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**MIAMI-DADE COUNTY  
COMMISSION ON  
ETHICS & PUBLIC TRUST**

**IN RE: MANUEL A. DIAZ**  
\_\_\_\_\_ /

**C 07-04**

**PUBLIC REPORT & FINAL ORDER ACCEPTING SETTLEMENT AGREEMENT**

The ADVOCATE filed the above-referenced COMPLAINT against RESPONDENT Manuel A Diaz, Mayor of the City of Miami. The COMPLAINT alleged a violation of the Miami-Dade County Conflict of Interest & Code of Ethics Ordinance at Section 2-11.1(l), which prohibits a municipal official from holding personal investments in any enterprise, either directly or through a member of his immediate family, which would create a substantial conflict between his private interest and the public interest.

According to allegations outlined in the COMPLAINT, RESPONDENT violated Section 2-11.1 (l) when he entered into a partnership with the City Manager of the City of Miami and a City of Miami Councilman. This private business arrangement resulted in the partners' joint guarantees of a loan and mortgage to purchase real property within the city.

Pursuant to the Code of Miami-Dade County, Article LXXVI, Section 2-1068, the Commission on Ethics & Public Trust has jurisdiction to enforce the above-referenced ordinance.

On April 19, 2007, the Commission on Ethics found the allegation was legally sufficient. Subsequently, the Ethics Commission was presented with a SETTLEMENT AGREEMENT in which the RESPONDENT agreed not to contest the charge against him and to pay a fine of two hundred fifty dollars (\$250.00). The Ethics Commission rejected the SETTLEMENT AGREEMENT and demanded that the RESPONDENT also accepted a LETTER OF

REPRIMAND in full satisfaction of the COMPLAINT. On May 17, 2007, the Ethics Commission accepted the SETTLEMENT AGREEMENT and the payment of the fine of \$250, and RESPONDENT accepted the LETTER OF REPRIMAND.

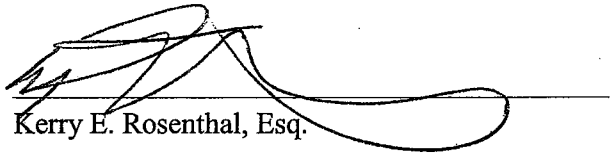
Therefore it is:

**ORDERED AND ADJUDGED THAT** the Ethics Commission finds the RESPONDENT's plea of no contest, fine of two hundred fifty dollars (\$250.00), and acceptance of a LETTER OF REPRIMAND full satisfaction of the COMPLAINT.

**DONE AND ORDERED** by the Miami-Dade County Commission on Ethics & Public Trust in public session on May 17, 2007.

MIAMI-DADE COUNTY COMMISSION ON  
ETHICS & PUBLIC TRUST

By:



Kerry E. Rosenthal, Esq.

Chairman

**MIAMI-DADE COUNTY COMMISSION ON  
ETHICS AND PUBLIC TRUST**

IN RE:

CASE NO: C07- 04

MANUEL A. DIAZ

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**SETTLEMENT AGREEMENT**

Pursuant to section 5.13 of the Miami-Dade County Commission on Ethics and Public Trust Rules of Procedure, Respondent does hereby enter into this settlement in full satisfaction of the above captioned matter based upon the following terms and conditions:

1. Respondent, Manuel A. Diaz believes it to be in his best interest and the best interest of all parties involved to avoid the expense and time of litigating this matter any further. Although Respondent maintains that he acted in good faith and that his private business did not interfere with the performance of his public duties, he agrees, nevertheless not to contest the allegations contained in **Count I** of Ethics complaint number C07- 04.
2. Pursuant to this agreement, Respondent agrees to pay a fine of **\$250.00** to the Miami-Dade County Commission on Ethics and Public Trust and to accept a Letter of Reprimand.
3. Respondent understands and agrees that failure by respondent to pay all monies due, as outlined in paragraph 2 above, may result in garnishment or other appropriate processes or proceedings to enforce the recovery of a judgment as governed by the Florida Rules of Civil Procedure.
4. Failure by respondent to fulfill and abide by his obligation under this Agreed Settlement Order may also result in contempt proceedings against Respondent.

5 This agreement, consisting of two (2) pages, embodies the entire agreement of the parties respecting the subject matter herein. There are no promises, terms, conditions or obligations other than those contained herein. This instrument supercedes any and all previous communications, representations or agreements, either verbal or written between the parties.

6. By signing this agreement, Respondent acknowledges that he is doing so freely, voluntarily and without duress; that he is competent to enter this agreement; that he has fully and completely read and understood the terms and conditions of the agreement and has either had the opportunity to discuss these terms with legal counsel or has freely and voluntarily chosen to proceed without legal representation and that if anyone is signing this agreement on Respondent's behalf or in a representative capacity, that they are duly authorized and have full authority to execute this agreement .

7. Respondent agrees that settlement of this action in the manner described above is just and in the best interests of Respondent and the citizens of Miami-Dade County.

Done and Ordered at Miami-Dade County, Florida this 17<sup>th</sup> day of May 2007.

By:

  
Kerry E. Rosenthal  
Chairperson

  
Michael P. Murawski  
Advocate

  
Manuel A. Diaz  
Respondent

on behalf of  
client



LETTER OF REPRIMAND

MIAMI-DADE COUNTY

COMMISSION ON ETHICS & PUBLIC TRUST

To: Manuel A. Diaz  
Mayor of the City of Miami

Re: Ethics Complaint C07- 04 (In Re: Manuel A. Diaz)

Date: May 17, 2007

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After due consideration, the Miami-Dade County Commission on Ethics and Public Trust accepts the no contest plea of City of Miami Mayor Manuel A. Diaz regarding the violation of Sec. 2-11.1(l) of the Miami-Dade County Conflict of Interest and Code of Ethics Ordinance (Prohibited investments)

Wherefore, the Miami-Dade County Commission on Ethics and Public Trust issues this reprimand.

Manuel A. Diaz, along with former Commissioner for the City of Miami Johnny Winton and former City Manager for the City of Miami, Joe Arriola formed Stewart Avenue Investors, (SAI) a Limited Liability Company.

In and around the spring of 2005, a parcel of land was identified (the Battersea property) as an investment property for SAI. Specifically, the intention of the partners was to purchase the property, develop it, resell the property and divide the proceeds among the partners

Approximately \$400,000 of the investment money came from City Manager Arriola. Mayor Diaz admits that this \$400,000 loan was guaranteed by each of the partners in SAI, individually, including himself. Thus, the Mayor was involved in a relationship wherein in his

public capacity he served as Mayor of the City of Miami while at the same time he was *personally* acting as a guarantor on a \$400,000 loan to his private business entity (SAI). This relationship made the Mayor and a City of Miami Commissioner both personally liable to the individual who, in his public capacity, served as the City Manager of the City of Miami.

The Mayor's private interests were placed in further conflict with his public interests by the fact that, as a partner in SAI, he, along with his SAI partners; a City Commissioner and the City Manager was liable as a mortgagee to Gibraltar Bank for the mortgage taken out and utilized to purchase the Battersea property.

Section 2-11.1 (1) of the Miami-Dade County Conflict of Interest and Code of Ethics ordinance states: "No person included in the terms defined in subsections (b) (1) through (6) shall have personal investments in any enterprise, either himself or through a member of his immediate family, **which will create a substantial conflict between his private interests and the public interest.**" (emphasis added)

Contrary to the Mayor's assertion, the mere existence of the relationship he created between himself, his City Commissioner and his City Manager created a conflict; in our view it is unnecessary to point out a specific act the Mayor may have taken that actually demonstrates that the conflict affected his performance as Mayor. In fact, every act taken by the Mayor in his public capacity could be called into question by the existence of this conflicting relationship. It is sufficient that the conflicting relationship existed.

The Mayor is reminded that it is often the mere appearance of impropriety that shakes the public's trust in its elected officials. Thus, every care should be taken to avoid such appearances.

It is clear in our opinion that because of the inter-related, check and balance nature of the relationships contemplated by the City of Miami Charter, wherein the Mayor has appointment and removal authority over the City Manager (subject to Commission approval) as well as veto authority over certain decisions by the City Commission, and where the City Commission fixes the compensation for both the City Manager and the Mayor, a business relationship entered into such as SAI, an enterprise wherein Respondent had significant personal investment, amounts to a per se conflict between his private interests and the public interest. The Mayor inserted himself into a clearly conflicting situation when he became business partners with a City Manager and a City Commissioner. The business relationship was wrongful because Respondent's investment made him personally liable financially to his City Manager and the City Commissioner.

This Commission expects that Mayor Diaz, and other elected officials will take heed of this public letter of reprimand and guide their behavior accordingly. Mayor Diaz is encouraged to seek ethics opinions from this Commission in any future circumstance.

Done and Ordered this 17<sup>th</sup> day of May 2007 by the Miami-Dade County Commission on Ethics and Public Trust, Kerry Rosenthal, Chairman.