



REPORT OF INVESTIGATION

K #: 10-122 Sherbondy Village Community Center/ Henry Crespo Sr.

Date Opened: Aug. 26, 2010

Date Closed: Feb. 21, 2012

Name of investigator: Karl Ross

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Background and Predication: On Aug. 25, 2010, COE received a copy of a complaint letter from an individual identified as “J. Nunez” of 1121 Sharar Avenue, Opa-locka, who alleged that numerous irregularities had been committed by Opa-locka officials in the awarding of a \$3.8 million contract to build a recreation center at the site of Sherbondy Park, adjacent to the city’s historic City Hall. The complainant alleged that bidding irregularities occurred in order to ensure that a firm led by former Opa-locka Assistant City Manager Henry Crespo Sr. (CBHC LLC) was awarded the contract, despite being one of the highest-priced respondents to an Invitation for Bid (IFB) and later a Request for Proposal (RFP). The complainant letter stated “Mr. Crespo associated with CBHC LLC to get this contract through [the] favoritism of his commissioner friends.”

The complaint letter was forwarded to COE by an official at the county’s Department of Housing and Community Development (HCD), who was aware COE and the Miami-Dade Police Public Corruption Investigations Bureau (PCIB) had been looking into misconduct involving the preparation of construction plans for the Sherbondy Village Community Center project (hereinafter “the Sherbondy project”). That investigation led

to the re-arrest and conviction of Opa-locka engineering consultant Emmanuel Nwadike, who had been using a front company – General Design Professionals Inc. (GDP) – to continue to do business in Opa-locka after his main consulting firm, PAWA A&E, had been banned from conducting further business with the city. The investigation had determined Nwadike improperly collected \$103,000 to finish construction drawings for the Sherbondy project and to help the city oversee the bidding process.

It should also be noted that during the course of the GDP inquiry, investigators spoke to Henry Loudon, president of Tran Construction. During a Feb. 9, 2010, interview, Mr. Loudon advised his firm was the lowest bidder for the Sherbondy project at \$2.5 million, but that the city refused to award the contract to Tran and instead attempted to award the contract to a newly created firm (CBHC at \$3.7 million), which submitted the sixth highest bid among seven bidders. Loudon said Tran went to civil court and obtained an injunction against the city to prevent it from awarding the contract, but added the city circumvented this legal order by withdrawing the IFB and re-issued the project as an RFP. He said that, several months later, when members of his firm went to city hall to submit a response to the RFP, they were turned away by an employee of the Opa-locka City Clerk's Office for allegedly lacking proper identification. He said that when he and his associate returned shortly afterward with the requested IDs, they were advised the 2 p.m. submittal deadline had expired – it was 2:01 p.m. – and the employee refused to accept their RFP submittal. Loudon described the selection process "very corrupt."

Lastly, on or about Aug. 27, 2010, it was brought to the attention of investigators that CBHC's principal, Henry Crespo, was allegedly involving Dante Starks in the Sherbondy project financially – this, despite Starks' status as a co-defendant in a RICO corruption case in which he was alleged to have made unlawful payments to former Opa-locka Vice Mayor Terence Pinder on behalf of city public works contractors.

This and other information, referenced above, provided the necessary predication to open an investigation into the awarding of the contract for the city's Sherbondy Village Community Center project and to monitor subsequent activity by the contractor in order

to determine if any improper payments were made to city officials, directly or indirectly, using Crespo, Starks or possibly another source as conduits for potential kickbacks. PCIB and the Inspector General's Office of the U.S. Department of Housing and Urban Development (HUD OIG) agreed to pursue the matter jointly with COE in consultation and with the assistance of the Miami-Dade County State Attorney's Office (SAO).

INVESTIGATION AND FINDINGS: On Aug. 31, 2010, a FISA alert was issued requesting information on any existing bank accounts held by CBHC LLC and/ or Henry Crespo Sr. On that same day, a positive response was received from the security department at CitiGroup for CBHC, which had an active account with Citibank. A subpoena was issued by US HUD for relevant and available account records. US HUD also issued a FINCEN search on these entities that met with negative results.

On Sept. 9, 2010, this investigator and PCIB Det. Gus Bayas met with officials at Miami-Dade HCD to discuss the concerns raised by the "J. Nunez" complaint letter.

The notes from that meeting are as follows:

Meeting between COE, PCIB and HCD staff, including Winston Parkinson, Felipe Rivero, Jesus Fernandez, Maria Rodriguez-Porto and Sheila Martinez

HCD staff provided investigators with records in which concerns were documented about the city's non-compliance with contractual obligations that must be met in order for the city to receive approximately \$2.7 million in CDBG grants from U.S. HUD. Ms. Rodriguez-Porto, a chief compliance officer, stated she warned the city it could have its funding "recaptured" by HUD if it failed to remedy alleged violations – among them, failure to conduct an environmental review, failure to gain prior approval from HCD for the selection of a general contractor (GC), and irregularities with the general contractor selection process. "They didn't follow an open, competitive bidding," Ms. Rodriguez-Porto said. She stated it was her written recommendation to HCD senior staff the project be stopped and the procurement of a GC re-advertised.

HCD staff advised they were surprised to learn from investigators that the city had issued an IFB in September 2009 and attempted to award the contract to the 6th most expensive bidder, CBHC LLC. HCD staff said they had never been informed by the city that the IFB was issued, nor that the low bidder, Tran Construction (\$2.5 million), filed a lawsuit against the city to enjoin it from awarding the contract to CBHC at \$3.7 million. Ms. Martinez, director of HCD's Community

and Economic Development Division, stated that based on this “new” information, HCD would issue a “stop work letter” in order to conduct a full review of the city’s contractor selection process. Martinez advised HCD had serious concerns about the subsequent RFP that resulted in the city awarding the contract to CBHC LLC (\$3.8 million), the third lowest out of six respondents behind Grace & Naeem Uddin (\$2.9 million) and Lemartec (\$3.6 million).

HCD staff expressed concerns about the city’s decision to award the contract to CBHC because of a last-minute requirement by city commissioners that the project be a “green building.” HCD staff, which attended the March 1, 2010, commission meeting during which the requirement was first discussed, said the requirement caught the two lower bidders by surprise and that only CBHC stated it was prepared to construct a “green” building at the same price. “They changed the rules as they went along,” HCD staffers said. Martinez and others said, in their view, this violated the federal requirement to have an “open and competitive” selection process.

They suggested conferring with Assistant County Attorney Hugo Benitez to discuss the legal ramifications. HCD staff said it would be impossible for a bidder to truthfully affirm it could deliver a “green” building at the bid price because the term is vague and because the city’s plans are “incomplete” and do not reflect any green features. HCD staff said a “green” designation could apply to a building simply with more trees planted around it or minor conservation features, or it could require a complete overhaul of the electrical, heating and cooling systems. Staff said CBHC presenters told commissioners they intended to obtain a “silver certificate,” which is a very stringent industry standard. They also stated the city’s dismissal of the low bidder (Grace & Naeem) from consideration for the RFP because of a “terrible” presentation – quoting then City Manager Clarence Patterson – was vague and arbitrary considering the significant savings to the City –\$800,000. They said commissioners expressed they favored CBHC because of its sophisticated “interactive” presentation. HCD expressed that, unless its above-stated reservations were addressed, it would not release funding for the project.

HCD’s project manager, Jesus Hernandez, advised he attended a ground-breaking ceremony for the project and while there he asked a Current Builder executive what Henry Crespo’s role was in the project. He stated the CB executive, whose name he did not know, was unable to articulate what Crespo would be doing in connection with the project. He provided a photograph of Crespo and the CB executive in question (later identified as CB project manager George Costas), along with then Vice Mayor Myra Taylor. Ms. Martinez also expressed that HCD officials were “under the impression” the city had delayed construction after it was learned no environmental review had been conducted and were troubled by reports from a nearby resident that the foundation had been poured and cement blocks were “going up.” HCD officials also noted that demolition was underway on May 6 when the city’s Notice to Proceed did not take effect until May 10, further evidencing the city’s failure to abide by legal and regulatory requirements.

Martinez stated that she had previously considered following the advice of Ms. Rodriguez-Porto and other staff and calling on the city to stop the project and re-advertise for the selection of a general contractor, but stated she felt uncomfortable doing so previously because of the nature of the project – “a great project” that would serve local children, many of whom are “at-risk” – and because of the somewhat ambiguous wording of the city’s RFP. She said that an IFB is far less ambiguous and that based on the documentation provided by investigators she would feel

justified in stopping the project and conducting a detailed review. She said that HCD Assistant Director Rickert Glasgow had also expressed the project should be stopped. Martinez and other HCD staff advised they were familiar with Fritz Armand – the Opa-locka official who wrote the report rejecting the bids of Grace & Naeem and Lemartech as being unrealistically low – as a friend and colleague of former Opa-locka City Manager Bryan Finnie, who oversaw the initial attempt to award the contract to CBHC LLC – despite CBHC LLC being the sixth most expensive respondent to the IFB out of seven firms – and who, once the low bidder had obtained a court injunction, ordered the re-issuance of the project as an RFP, not a bid or IFB.

On Sept. 14, 2010, an investigator visited the project site and verified reports that construction was underway, including foundation work and CBS construction.

On Sept. 20, 2010, Miami-Dade HCD issued a “stop work” letter to Opa-locka City Manager Clarence Patterson advising him that due to the city’s failure to follow US HUD/ HCD procurement guidelines, funding would be rescinded unless the city stopped work and agreed to re-solicit the services of a GC firm. The letter, signed by Nan A. Markowitz, HCD’s transition team leader, stated: “[S]taff has reviewed the procurement process utilized by the City and has determined that the process did not follow the appropriate guidelines. Adding additional criteria (green LEED-silver certified) in the middle of the selection process invalidated the process. Miami-Dade County cannot reimburse the City for any work done by the general contractor of this project.”

On or about Sept. 20, 2010, investigators received a copy of a March 2, 2010, email from Lemartec’s director of project development regarding his experience during the March 1, 2010, Opa-locka City Commission meeting during which the Sherbondy contract was awarded to CBHC. (Note: Lemartec was the second lowest proposer at \$3,574,951 compared to CBHC at \$3,760,631. The firm of Grace & Naeem Udin was the low proposer at \$2,940,609.) David Prada, in his email, advised that he and other Lemartec executives “witnessed an embarrassing, shameful and suspicious display” at the March 1 commission meeting. His email noted the Opa-locka commission, by a 3-2 vote, awarded the GC contract to the “highest bid, lowest ranked team” ignoring the advice of the city’s technical staff and despite the city having only partial funding.

Also on March 2, 2010, another Lemartec employee, Felipe Aguiar, advised through an internal email that a “concerned citizen” (Alvin Burke) contacted him that morning and made serious allegations regarding the integrity of the selection process. The email stated that Comm. Dorothy “Dottie” Johnson and the city’s clerk, Deborah Irby, “are involved in a scam” with regard to the contract award and that “a Mr. Crespo,” described as a frequent Opa-locka lobbyist, was “connected” to the firm that was awarded the contract. (Note: A review of CBHC’s initial bid proposal on Oct. 23, 2009, showed that Crespo was identified as a “managing member” of CBHC, a joint venture between Crespo and CB Constructors of Pompano Beach, an affiliate of Current Builders Inc.

On Sept. 23, 2010, investigators took a statement from Manny Garcia-Tunon, executive vice presidency of Lemartec Engineering & Construction Corp. He advised as follows:

Mr. Garcia advised that he attended the March 1, 2010, city commission meeting at which the commission rejected bids from Grace & Naeem and Lemartec and awarded the Sherbondy contract to the highest-priced of the three finalists, CBHC. He said the meeting was “a joke,” and expressed he felt the process was led astray by certain elected officials, including one commissioner who he recalled wearing a hat (Timothy Holmes), who asked if the commissioners were obligated to follow staff’s recommendation. Garcia said his firm spent “thousands of dollars” on putting together bid packages and that he didn’t mind losing in a fair and open competition, but that he did not feel that this is what happened in Opa-locka. He said he believes Grace & Naeem, the low-bidder, to be “a great firm” and was surprised that the city manager regarded their presentation as “terrible” in a letter to county officials. Mr. Garcia-Tunon said Lemartec specializes in projects, such as the one proposed for Sherbondy Park. He said his firm has carried out projects for the Miami-Dade County Parks and Recreation Department, Miami-Dade Fire Rescue and recently constructed a gymnasium at St. Thomas University.

Garcia advised that after the first round of bidding (late 2009), Lemartec was simply advised by the city’s purchasing officer, Rose McKay, the bids had been canceled and that the city intended to re-advertise the project. He said no further explanation was offered. He also alleged the city failed to respond to numerous requests for information (RFIs) from bidders as required by state law. He said the city’s construction plans were incomplete and, at times, contradictory, and stated that as a result it is very likely a high number of change orders will be required (especially given the city’s failure to respond to RFIs). He said that the city issued a new set of plans two days before the bid opening, and that these plans were not compatible with previous plans.

Garcia alleged CBHC was not in compliance with the requirement to submit six bid packages. (They only submitted five, he said.) Accordingly, CBHC could have been eliminated from consideration on technical grounds. Garcia offered to provide cooperation and support, if requested. He also advised that McKay gave them only a day’s notice to prepare for the March

1st city commission meeting, telling them each of the proposers would be given 10 minutes to make their presentation. He said Lemartec was only given five minutes, and that CBHC was given much longer to do the same. He said that Mayor Joe Kelley, who opposed awarding the contract to CBHC, stated at the meeting that the city did not have sufficient funds to cover the entire cost of the project if the city were to award the contract to CBHC, the highest bidder. He said Kelley also raised questions about the “validity” of the partnership itself.

Lastly, Garcia noted his firm is a certified “green” builder and that its certificates were included in its bid response and proposal. He stated that neither at the city commission meeting nor at any other time did the city ask Lemartec if it would be willing to deliver a “green” building, at the same price or any price and that the city’s building specs or plans did not call for such a “green” building. He said he was not made aware this was part of the selection criteria.

On Sept. 24, 2010, investigators took the following actions:

PCIB Det. Dale Colbourne visited the project site and took photographs to document that construction was underway. Miami-Dade HCD was advised of this situation, as was Opa-locka City Commissioner Rose Tydus, who said she had not been made aware of the county’s Sept. 20 letter to the city manager calling for work to be suspended on the project until environmental and other issues were addressed. Det. Colbourne also contacted Alvin Burke – the “concerned citizen” – to discuss issues raised in his phone call to Lemartec on March 2. COE made a public records request to the city clerk’s office for a copy of the agenda, minutes and video for the March 1, 2010, city commission meeting in which presentations were made re Sherbondy. (Note: The city commission meeting video was subsequently reviewed by investigators.)

On Oct. 4, 2010, COE investigator Ross met with US HUD Special Agent Carlos Castillo to examine subpoena items relating to CBHC’s corporate account:

Review of CBHC subpoena items from Citibank Acct. No. [REDACTED]

US HUD Special Agent Carlos Castillo and COE Investigator Ross examined the above-referenced items to develop investigative leads, and found that Current Builders funded the account with a \$20,000 transfer from its corporate account (CB Constructors Inc., No. [REDACTED]) on Oct. 28, 2009 (Note: This was five days after CBHC submitted its formal response to the city’s IFB). On Nov. 2, 2009, CBHC paid Henry Crespo \$5,000 through a corporate entity that Crespo controls, The Relocation & Development Firm (hereinafter, RDF). Subsequent payments are made to RDF on Dec. 14, 2009, in the amount of \$10,000; on March 25, 2010, in the amount of \$8,500; on April 19, 2010, in the amount of \$10,000; on June 17, 2010, in the amount of \$8,500; and on Aug. 23, 2010, in the amount of \$3,500.

The total for all payments to Crespo/RDF for this period equals \$45,500. The hand-written notation on the first two checks to RDF on Nov. 2, 2009, and Dec. 14, 2009, are “Consulting, Marketing Fees” and “Estimate/Bid Exp Sherbondy Community Ctr” ... These two payments worth \$15,000 combined were made shortly after the city received the initial bids from

contractors, including CBHC in response to an Invitation for Bid (IFB), the deadline for submittals for which was Oct. 23, 2009. It is worth noting that the next CBHC payment to Crespo/RDF was for \$8,500 on March 25, 2010, which was approximately three weeks after the Opa-locka City Commission awarded the contract to CBHC on March 1, 2010.

Account records showed the city made its first payment to CBHC on June 10, 2010, in the amount of \$96,395.43 and a week later, CBHC paid Crespo/RDF another \$8,500. On that same date, CBHC made a payment of \$7,500 to MEE Productions, a firm linked to former Opa-locka Assistant City Manager Eddie R. Brown and a suspected conduit for improper payments in past cases (Pinder/APAC Group). The city made payments of \$47,266.17 to CBHC on Aug. 11, 2010; and of \$184,226.52, to CBHC on Sept. 14, 2010. CBHC made payments to Crespo/RDF on Aug. 23, 2010, in the amount of \$3,500. Total payments from the City to CBHC, as reflected in the items, were \$327,888.12, while total payments to Crespo/RDF during this period were \$45,500, and a payment to Brown/MEE Productions, \$7,500 ... or \$53,000 combined.

The checks from CBHC were signed by Current Builders' CFO Frederick Colandreo and a second company official, usually President Michael Taylor. Other notable payments included one for \$3,000 on April 6, 2010, to Jeff P.H. Cazeau, a local attorney, and also campaign contributions in the amount of \$500 each to the campaigns of Richard Dunn on Aug. 3, 2010, and to Steve Geller on Aug. 11, 2010. (Note: Geller, who was running for Broward County commissioner, is the brother of Opa-locka City Attorney Joe Geller.)

Agent Castillo requested additional subpoenas for RDF and MME Productions.

On Oct. 5, 2010, investigators met with Opa-locka City Manager Clarence Patterson, and the notes from that meeting are as follows:

During a meeting at his office, Mr. Patterson was asked about his assessment of the Sherbondy project in light of the Sept. 20 letter from HCD calling for a work stoppage. He expressed anger that the county was attempting to stop what he considered "a viable project," calling the letter "bullshit" and challenging the county's right to refuse reimbursement requests. He said the issue about the project's proximity to the Opa-locka Executive Airport did come up at the time of the environmental review, and questioned whether it was necessary for the city to obtain prior written approval for its selection of a GC. It was noted that in the letter, HCD does cite a provision of the funding agreement that calls for prior approval. Patterson said he had spoken to County Manager George Burgess, and that Burgess had referred the letter to the attention of Nan Markowitz (who signed the stop work letter). Patterson advised he wanted to meet with HCD's Rick Glasgow and see if the city and county could resolve the impasse. He advised that he was aware that the work was continuing at the project site, despite the county directive.

On Oct. 5, 2010, investigators issued a FISA alert for account information for any accounts held by CBHC's Crespo and Eddie R. Brown, principal of MEE Productions. Such accounts were subsequently identified and subpoenas issued by US HUD.

The following is an excerpt from a Nov. 15, 2010, investigative correspondence to SAO and PCIB regarding the analysis of account records for Crespo/ The Relocation Firm, consisting of accounts [REDACTED] and [REDACTED] at Region's Bank:

Nov. 15, 2010, email to ASA Joseph Centorino and PCIB Det. Gus Bayas

Attached is a spreadsheet I put together looking at the account Henry Crespo used to deposit the proceeds from CBHC/ Sherbondy. He received a total of \$49,000 from CBHC beginning with a check for \$5,000 on Nov. 9, 2009, for "consulting, marketing fees." A subsequent payment of \$10,000 on Dec. 17, 2009, was for "Estimate/Bid Exp. Sherbondy Community Ctr.," according to the memo lines.

It's worth noting that Crespo spent \$200 on Sept. 2, 2009, to purchase a set of plans for the "RFP Community Center." Aside from that, one can't help but wonder what the above payments were, especially the so-called "bid" expenses. One would think that CBHC would pay for any project-related expenses directly from its corporate account and not through an unrelated account.

I do find it curious that Crespo would run these payments through an account titled "The Relocation Frim" [sic] (No. [REDACTED]), which appears to be intentionally misspelled and that he maintains a parallel account under the correct spelling that has no account activity and a balance of 1 cent (No. [REDACTED]).

Unfortunately, due to the pattern of frequent cash withdrawals and disbursements it is difficult to identify any single large movement of cash that would seem to be any more suspicious than the regular pattern of account activity. He typically makes cash withdrawals of about \$4,000 per month. I did highlight one check Crespo wrote to himself for \$1,200 on or about June 24, 2010, only because this was larger than most of the checks he wrote to himself and because it coincided roughly with the time that Ed Brown was running cash from CBHC through his account (MEE Productions).

I'll do a separate analysis of Brown's account, MEE Productions, which had little or no activity until he deposited the payment from CBHC on or about June 21, 2010.

The following is an excerpt from a Nov. 19, 2010, investigative correspondence to SAO and PCIB regarding the analysis of account records for Brown/ MEE Productions.

Nov. 19, 2010, email to ASA Joseph Centorino and PCIB Det. Gus Bayas

Thought I'd write a quick note on the payment of \$7,500 from CBHC LLC to Ed Brown through a corporate entity called "MEE Productions, LLC" on or about June 17, 2010. This occurred a few months after CBHC broke dirt on the Sherbondy project. Until that time, MEE Productions did not have any activity in its corporate account, as I recall from reviewing the bank records last week with HUD Special Agent Castillo. Castillo has the records but is going to make us copies.

What was most interesting was that within a week to 10 days after Brown deposited the check in his corporate account at BOA (June 21), he wrote several checks to himself totaling about \$5,800 that I suspect may have been used as payoffs to city officials. Sources in Opa-locka have advised that Brown is very close to the Taylors. You might also recall Brown was identified by Ginger Williams – witness in the case against former Vice Mayor Pinder and others – as one of the people paying off [former Vice Mayor Terence] Pinder, including one exchange that she said she witnessed that occurred in front of Brown's home in Miami Gardens. I also know from Bob Fielder in your office that Brown was a suspected bag man for an alleged payoff to Dorrin Rolle by way of Dante Starks from a Jamaican businessman.

According to Fielder, Rolle told the businessman he could help him establish an auto dealership in a county empowerment zone or some similar program in exchange for a retainer. When the businessman reluctantly agreed to the terms, Starks told him he would have to make the payment, not to him, but to his "partner," Ed Brown. Our previous examination of Starks' bank records (relating to the Opa-locka public works RICO case) does show movement of funds among Starks and Brown's accounts, though I can't say off hand if it was related to that or to activity of some sort in Opa-locka.

I will provide a more detailed account once I get the full set of account records from Agent Castillo. In the meantime, we might consider issuing a subpoena to interview Frederick Colandreo, who is an officer in CBHC and COO of Current Builders. We may want to talk to him first, if Michael Taylor, the president of both CBHC and Current Builders, continues to be reluctant to talk to us.

I have also started to prepare a spreadsheet on Henry Crespo's activities through The Relocation Firm, one of his corporations. It is interesting to note that he and his wife have two bank accounts with Regions Bank for said corporation – one for "The Relocation Firm" (correct spelling) that has very little activity and a second that is incorrectly spelled as "The Relocation Frim." The latter has considerable activity.

I will send over the spreadsheet once I have finished along with a time line of the bidding and contract award for Sherbondy. What is clear is that Henry Crespo made it a habit of pulling out several thousand dollars in cash every month from this account. His primary sources of income besides CBHC, it should be noted, were Choice Environmental, an Opa-locka-based company that won the residential trash pick-up contract from the city after the onerous contract with Waste Management – remember the case surrounding Comm. Rose Tydus' gift baskets? – and also a firm called Gamenterprises LLC. The latter paid him \$125,000 in 2009 and was his primary source of income that year.

Crespo's finances are fairly complex and may require several subpoenas and a lot of piecing together since he has multiple corporations and multiple bank accounts. There were some transfers between The Relocation Firm (sic) and Urgent Inc. I have asked Agent Castillo to request a subpoena for Urgent Inc.'s corporate records as well. SAO would have to issue any subpoenas for Crespo's personal accounts since it is their agency's policy to notify the target if subpoenas are issued for their personal bank records and we don't want to tip Crespo yet. Next time you speak to Debora Irby you might ask her about Crespo. He allegedly told her that it was a good thing that Myra Taylor was elected mayor because now they could make some real money, presumably from insider deals like Sherbondy.

On Nov. 19, 2010, investigators received information from a former Opa-locka city official concerning the negotiation of possible bribes solicited in connection with the Sherbondy project. The official, who asked to remain anonymous in order to protect a family member, said the family member overheard these talks while at the Vankara School in mid to late 2010, which is run by Opa-locka Mayor Myra Taylor and members of her family. Mayor Taylor allegedly held the discussions with, among others, Esin "Daniel" Abia, the city's former public works director and the city official in charge of overseeing the progress of construction at the Sherbondy project. The family member was later interviewed by investigators and the account was corroborated, indicating that an increasingly large payoff was allegedly sought by Taylor and her associates, totaling upward of \$50,000. The source could not identify all the individuals present.

On Dec. 1, 2010, the Opa-locka City Clerk's Office responded to a Nov. 30, 2010, public records request from investigators and affirmed that neither Crespo nor anybody else had registered to lobby city officials on behalf of CBHC LLC. This would suggest that any meetings between Crespo and/or other CBHC representatives with elected officials would have been in possible contravention to the county's ethics ordinance.

On Dec. 14, 2010, investigators took a formal statement from CBHC principal Michael C. Taylor, who is also president of Current Builders/ CB Constructors Inc. The notes from said interview are as follows:

In a sworn statement at the Miami-Dade State Attorney's Office, Mr. Taylor discussed his role in CBHC LLC and the company's efforts to build the Sherbondy Village Community Center in Opa-locka. He said the company was formed as a joint venture with Henry Crespo Sr. and that Crespo owns a 51 percent share of the corporation. He said that Current Builders (CB) holds a 49 percent share, plus another 4 percent for overhead. Taylor said CB was seeking to get into the sector of the construction market serving disadvantaged communities and was referred to Crespo from an industry contact at Pinnacle Construction. He said Crespo did not have any significant construction experience. Taylor said that, in his view, it is necessary to have a partner who is a minority – black or African-American, in this case – in order to do business in this sector. He said that after forming CBHC, the company sought contracts in Opa-locka and Miami (Liberty City). He said their efforts to win a piece of the contract to redevelop the Scott Carver Homes public housing projects in Liberty City failed despite Crespo's efforts to line up support from, among others, Michelle Spence-Jones. He said that Crespo arranged a lunch with Spence-Jones at a restaurant on the Miami River and that Spence-Jones discussed her vision for her district. He said he subsequently collected about \$1,000 in campaign contributions from his partners for the Spence-Jones campaign. He recalled Spence-Jones was arrested a week or two later.

Taylor would later reveal that a \$10,000 payment in December 2009 from CBHC to Crespo's company, The Relocation Firm, was in fact intended to pay "local people, community people" in connection with the Scott Carver re-development project. (The project is financed with Hope VI funds from U.S. HUD). He said he did not know the names of the individuals the funds were intended for or if, in fact, anybody other than Crespo got paid. He said he does not know if any of the funds were paid to a public official. He said that he did not ask for any accounting of the funds and that efforts to partner with the winning general contractor for the Scott Carver project were unsuccessful. Taylor claimed he used funds from CBHC for this purpose because he did not have them budgeted elsewhere. He could not explain why the memo line on the check for \$10,000 incorrectly stated the funds were for the development of the Sherbondy Village project in Opa-locka and that they were to be used for, among other things, "bid" expenses.

Taylor said that during his initial meeting with Crespo, Crespo told him he previously worked for the city and was involved in housing. He said Crespo told him that Comm. Timothy Holmes helped him get that job. He said Crespo told him he also knew then Vice Mayor Myra Taylor

(now mayor) from his previous employment with the city. He said that later on Crespo would advise him to make a donation to Comm. Holmes' annual Thanksgiving turkey drive and that he was reluctant to do so because Crespo said he was unable to get him an invoice from Holmes to reflect the donation. He said that he decided to give Crespo a "draw" on his share of the proceeds – even though the contract had not been awarded at that time – and that Crespo was given a check for \$5,000 for "consulting and marketing." He said he does not know how much of the funds were, in fact, paid to Holmes and no further accounting of the funds was made by Crespo.

Taylor was asked whether the "donation" was intended to purchase Holmes' vote and he denied this, but said he was told by Crespo that the donation would ensure that Holmes looked favorably upon the company. He said that the initial procurement process was an Invitation for Bid (IFB) and that CBHC was not the low bidder. (Note: He said he thought they were third lowest when in fact they were sixth out of seven.) He said that he did not know why the city failed to award the contract to the low bidder, Tran Construction, or any of the other lower-priced firms. He said that he did tell Crespo that he should advise city officials that the lowest priced firm would not necessarily be the best firm. He said that the city subsequently scrapped the IFB process and re-advertised the contract as an RFP. He said that Crespo acted as a lobbyist. "I believe Henry was lobbying behind the scenes, but he would never tell me what he was doing. He was very nervous. He didn't think it was going to go our way because we weren't the lowest bidder."

Taylor also advised that he and other members of the project team in Opa-locka were having lunch with Crespo at a Cuban restaurant outside of Opa-locka and that – unexpectedly – then Vice Mayor Taylor and her husband, Rev. John Taylor, arrived at the restaurant. He said he thought it was a coincidence at the time, but says it's possible that Crespo could have invited the Taylors. He said the Taylors joined them for lunch and that they had a general discussion "about life" but he later allowed that the Sherbondy project did come up on that occasion. He said that Vice Mayor Taylor stated that she wanted the community center to be a "green" building, and that because of this his firm emphasized its willingness and ability to construct a "green" building at its formal presentation on March 1, 2010, before the city commission. He said he did not know whether any such specification was written into the RFP for a "green" project.

CB's Taylor said on the record that Myra Taylor did not solicit payments of any kind for herself or entities she controlled. He said she did mention that she was running for mayor and that he and his partners later made contributions to her campaign and others at Crespo's recommendation. He said the meeting with the Taylors occurred some time between the failed IFB and the subsequent RFP. He noted that in Opa-locka, local officials did not provide a clear "point system" for awarding the project. "They normally tell you what the point system is, but not in Opa-locka." Of relevance to a related case (GDP), he said that Finance Director Ezekiel Orji told him that former engineering consultant Emmanuel Nwadike produced the plans for the Sherbondy project but that it would not be possible to speak to Nwadike because "he was indicted." Taylor said the plans for Sherbondy were incomplete and no CADD drawings had been made available by the city. He said that because of this CBHC had to assume responsibility for the design and re-draw them based on the existing plans, which were "incomplete."

Taylor also advised he met Dante Starks through Crespo and that Crespo told him that Starks should be enlisted to help with the project because he had "community support." He said Crespo

told him that Starks was the “head” – a key leader in the city – and that Starks “ran the streets.” He said that Starks met with him at the CB office in Boca Raton along with Crespo and that Starks emphasized the need to hire local people and contractors to do work on the job, or “local participation.” He said that Starks also advised him that he would need to get paid in connection with this assistance. He said that a fee of \$15,000 was negotiated and that \$7,500 was paid in advance through a corporation called MEE Productions. He said that MEE Productions did not provide any direct service in building the project, and that the payment was intended solely as a fee to Starks. He said Starks provided a written agreement. He said that he met with Starks again after the groundbreaking ceremony and that Starks recommended some firms, including an electrical firm, but that it was decided the firm lacked the required capacity. He said that some other individuals or firms were lined up and that he would provide a list of them.

Taylor advised that the structure of the project is 70 percent complete and that the project, overall, is about 30 percent complete. He said he had been assured by Finance Director Orji that the city had all the funding secured, except for about \$300,000 that would be paid out of city funds. He said he was unaware that the county had informed the city of Opa-locka that it would not release funds once reimbursement was sought due to concerns about irregularities in the procurement process, among other things. Taylor’s attorney was shown a copy of a letter from the county to City Manager Patterson dated Sept. 20, 2009, in which the county advised that it would not be funding the project unless it was re-bid. He also said that Building Official Dan Abia had told him that city officials wanted to add a change order to the project to add another floor above the auditorium that could be used for administrative offices. He said the proposed change order would add 68,000 square feet to the project and cost about \$700,000.

Lastly, Taylor said he met City Attorney Joseph Geller through his interaction with the city of Opa-locka and the Sherbondy Village project and that Geller was involved in writing the contract between the city and CBHC. He said Geller called him during his brother’s campaign for Broward County commissioner and solicited a campaign contribution. He said that he wrote Steve Geller’s campaign a check based on the solicitation from Joe Geller, whom he knew mainly if not exclusively in his capacity as Opa-locka city attorney.

On Jan. 26, 2011, investigators took a voluntary statement from Henro Crespo Sr., the majority partner in CBHC, to discuss his role in the Sherbondy project. Also present was his attorney, Reginald Mathews. The notes from the interview were as follows:

In a voluntary sworn statement at the Miami-Dade state attorney’s office, Mr. Crespo advised he formed the joint venture (CBHC LLC) with Current Builders after being put in touch with them by a contractor named “Felix” at Pinnacle Construction. Crespo said he was originally from New York City, and lives at 219 NW 14th Terrace in Overtown. He said he worked for the city of Opa-locka as Economic Development Manager from about 1994 to 1997, and that prior to that he worked for former Dade County Commissioner Bruce Kaplan. He said he attended college in North Carolina, but could not recall the name of the school. He said he started The Relocation & Development Firm about three years ago and is the sole owner. He said that part of the purpose of the company was to help relocate individuals who were displaced by re-development projects

(such as the Scott Carver Homes). He said he also worked with the Urban League in crafting the 79th Street Corridor Neighborhood Initiative. He said he represents Choice Environmental as a lobbyist in Opa-locka and that his services include contract maintenance. He said his partners at CBHC are Michael Taylor and Rick Colandreo. He said that because of his limited construction experience he entered into a “protégé/ mentor relationship” with Current Builders.

Asked about Taylor’s assertion that Crespo acted as a lobbyist on behalf of CBHC, Crespo denied this, saying he did not meet with city officials during the selection process. “Of course not,” he said. “You pick up a package and make a bid.” He said he participated in the formal presentation, but denied any ex parte meetings with city officials concerning Sherbondy.

Crespo was asked to account for certain checks written to his company by CBHC starting with a \$5,000 check dated Nov. 9, 2009. He said that while a portion of those funds were used to buy frozen turkeys for Comm. Holmes’ turkey give-away, he claimed he had no discussions with Holmes whatsoever regarding the delivery of the turkeys. He said he simply showed up during the give-away and delivered the turkeys. He could not say how much was spent, but allowed that it was less than the full \$5,000. He said that Holmes never solicited any support for his event, but added that the event was common knowledge to those in Opa-locka. He said he made a similar unsolicited donation to Comm. Johnson’s Christmas event for her nonprofit.

Regarding the lunch with CBHC executives and then Vice Mayor Myra Taylor and her husband, Rev. John Taylor, Crespo said he did not invite the Taylors to the lunch and that he thought that perhaps his partner, Michael Taylor, did. He said he had no recollection of any discussion of the Sherbondy project, including whether Myra Taylor expressed an interest in having a “green” building. He said the lunch encounter took place in Hialeah. He said, however, that he could not explain the contradiction between his account of the meeting with the Taylors and that of his partner, Michael Taylor. He said that he has known the Taylors for many years, dating back to his employment with the city in the late 1990s. He referred to Rev. Taylor as “Bishop.”

Crespo also contradicted the account provided by Michael Taylor as it relates to the purpose of the \$10,000 check from CBHC to Crespo on Dec. 17, 2009, for alleged payment(s) to individuals connected to the Carver Homes project in Liberty City. Crespo denied any such payments were considered or authorized. He said that CBHC was a bidder on the project to re-develop the Carver Homes public housing site and to build 335 new housing units. He said that no payments were ever made in connection with that project to anybody, including any elected official. He noted any contact with former Miami City Commissioner Michelle Spence-Jones was broken after her arrest. He said he and Taylor had met with Spence-Jones to discuss opportunities with the city of Miami. The Carver project is in unincorporated Miami-Dade County.

Crespo said that one of the reasons CBHC was awarded the contract was because it had contracts “locked into place” with local vendors at the time of the March 1, 2010, presentation to the city commission. He said these included the following firms: Frye’s Tool Rental, Road Runner Landscaping Service, and the Opa-locka Employment Assistance Center, run by Sylvia Daughtry and located on the first floor of 780 Fisherman Street. He said Starks helped line up two of these entities – Frye’s Tool Rental and the Employment Assistance Center, and that because Starks was so helpful, he felt it was appropriate to include Starks as a paid consultant to the project.

Crespo said Starks approached him and pitched his services and that based on this conversation, he took Starks to meet CB's Taylor, and that Taylor agreed to enter into an agreement with Starks. He said he didn't know the amount of the agreement. He said Starks has continued to help find local partners, but didn't name any other firms that were contracted by CBHC. He denied ever telling Taylor that Starks "runs the streets" and should be hired because of his influence with city leaders. He said he never made any such representation to Taylor.

Crespo said CBHC hired attorney Jeffrey Cazeau to file paperwork on behalf of CBHC to qualify the firm as a "minority majority" contractor. He said he paid \$2,000 to former City Commissioner Steve Barrett, for a non-profit called "Hands Helping Hands." He said that he did not know that former Assistant City Manager Ed Brown was associated with MEE Productions. He said CBHC received an invoice from Starks payable to MEE Productions and he thought Starks owned the company. He said he met Starks back when Starks worked as an aide to former County Commissioner Dorrin Rolle. He said that Gamenterprises was a company he was associated with that developed a duplex. He also said that the reason he has two bank accounts in the name of The Relocation and Development Firm/Frim is that one of the accounts was a high-yield, interest-earning account. He said he has closed it due to lack of activity. (Note: Both accounts are identical free business checking accounts, and were active. The account under the correct spelling – the Firm – had a balance of 1 cent from Jan. 1, 2009, through July 1, 2010.

On Jan. 27, 2011, investigators contacted Michael C. Taylor of CBHC. The notes from said conversation were as follows:

Michael Taylor of Current Builders advised that he had sent the requested documents – a copy of the agreement with Dante Starks, a list of vendors and suppliers, etc. – to his attorney and that his attorney was expected to forward the information to investigators. He said he would e-mail the information to COE as soon as he got off the phone. Taylor advised the city had continued to make regular payments on the project, with the last "requisition" made in December having been satisfied. He said that the company intended to file a requisition for January shortly.

Taylor said that City Manager Patterson had assured a CB executive that the city would be able to provide funding and that the city expected to obtain the full amount of the funding previously committed by HCD. He said the city hired a firm led by Lawrence Wright (The Lawrence Wright Group) to serve as project manager because, he has been told, Lawrence Wright (a former UF football player) has ties to HCD and that HCD told the city it would need to hire Wright in order for the agency to have a "comfort level" about releasing the project funding. Told that Crespo's statement to investigators contradicted his account of what happened on several key points, Taylor remarked he was not surprised about Crespo's alleged or apparent lack of candor. He said that, as it relates to meeting with Mayor Myra Taylor and her husband, he recalls that the Taylors showed up after Crespo spoke with them on the phone.

Taylor said he could not recall if Crespo called the Taylors or vice versa. He said that his cost estimator now believes that the meeting took place *after* the contract was awarded to CBHC but he said he did not have an exact date. He said he would attempt to provide such a date. He said

that there was discussion about a “green” building during that lunch meeting with now Mayor Taylor. He also said the group moved from one restaurant – after the arrival of the Taylors – to another restaurant because, in his words, “it looked bad.” (Note: He may have simply been referring to the restaurant itself – i.e. didn’t look clean or inviting.)

With respect to the contradictions between Taylor’s statement and that of Crespo concerning alleged payments to third-parties in Opa-locka and Liberty City, Taylor stated that “two checks went to Henry that were outside of our agreement – the one for \$5,000 and the one for \$10,000.” He went on to say, “I think he [Crespo] pocketed them. ... I feel that we got used.” He said that CBHC has “closed out” its relationship with Dante Starks, but that it did make a second payment to Starks in the amount of \$7,500. He said that the day after the second payment was made, he learned that Starks was at the construction site “walking the job” with Comm. Dorothy “Dottie” Johnson. Taylor said that he would be willing to keep investigators apprised of any suspected misconduct, and said he would be willing to keep an open line of communication.

On Feb. 4, 2011, investigators met with Opa-locka City Comm. Timothy Holmes at his office at city hall. The notes from the meeting were as follows:

Feb. 4, 2011, meeting with Comm. Timothy Holmes, City of Opa-locka, FL

Holmes stated he did not feel that he had been lobbied by Henry Crespo in connection with the Sherbondy project. He said that Crespo has discussed the project with him since the March 1, 2010, contract award. He said Crespo’s company did contribute \$500 to one of his charitable events, and provided a copy of the check. He said that Choice Environmental (which Crespo also represents) also donated \$500, and provided a copy of a check for that donation.

During a phone conversation with Comm. Holmes several days prior to the above meeting at his office, the commissioner provided the following information:

Investigative correspondence in the form of a Feb. 1, 2011, email concerning a telephone conversation with Comm. Holmes to ASA Centorino and PCIB Det. Bayas

Since Comm. Holmes called [about another matter] I asked him about Sherbondy and whether he was aware of anything irregular. I specifically asked him about Crespo, and Holmes readily admitted that he is close to Crespo and that this is one of the reasons he supported awarding the contract to CBHC, along with the company’s assurances that it had the financial wherewithal to finish the project.

Holmes did say that Crespo visits him regularly in his office, and that he does, in fact, recall soliciting Crespo’s support for charitable events he sponsors over the holidays. He said he believes he got a check for \$500 from Crespo/CBHC for the Turkey give-away and another \$500 for a Christmas toy drive. (You may recall that Crespo withdrew \$1,000 from his bank account on Nov. 12. This is three days after he deposited the check from CBHC for \$5,000 for alleged “consulting, marketing fees.” (There’s a note next to that payment on the spreadsheet about a possible payment to Holmes.)

While Holmes surely is not admitting to accepting any kind of bribe or kickback, his account is clearly at odds with Crespo's very hazy recollection about bringing some turkeys over on the day of the give-away event and not having any discussions about the matter with Holmes prior to the event.

Holmes also mentioned that he believed Dante Starks might be involved in the Sherbondy project, noting that Starks is close to Mayor Taylor and especially Comm. Johnson. He said of Starks: "This guy can make people think he has control over the commission and that he can get three votes any time he wants." He said that two of those votes would be Taylor and Johnson, but didn't put himself in this camp. Holmes said he would not be surprised to learn Starks was somehow getting paid in connection with the project. He said that the reason to pay Starks would obviously be for his perceived influence.

Regarding the status of the project and the availability of funding, Holmes said that he asked Manager Patterson about whether there was, in fact, funding after it was learned that the county ordered the project shut down last September. He said that Patterson assured him the city had funding and that he did not inquire further. He also noted that Dante continues to spend time with Patterson and visit him at city hall, despite being cautioned not to associate with him. I will add this information to the file.

On Feb. 7, 2011, Mr. Crespo amended his Jan. 26 sworn statement with an 11-point amendment that stated, among other things, that Crespo "made a \$1,000 contribution to the City of Opa-locka's turkey drive from Mr. Crespo's personal account on Nov. 3, 2009. (Note: Crespo indicated he made the donation to the city, not Holmes.) He further advised his lunch meeting with CBHC executive and Myra Taylor and Rev. Taylor took place on March 16, 2010 – after the Sherbondy contract was awarded.

On Feb. 14, 2011, an investigative correspondence concerning MME Productions was sent from COE to ASA Centorino and PCIB Det. Bayas, advising as follows:

We got back the return items from Bank of America on the second account opened by MEE Productions (Eddie R. Brown). The timeline is as follows:

- 12/22/10 ... CBHC issues the second payment for \$7,500 to MEE Productions LLC, signed by Michael Taylor and Frederick Colandreo of Current Builders/CBHC LLC.
- 12/23/10 ... Eddie Brown opens a *new* account in the name of MEE Productions LLC, with Bank of America (acct. No. [REDACTED]) and deposits the \$7,500.
- 12/26/10 ... Brown makes a check (No. 991) for \$100 and payable to True Divine Ministries for "Tithes."
- 12/28/10 ... Brown writes a check to himself (No. 993) for \$800, stating for "deposit." The check was cashed that same day at BOA.
- 12/28/10 ... Brown writes a check (No. 992) to Bank of America for \$881.84, stating for "[REDACTED]," which is probably a mortgage or personal loan he is paying off.
- 12/29/10 ... Brown writes another check (No. 994) to himself for \$2,800, which he cashes that same day at BOA. The memo line is blank.
- 12/30/10 ... Brown writes a third check to himself (No. 995) for \$1,000, which he cashes the same day at BOA. The memo line again is blank.
- 1/10/11 ... Brown's first day as Assistant City Manager City of Opa-locka.
- 1/16/11 ... Brown writes a check to True Divine Ministries (No. 996) for \$40 for "tithes."

Note: There is some other ancillary usage through 1/31/11 for what appear to be minor items such as gas, ATM withdrawals, Walgreens, etc. The pattern here is similar to that of the first deposit: The payment from CBHC goes into the account. Brown pays off some personal items, such as the apparent mortgage. Brown writes several checks to himself (totaling \$4,600 in this instance), and leaves the account with a minimal balance. No other items were deposited between the opening of the account on 12/23/10 and the last day in the statement on 1/31/11. The ending balance on that date was \$37.66.

On March 10, 2011, COE Investigator Ross met with Fernand Thony, former director of operations for the Opa-locka Public Works Department. The pertinent parts of the notes from that meeting that relate to the Sherbondy project are as follows:

Mr. Thony advised he was terminated, effective immediately and without notice, on Feb. 28. He said he was called into the office of Public Works Director Fritz Armand, who along with the city manager and human resources director, informed him his position had been eliminated as part of a “restructuring” and that he was being let go in order to create efficiencies. (Note: Thony is the only licensed engineer in the city’s public works department.) Thony said he had heard rumors since December of 2010, a month or so after the new Mayor Myra Taylor administration was installed, that his job was in jeopardy. He said he began working for the city in September 2006, and did not expect to remain with the city for as long as he had. Thony said that he believes that, because he was honest and professional, he was kept out of the loop with respect to projects such as Sherbondy Village, which he strongly believes is being used as a source of corrupt activity and urged investigators to scrutinize the project. He said that he has had only limited involvement with Sherbondy and has met Henry Crespo only once.

Thony said that he does not believe there was any justification for selecting a much higher bidder such as CBHC when other qualified firms submitted bids for far less – i.e. Tran Construction – which he said had the capacity to perform the job. He said he found it suspicious that the city hired the Lawrence Wright Group, but did not have specific information suggesting wrongdoing. He also advised that last year (April or May 2010) he was visiting Segal Park, where he had finished overseeing a playground project when he encountered Starks in the company of City Manager Patterson. He said he walked over to Patterson’s city vehicle and Patterson lowered his window. He said he was surprised to find Starks sitting in the passenger seat and that Starks commended him for doing “great work” on that project, saying he was “proud” of [Thony].

On Aug. 24, 2011, COE Investigator Ross received a phone call from CBHC attorney Vincent Vaccarella, who requested an urgent meeting with investigators as a result of suspected improper dealings relating to the Sherbondy Village project involving Starks and members of the Mayor Myra Taylor administration. A meeting was scheduled for Sept. 1, 2011, and the notes from that meeting were as follows:

Sept. 1, 2011, meeting at law office of Vincent Vaccarella in Ft. Lauderdale

Investigator Ross, PCIB detectives Stacie Payne and Gus Bayas and US HUD Special Agent Carlos Castillo met at the above location with CB Pres. Michael Taylor and Jorge Costas, project

manager for CB/CBHC LLC at the Sherbondy project, to discuss recent developments and concerns about possible corrupt activity. The project is presently about 60 percent completed, but could be finished in as little as six weeks or seven weeks, they said.

CB executives said they decided to re-contact law enforcement approximately two to three weeks ago after Costas received a phone call from Dante Starks, who stated: "I hear you're having some money problems." Costas said Starks – who is not a city official – was aware of recent demand letters sent to the city from CB attorney Vaccarella for two past-due applications for payment totaling \$900,000. The letter advised that work on the project would be stopped if payment was not forthcoming. CB advised the city also failed to process pending requests for change orders, stalling progress further. Costas said he had a meeting scheduled with city officials to discuss the project and payment issues, and that he agreed to meet Starks afterwards at the construction trailer on the Sherbondy project site. He said he also met with a number of city officials: City Manager Bryan Finnie, Building Official Esin "Dan" Abia (the city's project manager, since fired), City Manager Ed Brown (since fired), Assistant City Manager David Chiverton (since fired), and Lawrence Wright of The Wright Group (owner's rep hired by the city). He could not recall the date of the meeting except it was on a Wednesday in August.

Costas said that after this meeting ended, he met with Abia in his office and that while he was talking to Abia, Starks called him and told him he was at the job site. He said he mentioned to Abia that Starks had just called and that Abia was the one who told him it would be a good idea to meet with Starks, saying: "You should talk to him." He said that when he went to meet with Starks, Starks stated he "was back" and suggested he could facilitate the late payments to CB. He said Starks also claimed he got Finnie re-hired as city manager, implying Finnie owed him a favor and would do as he requested. He further stated he could help CB get another city contract to build a similar facility on the city's east side (Segal Park). Then Starks told him CB still owed him \$35,000. Costas said Starks claimed that his agreement with Crespo was that Starks would get paid \$50,000 – not the \$15,000 he received as a result of a previous contract. Costas said he had no record of the company owing him that amount. (Note: They stated they were aware of Stark's close relationship with Comm. Dottie Johnson, and said that Starks allegedly told one of their construction supervisors – "Davie" – that the commissioner was "my b----." (Note: The derogatory reference to a female dog is identical to the one Starks reportedly told Donald White, a retired Miami-Dade police officer who briefly worked for the city's police department.)

Costas said that Starks went on to tell him that the way he recommended paying him the balance of \$35,000 was to award a PR and marketing contract to an unrelated, and that the firm would handle the PR for the inauguration of the Sherbondy Park Community Center. CB's Taylor stated that one such firm provided similar services for the ground-breaking ceremony in April 2010, and had done "a great job." (Bank records show that the firm was paid approximately \$2,000 for related services.) Taylor said that, after the meeting between Costas and Starks at the Sherbondy project site, he met with his partner Crespo and asked whether he promised Starks \$50,000. He said that Crespo denied the existence of any such agreement. Taylor said he does not trust Crespo at this point and suspects he may have facilitated improper payments to city officials through Starks and others, but that he has no solid evidence to this effect.

Taylor said that when he told Crespo they were considering going to law enforcement with this information, Crespo became nervous and disavowed any relationship with Starks. (Taylor said Crespo told him that any such dealings would be on the “CB side” of the partnership, not the “HC side”.) Costas told investigators that Starks did perform according to the terms of the company’s previous agreement with him for \$15,000 as a consultant and that they did go over a list of potential local vendors that was provided by Starks, though few of the firms submitted proposals and none of the firms were subsequently employed. He said “local participation” has been a term emphasized repeatedly by city officials, and that during the meeting in Abia’s office, Abia continued to stress the importance of hiring local subcontractors – referencing a pending painting contract. Costas and Taylor went on to recount problems they had experienced with several local firms, including two that had submitted bids for a painting job. They noted that the budget for the painting contract for the Sherbondy project was not to exceed \$60,000.

They said one painting company (N&J Painting Solutions) was referred by Abia, and that the principal was a woman named Guylen Berry. They said they received an initial quote on June 7 from N&J for \$62,000 – after telling Berry the budget was no more than \$60,000. They noted that Berry asked them for the quantities of paint that would be required, and that they told Berry it was up to her to determine the quantities. They said they believe her initial bid of \$62,000 was not based on the actual cost of materials and labor, but rather the knowledge that the budget was set at roughly that amount. CB executives said they were prepared to award the contract to N&J, but that a week later they received an e-mail from Berry stating that after reviewing the job specifications and conducting a walk-through inspection of the project, the revised quote for the job had been increased to \$126,000. Costas said that he found this unacceptable, and that he attempted to call Berry and that she did not return his calls protesting the increase.

Costas noted that during the meeting with Abia, that Abia asked him why he hadn’t awarded the contract to N&J and that, had he known that she was not returning his calls, that CB should have contacted him and that he would have brokered a deal. He said that Abia was upset about this, and told Costas regarding the dramatic price increase: “You have to live and let live” and “You gotta work with people.” He said that Abia is sometimes difficult to understand, but that clearly Abia was urging CB to use the vendor that he had recommended. Costas also advised that CB received a quote from a company called E. Brown Painting Inc. for \$128,000, another “local vendor” that was referred to CB. He said that he called the owner of the company – Ed Brown – who is possibly Stark’s silent partner from M.E.E. Productions and who was, until recently, an assistant city manager. He said that Brown “defended his number” and refused to revise his quote downward to come into line with the budget. He said that CB finally gave up on using a local vendor, and awarded the job to a contractor they had used in the past for \$56,000. (Note: After reviewing available records, it appears that this is a different Ed Brown.)

CB executives noted they had had similar problems with other local vendors, changing quotes and asking for excessive amounts, including landscaper Derek Jones, a.k.a. “Road Runner.” They noted Jones was supposed to get a contract for sod, landscaping and irrigation, but that Jones insisted on being paid what CB considered to be an unreasonable amount. They said that after many failed attempts to resolve the issue, they awarded part of the job (landscaping) to another company and let Jones handle sod and irrigation. Costas recalled that, at one point, Starks informed him Jones no longer had the support of city officials. (Note: Jones told COE and

PCIB investigators last year that Starks had been attempting to shake him down and that he rebuffed Starks.) CB execs said that they had a similar experience with quotes received by Rainbow Paving (a company that has a history of questionable dealings with the city). He said that Rainbow is a paving firm, and that after it was determined no paving would be done in connection with the project, they were dropped from consideration.

With respect to the security contract recently awarded to Randolph Aikens of Executive Protection Security Enforcement LLC, CB's Taylor advised Aikens was hired to provide security overnight and weekends. He said at this stage in the project, CB has large amounts of tools and materials on site. He said the contract is for the standard rate of \$17 per hour, and total payments to the company are approximately \$10,000 per month. Taylor said he was not aware Aikens worked for the city's code enforcement office, nor that Aikens was allegedly linked to Comm. Tim Holmes. He said Aikens was referred to CB by Crespo and that Crespo only told them Aikens lived in Opa-locka. Finally, CB noted that somebody called on behalf of Mayor Taylor last December and requested a donation of about \$750 for a children's event. Taylor said CB makes many such donations over the holidays and that they told Crespo the only way they would make a donation was if it was made out to city on behalf of said event. He said CB issued a check to the city and that the check was ultimately returned and never cashed.

Regarding the finances of the project, CB advised that the original construction cost (contract price) was \$3.76 million, and that, after change orders, the price tag is \$4.12 million. He said CBHC has received about \$2.5 million so far, leaving a balance of about \$1.6 million. CB advised that it does not know where the payments are coming from, but that they have heard from Crespo they may be coming from the general fund as result of some "internal transfers" – possibly involving CDBG funding. CB further advised that Crespo is entitled to 47 percent of the profits from the project – his ownership stake is 51 percent, minus a 4 percent charge by CB for overhead – and that he has been paid between \$50,000 and \$60,000 so far. They said he will earn about \$80,000 upon completion. Taylor was asked if they suspected Crespo of paying bribes or funneling kickbacks, and he acknowledged they have suspicions, though they made it clear to him that they would not tolerate any such activity. He said that since the two initial payments to Crespo for questionable project-related expenditures, they have changed their bookkeeping practices so that all payments are made directly from the company account and not run through Crespo's personal or corporate accounts such as The Relocation Firm [sic].

CB advised that they would remain in contact with investigators and that, if further overtures from Starks were forthcoming, they would consider working proactively. After consultation with investigators, it was agreed they would not follow through on Starks' requested payment of \$35,000, and that they would wait for him to make another advance. They noted an application worth about \$350,000 is presently pending (past due) and that the city has still not taken action on the pending change orders. They expressed surprise that city officials would encourage Starks to remain involved with the Sherbondy project given the serious charges pending against him.

On Sept. 2, 2011, CB Pres. Michael Taylor contacted investigators by email and advised that since the previous day's meeting, CB received a proposal from Stephanie Bromfield and Associates for a proposed public relations campaign "designed to inform

and educate the citizens of Opa-Locka [sic] about the Sherbondy Village Community and the advantages of having such a facility in the community.” The proposal went on to state that “[a]s discussed, our fee for the flowing [sic] services is \$45,000 over a 3month [sic] period,” and proceeded to request a \$15,000 retainer with additional payments of \$15,000 due on October 1 and November 1. Taylor said he believed Starks was behind the proposal, and indicated that CB had no intention of entertaining the offer. Taylor further advised that Starks had contacted CB Project Manager Costas and told him he was going to set up a meeting later in the day with Mayor Myra Taylor and Rev. Taylor “to discuss changes that [the Taylors] want to make on the project.”

Also on Sept. 2, 2011, investigators received information that Starks had an argument with City Manager Finnie at city hall over a pending payment to former Miami-Dade County City Manager Cynthia Curry and her husband as part of a land deal. Starks was allegedly pressuring Finnie to sign off on the payment of roughly \$100,000 for a piece of land on NW 27th Avenue and 143rd Street that the city allegedly agreed to purchase from Curry at an inflated price. The source described the land as “swamp land” and suggested it was worth far less than the \$200,000 or so the city paid for it. (Note: The information was later confirmed, and it was found Finnie did agree to make the second payment of \$110,000 amid pressure from Starks and City Attorney Joe Geller.)

On Sept. 7, 2011, investigators met with CB executive at their Boca Raton headquarters in order to make controlled calls to Starks and other potential targets. This action was prompted by continued efforts by city officials to steer payments to Starks, and to consider making hitherto unauthorized changes to the Sherbondy project.

Sept. 7, 2011, controlled calls by Jorge Costas and Michael Taylor

Prior to placing a call, Costas advised that while he was at city hall on September 6 he met with Assistant City Manager David Chiverton and told him Current Builders was not inclined to enter into another contract with Starks. He said Current had met its previous contractual obligations with Starks (\$15,000) and that the company had no further obligation. He said Chiverton stated: “I hear you and I appreciate that,” but that he did not offer encouragement as he did the Friday before when he and Starks met with Costas at the job site. He said that Chiverton did tell him Tuesday that “Dante knows a lot of people and can facilitate things when we get stuck.”

Costas said he also told Chiverton that CB was confused as to whom they were supposed to take direction from – Lawrence Wright (the city’s “owner’s rep”), Abia (the city’s project manager), Assistant Manager Chiverton or any other city official. Costas said he told Chiverton that CB was unhappy about having such a hard time getting anything in writing from the city, when formal documentation was needed. Chiverton agreed to set up a meeting to address those issues Thursday (9/8). Costas also noted that commissioners “Dottie” Johnson, Gail Miller and Rose Tydus were at the Sherbondy site on Tuesday (9/6). He said that concerns were raised about locating the city’s administrative offices at the Sherbondy project since it was intended to be a community center for children and would include a pool, etc. He further advised that the city may not be able to break its lease with Town Center Properties, making the issue moot.

Regarding the meeting with Mayor Taylor, Rev. John Taylor, Dante Starks, et al., the previous Friday (9/2), Costas said that after being invited to the meeting by Starks, he contacted Wright to ask him if he knew anything about the proposal to relocate the city’s administrative offices and that Wright replied he did not. So he invited Wright to the meeting. He said that while he was there several people in the mayor’s camp expressed that Wright was unwelcome, and wanted to know who invited him. Costas answered that he had, and there was some more grumbling about Wright’s presence. Costas said Rev. Taylor expressed he wanted to meet with him that Sunday (9/4) to work on drawing floor plans for the proposed administrative offices at Sherbondy. Costas said he was puzzled as to why Rev. Taylor would be involved in the project in a design capacity, or any capacity for that matter, given that he did not work for the city. He said it was Starks who later called him on the cell phone towards the end of the meeting and requested he confer with them outside by the trailer. He said that was when Chiverton urged them to “work with Dante,” saying it was necessary to hire Starks in order “to make things happen.”

It was decided Costas and CB Pres. Michael Taylor should make a controlled call to Chiverton, and see if they could get him to reiterate his statement about paying Starks.

Costas and Taylor subsequently placed a call to city hall and spoke to Chiverton, who was very circumspect when asked about Starks. He stated the city had no “official position” as to whether CB should hire Starks to work on the Sherbondy project. Taylor asked if that meant that there would be no adverse consequences for the firm, and Chiverton said there would not be.

It was then decided that Costas and Taylor should call Starks on his cell phone. A call was placed to Starks who immediately answered. During the call Starks mentioned that he had been busy that day taking a meeting involving the City of Miami’s CRA. He then stated he had received a phone call from Rev. Taylor and that Taylor was “a little miffed” regarding a meeting at the Sherbondy site in which an architect was supposed to be present, but was not. He said that Mayor Taylor was meeting with community groups and working hard to garner support so that the project could stay on a “fast track.” Starks went on to say he had been in touch with Opa-locka Comm. Gail Miller regarding the project as well. He then stated he had met with County Commissioner Barbara Jordan last week to discuss funding for Sherbondy. He said later that he was aware that the original funding allocation had been held up, but claimed this was because the county “didn’t take the right steps,” not the city. He said that this was no obstacle, however,

because the county had allocated another \$2.1 million in funding for another capital project (Segal Park) “and we’ll slide that over” to cover the funding shortfall for Sherbondy.

Starks said remaining funding for Sherbondy would come from the city’s general fund. Starks told CB executives the city attorney (Joe Geller) had met with Dennis Stackhouse and it did not appear the city would be able to break its lease, making it unlikely the proposed change order to accommodate the city’s offices would be needed. Starks and CB executives discussed delays in the completion date, leading Taylor to tell Starks that – regarding his proposed \$45,000 marketing and outreach plan – “I don’t think we’re going to go forward with that.” Starks did not get upset, but merely said: “We’ll live with that and roll on ...” Starks proceeded to tell them that it was his opinion that the city should not seek further change orders because this would only delay the completion date. Starks said that, in his view, it would be best for all involved to just “close out” the project, noting that if the city later wanted to make changes, those changes could be approved and implemented after the certificate of occupancy had been obtained.

On Oct. 17, 2011, Investigator Ross contacted by Lawrence Wright of the Wright Group after hearing that Starks had attempted to pressure him for a piece of his city contract. Wright was hired by the city to oversee construction of the Sherbondy project.

Mr. Wright said he was recently propositioned by Starks and that Starks asked him for money relating to his contract with the City of Opa-locka as a project manager for the Sherbondy Village Community Center. He said Starks told him that because Starks allegedly helped him get the contract that he should pay Starks something. He said Starks also suggested that if he wanted to continue working for the city and that if he wanted to see his payments processed, he should abide by his terms. He said he suspects Starks is working with Mayor Taylor and her husband, Rev. John Taylor. He said Starks and the Taylors are “very tight” and he believes the Taylors are behind the recent overtures from Starks. He said he was not aware Starks is facing criminal charges relating to alleged corruption and racketeering in Opa-locka. He said Starks told him: “You got the contract because of me, now I want to be compensated, to get a reward.”

Wright said that he has tried to act in the best interest of the city and its residents, but that it has been a struggle and that Mayor Taylor has been critical of his efforts. He said that recently an anonymous letter was sent to Vice Mayor Johnson alleging his company does not have a general contractor’s license and, therefore, should not be working for the city. He said he believes the letter was sent to Vice Mayor Johnson because of his close relationship with her. He said they attend the same church, and that he refers to her as “mom” as a term of endearment, though they are not related. He said that while he uses The Lawrence Wright Group for “branding,” he is licensed under another company, Production Construction.

Wright said that, at present, the grand opening of the Sherbondy project is delayed because of unfinished work on Lift Station #11. He said he had tried to warn city officials this could create a problem that could delay the opening of the project, but that city officials rebuked him and told him not to worry about it. He said that Miami-Dade Water and Sewer officials are withholding approval of the project until the pump station is repaired. He said his RFP to provide

construction management services is for three to five years, and that Starks and others are attempting to coerce him by implying they will limit his opportunities in the city.

CONCLUSION:

The city's handling of the Sherbondy Village Community Center presents a troubling composite. The findings highlighted above show that virtually every phase of the Sherbondy project was tainted by questionable dealings – beginning with the use of a fraudulent design firm to draft the building plans, followed by repeated efforts to steer the construction contract to a politically connected GC firm that charged hundreds of thousands of dollars more than its rivals, suspicious payments to consultants and subcontractors, and ending with an attempt to pressure the contractor to enter into an allegedly bogus public relations campaign. The investigation suggests that, from its inception, the Sherbondy project was targeted by unscrupulous firms and individuals as an opportunity to enrich themselves at the expense of the city's taxpayers.

Consequently, the city spent in excess of \$460,000 for construction plans that were so flawed that they had to be largely re-drawn by the general contractor using a \$75,000 contingency fund after the design firm was found to be a front for corrupt activity. Nor should it be overlooked that the city scrapped its bidding process in late 2009 after refusing to award the construction contract to any number of firms that were willing to build the project for far less than the \$3.8 million it ultimately agreed to pay CBHC LLC, a newly created venture with a politically connected partner in Henry Crespo Sr.

Had the city awarded the contract to the original low bidder, Tran Construction at less than \$2.5 million, it could have saved more than \$1 million. Instead, city officials rejected the lower bids and re-advertised the project as a request for proposal (RFP) that enabled city commissioners to award the contract to CBHC at a cost \$800,000 in excess of the lowest proposer – against the advice of the city's technical staff. The contractor selection process was so arbitrary and irregular county officials refused to release \$2 million in federal funding previously earmarked for the project.

As a result, city administrators have been forced to scramble to find alternate funding sources, including the general fund which is supposed to pay for the city's day-to-day operations, not for capital projects. As of the writing of this report, the Sherbondy project has been completed, but has not come on-line as a result of infrastructure problems that were not addressed in a timely manner and the opening continues to be delayed.

Many questions remain as to the legitimacy of certain transactions, especially those involving individuals with reputed ties to political leaders. However, efforts to trace project funds to elected or appointed officials remain inconclusive. This is due, in part, to the failure of firms and individuals participating in the project to fully document their transactions in accordance with the standards of normal business accounting.

The principals at Current Builders admitted as much with regard to initial payments of \$15,000 to Crespo, which were then diverted to an unrelated entity – The Relocation Firm [sic], not to be confused with The Relocation Firm (an inactive account controlled by Crespo). These payments were issued at a time when the city's contract award was pending, and CBHC admitted they did not ask Crespo to account for the use of said funds. Investigators were unable to determine how these funds were subsequently spent because of Crespo's practice of making cash disbursements to himself.

Similarly, payments from CBHC totaling \$15,000 to MEE Productions on behalf of Dante Starks in 2010 could not be accounted for. Two payments of \$7,500 each were issued to a firm that had no involvement with the Sherbondy project. That firm was controlled by Ed Brown, who later served as assistant city manager following the election of Myra Taylor as Opa-locka mayor. The final payment from CBHC to Brown/MEE was made only weeks before his hiring. As with CBHC payments deposited by Crespo into the "Relocation Firm" account, Brown withdrew most of the project funds by writing checks to himself that he subsequently cashed. It is unknown what happened to the proceeds, nor why the payments were not made directly to Starks.

Investigators believe Starks' continued involvement in city affairs should be viewed as problematic, especially since CBHC managing partner, Michael Taylor, said he was urged by Crespo to put Starks on the project payroll, not because of some construction-related expertise, but because "he ran the streets" and was thought to exercise a large degree of influence over Opa-locka's elected leaders. This investigation has been unable to determine whether Starks made unlawful payments to public officials – as he was alleged to have done in a pending racketeering and corruption case against Starks, former Vice Mayor Terence Pinder and the city's former public works director. It is worth noting that CBHC and other city vendors and consultants involved with the Sherbondy project came to view Stark's role as parasitical and counter productive.

The fact that public officials such as the city's building official and project manager, Esin "Dan" Abia, and a former assistant city manager, David Chiverton, encouraged CBHC to retain Starks in order to "make things happen" with regard to payments and change orders casts doubts about the motivation of those officials and, at the very least, whether they were exercising good judgment. The role of Rev. Taylor in overseeing and brokering proposed change orders for Sherbondy – as described by CBHC's project manager, Jorge Costas – also seems unusual and inappropriate.

The investigation also called into question the actions of Comm. Timothy Holmes, who admitted to having a friendly relationship with CBHC's majority partner, Crespo, and stating that this relationship influenced his decision to support CBHC. The investigation found that Holmes was a strong supporter of awarding the contract to CBHC, even though former Mayor Joseph Kelley correctly noted during a public meeting the city did not have sufficient funding in place to pay their asking price. It is telling that CBHC's Michael Taylor stated that donations to Holmes' charitable causes were made, at least partly, because Crespo told his partners "the donation would ensure that Holmes looked favorably upon the company" at a time while the contract award was pending.

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