

MIAMI-DADE COUNTY
COMMISSION ON ETHICS & PUBLIC TRUST

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CLERK, CIRCUIT & COUNTY CLERK
MIAMI-DADE COUNTY, FLA.
#1
C-12-36

In re: ALEX DIAZ

PUBLIC REPORT
AND
FINAL ORDER

The Advocate for the Ethics Commission filed this complaint against Alex Diaz, Town Manager for the Town of Golden Beach. The complaint alleged that the Manager made a personal financial investment in a business entity together with Glenn Singer, the Mayor of the Town of Golden Beach. If true, this action might violate Section 2-11.1 (1) of the County Ethics Code, which prohibits a town manager from making personal investments in any enterprise that will create a substantial conflict between one's private interests and the public interest.

In 2011, an investigation uncovered that the Town Manager and Town Mayor of Golden Beach had entered into a private agreement to form a restaurant. The Manager had invested \$50,000, and the Mayor had invested approximately \$200,000.

The Charter of the Town of Golden Beach requires that the Manager and Mayor work collaboratively when executing their public duties, but the Charter also imposes checks and balances on their activities to insure the interests of the public are not compromised. The Town Manager and Town Mayor were advised that, based on their interrelated public responsibilities stipulated under the Charter, their private business

arrangement could create conflicts of interest in violation of Sec. 2-11.1 (l) of the County Ethics Code.

Several months after being contacted by the Ethics Commission Advocate, the Mayor redrafted the limited partnership contract to eliminate the Manager from the agreement and to return his investment to him.

Pursuant to the Code of Miami-Dade County at Sec. 2-1068, the jurisdiction of the Ethics Commission extends "to any person required to comply with the County or municipal Code of Ethics Ordinances...." The County Ethics Code at Sec. 2-11.1(a) extends the jurisdiction of the County Ethics Ordinance to municipal town managers.

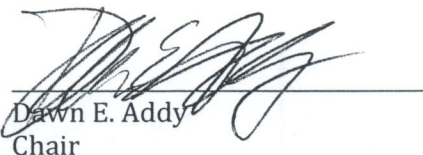
The respondent appeared at a probable cause hearing on October 23, 2012, and agreed to accept a letter of instruction and pay \$250 in investigative costs to resolve the matter. In light of the Manager's cooperation, the Advocate recommended that the case be dismissed. The Ethics Commission concurred, and Complaint No. C 12-36 was dismissed in public session on October 23, 2012.

Therefore it is:

ORDERED AND ADJUDGED THAT the complaint against Alex Diaz is hereby dismissed.

DONE AND ORDERED by the Miami-Dade County Commission on Ethics & Public Trust in public session on October 23, 2012.

MIAMI-DADE COUNTY COMMISSION ON ETHICS &
PUBLIC TRUST
By:


Dawn E. Addy
Chair

Signed on this date: 10/30/2012



LETTER OF INSTRUCTION

To: Alex Diaz, Town Manager, Town of Golden Beach

Re: Alex Diaz, Ethics Complaint C12- 36

Date: November, 2012

On October 23, 2012, the Miami-Dade County Commission on Ethics and Public Trust agreed to resolve the ethics complaint that had been filed against, Alex Diaz, the Town Manager of the Town of Golden Beach. The conflicting partnership agreement entered into between Alex Diaz and Glenn Singer, the Town of Golden Beach Mayor, was dissolved thus eliminating the conflict. The complaint was dismissed and the Manager was ordered to pay two-hundred and fifty dollars (\$250.00) in investigative costs and accept this Letter of Instruction.

Wherefore, the Miami-Dade County Commission on Ethics and Public Trust hereby issues this Letter of Instruction to Alex Diaz.

The applicable section of the Miami-Dade County Conflict of Interest and Code of Ethics ordinance, Section 2-11.1(l) states:

“No person included in the terms defined in Subsections (b) (1) through (6) and (b) (13) shall have personal investments in any enterprise either himself, herself or through a member of his or her immediate family, which will create a substantial conflict between his or her private interests and the public interest.”

Alex Diaz has been the Town Manager of the Town since 2007. Mr. Singer has been the Mayor of the Town of Golden Beach since February 2005. On or about October 2011, Singer and Diaz¹ formed City Slickers Subs & Salads (City Slickers), a Limited Liability Company (LLC). Pursuant to the agreement, Singer invested approximately \$200,000 and Diaz invested approximately \$50,000 in the City Slickers venture.

The Town Charter establishes a symbiotic, co-dependent and inter-related, relationship between the Mayor and the Town Manager. The business relationship created by the formation of City Slickers, an enterprise wherein the Mayor and the Manager have significant personal investments, amounts to a “per se conflict” between the Mayor’s private interests and the public’s interest

For example, the City Slickers Operating Agreement contains provisions that, in the event one LLC member wants to add a member to the LLC; such an action would require 2/3rds vote of the membership units. No member owns a sufficient number of member units to comprise 2/3rds without the support of Mayor Singer. Thus, in the event Diaz desired to add a member, he would be entirely dependent on the support of Singer’s cooperation in this personal, business decision. The Operating Agreement further provided for the possibility of litigation between Company members in the event they need to enforce their rights under the Agreement. Thus, a personal, business dispute could result in litigation between the Town’s Mayor and the Town’s Manager while at the same time; they are mandated by the Charter to work cooperatively for the best interests of the Town.

This Commission has previously held, in case number(s) C07-04 and C07-12, that the existence of a business relationship similar to the relationship herein constitutes a “per se conflict.” Those cases involved the Mayor of the City of Miami, who had entered an agreement

¹ Two other individuals, not involved with the Town, are also members of the LLC.

with a City Commissioner and the City Manager to purchase a piece of real property with the intention to renovate it and re-sell it at a profit. The City of Miami Charter contained similar "check and balance" provisions between elected officials and the administration such that the mere existence of the business relationship created a conflict.

Section 2-11.1 (l) of the Miami-Dade County Conflict of Interest and Code of Ethics ordinance is entitled "Prohibited investments." The simple language of this ordinance prohibits personal investments in any enterprise that will create a substantial conflict between private interests and the public's interest. It is obvious, in our opinion that a business relationship such as the one entered into in this case between the Manager and the Mayor, is clearly conflictive.

Any time a "public" relationship exists between elected officials; elected and appointed officials and/or government employees and their officials, the paramount goal of which is to advance the public trust, than any competing, personal, business relationship between these individuals is likely to conflict with the public interest.

By issuing this Letter of Instruction, we hope to educate not only Manager Diaz and Mayor Singer but all elected and appointed officials and government employees of the perils of entering personal business relationships between or among officials who are charged with governing the same municipality or political subdivision.

We hope that Manager Diaz and Mayor Singer take this Letter of Instruction to heart and guide their behavior accordingly. They and all persons subject to the jurisdiction of the Miami-Dade County Commission on Ethics and Public Trust are encouraged to seek opinions from us prior to engaging in any personal business relationships that might impact the public trust.