

**OFFICE OF THE INDEPENDENT ADVOCATE
MIAMI-DADE COUNTY COMMISSION ON ETHICS & PUBLIC TRUST**

REPORT OF INVESTIGATION



K #: 11-079 Comm. Frank Carollo

Date Opened: March 24, 2011

Date Closed: Aug. 23, 2011

Name of investigator: Karl Ross

ALLEGATION: COE opened an investigation into alleged unreported gifts to Miami city officials, including Comm. Frank Carollo. These alleged gifts include tickets to local sporting and cultural events, as well as a trip to Spain in June 2010 by Mayor Regalado, Comm. Carollo and their respective family members. The purpose of the investigation is to identify any potential gifts for these and other officials and to determine whether they were disclosed in a manner consistent with the Miami-Dade County ethics code, state ethics law or any other applicable rule.

INVESTIGATION: COE obtained copies of internal city e-mails, calendars contracts, proclamations and other records in an attempt to identify alleged gifts by companies doing business in Miami and, in at least one instance, doing business directly with the city. A local blogger had reported the existence of some of these gifts and contended the gifts were not properly disclosed. Accordingly, COE contacted the City of Miami Clerk's Office and the Florida Commission on Ethics to request any gift disclosure forms filed by Miami officials. In addition, COE contacted the University of Miami to inquire about any tickets to sporting events given to Miami officials, including City Commission Chairman Willie Gort.

During the investigation, COE interviewed a number of individuals. On April 12, 2011, COE spoke to Miami City Manager Tony Crapp Jr., who advised as follows:

Crapp called COE to discuss the pending investigation. He advised that he would ask one of his assistants, Ofelia Perez, to compile information and contact COE. Crapp said he would start by researching any tickets distributed in connection with the Miami Heat, Florida Marlins, Sony Ericsson Tennis Tournament and Don King boxing event.

On April 12, 2011, COE contacted Ofelia Perez, Executive Assistant to City Manager Crapp, who advised as follows:

Perez said that for the 2011 Sony Ericsson tournament, commissioners each received two tickets per session, for a total of 22 sessions – plus a parking space. As for Marlins tickets, Perez said former City Manager Carlos Migoya issued a memorandum letting employees know that tickets were available and that they could receive as many as four tickets each. She said she believes Eric Duran, an employee in the mayor's office, would have handled the Miami Heat tickets that were given to the mayor. She said his telephone number is (305) 250-5300. She said she would check with the city manager regarding COE's request for copies of any public records requests to date.

On or about May 9, 2011, COE contacted Michael Maloney, Executive Director of Internal Audits at the University of Miami, who advised as follows:

Maloney was advised as to the nature of the inquiry and referred COE to Juan Carlos Del Valle, the university employee who oversees the distribution of tickets to sporting events to elected officials with the city of Miami and elsewhere.

On May 11, 2011, COE contacted Juan Carlos Del Valle, Assistant Vice President of Government and Community Relations for the University of Miami, who advised as follows:

Del Valle said the tickets referenced by Comm. Gort in a Form 9 were for a football game, and that he would review his internal reports and lobbyist expenditure report for other relevant information. The reports were subsequently provided to COE, showing only that Comm. Gort received tickets for a UM football game on Nov. 27, 2010. He said no other city of Miami officials received tickets to UM events in the past year.

On May 26, 2011, COE contacted Eric Duran of the Mayor's Office and Wallis Tinnie, from the office of protocol, regarding a public records request for a copy of the mayor's meeting calendar for 2010 and for records of any communication between the mayor, his staff and Mr. Juan Jose Hidalgo, president of Globalia Corp. and Air Europa. Said records were subsequently delivered to COE, including a copy of a proclamation dated March 22, 2010, declaring said day "Miami to Madrid Air Europa Day." The proclamation was given to Mr. Jose Hidalgo in the Office of Mayor Regalado.

On July 6, 2011, COE contacted City Comm. Frank Carollo, who advised as follows:

Comm. Carollo replied to an e-mail requesting an interview at COE to discuss the following matters – any tickets to sporting events he may have received, his trip to Spain and other matters of potential interest. He advised that he would be available following the July 14 City Commission meeting, and tentatively scheduled a meeting at 10 a.m. on July 15, subject to confirmation. He did advise that his wife accompanied him on the trip to Spain, and that he did attend the Don King boxing event at the AAA. He later rescheduled the interview for July 22 through his attorney, Ben Kuehne.

On July 18, 2011, COE interviewed Mayor Tomas Regalado, who advised as follows:

With respect to the Don King boxing match, Mayor Regalado advised that a local promoter he knew told him King wanted him to attend – both the event itself and the press conference. He said this took place around Thanksgiving, and that during the press conference King expressed an interest in doing something for the city. He said that since the Miccosukee Tribe was not sponsoring the annual turkey give-away that year, he suggested to King that he might donate turkeys for needy residents and that King agreed. He said King procured 700 turkeys – 100 for each of the five city commissioners and 200 for the mayor's office to distribute. He said King also told him he wanted him (Regalado) to be at ringside for the event, and that he participated in the opening ceremony prior to the fight in which the U.S. and Cuban flags were unfurled. He said he was recognized by announcers during the opening ceremony. He said he and his group were seated at ringside and that small hamburgers ("sliders") and soft drinks were served. He said he left early. He said he did not report his attendance as a gift for himself or for his son, Tommy (see photo), because he believed he was acting in an official capacity.

Regarding the Sony Ericsson Tennis Tournament, Mayor Regalado said that he has received tickets to the event for the past 17 years as part of an agreement between the city's Department of Asset Management and Miami-Dade County for use of the Marine Stadium parking lot for "overflow parking" for the event. He said that the tickets are provided to city commissioners, the mayor and city manager for each session "in lieu of payment" from the county and/or event organizer. He said that he did not attend any of the sessions, but did give tickets for one session each to sons Tommy and Jose. He said that he gave the remaining tickets away to friends, acquaintance and other "important people." He said that, in the past, city commissioners had asked the city attorney whether the tickets should be reported as gift and that they were advised that they did not have to because they were obtained as part of a formal agreement between the city and county.

Trip to Spain: The mayor advised that he, his son Jose, Comm. Frank Carollo and Carollo's wife (Monica), traveled to Madrid last June as part of an official delegation to Alcobendas, a suburb of Madrid where many Spanish businesses are headquartered. He said he traveled under the auspices of the Mayor's International Council, a 501(c)(3) nonprofit created as a fund-raising arm for the entity. Mayor Regalado said that, by virtue of his office as mayor, he serves as chairman of said council and the city commission appoints one of its members as council vice chairman. In the past the council received \$500,000 as part of the city's annual budget, but that former Mayor Manny Diaz, in one

of his final acts as mayor, “zeroed out” the funding allocation, he said. He said the council organizes trade missions, oversees visits by foreign dignitaries and any Sister Cities relationships the city may have entered into. He said former Channel 7 reporter Ingrid de Casado served as executive director of the council, but she was later transferred to the city manager’s staff after the funding was eliminated by former Mayor Diaz.

Mayor Regalado said he appointed new members to the council after taking office, among them Miami Dade College President Eduardo Padron; William Alexander of CAMACOL (the Latin American Chamber of Commerce in the U.S.); Armando Rodriguez, vice principal at Belen Jesuit Prep High School; attorney and lobbyist Al Maloof. He said the new members would be responsible for identifying funding sources. He said that when the new council was formed, Padron suggested re-activating the Sister City program in Madrid. He said the Miami City Commission had approved entering into a Sister City relationship with Madrid, but that no formal agreement or protocol had been signed. He said that members of the council were also assigned geographic areas, and that Julian Linares, a Miami-based Spaniard, was in charge of relations with Spain. He said that Linares brought to his attention that the mayor of Alcobendas was in Miami and that the mayor had tried to gain an audience with then County Mayor Carlos Alvarez, but was unsuccessful. He said Linares asked him to meet with the mayor of Alcobendas and that he did, learning that Alcobendas was going to be the site of the world premier of a movie about Cuban human rights activist Dr. Oscar Elias Bicer. He said that at about this same time Air Europa announced the opening of its new flights to and from Miami, including a Madrid-Miami route, noting that each flight was said to create 16 local jobs. He said that a proclamation was prepared for the president of Air Europa, Juan Jose Hidalgo (March 22, 2010), at the request of his protocol staff, and that while Hidalgo was attending the ceremony at Miami City Hall he offered to have Mayor Regalado and other Miami city officials fly on the inaugural flight from Miami to Madrid.

Mayor Regalado said Linares discussed the matter further with Hidalgo and that Hidalgo extended what amounted to an open invitation. Mayor Regalado said that the invitation, as described to him, was essentially: “Who’s going?” He said that he did not have to request an additional seat for his son, Jose, who accompanied him on the five-day trip. He said that Hidalgo also paid for their hotel at the same hotel Comm. Carollo and his wife stayed at in Madrid. He said city officials opted not to go on the inaugural flight as Hidalgo had proposed, but rather asked that their trip coincide with the official signing of the Sister Cities agreement in Madrid. He said the signing ceremony was later canceled at the request of Madrid’s mayor due to a labor strike.

Because of the cancellation, Mayor Regalado said that the focus of the trip became the premier of the movie about Dr. Bicer. He said that Linares also went on the trip as a member of the mayor’s council. (He did not say whether Linares paid his way.) He said that while in Spain, he and members of the delegation met with the county mayor of Madrid (a woman whose name he couldn’t recall), the vice mayor of Madrid and “some Senators.” He said that he also met with executives at Truco, a Spanish-based wholesaler that he said recently opened a store in Miami’s Design District. Regalado added that, after receiving the invitation from Hidalgo and Air Europa, he and Comm. Carollo met

with City Attorney Julio O. Bru, to ask whether the trip to Spain should be reported as a gift. He said Bru advised it was not necessary to report the trip because, in her opinion, any gift was being made – not to the city officials personally – but instead to the council, a nonprofit entity. He said the opinion was issued verbally. Asked why Comm. Carollo reported the trip anyway, Regalado said: “Because he’s an accountant.”

On July 22, COE interviewed Comm. Frank Carollo, who advised as follows:

Comm. Carollo said he serves as vice chairman of the Mayor’s International Council and is responsible for promoting trade and economic development. He said the only time he met Air Europa president Juan Jose Hidalgo was on the day the mayor gave him the proclamation in his office. He said he posed for some pictures with the mayor and Hidalgo and left. He said there was no mention of any free trip to Madrid at that time, aside from a general statement from Hidalgo to the effect that, “You should come to Madrid.” He said he didn’t pursue the matter further, but that some time later Mayor Regalado approached him and suggested that they travel to Spain to attend a Sister Cities event there. He said the mayor suggested he bring along his wife “because the mayor knows how family oriented I am and that I probably wouldn’t go without her.” He said the mayor told him the visit would also include meeting with the local chamber of commerce, the Dr. Bicet movie premier and other official business in Alcobendas. He said the mayor told him Air Europa would be paying for the trip. “I definitely viewed it (the purpose of the trip) as business development.” He noted that he and his wife had traveled to Spain six month earlier and that Madrid was one of their stops. He provided COE a copy of his trip itinerary from June 14 to June 20, showing numerous official functions and events. He said they did attend the premier of the movie about Dr. Bicet and that “we brought the movie to Miami” where it played at the Tower Theater in Little Havana. He said that he did contact City Attorney Bru to discuss how and whether the trip to Spain should be reported as a gift and that, consequently, he filed a Form 9 for his wife’s trip (only) to Spain since she was not acting in an official capacity. He said he understood that he did not have to file a similar form for himself since he felt he was acting in an official capacity, not taking a pleasure trip. “I sought counsel from the city attorney and acted in good-faith that I was following all the rules,” he said. Asked if he filed the form reporting his wife’s trip with the clerk’s office, as required by the ethics code, Carollo pointed out the form was notarized by City Clerk Priscilla Thompson. “I was under the impression that she would have made a copy,” he said.

Concerning the Don King boxing event, Comm. Carollo advised that he received tickets in an envelope, as he commonly does for events at city venues, and said that he was not interested in going and had not planned on attending the match. He said he went to an event at the mayor’s terrace at city hall later that day when Mayor Regalado encouraged him to go, saying the Don King event would serve to help “bring boxing back to Miami.” He said he agreed to go, and that he sat ringside with the mayor and others and that light food, not a formal meal, was served. He said he also attended at least one session of the Sony Ericsson tournament in Key Biscayne this year, and that he brought his infant daughter to the event. He said he could not recall if he attended other sessions of the tournament. He said that, as with other such invitations, he consulted the city attorney and heeded her advice with respect to reporting and disclosure requirements.

CONCLUSION: Based on the findings, it would appear reasonable to conclude Comm. Carollo was acting in an official capacity during their trip to Spain and other relevant events, and would not therefore be required to report the trip as a “gift.”

Comm. Carollo did, in fact, report his wife’s trip to Spain as a gift, though in the interest of transparency it is the Advocate’s view that the commissioner might have noted on the Form 9 that said gift consisted of his wife’s trip-related expenses, not his. Clearly, Mrs. Carollo was not acting in an official capacity during her visit to Spain.

Therefore, this matter will be closed without further action.

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