him. There was no correspondence from his office to MPA on 03/03/18.

Carollo mentioned illegal lots located on SW 12<sup>th</sup> Ave between 4<sup>th</sup>/5<sup>th</sup> St and indicated Zoning is aware but nothing is done. Carollo said he would “provide names” at a later date.

Late night on 03/03/18, Carollo stated a Range Rover drove up next to his vehicle and a kid said “Bang-Bang” and took a picture of him (At this time it is unknown if the photographs attached in the complaint is the photograph Carollo is referring to).

Carollo concluded by mentioning a particular property owned by Fuller, ‘Futurama’, and a possible link between Venezuela and Fuller. He said that a female tenant of Fuller that runs a “cafeteria” has links to Alí Rodríguez, who Carollo mentioned was affiliated with one of the top three known guerrillas in Venezuela, part of the Cuban revolution. A “Cuban Intelligence Agent” whose adopted daughter runs Guayaba & Chocolate, a small business inside Futurama, he said.

Carollo mentioned a left-wing connection to Fuller. He explained that what Guayaba & Chocolate symbolizes Guava being red and Chocolate black, is communism and left wing politics.

On May 8, 2018, COE investigators Nilda Olmo and Karl Ross met at the offices of the Barlington Group, Futurama, at 1637 SW 8<sup>th</sup> Street, to discuss the pending complaint against Respondent and to interview witnesses who alleged further misconduct by Carollo, City Code Enforcement and police personnel acting on his behalf. Among those present for the meeting were the Complainant Bill Fuller and his business partner, Martin Pinilla.

Fuller stated Carollo continues to make defamatory remarks against him calling him an “anti-Cuban” and “protected class-millionaire,” while alleging he was leading a campaign to “de-Cubanize” historic Calle Ocho. Fuller noted that both he and Pinilla are of Cuban ancestry and that the claims are unfounded. Fuller indicated their firm owns approximately 20 properties along the SW 7<sup>th</sup> and 8<sup>th</sup> Street Corridor.

Fuller stated that Carollo had recently “defamed” him during a Radio Caracol radio interview on a show hosted by former Hialeah Mayor Raul Martinez, in which he referred to him (Fuller) as the “Padrino” or Godfather of Little Havana, implying a nexus to communist ties and further, that Fuller utilizes ties to left-wing Venezuelan government officials to launder funds from Venezuela into the United States.

Fuller said that since taking office, Carollo has launched harassment campaigns against a number of his tenants, including the owners of “Sanguich de Miami”, among others. Asked about the origin of the animosity between himself and Carollo, Fuller pointed out that he contributed to three candidates for the City’s District 3 Commission race: Tommy Regalado, Alfie León and Carollo. He stated he gave Carollo and Regalado about \$2,500 apiece and that gave perhaps several thousand more to León, using related business entities. However, he did not actively support any candidate.

Regarding the Alfie León campaign rally on his property this past Nov. 28, 2017, Fuller advised that he had not been aware of the nature of the event prior to its shutdown. He said he thought it was a non-partisan “Get Out the Vote” (GOTV) rally organized by Jenny Lee Molina of JLPR.<sup>1</sup> Fuller stated that once he found out it was a GOTV rally for León, he also asked to it shut down. “We didn’t want to choose sides, further stating that he even called Carollo’s aide, Steve Miró, to congratulate Carollo after his victory. He sought to stay on good terms with Carollo but he soon realized Carollo was out to get them.

Fuller indicated the selective enforcement/harassment extended to his tenants and provided the names of individuals also affected. Given the nature of the allegations in the complaint, alleging exploitation by Carollo and other City officials & personnel, investigators spoke to those tenants regarding instances where they felt targeted by the Commissioner or other City officials.

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<sup>1</sup> JLPR -Public relations firm.



**Maria Vivas-Mendoza (Vivas-Mendoza), Guayaba & Chocolate**  
**1637 SW 8<sup>th</sup> Street**

Guayaba & Chocolate is located inside Futurama Art Gallery. Vivas-Mendoza stated that she feels “quite scared now,” following a radio rant that Carollo made on Radio Caracol with host Raul Martinez, alleging that her common-law step-father, a high-ranking Venezuelan official, was behind a leftist plot to buy up property in Little Havana. She said that the official in question, Alí Rodríguez Araqué, is her mother’s domestic partner but that he is in no way involved with her business, which is funded and managed by her and her husband.

Vivas-Mendoza stated Carollo stated on the radio: “How can we allow someone like this to open a business in Miami?” She said she complained to Martinez and that he apologized for allowing Carollo to use his show to attack her, and consequently, allowed her to go on the air and defend herself.

Vivas-Mendoza said she left Venezuela when she was 15 years old and receives no financial support from Rodríguez Araqué. She said she wonders if Carollo is upset with her because she posted an Alfie Leon sign on her business at its previous location. Since the radio broadcast, due to the untrue accusations brought forth by Carollo, she is now in fear for herself, her family and her business.

**Rosa Romero & Daniel Figueredo, Sanguich of Miami**

Rosa Romero (Romero) and Daniel Figueredo (Figueredo) co-owners of “Sanguich de Miami” (Sanguich), a Cuban sandwich shop in a refurbished shipping container, provided the following information:

The “Sanguich” container was located on a property owned by Fuller/ Barlington at 1641 SW 8<sup>th</sup> Street. They described the business as a “pop-up mobile unit,” and stated they had a business license from the City, known as a “BTR” and a state license for preparing and selling food. They said the business had temporary zoning approvals from the City and were “trying to get to permanency,” though the issue had been somewhat troublesome since they were considered a mobile unit, similar to many of the businesses in Wynwood and other pop-ups like The Wharf near the Miami Riverside Center (MRC). They said they had been working with the City’s building and licensing officials and that everything was fine until “the moment that Joe Carollo came on board.”

Prior to that, they noted that former Mayor Tomas Regalado and other City officials, such as the Chief of Police, attended their ribbon-cutting ceremony back on Oct. 27, 2017. They noted that Carollo’s younger brother, former City of Miami Commissioner Frank Carollo, was a “huge proponent” of their business even suggesting they partner with Fuller’s company. They said they quit their jobs to focus on the business and spent more than \$100,000 on fixing up the container to make it suitable as a restaurant and kitchen.

They stated that after Hurricane Irma, they “hit a snag” as the State required additional documentation from the City that they were in compliance with local building codes, even though they were considered a mobile vendor. They said City officials required them to attach axels to their trailer to accomplish this.

The couple advised that on November 26, 2017, two days after their opening, they were “raided” by 25-30 City enforcement personnel including police, fire, building and code enforcement officers. They said City Manager Daniel Alfonso (Alfonso) told them afterward that Carollo was behind the raid and that he was unable to stop it. They said they were advised to approach Carollo and try to find out what his concerns might be with respect to their business.

Subsequently, they met with Carollo on December 6<sup>th</sup>, 2017, per Romero, “We wanted to work with him. He was pleasant, he said he wanted to help.” Carollo told them, “I want you to know I had nothing to do with it,” (referring to the raid). Carollo told Romero he was walking along 8<sup>th</sup> Street with Alfonso when Alfonso, not him, pointed to the container as an example of a code violation. Carollo told them he “loved” their business, but felt that the location was problematic and suggested they re-locate to City-owned property: “I love it,” he reportedly said. “Maybe not where you are, I think there’s a little park that’s near there and maybe the City can accommodate you.”

They stated that the reason given for the initial raid was that they lacked a Certificate of Use (CU), but added that CU’s are only required for permanent structures, not mobile vending units. The couple mentioned they had discussed this with Assistant City Attorney Rachel Dooley (Dooley) and that Dooley was initially very helpful and told them they could operate, at least temporarily, with a Temporary Events Permit (TEP), while they sought to gain zoning approvals. They said Dooley told them that the City’s zoning code is vague and that a great deal of subjectivity is involved. They were advised that as a result of this, the District Commissioner often had final say as to whether a building met code regulations.

They said that because they were close to the Christmas holidays, they were unable to get the TEP because key staff was unavailable. On January 2<sup>nd</sup>, 2018, in the early morning, Figueredo said he went to the office of José Camero (Camero), Director of Building with the City of Miami, to get his permit. At approximately 6:00PM, he was given a permit. They said it was the first TEP of the year and that the license number was #1800.<sup>2</sup> With the TEP finally in hand, the couple said they intended to re-open on January 6<sup>th</sup>, 2018 but on January 3<sup>rd</sup>, while prepping food for the opening, Code Enforcement again showed up and advised them they were not allowed to open (even though they were not yet operating, and she told him they had obtained the TEP). They said that Code Officer Yacmany Salvatierra (Salvatierra) told them, “I’m sorry, this came from above, just know people are watching.” They said they opened with their TEP on January 6<sup>th</sup> -7<sup>th</sup> (Saturday and Sunday), but on Monday the 8<sup>th</sup> at approximately 11:00AM,

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<sup>2</sup> City of Miami Office of the City Manager Application for Temporary Event and Occupancy Permit# 18-000 (Approved TEP-January 6, 2018 through February 2, 2018).

Salvatierra returned with police and told them, “You’re not supposed to be open because the TEP had a condition that had not been met,” and threatened to arrest them if they didn’t close the business. The couple indicated they captured this exchange on video.

Figueredo explained, “You gave us a permit,” and asked why they had been forced to shut down. As per Figueredo, Dooley was consulted and inquired about the BTR, which they confirmed they had. Camero told them, by way of explanation as to what happened, “I got a phone call, but I can’t say from who ...”

The couple filed a public records request on Jan. 8, 2018, for emails and phone records of Camero, among other items, and sent it to Dooley. Dooley did not act on it until March 2<sup>nd</sup>, when she changed her demeanor toward them, no longer allowing them in her office. Dooley only provided them with a copy of legislation for mobile vendors but not the other requested items.

They claimed that the City’s permitting issue was unfair and arbitrary. They stated they installed axels on the container, as requested, and because they were considered a mobile vendor no CU was required, as per building officials. The couple indicated that businesses like The Wharf on North River Drive have been issued Temporary Use Permits (TUP) that allow them to operate for up to two years if they are opened on vacant lands. They said Carollo expressed that he didn’t want TUP’S to be used in Little Havana.

With regards to the Gay 8 Festival, a police officer by the name of Reyes (described as “heavysset,” first name unknown) told them after the “raid” on February 18, 2018, “I want to apologize for everything that happened ... There is a lot of squeezing about what happened here today.” Similarly, a fire inspector that had been sent to their tent that same day, told them he was “shocked that it was the Commissioner on the phone with me.”

They stated they were also approached at a January 19<sup>th</sup>, 2018 anti-bullying event in which a police officer told them to shut down even though they were only providing free food in exchange for charitable donations to an anti-bullying organization. They said a code officer named Scarlett confirmed Carollo’s involvement.

The couple advised they were granted a meeting at City Hall with Carollo and top administrators Emilio Gonzalez-City Manager, Albert Parjus-Assistant City Manager and City Attorney Victoria Mendez. They stated Carollo was antagonistic, saying, “You wanted your meeting, and you’ve got your meeting.” They said that Mendez told them that their business was “illegal” and they got into an argument and the meeting ended badly with Carollo yelling at them, “Get the fuck out of my office ... Don’t let the door hit you on the way out.”

**David Rodriguez and Cecilia Rodriguez, Union Beer Store, 1547 SW 8<sup>th</sup> Street**

The husband and wife team co-own Union Beer Store and are also tenants of Fuller/ Barlington Group. Fuller indicated that they also had information pertaining to the selective enforcement of Carollo and other City officials against his properties. The couple stated their problems commenced shortly after Carollo was elected. It started when their one-year anniversary party was shut down. The Feb. 10<sup>th</sup>, 2018 party was held in the parking lot behind their business to celebrate their one year opening. They said Carollo showed up with high police presence and approximately 15-20 Code Enforcement personnel with lights flashing, etc. They said Carollo told them they needed a Special Events Permit and they indicated that they didn't have one so they had to tell their friends and supporters to disburse. A code enforcement and police officer remained by the front door that night for approximately two hours. The couple indicated they discussed the matter that night with Carollo, who allegedly stated: "You need a temporary events permit ... but even if you had applied for one, I would have denied it."

The Rodriguez's stated that Carollo spends a lot of time at El Pub, located at 1548 SW 8<sup>th</sup> Street, across the street from their business, and said Carollo is close with the family. They believed that the business owners see "Sanguich" as competition and wanted them closed. They said their patrons also started to get harassed for having open containers when this was the norm during events such as Cultural Fridays. They said they got a violation notice on or about February 12<sup>th</sup>, and that Code Enforcement Officer Scarlett told them it was a formality, that a lot was going on 8<sup>th</sup> Street and mentioned inspecting their grease traps and kitchen. They believe they are being "targeted" because they are tenants of Fuller/ Barlington Group.

**Alain Garcia Martinez, Manager-S.H. Valet - Arnay Garcia, Runner-S.H. Valet S.H. Valet Parking Services Corp.**

Alain Garcia Martinez and his brother, Arnay Garcia, voluntarily agreed to meet with COE Investigators Olmo and Ross.

Alain is the general manager for S.H. Valet Parking Services Corp., and Arnay is a "runner"/ employee of the company, which has been operating in Little Havana for eight years, first at Catarsis Restaurant, which was located at 1644 SW 8<sup>th</sup> St, and now as the valet service for Ball & Chain for the past four years. Alain indicated, that initially, the firm operated Friday and Saturday adding Wednesdays in late 2016 and approximately 6 to 7 months ago, including Sundays. With respect to the incident in the complaint dated February 18<sup>th</sup>, 2018, the brothers stated that Arnay had the initial encounter with Carollo. Arnay indicated he felt threatened as he encountered two unidentified individuals in the parking lot.

Arnay advised that on February 18<sup>th</sup>, 2018, the same night as the Gay 8 festival, he arrived in a customer's vehicle at the church parking lot at 1411 SW 11<sup>th</sup> Street at around 1:00AM and encountered a blonde woman (later identified as Lugo). Upon approaching her, the woman told him they were there looking for the priest "because we are having a family problem in our home." He then noticed another young man inside the church parking lot, and noted that the man was photographing the vehicles. He indicated that he observed a dark colored (black or dark blue) GMC Terrain vehicle inside the parking lot with the windows up. When he

approached the male companion and asked why he was taking photographs of vehicles, both got inside the dark colored SUV.

He approached the vehicle and an individual who lowered the window showed a City parking placard identifying the vehicle as an official City Commission vehicle (the placard was not on the dashboard) and said "I am the Commissioner". Arnay asked him to identify himself and at that point he stated he was Joe Carollo, City Commissioner, and was there taking pictures because they "were doing something illegal." and "violating the law." The conversation was in Spanish. Arnay notified Alain, who showed up shortly thereafter, at which point Carollo had left the lot and was parked on the street.

Alain stated that he showed up in a customer's vehicle and advised that he observed a dark SUV parking on SW 14<sup>th</sup> Avenue outside the church lot, approximately three blocks from Ball and Chain. He recognized Carollo, although it appeared to him he was trying to conceal his identity by wearing a cap over his eyes. Alain told him: "Good evening, Mr. Joe Carollo and asked, "What happened? What are you doing here taking pictures of the valet, the property?" and Carollo responded, "I am here because I can be here. I am conducting an investigation ... You're operating illegally ... I am the law and I can do it." Alain told Carollo, "No, you are incorrect, you are not the law, you want to be the law, and you only represent it."

At that point, he said the blonde woman lowered her window and made a comment, referencing the Parkland school shooting, "what would the children think about cars being parked at a church?" to which Alain responded, "what will the children think that at 1:00AM you are taking pictures of vehicles inside a private property instead of discussing school safety."

Carollo intervened and advised that he was conducting an investigation and that he did not need to explain anything to him. Alain responded that in the event of an investigation, he should have proceeded by approaching the valet, identifying himself and making the necessary inquiries instead of going "undercover." Carollo then stated that while he might be a valet company, he was "working for a millionaire" and before leaving, Carollo stated: "You'll see what happens in a week or two weeks."

One or two weeks later, on Saturday morning, March 3<sup>rd</sup>, "the harassment began" and that evening, the Miami Parking Authority closed the lot at the church on SW 14<sup>th</sup> Ave. They were advised by Humberto Escandón (Escandón), Chief of Operations for the Miami Parking Authority, in an email sent to the owner of the valet service, Omar Rojas that they could no longer operate.

They were told that none of the lots were legal and that in order to continue to operate, Bill Fuller had to obtain permission from Art Noriega (Noriega), Director of MPA.

At that point, they could not use the three existing lots:

1. St. Peter & Paul Orthodox Church lot, 1411 SW 11th St.
2. 717 SW 15<sup>th</sup> Street
3. 1637 SW 8<sup>th</sup> Street (Futurama Gallery and Barlington Group offices)

(The parking lot to the building has been in existence for 20 years and they have been using the lot for four years)

An alternate lot at a shopping center owned by Fuller (approximately 8 to 9 blocks from Ball & Chain), located on SW 12<sup>th</sup> Ave and 5<sup>th</sup> Street, had to be used temporarily to park vehicles.

That night (Saturday, March 3<sup>rd</sup>), Carollo followed a valet operator from Ball & Chain to see where he was parking the vehicles. As Arnay arrived at the location he observed Carollo parked on the street, driving the same GMC Terrain. He approached him and inquired as to why he was taking pictures of the lot. Carollo responded, "I don't have anything to explain to you ... I'm doing my job." Arnay contacted Alain at Ball and Chain. Bill Fuller was there at the time and responded to the location, where he saw Carollo and photographed the Commissioner inside his vehicle.

The brothers stated that on or about March 12, 2018, they received a letter from private auditors Complete Consulting Services Group (CCSG)<sup>3</sup> Guillermo Ferrer, Project Manager and Franklin Laso, Director, advising they were being fined \$11,281.00 for underreported parking receipts, not including penalties and interest. (Valet operators are required to pay the City 15 percent of all gross revenues). They were told that they were getting a "break" because no penalties or interest were being assessed. They questioned the accuracy of the audit, pointing out that in 2016 they did not operate on Thursdays, therefore, the calculations were inaccurate. They proceeded to the Records Department for the City of Miami and subsequently, an email was sent to CCSG advising the valet was not operating on Thursdays. Alain indicated that at that point they believed the amount would be adjusted to reflect the change. He also indicated that the subcontracted company on behalf of the City had never inspected the valet in eight years and now estimate the retroactive fines using inaccurate figures dating back two years.

On April 4<sup>th</sup>, 2018, a follow up letter was received advising the amount due had increased to \$12,470.70, due to the City of Miami notifying them they were including penalties and interest, contrary to the first letter.

Alain advised that they are the only valet operators in the area and in the eight years in business, they had never been audited. However, shortly after their initial encounter with Carollo, the surcharge department inspected the valet on a weekly basis 36 times in one month (approximately 3 times a night on Thursday, Friday and Saturday), riding in their private vehicles.

Alain stressed that without the valet, Ball and Chain cannot operate. There is nowhere to park and alleged that Carollo was seeking to hurt Ball & Chain financially by going after its valet service and that S.H. Valet was a casualty of this crusade. "He wants to close the valet parking because if he can close the valet then business at Ball & Chain will suffer." He stated that the audit occurred within the two week time frame Carollo gave them.

Alain said the valet service was forced to rent a shopping center parking lot at 1837 SW 8<sup>th</sup> Street on the following Monday, March 5<sup>th</sup> in order to continue to operate. He said that Fuller then accompanied them to MPA and they again spoke to Escandón, providing the required

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<sup>3</sup> CCSG-Complete Consulting Services Group manages the Miami Surcharge Program on behalf of the City of Miami.

documentation for the shopping center. Escandón stated he had to have them approved by the different departments and spoke to “Luis” (Arnay did not recall the last name). At the end of the conversation, Escandón stated that he didn’t want any legal problems and that he had been with MPA for 20 years. Consequently, they were authorized to operate the valet. Escandón denied involvement with subsequent inspections on Sundays by an unidentified black, non-Hispanic male, who had been showing up keeping track of keys and tags and photographing the valet with a cell phone because they had ordered him to do so, but did not mention who.

Alain concluded that all these problems appear related to the initial encounter with Carollo on the 18<sup>th</sup> when Joe Carollo was in the church parking lot, in what he referred to as “his investigation.” Prior to that, “we didn’t have any problems ... what that shows is that he directed all this.” “He threatened us and he carried out his threat ... He kept his word. His word really is law.”

### **Arthur Noriega IV, CEO, Miami Parking Authority**

Arthur Noriega (Noriega) was interviewed at the COE office. Noriega advised that he has worked for the MPA for the past 18 years, and responds to a five-member Board of Directors. He said he does not report to the City Manager as the MPA is an independent agency. He said that City Commissioners do exercise oversight of the MPA, however, in so much as they approve the operating budget, confirm the appointment of board members, and determine whether to issue bonds on behalf of the authority so the elected officials do have standing. Noriega said it is not uncommon for him to discuss issues of concern with elected officials, though he did say it is “unusual” to have an elected official conduct an independent inquiry of the MPA’s operations as Carollo allegedly did as it relates to valet operations on SW 8<sup>th</sup> Street in Little Havana.

Noriega explained that they get complaints about “valet guys” all the time, therefore, their department constantly cites and enforces on a regular basis. Furthermore, valet permits are very specific in terms of space on right-of-way and they have to give very specific addresses and location to where they will be storing the vehicles... “That all gets vetted through a number of different departments that have to concur that the space they are going to use is legal and ‘up to code.’”

Noriega stated that prior to the March 2<sup>nd</sup> and 3<sup>rd</sup> action against S.H. Valet, he met with Carollo at Miami City Hall to discuss a variety of issues. During that discussion, Carollo voiced concerns about the two valet operations servicing SW 8<sup>th</sup> Street, S.H. Valet at Ball & Chain, located 1513 SW 8<sup>th</sup> Street, and DEC Parking at the Guantanamo Café, located at 1465 SW 8<sup>th</sup> Street. He said Carollo raised concerns about “life-safety issues” resulting from the interruption of traffic along SW 8<sup>th</sup> Street and concern about “the storage of vehicles,” alleging that valet operators were not abiding by their permits. “He thinks it’s a liability because of all the traffic, because it’s so heavily used.” He told Carollo that he would look into it.

After the meeting with Carollo, Noriega called Enforcement Manager Escandón, who went out there and found both valet services were in violation in terms of vehicle storage since they were not using the location on the original permits. He said that following the shut down on the two

valets, the valet operation run by DEC Parking<sup>4</sup> did not re-open but that Ball & Chain did continue to operate its valet service after Bill Fuller called and requested a several-day grace period to come into compliance since the shutdown would be a huge detriment to his business. Noriega stated S.H. Valet had filed a change of location but had not been approved. Therefore, Fuller used an alternative parking lot in the interim. S.H. valet resumed service and no further issues were reported. Noriega said that after Escandón conducted his field inspection, he reported back that S.H. Valet was using a lot without authorization, though he couldn't recall if it was the church lot. Noriega said that despite the complaint, Carollo never asked to shut down valet service at Ball & Chain. "No, he was more generalized, he was not specific ... He asked us just to look into it. He's very careful with respect to his communication, especially with me. He's very general ..." "His direction to me was no different than what I've received from a dozen other elected officials."

He stated he had spoken to Carollo 3-4 times since he was elected. Noriega noted that he has had a working relationship with Carollo stretching back nearly 20 years, much of it adversarial. Noriega said that parking operators pay the City a 15 % surcharge on revenues from valet operations and that the City has a private consultant who handles audits/collections<sup>5</sup>. He advised he has no oversight of the audit function, and is not familiar with the particulars of the audit process.

He said that, with respect to the allegations against S.H. Valet, Carollo was right. He added that S.H. Valet "had submitted a change in location" at about the time of the enforcement, but noted that just because the company had applied for a change in location doesn't mean they have authority to operate at the proposed location without approval from the required agencies.

### **Scarlett Morua, Code Compliance Inspector, Miami Code Compliance Office**

In a sworn statement, Morua advised she started working with the City on January 9<sup>th</sup>, 2017, under Director Orlando Diez (Diez) and Chief Jessica Capó (Capó). She worked in the South and Central offices covering the 3:00PM-12:00 midnight shift. Due to staffing changes under the new administration with new Director James Bernat, she was assigned Tuesday-Thursday from 1:00PM-10:00PM and the night shift Friday-Saturday 11:00PM to 8:00AM. In the city-wide coverage on her present shift, mostly handling noise complaints at night. Morua indicated her current supervisor is Frank Marcos.

She said that during regular business hours 8:00AM to 5:00PM, code complaints are logged by the "front ladies" on the 7<sup>th</sup> floor of the MRC building. With the new administration, she said that after 5:00PM, the complaints are received through a hotline phone and inspectors document the calls. The list turned in at the end of their shifts. The new administration created a log sheet where complaints and calls are logged.

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<sup>4</sup> DEC Parking Service is a vendor for MPA. Centralized valet parking in Coconut Grove as a pilot program implemented by MPA approximately 6 months ago.

<sup>5</sup>Complete Consulting Services Group (CCSG), 2650 Biscayne Boulevard, Miami, FL. 33137. Franklin Laso, President. CCSGs overseen by the City's Finance Department.



With respect to the incident occurring on December 15<sup>th</sup>, 2017, she recalled being dispatched to the Tower Hotel at 1450 SW 7<sup>th</sup> Street, sometime in the early evening. She said a couple of people called to complain and either Inspector Danny Sierra or then Director Diez told her to “report to a particular party...a particular situation” She advised that when she got there, she saw it was a holiday party, where a few people were dancing in the lobby of the hotel and others were outside at a makeshift bar. She said she was told to find out whether the owner of the property had a Certificate of Use (CU).<sup>6</sup>

Morua spoke to Fuller. She apologized for the intrusion and requested the CU. She said Fuller told her they were having a Christmas party and no CU was required, but that he had a copy back at his office. She told him to make sure he could produce it if requested later, but denied threatening to shut down the party if he didn’t produce it. She said that Fuller told her it was a Christmas party and would not last much longer.

Morua advised that sometime after she left, she was contacted by Jessica Capó, Chief of Code Enforcement, regarding her whereabouts and to go to the location. She advised she had been there and verified it was a Christmas party and left. She was told to return to the hotel and wait outside until the event ended. She felt this was out of the ordinary, but did as she was told. Morua said that Fuller came out to greet her again and that he told her the party would be breaking up soon. She said she had not been told to look for any drug use or illicit activity and did not have any reason to suspect anything illegal was taking place. She said she had observed children in holiday attire. Prior to this incident, she stated she had never been directed to respond to a party and stay until the party was done. On the night of the Christmas party she was told to wait until everything was clear and to call back to inform the party was done. Morua indicated “it was kind of weird.”

Asked about any interactions with Carollo, Morua stated she recalled a call from Danny Sierra, close to midnight (date unknown) to respond to a parking lot across from El Pub on the 1600 block of SW 8<sup>th</sup> Street, where he stated, “something is going on, like a wrestling ring ...and the Commissioner is there” She said that by the time she got there, however, the wrestling ring had been dismantled, the event canceled. She said she did observe Carollo, City of Miami police, Mary Lugo, a union rep, and a “young man” on the premises (later identified as Miró.)

Morua did not recall the date but indicated it was after the elections and that Carollo was dressed in jeans and introduced himself, saying, “You don’t recognize me but I’m Commissioner Carollo.” She indicated she told Carollo she was going to issue the establishment a Ticket Warning Letter (TWA). Mary Lugo accompanied her and the police officer across the street. She advised she had no other interactions with Carollo other than the one described above.

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<sup>6</sup> It was later determined that the permit in question was a Special Event permit and not a CU.

Morua was questioned by the investigators about procedures and how inspectors respond to calls pertaining to complaints, their actions, their findings and process of reporting back. She responded that with the old administration they were sent out on assignment/complaint and the Code Enforcement officers emailed back with findings.

Regarding “Sanguich of Miami”, she stated she was called several times to that particular business by her supervisor, Luis Gomez who told her to “pass by the establishment, and to take pictures... to see if they were still there.” She was not working on the day of the Gay 8 Festival but recalled another inspector was called to “check up on them” (referring to “Sanguich”).

Morua was asked about any conversation she may have had with former Assistant City Manager Albert Parjus (Parjus) concerning Ball & Chain. She said Parjus never asked her to cite the business for a noise violation or for any other reason. Morua said that on one occasion earlier this year, she did respond to a complaint from neighbors (a couple) living in the two-story building behind Ball & Chain after they complained about noise from the club, but said Parjus had nothing to do with that. She said she was told to visit the complainant’s apartment and measured the distance to the club. She advised that noise should not be audible beyond 100 feet of the premises. The building was within that limit.

**Alberto Parjus, Deputy Director, Miami-Dade Department of Transportation and Public Works and Former Assistant City Manager, City of Miami.**

Parjus, accompanied by Attorney Vivian Reyes, responded to the COE’s offices. Also present during the interview were COE investigators Olmo and Ross and Staff Attorney Martha Perez.

Parjus advised he has worked in the public sector for over 30 years, most of that with Miami-Dade County, also serving as Assistant City Manager for the City of Miami from August 9<sup>th</sup>, 2015 to February 23<sup>rd</sup>, 2018. He said he returned to the County at the request of Mayor Carlos Gimenez, the Director of the Budget Office and the Deputy Mayor through a waiver unanimously approved by the County Commissioners. Parjus stated he had worked in Transit for 18 years and besides the financial incentive for the move, he had the desire to help fix the transportation problems.

With respect to the first paragraph of the complaint alleging Parjus’s involvement with efforts to shut down a political rally supporting former Commission candidate Alfie León on or about Nov. 18, 2017, Parjus stated that he did not have any recollection of said event, making or receiving any calls regarding the rally, speaking to Miro or Lugo and was not involved in responding to the event or directing code officers to take action.

With respect to allegation 2(b) in the complaint, Parjus denied it, adding, “At no time did I tell somebody, go there [Ball & Chain] and sit there until you find something.” He added, “I don’t allow for selective enforcement.

Parjus said that he has known the Complainant for approximately two years and enjoyed a good relationship with him and even celebrated his birthday once at Ball & Chain. He said he has received at least two noise violations that he could recall against Ball & Chain. On one occasion, he said he received a call from then City Manager Daniel Alfonso regarding noise violations from Ball & Chain and he contacted the former director of Code Compliance to dispatch a code officer. He said he was also aware of two citizens who live near Ball & Chain who have lodged complaints. As for the Commissioner’s Office receiving and reporting complaints, Parjus indicated, the right way to communicate a complaint is through the Manager, then it is communicated to him and in turn he contacts Code Enforcement regarding the allegation. “The wrong way is a Commissioner calling the Director of Code Enforcement.” He stated he has known Fuller for approximately 1½-2 years and has visited Ball & Chain 4-5 times. He mentioned Fuller owns a lot of properties and “if it wasn’t for him (Fuller) that place would not be what it’s now”... “He started buying properties and was very engaged in the community,” “He was the one that started all this...that’s why I’m surprised..”

When questioned about a possible controversy between Fuller and Carollo he stated he didn’t know but from what he hears is that they have different management styles and “have their things...have different views on the community and how they should do things and some of them are out there day and night traveling around and stuff like that..” He stated that while employed by the City and overseeing Code Compliance, he became aware of the present complaint.

Parjus said he did recall complaints surrounding the “sandwich” business operating out of a shipping container placed next to one of Fuller’s properties, and noted that they were not operating legally. He said complaints came from Carollo’s Office and also from some of the local “brick and mortar” businesses that felt that it was unfair to compete against a business that didn’t have to pay property taxes and abide by the City’s Building Code. He noted that there is a loophole in the Code for properties that have no infrastructure or paving, but said that the property in question was paved and therefore the loophole did not apply in that instance. He continued by stating that, “if you know they are going to be watching you, don’t do dumb things ...for example you are not supposed to have this thing attached to any electrical in a building...”, so the Building Department closed them down. Parjus indicated that “every time the guy would open the door to clean up the place or do something we’d get a call...hey they’re open up again”, from the Commissioner’s Office or somebody else. Parjus did say he has received a number of phone calls from Steve Miró about the “sandwich” shop. He mentioned contacting the City Manager and sent out Code Enforcement. Upon responding, he was notified they were “just cleaning up here.”... “That sandwich shop place was a nightmare. We even had meetings about that in my office trying to accommodate them, etc.” Parjus mentioned he received “one of those weird calls about the ‘sandwichera’ ... I think it was the Gay parade...they’re open again for the Gay parade.” He said he instructed the inspectors to go by the establishment to verify and he was told they were not open. The call was from Miró.

Parjus noted that other commissioners besides Carollo make it a practice to “patrol” their districts, noting Commissioner Gort seems especially concerned about cafeterias along NW 36<sup>th</sup> Street operating as bars at nighttime while Chairman Hardemon frequently complains about illegal bars in the Little Haiti neighborhood. “They’ll bring [problems] to my attention,” he said, “but nothing improper or out-of-the-ordinary ... I’ve been in public service for 31½ years... and nobody’s going to make me do anything improper or unethical.”

Parjust mentioned changes were implemented and when the new manager took over, Carollo wanted a task force for “Calle 8.” By that time, he indicated he had removed Code Enforcement Director Orlando Diez because “he was not as proactive as I wanted him to be on the directions given to his rank and to use the resources in the most equitable way”. He stated he had also removed the Chief, Jessica Capó.

Regarding ride-alongs, Parjus stated, “I think the protocol is to communicate that to the manager and the manager gives the ‘OK’ to the department director through the Assistant City Manager, tell ‘OK’ to the department director to ride along”, although some don’t drive along but like to meet the inspector and walk along with them while they are conducting inspections, ‘not uncommon, very common.’

He also indicated the department has two Task Forces independent of the day-to day operations of Code Enforcement. The Bar Check Task Force is composed of fire, police, building department, code compliance and State Alcohol and Tobacco and based on information received by 311, residents or the Commissioners, go out weekly or every other week and respond unannounced to establishments to conduct in-depth checks.

At the conclusion of the interview, Parjus stated he was surprised at what was alleged and indicated he had nothing to do with the allegations and does not get involved in anything unethical: “I don’t owe favors to any politician, I don’t do politics, I don’t do nothing, I just work.”

**James Bernat, Executive Officer, Acting Code Enforcement Director  
City of Miami Code Compliance Office**

Bernat appeared with Attorney Robert Buschel at the COE’s offices. Present at the time, were COE investigators Olmo and Ross and COE Staff Attorney Martha Perez.

Formerly the Homeless Coordinator for the City of Miami Police Department for under 4 years, Bernat is currently the acting Director of Code Compliance since March 5, 2018. Since assuming this position, Bernat advised that out of all the elected officials, Carollo has been the most active in alerting Code Compliance to alleged code violations in his Commission District, Little Havana, in particular, the stretch of SW 8<sup>th</sup> Street between 13<sup>th</sup> through 15<sup>th</sup> Avenues. He said Carollo has made numerous allegations about businesses lacking BTRs, licenses and approvals, permits, unsafe conditions, and loud music. He recalled receiving calls from Carollo’s office about Ball & Chain and other businesses throughout 8<sup>th</sup> Street.

Bernat indicated he met with Fuller offering his assistance in trying to resolve some of the issues with Ball & Chain suggesting a community meeting since some of the residents were upset about his establishment. He recalled meeting a lady behind the establishment complaining of loud music.

New to his position, Bernat indicated he was trying to be accessible to the elected officials and sometime in late March or early April, he participated in a “park and walk” with Carollo, with numerous city employees including two inspectors, a police officer, Supervisor Daniel Sierra, Carollo, Mary Lugo and Sean Moy, whom he identified as AFSCME union representatives.<sup>7</sup> Initially, the meeting was scheduled to take place at a City facility but later changed to Little Havana at Carollo’s request. They met at EL Pub parking lot, located on SW 8<sup>th</sup> Street and 16<sup>th</sup> Avenue. Carollo started pointing out businesses with alleged violations, making general reference to corruption. During this encounter, Bernat stated that Carollo did mention alleged violations at Ball & Chain including its valet operation. Bernat stated that he told his inspectors “to be fair” and as a result, he expanded the scope of their “park and walk” to SW 8<sup>th</sup> Street between SW 7<sup>th</sup> and 18<sup>th</sup> Avenues, approximately 1 ½ miles, noting any violations, “not only that we walk the limited area he [Carollo] was focused on.”

He said that, at one point, the exercise became awkward because individuals who appeared to be working for business interests followed them with video cameras and asked questions, prompting a confrontation. He said he attempted to stay out of the fray even though he felt he was being “taunted” at one point. They continued the walk west to 7<sup>th</sup> Avenue and on the way back, Carollo wanted to go north to an apartment complex behind Ball & Chain.

Bernat said he did find it unusual/awkward that AFSCME representative Mary Lugo accompanied Carollo during the “park-and-walk.” He said that Lugo, in particular, seemed fixated/adamant on Ball & Chain and the noise issue and that she and Carollo arranged for him to meet a woman who lived behind Ball & Chain at the conclusion of the activity, and that the woman complained of loud music after 9:00PM at the Club. He said the woman met him in front of the apartment complex. He said that he felt Lugo was overstepping her bounds, especially when she began to question him about personnel moves within the Code Compliance office. “Mary Lugo tried to talk to me ... and I told her to write an email,” adding that she never did so. He said he has observed her in Carollo’s office on at least two other occasions.

He said Carollo is focused on certain properties but he does not know who the owners are. Carollo did make allegations of corrupt dealings between the MPA and Ball & Chain and stated that the valet in front of Ball & Chain was illegal and should not be allowed to operate, but he did not provide any tangible evidence. He said he did not have any more direct encounters with Carollo relating to code compliance matters. He said the only other time he saw Carollo was at a property in his District that had lost power.

Bernat stated that Carollo made large numbers of allegations about illegal businesses and

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<sup>7</sup> Park & Walk with Carollo was on Wednesday, March 14, 2018.

alleged “corruption” among local officials and business interests. He said, however, that he did not feel that Carollo was attempting to give him direct orders, “He didn’t direct me to do anything. He was pointing out that there were complaints or violations of the code and he was bringing them to my attention.”

He said that while he was aware that the complaints involved multiple properties, he (Bernat) didn’t know who the owners were, and that he had not observed any pattern of selective enforcement by the commissioner.

Regarding the ride-along referenced in the March 8<sup>th</sup>, 2018 email from Daniel Sierra, Code Compliance Supervisor, Bernat said this happened during the week he began in Code Compliance and that it was done without his knowledge or authorization. Bernat indicated inspectors should not be going in cars or doing ride-alongs with Commissioners, especially without the approval of their supervisor. He further stated that he has since directed his officers/staff not to participate in “ride-alongs” with Commissioners. He said that he has not received any specific complaints from staff regarding undue influence by Carollo.

### **Humberto Escandón, Senior Manager of Operation , MPA**

Escandón responded to COE’s offices for a formal statement regarding any knowledge he may have about the enforcement action against S.H. Valet and its operations at Ball & Chain. He said he has worked for the MPA for over 20 years and as head of the Enforcement Department, presently supervises 33 inspectors (4 shifts), covering 14 zones, city-wide. He said he also oversees valet operations, permits and zoning letters. He said complaints are normally lodged through the dispatch area at (305) 579-4900.

With respect to S.H. Valet, Escandón said he had no prior knowledge about the confrontation on February 18<sup>th</sup> between Carollo and the valet operators. He said he knows the manager of S.H. Valet by face but not by name and described a man who appears to be Alain Garcia. He said that, from time to time, he receives complaints from the offices of City Commissioners for example, Frank Castañeda might call on behalf of Commissioner Willy Gort to complain about parking at Curtis Park, but he said he has never been contacted by Carollo or anybody else from his office regarding a parking matter, including the issues at Ball & Chain.

Escandón indicated that he received a call from Art Noriega on or about March 2<sup>nd</sup> -3<sup>rd</sup> (on a weekend) about possible violations at Ball & Chain. He stated he proceeded to check S.H. valet and another valet operating along SW 8<sup>th</sup> Street, DEC Parking. He conducted a field inspection on or about March 4<sup>th</sup> or 5<sup>th</sup> and found out they were not parking in a legal lot. He noted that the lot they were supposed to be using on SW 15<sup>th</sup> Avenue between 6<sup>th</sup> and 7<sup>th</sup> Streets was not being used and was not up to code. He said it was empty and had construction materials on it, and also lacked proper lighting and was not striped properly. He said the lot could, if compliant, accommodate 50 vehicles. He said that, instead, he found S.H. Valet was using residential area, a church parking lot. “They were parking vehicles all over the place,” but not in lots that were code compliant.

He said that up until that time, he assumed S.H.Valet was operating in full compliance with all requirements, though he admitted that he had never fully verified the valet's application. He said applications for valet service must be submitted every six months and that a corresponding review process in which feedback is sought from numerous City departments can take months or longer. Escandón said approvals are required from police, fire, zoning, risk management and NET.

He admitted that in the case of S.H. Valet, he didn't follow through on these approvals and allowed them to operate on a good-faith basis, noting such approvals sometimes "take forever." He said the company had been operating this way for several years, without verification. He did not recall the exact date the permits were provided to S.H., but believes it was in January of 2018, and that every six months permits are updated. "I dropped the ball," Escandón said, noting that he is the only MPA official responsible for overseeing valet permits and that there are roughly 20 valets operating citywide.

Escandón said that, based on the valet's most recent application, the church lot on 14<sup>th</sup> Avenue and other lots they were using were identified as lots to be used for Ball & Chain patrons' vehicles. However, when he conducted the field inspections, none of these lots were compliant with the requirements under the City's Parking ordinance, i.e., no striping, pot holes, construction materials, and in the case of the church lot, not properly paved. He said the church lot had enough pavement for three vehicles, but that most were parked on the grass. He said the lot at 1637 SW 8<sup>th</sup> Street (Futurama) was not up to standards either. Although the lots were in the application, they were not up to standards. After contacting S.H.Valet, they complied.

Escandón said he documented this by taking photographs and sending them to Noriega. He said he contacted S.H. Valet and informed them that they were not in compliance and would have to cease operations. He said that, after speaking with Bill Fuller and S.H. Valet representatives at MPA, an agreement was worked out in which they would use the Dollar Store lot in a shopping center at about 1600 SW 8<sup>th</sup> Street.

Per Escandón, "Bill Fuller talked to me and I explained to him the reasons why those lots were shut down." Escandón felt bad because he recognized they had been operating under the assumption that everything was okay and that they were meeting all requirements. He added that valet operators are given a copy of the applicable City Code when they are issued permits and that it is the operator's responsibility to comply with the requirements. He stated they went in with the application and he failed to check it right away... "If you're going to blame somebody, you can blame me..." Escandón also acknowledged that S.H. Valet had not previously been made aware of any code violations.

**Jessica Capó, Code Compliance Officer, 151 NW 27<sup>th</sup> Ave. (NET Office)**

Capó was interviewed at her workplace, City of Miami Neighborhood Enhancement Team (NET) Administration office by COE investigators Nilda Olmo and Karl Ross. Capó stated she has worked for the City for 29 years, the past 19 in Code Compliance now Code Enforcement.

She said she also worked several of those years as an assistant to ASCFME President Charlie Cox, and recently served as Chief of Code Compliance, reporting to Orlando Diez, former Director of Code Compliance. Capó said that both she and Diez, who reported to former Assistant City Manager Alberto Parjus, were reassigned in January as there was a new administration that, as she was told, wanted “to go in another direction.” She further stated she is not involved in politics.

Capó reviewed the complaint and with respect to the allegations therein contained, stated she had no knowledge of the intervention by Code Compliance on November 18, 2017, at the site of the Alfie León political rally, where code officers allegedly ordered the León supporters to leave. With respect to the allegation in Section 2b of the complaint regarding the holiday party at the Tower Hotel on December 15<sup>th</sup>, 2017, Capó stated she received a phone call that evening from Parjus advising her that there was a loud party. “He called me only because he couldn’t get Orlando Diez on the phone.” She in turn contacted Morua to respond to the location in question because Parjus told her that there was a party and there was loud noise complaints. Capó said she didn’t recall asking Morua to request to see a CU or any other business license, and did not recall directing her to stay until the party dispersed. She said she recalled that Morua called her after the inspection and advised that “everybody was leaving.” She said she did not recall if she relayed that message to Parjus, and no further action was taken on her part.

She said she was not aware of any effort by Carollo or his staff to “target” Complainant’s properties. As to Miró, she said her only contact with him was prior to his employment by the City because he was found to have a code violation on his own property and indicated Miró fixed it. She said she had no knowledge of any issues with the valet service at Ball & Chain. “I got demoted in January,” she said. “I don’t know what’s been going on since then.”

She suggested that any alleged interference by Carollo would likely have happened with City personnel at a higher level in the City. She advised she has been close friends with Respondent Mary Lugo, the AFSCME union rep.

**Steven Miró, former District Liaison (District 3), Office of Commissioner Joe Carollo  
City of Miami**

Miró, accompanied by his attorney John Cunill and his associate Ken Damas, appeared for a voluntary statement at the offices of COE. Present for the statement were investigators Olmo and Ross and Staff Attorney Martha Perez.

Miró stated he was introduced to Carollo by a mutual friend sometime in January or February, 2017, and that he later served as his campaign manager, initially working pro-bono and later, after a month and a half, as a paid member of Carollo’s campaign staff. He said he had an opportunity to work and applied for the City as part of the Homeless Advocacy program ran by Sergio Torres (Director), but that Carollo urged him to stay with the campaign and told him he would receive a better position once he was elected.



Miró advised that after Carollo took office on December 2<sup>nd</sup>, 2017, he was the Commissioner's "first hire" on Dec. 4, 2017, then became District Liaison for District 3 and served six months until he was terminated by Carollo on Monday, June 4<sup>th</sup>, 2018. As District Liaison, he was responsible for fielding constituent complaints, scheduling meetings for the commissioner, and, for a time, preparing agenda items but was removed from these legislative duties about two months ago.

He advised that he used his personal cell phone for City business and that Carollo also used his personal cell phone and did not possess any other City issued phone. He noted there is a \$300 monthly City stipend for elected officials. He said that he recently replaced his phone and that many of the photographs and other records with possible relevance to this investigation were lost as a result. As per Carollo's directives, he took photographs and sent them to him.

Miró indicated that he usually communicated with Carollo and his staff by telephone, but not as often by text message or email. He said that Carollo preferred not to communicate by email. Miró stated that early on in the campaign, Carollo met with Fuller and that "he was a supporter, he did give us money also, in the campaign". Later he met with Fuller regarding how to better Little Havana. At the time, Miró stated, "it didn't seem Joe was targeting him at the time, Joe was trying to ally himself with him."

With respect to the initial allegation in the complaint regarding the Alfie Leon campaign rally on Nov. 18, 2017, on a lot owned by Fuller located at SW 1<sup>st</sup> Street and 13<sup>th</sup> Avenue, Miró stated that he did receive a call from Carollo telling him, "there was something going on at a parking lot"... food given out and asked him to respond to the rally, take photographs and send them to him. Also, to call "Mary", who responded and took pictures. He indicated that he and Carollo had been circulating around the community at early voting sites. Miró mentioned that Mary was an ASCME rep and an intricate part of the campaign. He said that he recalled just two campaign workers being present, a food truck and a handful of supporters. He said that about 30 minutes to an hour after reporting back to Carollo and sending him the photographs, police and code enforcement arrived on the scene and that a \$250 fine was issued for "some type of violation." Miro indicated he did not know if Carollo contacted anybody, but suggested Lugo may have used her City contacts, by virtue of her employment with Code Enforcement. He stated Carollo and Lugo both have regular contact with former Assistant City Manager Parjus, but could not say for certain whether Parjus was involved at that time.

With respect to the holiday party at the Tower Hotel, Miró advised that Carollo notified him of the event after the Commissioner conducted a "drive-by" and mentioned the hotel "is all illegal" and sent Code Enforcement. He said Carollo didn't know a lot about code enforcement but was guided by Lugo as to possible code violations. He said that the construction on the hotel was unfinished and that there were exposed wirings and stated that the building lacked a Certificate of Use... "That's obviously because of Mary." He stated Carollo wouldn't know what to look for and therefore he received all his information through Mary Lugo. He continued by stating, "Now that he knows pretty much code enforcement 101, he is now deputized as a

code enforcement officer himself.” Miró said that he did not contact code enforcement and had no further knowledge about what occurred.

Miró said that he did recall Carollo contacting him on February 18<sup>th</sup>, 2018, to respond to the Gay 8 event and inquire about a sandwich shop that was set up “illegally.” Carollo wanted “to shut down the “Sanguich de Miami” shop.” He said Carollo was not at the event but was in constant contact with the City Attorney “Vickie” [Victoria Mendez] and City Manager and asked him (Miró) to alert them of the situation. He stated there was also police presence. Miró indicated that he remained at the event for 3-4 hours and left. He was later contacted by Carollo, who asked him to return and find out the final outcome/status, whether they had been properly issued a permit by the Kiwanis Club for the parade. He said that initially they lacked the proper permits but were able to obtain one and remain open at a tent location on the sidewalk.

Asked about possible motivation for Carollo’s proactive interest in code enforcement and shutting down “Sanguich de Miami” Miró said that Carollo mentioned they were always in violation and he wanted to put a stop to it. Per Miró, “He (Carollo) wants to make it known, there’s a new sheriff in town.”

With respect to the February 18<sup>th</sup>, 2018 incident at St. Peter and Paul Orthodox Church church, Miró advised that he was having dinner with his wife when Carollo called him and asked him to meet him at El Pub. He was present in the vehicle driven by Carollo along with his (Miro’s) wife and Mary Lugo. He said they met at El Pub and cruised the area while Carollo was “pointing the same things he has been pointing at beforehand.” Miró indicated Carollo was his boss and he had to comply. He said that when they got to the church, Carollo observed cars being parked improperly on the grass. He said that after the parking lot attendant questioned their activity, Carollo took out his official city business decal/placard from the side of the car and showed it to the attendant and stated that he was conducting an investigation. Miró was not aware of any investigation. When questioned about Carollo’s statement, as alleged in the complaint, to the valet attendant, “I am the law”, Miró confirmed Carollo did tell the attendant something to that effect and also that they were operating illegally.

When questioned regarding Carollo possibly targeting the valet, Miró indicated there was a separate incident in which he was targeting Ball & Chain’s valet. He was not present that night but indicated Mary Lugo was. Miró stated that Carollo and Noriega have met several times regarding the Ball and Chain valet and parking issue. He indicated he attended one meeting, called by Carollo, in which Carollo “grilled him” (Noriega).<sup>8</sup> Miró described it as “interrogations.” He indicated Carollo wanted a list of all the valet lots that were approved for Ball & Chain, Cubaocho and Guantanamera. Carollo was especially interested in learning about procedures for pulling permits.

Miró said he believed that Carollo was selectively targeting properties owned by Bill Fuller/Barlington Group, and advised that Carollo once asked him in the early part of 2018 to

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<sup>8</sup> Meeting was held at City Hall in Carollo’s Commission office.

photocopy a list that identified numerous properties owned by Fuller/ Barlington worth over \$40+ million. He said he had not received a comparable list for any other property owner in the District.

Miró stated he also recalled a scheduled walk-through of Little Havana with Carollo and a group of City officials, including City Manager Emilio Gonzalez, in which Carollo pointed out alleged code violations, many of which involved Fuller/ Barlington properties. He said the walk extended east to Sidebar, another of Fuller's properties, and that upon returning to the starting point, officials were directed to an apartment building located "diagonal" to the rear of Ball & Chain on 7<sup>th</sup> Street, close to 15<sup>th</sup> Avenue where Mary Lugo, Mara and Gisela (from Carollo's staff), had canvassed the building previously, knocking on doors and looking for residents who would complain about loud music emanating from the night club. Miró stated that Carollo had initiated that request. Miró indicated that when the officials arrived, Carollo said "I want you guys to witness this," and proceeded to knock on several doors. Only one female tenant on the corner top apartment answered the door and Carollo brought her outside and told her, "can you please talk". As per Miró, she only spoke because the Commissioner reached out to her not that she voluntarily went up to them.

During the walk-through, Miró mentioned that Fuller's partner, Martin Padilla, was there and Joe "was brushing him off". Padilla wanted to request a meeting with the Commissioner in order to settle the differences.

Miró said Carollo never told him that he was targeting the valet servicing Ball & Chain in order to harm the business financially but in his opinion, Carollo was selectively enforcing/targeting Fuller's properties: "In my opinion, Yes."

He said Carollo did "brag" to him about following valets from Ball & Chain to the new lot they were using, and claimed he observed valets digging through the glove compartment of vehicles they were parking, presumably searching for valuables they could steal. Miró stated Carollo made a comment on the record about this during one of the Commission meetings.

With respect to the allegation in the complaint concerning filming at Ball & Chain, Miró said Carollo asked him to find out whether they had obtained a permit. He said that he contacted "Vinnie" Betancourt in the Special Events office and was told they had been issued a permit. He said he informed Carollo and because they appeared to be doing this legally, he did not contact Code Compliance to disrupt the filming.

Miró noted that after the COE Complaint was filed, naming Miró and others as Respondents, he was approached by Carollo and questioned about how he might respond to questions from investigators. Miró said Carollo expressed surprise that he had retained counsel and pressed him for details after he said he intended to answer all questions truthfully. He said that Carollo was not satisfied with this response and instructed him to tell the investigators that all actions taken against properties owned by or related to the business interests of Bill Fuller/ Barlington Group

were the result of “anonymous complaints.” He said that Carollo wanted him and Lugo to get formal statements from neighbors.

Miró said Carollo tried to “coerce me into saying something that is totally not true” and he (Miró) would not put himself in that predicament, to lie about anonymous complaints. “Joe wanted me to say there were anonymous complaints and there were none. I never received any anonymous complaints,” said Miro, noting that in his city position, he would have to be aware of citizens’ complaints. He suggested that any complaints would be kept in a log for Constituent Complaints and Tanja Quintana would be the employee in Carollo’s office maintaining the log.

Miró said that Carollo’s Commission Office has an annual operating budget of \$514,000, and about 9 or 10 employees. These include his chief of staff Richard Blom, who came a month before his termination; Anthony Barcena, Deputy Chief of Staff; Jose Suarez, Special Assistant; Lizette Palares, Administrative Assistance; Tanja Quintana, Receptionist; Mara Roman, District Liaison; Gisela Maestre, Special Aide.

**Orlando Diez, former Director of Code Compliance,  
Construction Manager, Office of Capital Improvements  
City of Miami**

Diez appeared at the offices of COE and provided a sworn statement. Diez advised that he has twice served as Code Compliance Director – the first time from about 2011 to 2013, the second time from about December 2016 through late January 2018. He said he had previously served in Capital Improvements and also as director of the Neighborhood Enhancement Team (NET). He said he commenced employment with the City in 2008 as Construction Manager.

He further advised he has a Bachelor’s Science Degree in Construction Engineering with an Associate’s Degree in Civil Engineering. He said he is a state-licensed General Contractor and Home/Building Inspector, Florida Board of Engineers. He said he is also a certified code enforcement officer through an organization he co-founded in 1988 called FACE. He said the City recently stopped requiring this certification.

Diez said that, as Code Compliance Director, he was responsible for all facets of the office’s operations – including staffing, budgeting, scheduling, management, and administration duties, responsible for the creation of operation procedures, reviewing, writing and creating ordinances, special inspections with building department and so forth.

He said his second in command was Assistant Director Jessica Capó. He said the four (4) area supervisors were Daniel Sierra (South, Little Havana, Coconut Grove); Luis Gomez (Southwest, Flagami); Lazaro Orta (Central, Overtown/ Liberty City, Allapattah ); and Michelle Watson (North of Miami River). He indicated the City is broken down into 47 sectors or sub-districts with 50-60 inspectors. He said inspectors worked from 8:00AM to 5:00 PM, but in 2017 an evening shift from 3:00PM to 12:00AM, and weekend shifts for the purpose of inspecting night clubs was created.

Diez said complaints are received in several ways, including the County's 311 hotline, which will pass code complaints along to City inspectors, daily emails and through four operators who intake complaints at the Code Compliance office. He said all complaints are logged into the City View<sup>9</sup> computer program, along with information about inspections, violations and a tracking system for each case. Violations can be heard by the Code Enforcement Board or by a Special Master, if they need to be expedited, meeting twice a month.

Diez said that based on his understanding of the City's Charter and APM<sup>10</sup>, elected officials are not allowed to give direction to staff and can only raise concerns through the City Manager's Office. He thinks this may include Assistant City Managers. He indicated in the case of Carollo, many of the code-related complaints originated from Carollo's Office through Miró as well as communication through his direct boss, Assistant City Manager Alberto Parjus.

He said he received calls from Miró, as well as from Mary Lugo, a City union rep. Diez said that many times after receiving calls from Miró and/or Lugo about an alleged code violation, he would also receive calls from Parjus who would complain, "They are driving me crazy" about code issues, inspections, cases going before Special Masters or the Board and why Code Enforcement wasn't resolving the issues about businesses on 8<sup>th</sup> Street between 12<sup>th</sup> Avenue and 17<sup>th</sup> Avenue.

Diez stated Miró was especially insistent about seeking to close down an illegal sandwich shop, telling them, "They don't have a permit. We need to close it down." Diez told him Code Compliance doesn't have the power to do so on its own, but that he did call the police on the sandwich shop on the second occasion code enforcement officers were sent there because it was unlicensed.

Another business was a Market place also on 8<sup>th</sup> Street around 14<sup>th</sup> Avenue in which violations had been issued but Miró insisted inquiring about the status for that business and Ball & Chain. Diez said that, with respect to Ball & Chain, he was aware of a single noise complaint his office received from "an old lady" who lived in the corner, on top of Callecho Havana. He said the same woman complained about a number of nearby businesses, saying they were too noisy even during the day. He said he learned of two or three other alleged complaints about Ball & Chain through Parjus but could not specify their origin.

With respect to the first incident cited in the complaint, the Alfie León campaign rally on November 18<sup>th</sup>, 2017, Diez stated that he first received a call from Miró and later from Parjus about the rally and that Diez said there was "a party or something going on" at the empty lot. He said Miró wanted code inspectors to find out if they had a special events permit. He said he dispatched a code officer to the scene and that a ticket was issued for lacking a special events permit. Diez indicated that later when Parjus called him he advised that he would send the police.

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<sup>9</sup> PRR (City View software report) shows 2 Noise Complaints for Ball & Chain on 02/18/18 & 02/20/18.

<sup>10</sup> Administrative Policy Manual (APM), Rules and Regulations of the City.

He said he never spoke directly to Carollo, who was still a candidate for the Commission at that time.

With respect to the second cited incident on December 15<sup>th</sup> at the Tower Hotel, Diez advised that he was attending the City's holiday party that night. He said that during that event, he had an unsettling encounter with Commissioner Reyes and later Carollo which he would never forget. He said Reyes approached him and, making a play on words using his last name, said, "You may be a 10, but after you come to my office, you're going to be an eight ...". He said that Carollo had joined the conversation by then, and Reyes added, "And after you go his office, you might be a six ...". He said that he "took it as a little intimidation." He said that as the conversation progressed, Carollo told him that he was aware of a large number of violations along Calle 8. He said Carollo told him: "There's a guy there who owns a lot of businesses, buildings, his name is Bill Fuller... they have a lot of violations." He said Carollo told him he had a list of Fuller's properties that he intended to give it to him, saying; "My office has the addresses."

Diez said he assured Carollo that his office would deal with any and all violations and that he never received any list from Carollo, but that he got the message. He said that, based on the Commissioner's remarks, he felt that Carollo was asking him to selectively target Fuller's properties. He said he later provided Carollo's office with a list of all active code violations in Little Havana, numbering 70 to 80 violations. He said he did this to show Carollo that his office was taking action against all code violators in that part of his District.

Regarding the private party by Fullerton/ Barlington Group that same evening at the Tower Hotel and the property next door (west of the hotel), Diez said he started getting calls when he left the City's party around 9:00-9:30PM , and that he had text messages with photos sent by Mary Lugo. He said he spoke to Lugo on the phone and she told him the party lacked a Special Events Permit and should be shut down. He said that for the party to require such a permit, there would have to be more than 100 people at the party. He said Lugo assured him this was the case, and wanted Diez to call the police to shut the party down. He said that he told her he would send a code officer, and that she was upset with him because he refused to go in person at her request.

Diez said that he called Code Officer Morua (Scarlett) and that she reported back to him that there were no more than 50 people there, including children. He asked her to go back to make sure there were other guests somewhere in the hotel and she responded back assuring there not.

He said he returned Lugo's call to tell her there were fewer than 100 people and that he would not call the police. He said she told him, "You're wrong ... You don't know how to read the Code." He said that about 10 minutes later, he got a call from Parjus asking him to, "Please take care of this" and noting that the complaints were "coming from a Commissioner's office." He said Parjus told him again on that occasion, "They're driving me crazy" and directed him to go there in person. He said he went with a couple of code officers working the late shift and observed only 10-15 people.

Diez said that Parjus warned him Lugo intended to file an ethics complaint against him for disclosing her identity as the complainant for the incident at the Tower Hotel party. He dismissed

her threats, but on one occasion she told him, “the Commissioner was unhappy” about a code-related matter/enforcement. He said he could not recall the matter in question and that she never explicitly stated she was acting on behalf of Carollo.

He said that at about this same time he had received a complaint from Lugo about a storage facility behind a property she owns on or about SW 7<sup>th</sup> Street and 31<sup>st</sup> Avenue. He said she was upset when he told her that the contractor was building the structure in accordance with the city permit. Lugo wanted him to remove the final inspection. He stated Lugo remained angry. Shortly thereafter, he received a call from Parjus, “Please take care of it...see what you can do with this guy.” He responded, “Sir, “I’m sorry, I am State licensed, I am not going to lose my license because somebody thinks that is wrong” and furthermore, that he reads and checks more plans that maybe she has in her entire life and has a degree. The plans had been approved by Zoning and a permit issued. After that incident involving Lugo and Parjus, problems started for him.

As it related to Ball & Chain’s valet service, he said that, at some point, he received a complaint that as many as 15 to 20 cars were lining the north side of the street, but said that once he got there he only found two cars parked in front of the club. He said that unless a code inspector sees the violation in person, no violation can be issued based on third-party hearsay.

Diez said he recalled that earlier this year, after he was re-assigned to Capital Improvements, he received a call from Code officer Daniel Sierra or Dennis Uriarte, concerned about requests from Carollo’s office for the Commissioner to go on a “ride along” along SW 8<sup>th</sup> Street. He said the officers were not comfortable with the idea and that he suggested they put something in writing.

Diez said that prior to his re-assignment, Parjus warned him: “They want your head ... You need to put attention to the violations at Calle 8...” He said Parjus didn’t name names. He also indicated he was told by Parjus to keep away from Code Enforcement.

On Friday, July 20, 2018 at 12:07 PM, Diez received a text from Parjus: “Make sure your inspectors and supervisor be on top of violations on District 3 or there will be consequences.”

At the conclusion of the interview Diez stated that it was his belief, as far as his re-assignment, that it was due to his strict nature, “follow the law, follow the code”, and that he is not too liberal and believes in due process.

### **Carlos Diaz, Fire Inspector, City of Miami Fire Department**

Inspector Diaz responded to COE’s offices to provide a sworn statement. He was accompanied by Christina S. Gornail, an attorney assigned to him through the City’s Firefighters Union, the IFF LOCAL 587. Investigators Olmo and Ross along with COE Advocate Michael Murawski were present during the interview.

Diaz stated he has served as a member of the City of Miami Fire Department for 27 years and that he presently serves in the capacity of Fire Inspector. He said that he was acting in that capacity on February 18<sup>th</sup>, 2018 during the Gay 8 event.

He was hired “over time”, working an “off-duty” shift, with a second Inspector, Humberto Garcia.

Diaz said he arrived at about 10:00AM, two to three hours before the event started, and that he and Garcia were tasked with inspecting fire extinguishers to make sure they were not expired and to look for other potential hazards. He said they were going to inspect all vendors located between SW 17<sup>th</sup> and SW 22<sup>nd</sup> Avenues participating in the event. He said they started somewhere in the middle and moved east to conduct inspections.

Diaz said that shortly after they began making their rounds, the inspectors were approached by two men. One of whom he subsequently identified as Steven Miró, Carollo’s Aide, and a second man, who identified himself as Miró’s brother. He said Miró was wearing an orange polo shirt with the Commissioner’s insignia on it, and described Miro as a Latin male, with a bald head, and approximately 5’7”. Diaz said Miró told him he worked for Commissioner Carollo and that Carollo was concerned about one vendor in particular that was believed to be selling contaminated food and that lacked a license. He indicated Miró seemed anxious. “He kept on following us a little bit...a little close to us”, for approximately 20 minutes, while they conducted other inspections, inquiring and insisting they inspect the vendor, “He made it sound like they were definitely in violation, and would have to be shut down..” Diaz said the vendor “Sanguich De Miami” was located at the western end of the event. He said that because of this, he contacted a police officer to assist, but that the officer said he had to remain in his assigned area. He said he was told to contact an officer on the western end.

Diaz said that before they could make it to “Sanguich”, he observed that Miró was on the phone and that Miró advised that the Commissioner wanted to speak to him.

Carollo identified himself and “expressed his concern for the citizens” and told him about the spoiled food at “Sanguich” stating he had reason to believe the food had been brought in a day or two ago and being in the hot trailer might be contaminated. Carollo further advised that the vendor lacked proper licenses. He told Carollo that as Fire Inspectors, they don’t inspect food or licenses, but that he would pass along the information. He said Carollo told him the City had “issues” in the past with the vendor in question and that he wanted the inspectors “to follow up” with the vendor.

Diaz said that upon arriving at the container “Sanguich of Miami” where the food was being prepared, the vendor seemed “agitated,” and that he had to calmly explain the purpose of their visit. He said that once he conducted the inspection of the kitchen area, he determined that “everything was brand new” and “everything had been inspected.” He said that he did not observe any spoiled food. “Nothing smelled bad, nothing was rotten.” The inspection was conducted in both the container and the tent. Approximately ten police officers congregated outside, as well as Miró. He said the tent was located about 20’ from the food prep container for “Sanguich De Miami.”



Upon concluding the inspections he notified Miró, the police officers, the “Sanguich” owners and the Gay 8 coordinator that they passed, as far as fire equipment was concerned. Diaz observed Miró on the phone with Betancourt (Special Events) trying to resolve the permit/licensing issue. Betancourt arrived a couple of hours later. As far as he recalls, the vendor was allowed to continue to participate in the event.

With respect to the call from a sitting Commissioner, Diaz said he felt that the call was “unusual” and caught him by surprise. He said he routinely gets tips from police officers, citizens and other city personnel if they have reason to believe there’s a safety hazard, but that neither he nor any of the inspectors had ever received such a call from a Commissioner. “Obviously the fact that it came from a phone call from a Commissioner got my attention...I had a sense of urgency because of that.”

**Daniel Sierra, Field Supervisor (South East Office)**  
**Miami Department of Code Compliance**

Supervisor Sierra responded to COE to provide a statement. Present were Investigators Olmo and Ross and Staff Attorney Perez. Sierra advised he has worked for the City of Miami for 16 years, presently with Code Compliance since 2008.

He was asked about any interactions with elected officials in recent years. He advised that the only time he was contacted by an elected official was several months ago when he received a telephone call from Commissioner Joe Carollo. Sierra indicated Carollo called him on his cell phone after 5:00PM and stated he had been trying to call the Code Compliance office but didn’t get an answer. Carollo wanted an update on his complaints. Sierra told him he’d speak to his director and give him an update. He indicated that at the time Diez had been transferred and Alberto Parjus was the Interim Director. “He just called me about an update. He was very polite. “I wasn’t directed to do anything.”

Sierra said that, to the best of his knowledge, Carollo made the complaints to Inspector Dennis Uriarte in early March during an impromptu “ride along” with the Commissioner. Sierra indicated those complaints were made on Saturday, March 3<sup>rd</sup>, and that he responded to the Commissioner, through Director James Bernat in an email several days later.<sup>11</sup> He said the complaint originated with Steve Miró, who contacted Michelle Watt, the supervisor on duty that day, who in turn contacted Inspector Uriarte to meet Carollo.

Sierra said he had no knowledge as to who owned the properties cited in his subsequent “update” email to Bernat. He subsequently learned some of the properties were owned by Fuller. He said it looked like there was some merit to some of the complaints from Carollo.

Asked about any complaints relating to Ball & Chain, Sierra said that he had received a number of noise complaints, including a couple of recent ones, via email from Lorena Ortega. He said

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<sup>11</sup> Email dated Tuesday, March 8, 2018, from Daniel Sierra to James Bernat, Re: Updates on complaints received from Commissioner Carollo.

Ortega lives across the street from the club in a building overlooking “Azucar.” He said she has complained about other business in the area, not just Ball & Chain. He said another resident Ruth, last name unknown, has also made noise complaints about Ball & Chain and inspectors have been dispatched on several occasions and found violations in some instances.

Sierra said that it is the new director’s policy to return to establishments cited for possible noise complaints every 45 minutes to verify whether they are in violation of the noise ordinance. He said that this has been done downtown and in other locations besides Little Havana.

Sierra also said he remembered receiving calls from Miró complaining about possible violations at the “Sanguich” shop located in a shipping container.

**Dennis Uriarte, Inspector, Coconut Grove (South) Field Office**

Uriarte appeared at COE to provide a sworn statement. Investigators Olmo and Ross were present at the time of the statement.

Uriarte started work with the City of Miami Code Compliance in January 6<sup>th</sup>, 2016, assigned to the South District, Coconut Grove under supervisor Daniel Sierra. He indicated that complaints come in through 311 or constituents. When questioned about elected officials calling directly, he responded, “they know better.” Duarte said that he has been assigned to the same district for the last 2½ years and noted that he has never received a call from his district Commissioner, Ken Russell. Duarte indicated that Russell has never contacted him directly about potential code violations and that complaints go to the Director.

He noted his district does not include SW 8<sup>th</sup> Street and does not get involved with the rest of the district, but recalled his encounter with Carollo on or about March 3, 2018, in which the Commissioner engaged in a “ride along” with him, pointing out alleged code violations. He said he met with the Commissioner at the request of his supervisor, Michelle Watts. Duarte stated he was working the Saturday shift along with three other inspectors when he received the call from Watts.

He was advised to meet the Commissioner at a small construction site on the 1600 block of SW 8<sup>th</sup> Street because the Commissioner had a question and needed assistance. Upon his arrival Carollo told him he believed the construction lacked permits. He said he verified online with the City’s iBuild website and determined the sight was “legit “and had permits. He also requested a copy of the construction site’s plans and found they were proceeding legally.

Uriarte thought that would be the extent of his interaction with the Commissioner, but Carollo then asked if he could ride with him in the City vehicle, in order to point out five sites, located elsewhere on SW 8<sup>th</sup> Street which he believed had code violations. He wanted Uriarte to “investigate,” but he told him he wasn’t responsible for that area and would pass the complaints to his supervisor, Danny Sierra. Uriarte indicated, “in my 2½ years, that was the first time, it’s

been the only time” (referring to an elected official making the request to ride along and investigate)... “It’s not usual.”

As per the ride-along, he stated he didn’t believe it is on the Standard Operation Procedures, “I don’t think it is part of our job...it never happens...this was a very unusual task given to me.” He continued by stating, “probably the supervisor didn’t even know that he wanted to ride with me.” He thought Carollo only wanted to check out the initial site but later requested the ride-along to check other sites. Duarte added that being a Commissioner, “I had to say yes” and didn’t want to get in trouble for saying no to a Commissioner.

He said some of the complaints seemed to have some basis or merit. “He never said shut down” but wanted him to research possible violations on the sites. Uriarte said that at no time during the ride-along did Carollo mention Bill Fuller or Ball & Chain and he stated he wasn’t familiar with Fuller and the first time he heard that name was during this interview.

On Sunday, 03/04/18, Uriarte stated he sent his supervisor an email regarding Carollo’s concerns. Uriarte said he received a follow-up call from Carollo, but he referred him to Sierra for information about any potential code violations on those properties. He confirmed there were the properties cited (March 8<sup>th</sup>, 2018 email from Daniel Sierra to Director James Bernat).

**Barbara Diaz and Casandra Salazar**  
**1520 SW 7<sup>th</sup> Street**

Investigators Olmo and Ross spoke to Barbara Diaz (Diaz) and Casandra Salazar (Salazar), who reside behind Ball and Chain. Diaz is one of the alleged complainants about the noise emanating from Ball & Chain. Diaz indicated she met Carollo when he showed up at the building one night asking “how can the neighbors sleep with all the noise?” She stated they have also spoken to Lugo regarding the noise problem as well the criminal and sexual activity, and recall Lugo reaching out to her introducing herself as Carollo’s “secretary.”

Salazar indicated that she had also complained about the noise as well as the criminal activity in the area. She said she was personally affected, as her apartment has been vandalized. Nudity, public sex and drug activity is an ongoing occurrence, particularly, in two buildings across the street and a building next door to her apartment complex (the buildings in question are not owned by Fuller). She mentioned she fears for her safety and that of her young children.

Diaz mentioned Ball & Chain built a bandstand outdoors, directly behind their building’s parking lot. They contended that other neighbors also complained about the noise (Wednesday through Saturday), and the complaints went unheeded until Carollo’s involvement. As per Diaz, the club built a wall alongside their back property, and since then, noise levels have been reduced.

Salazar and Diaz indicated that numerous neighbors have complained to Carollo's office about the ongoing criminal activity and inappropriate behavior including performing sexual acts in the open, nudity and discarding drug paraphernalia, including heroin needles, in the parking lot where neighbors are afraid to allow their children to play outside. Neighbors refer to them as "Puerto Rican drug addicts", "La Maná", and stated drug activity runs rampant in an uninhabitable, condemned building next door. Diaz stated she has lived in the neighborhood for approximately 30 years and the neighborhood has never been so unsafe, forcing some neighbors to move from the area.

With regard to Fuller's property, Diaz conveyed that the owner of Ball & Chain had reached out to them, offering to meet with the neighbors, but she indicated, "there's nothing to talk about," since the noise level has been reduced.

**Angela Roberts, Director, Human Resources, City of Miami**

Angela Roberts (Roberts) was contacted regarding the origin of the email dated March 8<sup>th</sup>, 2018 from Sierra to Bernat and any possible connection to the drive-along two weeks prior.

Roberts indicated she sent out the bulletin as per directive from City Manager Emilio Gonzalez (Gonzalez),<sup>12</sup> but was not aware of the ride-along in question.

She indicated that prior to her sending the Official City Bulletin, Gonzalez sent out a High Importance email regarding communication with the City Administration Service, pursuant to Section 4(d) of the City Charter, and attaching the relevant portion of the section to the Mayor and City Commission requesting "that all communications to the City Administrative service be filtered through the Office of the City Manager and not directly submitted to department directors of other City staff."

She recalled a similar bulletin sent out by former City Manager Daniel Alfonso, advising that direct communication by commissioners not going through the City Manager is a Charter violation. Roberts provided copies of the herein mentioned emails.

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On or about August 6<sup>th</sup>, 2018, the COE Advocate, Michael Murawski, received via email a request by the Complainant to withdraw Complaint # C18-14-03. No additional statements were obtained pending the Ethics Commission ruling.

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<sup>12</sup> Email dated 03/16/18 from Angela Roberts to "All City Employees" Pursuant to section 4(d) of the City Charter, the Manager respectfully requests that department heads and all city staff in the administrative service, refer all communication from elected official or their respective staff to the Office of the City Manager...

**E-mails:**

<b>DATE</b>	<b>FROM</b>	<b>TO</b>	<b>DESCRIPTION</b>
03/08/18	Daniel Sierra	James Bernat	Updates on complaints received from Carollo
04/25/18	Nilda Olmo	Martha Perez	Miro retaining Cunill
05/21/18	Vivian Reyes	Nilda Olmo	Notice of Appearance on behalf of Parjus
07/20/18	Alberto Parjus	Orlando Diez	District 3 violations
07/26/18	Uriarte	Nilda Olmo	Carollo joint inspection-03/03/18
07/30/18	Mary Lugo	Martha Perez	Notice of Appearance-Kendall Coffey
07/31/18	Kendall Coffey	Martha Perez/Michael Murawski	Reschedule Lugo's interview
08/02/18	Angela Roberts	Nilda Olmo	Communication with the City Administrative Service
08/06/18	Alex Orlofsky	Michael Murawski	Withdrawal of Complaint

**Documents/Video Review:**

- Any and all documents provided by the City, pertaining to the complainant/respondents, as per the COE PRR, were reviewed by COE staff.
- Email dated 03/08/18 from Daniel Sierra to James Bernat re: Updates on complaints received from Commissioner Carollo.
- Official City Bulletin dated 03/16/18, from Department of Human Resources Director Angela Roberts to all City employees.
- Documents provided by Complainant:
  1. Photographs: Pre-election, Alfredo "Alfie" Leon rally
  2. Photographs: Park & Walk
  3. Video clip: Park & Walk
  4. Video clip: Gay 8 Festival-Sanguich de Miami
- Documents provided by Respondent Carollo:
  1. E-mail dated 04/17/18 from Jose Dacal, FDOT
  2. Sunbiz.org, Division of Corporations-DRH Entertainment, LLC (SideBar Miami)
- Documents provided by Vivian Reyes
  1. Miami Herald, 07/05/17, Downtown tower dwellers to Miami dance clubs: Turn down the noise!
  2. Miami Herald, 07/18/17, Downtown nightclub owners want citations for loud music dismissed.
  3. City of Miami Charter and Code, Noise Ordinance, Chapter 36

- Photographs provided by Diez
- Documents provided by Escandon:
  1. S.H. Valet Service
- Documents provided by Uriarte regarding “drive-along” with Carollo
- Documents provided by Arnay Garcia.
  1. CCSG Letter dated 03/12/18 re: Ball & Chain valet surcharge
  2. CCSG Letter dated 04/04/18 re: Surcharge payment plan
  3. City of Miami Parking Surcharge Assessment, S.H.Valet

