



Miami-Dade Commission on Ethics & Public Trust

Investigative Report

Investigator: Karl Ross

Case K15-047	Case Name:	<u>Date Open:</u>	<u>Date Closed:</u>
Complainant(s):	Subject(s): Glenn Rice, Hialeah Mayor Carlos Hernandez, Herman Echevarria, et al.	Aug. 13, 2015 CASE CLOSED	

Allegation(s):

Date: 3/30/17

It was alleged by informants/ witnesses that two or more local business owners were being “extorted” by Hialeah Mayor Carlos Hernandez to pay bribes through former Hialeah police officer Glenn Rice. Rice, at the time, had been linked to political activities involving Mayor Hernandez, and was widely reputed to be his “enforcer” with respect to political campaigns. Most notably, Rice was thought to be involved with the improper collection of absentee ballots. The allegations are described in more detail in the interview portion of this document.

It was later discovered, as a result of inquiry into the initial lead, that Rice had been put on a \$2,000 monthly retainer by two firms seeking the solid waste contract with the city of Hialeah, as well as another firm controlled by the late Herman Echevarria, then a close ally of Mayor Hernandez as well as a lobbyist with links to the company eventually awarded the solid waste contract. Echevarria passed away on September 26, 2016, during the pendency of this investigation.

Relevant Ordinances:

Sec. 2-11.1 Miami-Dade County Conflict of Interest and Code of Ethics Ordinance as it relates to Subsection (g), *Exploitation of official position prohibited*, Subsection (s), *Lobbying*, and any other applicable sections of the code, as well as possible violations of Florida Statutes.

Investigation:

Interviews

Lt. Rick Fernandez, Hialeah Police Department

Eric Johnson, Hialeah Fire-Rescue Department/ union rep

At the request of the above named sources, a meeting was scheduled at the Miami-Dade County State Attorney's Office on Aug. 13, 2015, to discuss allegations of wrongdoing by Hialeah Mayor Carlos Hernandez and associates, namely former Hialeah police officer Glenn Rice. SAO Investigator Mike D'Ambrosia and ASA Luis Perez-Medina attended, along with Investigator Karl Ross of the Miami-Dade Ethics Commission. The aforementioned individuals alleged Mayor Hernandez was "extorting" local business owners to make payments to Rice, who serves as a political operative or enforcer for the Mayor.

Mr. Johnson advised that he has seen checks representing two such payments to Rice. He said the first was from a company owned by Alex Perez, a local gun shop owner (Florida Guns), who also heads a private security firm. He said the second was from Carlos M. Hernandez (no relation to the mayor), owner of CM Hernandez Investigations. He said former Hialeah police chief Rolando Bolanos showed him the checks. He said he could not recall the exact amounts of those payments, but that Perez has told him the Mayor was forcing him to pay Rice \$500 a week to fund activities on behalf of the Mayor's political campaigns. Rice has also been alleged to have videotaped workers on the Mayor's political opponents' campaigns to harass and intimidate them, according to published online accounts.

Mr. Johnson said he recalled seeing the check from Perez to Rice in early 2013, and that he was told the purpose of the check was to pay for "protection," though he could not elaborate as to what that meant. He said that when he discussed the matter with Perez, Perez merely said, "I have to stay in business too." Perez operates a gun range along with his other businesses. Johnson maintains that the payments to Rice were "for the Mayor's dirty work" on the campaign trail. Johnson further alleged former Hialeah Mayor Raul Martinez, earlier this year, told him he was aware of another business owner who was similarly being forced to make payments to Rice – using Alex Perez as a conduit for these payments. He said that Martinez did not disclose the individual's name at that time.

He said he was advised by Martinez that the unidentified possible witness met with Herman Echevarria – the late local power broker said to have influence over Mayor Hernandez – and was told that if he wanted to do business in Hialeah, he would have to make the payments to Alex Perez in order to subsidize Rice in the amount of \$500 per week. Echevarria has been linked to Progressive Waste, the firm recently awarded the City's solid waste contract.

Mr. Johnson and Lt. Fernandez stated Perez was working, though his security firm (FPI Security) with the owners of Banah Sugar, a company that operated out of a Hialeah warehouse, and reportedly had ties to convicted drug traffickers. He said Perez was one of many creditors owed money by Banah after the company declared bankruptcy in early 2013, and that the City would frequently park police vehicles at the warehouse to serve as "decoys." It was further alleged that Alex Perez stopped working for Banah Sugar after becoming aware

of cocaine being stashed at the 30,000-square-foot Hialeah warehouse.

Lt. Fernandez stated that Rice is no longer on good terms with Mayor Hernandez, and that this revolves in part around the Mayor's support for Lt. Fernandez's recent dismissal from the Hialeah police department following a shooting incident in 2013. He said Rice spends most of his time remodeling his home at 4605 SW152 Ave., Miramar, FL 33027. He said he knows Rice well, and that he might be willing to cooperate if issued immunity via subpoena.

Other information provided to investigators included the fact that Rice is the president of Citizens for Efficient Government, a political action committee supporting Mayor Hernandez, that also has ties to political consultant Sasha Tirador through a registered corporation.

On Aug. 20, COE made a records request with the Hialeah Clerk's Office for files pertaining to businesses owned by Alex Perez – namely the Florida Gun Center and FPI Security.

Felix Lasarte, Attorney/ Lobbyist
World Waste Recycling
Feb. 26, 2016

Mr. Lasarte stated in a telephone contact he represented World Waste Recycling's bid protest in late 2014 after the firm didn't meet the requirements of an RFQ. He said WWR was rejected because the company is mainly a recycling firm, not a domestic waste outfit. He noted WWR services more than 200,000 homes under a county contract. He said he prepared a bid protest, but that the City hired outside attorneys and WWR lost the protest. He said he was brought in by lobbyist Armando Gutierrez and reported to Robert Sarosa and Mike Adams.

Mr. Lasarte said he thought Waste Pro had the inside track along with Progressive, the eventual winner, because Waste Pro's representative – Guerlin Escar-Mangos (former aide to County Commissioner Jose "Pepe" Diaz) had been actively seeking the contract for years and was a fixture at City events. He said he thought Progressive would also be a favorite because of the close ties between its lobbyist, Echevarria, and Mayor Hernandez. He recalled that the Mayor was "pissed" when there was talk on the dais about overriding the recommendations of the selection committee by Councilwoman Isis Garcia-Martinez. Lasarte said that he became involved with the RFQ/RFP late in the process because he was called in to handle the bid protest. He said he was not aware of any involvement or activity relating to the same on the part of Glenn Rice. He said he knows Rice as a retired police officer, who feuded with Raul Martinez and is thought to be "very tight" with Mayor Hernandez.

Mr. Lasarte said he could think of no legitimate reason why Rice would be retained in connection with the solid waste procurement, and noted that he didn't see Rice "out there in the battlefield" during any of the public hearings. He further observed Rice wasn't a registered lobbyist. He said that, as far as he is aware, Rice's only knowledge of the solid waste industry would be "taking out his garbage can." He said he would check with WWR executives to learn whether Rice approached them at any point during the process or was otherwise involved. He said he would be very surprised to learn that any of the competing firms had hired Rice.

John Casagrande, VP of Business Development
Southern Waste Systems LLC
March 17, 2016

SAO Special Agent D'Ambrosia and COE Investigator Ross met with Mr. Casagrande in the parking lot of a strip mall in the 19200 block of Aventura to discuss the solid waste procurement process in Hialeah. Southern Waste Systems was one of two firms disqualified by a selection panel in response to a Request for Qualifications (RFQ), a precursor to the final Request for Proposal (RFP). Casagrande stated he felt SWS had been unfairly eliminated and that the City's selection criteria were unduly stringent and seemed intended to reduce competition. He said the City hired a well-known industry attorney from Tallahassee, David Dee, to oversee the process and that he wrote the RFQ/ RFP specs along with HDR, an engineering/ consulting firm. He stated he felt it unfairly required that a firm provide for its reference, contracts for all three waste disposal services – garbage collection, yard waste, and recycling – in one(1) municipality of more than 40,000 residential customers and in four (4) of more than 20,000 residential customers. The contracts must have been in operation for three years or more.

Mr. Casagrande said his firm addressed the City Council in a bid protest hearing along with the other firm that was disqualified, World Wide Waste, and that he felt that several of the city councilmembers were sympathetic. He stated, however, that City Attorney Lorena Bravo kept making remarks to undermine SWS' attempts to persuade councilmembers to relax the RFQ requirements. He stated that at one point during the meeting, Hialeah Mayor Hernandez stated that he did not care if only two firms were allowed to bid for the final contract so long as those two firms met all the RFQ qualifications. He stated that this showed the Mayor, in his opinion, was not interested in promoting competitive bidding and the resulting savings. With respect to the selection panel, Casagrande noted Thomas Good, public works director of Miramar, did not appear for any of the meetings. He said the assistant city manager for the City of Miami who sat on the committee was knowledgeable and even-handed, in his opinion. He said the two City employees for Hialeah did not actively participate in the meeting, but that the City's Public Works Director, Armando Vidal, was fully versed in the solid waste industry.

Mr. Casagrande said he did not feel any firm in particular had an inside track, but he said he did object to the selection panel allowing the eventual winner, Progressive Waste, to re-convene the panel after Casagrande raised questions about the firm's qualifications – i.e., the number of customers serviced, types of services offered, etc. He said Progressive was allowed to state that any shortcomings were the result of scriveners' errors and not actual shortcomings. He said he felt that this was unfair and suggested a review of the audio of the meeting. "The rules were all bent in order to favor Progressive," he told investigators.

Mr. Casagrande said he has known Rice since he was a youngster and that his family operated a business in Hialeah that funded several police charities, including a boxing gym. He said he ran into Rice at City Hall prior to a meeting on the RFQ, and that they exchanged pleasantries. He said Rice never solicited his firm's business or suggested he could influence the selection process for a solid waste contractor. He said Echevarria was present during meetings and presentations, but said he did not know which firm he represented.

Mr. Casagrande said the Hialeah contract is worth roughly \$8.5 million annually, and is one of the largest and most lucrative municipal contracts in the state of Florida.

Mike Adams, co-owner
Eileen Damaso, VP of Governmental Affairs
World Waste Recycling
March 22, 2016

Mr. Adams and Ms. Damaso were interviewed at their Miami headquarters at 4701 NW 35th Ave. by SAO Investigator Mike D'Ambrosia and COE Investigator Ross. D'Ambrosia prepared a detailed report of the interview, a copy of which was added to the file.

In brief, Adams advised that he has significant industry experience, and that WWR sold off its solid waste division to Waste Management in 2009. He said once the five-year non-compete clause ran out in 2014, WWR began seeking municipal garbage contracts in Hialeah and elsewhere. He said that WWR went to all the pre-bid meetings and "did everything right," but that the strict interpretation of the RFQ language for experience prevented them from advancing to the RFP phase of the procurement. He suggested it would have been more beneficial to the City to have had just an RFP and not a two-step process as it had.

Mr. Adams said he felt that some of the commissioners were supporting Waste Pro, but said City Attorney Lorena Bravo pushed for Waste Pro's disqualification because its RFP package was missing paperwork, including a non-collusion agreement. He noted that Waste Pro felt it was redundant to submit this because the non-collusion agreement and other documents were provided in the earlier RFQ. He said he felt this was a mistake on Waste Pro's part, but one that could have been remedied, had the City allowed it to do so. He noted that Waste Pro also failed to properly submit an addendum to the pricing sheet.

Mr. Adams and Ms. Damaso said they never heard of Glenn Rice before and stated they thought he was the former Miami Heat basketball player. They did state they felt the city's selection committee was comprised largely of individuals who did not understand the waste industry, with the exception of the outside member from the City of Miami. In particular, they felt Annette Quintana, the City's grants coordinator, was ill-equipped for the position.

Mr. Adams stated Mayor Hernandez was not very vocal during the public meetings to consider WWR's bid protest, but noted he frequently whispered in the ear of City Attorney Bravo and that she seemed to be acting on his behalf. He said he felt Bravo was especially critical of WWR and sought to undermine their arguments for inclusion in the final RFP. He said he felt she acted in an unprofessional manner at times, giggling in response to remarks whispered into her ear by the Mayor. He said they did not feel they were treated fairly. "She

upset me at one point because she started giggling. It was very unprofessional.”

Both Adams and Damaso said they found it unusual that Rice or any other consultant would be getting paid from multiple bidders in the RFQ/RFP process. He said he knows the area manager for Progressive, Damian Ribar, and said Ribar used to work for him at WM.

Robert C. Buschel, Attorney for Progressive Waste
One Financial Plaza - Suite 1300, 100 S.E. Third Ave., Fort Lauderdale, FL
March 23, 2016

Mr. Buschel advised that he requested the meeting with SAO and investigators on behalf of his client, Progressive Waste, and that Progressive felt it had obtained the Hialeah residential waste collection contract in a transparent and fair manner. He stated his client had no knowledge of any contractual relationship between Progressive and Glenn Rice.

Buschel said that, based on his conversation with Grant Smith, another attorney for Progressive who oversaw the Hialeah procurement process, he was advised that Rice was “ever-present” during the course of this process and that Progressive executives initially thought he was a City of Hialeah employee. He said Mayor Hernandez would at times instruct Progressive representatives to have meetings with Rice or show him facilities.

Buschel said it was later discovered that Rice was not a municipal employee, but rather was a close friend of the Mayor. “He was so around the situation, we thought he was an employee of the City. He was so ever-present ... (they later learned) as a friend of the Mayor.”

Buschel said it was even suggested to them that they hire Rice, but it was felt that the firm already had adequate representation through Herman Echevarria/ International Management Consultants (IMC) and that no efforts were made to retain Rice, either directly or indirectly. He did not appear to have knowledge of any payments to Rice through IMC.

Mr. Buschel said he could not recall who it was that suggested Rice be hired, but stated he was not aware of any specific knowledge Rice had of the solid waste industry. He said the best person to speak to about Rice would be Grant Smith, the firm’s outside counsel. “It was suggested to Progressive that they hire Glenn Rice ...”

Buschel suggested Rice might be working for one of Progressive’s competitor’s but said he had no specific information to support this notion. He reiterated that Rice was “ever-present” and that it was later surmised that he was acting as “a friend of the Mayor.”

Buschel said Progressive has offices in Ft. Worth, Texas, but that the parent company, IESI Corp., is based in Canada. He noted that Progressive recently merged with another firm.

Grant Smith, outside counsel to Progressive/ WSI
Interview at the office of Robert Buschel
April 7, 2016

Mr. Smith advised he served as a lobbyist and primary liaison between Progressive Waste and the City of Hialeah during the RFQ/RFP process and during the implementation of the contract following Progressive's successful proposal. He said he was assisted on legal matters by Attorney/ lobbyist Paul Scherman of IMC and Attorney Carlos Leonard, also of IMC. Smith said he was unaware Glenn Rice was in any way affiliated with Progressive or IMC during the entire procurement process and was surprised to learn he was working for IMC.

Smith said that Rice was someone he bumped into around Hialeah City Hall, going in and out of public meetings and that he might have sat in on one or more pre-bid meetings. He said he frequently saw him in the company of Mayor Hernandez, the Mayor's Chief of Staff (Arnaldo "Arnie" Alonso), and the Public Works Director, Armando Vidal. He said it struck him as odd that Rice was one of the few Anglos who seemed to be working for the City. He said he later learned that Rice was not a City official, but just a friend and political advisor to the Mayor. He said Rice often claimed to speak or act on the Mayor's behalf.

Smith said Progressive has a huge investment in Hialeah, and that its Hialeah offices and depot serve as its "brain center" in South Florida. He said the firm is interested in protecting its reputation and doing things the right way. He said Progressive began doing business with the City of Hialeah in about 2013 when it won an Invitation to Bid to process curbside recycling materials and split the proceeds with the City. He said that Progressive then went after the City's residential solid waste contract when the RFQ/RFP process began.

With respect to Rice, Smith said, "He was just everywhere all the time." He said he initially "didn't have any idea who he was." He said late in the RFQ/RFP process he finally asked somebody who Rice was and was told, "Oh, he's the Mayor's advisor." He said he didn't have any real interaction with Rice until after Progressive had won the contract and was starting to work on a plan to transition over from City waste collections. "He always introduced himself as the Mayor's envoy, as representing the Mayor." He said he was frequently in the presence of the Mayor's chief of staff, "Arnie" Alonso.

Smith said Rice would often sit in on "technical meetings" when the Mayor and PW Director Vidal couldn't attend. He said that in addition to Vidal, the City named Yasmani Diaz as the City's superintendent of solid waste. He said that Rice had no qualification or expertise on solid waste matters, and that even Vidal, whom he regarded as a very capable administrator, admitted that he knew very little about the solid waste industry. Even so, Smith said Rice would often provide input on behalf of the City about how to provide services.

Smith said Progressive assumed control of operations on the first Monday in November 2015 (Nov. 2), and that there was a lot of pressure to make sure things went smoothly. Progressive used similar methods as the City initially (semi-automated), and did not roll out its own containers and technology until the following March. He said that prior to the transition, on about Oct. 15 or so, Smith said he got a call and was told "the Mayor wants to see the new trucks." He said he was told City officials wanted to "touch and feel" the vehicles, but that

when the meeting commenced, the Mayor was absent but Rice showed up with Vidal and Diaz. (He has a photograph of that meeting.) He said there were numerous occasion when Rice claimed to speak on behalf of the Mayor, saying, for example, "the Mayor needs this to happen (i.e., improve on missed pickups) ... because of complaints." He said that Rice drove around the City with Vidal "for days" after Progressive assumed the operations.

Smith advised that he had a meeting at Hialeah City Hall the previous day (April 6, 2016) to discuss service issues, what he called legitimate concerns surrounding the new operational methods beginning March 1st using automated front-loading machines (AFLs). He said that there had been an uptick in complaints with 272 missed pickups for the month. He noted that this equaled less than one-tenth of 1 percent of all pickups – roughly 367,000. He said he went to the Mayor's conference room and that City Attorney Lorena Bravo, Diaz and another woman, Lissette Franco (the Mayor's former secretary and assistant to Vidal), were there. He said the Mayor was upset and that he was within his rights to be so. He said that a couple of minutes after the meeting started, Rice and "Chief of Staff Arnie" Alonso entered the room and sat at the table. He noted that Rice is the kind of person who "creates tension."

When asked to explain complaints about missed bulky waste pickups, Smith said one of Progressive's operations managers explained that in the spring people do more yard work and more bulky waste volume means more trips and interrupted routes and that this sometimes leads to problems. He said that Rice "barked" at the manager, saying: "How could you not know there was going to be more volume? I knew that." Smith said that when Rice was asked how he knew this, Rice replied: "Your competitors told me." He said that later when the Progressive manager resumed talking, Rice muttered "asshole" under his breath.

He said that at the conclusion of the meeting, his manager went over to shake Rice's hand, and Rice refused to do so, saying he wouldn't because "I have to worry about the Mayor's politics, and you don't have to worry about the Mayor's politics." He said that Rice then spoke to him, saying: "Grant, at the last commission meeting, I said you guys were doing a good job. But now I take that back." He said the manager's name is John Heinemann.

Smith said that on another occasion, he and Heinemann were asked to meet the Mayor at 6 a.m. at the City's main garbage facility to discuss the hiring of Hialeah employees as drivers for Progressive. He said they showed up at 6:03, a few minutes late. He said that Mayor Hernandez was not there, but that Rice was there and was incensed they were tardy. He said that Rice chest bumped Heinemann and yelled, "We told you the mayor was going to be here and you're late. You don't have any respect for the office of the Mayor."

Smith said that sometime late last year or early this year, he was leaving the Mayor's office and walked through Chief of Staff Alonso's office where Alonso asked to have a word with him. He said that he and Alonso made small talk about UM football, then talked about the City's solid waste operations and said something about Progressive needing a full-time liaison to handle its contract with the City, then suggested hiring Rice for that position.

He said something along the lines of "Maybe Glenn can be helpful to you in that endeavor." He said that he told Alonso he was only an outside counsel and that he would convey the request to Progressive management. He said Alonso never raised the issue again after that. "I

said I'll tell Damian (Ribar, Progressive's area manager) and ask him. I went and saw Damian and he said we don't need any more people."

Smith said that he had very little interaction with Herman Echevarria, and that Echevarria met more often with Ribar than with him. He said he worked mainly with Paul Scherman and Carlos Leonard who have since parted ways with IMC and Echevarria. He noted Echevarria began working with Progressive back when it was WSI, and that the contracts with IMC predated his time as Progressive's counsel by about six months. He said that he previously worked for Choice Environmental, and that Progressive didn't want to offer him an in-house position but that they pay him a flat monthly retainer and that they are a major client. He said he does know Willie Hernandez – a former Choice operations manager – and said that, while Hernandez is very personable, he feels Hernandez is not trustworthy or ethical.

Mr. Smith said he mainly worked with Scherman and Leonard on responding to the bid protests. He said he got the sense Leonard had "more of a relationship with Glenn" and that from time to time he would say he would say, "Let me check with Glenn." He said he was unaware of any financial relationship between IMC and Rice as it related to Progressive. He said the contracts with IMC were signed by Ribar's predecessor, Vaje Gabriel. He said the payments seemed to blend from one contract – for assistance with solid waste procurements in Hialeah – with a second simultaneous contract for countywide business development. He said the contracts seemed to overlap and the payments were consolidated.

With respect to Waste Pro, Smith said it was perceived that Waste Pro had the inside track, and that its representatives – especially Russell Mackie ("Russ") – were present at virtually every City event, saying they were "omnipresent." He said lobbyist Guerlin Escar-Mango was also frequently in attendance. He said that Waste Pro was very aggressive during bid protests, and seemed "very confident they were going to win the contract." He said he was surprised that Waste Pro forgot to turn in one of the pricing sheets for the final RFP. He said this was a mistake made by Escar-Mango, and that he felt this was a material oversight. He said it would have been unfair to allow Waste Pro to submit its pricing sheet after it had seen its competitors pricing. He said that this led to Waste Pro being disqualified from the RFP, leaving only Progressive and Waste Management. He said he had no idea that Rice was on the payroll of both of these competitors during the procurement process. He said that after the proposals were submitted Vidal would frequently remind everybody the Cone of Silence was in effect. (Note: Hialeah opted out of the Cone of Silence section of the Ethics Code.)

Lastly, Smith said Rice has clashed with attorney Richard Weiss and "tried to scuttle" Weiss's firm from being hired as municipal attorney for the Miramar, where Rice lives.

Charles "Carlos" Leonard, lobbyist and business development consultant
CAL Business Consulting LLC
Voluntary interview at offices of the Patino Partners
550 Biltmore Way, 7th Floor, Coral Gables, FL
April 12, 2016

Mr. Leonard appeared for a voluntary statement accompanied by attorney Michael Hacker.

Leonard advised he is an independent consultant and owner of CAL Business Consulting. He said he has assisted local firms with business development for the past 10 years. He said during much of that time he has partnered with Paul Scherman through International Management Consultants (IMC). He said that he and Scherman did not work for IMC, but that they frequently collaborated with IMC and its main partner, Herman Echevarria. He said he and Scherman broke with IMC and Echevarria last June, but would not say why.

Mr. Leonard said he has known Echevarria since about 1983 when Leonard started working for the City of Hialeah's Economic Development office and Echevarria was a member of the Hialeah City Council. He said he spent 16 years working for the City in the same capacity (until 1999), and that he did know Glenn Rice and now Mayor Carlos Hernandez – but not very well, he claimed, adding that they were never friends. He said after he left the city he went to work for the Beacon Council and went on to become a senior vice president.

Mr. Leonard said he opened CAL Business Consulting in about 2005, and that he oftentimes gets called in to work on “projects,” as was the case with the Hialeah solid waste procurement where he was asked to work with IMC on behalf of WSI/ Progressive. He said he had no knowledge that Glenn Rice was employed by IMC and that Rice was not used as a resource or consulted in connection with the Hialeah solid waste contract. He said he did not know why Progressive's counsel Grant Smith thought he had “a relationship” with Rice, and that he consulted Rice in connection with the RFQ/RFP process. He said he has infrequent dealings with Rice and that Rice is a bit of a scatterbrain. He said he may have spoken to Rice in the past month and a half at a Hialeah City Council meeting. He said he was not aware that Rice had any special role with respect to the solid waste procurement matter. He said his role was limited to “strategizing” and that he assisted Smith with the bid protest hearing.

Mr. Leonard said that Mr. Scherman works independently but that they share offices at Patino Partners. He said that he would contact Scherman about his availability for an interview.

Paul Scherman, Attorney/ lobbyist

Paul Scherman P.A.

April 19, 2016

Investigators Ross and D'Ambrosia interviewed Mr. Scherman on the above date, and the investigative notes kept by Investigator D'Ambrosia were added to the file.

Alexander Perez, owner

Florida Gun Center/ Florida Patrol Investigators Inc.

May 3, 2016

The following notes are excerpted from a report prepared by SAO investigator Michael D'Ambrosia, who interviewed the above-named individual along with this writer:

“On Tuesday May 3, 2016 at approximately 1103 hours Miami-Dade State Attorneys' Office (MDSA) Public Corruption Task Force (PCTF) Investigator Michael D'Ambrosia along with Miami Dade County (MDC) Commission on Ethics and Public Trust (COE) Investigator

Karl Ross met with and interviewed Alexander Andres Perez (hereinafter referred to as "Perez"). The interview took place at 1776 W 38th Pl, Hialeah, FL 33012 at the corporate offices of FPI Inc. where Perez maintained his business working office.

"The purpose of the interview was to question Perez about the initial complainant information (See IR#1) that Perez's companies (Florida Patrol Investigators Inc. and Florida Gun Center Inc.) were being used as pass-through to pay Glenn Rice on behalf of Mayor Hernandez.

"Perez had just arrived as the investigators were departing the main office and after they identified themselves, Perez agreed to a voluntary interview inside the office and invited the investigators in. D'Ambrosia explained the reason for the contact and the complaints that the MDSAO and COE had received. Perez acknowledged the substance of the complaint and was questioned by the investigators. Perez stated in substance the following:

- Knew there was a close relationship between Hernandez and Rice from the police department in Hialeah. They were friends from the City of Hialeah Police Dept.
- Rice retired and asked Perez to help him get his private investigators license (State of Florida). That since Perez had a security company there was the potential for a symbiotic relationship. Perez asked Rice to try and get FPI some business accounts to help Perez's business and Rice could earn a salary doing it. Rice initially agreed but never came through with any accounts.
- Tried to get a homeowners association where Rice lived to go with FPI to provide security patrol services and that didn't go through either.
- Rice then told Perez he was going to help Carlos Hernandez. Rice would ask Perez to hire certain friends and/or people Rice would recommend and Perez did such hires as a favor to Rice.
- Rice asked Perez to help out the local politicians, Councilwoman Vivian Casals-Munoz a COH Commissioner, Rudy Garcia (a good friend of Perez's). Didn't help Carlos Hernandez, help Casals-Munoz and Rudy Garcia then after that he quit.

Rice always did things Perez thought were stupid and gave as an example the filming of the overweight kid who was running for mayor and it being posted on YouTube. Perez would call him when he thought he (Rice) did stupid acts.

Rice always tried to set up a meeting with Rice, Hernández and himself. Wanted to keep them connected. Rice would say that Perez's business and the political people need to stay connected. Perez couldn't trust either Hernandez or Rice. The meeting that Rice tried to set up with the premise being that you're in the City (Hialeah) and you need to stay connected and you have a business in the City of Hialeah, etc. Political rhetoric. Rice would say be on the Mayor's good side.

Perez gave to the police (donations to various police causes) and was a big contributor.

"Always seemed to be bothered by the COH inspectors at his business. Seemed that he was

always under scrutiny by the COH. In that location for 30 years and he kept getting scrutinized by the inspectors.”

“US Marshal's Service trains at the facility. They train their pilots there.”

“Has never been asked for a bribe, or paid a bribe or “shaken down”. They (politicians) always want donations but he doesn't give (money) anymore.”

“Stated that he has not used his business as a pass through for anyone and that as far as facilitating payments to Rice that never occurred either.”

“Denied hiring Rice initially and said that the SOF denied his PI license since Rice failed to submit all the proper paperwork to apply. Perez was helping Rice facilitate the license and needed certain documents and Rice failed to take some of the training courses. Rice submitted the paperwork but did not follow thru with the training and wanted Perez to give him the training course and Perez could not give him the course. Rice let his police standards lapse after he retired. Perez said Rice was” lazy.”

Perez was shown the check he cut to Rice via FPI. Shown the 2012 check to Rice for \$800.00. April 2012-Perez called his secretary and asked about the check and it was explained by her that it was originally for the Bana Sugar account.

Perez then recalled after speaking with the secretary that it was for a Herman Echevarria who asked FPI (Perez) to do an investigation on his (Echevarria) driver. To conduct a background investigation. Rice brought Perez the file on the driver to do a background check and Rice was doing some expungement of records follow-up. The driver had prior convictions and Echevarria wanted a background on the driver and to expunge/seal some records.

Herman Echevarria Company paid FPI and FPI cut Rice his portion of the background investigation. Perez may have made \$200.00 on the job and gave the rest to Rice. Offered to call Rice to get an explanation and was told no by MD and KR. Did an RBI (routine background investigation=RBI). Perez would have printed out the files and gave them to Rice. Perez did Rice a favor in running a query and assisted on the background.

“Said there was no way Herman Echevarria and Carlos Hernandez were going to pressure him to do anything. Echevarria, Hernandez and Rice were all good friends. Had not heard anything about the solid waste bidding contract and Rice's involvement.

“Thought Rice may have brought him Bana Sugar Company account but could not recall specifics. FPI did security for Bana Sugar and they wound up being out \$60,000 and Bana Sugar going bankrupt. They provided the physical security guards for the company at their Hialeah site. They went bankrupt and FPI lost \$60,000. Bana Sugar paid a few checks to FPI and then stopped paying for FPI services so FPI stopped providing security.

“Perez said there was nothing inside Bana Sugar, it was empty, thought it was some type of scam. They were suppose be getting all kinds of government money and local money and it went bankrupt. FPI lost money.

"Rice is not a licensed investigator only has a consulting service."

"The politicians from Miramar can't stand him (said he could not recall the official's name).

"Perez gave Rice a bunch of toys for a children's drive and got no thank you for it. Herman Echevarria was involved in the waste bid as was Robert Blanco. Blanco and Echevarria were involved together on the waste deal. They eat together every day. Blanco and Echevarria were connected and Rice was in the mix."

"Perez has been told that Rice walks into Hialeah City Hall and he looks like he owns the place. Echevarria is the guy we need to speak with. Echevarria will be protective of Rice and he will not be easily reached. He knows everyone and might be hard to locate or make personal contact with. He will stay at arm's length from any interview."

"Echevarria is divorced. The ex-wife has a new male partner and Herman Echevarria has a new male partner."

"COH Chief of Police Velazquez said to Perez stay away from Rice as he was a trouble maker."

Russell Mackie, regional VP

Waste Pro of Florida

17302 Pines Blvd.

Pembroke Pines, FL

May 17, 2016

Mr. Mackie was interviewed at his office by this writer and SAO Investigator Mike D'Ambrosia. He agreed to a voluntary interview, but put a call into Waste Pro's legal counsel, Amy Tingley. Unable to reach her, he proceeded with the interview.

Mr. Mackie said that Waste Pro is a privately owned waste-hauling firm, headquartered in the Orlando area. He said they compete with multinational firms, but have succeeded in tapping into the municipal market caused by a trend toward privatization. He said Waste Pro won contracts in Sweetwater, Hollywood and North Miami, stirring concern among its larger, publicly traded rivals and that the Hialeah privatization deal was very competitive. He noted that when municipalities are strapped for cash, they look to privatize garbage collection because they are unable to privatize essential services such as police and firefighters.

Mr. Mackie said that he made an unsolicited proposal for the City of Hialeah's business prior to any RFQ or RFP being issued and met with Mayor Carlos Hernandez to make his pitch. He said that shortly after that time, the RFQ was issued and that Waste Pro made efforts to put together a viable team with a number of local players. These included former Miami-Dade Mayor Alex Penelas, who previously served on the Hialeah City Council, and Roberto Blanco. He said Guerlin Escar-Mangos is a Waste Pro employee, not an outside lobbyist.

When asked about Glenn Rice, Mackie stopped the interview and attempted once again to call the corporate counsel, Amy Tingley, but again was unable to reach her. He agreed to continue

and explained that he met Rice in the City of Miramar, where Rice was considered something of a city hall regular or “rat,” as he was described. He said that Waste Pro had an exclusive franchise in Miramar, but was concerned about other waste haulers poaching commercial customers, who were required to use Waste Pro for their garbage collection. He said the practice was depriving both Waste Pro and the City of much-needed revenue. He said the illicit haulers were picking up commercial waste and calling it “recycling.”

Mr. Mackie said that Waste Pro needed the services of a private investigator to provide evidence of this practice, and that Rice “sold himself as this detective, a ‘PI’ who could do things. We had this issue and needed somebody to do detective work.” He said that Rice, moreover, “fashioned himself as someone who had a good relationship” with one of the Miramar commissioners, whose name he could not recall, but said that Rice may have managed her political campaign. He said Rice did a satisfactory job with respect to the issue of unlicensed haulers stealing commercial customers, and that the City was able to take enforcement action against those firms and haulers as a result of the inquiry. He said this happened sometime in 2011 or 2012, just prior to the Hialeah privatization process.

Mr. Mackie said that once the privatization got underway in Hialeah, Rice made it known that he had a very close relationship with Mayor Hernandez. He said it was at about this same time that reports were appearing on YouTube and other Internet sites about Rice harassing political rivals of the Mayor. He said he found Rice’s conduct distasteful, but was afraid to end the relationship with Rice at a time when Waste Pro was seeking a major contract in the City of Hialeah. He said he decided to keep Rice on the payroll, not to do anything to assist their effort to obtain the contract, but rather “to keep him from working against us.”

“I saw all the reports about this loose cannon, so we just kept paying him the same amount of money,” noting that from time to time Rice would give them his opinion about what was happening in Hialeah, but that he was not a major advisor to the group. “He did make it known that he was close to the mayor, that he had a relationship with the Mayor.”

Rather than seeing Rice as an asset, Mackie said he saw Rice as a “disadvantage,” saying he was afraid to fire Rice or terminate their relationship because he feared Rice would retaliate and work against Waste Pro’s bid to become the City’s residential waste contractor. He said he was worried “that if we cut ties with this guy that we would get railroaded.” He said that he did not recall ever asking Glenn to speak to the Mayor on behalf of the company.

Mr. Mackie said he was not surprised to find out, much later, that Rice was working for the competition, figuring that he could take Waste Pro for granted and that he may have used confidential information he was privy to at Waste Pro to benefit rival firms. He said they had no idea at the time this was happening, and no formal agreement prohibiting this.

Mr. Mackie took a call from Tingley and, acting on her instruction, terminated the interview. He apologized and said all further requests for information would have to go through her.

Ronald Kaplan, senior legal counsel
Waste Management of South Florida
2700 Wiles Road, Pompano Beach, FL
May 26, 2016

Mr. Kaplan agreed to meet with SAO Investigator D'Ambrosia and this writer during an unannounced visit to Waste Management's regional headquarters in Pompano Beach. He said he did not have much knowledge about WM's reason for hiring Glenn Rice, even though he prepared the consulting agreement provided in response to a state subpoena. He said Alex Gonzalez, Waste Management's governmental affairs representative, felt it was beneficial to hire Rice to assist with the contract procurement process in Hialeah. He said he had no idea what Rice did to provide said assistance or that he was simultaneously working for rival firms seeking the Hialeah solid waste collection contract. He said he would contact Gonzalez, who was scheduled to leave the country later that day, and arrange for a meeting.

Alex Gonzalez, director of public affairs
Waste Management of South Florida
May 26, 2016

Mr. Gonzalez contacted this writer and advised he was leaving the country on business, and would not be available to meet in person for a week or longer. He said he was willing to discuss what he knew about Glenn Rice over the phone and advised as follows:

Mr. Gonzalez said he met Rice in Medley at a City Council meeting about two years earlier, and that, as he was leaving, Rice tapped him on the shoulder and introduced himself. He said Rice told him he was well connected in Hialeah and was close to the Mayor and members of the City Council. He said Rice told him that if he had any business there that he could be helpful in that respect. Gonzalez said that a year or so later he was at a Hialeah Council meeting and observed Rice and noted that Rice seemed to "have the run of the place." He said he observed Rice drink coffee with City Council members, enter and leave City offices, and have sidebar conversations with the Mayor and other elected officials.

Mr. Gonzalez said that because he didn't want to spend any more time than necessary in Hialeah, he thought it might be useful to hire Rice in order to stay informed about what was happening with the solid waste procurement. He said Rice provided "a lot more" information than he anticipated, though he described much of it as "gossip." He said he told them when rival firms had lobbyists meeting with the Mayor and other purported intel. He said that, for example, Rice told him that Herman Echevarria (lobbyist for Progressive/ WSI) had two meetings with Mayor Hernandez, and suggested Waste Management request meetings with the Mayor. He said Rice also told them Progressive was going to offer \$57 a ton for a separate contract for disposal of solid waste – as opposed to the initial contract for collection.

Mr. Gonzalez said he thought the figure was very high for Progressive, which had offered to charge the city \$44 a ton for disposal during the initial RFP for collection only. He said he had no idea Rice was working for Progressive/ Echevarria or Waste Pro. He said Rice would frequently "bad mouth" both firms and even the Mayor. He said Rice would tell them about

Progressive's service problems during the start-up phase of its contract. He said Rice would also criticize Waste Pro's lobbyist Roberto Blanco, calling him "a piece of crap" and saying the firm had no chance of qualifying for the RFP stage of the procurement. He said Rice's frequent calls with tidbits of gossip "became like a nagging thing every day."

Mr. Gonzalez said Rice later sent Waste Management a letter indicating he was severing ties with the company. He said Rice was retained at the beginning of the year because the City issued an RFP for disposal services, but that Rice didn't offer any real assistance. He said that nobody from the City of Hialeah suggested that Waste Management hire Rice.

He said he found Rice's behavior odd and contradictory: "One day he would say he was the Mayor's best friend and the next day he would bad-mouth the Mayor."

Armando Vidal, Public Works Director

City of Hialeah, FL

June 6, 2016

Mr. Vidal was interviewed at the office of his personal attorney, Gregory Denaro, located at 330 Alhambra Circle, Coral Gables. Present were this writer and SAO Investigator Mike D'Ambrosia. Mr. Vidal requested a subpoena in connection with the interview.

Mr. Vidal stated he felt the privatization process for the City's solid waste collection services was, for the most part, fair and transparent. He said Waste Pro was the lowest bidder, but stated the contract "fell into their lap" with reference to Progressive Waste, the winning firm. (This is because Waste Pro's final RFP did not include key pricing information.)

Mr. Vidal stated he felt the Mayor may have been supporting Waste Pro because he suggested the City award the contract to Waste Pro initially by "piggybacking" it on the North Miami contract already held by Waste Pro. He said the Mayor felt that Waste Pro was doing a good job in Miramar and North Miami, both of which had privatized solid waste services, and was looking to award the contract without any competitive process.

Mr. Vidal said he told the Mayor he was opposed to doing this because the contract was "too big" to award as a piggyback item and that it should be competitively procured. He estimated the contract to be worth \$4.5 to \$5 million annually or as much as \$40 million over eight years (consisting of five years, plus three one-year options to renew).

Mr. Vidal said he oversaw the process throughout -- with the exception of April 13 to late May -- because he was immersed in trying to get the City's water treatment plant operating after it failed five "acceptance tests." He said the plant represented a \$100 million investment for this joint venture with Miami-Dade County. The plant was built by a private company based in Italy, and AECOM was one of the engineering firms involved.

Mr. Vidal said Mayor Hernandez appointed all members of the selection committee for the solid waste RFQ/ RFP, but that he (Vidal) named Annette Quintana as the chairwoman. He suggested he later regretted that decision, saying Quintana was frequently ill-prepared. He

said he did send her a text message on May 12, 2015, accusing her of not reading the bid documents. He said he felt that another member of the selection committee, Finance Director Javier Collazo, was similarly unprepared with respect to reading the documents.

Mr. Vidal said that he felt Quintana was attempting to scapegoat City Attorney Lorena Bravo and that he was referring to Bravo in his text message on May 12, 2015, where he accused Quintana of trying to "to blame the person running the meeting." He said Quintana and Bravo are rivals. He said Quintana was responding to his text message when she replied the following day and called his remarks "innuendo" and "baseless remarks."

Mr. Vidal said he cited the Cone of Silence in response to her remarks about "innuendo," though in reality adherence to the Cone of Silence is not required since the City opted out of the Cone. He said he could not explain the 18 text messages between himself and Quintana between 7:44 p.m. and 8:16 p.m. on May 14, except to say the only reason he would have been texting or communicating with Quintana would have been a matter of City business. Mr. Vidal said he had no idea why the City Attorney would have redacted those messages.

With respect to the May 14 text message at the top of Page 11 to a redacted party, Mr. Vidal stated he wrote the message to Glenn Rice to voice his concerns about the legality of the city's response to Waste Pro's submittal since it neglected to provide pricing for some items. He said he had concerns about the City's response which seemed intended to prevent Waste Pro from being disqualified. He said he felt consultant David Dees and the City Attorney "fucked up" with respect to the City's attempt to keep Waste Pro in contention. He said he felt the company's submittal was clearly "nonresponsive" and that the City's response was in the form of a leading question suggesting it would use other pricing quotes.

Mr. Vidal said he felt that Mr. Dee's motivation for responding in this fashion may have been to keep Waste Pro in the mix in the interest of promoting competition. He said he did not perceive there was any corrupt or improper motive for doing this, however. Still, he said he felt that the City's response was inappropriate and that he "couldn't accept that." He said that state statute with respect to competitive bidding and the City's procurement code, which is even more stringent, may have been violated as a result.

Concerning his communication with Glenn Rice, Mr. Vidal stated that Glenn Rice was "involved in every aspect" of the solid waste privatization process. He said that Rice was involved because the Mayor sanctioned his involvement. He said Rice did not have any specific expertise relating to solid waste, only that he was a close friend of the Mayor's and that he had "unimpeded access" to the city's bureaucracy.

Mr. Vidal said that in addition to being "always in the Mayor's office," Rice was frequently in the company of his Chief of Staff, Alonso, and also elected leaders such as Councilwoman Isis Garcia Martinez at times. He said Rice attended selection committee meetings, but that he did not feel Rice ever lobbied him with respect to the outcome of the process and was not aware that Rice was being paid by one or more bidders on the solid waste contract.

Mr. Vidal said that had he known Rice was working for Waste Pro, Waste Management and possibly Progressive (through Echevarria's firm, IMC), he would have felt that it would be

inappropriate for Rice to have any participation whatsoever in the procurement process.

He said that Rice was especially critical of Progressive, but that was mostly after the contract had been awarded. He said that once Progressive began to service the contract -- first week of November 2015 -- he turned in reports about missed pickups and the like. He said Rice would spend weekends driving around on his own and looking for service issues. He said Progressive was very good with respect to garbage collections, but not so great when it came to bulky waste pickup. He said Progressive already had a City recycling contract.

Mr. Vidal said that he recalled an attorney for Progressive (Grant Smith) at one point telling him that Rice was trouble and to stay away from him. He said he did not know anything about efforts or suggestions to have Rice hired by Progressive as a liaison to the City for the solid waste contract at the request of Chief of Staff Alonso or any other City official.

Mr. Vidal said he was not aware of any financial relationship between Rice and the Mayor or, for that matter, between Echevarria and the Mayor. He said the references to "Brickell Man" in the text messages were references to Echevarria, whose company is located on Brickell Avenue. He said Echevarria and the Mayor are known to be very close friends, but he said he did not feel that Echevarria's clients got preferential treatment for City business. He did say that in addition to Progressive, Echevarria had at least two other clients doing business in Hialeah -- AECOM, an engineering firm working on the water treatment plant, and ConEdision, which had contracts with the City for street lighting.

With respect to meetings with councilmembers, Mr. Vidal said the Mayor would ask him to meet with individual council members on numerous matters, including solid waste, to answer their questions. He said he was not aware of any attempts to circumvent the Sunshine Law.

Mr. Vidal described Rice as a "hanger on" around City Hall, and said that Rice tended to get involved in all the major issues of the day -- such as the annual budget, union negotiations, or procurement and zoning items. He added that very recently Rice and Mayor Hernandez had a very public falling out over the Mt. Sinai Hospital zoning application for an urgent care clinic in the city that existing hospitals in Hialeah were vigorously opposing.

Mr. Vidal said Rice had been seen with Sasha Tirador at a recent meeting and seemed to be backing Tenet, the parent company for Hialeah Hospital and Palmetto Hospital. He said that during this meeting, Rice was "yelling at the top of his lungs" that he was "free at last" in what was interpreted as a reference to him severing his ties with Mayor Hernandez.

Mr. Vidal said Rice was also publicly "challenging" the city's budget director, Ines Beacher, at that meeting. He further stated Rice is close friends with Geilen Perez (pronounced "Jay-lin"), the city's HR director. He suggested Councilwoman Martinez may run for mayor.

Roberto Blanco, lobbyist for Waste Pro
June 9, 2016

COE investigator Ross and SAO Task Force agent Michael D'Ambrosia visited the home of Mr. Blanco in Miramar, and attempted to interview him regarding the Hialeah solid waste

procurement process. He indicated he had recently had oral surgery and asked if he could respond to the interview request the following week when he felt better.

On June 16, 2016, Mr. Blanco was contacted by phone and advised COE investigator Ross that he had no knowledge of Rice's involvement with Waste Pro in connection with its efforts to win the city's solid waste contract. He said he reported to Russell Mackie, Waste Pro's regional VP, and lobbyist Guerlin Escar-Mangos. He said he was unaware of any business relationship between Rice and Waste Pro as it related to the Hialeah privatization. He said he knows Rice and considers him a friend, as he also does Mayor Hernandez.

Glenn Rice, subject of investigation

June 9, 2016

Mr. Rice was approached at this home by COE investigator Ross and SAO Task Force agent D'Ambrosia, and was provided the opportunity to discuss his involvement in the Hialeah solid waste privatization process. He expressed he was not at liberty to discuss all aspects of the case, but said he felt there was misconduct at the highest levels of Hialeah government but failed to provide specifics. Investigators remarked that, based on the findings to this point, he appeared to be doing business with all of the leading firms vying for the solid waste contract while at the same time working with Hialeah City officials on the matter.

Mr. Rice indicated he did not feel he had done anything illegal by working for these firms and declined to answer whether the Mayor was aware of this situation. He said he had "for years" been working for the winning firm Progressive Waste's main lobbyist, Herman Echevarria, though he did not say whether that work was related to the solid waste issue. He further said that he did not feel that Progressive was doing a good job and criticized its management.

Mr. Rice acknowledged he had recently had a falling out with Mayor Hernandez, and stated that he had since teamed up with political operative Sasha Tirador in a consulting venture. He was asked if they was working with her on the Mt. Sinai Medical Center zoning issue on behalf of Tenet Healthcare, the parent company of the two existing hospitals in Hialeah.

Again, his reply was noncommittal, but he suggested the Mayor was betraying Hialeah and its residents by supporting the entry of Mt. Sinai into the Hialeah urgent care market. He argued that many of Hialeah's residents have died at Palmetto or Hialeah hospitals and that they should be considered part of the community's fabric, as opposed to Mt. Sinai.

Mr. Rice was asked about the Mayor's trip to Las Vegas and whether he had any knowledge of his whereabouts during that time. He advised that he drove the Mayor's bodyguard, Det. Felix Delgado, and his Chief of Staff, Alonso, to the airport, but not the Mayor. He said they told him the mayor was going, but were vague as to any of the particulars of the trip. He suggested that maybe the Mayor had an ulterior motive with respect to the trip.

Mr. Rice suggested that others in the City's power structure might have conflicts of interests with outside business, including City Council Vice President Luis Gonzalez and Public Works Director Armando Vidal. He said Gonzalez recused himself from a vote regarding the

Mt. Sinai zoning application on May 24, when it came before the council for final approval, yet failed to recuse himself when it came before the council on first reading.

With respect to Vidal, he suggested Vidal mismanaged the City's water treatment plant, which has faced severe operational problems in the start-up phase. He suggested Vidal may have had improper dealings with firms working on that project, and criticized his tenure as Miami-Dade County manager, saying he was too cozy with contractors and special interests.

Marbelys Fatjo, City Clerk

June 21, 2016

Ms. Fatjo advised that Mayor Hernandez declined a request to be interviewed in connection with this investigation – unless he were to be interviewed by COE Executive Director Joseph Centorino. Ms. Fatjo was advised that he would be expected to answer questions by investigators and not Mr. Centorino and that she should reiterate the request.

On June 21, 2016, COE supplied written questions to the Mayor in the furtherance of the request for an interview relating to Mr. Rice's involvement in City affairs.

Ms. Fatjo subsequently advised that the Mayor would not consent to an interview.

Sworn Statement of Mayor Carlos Hernandez

City of Hialeah, FL

Sept. 28, 2016

The statement took place at the law office of Attorney Tom Cobitz at 2555 Ponce de Leon Blvd., Coral Gables, FL. A brief synopsis of the Mayor's statement, as it relates to the solid waste issue, revealed the following information:

- The Mayor said he considered Rice an old acquaintance from his days as a Hialeah police officer. He said that after he became the interim Mayor, Rice got involved with his political campaign, serving variously as an "ally," a "political informant" or, as he also described him, as "a snitch." He said Rice's activities on behalf of his political campaigns were unpaid, though the Mayor said he didn't know if Rice received any payments through Citizens for Efficient Government, a PAC Rice founded.

The Mayor said Rice had no role, official or otherwise, in overseeing the awarding of the City's solid waste collections contract. The Mayor said he was aware that, once the contract had been awarded to Progressive Waste, that Rice was involved in overseeing the performance of the privatized collections during the implementation period. "I think he volunteered," the Mayor said, referring any further inquiry to Public Works Director Armando Vidal.

- A copy of the interview notes in Q&A format was added to the file. An electronic copy of the audio portion of the interview afterwards ... He was working with Armando Vidal."

- The Mayor said he had no knowledge that Rice was working for any of the firms or related individuals seeking the City's solid waste collections contract. He said he found it "shocking" to learn that Rice had netted in excess of \$100,000. He said that he would not have been condoned any such arrangement, had he known.
- He said that Rice never attempted to influence him with respect to the awarding of the contract, saying: "He was working for all of them, so he had no horse to lose." He said the process was overseen by a selection committee and that he did not vote.
- The Mayor said he never authorized Rice to act on his behalf or call meetings with City vendors, as was the case with Progressive Waste. He said that if he called a meeting with a vendor, he would appear personally or his public works director if it related to a solid waste issue.
- The Mayor said he never directed any City vendors, contractors, or business owners to make payments to Rice directly or indirectly. He said Rice "never worked for me," and stated, "At least now we know how he was getting paid." He said he felt Rice "took a lot of liberties" and used the "perception" of influence "to make money."
- The Mayor said he had no financial relationship with Rice.

Following questioning about the City's solid waste contract, Mayor Hernandez advised that Rice attempted to lobby him to hire a temporary agency and that he declined. He said Rice came to his office and stated that he had already taken the female owner of the agency to meet with Public Works Director Armando Vidal and that he wanted the Mayor's support. The Mayor advised that when he asked Rice since when he would he come to his office to lobby him, that Rice responded by saying: "I need to get paid."

Armando Vidal, Public Works Director
City of Hialeah, FL
Sept. 29, 2016

Mr. Vidal stated that some time earlier this year, Rice visited his office with a female acquaintance he described as an African-American woman from Broward County. He said that Rice told him that she was an admirer of his (professionally speaking) and that, as it turned out, they did know many of the same people in government circles. He said that after the initial pleasantries, the woman advised that she owned a temporary employment agency and that she had a large contract in Miami-Dade County and that she started to "push" for the City of Hialeah to hire her firm. He said the woman gave him a brochure for her firm. "Glenn was there. He was pushing for it too. He didn't tell me he was there to lobby."

Vidal said that his assistant, Lissett, would check his schedule for the date of the meeting. He said he would look for the brochure, and will advise if he is able to find it. He later advised that the meeting took place on either March 15 or March 17, and that the female acquaintance accompanied by Rice was Matti Harris of Alpha 1 Staffing and Search Firm.

Glenn Rice, subject of investigation
Oct. 3, 2016

Mr. Rice stated he believes Mayor Hernandez did know about his financial arrangement with International Management Consultants, a firm controlled by the late Herman Echevarria. He claimed Mayor Hernandez and his Chief of Staff Arnie Alonso met with Echevarria at one point to discuss increasing his monthly stipend from IMC from \$2,000 a month to \$3,000 a month. He said he was unhappy about this happening "behind my back" and that when he received an email from a "Gloria" employed by Echevarria's firm about the proposed pay increase, that he instructed her that he did not wish to receive additional compensation. He said that he believes Alonso and the city's HR director, Geileen Perez, know about this.

Raul Martinez, former Mayor of Hialeah
Oct. 3, 2016

Former Mayor Martinez, contacted by telephone by this investigator and CEO Executive Director Joe Centorino, was asked whether he could provide information about a local business person who was alleged to have been solicited to make payments to Rice through Alex Perez, owner of the Florida Gun Center. The former Mayor advised that he did not have confidence in the ongoing investigation(s) involving alleged corruption in Hialeah, and declined to provide any information.

Sworn statement of Arnaldo "Arnie" Alonso, Chief of Staff
Mayor Carlos Hernandez
City of Hialeah, FL
Nov. 28, 2016

Mr. Alonso appeared at the Coral Gables office of his attorney, Tom Cobitz, in response to a COE witness subpoena to discuss Glenn Rice and the City's solid waste contract. He stated that his knowledge of the procurement process leading to the awarding of the contract to Progressive Waste in mid-2015 was limited because "I was not involved in the process." He noted that he did not oversee the process in any way or serve on the selection panel. He said the panel was created in order "to avoid any appearance of impropriety."

The only exception to this, he stated, was that he prepared a memo on the Mayor's behalf naming the individuals selected to serve on the selection panel. He said he got the names of the panelists from the City Attorney's office and that the Mayor signed the memo.

Mr. Alonso, a Hialeah native, stated he graduated from Florida International University in 1997, and worked for the County Parks Department for one year before joining the city of Hialeah's Parks Department, where he worked for several years until former Mayor Julio Robaina tapped him to serve as a special events coordinator. He said after Mayor Hernandez took over in about 2011, Mayor Hernandez asked him to serve as Chief of Staff.

Mr. Alonso described his relationship with Rice at the time of the solid waste procurement as being very friendly. He said they attended University of Miami football games together, and that Rice dined at his home and even had Christmas dinner there one year. He said that, as with Mayor Hernandez, he and Rice have had a falling out and are no longer friends.

Mr. Alonso said Rice was also a part of the Mayor's political inner circle, adding: "He was like a political groupie ... He was involved in politics. He ran a PAC that supported the Mayor."

Mr. Alonso said that, at the time, he was not aware of Rice's financial relationship with any of the firms seeking the City's solid waste collections contract. He said Rice did not attempt to influence him with respect to the matter. "There's nothing to lobby me for," he said. "I wasn't involved with the process. I didn't have a vote." He said he did not become aware of this until the findings of the State investigation were published in the Miami Herald.

Mr. Alonso said he was aware that Rice worked for now late political power broker Herman Echevarria, a former Hialeah elected leader and lobbyist for Progressive Waste. He said that Rice's employment with Echevarria goes back approximately 20 years. He said this was not a secret, though he would not say whether he believed the Mayor was aware of this. He said he understood Rice helped with a magazine venture and conducted background checks.

Mr. Alonso said he has known Echevarria for many years while growing up and that he knew Echevarria's sons. Alonso said that he had, in the past, discussed Rice's employment with him. He said that an assistant at the magazine named "Norma" lived in Hialeah, and that Rice seemed to be afraid to bother her with requests for payment. He said that Rice would, on occasions, ask him to ask Norma if his check was ready. He said he had never discussed the amount or terms of Rice's employment and had nothing to do with an alleged increase in Rice's monthly retainer from \$2,000 to \$3,000 earlier this year.

Alonso advised that, following the awarding of the contract to Progressive, Rice began attending working meetings between City officials and Progressive to implement the transition for the collection of solid waste from the City to the private firm. He said he was not aware of any work product that Rice produced, adding that nothing was submitted to him. Alonso said his involvement with the transition was mainly to ensure there were no missed pickups, and that citizen complaints were addressed in a timely fashion.

Alonso stated he had no knowledge, at the time of the roll-out, of any payments to Rice from the City for his involvement in overseeing the solid waste contract. He said he learned about the payments (to Rice) after COE submitted a public records request – seeking records pertaining to any payments to Cesar Mestre's law firm – though, interestingly, the records do not mention Rice by name. He said that Armando Vidal, as Director of the Public Works department, would be the official in charge of overseeing the contract. He said he felt Vidal was more than capable of handling this responsibility. He said that Public Works had also assigned an employee (Y. Diaz) to act as the supervisor of solid waste operations.

Alonso said he could not think of any reason for the City to hire an outside attorney or

investigator to oversee Progressive's performance. He said he mentioned the matter to Mayor Hernandez, but that they Mayor did not say anything in response to his query. He said that all expenditures over \$15,000 must be approved by the City Council, per the City Charter. He said any payments below that threshold must be approved by the City's Procurement Director, Angel Ayala. He said he does not know if the Mayor was aware of the payment to Mestre.

With respect to the allegation he attempted to refer Rice to Progressive for employment after the contract had been awarded, Alonso confirmed this did happen. However, he said that he did so because Rice put him up to it. He said he did not know Rice was getting paid by solid waste vendors (Waste Pro and Waste Management) and thought Rice needed the money. He said he did suggest to Grant Smith that Progressive hire Rice, but that Progressive did not seem receptive and he decided it was not a good idea to pursue the matter.

Alonso said he recalled Smith had asked him at one point why Rice was acting in such a hostile manner toward Progressive and its employees. "Grant asked me, 'What's this guy's problem?' And I said, 'I don't know. Maybe he wants a job or something.'"

Document/Audio/Video Review:

On Sept. 15, COE visited the Hialeah City Clerk's office and reviewed files relating to building code compliance and business licenses for Florida Gun Center and other businesses belonging to Alex Perez. COE identified an Operational Account with US Century Bank, of 790 W. 49th Street, Hialeah, for the Gun Center, for a check dating back to 7/15/2010.

Lastly, another business was identified at the property near or at the Gun Center – Andres Perez Rental Inc., 1776 W 38th Place, Hialeah, 33012.

On Oct. 14 and Oct. 15, COE examined bank account records for Florida Gun Center obtained by SAO pursuant to a subpoena issued to US Century Bank. The examination of account records did not yield any evidence of improper or suspicious payments to Glenn Rice from said account. However, the examination did find that the account identified above was largely funded by a similarly named account – "operational" vs. "operating" – and that this account, frequently supplied \$100,000 or more in operating funds monthly.

It appears from the examination that much of the day-to-day activity of the Gun Center occurred in the latter "operational" account (ending #6405), and that, as a result, it would be impossible to determine whether any payments to Rice might have occurred through this account, as opposed to the "operating" account ending in #0505.

Accordingly, investigators will attempt to identify any accounts held by Glenn Rice, so as to simplify the task of analyzing any payments from Perez or his businesses.

On Dec. 8, COE reviewed account records for the subject Rice from Bank of America for accounts ending in #4190 (Glenn Rice ITF Brandon Rice, Money Market Savings); (Glenn Rice Criminal Consulting Services Inc., DBA Criminal History Clearing Center); #1888 (Wanda Rice or Glenn Rice, Interest Checking and MyAccess Checking).

Significant findings found among the deposit items:

Date ck	Amount	Payor	Payee
30-apr-12	\$2,000	Int'l Management Consultant Inc.	Glenn Rice Consulting Services
6-jun-12	\$2,000	Int'l Management Consulting Inc.	Glenn Rice Consulting Services
12-jul-12	\$2,000	Int'l Management Consulting Inc.	Glenn Rice Consulting Services
3-aug-12	\$2,000	Int'l Management Consulting Inc.	Glenn Rice Consulting Services
22-aug-12	\$4,000	Waste Pro	Glenn Rice Criminal Consulting
5-sep-12	\$2,000	Waste Pro	Glenn Rice Criminal Consulting
20-sep-12	\$2,000	Int'l Management Consulting Inc.	Glenn Rice Consulting Services
3-oct-12	\$2,000	Waste Pro	Glenn Rice Criminal Consulting
15-oct-12	\$2,000	Int'l Management Consulting Inc.	Glenn Rice Consulting Services
31-oct-12	\$2,000	Waste Pro	Glenn Rice Criminal Consulting
5-dec-12	\$2,000	Waste Pro	Glenn Rice Criminal Consulting
27-dec-12	\$279	Waste Pro	Empowering Children and Families

In total, Glenn Rice deposited \$24,000 from sources linked to the solid waste privatization effort -- \$12,000 from International Management Consulting Inc., a firm linked to Herman Echevarria, lobbyist for Progressive Waste, and also \$12,000 from Waste Pro, one of the finalists in the solid waste procurement process. Waste Pro, despite being eliminated from contention late in the 2014 selection of a solid waste contractor, is rumored to have been working in coordination with Progressive Waste as a subcontractor, raising questions about possible collusion and bid-tampering as well.

Glenn Rice is the registered agent and sole officer in Empowering Children and Families, a Florida nonprofit created in June 2006 and dissolved involuntarily in August 2015.

The investigation also found a payment of \$2,000 from the law firm of Miami Lakes Councilman Cesar Mestre, another reputed close friend and political ally of Hialeah Mayor Carlos Hernandez and now the Mayor of Miami Lakes.

Also of significance was a check for \$800 and dated April 27, 2012, from Florida Patrol Investigators Inc. (FPI), a company controlled by gun store owner Alex Perez. According to the initial allegations, Perez has been laundering funds to Rice in coordination with Mayor Hernandez and Herman Echevarria. The check (#5459) was from FPI's "operational account," with Ocean Bank. (Note: Records for this account were not examined as part of the subpoena for records noted above. The "operational account" ending #6405 referenced above was for Florida Gun Center and not Florida Patrol Investigators (FPI).

Based on this information, it would appear that a subpoena should be re-issued to Ocean Bank requesting all records from Aug. 1, 2011, through Dec. 31, 2013, for FPI.

Predication would also seem to exist to amend the subpoena to Bank of America for Glenn Rice's account records for all of 2013 and 2014 since this is the period leading up to the process of awarding of the privatized solid waste contract in late 2014/ early 2015.

Additionally, it would seem there is predication to subpoena all records for International Management Consultant Inc. (IMC), account No. 20014075 with Continental Bank of Miami, for the period from Aug. 1, 2011, through the present. This account is linked directly to Herman Echevarria through the address printed on the check, P.O. Box 31099, Miami, FL 33231. This is the P.O. Box used by Venue Magazine, a publication run by Echevarria's former wife, Alexia.

Further, information retrieved online from <http://www.smallbusinessdb.com/international-management-miami-fl-33131.htm> describes IMC as follows:

International Management, a stable growing company under Business Management Consultants, is being run by Herman Echevarria, Chief Executive Officer. Since 1998, their sales have been favorable and consistent at \$2.5 to 5 million. Company location coordinates are: 25.765701,-80.190861.

It can be reached by dialing (305) 372-1024, and you could get in touch with their sales team in 848 Brickell Avenue, Miami, Florida FL 33131. Visit their website at: to know more about the company's history, products and services, as well as frequently asked questions and privacy policies.

Special deals are also offered from time to time. Their professional and honest business transactions fortifies both consumers and businesses in their B2B segments.

Their modest but solid unknown houses 20 to 49 staff members. All are benefiting from the company's generous programs and sound training solutions.

You can learn more by checking their classification codes: SIC – 8742 and NAIC – 5418100. Call the hotline stated above for faster transaction and queries. International Management would like to hear from you.

On Dec. 14, COE reviewed lobbyist registration forms from the City of Hialeah and found that Herman Echevarria is a registered lobbyist for Progressive Waste Solutions, formerly Waste Services of Florida Inc. (WSI), located at 3840 NW 37th Court. The review also found that Roberto Blanco is a registered lobbyist for Waste Pro of Florida, located at 17302 Pines Blvd., Pembroke Pines. Also registered for Waste Pro are John Jennings, CE) and President; Russell Mackie, regional vice president; and Guerlin Escar-Mangos, a marketing executive.

Conclusion(s):

Based on the investigation detailed above, it was determined that Glenn Rice, the subject of this investigation, was paid at least \$176,000 over as many as four years by firms and/ or individuals seeking to win the City of Hialeah solid waste collection contract awarded on or about June 2015. The contract is worth as much as \$40 million over eight years.

Subpoena return items and a review of Rice's bank records indicated he received payments in the amount of at least \$70,000 dating back to August 2012 from Waste Pro of Florida; that he received payments of at least \$76,000 from International Management Consultants Inc. (hereinafter (IMC")), dating back to April 2012; and that he received payments of at least \$30,000 from Waste Management of South Florida dating back to January 2015.

Waste Pro and Waste Management were two of the three finalists for the City of Hialeah solid waste contract, while IMC is a firm that was controlled by the late former City Councilman Herman Echevarria, a lobbyist for Progressive Waste Inc., the firm ultimately awarded the contract.

Representatives of Waste Pro and Waste Management indicated that their reasons for making the payments to Rice were influenced to some degree by his avowedly close relationship to Hialeah Mayor Carlos Hernandez, though that relationship seems to have become strained. By contrast, representatives of Progressive claimed to have no knowledge Rice was working for Echevarria throughout the period that Echevarria was acting as their main lobbyist.

In fact, Progressive's legal counsel stated that members of the Progressive management team reported having an adversarial relationship with Rice. They advised that Rice claimed to be acting on behalf of Mayor Hernandez while he oversaw the firm's transition period in the latter part of 2015, when it started picking up garbage at the homes of Hialeah residents.

The investigation found all of the three firms identified above made payments to Rice in the amount of \$2,000 per month and that, in all cases, virtually no work product was associated with these payments. Only Waste Pro indicated that, initially, it paid Rice to do some investigative work in Miramar, but the firm was unable to produce any record of this work. (It should be noted Rice is not a licensed private investigator, an inquiry with state regulators found.)

While the payments in and of themselves are highly suspicious, the investigation failed to turn up evidence that anybody from the City of Hialeah directed the firms in question to put Rice on their respective payrolls – with the exception of the occasion in which Alonso allegedly asked Progressive to retain Rice to serve as a liaison after the contract had been awarded.

A Waste Pro executive advised that Rice, a Miramar resident and local political gadfly, was initially hired to do some leg work in Miramar after concerns were raised about Waste Pro's competitors poaching commercial customers from them. Waste Pro had a franchise agreement with the City and all businesses were required to hire Waste Pro exclusively.

The Waste Pro executive stated that a decision was made to leave Rice on the payroll once the Hialeah privatization process started in about 2013 out of fear that Rice, whom he viewed as a loose cannon, might work against Waste Pro and use his perceived or purported influence with Mayor Hernandez against them. He said Rice performed no actual work in connection with the Hialeah solid waste procurement process yet continued to receive monthly payments.

An executive at Waste Management stated that Rice was hired in connection with the Hialeah solid waste contract to serve as a liaison to the City and to keep Waste Management apprised

about upcoming meetings and deadlines and to serve as “eyes and ears.” He said that Rice was not asked to lobby on behalf of Waste Management, though he again acknowledged Rice was hired due to his perceived access to key Hialeah City officials, including the Mayor.

Investigators further reviewed thousands of text messages extracted from key City officials’ cell phones in search of evidence of improper lobbying or activity on the part of Rice, but the review did not produce any evidence to this effect. The City’s Public Works Director advised that Rice was directly involved in providing oversight of the solid waste contract held by Progressive, and that he was doing so at the authority and direction of the Mayor. He said that Rice, however, in no way sought to influence the awarding of the contract itself.

In addition, investigators reviewed Rice’s financial records, including personal and business bank accounts, and did not find any evidence of an improper financial relationship with Mayor Hernandez. The funds Rice received from the solid waste firms and IMC were used mainly for ordinary household expenses and did not suggest a pattern of suspicious activity.

It would appear after considerable investigation that Rice felt that he worked for Mayor Hernandez, saying this much to at least one potential employer (Alex Perez) and to executives for Progressive Waste while serving the Mayor as a political advisor. For a time, Rice did oversee a political action committee linked to the Mayor and his chief political strategist. However, there was no indication the Mayor directly solicited financial support on behalf of Rice from firms vying for the City’s lucrative solid waste services contract.

The investigation did not uncover any outward signs of manipulation of the privatization process, despite the occurrence of several bid protests by losing firms. City officials seemed to have valid reasons for disqualifying several firms during the initial phase of the procurement (the RFQ process) and that the second phase (the RFP process) resulted in the awarding of the contract to the lowest responsive bidder, Progressive, while another rival, Waste Pro, was disqualified for failing to fill out crucial bid documents with pricing information.

In the final analysis, it would seem that Rice was also a big winner of the Hialeah solid waste privatization as he managed to insinuate himself into the process. By presenting himself as an insider with the Mayor’s ear, Rice was able to capitalize on his connections and was put on a monthly retainer by several of the firms or connected individuals, as noted above.

However, the investigation did not find that Hialeah officials recommended Rice to any of the firms involved prior to the awarding of the solid waste contract to Progressive. Nor did the investigation find that the Mayor or any other City official received a financial benefit from Rice, other than Rice’s presumed utility to the Mayor as a political operative.

Many of the waste industry executives interviewed during the course of this investigation were surprised to learn Rice was on the payroll of their competitors or, in the case of Progressive, that Rice was on the payroll of the company’s chief Hialeah lobbyist. The City’s Public Works director, Armando Vidal, said he considers Rice a friend and didn’t object to Rice’s presence throughout the solid waste privatization process. He did state, however, that, had he known about Rice’s financial involvement with solid waste firms seeking the City’s business, he would have found this to be inappropriate and distanced Rice from the process.

After consulting ASA Isis Perez of the Miami-Dade County State Attorney's Office and the Office of the Independent Ethics Advocate, it was decided this case should be closed.

A Sept. 28, 2016, sworn statement of Mayor Carlos Hernandez, taken pursuant to a COE subpoena, did not alter the findings in any material form. The Mayor claimed to have no knowledge of Rice's financial dealings with firms and individuals tied to the City's solid waste procurement process. He said that Rice, a friend from his days on the Hialeah police force, served as a political operative and that he did not know how Rice supported himself.

The Mayor said that Rice "took liberties" and traded on the "perception of influence" with his office "to make money." He said he has no financial relationship with Rice, and did not direct any City vendor, contractor or business to support him financially.

In consultation with the Independent Advocate, it was determined no action should be taken against Rice for his alleged unregistered lobbying of Public Works Director Vidal since no item was pending before the City to hire a personnel firm or "temp" agency and the one interaction could be considered a simple "meet and greet" or "unsolicited proposal" which would not constitute lobbying.

Similarly, the Advocate determined that the evidence did not rise to the level necessary to file a complaint against the Mayor's chief of staff, Arnaldo Alonso, for allegedly suggesting that Progressive Waste hire Rice as a liaison between the company and the City. Although the Miami-Dade Ethics Code does prohibit recommending anybody for professional services, the recollection of the witnesses to the effect of, "maybe Rice can help you with that," was too vague to prove an actual recommendation. Both Alonso and Progressive attorney Grant Smith stated that the suggestion was made in passing and that nothing ever came of it.

Lastly, however, it should be noted that, based on the findings, it appears Rice may have acted as an unlicensed private investigator while assisting Waste Pro with its issues involving alleged violations of its franchise and exclusivity rights in the City of Miramar, FL.

A representative of Waste Pro did state to investigators that Rice presented himself as a former police officer with investigative experience who could assist them with their concerns about "poaching" from competing solid waste firms who were servicing local businesses. They said Rice conducted surveillance of such alleged illegal pick-ups and presented photographic and other evidence of unauthorized services being provided to local businesses.

The investigation found that Rice did not possess a private investigator's license from the Florida Department of Business and Professional Regulation (DBPR), though such a PI and other licenses had been unsuccessfully applied for, as acknowledged by Alex Perez, a prospective employer of Rice, and by Rice himself during a phone interview with a COE investigator.

This report will be forwarded to the DBPR for follow-up action.

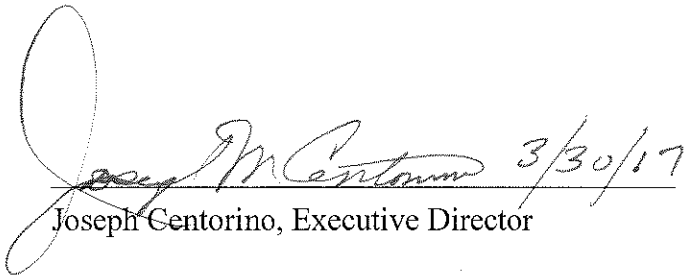
 3/31/17

Karl Ross, COE Investigator

Approved by:



Michael Murawski, Advocate

 3/30/17

Joseph Centorino, Executive Director