



Miami-Dade Commission on Ethics & Public Trust

**CASE
CLOSED**

Report of Inquiry

Investigator: Sylvia Batista

Date: 2/11/16

| Case: K15-052 | Case Name: | <u>Date Opened:</u> | <u>Date Closed:</u> |
|--|--|----------------------------|----------------------------|
| Complainant(s): Miami-Dade County Office of the Inspector General, | Subject(s): Jeffrey Townsley, Sr., and Lawrence Gunn. | 09/30/15 | |

Information:

On or about 09/30/15, the Miami-Dade County Office of Inspector General (OIG) provided the Ethics Commission (COE) with a copy of their Final Report of Investigation regarding unauthorized outside employment of Miami-Dade Transit (MDT) employees, Jeffrey Townsley (Townsley) and Lawrence Gunn (Gunn).

The OIG also provided its Final Report of Investigation to MDT Director Alice Bravo, and requested that MDT take whatever administrative action deemed appropriate. In its report, the OIG requests that MDT provide a copy of a status report on any action taken in this matter.

Relevant Law:

Conflict of Interest and Code of Ethics Ordinance, Section 2-11.1(k) (2) *Prohibition on outside employment by County personnel and disclosure requirement.*

Investigation:

This investigation was conducted by the OIG in accordance with the Principles and Standards for Offices of the

Summary of the OIG Final Report of Investigation re. unapproved outside employment of MDT employees Jeffrey Townsley and Lawrence Gunn –

- Townsley and his business associate, Gunn, engaged in outside employment without authorization and failed to file Outside Employment Statements with the Supervisor of Elections as required by Section 2-11.1(k)(2);
- The OIG's jurisdictional authority is in accordance to Section 2-1076 of the Code of Miami-Dade County;
- Townsley is employed by MDT as a Bus Operator, and is a Vice President with the Transport Workers Union for Local 291, working as a Membership Assistance Program (MAP). Townsley has been an employee of the County for 28 years;
- Gunn is employed by MDT in the position of Bus Operator, and is a Vice President with the Transport Workers Union and engages in union activities on a full-time basis. Gunn has been an employee of the County for 14 years;
- The Financial Stability Group, Inc. (FSG) is an active Florida corporation incorporated by Townsley in 2003 and located at 5030 N.W. 17th Avenue, Miami. The officers of FSG are Townsley, President and Registered Agent; Gunn, Vice President; Irving Jackson, Treasurer; and Watts Samuel Sr., Secretary;
- FSG is presently doing business as Sam's Car Care;
- FSG has had five other DBAs that have recently expired;
- The governing authority involving outside employment by county employees is Section 2-11 of the Code of Miami-Dade County and Administrative Order 7-1 which requires the prior written approval of the employee's department director prior to engaging in outside employment. The approval must be renewed on an annual basis. Copies of all requests for outside employment shall be maintained in the centralized personnel files of the Internal Services Department Human Resources and by the employee's department; and
- The governing authority involving the Outside Employment Statement form is Section 2-11.1(k) (2) of the Miami-Dade Conflict of Interest and Code of Ethics Ordinance. The statement requires the employee to disclose the source of the outside employment, the nature of the work performed, and the amount of money or compensation received by the employee.

In the course of the investigation, the OIG reviewed documents and business records. The OIG also reviewed records from the Florida Department of State, Division of Corporations, Miami-Dade County Property Appraiser, FPL, Miami-Dade County Clerk of the Courts, County Recorders website, Pike County (Georgia) County tax assessor records, City of Homestead utility records, and City of North Miami Beach utility records. The OIG interviewed witnesses, including, but not limited to, Townsley and Gunn.

Investigative Findings

It was discovered by the OIG during the course of another investigation that Townsley had been engaged in unauthorized outside employment since 2003 when he incorporated FSG. Townsley incorporated FSG without first obtaining the annual approval for outside employment from his department director, and did not file any Outside Employment Statement with Elections by July 1, as required. The investigation also revealed that FSG is presently doing business as a car wash under the fictitious name, Sam's Car Care. FSG was doing business as several other fictitious companies in addition to Sam's Car Care.

The OIG's investigation also revealed that Townsley has been leasing more than three rental properties for several years without approval for outside employment or filing annual Outside Employment Statements with Elections.

Townsley was interviewed by OIG Special Agents and during the interview he stated that he was not aware that he was required to request approval to engage in outside employment from his department director, nor that he was required to file a statement with Elections on an annual basis.

OIG investigators also discovered that Townsley's business partner, Gunn, also works for MDT as a bus operator. Gunn also failed to obtain approval for outside employment and has not filed any annual Outside Employment Statements with Elections since 2003.

The OIG investigation revealed that Townsley has been engaged in outside employment since 2003 when he formed FSG. Townsley is the President and Registered Agent of FSG and Gunn is the Vice President, and a fellow County Bus Operator.

Townsley acknowledged that he is part-owner and president of a hand car wash business named Sam's Car Care located at 5030 NW 17 Avenue, Miami. Townsley filed Sam's Car Care in 2006 as a fictitious name under FSG. Townsley identified Sam's Car Care as the only car wash business that he owns. Both Townsley and Gunn said that prior to owning Sam's Car Care; they filed Gunn Transportation Service as a fictitious name under FSG. Townsley said that Gunn Transportation operated from 2004 to 2006. Gunn Transportation transported Head Start Children to school. Whenever the drivers were out, Townsley and Gunn would transport the children. Gunn said that the cost of insurance to transport the children put Gunn Transportation out of business.

The OIG investigation revealed that FSG was involved in several businesses that had been filed as fictitious names, as follows:

| FICTITIOUS NAME | DATE FILED | DATE EXPIRED |
|--|-------------------|---------------------|
| FSG Clean Sweep Janitorial Services | 2009 | 2014 |
| FSG Painting | 2008 | 2013 |
| FSG Vending | 2008 | 2013 |
| FSG Barber Shop | 2007 | 2012 |

When questioned by the OIG, Townsley stated that except for Sam's Car Care, none of the other businesses were successful and he let the fictitious name filings expire. Townsley explained that Sam's Car Care has a manager during the day, and he checks on it after his work shift. Townsley said that he never checks on the business during the day.

Townsley confirmed that he has never filed a request for outside employment or filed any financial statement forms. Townsley maintained that he makes no profit from Sam's Car Care, and that it was opened to help the community.

Townsley explained that in addition to FSG doing business as Sam's Car Care, FSG also subleases space in the building located at 5030 NW 17 Avenue, and receives monthly rent from the tenants. At the time of the OIG investigation, FSG was subleasing space within the building for \$25 a day to an individual who does car window tinting, \$25 a day to an individual who barbeques on the premises and leases the rear space to Herbalife business for \$600 a month.

The OIG also discovered another Florida corporation filed by Townsley by the name of JTPenny, Inc. JTPenny was formed in August of 2009. Townsley is listed as Vice President, Director and Registered Agent, and his spouse is listed as President and Director. Townsley and his spouse advised that this corporation has never done any business, but they keep it active because they want to maintain the corporate name.

Interview of Lawrence Gunn –

Gunn acknowledged that he, Townsley and two other business associates started Sam's Car Care in December of 2006 as a fictitious name under FSG. Sam's Car Care had previously operated under the corporate name, Gunn's Transportation from 2004 to 2006.

Gunn stated that he checks on the car wash after his work shift, never during his county working hours. Gunn said that Sam's Car Care does not generate income for FSG, and is still in business because it provides jobs for the community. Gunn stated that he has not filled out any requests for approval of outside employment.

Corrective Actions Taken as of 09/17/15 –

On 11/04/05, MDT Director, Alice Bravo, advised the Inspector General that Townsley and Gunn had received a 10-day suspension for failing to obtain approval for their outside employment as required by Administrative Order 7-1 Outside Employment and Gratuities. Mrs. Bravo also advised that both employees agreed not to appeal their suspensions.

On or about 04/10/15, Townsley filed an Outside Employment Statement with Elections disclosing his outside employment with Sam's Car Care Service, but did not disclose his outside employment related to his rental properties. On or about 04/14/15, Townsley e-mailed a scanned copy of Gunn's 2014 Outside Employment Statement to the OIG, but had not filed it with Elections. Neither Townsley nor Gunn have requested authorization to engage in outside employment from their department director.

Rental Properties:

In the course of their investigation, the OIG learned that Townsley was leasing out six rental properties, but had sold one leaving him with five rental units. According to a COE opinion, three or more rental units are considered outside employment unless the properties are being managed by a management company for the owner. Townsley has not obtained written approval from his department director for this outside employment activity, nor has he filed Outside Employment Statements with Elections reporting his rental income.

A review of Townsley's properties by the OIG revealed that Townsley owns a Quadplex which is under his name, and two single-family homes which he owns jointly with his spouse. One of the homes has since been sold.

The properties are as follows:

2938 N.W. 61 Street, Miami – Quadplex – The property is in Townsley name only. Townsley said that the four units have been rented since at least 1992, and he personally maintains the property and collects the monthly rent from the four units.

1691 N.W. 195 Street, Miami – Single-family home previously owned by Townsley and his spouse. The property was leased from March of 2011 to March of 2014. The property was sold on April of 2015.

1876 N.W. 52 Street, Miami – Single-family home owned by Townsley and his spouse. The property is leased to a family member who pays \$800 a month in rent. Townsley personally maintains and manages the property.

Townsley has not claimed exemptions on any of his rental properties.

Neither Townsley nor Gunn have provided their discretionary written responses to the OIG Final Report of Investigation.

Corrective Actions Taken as of 01/02/16 –

On 01/21/16, the COE delivered a Memorandum to Townsley and Gunn asking that they comply with the Outside Employment Statement filing requirement for the tax years ending in 2012, 2013 and 2014. In the Memorandum Townsley and Gunn were also asked to provide a copy of their Request for Outside Employment reflecting their department director's approval.

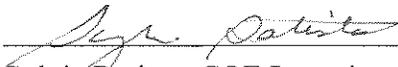
On or about 02/04/16, Townsley and Gunn provided executed Outside Employment Statements for 2012, 2013 and 2014 which were e-mailed to Miami-Dade Elections Department for filing. Townsley informed that he would provide the authorization from Miami-Dade Transit Director, Alice Bravo as soon as it is made available to him.

Conclusion(s):

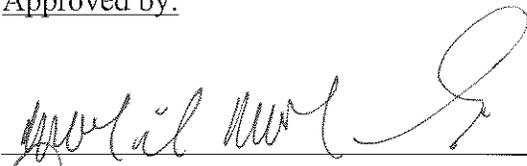
The OIG investigation on the issue of outside employment by the abovementioned county employees supports the allegation that Townsley and Gunn engaged in outside employment activities, but failed to obtain approval from their department director, or to file Outside Employment Statements as required. Townsley and Gunn received a 10-day suspension pursuant to Administrative Order 7-1.

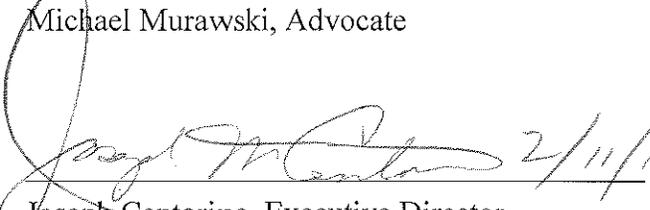
Subsequently, Townsley and Gunn complied with the filing provisions of 2-11.1(k)(2) by providing executed Outside Employment Statements for 2012, 2013 and 2014 which were e-mailed to Miami-Dade Elections Department for filing. Since Townsley and Gunn were subjected to administrative discipline and have subsequently come into compliance with the filing requirements of the ethics code, no further ethics enforcement is warranted.

It is recommended that the assigned investigator follow up after July 1, 2016 to ensure that Townsley and Gunn file the required outside employment forms in the future.


Sylvia Batista, COE Investigator

Approved by:


Michael Murawski, Advocate

 2/11/16
Joseph Centorino, Executive Director