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Miami-Dade County Commission on Ethics and Public Trust

Memo

To: Mike Murawski
From: Karl Ross
Date: February 24, 2016
Re: K05-006, Paul Novack residence

CLOSE OUT

This office was recently advised by the U.S. Department of Justice that it was not going to pursue criminal charges against former Surfside Mayor Paul Novack for alleged fraudulent acts concerning his primary residence, at 1308 Biscaya Drive. The COE received information that the cost of renovations on the Novack family home far exceeded the amount needed to trigger FEMA's so-called 50 percent rule. It was alleged further that Mr. Novack and former Surfside Town Manager Eduardo Rodriguez further conspired to circumvent the rule by underreporting the true value of these renovations on a May 18, 2001, Surfside building permit application.

This allowed Mr. Novack to avoid raising the elevation of his home to base-flood elevation at an estimated cost of \$200,000, according to initial findings. The rule is intended to protect U.S. taxpayers, who subsidize the National Flood Insurance Program and who pay damage claims in cases of property damage caused by flooding. The ethics commission referred this matter to federal law enforcement officials last February after a preliminary inquiry suggested improper conduct by Novack and Rodriguez. The allegations were supported by a review of the building permit application by plans review specialists at the Miami-Dade Department of Environmental Resources Management. Federal agents, after reviewing bank records, concluded that payments from Novack to the original contractor far exceeded the amount stated on the building permit application.

This COE has notified officials at the FEMA Atlanta Regional Office and advised them of the investigative findings. Officials there said they would consider reviewing the matter during a future compliance visit to Surfside. The COE has offered its full cooperation in assisting FEMA officials at that time.