

# MIAMI-DADE COUNTY COMMISSION ON ETHICS & PUBLIC TRUST



## REPORT OF INVESTIGATION

K #:13-004

Date Opened: 1/10/13

Date Closed: 3/29/13

Name of Investigator: Manuel W. Diaz

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### **Allegation:**

The COE received a memorandum from Miami-Dade County Commissioner Sally Heyman (Heyman). Heyman attached a copy of an email from a citizen and requested that the COE review the citizen's concerns about allegations made in a Miami-Dade Blog. In the email, the concerned citizen referenced the blog: [Votersopinion.com](http://Votersopinion.com). The blog refers to comments made by North Miami (NM) Commissioner Scott Galvin (Galvin). Galvin questioned an application submitted for funding to the NM Community Redevelopment Agency (CRA), by Percile Lozama (Lozama).

### **Historical:**

Lozama submitted a grant application to the NM CRA. In the application, Lozama requested funds for improvements to a storefront to start a beauty salon in a NM shopping center. (Copy in file) Galvin sits as a member of the NM CRA. During the January 2013 meeting of the CRA, Galvin objected to the award, citing the items listed below:

- a. The CRA received a request for funding from PI Beauty Express, Inc. (PI Beauty).
- b. The incorporator of PI Beauty is Lozama.
- c. Lozama is also a principal in a Florida corporation called Sasarabi Investments and Management, Inc. along with Adlyn E. Lozama (Ed Lozama).
- d. Ed Lozama hosts a radio show which is broadcast on a radio station owned by brothers Emmanuel and Jean Cherubin.

Note: Research indicates that Ed Lozama is Percile Lozama's brother.

- e. Galvin, in the past, has alleged that NM Mayor Andre Pierre (Pierre), Emmanuel Cherubin and Jean Cherubin were involved in a development project together on Caymete Island, Haiti (see COE Investigation K12-189). That allegation was unsubstantiated.
- f. Pierre, as the NM Mayor, sits on the NM CRA Board and voted to approve the CRA grant given to PI Beauty.
- g. Galvin, who also sits as a member of the CRA Board, alleged that the owner of the building had already received a grant and that the awarding of a second grant is against CRA rules.

- h. Galvin also objected because the business request for funding was not advertised, as required in the CRA rules.

### **Investigation:**

#### **Sasarabi Investments and Management, Inc.**

The correspondence received by Heyman and submitted to the COE states the following: “Coincidentally, Percile Lozama is also a principal in another Florida corporation called Sasarabi Investments and Management, Inc., along with one other principal by the name of Adlyn E. Lozama.” According to the Florida Department of State Division of Corporation site, Sasarabi Investment and Management Inc., 715 NE 167 Street, North Miami Beach, is INACTIVE. The last event was filed on 9/15/2006.

### **Interviews**

#### **Lesly Prudent** (Prudent), CRA Coordinator, NM Community Redevelopment Agency

Prudent was interviewed via telephone. He advised that Lozama applied for a North Miami Assistance Program grant from the CRA. The grant was for the lease of and improvements to a storefront in a NM shopping mall. The grant was for \$80,000.00. As part of the application process, Lozama submitted a business plan and the names of two contractors to perform the build-out. The business plan and the contractor’s bids were reviewed by the CRA staff then submitted to the CRA Advisory Committee (CRAAC). The CRAAC reviewed the application and recommended approval to the CRA Board.

During the meeting of January 8, 2013, the Board decided to defer any consideration of the application. A special CRA meeting was held on January 22, to consider the application. The CRA application was approved on January 22, 2013. According to Prudent, there was no political pressure placed on him to process the grant, nor to his knowledge, was there any political pressure any member of the CRAAC or on any CRA Board member to award the grant. Prior to the approval the application was reviewed and approved by the CRA attorney Steven W. Zelkowitz.

Steven W. Zelkowitz (Zelkowitz) Esq., Grey Robinson P.A., 1221 Brickell Ave, Ste. 1600, Miami, Florida - NM CRA Attorney

Zelkowitz was interviewed via telephone. He advised that the application was reviewed at three levels prior to approval—CRA staff, CRA Advisory Committee and the CRA Board. During the initial review process, it was determined that PI Beauty had not registered as a Florida for-profit Corporation; this caused a delay in the grant approval. During the CRA January 8, 2013 meeting, Galvin noted a possible conflict of interest. According to Galvin, Lozama's brother was a city vendor. This allegation was researched by NM City Manager Steven Johnson (Johnson). In a report to the CRA Board during the January 22, 2013 meeting, Johnson reported that he had investigated and that Ed Lozama was not a NM vendor. (Copy in file)

Zelkowitz advised that he included several provisions to the grant application that would insure that the interests of the CRA were protected. Zelkowitz was unaware of Pierre, as CRA

Board member or as a NM City Commissioner exerting any influence during the application approval process.

Steven Johnson (Johnson), Executive Director NM CRA

Johnson was interviewed via telephone. The scope of the investigation was explained. According to Johnson, Lozama approached him inquiring how to obtain a CRA grant to start a beauty salon in NM. She explained that she previously owned a salon in Broward County. Johnson advised her to contact the CRA staff and submit an application for funding.

During the January 8, 2013 meeting, Galvin noted that there may be a possible conflict of interest. Galvin was concerned that the applicant's brother was a NM vendor. Johnson researched and determined that the brother was not a NM vendor. Johnson's findings were presented to the CRA Board on February 12, 2013, under the Executive Director's report. (Copy of February meeting minutes in file.)

Manuel Cherubin (Cherubin)

Cherubin was interviewed via telephone. He advised that Ed Lozama works for one of the radio stations that he owns. Ed Lozama moderates several radio programs. Cherubin advised that Precile is Ed Lozama's sister. He did not know that she had applied for a NM CRA grant. He learned of the application at the January 8, 2012 CRA meeting. Neither he nor his brother, Jean, was involved in the application process.

**Review of NM CRA Board Minutes:**

1. January 8, 2013 - the application was considered under Agenda Item 2. During the meeting, Galvin questioned if the item had not been properly advertised. Prudent responded that the item had been advertised 24 hours. Zerkowitz advised that the

applicant would require a waiver because the owner of the building had received a grant within the previous 5 years. A special CRA meeting was called to allow for the CRA to reconsider the item.

2. January 22, 2013 - the application with waivers was heard and passed. During the meeting, Johnson introduced the several waiversÑ
  - a. Waiver to approve grants only to owners of commercial building,
  - b. Waiver to those previously assisted,
  - c. Waiver to 50/50 match.

(Copy of minutes in file)

3. February 12, 2013 - under the Reports Section, the Executive Director reported that the applicant's brother, (Ed Lozamo) does not have a radio contract with NM and is not a vendor.

**Conclusion:**

No evidence of wrongdoing was identified that would support the filing of an ethics complaint; accordingly, this matter is closed without further action.