



Miami-Dade Commission on Ethics & Public Trust

Investigative Report

Investigator: Karl Ross

Case K16-035	Case Name: Autism Resource Center	<u>Date Open:</u>	<u>Date Closed:</u>
Complainant(s):	Subject(s): Steven C. Bateman, Steven M. Ackerman	Aug. 26, 2016	

CASE

CLOSED

Allegation(s):

At the request of the Miami-Dade County State Attorney's Office (SAO), this case was opened to look into whether funds solicited on behalf of a Florida nonprofit corporation – the Autism Resource Center, Inc. – were misused or mishandled in a criminal or unethical manner. Date: 2/28/17

The Autism Resource Center (ARC) was a focal point during a SAO/ COE joint investigation into the activities of former Homestead Mayor Steven C. Bateman. Bateman is presently facing a 2-year jail sentence in connection with a 2014 trial on public corruption charges. He is out pending appeal of the charges relating to his September 2014 conviction.

The recent allegations involving the ARC follow the death of Mr. Bateman's wife, Donna, on April 14, 2016, and a request by Mr. Bateman that in lieu of flowers donations be made to the ARC and that said donations be sent to a family member in Longwood, FL.

Relevant Ordinances:

Florida Statute 496.415, titled *Prohibited acts*, which states in applicable part: "It is unlawful for any person in connection with the planning, conduct, or execution of any solicitation or charitable or sponsor sales promotion to:

- (1) Operate in violation of, or fail to comply with, the requirements of ss. 496.401-496.424.
- (2) Submit false, misleading, or inaccurate information in a document that is filed with the department, provided to the public, or offered in response to a request or investigation by the department, the Department of Legal Affairs, or the state attorney. ...
- (7) Misrepresent or mislead anyone by any manner, means, practice, or device whatsoever to believe that the person or organization on whose behalf the solicitation or sale is being

conducted is a charitable organization or sponsor, or that any of the proceeds of the solicitation or sale will be used for charitable or sponsor purposes, if that is not the fact. ...

(13) Employ in any solicitation any device, scheme, or artifice to defraud or to obtain a contribution by means of any deception, false pretense, misrepresentation, or false promise. ...

(16) Fail to apply contributions in a manner substantially consistent with the solicitation.”

Investigation:

Interviews

On Jan. 10, 2017, COE contacted Homestead High School to attempt to locate Elaine Abreu, the special education teacher linked to the Autism Resource Center. COE was advised that Ms. Abreu no longer works at the school and was referred to the district office.

A call was put into the Miami-Dade Public School System’s district office at (305) 995-1000, and was eventually transferred to a “Debbie” at (305) 995-1531, who advised that she would take a message for Ms. Abreu and ask her to contact COE. She said Abreu does not work at any school in particular, but serves in an “outreach” program with no physical address.

On Jan. 10, COE Investigator Ross consulted ASA Isis Perez and briefed her about the phone interview with Elaine Abreu (see notes below). ASA Perez stated that she would issue a new subpoena on the ARC account on or about February 1 that would cover all activity through the end of January, and that a final review of any account activity would be made.

Elaine Abreu, special education teacher

Miami-Dade County Public Schools

Phone: (786) 412-9051

Jan. 10, 2017

Ms. Abreu contacted COE, and provided information concerning the Autism Resource Center. She said the center was Donna Bateman’s undertaking, saying the late Mrs. Bateman wanted to create an organization that would serve high-functioning autistic children such as her own son, Austin. She said she was aware that she had initially been listed as a signer on the bank account, but thought that she had since been removed. She said she became aware of this because she was offered a debit card to use for gas purchases. She said she never accepted the card, and never examined the bank records to keep tabs on activity.

Ms. Abreu said she did help to raise funds for the nonprofit at the time of its inception, but was surprised to learn that former Mayor Bateman was requesting additional donations after his wife’s death. She said she had “no idea” what any of the latter donations were used for, and that she presently had no involvement with the entity. “I don’t know about the money that was collected now,” Abreu said. She said she lost touch with Donna Bateman about a year before her death, but praised her commitment to her son and other autistic children.

Ms. Abreu said that, to her knowledge, all of the funds raised initially to support the Autism Resource Center were used appropriately – primarily to provide transportation to children attending Camp Shriver and, to a lesser extent, to buy food and supplies for a camping trip.

Ms. Abreu said she coached Austin in swimming and other sports while he attended Homestead Senior High, and noted he participated in the Special Olympics. She said Austin was one of a number of special needs children at the school who attended Camp Shriver, located in the city of Miami. She said the camp initially provided transportation to the Homestead-area children, but that children from other parts of the county also needed help with transportation and that the Homestead group could not be assisted in 2013.

Ms. Abreu said that then Mayor Bateman offered to help raise funds and seek assistance from the city of Homestead, resulting in the donations from several elected officials. She said that, to her knowledge, the funds raised a result of these efforts were used to pay approximately \$3,000 for a van rental at the Enterprise rental agency in Homestead. She said the funds raised through the Autism Resource Center did not cover the full amount of the rental, and that Bateman put the balance – in excess of \$1,000, she recalled – on a personal credit card. She said the remainder of the funds were used to pay for gas, costing about \$100 per week.

Ms. Abreu further noted that an expenditure at BJ's Wholesale Club in March 2014 was likely tied to a camping trip her students took each spring to Hidden Lake in Everglades National Park. She said the purchase was likely used for Gatorade and other provisions.

Ms. Abreu said she worked at Homestead High from 2004 through September 2015.

Document/Audio/Video Review:

On Sept. 9, 2016, COE examined bank records for the ARC with TD Bank obtained pursuant to a state subpoena. The records covered the period from Jan. 1, 2015, through Aug. 12, 2016

The records reflected an initial balance of \$947.17 on Jan. 1, 2015, and show no activity on the account from that time until June 1, 2016 – except for the monthly deduction of an \$8 service charged that reduced the balance to \$811.17 as of May 31, 2016.

The records showed that a deposit was made at the Homestead branch of TD Bank on June 1, 2016, in the amount of \$1,835, leaving a balance of \$2,636.17 (after a \$10 fee was deducted from that total). A second deposit in the amount of \$500 was made on July 11, 2016, leaving a balance of \$3,126.17 (again, after a \$10 fee was deducted from that total).

A review of deposit items reflected a total of 23 checks from friends and associates, including a check for \$100 from a former employer of Mr. Bateman, Community Health of South Florida, Inc. A check for \$200 was issued by the law office of Andre Pierre, former mayor of

North Miami, FL. Other checks were mostly from friends of the Batemans.

After discussing these findings with ASA Isis Perez, Ms. Perez decided to issue an additional subpoena for any missing records prior to Jan. 1, 2015. SAO previously obtained records during the course of the original Bateman investigation, but gaps remained.

On Oct. 24, COE examined additional return items for the ARC with TD Bank, obtained pursuant to a state subpoena. The records covered the period from June 12, 2013 – the date the account was opened – until Dec. 31, 2014. Significantly, no deposit items were included. It should also be noted that no checks were provided, though it appears none were issued by the ARC account during the period in question from June 12, 2013, through Dec. 31, 2014.

The significant findings from the return items includes the following:

- The account was opened with an initial deposit of \$1,510 on June 12, and was augmented by a \$200 electronic deposit on or about June 27, 2013.
- The following month (July 2013), additional deposits totaling \$1,145 were made, raising the totaling funding level to \$2,655 as of the end of July 2013.
- After that, only a handful of small, sporadic deposits were made into the ARC account, including a couple of reimbursements for apparent gas purchases.
- The account expenditures (excluding fees) were recorded as follows:

Posting Date	Description	Amount	Remarks
7/1/2013	Debit Card Purchase, BP 158 Miami, FL	\$100	Apparent gas
7/16/2013	Debit POS, at HESS, Homestead, FL	\$100	Apparent gas
7/22/2013	Debit POS, at Racetrac, Miami, FL	\$99	Apparent gas
7/29/2013	Debit POS, at Racetrac, Homestead, FL	\$96.74	Apparent gas, later reimbursed on 8/9
8/2/2013	Debit POS, at Racetrac, Homestead, FL	\$76.01	Apparent gas, later reimbursed on 8/9
8/2/2013	Harland Clarke check order	\$17.36	Checks for ARC
8/5/2013	Enterprise Rent A Car Homestead, FL	\$1,369.52	Apparent car or van rental
3/11/2014	BJ's Wholesale, Homestead, FL	\$127.95	

- The ending balance at the period of this latter analysis (Dec. 31, 2014) is \$947.17, and can largely be accounted for by the above expenditures, plus the \$8 a month service fee for the account. It does not appear that any checks were written on the account.

On Feb. 22, 2017, COE reviewed the final batch of records from TD Bank covering the period from Aug. 1, 2016, through Jan. 31, 2017, reflecting an initial balance of \$3,126.17 and an

ending balance of \$3,068.17. The difference of \$58 was a result of service fees. There were no other expenditures or disbursement of the funds, except for the aforementioned bank fees.

Other documents reviewed in the course of this inquiry include filings with the Florida Department of State Division of Corporations showing that the ARC was created on or about Dec. 10, 2012, and later reinstated as an active corporation on Sept. 2, 2016. Steven M. Ackerman, a former campaign treasurer for then Mayor Steve Bateman, was listed as the sole officer in the corporation, serving as the president and registered agent.

Account opening records with TD Bank dated June 22, 2013, identify Ackerman, public school teacher Abreu, and Donna Bateman as the three authorized signers.

Lastly, public records provided by the city of Homestead reflect contributions to the ARC totaling \$550 from three city councilmembers back in July 2013. These donations, from the officials' discretionary accounts, followed an unsuccessful attempt backed by then Mayor Bateman to have the city \$3,558 to rent a 15-passenger van to transport autistic children from the Homestead area, including the mayor's son, to a Miami summer camp, Camp Shriver.

A Sept. 11, 2016, article titled "The convicted mayor, his late wife, and the mysterious charity" appeared in the Miami Herald, written by Monique O. Madan and Carol Marbin Miller. A copy of the article was reviewed and added to the file. The article highlighted fundraising activity carried out in the name of ARC prior to Mrs. Bateman's death. It also raised questions about the handling of funds subsequent to Mrs. Bateman's death.

Also examined was an obituary published by the South Dade News Leader following Ms. Bateman's death that contained the latest request for donations to the ARC.

Conclusion(s):

The above pattern of expenditures appears to be consistent with the stated purpose of the requested funds: To provide transportation for a group of autistic students from Homestead Senior High to Camp Shriver in the City of Miami from June 24 to Aug. 2, 2013.

The only possible exception to that is the March 11, 2014, expenditure at BJ's Wholesale in the amount of \$127.95. All other expenditures seemed related to transportation. However, this expenditure is consistent with the account of Ms. Abreu that Gatorade and other supplies were purchased at BJ's for a trip to the Everglades by the autistic students in her group.

Ms. Abreu stated that, to her knowledge, the funds initially raised by the ARC were used for their intended purpose. She said that the late Mrs. Bateman had hoped to foster a lasting organization that could help autistic youth such as her son who "aged out" of traditional programs.

Ms. Abreu further stated she was surprised to learn that additional funds were solicited for the

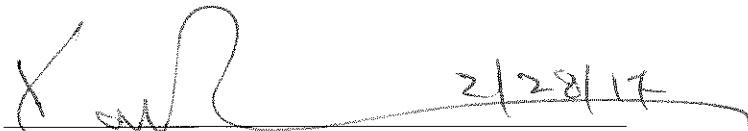
ARC at the time of Donna's funeral service, but said she is no longer involved with the ARC. She said she had no knowledge of how those proceeds were spent.

A review of available bank records, however, showed that additional deposits totaling \$2,335 have not been spent or diminished except for the payment of monthly service fees. The review of bank records indicated that service fees of roughly \$350 were drawn on the account.

While the above review suggests a lack of good stewardship with respect to funds raised for disabled youths, there is nothing to suggest any of the funds solicited or received for the ARC were used for personal expenses on the part of former Mayor Bateman or his family.

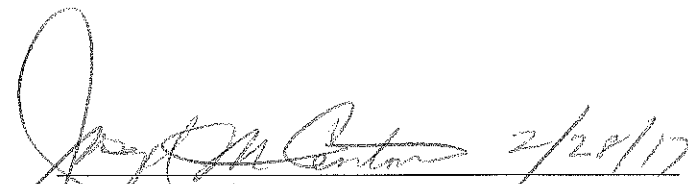
It would seem that should the ARC fail to convert itself into a legitimate charitable enterprise registered with the state of Florida and/or the IRS, then the remaining funds should totaling just over \$3,000 should be donate to a recognized charity serving autistic youth.

The findings of this inquiry will be submitted to the Miami-Dade County State Attorney's Office for further review. Absent further action, the case should be closed at this time.


Karl Ross, COE Investigator

Approved by:


Michael Murawski, Advocate


Joseph Centorino, Executive Director