



Memorandum

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To: The Honorable Carlos Alvarez, Mayor, Miami-Dade County
The Honorable Chairperson Dennis C. Moss
and Members, Board of County Commissioners, Miami-Dade County

From: *CM* Christopher Mazzella, Inspector General

Date: July 8, 2010

Subject: *OIG Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials, Ref. IG09-96*

Attached please find the Office of the Inspector General's (OIG) final report regarding the above-captioned matter. The OIG investigation determined that the former Chief of Staff to the Mayor's Office and several Miami-Dade County Police Department (MDPD) officials violated County restrictions on outside employment, engaged in questionable leave usage, and improperly obtained first-class airplane ticket upgrades while traveling to Panama as paid consultants for a private company. The OIG investigation also concluded that these abuses could have been detected by routine scrutiny of the information contained on the forms that were filed, as well as timely inquiry into the fact that many required forms were not filed at all. Instead, the outside work obligations of the officials could reasonably be perceived as having hampered performance of their official duties, a situation that could have been detected and prevented by MDPD. As such, several recommendations are offered by the OIG to remedy these deficiencies.

In accordance with Section 2-1076(d)(2) of the Code of Miami-Dade County, we request that the Mayor's Office and MDPD provide us with a status report addressing areas of concern relative to the evaluation of requests for outside employment, including the adoption and implementation of the OIG's recommendations. The OIG requests that we receive this report in 60 days, on or before September 7, 2010.

Attachment

cc: George M. Burgess, County Manager
Alina Hudak, Assistant County Manager
James K. Loftus, Director, Miami-Dade Police Department
Robert Meyers, Executive Director, Miami-Dade County Commission on Ethics
Charles Anderson, Commission Auditor
Individuals Previously Furnished with a Draft Report (under separate cover)
Clerk of the Board (copy filed)

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL



FINAL REPORT

Abuse of Miami-Dade County Restrictions on Outside Employment by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials

IG09-96

July 8, 2010

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION & SYNOPSIS	1
OIG JURISDICTIONAL AUTHORITY	2
INDIVIDUALS AND ENTITIES COVERED IN THIS REPORT	3
RELEVANT GOVERNING AND ADMINISTRATIVE AUTHORITIES	5
<i>Engaging in Outside Employment by County Employees</i>	5
<i>Filing of an Annual Outside Employment Statement</i>	6
<i>Miami-Dade County Financial Disclosure Requirements</i>	7
<i>Prohibition on the Solicitation of Gifts</i>	7
<i>Miami-Dade County Gift Disclosure Requirements</i>	7
INVESTIGATION	7
<i>Investigation Overview</i>	7
<i>Training Services Provided to the Panamanian National Police</i>	8
<i>The Trips to Panama</i>	10
<i>OIG Review of Requests, Travel and Disclosures by County Personnel</i>	11
<i>First-Class Air Travel and MDPD Travel Regulations</i>	26
<i>Failure to Scrutinize Outside Employment by the Mayor's Office and MDPD</i>	29
RESPONSES TO THE DRAFT REPORT	29
CONCLUSIONS & RECOMMENDATIONS	29

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

INTRODUCTION & SYNOPSIS

In December 2009, the Miami-Dade County Office of the Inspector General (OIG) began an investigation after becoming aware of certain publicly reported allegations that the Mayor's former Chief of Staff, Denis Morales, and several Miami-Dade County Police Department (MDPD) officials were frequently traveling to Panama as paid consultants for a private company.¹ In Mr. Morales' case, it was reported that he was in Panama working as a paid private consultant for a week in March 2009, while he was on paid administrative leave from the County. During the course of the investigation, the OIG developed specific allegations that Mr. Morales and one or more of the officials (1) violated County restrictions on outside employment, including failing to comply with established procedures for requesting and reporting outside employment; (2) engaged in questionable leave usage; and (3) improperly obtained first-class ticket upgrades for air travel to Panama and elsewhere, and, thereafter, failed to disclose, with one exception, the financial benefits received as gifts.

The OIG investigation substantiated all of the allegations.² First, the investigation determined that between 2007 and 2009, the officials repeatedly failed to properly complete and submit County-mandated outside employment forms. During that time period, Mr. Morales and the MDPD officials were paid a total of approximately \$418,363 in outside income from their Panamanian consulting work. One MDPD official, Mr. Gonzalez—the former Director of the MDPD Police Institute and, as such, directly responsible for the training of police recruits—never obtained authorization for outside employment for 2007-2009, yet made *over \$250,000* in outside income.

Second, the OIG investigation determined that Mr. Morales and the MDPD officials used over 128 hours of administrative leave related to their outside employment. Some of the officials, while traveling in Panama, were not charged any leave. Further, an MDPD policy prohibiting more than 20 hours of outside employment per payroll week was routinely ignored by the MDPD officials, particularly Mr. Gonzalez.

Third, we determined that between 2007 and 2009, Mr. Morales, Mr. Gonzalez, and Major Arttime obtained a total of at least 10 first-class ticket upgrades for travel to Panama. On one occasion, in October 2009, they were upgraded after a uniformed MDPD sergeant made a request on their behalf to an American Airlines gate agent, despite an MDPD policy directive issued a month beforehand that specifically prohibited any such solicitations. Although the Miami-Dade County Code requires

¹ The MDPD officials are former Police Institute Director Bernardo Gonzalez; Assistant Director Oscar Vigoa; Major Ignacio Alvarez; Major Ariel Arttime; Sgt. Antonio Valdes; and Sgt. Humberto Perez.

² The OIG has referred this investigation to the Miami-Dade State Attorney's Office in accordance with Section 2-1076 of the Code of Miami-Dade County.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

such upgrades to be disclosed as gifts if valued over \$100, only Mr. Morales made such a disclosure—and at that only once, after the October 2009 trip. We believe that the failure by senior County officials to comply with the gift reporting requirement is significant, although we decline to ascertain issues relating to the valuation of the trips as a threshold triggering the reporting requirement. Instead, the OIG will be forwarding the final version of this report to the Miami-Dade Commission on Ethics and Public Trust (COE) for its independent determination of those issues.³

In addition to having substantiated these allegations, the OIG investigation developed concerns that the Mayor's office and MDPD allowed such an arrangement to develop in the first place. The manipulation by Mr. Morales and the MDPD officials of the outside employment request and reporting process should have been detected by routine scrutiny of the information contained on the forms that were filed, as well as timely inquiry into the fact that many required forms were not filed at all. Instead, the outside work obligations of the officials could reasonably be perceived as having hampered performance of their official duties, a situation that could have been detected and prevented by MDPD.

Outside employment by County employees, regardless of rank, is a privilege, not a right, and such employment should only be authorized after due consideration. Those seeking such employment must not only comply with County requirements for application, reporting, and timekeeping; they must always obtain supervisory approval. Such approval is, and must remain, *discretionary*, and not merely a rubber stamp. At the conclusion of this draft report, the OIG makes a series of recommendations designed to reinforce and monitor existing regulations, procedures, and controls of the County employee outside employment process.

OIG JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs and the power to review past, present and proposed County and Public Health Trust programs, accounts, records, contracts, and transactions. The Inspector General is authorized to conduct any reviews, audits, inspections, investigations, or analyses relating to departments, offices, boards, activities, programs, and agencies of the County and the Public Health Trust. The Inspector General shall have the power to review and investigate any citizen's complaints regarding County or Public Health Trust projects, programs,

³ It is our understanding that MDPD's Professional Compliance Bureau is also conducting an investigation that will address whether the MDPD officials misused MDPD resources in connection with their outside employment.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

contracts, or transactions. The Inspector General may exercise any of the powers contained in Section 2-1076, upon his or her own initiative.

The Inspector General shall have the power to require reports from the Mayor, County Commissioners, County Manager, County agencies and instrumentalities, County officers and employees and the Public Health Trust and its officers and employees regarding any matter within the jurisdiction of the Inspector General.

INDIVIDUALS AND ENTITIES COVERED IN THIS REPORT

Denis Morales

Between February 2005 and January 2010, Sgt. Morales was the Chief of Staff to Miami-Dade Mayor Carlos Alvarez.⁴ Sgt. Morales joined MDPD as a police officer in 1986. He was promoted to the rank of sergeant in 2000.

Bernardo Gonzalez

Between 2009 and February 2010, Mr. Gonzalez was the Director of the MDPD Metropolitan Police Institute (Police Institute), where he served in a supervisory capacity since 1998. Mr. Gonzalez is also a senior partner of the Miami Boston Group. Mr. Gonzalez joined MDPD as a police officer in 1981.⁵

Oscar Vigoa

Assistant Director (AD) Vigoa is an MDPD senior official responsible for Departmental Services, one of four designated "service areas."⁶ He joined MDPD as a police officer in 1978 and was promoted to Assistant Director in 2007.

Ignacio Alvarez

Major Alvarez oversees the police services MDPD provides, by contract, to the town of Miami Lakes. He joined MDPD as a police officer in 1992 and was promoted to Major in 2009.

⁴ In January 2010, Mr. Morales was removed from his duties as Chief of Staff and reassigned back to MDPD, where he resumed the position of Sergeant. During all times relevant to this investigation, Mr. Morales was the Mayor's Chief of Staff.

⁵ Mr. Gonzalez retired from MDPD in February 2010.

⁶ The other three MDPD service areas are Uniform, Investigative, and Support.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Ariel Artime

Major Artime is the commander of MDPD's South District, which encompasses Palmetto Bay, Cutler Bay, and unincorporated areas of southern Miami-Dade County. He joined MDPD as a police officer in 1994 and was promoted to Major in 2008.

Antonio Valdes

Sgt. Valdes is assigned to the Police Institute, where he provides both new recruit and in-service training. He joined MDPD as a police officer in 1980.

Humberto Perez

Sgt. Perez is assigned to the MDPD Special Patrol Bureau as squad supervisor of a special response team. He joined MDPD as a police officer in 1989.

Nicholas Kealoha

During all times relevant to this investigation, Sgt. Kealoha was assigned to the MDPD Airport District.⁷ He joined MDPD as a police officer in 2001.

The Miami-Dade Police Department Metropolitan Police Institute

The Police Institute (formerly known as the MDPD Police Training Bureau) provides training to both MDPD police recruits and service personnel. It is divided into five distinct sections, all of which guide and facilitate "training tracks" that focus on skills specific to corresponding aspects of MDPD's organizational structure. In addition, the Police Institute provides training for other federal, state, and local law enforcement agencies.

As Director of the Police Institute, Mr. Gonzalez was responsible for the initial training of all police recruits; in-service training for MDPD employees and Miami-Dade Corrections and Rehabilitation Department employees; and also coordinated training with other federal, state, and local law enforcement agencies. Significantly, at various times between 1999 and 2010, Major Alvarez, Major Artime, and Sgt. Valdes were all supervised by Mr. Gonzalez while assigned to the Police Institute.

⁷ Sgt. Kealoha was transferred to the MDPD Warrants Bureau in February 2010.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Protection Strategies, Inc.

Protection Strategies, Inc. (PSI) is based in Arlington, Virginia. Under the auspices of the U.S. Department of State (State Department), PSI coordinates police training and other services throughout the world. PSI maintains a contractual relationship with the State Department, through a blanket purchase order, which enables U.S. embassies to use PSI for training services. In 2008 and 2009, PSI was the vendor for instructional services to the U.S. Embassy in Panama.⁸

Miami Boston Group

The Miami Boston Group is a consortium comprised of multilingual and multicultural police and justice professionals from the United States and Latin America. It provides consulting services, including police training, to foreign governments. The Miami Boston Group is led by two senior partners, one of whom is Mr. Gonzalez. The other is Donald Gosselin, who is a sergeant with the Boston, Massachusetts police department, where he is assigned to the police academy. Sgt. Gosselin's previous experience included serving as an advisor to the Panamanian National Police (PNP) when he was affiliated with the U.S. Embassy in Panama. (See descriptive materials obtained from the Miami Boston Group's website, attached as Exhibit 1.)

RELEVANT GOVERNING AND ADMINISTRATIVE AUTHORITIES

Engaging in Outside Employment by County Employees

Section 2-11 of the Miami-Dade County Code governs the conduct of County full-time employees wishing to engage in outside employment activities. According to Section 2-11(a), outside employment is generally prohibited for full-time employees:

No full-time County employee shall accept outside employment, either incidental, occasional, or otherwise, where County time, equipment or material is to be used or where such employment or any part thereof is to be performed on County time.

Sections 2-11(b) and 2-11(c), however, permit County employees to accept incidental or occasional outside employment so long as such employment is not contrary, detrimental, or adverse to the interest of the County or any of its departments, and the

⁸ The 2007 vendor was Triumph Technologies. That entity is no longer in business, and the OIG investigation has been unable to obtain its billing records.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

County employee first obtains the approval to engage in the outside employment activity by his department head.

Section 2-11 is expounded upon by Administrative Order (A.O.) 7-1, *Outside Employment and Gratuities*, which states in part:

Under no circumstances shall a County employee accept outside employment or render other than official services to a private interest where County time, equipment or material is to be used, or where a real or apparent conflict of interest with one's official or public duties is possible.

The County has a standard *Request for Outside Employment* form, as promulgated by the COE. (See COE description of outside employment procedures, and sample required forms, attached as Exhibit 2) The MDPD also has its own form that is similar in nature to the COE form, but which adds the proviso that "the work will not exceed 20 hours per payroll week," thereby providing notice of the policy established in Chapter 16 of the MDPD *Departmental Manual*.⁹ Both forms require an identification of each proposed employer, the location and responsibilities of the outside employment, and a proposed work schedule, including an estimate of total hours to be worked each week.

If written approval for the outside employment is granted, the employee may then engage in the outside employment. However, all such approvals must be renewed on an annual basis. If the Departmental Director denies the request, the employee cannot engage in outside employment. All written approvals shall be maintained in the County's centralized personnel files as well as within the department's personnel files.

Filing of an Annual Outside Employment Statement

County employees engaging in outside employment must also file an *Outside Employment Statement* form with the County Elections Department by July 1st of each year, in accordance with Section 2-11.1(k)(2) of the Miami-Dade County Code. The annual statement requires the employee to disclose the source of the outside employment, the nature of the work being performed, and the amount of money or compensation received by the employee.

⁹ See *MDPD Departmental Manual*, Chapter 16, "Additional Employment," Section V(C)(4), which limits outside employment "to a maximum of 20-hours per payroll week."

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Miami-Dade County Financial Disclosure Requirements

Separate and distinct from the *Outside Employment Statements* discussed above, County Code Section 2-11.1(i) requires that certain classes of County employees make annual financial disclosures that require the identification of sources of outside income, but not the amount. These financial disclosures, which are also filed with the County's Elections Department, can be made on a *Statement of Financial Interests* form, a *Financial Statement* form, or a *Source of Income Statement*. (Samples are attached as Exhibits 3A-C.) In lieu of filing these forms, the disclosure requirement may be satisfied by providing a copy of a current federal income tax return.¹⁰

The classes of employees required to file this disclosure include department directors, deputy directors, assistant directors, and their equivalents, and MDPD personnel with the rank of captain, major, and chief.

Prohibition on the Solicitation of Gifts

Section 2-11.1(e)(3) prohibits County employees from soliciting gifts. Section 2-11.1(e)(1) defines a "gift" as:

. . . the transfer of anything of economic value ... [including] travel ...
without adequate and lawful consideration.

Miami-Dade County Gift Disclosure Requirements

When a County employee receives a gift, or a series of gifts, from an individual or entity in excess of \$100 in value, Section 2-11.1(e)(4) requires that the County employee report the gift(s) in a quarterly gift disclosure. The *Quarterly Gift Disclosure* form (a sample of which is attached as Exhibit 4) requires the disclosure of any gift, or series of gifts, accepted by an employee from one person or entity in excess of \$100 in value.

INVESTIGATION

Investigation Overview

This investigation was conducted in accordance with the *Principles and Standards for Offices of Inspector General, Quality Standards for Investigations*, as promulgated by the Association of Inspectors General.

¹⁰ Based on their rank during the relevant time period, Major (then Lieutenant) Arttime, Sgt. Valdes, and Sgt. Perez were not required to make these disclosures.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

This investigation was initially predicated on publicly reported information alleging that the Mayor's former Chief of Staff received paid administrative leave time while he was working a second job, as a police trainer, in Panama. Reports also questioned the outside employment activities of three other high-ranking MDPD officials as police trainers in Panama.

During the course of the investigation, the OIG developed specific allegations that Mr. Morales and one or more of the officials (1) violated County restrictions on outside employment, including failing to comply with established procedures for requesting and reporting outside employment; (2) engaged in questionable leave usage; and (3) improperly obtained first-class ticket upgrades for air travel to Panama and elsewhere, and, thereafter, failed to disclose, with one exception, the financial benefits received as gifts. Our investigation substantiated these allegations.

The investigation involved the review of substantial documentation by OIG Special Agents including, but not limited to, County and MDPD personnel records; requests for outside employment; outside employment statements; annual financial disclosure forms; time and attendance records, including leave slips; and MDPD regulations and directives, including those regarding the solicitation of first-class upgrades. OIG Special Agents also obtained and reviewed American Airlines materials including flight manifests, records of first-class upgrades, and other travel-related information. In addition, OIG Special Agents reviewed records from PSI and U.S. Immigration and Customs Enforcement (ICE). Finally, OIG Special Agents obtained and reviewed a terminal and gate surveillance video recorded at Miami-Dade International Airport (MIA).

OIG Special Agents also conducted interviews of witnesses including employees of the State Department and American Airlines, and obtained a sworn affidavit from American Airlines officials regarding County and MDPD employees who received first-class upgrades. Mr. Gosselin, who is the partner of Mr. Gonzalez in the Miami Boston Group, declined to be interviewed.¹¹

Training Services Provided to the Panamanian National Police

In 2008 and 2009, PSI was the vendor for instructional services to the U.S. Embassy in Panama, which arranged for consultants hired by PSI—including Mr. Morales and the MDPD officials—to provide training services for the Panamanian National Police (PNP). Triumph Technologies played the same role as PSI in 2007. Mr. Morales and the MDPD

¹¹ Because of the ongoing COE and MDPD investigations, the OIG declined to interview any current and former MDPD personnel.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

officials invoiced PSI and Triumph directly, and were paid by them in the form of checks drafted from PSI and Triumph bank accounts.

The OIG investigation was unable to discover any direct contractual relationship between the Miami Boston Group and either PSI, Triumph Technologies, or the State Department. We did determine that Mr. Gonzalez, a senior partner of the Miami Boston Group, was responsible for selecting those members of MDPD who traveled to Panama to train the PNP. Significantly, Major Alvarez, Major Artime, Sgt. Valdes, and Mr. Gonzalez had overlapping periods of duty assignments at the Police Institute lasting from between fifteen months to twelve years. In addition, Mr. Gonzalez' partner in the Miami Boston Group, Mr. Gosselin, previously served as an advisor to the PNP.

The courses of instruction provided to the PNP consisted of community policing, media relations, negotiator training, SWAT, mobile field force and crowd control, internal affairs investigation, anticorruption investigation, and "train the trainer." In addition, Mr. Gonzalez periodically billed PSI for "Assessment of the PNP."

1. *Use of MDPD Materials and Reputation*

As described above, there was a significant overlap, if not downright duplication, between the training afforded PNP personnel in Panama, and the training afforded MDPD recruits and service personnel at the Police Institute. Because the MDPD Professional Compliance Bureau is investigating the possible misuse of MDPD resources in connection with the outside employment, the OIG has not expanded the scope of its investigation to include this topic. However, we note that the PNP, the U.S. Embassy in Panama, and the Miami Boston Group have all highlighted the participation of MDPD officials as a part of training efforts in Panama, without explaining that the officials were not, in fact, appearing or acting in their official capacities. (See examples of press coverage attached as Exhibit 5.)

2. *Interview of the State Department Employee*

OIG Special Agents interviewed a State Department employee who is assigned to the International Narcotics and Law Enforcement Section (INL) of the U.S. Embassy in Panama as the coordinator of law enforcement training for the PNP. The State Department employee stated that he was originally assigned to the embassy in Panama in 2004 as a narcotics training officer. At that time, Mr. Gosselin was the law enforcement development advisor for the (INL) program. The State Department employee stated that he learned that Mr. Gosselin had established contacts with Mr. Gonzalez, and that there was a "concerted effort" by Mr. Gosselin to use MDPD to meet the training needs of the INL program

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

and the PNP. The State Department employee explained that he became the INL program coordinator after Mr. Gosselin's position was eliminated due to budget constraints.

The State Department employee stated that Mr. Gosselin and Mr. Gonzalez continue their participation in the training program. They are the instructors who come to Panama the most often and participate in coordinating the program. He also stated that he knew that Mr. Gosselin and Mr. Gonzalez were partners in the Miami Boston Group, but did not perceive a conflict because the U.S. Embassy did not have a contract with the Miami Boston Group.

The State Department employee stated that the embassy uses MDPD personnel, as well as law enforcement personnel from other jurisdictions, to fulfill the training needs (both long-range and specific) as identified by the INL program for the PNP. He stated that the instructors are selected with input provided by Mr. Gonzalez, and are thereafter contracted through PSI. The State Department employee stated that prior to the involvement by PSI, instructors were paid through Triumph Technologies. However, he explained, Triumph Technologies did not have the expertise or funding to properly meet their program needs, so PSI was selected to carry out the contracting function.

The State Department employee stated that he never witnessed any training material such as binders, pens, paper, and notebooks bearing MDPD logos being distributed to PNP students. He stated that to his knowledge, the U.S. Embassy does not have copies of lesson plans, syllabi, or other course material used by the MDPD instructors. He was unable to provide the OIG copies of contracts, invoices, professional service agreements, or purchase orders between the State Department and PSI or Triumph Technologies.

The State Department employee was not aware of any formal visits coordinated between MDPD and the PNP. He was unable to provide the names of all MDPD personnel who were involved in the instruction of the PNP during 2007, 2008 or 2009, but recalled that Mr. Gonzalez, Major Artime, AD Vigoa, and Mr. Morales participated the most often. Furthermore, he could not provide specific dates of engagement and courses of instruction but stated that in 2008 and 2009 the courses were primarily related to community policing, while in 2007 they were a mixture of different police subjects.

The Trips to Panama

From 2007 through 2009, Mr. Morales and the MDPD officials took at least 40 trips to Panama in connection with their outside employment as paid consultants. The trips averaged six days in duration, with some travel lasting up to two weeks. The 2008-

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

2009 trips were coordinated by PSI, and the 2007 trips were coordinated by Triumph Technologies, through their respective contractual relationships with the State Department.

OIG Review of Requests, Travel, and Disclosures by County Personnel

Set forth below are descriptions of the outside consulting work done by Mr. Morales and the MDPD officials. Each description includes an analysis of invoices¹², payments, requests for outside employment, requests for leave, and financial disclosures, including the annual compensation reported, for the period from 2007 through 2009.

1. Former Chief of Staff Morales

Mr. Morales traveled to Panama twice in 2008, and four times in 2009, for his consulting work with PSI. Mr. Morales was paid a total of approximately \$32,087 by PSI for compensation and expense reimbursement. He received three first-class upgrades from Miami to Panama City, Panama.

a. Summary of Work, Travel, Invoices, and Payments

Mr. Morales performed the following consulting work for PSI, including taking six trips to Panama, all of which originated from MIA:

- September 1-5, 2008, to Panama City. Mr. Morales billed PSI for 40 @ \$125 (Exhibit Morales 1), and was issued PSI check #9178 for \$5,457.50 (Exhibit Morales 2) and check #9070 for \$1,046 (Exhibit Morales 3) for compensation and expenses.
- November 17-21, 2008, to Panama City. Mr. Morales billed PSI for 40 hours @ \$150 per hour (Exhibit Morales 4), and was issued PSI check #9345 for \$6,000.00 (Exhibit Morales 5) for compensation, check #9320 (Exhibit Morales 6) for \$1,584 for expenses, and check #9292 for an advance of \$1,084 (Exhibit Morales 7).
- March 2-6, 2009, to Panama City. Mr. Morales billed PSI for 40 hours @ \$150 (Exhibit Morales 8), and was issued PSI check #9652 for \$6,000 (Exhibit Morales 9) for compensation. Mr. Morales

¹² Most of the invoices submitted by both Mr. Morales and the MDPD officials contain some sort of reference to hours or days billed, and rates of pay, but they do not always clearly delineate such segments or rates. Also, on a number of occasions, billing or payment records were not available and, in those situations, the OIG could not calculate amounts of compensation.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

submitted a Request For Leave (RFL) slip for 40 hours of administrative leave as "Hurricane A.D. Days," with the stated reason as "Teaching a course in Panama."

- May 25-29, 2009, to Panama City (upgraded to first-class). Mr. Morales billed PSI for 40 hours @ \$150 (Exhibit Morales 10), and was issued PSI check #9913 for \$6,000 (Exhibit Morales 11) for compensation.
- July 13-17, 2009, to Panama City (upgraded to first-class). Mr. Morales billed PSI for 40 hours @ \$200 (Exhibit Morales 12), and was issued PSI check #10059 for \$8,000 (Exhibit Morales 13) for compensation.
- October 19-23, 2009, to Panama City (upgraded to first-class). Mr. Morales billed PSI for 40 hours @ \$200 (Exhibit Morales 14), and was issued PSI check #10289 for \$8,000 (Exhibit Morales 15) for compensation.

b. Summary of Requests and Disclosures

Mr. Morales submitted an Outside Employment Request form for 2007, 2008 and 2009.¹³ (Exhibits Morales 16-18) All of the forms were approved by Mayor Alvarez. The information on all three forms is generally the same. Rather than listing the specific employer in the Employer Name section, "various public and private universities, schools, and organizations" is listed.

Mr. Morales filed Outside Employment Statements for 2007 and 2008. (Exhibits Morales 19-20) On his 2007 form, he declared \$2,500 in outside income from the University of Louisville (UL). On his 2008 form, he declared \$11,000 in outside income from PSI. Based on the OIG review of supporting financial documents, estimated outside income from PSI for Mr. Morales' 2009 form—due to be filed no later than July 1, 2010—is at least \$28,000.

¹³ The forms filed by Mr. Morales were titled "Office of the Mayor Outside Employment Request," but the verbiage describing the outside employment is practically verbatim to those submitted by the MDPD officials.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Mr. Morales filed Statements of Financial Interest for 2007 and 2008. (Exhibits Morales 21-22) Mr. Morales failed to identify the source of any outside income on either form.

c. Summary of Leave Usage

OIG Special Agents were provided by the Office of the Mayor with two RFL slips filed by Mr. Morales. (Exhibits Morales 23-24) The first, covering the period from June 7, 2008 to June 11, 2008, for 40 hours, charges the absence to annual leave. "Teaching a course in Panama" is handwritten in the Reason section. The OIG investigation has found no record of Mr. Morales having actually traveled to Panama on those dates and, in fact, determined that he was never charged the use of leave for that time period.

The second RFL slip was for the period of March 2, 2009 to March 6, 2009. The OIG investigation determined that Mr. Morales was originally charged with 40 hours of administrative leave, but that on November 29, 2009, he was charged with 40 hours of annual leave for the same time period. With the exception of March 2-6, 2009, Mr. Morales appears to have been charged annual leave for all other outside employment trips to Panama.

2. Former Police Institute Director Gonzalez

Mr. Gonzalez traveled to Panama at least twice in 2007, three times in 2008, and eight times in 2009, for his consulting work with PSI and its precursor, Triumph Technologies. Mr. Gonzalez was paid a total of approximately \$252,878 by PSI—including \$195,364 in 2009 alone—for compensation, expense reimbursement, and non-travel related class preparation, consultation, and administration. Mr. Gonzalez listed his MDPD-issued cellular telephone number as his contact number on all the invoices he submitted to PSI. He received five first-class upgrades from Miami to Panama City, Panama.

a. Summary of Work, Travel, Invoices, and Payments

Mr. Gonzalez performed the following consulting work for PSI and Triumph Technologies, including taking thirteen trips to Panama, all of which originated from MIA:

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

- March 21-23, 2007, to Panama City (no billing or payment records available).
- July 9-13, 2007, to Panama City (no billing or payment records available).
- August 18-22, 2008, to Panama City. Mr. Gonzalez billed PSI for 12 @ \$500 and 40 @ \$100 (Exhibit Gonzalez 1), and was issued PSI check #9160 for \$10,514 (Exhibit Gonzalez 2) for compensation and expenses. Mr. Gonzalez used 12 hours of administrative leave for August 18-19.
- October 9-11, 2008, to Panama City (upgraded to first-class) (no billing or payment records available).
- December 14-18, 2008, to Panama City. Mr. Gonzalez billed PSI for 321 hours @ \$46.67 (although travel records indicate that Mr. Gonzalez was only present in Panama between 12/14-12/18, the invoice he submitted covered the period from 12/1-12/31) (Exhibit Gonzalez 3), and was issued PSI check #9378 for \$15,000 (Exhibit Gonzalez 4) for compensation.
- January 19-23, 2009, to Panama City. Mr. Gonzalez billed PSI for 450 hours @ \$49 (Exhibit Gonzalez 5), and was issued PSI check #9490 for \$22,000 (Exhibit Gonzalez 6) for compensation. Mr. Gonzalez used 8 hours of administrative leave for January 20.
- March 2-6, 2009, to Panama City. Mr. Gonzalez billed PSI for 22 days @ \$1,000 (Exhibit Gonzalez 7), and was issued PSI check #9650 for \$22,000 (Exhibit Gonzalez 8) for compensation. Mr. Gonzalez used 8 hours of administrative leave for March 2.
- April 13-24, 2009, to Panama City (upgraded to first-class). Mr. Gonzalez billed PSI for 20 days @ \$1,000 (Exhibit Gonzalez 9), and 321 hours @ \$46.67 (although travel records indicate that Mr. Gonzalez was only present in Panama between 4/12-4/17, the invoice he submitted covered the period from 1/09-3/09) (Exhibit Gonzalez 10), and was issued PSI check #9797 for \$20,000 (Exhibit Gonzalez 11) and check #9773 for \$15,000 (Exhibit Gonzalez 12) for compensation.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

- May 25-June 5, 2009, to Panama City (upgraded to first-class). Mr. Gonzalez billed PSI for 21 days @ \$1,000 (Exhibit Gonzalez 13), and 321 hours @ \$46.67 (although travel records indicate that Mr. Gonzalez was only present in Panama between 5/25-6/5, the invoice he submitted covered the period from 4/09-6/09) (Exhibit Gonzalez 14), and was issued PSI check #9904 for \$36,000 (Exhibit Gonzalez 15) for compensation.
- June 9-12, 2009, to Panama City (no billing or payment records available).
- July 12-24, 2009, to Panama City (upgraded to first-class). Mr. Gonzalez billed PSI for 18 days @ \$1,000 (Exhibit Gonzalez 16), and was issued PSI check #10049 for \$18,000 (Exhibit Gonzalez 17) for compensation.
- October 19-30, 2009, to Panama City (upgraded to first-class). Mr. Gonzalez billed PSI for 10 days @ \$1,076.24 (Exhibit Gonzalez 18), and was issued PSI check #10285 for \$10,762 (Exhibit Gonzalez 19) for compensation. Mr. Gonzalez used 8 hours of administrative leave for October 19.
- November 30-December 4, 2009, to Panama City. Mr. Gonzalez billed PSI for 10 days @ \$2,100 (Exhibit Gonzalez 20), and was issued PSI check #10319 for \$21,000 (Exhibit Gonzalez 21) for compensation.

b. *Summary of Other Work, Invoices, and Payments*

Mr. Gonzalez performed the following additional consulting work for PSI, for which he did not travel to Panama:

- February 25-29, 2008. Mr. Gonzalez billed PSI for 10 @ \$500 (Exhibit Gonzalez 22), and was issued PSI check #8608 for \$5,000 (Exhibit Gonzalez 23) for compensation.
- March 2008. Mr. Gonzalez billed PSI for 16 @ \$500 (Exhibit Gonzalez 24), and was issued PSI check #8650 for \$8,000 (Exhibit Gonzalez 25) for compensation.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

- June 23-27, 2008. Mr. Gonzalez billed PSI for 12 @ \$500 (Exhibit Gonzalez 26), and was issued PSI check #8879 for \$4,000 (Exhibit Gonzalez 27) and check #8942 for \$2,000 (Exhibit Gonzalez 28) for compensation.
- September 1-5, 2008. Mr. Gonzalez billed PSI for 12 @ \$500 (Exhibit Gonzalez 29), and was issued PSI check #9123 for \$6,000 (Exhibit Gonzalez 30) for compensation.
- November 17-21, 2008. Mr. Gonzalez billed PSI for 150 hours @ \$46.67 (Exhibit Gonzalez 31), and was issued PSI check #9313 for \$7,000 (Exhibit Gonzalez 32) for compensation.
- September 7-18, 2009. Mr. Gonzalez billed PSI for 15.62 days @ \$1,000 (Exhibit Gonzalez 33), and 321 hours @ \$46.67 (the invoice he submitted covered the period from 7/09-9/30/09) (Exhibit Gonzalez 34), and was issued PSI check #10166 for \$30,602 (Exhibit Gonzalez 35) for compensation.

c. Summary of Requests and Disclosures

Mr. Gonzalez only submitted an MDPD Outside Employment Request form for 2003 and 2006. (Exhibits Gonzalez 36-37) The 2003 form was approved by Mayor Alvarez, in his former capacity as MDPD Director. The 2006 form was approved by former MDPD Director Robert Parker.¹⁴ On the 2003 form, Mr. Gonzalez listed his outside employer as Lynn University. His 2006 form describes his employer(s) as "various public and private universities, schools, and organizations." Mr. Gonzalez failed to obtain outside employment authorization for 2007, 2008, and 2009.

Not only did Mr. Gonzalez fail to even request outside employment authorization in 2007-2009, the forms that he did file, in 2003 and 2006, contained notice of MDPD's prohibition of more than 20 hours of outside employment per payroll week. Mr. Gonzalez repeatedly chose to ignore that policy. The most egregious example occurred in the summer of 2009 when, as detailed above, Mr. Gonzalez submitted three invoices to PSI for the period between July and September. Two of the PSI invoices were each for a two-week period, reflecting approximately

¹⁴ Director Parker approved all of the other request forms submitted by the MDPD officials.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

a month Mr. Gonzalez spent *in* Panama. The third invoice billed PSI for an *additional 321 hours*, for the period between July 1 through September 30. After subtracting the time he spent in Panama, Mr. Gonzalez would have had to have worked an average of over 32 hours a week during that period to fulfill his obligation to PSI. At that time, Mr. Gonzalez was also employed by Nova Southeastern University (NOVA), and teaching a course for Florida International University (FIU). (See NOVA payment form, attached as Exhibit Gonzalez 38, and FIU records, attached as Exhibit Gonzalez 39). Of course, Mr. Gonzalez was also expected to attend to his full-time MDPD duties during this time period.

Mr. Gonzalez filed an Outside Employment Statement for 2006 and 2007. (Exhibits Gonzalez 40-41) On his 2006 form, he declared \$3,923.09 in outside income from NOVA, and \$42,021 from FIU. On his 2007 form, he declared \$23,492.35 in outside income from NOVA, \$30,654.96 from FIU, \$12,000 from UL, and \$12,000 from Triumph Technologies. Mr. Gonzalez did not file the required Outside Employment Statement for 2008, even though he received \$57,414 in outside income from PSI alone. Based on the OIG review of supporting financial documents, estimated outside income from PSI for Mr. Gonzalez in 2009 is at least \$195,364, as well as whatever he was paid by NOVA and FIU.

Mr. Gonzalez filed Source of Income Statements for 2007 and 2008. (Exhibits Gonzalez 42-43) Mr. Gonzalez identified Triumph Technologies and PSI as sources of outside income on the forms.

d. Summary of Leave Usage

Mr. Gonzalez used a total of 12 hours of administrative leave for trips to Panama in 2008, and 24 hours of administrative leave for 2009. He appears to have been charged annual leave for all other travel-related outside employment with PSI.

3. Assistant Director Vigoa

AD Vigoa traveled to Panama twice in 2007, and three times in 2009, for his consulting work with PSI and Triumph Technologies. AD Vigoa was paid a total of approximately \$30,000 for compensation by PSI, including \$12,000 for "consultation/course preparation" in 2008, although he never went to Panama

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

that year. He did not receive any first-class upgrades from Miami to Panama City, Panama.

a. Summary of Work, Travel, Invoices, and Payments

AD Vigoa performed the following consulting work for PSI and Triumph Technologies, including taking five trips to Panama, all of which originated from MIA:

- May 20-25, 2007, to Panama City (no billing or payment records available). AD Vigoa used 8 hours of administrative leave for May 21. He was not charged any leave for May 25, the day he returned in the afternoon from Panama.
- July 8-14, 2007, to Panama City (no billing or payment records available).
- January 19-23, 2009, to Panama City. AD Vigoa billed PSI for 40 hours @ \$150, (Exhibit Vigoa 1) and was issued PSI check #9491 for \$6,000 (Exhibit Vigoa 2) for compensation.
- April 13-17, 2009, to Panama City. AD Vigoa billed PSI for 6 @ \$1,000 (Exhibit Vigoa 3), and was issued PSI check #9799 for \$6,000 (Exhibit Vigoa 4) for compensation.
- July 20-24, 2009, to Panama City. AD Vigoa billed PSI for 40 hours @ \$150 (Exhibit Vigoa 5), and was issued PSI check #10086 for \$6,000 (Exhibit Vigoa 6) for compensation.

b. Summary of Other Work, Invoices, and Payments

AD Vigoa performed the following additional consulting work for PSI, for which he did not travel to Panama:

- February 25-29, 2008. AD Vigoa billed PSI for 4 @ \$500 (Exhibit Vigoa 7), and was issued PSI check #8609 for \$2,000 (Exhibit Vigoa 8) for compensation.
- March 31, 2008. AD Vigoa billed PSI for 4 @ \$500 (Exhibit Vigoa 9), and was issued PSI check #8652 for \$2,000 (Exhibit Vigoa 10) for compensation.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

- June 23-27, 2008. AD Vigoa billed PSI for 4 @ \$500 (Exhibit Vigoa 11), and was issued PSI check #8881 for \$4,000 (Exhibit Vigoa 12) for compensation. AD Vigoa used 4 hours of administrative leave for June 27.
- August 18-22, 2008. AD Vigoa billed PSI for 4 @ \$500 (Exhibit Vigoa 13), and was issued PSI check #9162 for \$2,000 (Exhibit Vigoa 14) for compensation.
- September 1-5, 2008. AD Vigoa billed PSI for 4 @ \$500 (Exhibit Vigoa 15), and was issued PSI check #9125 for \$2,000 (Exhibit Vigoa 16) for compensation.

c. Summary of Requests and Disclosures

AD Vigoa only submitted an MDPD Outside Employment Request form for 2006 and 2008. (Exhibits Vigoa 17-18) Both forms describe his employer(s) as "various public and private universities, schools, and organizations."

AD Vigoa filed an Outside Employment Statement for 2007 and 2008. (Exhibits Vigoa 19-20) On his 2007 form, he declared \$7,336.24 in outside income from FIU, and \$4,663.66 for "Consulting," although the source of the income is not identified. On his 2008 form, he declared \$9,000 from FIU, and \$1,912 from Miami-Dade College (MDC), as well as \$12,000 for "consulting," although the source of that income is again not identified. Based on the OIG review of supporting financial documents, estimated outside income from PSI for AD Vigoa in 2009 is at least \$18,000.

AD Vigoa filed Source of Income Statements for 2007 and 2008. (Exhibits Vigoa 21-22). AD Vigoa failed to identify any outside income on either form.

d. Summary of Leave Usage

AD Vigoa used a total of eight hours of administrative leave for trips to Panama in 2007, and appears not to have been charged any leave for one day (May 25, 2007) that he was present in Panama, although our review of records found no evidence suggesting that AD Vigoa was responsible for that failure. He used a total of 4 hours of administrative leave in

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

2008. He appears to have been charged annual leave, holiday leave, and the use of a floating holiday for all other outside employment with PSI.

4. Major Alvarez

Major Alvarez traveled to Panama three times in 2007, and twice in 2009, for his consulting work with PSI and Triumph Technologies. Major Alvarez was paid a total of approximately \$20,000 for compensation by PSI, including \$12,000 for "consultation/course preparation" in 2008, although he never went to Panama that year. In addition, Major Alvarez' name appears on the signature line of all of the invoices submitted to PSI by Mr. Morales and the other MDPD officials through October 2008. Major Alvarez did not receive any first-class upgrades from Miami to Panama City, Panama.

a. Summary of Work, Travel, Invoices, and Payments

Major Alvarez performed the following consulting work for PSI and Triumph Technologies, including taking five trips to Panama, all of which originated from MIA:

- January 11-14, 2007, to Panama City (no billing or payment records available).
- March 21-25, 2007, to Panama City (no billing or payment records available).
- June 17-23, 2007 to Panama City (no billing or payment records available).
- April 20-24, 2009, to Panama City. Major Alvarez billed PSI for 40 hours @ \$150 (Exhibit Alvarez 1), and was issued PSI check #9798 for \$6,000 (Exhibit Alvarez 2) for compensation.
- June 28-July 11, 2009, to Panama City (no billing or payment records available). Major Alvarez used 16 hours of administrative leave for June 29 and July 6.

b. Summary of Other Work, Invoices, and Payments

Major Alvarez performed the following additional consulting work for PSI, for which he did not travel to Panama:

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

- February 25-29, 2008. Major Alvarez billed PSI for 4 @ \$500 (Exhibit Alvarez 3), and was issued PSI check #8617 for \$2,000 (Exhibit Alvarez 4) for compensation.
- March 31, 2008. Major Alvarez billed PSI for 8 @ \$500 (Exhibit Alvarez 5), and was issued PSI check #8651 for \$4,000 (Exhibit Alvarez 6) for compensation.
- June 23-27, 2008. Major Alvarez billed PSI for 8 @ \$500 (Exhibit Alvarez 7), and was issued PSI check #8880 for \$4,000 (Exhibit Alvarez 8) for compensation.
- August 18-22, 2008. Major Alvarez billed PSI for 8 @ \$500 (Exhibit Alvarez 9), and was issued PSI check #9161 for \$4,000 (Exhibit Alvarez 10) for compensation.
- September 1-5, 2008. Major Alvarez billed PSI for 4 @ \$500 (Exhibit Alvarez 11), and was issued PSI check #9124 for \$2,000 (Exhibit Alvarez 12) for compensation.

c. Summary of Requests and Disclosures

Major Alvarez only submitted an MDPD Outside Employment Request form for 2002. (Exhibit Alvarez 13) The form identifies his outside employer as the University of Miami.

Major Alvarez filed an Outside Employment Statement for 2007. (Exhibit Alvarez 14) On his 2007 form, he declared outside income from Miami-Dade College, Triumph Technologies, UL, and Barbri Bar review. Major Alvarez filed a Statement of Financial Interests form for 2008, on which he listed Miami-Dade College, PSI, and "Ignacio M. Alvarez, attorney at Law" as primary sources of income. (Exhibit Alvarez 15) Based on the OIG review of supporting financial documents, estimated outside income from PSI for Major Alvarez in 2009 is at least \$6,000.

d. Summary of Leave Usage

Major Alvarez used a total of 16 hours of administrative leave for trips to Panama in 2009. He appears to have been charged annual leave,

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

holiday leave, and the use of a floating holiday for all other outside employment with PSI.

5. *Major Arttime*

Major Arttime traveled to Panama once in 2007, twice in 2008, and four times in 2009, for his consulting work with PSI and Triumph Technologies. Major Arttime was paid a total of approximately \$57,628.54 by PSI for compensation and expense reimbursement. He received two first-class upgrades from Miami to Panama City, Panama.

a. *Summary of Work, Travel, Invoices, and Payments*

Major Arttime performed the following consulting work for PSI and Triumph Technologies, including taking seven trips to Panama, all of which originated from MIA:

- June 10-23, 2007, to Panama City (no billing or payment records available). Although Major Arttime submitted an RFL slip for 80 hours of annual leave, he was only charged 40 hours and was not charged with any leave usage for the week of June 18-22.
- September 1-5, 2008, to Panama City. Major Arttime billed PSI for 40 @ \$125 (Exhibit Arttime 1), and was issued PSI check #9179 for \$5,677 (Exhibit Arttime 2) and check #9071 for \$1,046 (Exhibit Arttime 3) for compensation and expenses.
- November 17-21, 2008, to Panama City. Major Arttime billed PSI for \$7,000 (Exhibit Arttime 4), and was issued PSI check #9293 for \$1,084 (Exhibit Arttime 5) and check #9321 for \$8,584 (Exhibit Arttime 6) for compensation and expenses. Major Arttime used 8 hours of administrative leave for November 21.
- March 2-6, 2009, to Panama City. Major Arttime billed PSI for 40 hours @ \$150 (Exhibit Arttime 7), and was issued PSI check #9653 for \$6,000 (Exhibit Arttime 8) for compensation. Major Arttime was not charged with any leave for this period. However, there exists an RFL slip for the above dates for 40 hours, including 8 hours of administrative leave.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

- May 25-June 5, 2009, to Panama City (upgraded to first-class). Major Arttime billed PSI for 40 hours @ \$150 and other fees for 5/25-29, and \$2,000 for 6/1-5 (Exhibit Arttime 9) and was issued PSI check #9914 for \$9,000 (Exhibit Arttime 10) for compensation. Major Arttime used 8 hours of administrative leave for May 27.
- July 13-17, 2009, to Panama City. Major Arttime billed PSI for 40 hours @ \$150 plus additional fees of \$2,000 (Exhibit Arttime 11), and was issued PSI check #10060 for \$8,000 (Exhibit Arttime 12) for compensation. Major Arttime used 8 hours of administrative leave for July 13.
- October 19-23, 2009, to Panama City (upgraded to first-class). Major Arttime billed PSI for 40 hours @ \$150 and other fees, and also billed \$1,000 for 10/26-10/30, (Exhibit Arttime 13) and was issued PSI check #10290 for \$8,237.54 (Exhibit Arttime 14) for compensation.

b. Summary of Other Work, Invoices, and Payments

Major Arttime performed the following additional consulting work for PSI for which he did not travel to Panama:

- April 13-24, 2009. Major Arttime billed PSI for 80 hours @ \$25, (Exhibit Arttime 15) and was issued PSI check #9809 for \$2,000 (Exhibit Arttime 16) for compensation.
- September 7-18, 2009. Major Arttime billed PSI for 9/7/09-9/11/09 and 9/14/09-9/18/09 at a cost of \$1,000 each (Exhibit Arttime 17), and was issued PSI check #10173 for \$2,000 (Exhibit Arttime 18) for compensation.
- November 30-December 4, 2009. Major Arttime billed PSI for 11/30/09 to 12/04/09 and other fees for \$4,000 (Exhibit Arttime 19), and was issued PSI check #10331 for \$4,000 (Exhibit Arttime 20) for compensation.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

c. Summary of Requests and Disclosures

Major Artime submitted an MDPD Outside Employment Request form for 2007, 2008, and 2009. (Exhibits Artime 21-23) All three forms describe his employer(s) as "various public and private universities, schools, and organizations."

Major Artime filed an Outside Employment Statement for 2007 and 2008. (Exhibits Artime 24-25) On his 2007 form, he declared \$5,000 in outside income from the Southern Police Institute. On his 2008 form, he declared \$12,000 from PSI. Based on the OIG review of supporting financial documents, estimated outside income from PSI for Major Artime in 2009 is at least \$39,237.54.

d. Summary of Leave Usage

Major Artime submitted an RFL slip requesting 80 hours of annual leave from June 11, 2007 to June 22, 2007. He was not charged any leave for the week of June 18-22, 2007. He was also not charged any leave for March 2-6, 2009. Major Artime used a total of 24 hours of administrative leave for trips to Panama in 2008 and 2009. In addition, after filing RFL slips for May 27, 2009 and July 13, 2009, to be charged as administrative leave, Major Artime subsequently filed sequentially numbered RFL slips wherein he requested that the leave now be deducted as annual leave. That time has not yet been converted to annual leave, and the investigation was unable to ascertain on what date the later RFL slips were submitted.

6. Sgt. Valdes

Sgt. Valdes traveled to Panama twice in 2008 for his consulting work with PSI. Sgt. Valdes was paid a total of approximately \$15,770 by PSI for compensation and expense reimbursement. Sgt. Valdes did not receive any first-class upgrades from Miami to Panama City, Panama.

a. Summary of Work, Travel, Invoices, and Payments

Sgt. Valdes performed the following consulting work for PSI, including taking two trips to Panama, both of which originated from MIA:

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

- March 16-29, 2008, to Panama City. Sgt Valdes billed PSI for 14 days expenses @ \$254 per day (Exhibit Valdes 1), and 80 @ \$100 (Exhibit Valdes 2), and was issued PSI check #8596 for \$2,489.20 ((70% advance) (Exhibit Valdes 3), PSI check #8723 for \$766.40 (Exhibit Valdes 4), and check #8666 for \$8,000 (Exhibit Valdes 5) for compensation and expenses.

- August 17-23, 2008, to Panama City. Sgt. Valdes billed PSI for 40 @ \$100 (Exhibit Valdes 6), and was issued PSI check #9174 for \$4,464 (Exhibit Valdes 7) for compensation.

b. Summary of Requests and Disclosures

Sgt. Valdes submitted an MDPD Outside Employment Request form for 2008. (Exhibit Valdes 8) The form describes his employer(s) as "various public and private universities, schools, and organizations."

Sgt. Valdes did not file an Outside Employment Statement for 2008.

c. Summary of Leave Usage

Sgt. Valdes appears to have been charged annual leave, and the use of a birthday holiday and floating holiday for all outside employment with PSI.

7. Sgt. Perez

Sgt. Perez traveled to Panama twice in 2008 for his consulting work with PSI. Sgt. Perez was paid a total of approximately \$15,866 by PSI for compensation and expense reimbursement. Sgt. Perez did not receive any first-class upgrades from Miami to Panama City, Panama.

a. Summary of Work, Travel, Invoices, and Payments

Sgt. Perez performed the following consulting work for PSI, including taking two trips to Panama, both of which originated from MIA:

- March 16-29, 2008, to Panama City. Sgt. Perez billed PSI for 14 days expenses @ \$254 per day (Exhibit Perez 1), and 80 @ \$100 (Exhibit Perez 2), and was issued PSI check #8597 for \$2,489.20 ((70% advance) (Exhibit Perez 3), check #8667 for \$8,000 (Exhibit

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Perez 4), and check #8688 for \$861.80 (Exhibit Perez 5) for compensation and expenses.

- June 23-27, 2008, to Panama City. Sgt. Perez billed PSI for 40 @ \$100, (Exhibit Perez 6) and was issued PSI check #8886 for \$4,515 (Exhibit Perez 7) for compensation.

b. Summary of Requests and Disclosures

Sgt. Perez submitted an MDPD Outside Employment Request form for 2008, which appears to have been prepared one year after the outside employment was performed. (Exhibit Perez 8) The form describes his employer(s) as "various public and private universities, schools, and organizations."

Sgt. Perez filed an Outside Employment Statement for 2008. (Exhibit Perez 9) On his 2008 form, he declared \$12,000 in outside income from PSI.

c. Summary of Leave Usage

Sgt. Perez appears to have used 80 hours of compensatory time and 40 hours of holiday leave for all outside employment with PSI.

First-Class Air Travel and MDPD Travel Regulations

As reflected in OIG Table 1,¹⁵ between 2007 and 2009, Mr. Morales, Mr. Gonzalez, and Major Arttime obtained a total of at least 10 first-class ticket upgrades for travel to Panama.

¹⁵ OIG Table 1 is based upon an affidavit obtained from American Airlines, which is attached as Exhibit 6. The affidavit notes that in 2007, Mr. Morales received first-class upgrades for trips to Philadelphia and Las Vegas, neither of which he disclosed as gifts. Those trips were pursuant to County employment, rather than Mr. Morales' outside employment, and are the focus of a separate OIG investigation, IG10-37.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

OIG Table 1 – FIRST-CLASS UPGRADES

Year	Date	Passenger	Departure	Destination
2008	10/09	Gonzalez	Miami	Panama City
2009	4/12	Gonzalez	Miami	Panama City
2009	5/24	Morales	Miami	Panama City
2009	5/24	Arttime	Miami	Panama City
2009	5/31	Gonzalez	Miami	Panama City
2009	7/12	Morales	Miami	Panama City
2009	7/19	Gonzalez	Miami	Panama City
2009	10/18	Morales	Miami	Panama City
2009	10/18	Gonzalez	Miami	Panama City
2009	10/18	Arttime	Miami	Panama City

On one occasion, October 18, 2009, Mr. Morales, Mr. Gonzalez, and Major Arttime were upgraded after MDPD Sgt. Kealoha, while wearing his uniform, solicited the upgrades from an American Airlines gate agent. Special Agents of the OIG obtained video camera footage that clearly shows Sgt. Kealoha escorting Mr. Gonzalez through the concourse security area, and escorting all three passengers down the jet way—ostensibly, all the way to the door of the plane. (See still photos from the video, attached as Exhibit 7.)

1. Interview of the American Airlines Employee

OIG Special Agents interviewed an American Airlines employee who is a passenger service agent at Miami International Airport. The American Airlines employee stated that on or about October 18, 2009, he was the primary service agent assigned to the departure gate of American Airlines flight 2189 from Miami to Panama City, Panama. While at the gate counter, he observed three individuals being escorted by uniformed MDPD officers. He stated that one of the uniformed officers approached the counter and told him that the men were “his bosses” and asked if they could be upgraded to first-class.

The American Airlines employee stated that after determining that first-class seats were available, he upgraded the tickets, gave them back to the officer, and exchanged pleasantries with the men. After the upgrades were made, the officer gave him his business card, which is no longer in his possession, and told him to call him if there was anything he needed. The American Airlines employee stated that this was done after the fact and not in exchange for the upgrades.

He further stated that he believed that all three passengers were police officials, and that he was never told that one of them was the Mayor's Chief of Staff.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Accordingly, he entered the initials "MIL" or "MILT" next to the passengers' names, as he often did when upgrading military personnel.

Regarding upgrades, he advised that American Airlines provides certain guidelines, but the gate agent is afforded plenty of latitude as to who may be upgraded. The American Airlines employee stressed that he is not allowed to accept a gratuity for an upgrade. He stated that he has never been informed by American Airlines, either verbally or in writing, not to upgrade police officers. He recalled that after the terrorist attacks of September 11, 2001, gate agents routinely gave police officers and firefighters first-class upgrades. However, the American Airlines employee also stated that he rarely gets requests for upgrades from police officers and that, other than the incident in question, he could not recall the last time he upgraded a police officer to first-class.

2. *MDPD Prohibition of the Solicitation of First-Class Upgrades*

On September 18, 2009, a month *before* Mr. Morales, Mr. Gonzalez, and Major Artime were upgraded with the assistance of Sgt. Kealoha, the MDPD issued a policy directive that strictly prohibits the solicitation of first-class upgrades under color of official authority. (Exhibit 8) The policy directive states that to avoid the appearance of impropriety, any such requests can only be made "*without lending the color of law to any such transaction.*" (Emphasis added)

3. *Failures to File Quarterly Gift Disclosures*

Mr. Morales submitted a Quarterly Gift Disclosure on October 29, 2009, for the October 18, 2009 first-class upgrade from American Airlines. (Exhibit 9) No other gift disclosure was filed by Mr. Morales, Mr. Gonzalez, or Major Artime.

The *Conflict of Interest and Code of Ethics Ordinance*, at Section 2-11.1(e)(4), requires that all employees disclose gifts valued over \$100. The American Airlines affidavit states that the upgrades were complimentary. The OIG will be forwarding the final version of this report to the COE for its independent determination of the method of valuation for upgrades in connection with the quarterly gift reporting requirement. We note, however, that neither Mr. Morales nor the MDPD officials sought guidance from the COE.¹⁶

¹⁶One of the functions of the COE is to provide advice and guidance on such issues and, in fact, the COE responded in 2008 to at least one inquiry as to the need for reporting first-class upgrades as gifts. (See inquiry and response, attached as Exhibit 10.)

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Failure to Scrutinize Outside Employment by the Mayor's Office and MDPD

The OIG review of the outside employment requests and statements, leave requests, and financial disclosures filed—or not filed, as the case often was—by Mr. Morales and the MDPD officials clearly reveals that they manipulated the County outside employment process to their best advantage. It appears that the scope of their activities in Panama could have been detected by their superiors, and appropriately limited, as a result of routine scrutiny of the information contained on the forms that were filed, as well as by timely inquiry as to why many required forms were not filed at all.

Similarly, the fact that these officials were being extraordinarily well paid to provide training to the PNP, replicating that which most were already duty-bound to provide at the Police Institute, should have raised issues of propriety concerning the duplication of mission, the possible misuse of MDPD resources, and the perception that such efforts were ultimately not in the best interests of the County. The fact that within three years, a small group of County employees made over \$400,000 in outside income, should have raised a bright red flag regarding their activities.

RESPONSES TO THE DRAFT REPORT

This report, as a draft, was provided to Mr. Morales, Mr. Gonzalez, Assistant Director Vigoa, Major Alvarez, Major Artime, Sgt. Valdes, Sgt. Perez, Sgt. Kealoha, Mayor Carlos Alvarez, and Miami-Dade Police Department Director James K. Loftus for their discretionary written responses. The OIG received no responses to the draft version of this report.

CONCLUSIONS & RECOMMENDATIONS

The OIG investigation determined that Mr. Morales and the MDPD officials repeatedly failed to comply with established procedures for obtaining and reporting outside employment. In addition, Mr. Morales, Mr. Gonzalez, and Major Artime may have improperly obtained first-class ticket upgrades for travel to Panama and, with one exception, failed to disclose those financial benefits as gifts.

The Outside Employment Request form makes clear that employees may only accept outside employment if it is not contrary, detrimental, or adverse to the interests of the County. Any such employment is a privilege, not a right. The decision to grant outside employment is grounded in the discretion of the employee's Department Director. As such, it is incumbent upon that individual to ensure that the employment is not—as it was in these instances—detrimental and adverse to the interests of the County and its taxpayers.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
*Final Report Re: Abuse of Miami-Dade County Restrictions on Outside Employment
by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials*

Accordingly, by way of this report, the OIG recommends that:

1. The Mayor's Office and MDPD take immediate steps to improve the process of evaluating requests for outside employment. Those steps should include strict adherence to the requirements that all required forms be fully completed and promptly submitted.
2. All Miami-Dade County Departments should consider requiring the submission of a separate form for each outside employer and/or employment activity.
3. All Miami-Dade County Departmental Directors, and their subordinate managers and supervisors, conduct the due diligence necessary to determine whether requested outside employment is in the best interests of the County.
4. All Miami-Dade County Departments ensure that outside employment is monitored so that leave usage in connection with such employment is properly administered, and that the duration of the employment does not exceed departmental limits.
5. All County employees should be reminded that compliance with the *Conflict of Interest and Code of Ethics Ordinance* is mandatory. Employees should also be reminded that numerous resources, including ethics training programs and materials, departmental ethics officers, and the COE are readily available if the need for information about particular compliance issues, such as valuing and reporting the receipt of first-class airline ticket upgrades, should arise.

In accordance with Section 2-1076(d)(2) of the Code of Miami-Dade County, we request that the Mayor's Office and MDPD provide us with a status report addressing areas of concern relative to the evaluation of requests for outside employment, including the adoption and implementation of the OIG's recommendations. The OIG requests that we receive this report in 60 days, on or before September 7, 2010.

Miami-Dade County

Office of the Inspector General

FINAL REPORT

IG09-96

Appendices – None

No Comments/Responses to the Draft Report

Exhibits

All referenced exhibits are available on-line at

www.miamidadeig.org