



Miami-Dade Commission on Ethics & Public Trust
Investigative Report

Investigators: Larry Lebowitz and Karl Ross

Case: K14-082	Case Name: Ecological Paper	<u>Date Open:</u>	
<u>Complainant(s):</u> Self-generated (COE)	<u>Subject(s):</u> Terence Pinder, Michael Pizzi, Dante Starks, Demetrius Corleone Taylor, Myra Taylor, Rev. John Taylor, Jose Flores, Willie Hernandez	06/23/2014	CASE CLOSED Date: <u>7/27/2016</u>

Allegation(s):

In September 2013, the city of Opa-locka awarded its exclusive contract for residential and commercial solid-waste collection and disposal to Ecological Paper Recycling Inc., a mid-sized recycling firm with no prior experience in the solid-waste carting industry.

The award led to a formal protest by one of the losing proposers and raised numerous questions about the fairness and transparency of the city's procurement process and whether Ecological's employment of several politically connected individuals in any way influenced the decision to award the contracts. These individuals included former City Commissioner Terence Pinder; Demetrius Corleone Taylor, son of Mayor Myra Taylor, and lobbyist Dante Starks.

COE also received an anonymous letter detailing alleged corrupt payments and other criminal activity involving Ecological's president, Jose Flores, and numerous city officials. The letter alleges the existence of "a vast corrupt network that lies within the organization."

In August 2014, COE reviewed bank records for accounts belonging to Ecological Paper, and observed large amounts of cash disbursements during the period coinciding with the city's selection process to award the solid waste contracts -- roughly \$30,000 per month, on average. These took the form of multiple ATM withdrawals and checks for large amounts that were cashed by Ecological executives, in particular Willie Hernandez.

With the payroll records, the investigation also delved into the fledgling garbage company's hiring practices. Several politically influential people -- including Opa-locka Commissioner Terence Pinder, Opa-locka lobbyist Dante Starks, Miami Lakes Mayor Michael Pizzi and one of the sons of Opa-locka Mayor Myra Taylor, Corleone Taylor -- appeared to be receiving multiple

payments from the newly created affiliate company, Ecological Waste Systems.

[Pinder and Starks were facing state public-corruption charges at the time they were originally employed by Ecological. They pleaded to lesser charges in February 2014 and were placed on probation. Pinder, who was suspended from office in December 2006 when he was arrested on the original charges, was returned by voters to the Opa-locka City Commission in November 2014.

[The bank records indicated Pizzi was employed by Ecological in 2013 after his arrest on federal bribery and corruption charges. Pizzi was acquitted at trial in August 2014. At some point in the fall of 2014, as Ecological was struggling to provide the promised service and remain financially afloat, Pizzi went to work for a New York-based hauler, Universal Waste Services of Florida Inc., which bought the Opa-locka contract and other assets from Ecological. Payment disputes between Universal and Ecological contributed to Ecological's seeking bankruptcy protection in February 2015.

[Shortly after voters returned Pinder to office, the city of Opa-locka hired Pizzi to represent Pinder in a debarment proceeding with the US Environmental Protection Agency. Pinder was barred from participating in any discussions, or voting on, up to \$40 million in new infrastructure contracts, backed by federal funds, aimed at repairing historic drainage issues in Opa-locka. The two-year debarment was connected to Pinder's role in the 2006-era kickback schemes, which involved Opa-locka public works contracts also backed by federal grants. Pizzi succeeded in persuading EPA to lift the debarment early so Pinder could vote on the new infrastructure contracts. Shortly after the EPA decision, Pizzi was hired as an Opa-locka assistant city attorney]

The preliminary investigation also examined whether Ecological was defrauding the city via a tipping-fee scheme. At the time, the city was contractually obligated to send all of its municipal waste to a Miami-Dade County landfill, but investigators discovered Ecological started dumping at a lower-priced, private facility in Broward County, while continuing to collect the higher reimbursement rate from the city. At one point, Miami-Dade solid-waste officials were arguing that Opa-locka contractually owed the county more than \$180,000 even though Ecological was dumping no waste because it was violating the contractual minimums promised.

The initial allegations also involved reports that Ecological repeatedly failed to deliver contractually mandated reports and payments to the city for commercial dumping franchise fees, depriving the financially strapped city of desperately needed revenue. These allegations about problems with the franchise fees were juxtaposed by information that Ecological was consistently demanding and receiving payment on a monthly basis for all of its residential collection and disposal services from city staff.

As mentioned above, Ecological sold its rights to the Opa-locka contract, and other assets, to Universal, in late 2014, after an early attempted sale of the assets to another Opa-locka-based hauler, Great Waste, fell apart. The City Commission ratified the contract transfer from Ecological to Universal, in December 2014. Ecological sought bankruptcy protection in February 2015.

In May 2015, Investigators Ross and Lebowitz reached out to Ecological president Flores, the executive with day-to-day control over most of the decisions (his mother, Manuela, was listed on corporate records as CEO).

Shortly after these initial meetings, Investigators Lebowitz and Ross introduced Flores to Miami-Dade Police Det. Julio Estopinan and Assistant State Attorney Ronald Dowdy, both of whom are assigned to the Public Corruption Unit taskforce at the Miami-Dade State Attorney's Office.

At the initial recorded debriefings, Flores voluntarily offered to cooperate with law-enforcement as a confidential informant. During the debriefings, Flores provided extensive historical information on an array of alleged corruption – bribery, unlawful compensation, bid-rigging, unregistered lobbying and campaign-finance violations --- in Opa-locka, Miami Lakes and Medley. For more details, please consult the initial taped debriefings of Flores that were conducted as part of the criminal investigation [PCU-64-14-25].

A tactical decision was made by the SAO not to build a criminal case on the historical information, including some of the campaign-finance violations that Flores provided in the debriefings, but to work with Flores on a pro-active basis.

For the better part of the next year, the COE investigators worked with Det. Estopinan and ASA Dowdy as they ran Flores as a confidential informant. Flores, at the direction of law-enforcement, met numerous times with Opa-locka Commissioner Pinder and to a lesser extent with Miami Lakes Mayor Pizzi (who was working as an assistant city attorney for Opa-locka during a portion of the investigation).

Between June 2015 and February 2016, Flores, working at the direction of law enforcement, delivered \$7,020 in cash payments to Commissioner Pinder. In return, the commissioner used and promised to act in performance of his public duty to help Flores develop a new solid-waste transfer facility in Opa-locka.

The case abruptly ended on May 24, 2016 with the apparent suicide of Commissioner Pinder. The commissioner, who drove his city-leased vehicle into a tree on the grounds of the Opa-locka Executive Airport at an estimated speed of 100 mph, was scheduled to surrender on May 25, 2016 on state charges of bribery and unlawful compensation.

Applicable Law:

Florida Stat. 838.015 Bribery

- (1) Bribery means corruptly to give, offer or promise to any public servant, or if a public servant, corruptly to request, solicit, accept or agree to accept for himself or herself or another, any pecuniary or other benefit not authorized by law with an intent or purpose to influence the performance of any act or omission which the person believes to be, or the public servant represents as being, within the official discretion of a public

servant, in violation of a public duty, or in performance of a public duty.

- (2) Prosecution under this section shall not require any allegation or proof that the public servant ultimately sought to be unlawfully influenced was qualified to act in the desired way, that the public servant had assumed office, that the matter was properly pending before him or her or might by law properly be brought before him or her, that the public servant possessed jurisdiction over the matter, or that his or her official action was necessary to achieve the person's purpose.

Florida Stat. 838.016 Unlawful compensation or reward for official behavior

- (1) It is unlawful for any person corruptly to give, offer or promise to any public servant, or if a public servant, corruptly to request, solicit, accept or agree to accept, any pecuniary or other benefit not authorized by law, for the past, present or future performance, nonperformance, or violation of any act or omission which the person believes to have been, or the public servant represents as having been, either within the official discretion of the public servant, in violation of a public duty, or in performance of a public duty. Nothing herein shall be construed to preclude a public servant from accepting rewards for services performed in apprehending any criminal.
- (2) It is unlawful for any person corruptly to give, offer or promise to any public servant, or if a public servant, corruptly to request, solicit, accept or agree to accept, any pecuniary or other benefit not authorized by law, for the past, present or future exertion of any influence upon or with any other public servant regarding any act or omission which the person believes to have been, or which the person believes to have been, or which is represented to him or her as having been, either within the official discretion of the other public servant, in violation of a public duty, or in performance of a public duty.
- (3) Prosecution under this section shall not require that the exercise of influence or official discretion, or violation of a public duty or performance of a public duty, for which a pecuniary or other benefit was given, offered, promised, requested or solicited, was accomplished or was within the influence, official discretion, or public duty of the public servant whose action or omission was sought to be rewarded or compensated.

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

- (g) *Exploitation of official position prohibited.* No elected official shall use or attempt to use his or her official position to secure special 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

Investigation:

Interviews

All of the interview notes, tape recorded statements, transcripts and undercover tapes produced with the aid of the confidential informant are in the possession of the Miami-Dade State Attorney's Office as part of the criminal case file. SAO Case # PCU-64-14-25

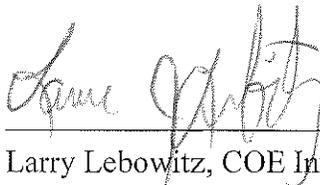
Document/Audio/Video Review

The anonymous letter, plus all of the COE interview notes, bank records, analysis, public records, agendas, RFP documents and other work product developed as part of the investigation prior to the hand-off of the confidential informant to the State Attorney's Office in May 2015 will be boxed as part of this file and placed in COE storage

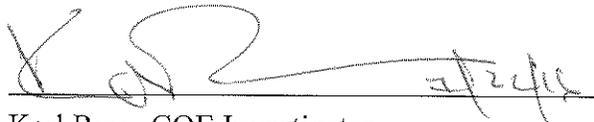
Conclusion(s):

The case was closed with the apparent suicide of Opa-locka Commissioner Terence Pinder on May 24, 2016

(Signature)


Larry Lebowitz, COE Investigator

(Signature)


Karl Ross, COE Investigator

Approved by:


Michael Murawski, Advocate


Joseph Centorino, Executive Director