



**CASE
CLOSED**

Miami-Dade Commission on Ethics & Public Trust
Investigative Report

Date: 1-30-20

Investigator: Nilda Olmo
Subject/Case Name: Arnaldo "Arnie" Alonso
Date Opened: October 8, 2109

Case No.: PI19-39
Date Submitted: 01/16/20

Allegation(s):

On or about October 2019, the COE received information regarding a possible lobbying violation by Arnaldo "Arnie" Alonso, former Chief of Staff (2011-2017) of City of Hialeah Mayor Carlos Hernandez.¹

Relevant Ordinances:

Miami-Dade County Conflict of Interest and Code of Ethics Ordinance, Sec 2-11.1(s) Lobbying (1)(b). As used in this section, "Lobbyist" means all persons, firms, or corporations employed or retained by a principal who seeks to encourage the passage, defeat, or modifications of (1) ordinance, resolution, action or decision of the County Commission; (2) any action, decision recommendation of the County Manager or any County board or committee...

The City of Hialeah Code of Ordinances Chapter 26-Code of Ethics, Article III., Lobbyist Sec. 26-66 Definitions. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Lobbyist means a person employed, paid or retained by a principal, who seeks to influence a decision of the mayor, city council, city board or committee or attempts to obtain the good will of a city official or employee. A lobbyist is not a person who merely appears before the mayor, city council, city board or committee in an individual capacity for the purpose of representing himself or others without compensation to support or oppose any ordinance, resolution, decision or action of the mayor, city council, city board or committee. A lobbyist includes paid consultants retained by an applicant or third party, attorneys, surveyors, architects or other people representing an applicant or third party before the city council or board.

¹ Alonso left the City of Hialeah on or about November 2017. A Florida Division of Corporation search revealed that Wolfpack Consulting and Governmental Relations LLC, a Florida Limited Liability Company, was filed on 11/15/17. Alonso is Founder and CEO of Wolfpack.

Principal means the person who has employed or retained a lobbyist.

Sec. 26-67. - Registration and oath.

(a) Prior to engaging in lobbying activity, every lobbyist shall register with the city clerk's office by completing a lobbyist registration form, disclosing under oath his name and business address, as well as the name and business address of each individual who or entity that employed or retained the lobbyist to represent the individual or entity and the general and specific areas of lobbyist interest in any city matter. Separate registration forms must be completed for each principal and/or issue for which the lobbyist will be representing any principal. (b) Every lobbyist is required to state under oath the extent of any direct or indirect business association, partnership, or financial relationship with the mayor, any member of the city council, city board, or committee before whom the lobbyist lobbies or intends to lobby.

Sec. 26-33. - Transacting business with or appearing before city council, agencies or boards. (a) No person named in section 26-32 shall enter into any contract or transact any business with the city, either directly or through any person or agency acting under contract to the city. No such person shall appear in representation of any third party before the city council or other city board, commission or agency except as provided in subsection (b) of this section. Any such contract, agreement or appearance that violates this section shall render the transaction or decision voidable, and if the agreement is declared void, the city shall require return of any sums paid by the city. (b) The prohibition upon any activity described in subsection (a) of this section shall remain in effect for a period of one year after the officer, official or employee has left city service or terminated city employment. However, no person shall appear in representation of any third party for compensation before the city council or other city board, commission or agency for a period of two years after the officer, official or employee has left city service or terminated city employment, unless employed by another governmental entity. This section does not prohibit an affected officer, official or employee from representing himself or from presenting personal opinions as a citizen or resident. ²

Investigation:

Investigation determined that due to years of dilapidation, an aging sewer system and extensive violations, the County put in place a plan for the rebuilding of pipes, pumps and sewage treatment plants throughout Miami-Dade County. As part of Miami-Dade County's Federally-mandated Consent Decree agreement with the Federal government regarding the water and sewer issues, certain municipalities across the County, including Hialeah, were placed under a moratorium.

Blue Frog LLC is a design-build firm based in Suwanee, Georgia, with one of their specialties being medical office facilities. Some of their services include construction management, commercial build-outs, plans/design, analysis, feasibility studies and project management.

² See Miami-Dade County counterparts, sections 2-11.1(c) and 2-11.1(m), County Ethics Code.

Dr. Adrian Santos (Santos), a Veterinarian wishing to open a practice in Hialeah, hired Blue Frog to help him navigate and assist with his construction project. Throughout the process, Blue Frog's Chief Commercial Officer Ed Whigham (Whigham) and Bob Wooten (Wooten), a superintendent out of Miami, worked directly with Santos.

Whigham was contacted and he mentioned the difficulties and financial burden his client [Santos] faced while attempting to open a veterinary clinic in Hialeah. During the process of obtaining the necessary permits in the City of Hialeah, they learned that the location for the clinic was in a pump moratorium area.

After numerous attempts to obtain the necessary permits, and finding out about the moratorium, Whigham stated that a "business contact" suggested contacting Jesse Manzano (Manzano) in order to assist them with the process.³

Upon contacting Manzano and updating him on their situation, Manzano expressed an interest quoting \$8,000.00 for his services. He indicated the goal was to "get this resolved in the first 30 days." Approximately 2 weeks later, Manzano e-mailed Whigham suggesting Arnie Alonso (Alonso), would be the right person to help them with the project.⁴

Whigham contacted Alonso on July 31, 2019, subsequently e-mailing him and providing him with background information. The e-mail detailed the history and names of the people they met/contacted regarding their unresolved issues, mentioning Santos's financial burden as a result of the licensing issues.

Responding the same day, Alonso mentioned dealing with the same issue with other clients. He quoted Whigham a fee of \$7,000.00 payable upfront, noting, "Also, please be advised that we cannot guarantee an outcome on this, but we can work to maybe mitigate with you or solve."

Mid-year in 2018, Whigham sent Santos an e-mail indicating Alonso was in the process of reviewing the documents they had provided and was following up with phone calls to the City of Hialeah and DERM.

Shortly thereafter, Alonso reached out to Whigham and indicated that there was no reason to spend an additional \$7,000.00 expense as Blue Frog and Santos had done their due diligence and contacted all the appropriate individuals, taking the same plan of action that he would have taken.

Whigham indicated that although having several conversations/e-mail communications with Alonso, "he never charged us, no bills, no money was ever sent to him." He stated Alonso was professional and straightforward, "I appreciated his honesty." He said Alonso told him there was no point in paying him. That was the end of his involvement with Alonso.

³ Jesse Manzano is a Public Affairs consultant working in both private and public sectors, including work with state and local governments, and managing local/statewide political campaigns.

⁴ A lobbyist registration Public Records Request for Alonso to the Office of the City of Hialeah Clerk revealed no records, Alonso was not a registered lobbyist in the City.

Dr. Adrian Santos

Santos provided this investigator with history regarding his struggle with the City of Hialeah dating back to 2018. According to Santos, his dream of opening a clinic turned into a nightmare and financial burden after finding out that as a result of a County's Administrative Consent Agreement with the Federal government, certain municipalities, that included Hialeah were first under restrictions, then under a moratorium. Santos indicated the clinic's location is within the City of Hialeah's sanitary sewer system basin under moratorium. As a result, new businesses within the affected area were being denied permits.

Santos elaborated on the steps taken in order to start the process of obtaining the license. Prior to securing the space for his clinic, of utmost importance was determining if the existing space, formerly an office space, could be converted and zoned for a veterinary clinic. They were advised by the Hialeah Building Department that it was, "taking into consideration certain conditions and requirements, as veterinary clinics are hospital-type businesses requiring specialized equipment/electrical/plumbing modifications." Consequently, in December 2018, they proceeded to sign a tenant lease agreement.

The anticipated completion timeline for the project was for one year (on or about July 2019). They did not anticipate the ordeal that followed would turn from days, to weeks, ultimately extending into over a year and half, with expenditures of approximately \$100,000.00 that included deposits, security fees, plan preparations, travel to Georgia to meet with Blue Frog and all costs associated with starting a business. During this time, they continued to pay rent.

Santos elaborated on their combined efforts while following the steps/procedures necessary in obtaining a new business license. He mentioned facing numerous issues from the start that included discrepancies with the address (not matching their records), utility service availability, miscommunications and uncertainty, all resulting in having to resubmit their initial application. Throughout all the meetings and regular communications with several departments, there was no mention of a DERM requirement or a moratorium. With the passing of time, and no advances, an expedited fee was paid to the Hialeah Building department in hopes of obtaining results.

The miscommunication continued as they learned of DERM's involvement and plan review requirement upon Blue Frog picking up the plans, approximately 10 days after paying the expedited fee. They were informed by DERM about a "Sewer Capacity letter" requiring the City's signature, they returned to the City of Hialeah, at which point, they were told they were unable to provide the signature and were notified, for the first time, about the moratorium.

Subsequently, the team continued reaching out to the different departments in the City of Hialeah, and contacting and meeting with DERM, Water & Sewer, and elected officials that included State Representative Jose Oliva, to discuss the process/moratorium and time line.

The City referred them to DERM. In turn, DERM notified them the responsibility was with the City of Hialeah, indicating they [DERM] monitored the process.

On or about mid-2019, Santos met with Jonathan Martinez, Executive Officer for Hialeah Mayor Carlos Hernandez, and continued to contact the Mayor's office after having met with Martinez and advised he would be contacted regarding Water and Sewer/DERM updates.

Having exhausted all their options, Santos mentioned receiving an e-mail from Whigham with a possible solution. Whigham said someone from an attorney's office (name undisclosed) suggested Jesse Manzano (Manzano) as "someone in Hialeah that could help." Manzano was contacted and quoted them an \$8,000.00 fee for his services.

Faced with making a decision whether to incur the extra \$8,000.00 cost, Santos reached out to Whigham to negotiate with Manzano for a rate of \$4,000.00. He said Manzano then suggested Arnie Alonso (Alonso), indicating he felt he was the right person to help them with the project.

Santos stated Whigham reached out to Alonso providing him with the history, work performed, issues and contact information of those involved with their permitting process from its initial stage. Alonso responded via e-mail that he was also dealing with the same issue with other clients and quoted a \$7,000.00 up-front fee.

A day later, Alonso contacted Whigham indicating that upon review of documents and calls placed to the City of Hialeah and DERM, he assured them they had taken all the appropriate steps, and contacted all the right individuals. Therefore, he felt there was nothing else he could do for them. Santos indicated there was no money exchanged, mentioning he never spoke to Manzano or Alonso directly, communication with them was through Blue Frog.

Santos said that sometime at the end of 2019, Whigham spoke to Alonso regarding the situation, and Alonso mentioned it was now up to DERM, but was unable to provide additional information "since they are not paying him." That was their last contact.

Santos reiterated about the challenges and financial burden, mentioning the uphill struggle has also affected his family and practice. He continues moving forward, monitoring the process and staying in contact with the Mayor's Office, Water & Sewer and DERM.

Arnaldo "Arnie" Alonso

Alonso was contacted and interviewed regarding the allegations. He indicated having been contacted by Jesse Manzano about a possible client. Subsequently, he was put in contact with Whigham and they spoke telephonically and by way of e-mail. After reviewing documents provided by Whigham, he indicated, "I turned it down, because I am an honest person," and informed them he could not do anything for them, being a DERM issue.

Alonso further stated that he never lobbied the City of Hialeah and when he mentioned having the same moratorium issue with other clients, he was referring to having the same [DERM] issue with his client, Chick-fil-A for whom he serves as a consultant.


During the course of the investigation, a Miami-Dade Clerk of the Court lobbyist registration search was conducted, indicating Alonso had completed the Ethics Course on 02/09/18, registering as a lobbyist on 12/18/18 on behalf of Wolfpack Consulting and Governmental Affairs. It was noted that the Principal Authorization and Contingency fee were not provided, therefore he was advised the forms had to be completed and submitted to the Clerk of the Board, to which he indicated, "I didn't know, I don't lobby in the County," but indicated he would follow up with the forms as well as the upcoming ethics refresher course in 2020.

Documents/Exhibits:


- City of Hialeah Lobbyist Registration-PRR: Arnaldo Alonso.
- Miami-Dade County Clerk of the Board Lobbyist Registration: Arnaldo Alonso.
- The Florida Division of Corporations search.

Conclusion:

After consultation with the Ethics Advocate it was determined that since no evidence was presented indicating that Alonso engaged in lobbying in the City of Hialeah, there was no basis to file an ethics complaint. Accordingly, this case is closed with no further action.


Nilda Olmo, COE Investigator

1/30/20
Date

Approved by:

Michael Murawski, Advocate


José Arrojo, Executive Director