



Miami-Dade Commission on Ethics & Public Trust

Investigative Report

Investigators: Manuel W. Diaz

Case K14-012	Case Name: <u>DBR</u> Information Barreiro	<u>Date Open:</u> 1/30/14	
Complainant(s): Eleazar Melendez	Subject(s): Commissioner Bruno Barreiro		

Allegation(s):

Eleazar Melendez (Melendez), a reporter for the Daily Business Review (DBR) 1 SE 3Rd Ave # 900, Miami, Florida 33131, contacted the Miami- Dade State Attorney. In an e-mail he alleged that Miami- Dade County Commissioner Bruno Barreiro (Barreiro) benefited though a lease agreement that his parents have with the County.

In addition, Melendez alleged that Barreiro, through BABJ, a corporation that he owns, entered into an agreement that created a liability and that Barreiro did not disclose this liability on his 2010 Form 6 that he filed with the State of Florida's Ethics Commission.

Melendez also alleged that Barreiro did not report real property that he owns through BABJ on his 2013 Form 6.

Relevant Ordinances:

Form 6

Who Must File

All Persons holding the following elective positions and candidates for such offices...County Commissioners....

Investigation:

Interviews

Bruno A. Barreiro (Barreiro) Commissioner Miami-Dade County

Barreiro was interviewed in his office by Investigator Breno Penichet, and this writer. Barreiro told Investigators that he had previously been interviewed by Melendez. Also present for a portion of the interview was Barreiro's Chief of Staff, Loreta M. Sanchez.

Barreiro explained that his father, Bruno Barreiro Sr. and his mother, through a Florida For-Profit Corporation, Barreiro Enterprises Corp. (BEC) own an office building with a parking lot at 1454 SW 1st street. They also own a parking lot located at 129 SW 15th Avenue. One of the offices in the 1454 building is leased by Miami-Dade County and used by the Commissioner for his Miami-Dade District 5 Office. Commissioner Barreiro and his wife, through a Florida For-Profit Corporation, BABJ Investments, Corp. (BABJ) own an apartment building at 1466 SW 1st street, located next door to 1454 SW 1st street.

BEC also owns the empty lot at 1474 SW 1st street.

Barreiro advised that his parents allow residents of 1466 SW 1st street to use the 129 SW 15th Ave parking lot which is directly behind the 1466 SW 1st street building. The residents of 1466 may also use the lot located at the rear of the 1454 building, the building the District 5 office is located within. Barreiro noted that there are currently only three residents residing in the 1466 SW 1st street building; only two of the residents have vehicles.

Barreiro also noted that the two parking lots combined contain approximately 26+ parking places and the parking lots are never fully occupied.

Melendez alleges that Barreiro benefits because tenants of 1466, the building Barreiro and his wife own through BABJ, are permitted to park in the lot of the building where 1454 is located. Thus, according to Melendez, Barreiro privately benefits because his tenants have access to parking in a lot that the County pays the rent for.

Another allegation cited in the Melendez DBR article concerns a loan Barreiro's parents received from Javier Cruz (Cruz); Barreiro explained the following:

Barreiro's father, Bruno Barreiro Sr., needed a loan for a separate project. Cruz agreed to give the loan. Barreiro Sr. agreed to put up, as collateral on the loan, the BEC building located at 1454 SW 1st street (the building that the District 5 office is located in.) Cruz requested additional collateral for the loan. To assist his parents in obtaining the loan, Commissioner Barreiro agreed to include the apartment building owned by him and his wife through BABJ located at 1466 SW 1st street as additional collateral for the loan.

The loan has since been paid off.

To Barreiro's knowledge, Cruz is not a Miami-Dade County vendor.

Margaret Arango (Arango) Chief Real Estate Officer ISD/Real Estate Miami-Dade County

According to Arango, the lease agreement between the County and BEC for the lease of 1454 covers the office rental space and parking for the District 5 Commission Office. There is no specific number of parking spaces required or identified in the lease agreement.

Visitors to the District office could either avail themselves of parking to the rear of 1454 or any of the on-street parking on SW 1st street in front of 1454.

Javier J. Cruz (Cruz)

Cruz advised that Barreiro's parents needed a construction loan for a house that they were building. The parents collateral for the loan, the office building at 1454 SW 1st St., was insufficient so Commissioner Barreiro agreed to include the apartment building located at 1466 SW 1 St. as additional collateral to secure the loan.

The loan was paid in full in 2013.

Cruz advised that he is not a Miami-Dade County vendor.

Geri Bonzon-Keenan (Bonzon-Keenan), Esq. – Attorney, Miami Dade County Attorney's Office.

Bonzon-Keenan reviewed the lease agreement between the County and BEC before it was submitted to the Miami-Dade Board of County Commissioner's for approval. According to Bonzon-Keenan there is no specific number of parking spaces for the District Office identified in the lease.

Documents reviewed.

Lease Agreement with BEC., with Miami-Dade County (Copy in file)

The agreement provides:

"landlord, for and in consideration of the restrictions and covenants herein contained here by leases to Tenant and Tenant hereby agrees to lease from landlord the demised premises described as follows:

"Approximately 2,454 rentable square feet of air-conditioned office space located at 1454 S. W. 1 Street, suite 130, Miami, including off- street parking in common with other tenants." (emphasis added)

An appraisal report attached to the lease prepared by Investors Research Associated, Inc., erroneously states that both properties 1454 and 1466 are owned by the same owner, when in fact they are owned by two separate Florida Not-For-Profit Corporations.

In addition the report indicates that there are 26 parking spaces available for parking located in the rear of 1454 and 1466 SW 1 Street, but does not clarify that the 26 parking spaces are located on two properties with separate addresses and folio numbers.

Documents concerning the Barreiro Enterprises Corp., BABJ Investments, Inc./Javier J Cruz Bank Loan (Documents obtained from the Clerk of the Courts) Copies included in the file

Form 6 FULL AND PUBLIC DISCLOSURE OF FINANCIAL INTEREST

Part C – Liabilities- Instructions

Liabilities in excess of \$1000:

“You do not have to list on the form any of the following: credit card and retail installment accounts, taxes owed (unless the taxes have been reduced to a judgment), and indebtedness on a life insurance policy owed to the company of issuance, or contingent liabilities. A "contingent liability" is one that will become an actual liability only when one or more future events occur or fail to occur, such as where you are liable only as a partner (without personal liability) for partnership debts, or where you are liable only as a guarantor, surety, or endorser on a promissory note. If you are a "co-maker" on a note and have signed as being jointly liable or jointly and severally liable, then this is not a contingent liability”

County Vendor 's list

<https://intra3.miamidade.gov/eProcurement> was reviewed and compared against the list of corporations found on the Cruz Accurint printout. None were found.

State of Florida Form 6 – Barreiro

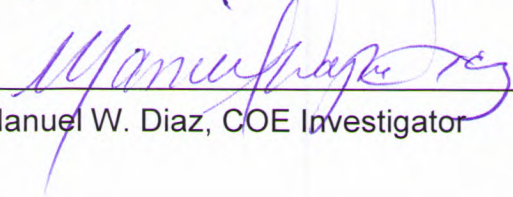
Barreiro's forms for 2010, 2011, 2012 were reviewed. The forms contained no mention of the loan from Cruz. (Copies in file)

Barreiro did not identify the property at 1466 SW 1 Street on the form he filed on August 30, 2013. He did however list under Part B Assets his interest in BABJ Investments, Corp.

Analysis and Conclusions:

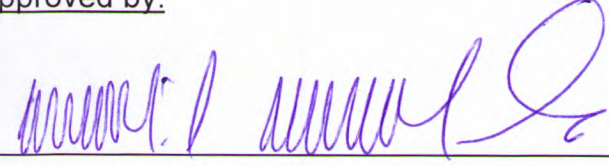
1. Commissioner Barreiro leases his District 5 office space in a building owned by BEC, his parent's corporation, the 1454 building. Although this arrangement is prohibited under Section 2-11.1 (c) of the Miami-Dade County Conflict of Interest and Code of Ethics, Section 2-11.1 (c)(6) provides for a waiver of the conflict which Barreiro did, in fact, receive.
2. The lease between the County and BEC for the District 5 office space does not require or identify a specific number of parking spaces in the lease agreement. The County does not exclusively rent a specific number of designated parking spaces in the lease agreement.
3. Other tenants of the 1454 building also utilize the parking spaces located within the parking lot.
4. Commissioner Barreiro, through his corporation, BABJ, owns a building at 1466 SW 1st Avenue. Two tenants in that building own cars and may occasionally park their vehicles in the lot of the 1454 building.
5. There is no indication that Barreiro is allowing his private tenants to use parking spaces that are being paid for by the County.
6. Barreiro's parents took out a loan from Javier Cruz. They secured the loan with some property they owned through their corporation, BEC. As additional security on the loan, Commissioner Barreiro offered some property that he owns through his corporation, BABJ, as additional collateral on the loan. Javier Cruz was not a County vendor during the life of the loan and the loan has been paid in full.
7. Commissioner Barreiro was not "doing business with a County vendor" (his father's corporation BEC) merely by being a co-maker on the note.
8. As to any issues regarding the absence of information reported on Commissioner Barreiro's Form 6, based on a reading of the instructions for filling out the Form 6, it does not appear that Barreiro needed to list, as a liability, the fact that he was a guarantor on the loan between his parents and Javier Cruz. Additionally, unlike a Form 1, the Form 6 does not contain a section requiring filers to list all the real property they own in the State of Florida. Form 6, Part B requires that "Assets" be disclosed. Since Barrerio did disclose his interests in BABJ on the Form 6, there appears to be no requirement that he separately list all the property owned by BABJ.
9. Although Commissioner Barrerio obtained the appropriate waiver regarding his rental of his District office space from his parents, it should be noted that there are many, many office spaces available to the Commissioner for him to utilize as his District office. Renting from his parents creates appearance issues that perhaps the Commissioner should take into consideration to avoid in the future.
10. As there are no identifiable ethics violations within the jurisdiction of the Miami-Dade County Commission on Ethics and Public Trust, no further action will be taken on this matter.

(Signature)

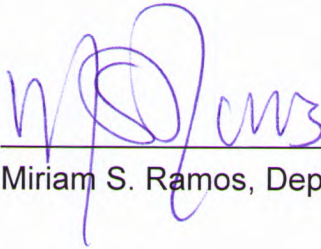


Manuel W. Diaz, COE Investigator

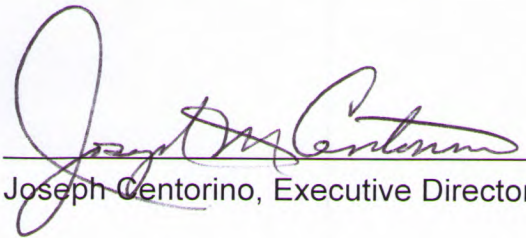
Approved by:



Michael Murawski, Advocate



Miriam S. Ramos, Deputy General Counsel



Joseph Centorino, Executive Director

3/27/14

Date Closed

**CASE
CLOSED**

Date: 3/27/14