

MIAMI-DADE COUNTY COMMISSION ON ETHICS & PUBLIC TRUST



REPORT OF INVESTIGATION

K #: K10-159

Date Opened: 10/28/10

Date Closed: 8/23/11

Name of Investigator: Manuel W. Diaz
Auditor : Christina Seymour

Allegation:

The COE received information from Joseph Centorino, Chief of Public Corruption for the State Attorneys Office, that the Miami Police Department was conducting an investigation into allegations by City of Miami Mayor Tomas Regalado of possible improper use of City of Miami Parking Authority (MPA) funds by the MPA Executive Director and other staff members.

Applicable Legislation:

(g) Exploitation of official position prohibited. No person included in the terms defined in Subsections (b) (1) through (6) and (b)(13) shall use or attempt to use his or her official position to secure special privileges or exemptions for himself or herself or others except as may be specifically permitted by other ordinances and resolutions previously ordained or adopted or hereafter to be ordained or adopted by the Board of County Commissioners.

Investigation:

The COE met with Major Alfredo Alvarez (Alvarez), Commander of the City of Miami Police Internal Affairs Unit to discuss the allegation. Also present were Sergeant Jesus Ibalma and Detective Miguel Garcia. Alvarez explained that the MPD/IA had received several boxes of documents reflecting the use of an MPA credit card from Mayor Tomas Regalado (Regalado). Copies of the documents were turned over to the State Attorney for review. Alvarez explained that his department did not have the resources to perform an audit of the credit card usage. Any audits would have to be conducted the by the City's Internal Auditor. The Internal Auditor, due to staffing, was unable to give a date when he would be able to perform the audit.

It was agreed that the COE Auditor would complete the audit of the MPA credit card usage. The boxes of documents were turned over to the COE.

Interviews:

Arthur Noriega, Chief Executive Officer, MPA

Arthur Noriega (Noriega) was interviewed; also present during the interview was Scott Simpson (Simpson), Chief Financial Officer, MPA.

Noriega advised that the MPA is an Independent Authority of the City of Miami with an appointed Board of Trustees. The Trustees adopt an annual budget which is submitted to the City of Miami Commission for approval. A portion of the revenue realized by the MPA is returned to the City to subsidize the City's annual budget. The remainder (over 30 million dollars) is used for MPA operations, debt service and the acquisition of new properties for expansion of services and well as operation of the Miami Guzman Theater and several office/apartment complexes owned by the MPA.

Noriega advised that the MPA has two AMEX cards, one is maintained by himself and a second maintained by Simpson. Both cards are used to facilitate payments by the MPA. The use of the cards is approved by the Trustees. "Points" are accumulated as

a result of the use of the cards. All "points" are returned back to AMEX and applied to card payments.

Noriega explained that the MPA has no formal policies for the use of the card. The MPA does follow the City of Miami guidelines as to the use of Procurement Cards. (Copy in file) The MPA has procurement procedures which authorize the CEO, to make purchases up to \$15,000.00 without Trustee approval. (Copy in file)

The MPA budget also contains a \$15,000 discretionary amount for the use of the CEO for MPA related items such as employee benefits, memberships, donations, business related meals and other MPA related activities.

Noriega noted that much of the recent criticism of himself and the MPA has been generated by the City's move to remove the control of the MPA from the Trustees and turn control to the City. In the past the City has asked that the MPA increase its contribution to the City general fund and Trustees have been hesitant to comply.

(The question of whether to return the control of the MPA over to the City was on the November 2010 municipal ballot. The question failed to receive voter support)

History of the Allegation

Research disclosed the following:

During the October 14, 2011 City of Miami Commission meeting, Regalado advised the members of the City Commission of his concerns as to the use of public monies by the MPA. (Copies in investigative file.)

Reglado states, "... I do have some issues that I have brought to you and it has to do with Off-Street Parking, I have given you several reports of public records of expenses of the Parking Authority, and unfortunately there's nothing that the City can do.... And we have found through public record information. And of course we will be sending some of this information to the State Attorney in case there are personal uses of public money in this expense..."

News articles and local blogs dealing with a proposed take over of the MPA by the City of Miami. The articles are both for and against to the take over and provide background as to the foundations of the allegations. (Copies included as part of the investigation.)

Public Records - To support the audit, the MPA was asked to provide copies of AMEX card statements and supporting documents for years 2009 and 2010. The documents have been made part of the audit working file. (Included in the case file.)

Audit – COE Auditor Tina Seymour performed the audit of the AMEX credit card usage. She determined that the MPA maintained sufficient accounting records and supporting documentation for expenses incurred in the use of the AMEX cards.

Notifications - Centorino, Miami Dade State Attorney, Detective Garcia, Miami Police Department and Noriega. MPA will be provided with copies of the final audit.

Summary of Findings:

1. The COE was contacted by ASA Centorino, requesting that the COE contact the Miami Police Department concerning allegations into the improper use of MPA funds.
2. A meeting was held with the Miami Police Department, where the COE agreed to conduct an audit.
3. The CEO of the MPA was interviewed. He advised that the MPA had no formal policy as to the use of MPA credit card. He also advised that MPA Board of Trustees adopted an annual budget which was approved by the City Commission.
4. An audit was performed by the COE Auditor.
5. The audit determined that the MPA maintained sufficient accounting records and supporting documentation for expenses incurred in the use of the AMEX card.
6. The COE will notify the State Attorney and the Miami Police Department.

Attachment:

Final Audit Report – Review of MPA's AMEX Credit Card Usage