

INVESTIGATIVE REPORT

FORMER ADMINISTRATION EXPENDITURE OF TAXPAYERS FUNDS

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City of
North Miami Beach

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INTRODUCTION

Michael A. Pizzi, Jr., PA was hired by the City Commission of North Miami Beach to investigate the activities of the former administration in the alleged misspending of taxpayers' funds. This Report focuses on the expenditure of funds by the City's administration.

EXECUTIVE SUMMARY

An objective analysis of the City's' public records disclose massive misspending of taxpayer funds and improper use of taxpayer funded government resources for personal and political benefit under the prior administration. Even a cursory perusal of City records reveals that this is not a case of isolated errors or an occasional rogue employee or negligent oversight and incompetence. This is a case of intentionally ignoring well-known rules governing expenditure of public funds.

There is also evidence based on staff interview of the misuse of City resources and funding to assist political candidates.

Extensive interviews of veteran and universally respected career North Miami Beach Finance and Procurement staff discloses that the former administration established at the onset a culture of bullying and intimidation that discouraged or ignored the reporting of improper usage of City funds. In addition, lesser qualified staff were placed in oversight of finance and procurement apparently with a goal being to remove these expenditures from the required scrutiny. In some cases, the City Commission supported items such as the gift card give aways that contributed to the culture of misspending taxpayer funds, instead of exercising the proper oversight.

In other words, things like the massive and improper P Card and Gift Card programs only took place because of the former administrations dismantling and brow beating, and in some instances replacing, the staff required for oversight. And it was permitted to occur in part due to a lack of oversight by those entrusted with that responsibility.

Separate and independent interviews of career and respected finance and procurement staff and employees present the same picture. Prior the hiring of the Former City Manager, with occasional exceptions, procurement rules were followed and with isolated exceptions there was accountability. After the Former City Manager was hired, there was an explosion of P Card assignment and expenditures. Also problematic was the increased and sometimes excessive usage of City issued Cards by the City Manager, Senior Staff and City Commissioners, including but not limited to making donations, paying Bar association memberships and using food trucks for quasi political events.

The Former City Manager and his senior staff facilitated these inappropriate expenditures by:

1. Personally or through emissaries bullying finance and procurement staff to follow directions "no questions asked":

2. Replacing or circumventing the authority of career and well qualified finance and procurement professionals with lesser qualified staff who were placed in positions of decision-making authority in finance and procurement.

3. Continually refusing to follow or waiving normal procurement rules.

4. Systematically ignoring complaints of finance and procurement professionals to facilitate and condone the mis expenditure of taxpayer funds on a grand scale. A blind eye especially became the norm when it came to senior manager and in many instances public official expenditures on items that violated clearly defined procurement rules and widely accepted norms.

When this report points to failures of the Finance and Procurement Staff, it must be pointed out that no fault is found with those staff members who were interviewed and who have documented their efforts toward compliance, which was ignored. The fault is found with the Former City Manager and staff willing to go along.

Regarding the "P CARD Program alone"

The attached spreadsheet analyzes 10,138 transactions totaling **\$1,989,265.01** for the period.

Thus far there are : **\$1,382,062.27** that violate the P-card policy, common sense and applicable, local, County, and State Statutes that were well known to govern these transactions.

Most egregious expenditures so far are:

Food purchases totaling \$70,906.62.

Charitable Contributions totaling \$86,519.75

Retail stores totaling \$185,683.85

Amazon Purchases totaling \$296,211.14 (Books, Music, personal items etc.)

Random number and Hardware purchases totaling \$358,339.04

Amusement and Entertainment purchase totaling \$29,401.20

Unclassified purchases that appear personal in nature \$68,600.09

Donations to Civic Organizations totaling \$21,805.42

Some smaller abuses include but are not limited to:

Child Support/ Alimony fees \$339.00

Bicycle Purchase \$500.00

The database I received from the City of North Miami Beach was significantly less than the actual number of purchases on all the P Cards issued. Thus, even this large number of improper expenditures significantly under represents the total.

For example, according to database provided, Mr. Sorey used his P Card **a total of 73 times**. However, according to prior spreadsheets, Sorey used his P Card **a total of 218 times**.

Among the Statutes potentially violated are:

838.022 Official misconduct.—

(1) It is unlawful for a public servant or public contractor, to knowingly and intentionally obtain a benefit for any person or to cause unlawful harm to another, by:

- (a) Falsifying, or causing another person to falsify, any official record or official document;
- (b) Concealing, covering up, destroying, mutilating, or altering any official record or official document, except as authorized by law or contract, or causing another person to perform such an act; or
- (c) Obstructing, delaying, or preventing the communication of information relating to the commission of a felony that directly involves or affects the government entity served by the public servant or public contractor.

812.014 Theft.—

(1) A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to, either temporarily or permanently:

- (a) Deprive the other person of a right to the property or a benefit from the property.
- (b) Appropriate the property to his or her own use or to the use of any person not entitled to the use of the property.

Fraud

4) OFFENSES.—

(a) Any person who engages in a scheme to defraud and obtains property thereby is guilty of organized fraud, punishable as follows:

MIAMI DADE ETHICS CODE

Exploitation of official position. A person cannot use his or her public position to obtain a special privilege or exemption for him- or herself or for others.

Acceptable gifts, if disclosed. Gifts that are not intended to influence an official action and that are not travel expenses paid for by a government vendor may be accepted. If the total value of a gift from one person or entity exceeds \$100 during a calendar quarter, the gift must be disclosed in the quarter after it is received. Acceptable solicitations of gifts. Gifts may be solicited if used solely— • by the government to conduct official

business or • to benefit nonprofit organizations, but only if solicited by commissioners and their staffs when the commissioners and their staffs receive no compensation for the solicitation.

SUMMARY ANALYSIS OF P CARD EXPENDITURES FROM APRIL 2020 THROUGH APRIL 2023

There is a global breakdown in the current P-Card card policy which has allowed for inappropriate usage of the P-Card. According to the policy, the procurement card is to be utilized as an internal control in processing small dollar, non-reoccurring purchases from vendors that accept the Visa credit. The first violation occurs under the rule of non-reoccurring purchases because there are very few non-reoccurring purchases during the period. There should not be any petty cash kept in governmental facilities and the policy states, "Many of our suppliers, currently being paid by petty cash and blanket purchase orders will accept the Visa".

The Procurement & Contracts Services Division is responsible for monitoring the performance of the program. All questions or concerns should be directed to:

Procurement Related: Chief Procurement Officer

Accounting Related: Finance Director

In this instance, both Directors failed to identify Procurement card misuse, and both allowed for miscategorized or unclassified expenditures.

Additionally, the policy states it will provide an efficient method of purchasing and paying for goods and services not exceeding \$1000 per purchase unless otherwise approved. Again, this policy and its responsible departments failed to identify that while some expenditures were less than \$1000.00, the totals for the year far exceeded this threshold and were made with such frequency that they required a purchase order and bid process.

Based on the policy, each Department Representative (Individual(s) designated by Department Head) shall review monthly statement with the cardholder, sign the monthly statement authorizing charges, verify the appropriateness of the cost center codes being utilized for example funding agency/organization assigned to, and handle the disputed items, and forward statement and supporting receipts to Finance Department.

Again, a violation occurred because many of the charges were not assigned to the right cost center and many of them exceeded the policy's' \$1000.00 threshold per transaction. The fail-safe failed as well because the department representatives were to forward statements and supporting receipts to the Finance Department for review these transactions appear to have missed that portion of the process.

The Department Head has the responsibility of requesting procurement cards for designated employees as well as setting the designated spending limits within the established guidelines. Further, they are responsible for designating the representatives responsible for authorizing charges and collecting cards from cardholders who end employment and evaluating the need to cancel or reissue cards when employees transfer.

The Procurement Card Administrator violated the policy by failing to participate in ongoing reviews. If the reviews were occurring, corrections could have been made particularly in the issuance and the way that the P-cards have been historically used in this organization. Compared to other governmental entities, P-Cards are normally used to pay for travel related to city or governmental business only. Travel can include flights, hotel accommodation, conference and registration fees, parking and gas, or mileage if the person drives to a government-related activity. The expenses for

this category total **\$21,805.42** for the period many had inappropriate classifications as such they were difficult to identify.

Usage of a P-card for construction and lumber supplies totaled **\$358,339.04** for the period. Of note the Home Depot charges represented roughly **\$182,000.00** for the period which constitutes a necessity for a pre-negotiated contract with vendors such as Home Depot, Lowe's, etcetera. Typically, when you have a department that requires emergency supplies from a vendor such as Home Depot, you would put in place a blanket purchase order, for example \$5000 which would represent a maximum that a person could utilize for a construction job / jobs without having to justify why those expenses are not included in the total expenses for a projects' purchase order.

There are **2,322** purchases from **67** employees totaling **\$296,211.14** from Amazon. The charges are categorized as bookstores which appears to be a misclassification of purchases which exceeded the P-Card policy threshold.

Marketing expenses such as Facebook, Instagram, Constant Contact, etcetera, or any type of social media should be governed under a procedure from the IT department, which would designate which accounts would be approved by city governmental accounts and which accounts would be approved for usage on Facebook. Not every person in every department should have access to a P-Card for the purposes of advertising even if that advertising is for a city event or a city-related function. Many social media expenses are categorized under computer software services, for example, sproutsocial.com., constant contact, texting etcetera. These social media platforms, while the totals appear insignificant the charges were for small consistent charges per month or at random which exceeded the \$1000.00 threshold for the year and should have been reviewed by the finance department. Additionally, time management programs should fall under procurement for Human Resources in the data. Time management programs like simpleinout.com, ymcareers.com, and smartsheet.com. and are charged under computer software services. The total for this category for the period is **\$40,009.67**. These charges are reoccurring and exceed the \$1000.00 threshold set as well as the threshold set annually.

If a person is paying for a subscription, for example, to a magazine or a professional publication that is approved by management to further that person's training or knowledge in a particular field, that is something that comes under the budget of the head of that department and that head of the department is responsible for designating a maximum amount that can be spent on publications and memberships. That is something that should be budgeted within the department head's budget at the beginning of each fiscal year when it is approved by the Commission. Subscriptions and books totaled **\$43,137.48** for the period.

There are some printing charges from various vendors such as 4 Imprint, and it's categorized under marketing expenses totaling **\$35,288.17**. Yes, we understand that there are needs for printing but random employees from various departments are purchasing these jobs and classifying them in whatever way suits them.

There are zero expenditures that would be approved for charitable giving on a P card ever. In any governmental entity when a charitable expenditure is to occur, that would be placed on a commission agenda and voted on by the Commission as it is an expense either outside of the budget or it is a direct request from a commissioner or a department head that would be justifiable for the city to participate in. At this point, the expenses show a dollar amount of **\$86,519.75** in charitable giving, which would rise to the level of a purchase order, fall under the auditing provisions, and require Commission agenda item approval.

Food expenses for events should be procured from a list of city-approved vendors, and the approved vendors should have prior notice and be issued a purchase order, which should be able to be received by the city for approval prior to the event. The fact that there is **\$70,906.62** of food expenditures lends itself to an abuse of the P-Card and a lack of financial oversight by the department heads of the people to whom the P-Cards were assigned.

We see P-card usage for Art Supplies from various vendors including one Commissioner totaling **\$5,087.84**. Again, while the purchases are small this exposes the city to external fraud and P-Card abuse from employees.

There are retail store purchases totaling **\$185,683.85**, a gross violation of the P-card policy and represents gross unsupervised P-card abuse.

Finally, the Finance Department failed in its responsibility to review the monthly statements from all cardholders and departments, receive consolidated statements from the procurement card issuer, and confirm that all charges are authorized by department representatives. I believe if the Finance Department had reviewed all charges submitted, they would have caught the miscategorized charges and the misuse.

Section II of the NMB Procurement Card Policy states that the card is only to be used for city purchases. Those purchases must be authorized, and the card cannot be used for any personal use and any such use will require immediate reimbursement and will result in disciplinary action.

Dollar Limitations on these P-Cards were violated on a regular basis so much so that very few people with P-cards in their possession met the standards.

A purchase may be made of multiple items, but the invoice cannot exceed \$1000 or the cardholder's limit if less than \$1000. Payment for purchases shall not be split to stay within the single purchase limits and restrictions.

Department Heads must submit in writing to the Procurement Department any request with an explanation for increased limits or temporary changes in restrictions.

Prohibited Uses of Procurement Cards were clearly outlined in the policy in Section II. Of note, the Procurement Card has been designed to prohibit purchases of certain commodities, services, or vendors through the use of electronic controls. In circumstances in which a procurement card is the only possible option of procurement, a written request must be sent via e-mail to the Chief Procurement Officer with a copy to the Department Head for approval. Upon consent, the Chief Procurement Officer will coordinate with the Procurement Card Company to release card controls that apply to the request. Controls will only be released for the allotted time specified in the written request. A copy of the written request and all receipts must be attached for payment to Finance.

Prohibited uses of the P-Card include the following transactions: (Those highlighted in yellow have been identified within the P-Card policy and occurred within the data set as violations, there are also additional violations not listed under Section II that include: Amazon marketplace, social media, marketing, printing, human resource programs, child support fees and purchasing a bicycle) The highlighted expenditures violated Policy and were not corrected:

- Alcoholic Beverages

- Ammunition/Weapons

•Any additional goods/services, specifically restricted by the Chief Procurement Officer, as notified from time to time.

•Any items(s) for personal or non-City use

•Cash advances of any kind

•Cash Refunds –any refund must be in the form of a credit to the P-Card account

•Computers & Computer Printers (Exception for item approved by I.T. and Procurement Managed Division.)

•Construction Projects

•Consulting Services

•Eating Establishments/Restaurants (permitted with prior written approval of the City Manager)

•Entertainment/Performers (exception for Recreation/Cultural Arts programs and approved by Procurement Management Division)

•Fines and Late Fee Penalties

•Florida Sales tax

•Gasoline, Fuel, or Oil (exception for approved travel outside the County)

•Gifts and Donations (excludes official gifts by the Chief Procurement Officer and City Manager)

•Goods/services available on a current City contract, (with the exception of those items approved by the Procurement Management Division, i.e., Office Depot, Home Depot) •Goods/Services specifically restricted by the Procurement Managed Division, the City Manager, or the City of North Miami Beach Code of Ordinances

•Independent Contractor Services

•Industries such as Antique/Pawn Shops, Antique Reproductions, Jewelry Stores, Dating & Escorting Services, Massage Parlors, Betting/Track/Casino, Lotto, Precious Stones & Metals, Stamp & Coin Stores, Health & Beauty Spas, etc.

•Insurance

•Interest and Finance Charges

•Legal Services

•Lobbying

•Maintenance Contracts

•Medical Services

•Miscellaneous Services such as Tailors, Laundry/Dry Cleaning, Barber/Beauty Shops, Shoe Repair, etc.

•Postage

•Purchases over \$1,000

•Specialty Retail Stores such as Duty-Free Stores, Glassware/Crystal Stores, Religious Good Stores, Hearing Aides, Orthopedic Goods, Cigar Stores, etc.

•Splitting purchase transaction to circumvent the Procurement or Payment process

•Vehicle repairs (with the exception of those repairs Public Works or Police Fleet and Procurement Management Division)

When a cardholder is unsure of the legitimacy of a P-Card purchase they are to contact the P-Card Administrator or Chief Procurement Officer for clarification of use prior to the purchase.

Emergency Operations are the only place where there can be an exception and the policy states in Section III the following:

As approved by the City Manager, during disaster preparation it is policy that the Procurement Card limits will be raised for Department Head & Assistant Department head with all limitations lifted. This will assist in food purchases, accommodations for Disaster Relief Crews, and other necessary items.

In Section IV there are multiple forms that will need to be addressed during this investigation, particularly the P-card request form, the P-card abuse notification form as well as the purchasing card agreement cardholder form. All forms attached to the policy outline the Procurement Card Policies and Procedures.

WHISTLEBLOWER INTERVIEWS

During the course of my investigation, I was able to interview current and former whistleblowers at length. They are described as whistleblowers because they have willingly come forward to tell their stories and provide truthful information. The record is clear that these individuals used every effort to encourage proper procurement practices but were thwarted at every turn. Below are the details of these individuals.

Interview with Chief Financial Officer Marcia Fennell

According to CFO Marcia, she was systematically bullied and pushed to the side in order to prevent proper oversight and accounting practices in the area of expenditure of tax payer funds.

In addition, the former Manager strategically placed his own staff in positions from finance director to accountant to even the position of cashier in order to control the City's finances and limit oversight.

The position of CFO was created in 2019, which was filled by then-Finance Director Janette Smith. Marcia Fennell later became the Finance Director.

The Finance Director runs day-to-day operations, and the CFO is responsible for high level reporting to the City Manager. Both positions work on the annual budget.

Arthur Sorey was hired on April 20, 2021, and on May 12, 2021, Janette Smith resigned.

On March 22, 2022, Arthur Sorey hired Agnew Jean-Pierre as Finance Director, and Marcia Fennell became the CFO.

Racquel Lopez was the Assistant Finance Director at the time. Arthur Sorey promoted Sandria Barrett-Lee to Assistant Finance Director, who is currently the Chief Accountant.

Each department director must approve purchases and submit documentation to the Procurement Department.

Donna Rockfeld was the Chief Procurement Officer at the time. After Procurement reviews it, the proposal is sent to Finance.

Any purchases under \$1,000.00 are approved by staff. Anything over \$1,000 has to be approved by the Finance Director, Assistant Finance Director, and CFO.

Finance then checks supporting documentation, reviews invoices, and then makes sure it goes to the proper ledger account and into the budget. There must be a budget line item for such funds and have supporting documentation.

Finance must prepare a purchase order for all items.

The City Manager has the authority to sign a bid waiver for purchases up to \$50,000 without needing Commission approval. Finance then reviews bid waivers and contracts and then issues checks for payment.

Arthur Sorey hired multiple “consultants,” who would bill the city for services. Crucial information would be redacted from invoices at Arthur Sorey’s instruction.

One glaring example is a contract he gave to [LGL Consulting & Executive Advisory Group, LLC](#), a company located in Apopka, Florida, which had only been formed in 2019 by Laury Georges-Lane. Marica was not provided with copies of this contract or invoices, nor was a Bid Waiver ever signed. This company was allegedly hired for “employee training and mediation.” Per the attached spreadsheet, between September 8, 2021, and March 15, 2023, LGL was paid a total of \$106,263.

Regarding other “consulting agreements,” Finance Director Agnew Jean-Pierre would approve redacted documents and invoices and push them through with no oversight, telling city employees that “whatever the City Manager wants he gets.”

Any expenditures that were not budgeted for would be overrode by Sorey’s Assistant Finance Director, Sandria Barrett-Lee. The budget and procurement policy was not followed.

City Attorney Hans Ottinot greatly exceeded his budget, but again Sorey’s operatives in Finance would override the budget and approve all invoices. Sorey did not adhere to any proscribed process or timeline for payment of City Attorney invoices. He demanded that checks be paid immediately. He would have payments expedited on the same day without proper review.

Sorey hired Stephanie Johnson on August 6, 2021, as an Intern. He then ordered Finance Director Marcia Fennell to put Johnson on her staff even though she was not qualified and there was no position for her. Fennell objected to no avail.

Sorey then put Johnson in charge of reviewing the City Attorney’s invoices. The City Attorney and the City Manager would approve all of them without review.

Once Agnew Jean-Pierre was hired as Finance Director, he was ordered to follow the City Manager’s direction and approve all invoices under the “Friends & Family Plan” without review.

Jean-Pierre would then direct accounts payable approve payment without review, saying, “Do as you’re told.”

Stephanie Johnson was directed to rubber stamp all payments by Jean-Pierre, who told her, “No questions asked.”

Christian Abril was hired by Sorey to do accounts payable, and he did as he was told regardless of protocol or procedure.

Sorey had absolutely no regard for the budget and spent whatever he wanted on anything he wanted.

In May of 2021, he wanted to take \$100,000 from the General Fund for a Publix gift card giveaway even though there was no money in the budget for this expenditure. Against her advise he presented it to commission which approved [Resolution R2021-40](#) on April 20, 2021.

According to an alleged gift card policy, the Finance Department must receive within two days the list of recipients, but Finance never received that list. Finance made a log of all the gift cards according to serial number, but they never received proof of who received them. Sorey’s Chief of Staff, Francisco Medranda, signed for all \$100,000 worth of gift cards. Marcia Fennell sent an email requesting a follow-up list of recipients, but she never received a complete list. She was told that the log was “being kept upstairs.”

Although a final list was provided by public records request, only 785 of the 1,000 Publix gift cards were accounted for. It is suspected that the rest to given out without any accountability. To date, two arrests have taken place.

Sorey also had a problem with the way public records requests were handled. When a request was made to the Finance Department, the process was for Marcia Fennell to send all responses to the City Clerk.

In December 2021 Sorey called Marcia Fennell to complain that her staff was responding “too quickly”, and he ordered her to meet with her staff to tell them to stop responding to requests.

When Ms. Fennell was on leave, Assistant Finance Director Racquel Lopez and her staff were threatened by Arthur Sorey for responding quickly to public records requests.

Sorey then ordered Finance to stop sending the responses to the Clerk and to send them to him and to City Attorney Hans Ottinot instead. Ms. Fennell has no idea what happened to the records she provided.

Marcia Fennell also advised Arthur Sorey that department heads and their staff were “stealing city time” by taking time off and not submitting leave slips. For example, Sorey’s Executive Assistant, Ashley Francois, went on vacation and never submitted any leave slip.

Arthur Sorey took a lot of time off and never submitted leave slips. He told Marcia Fennell not to track his time. Even when he was clearly not in the office, he never submitted a slip.

The city received \$21 million in American Rescue Plan Act (ARPA) funding, \$10 million of which was received in August of 2021. Sorey told Marcia Fennell that he would handle that money and berated her for “asking for too much information.”

The Procurement Card (P Card) abuse was a major problem. Sorey and his staff would “double dip” by receiving per diem checks and then purchase food on the P Card. One example was when Sorey traveled to Orlando with the Police Chief, and then charged \$700 for dinner even though all the staff members in attendance had received per diem checks. Sorey refused to reimburse the city.

Certain public officials and Commissioners would spend excessively on their P Cards and not provide the receipts. Marcia Fennell asked Sorey to take the Commissioners’ P cards away and he refused.

Marcia Fennell sent out many emails asking for receipts for P Card charges and she was largely ignored.

Commissioners violated a multitude of P Card policies with no consequences. For example, Michael Joseph made a partisan political donation, which was against the policy. Arthur Sorey ignored it even though his then-Chief of Staff Willis Howard said, “Joseph is going to get us all in trouble.”

When Marcia Fennell continued to email Arthur Sorey asking him to obtain receipts from the Commissioners and his staff, he complained that “Finance was holding up the city, asking for too much.”

After she complained, she was replaced by Agnew Jean-Pierre, who told staff to do “whatever the Manager wanted them to do.”

The Procurement Card Policy, as well as state law, also specifically prohibits food purchases other than for a public event.

Marcia Fennell constantly reminded Sorey about food purchase policy violations, advising him that it must “serve a public purpose,” and he ignored her.

Arthur Sorey also illegally allowed Commissioners to tell him who to hire, including one who he hired as a cashier even though she was totally incompetent for the position.

After the adoption of the Fiscal Year 2022 Budget, all salary payments needed to be placed on a personnel transaction form, but Sorey insisted that he was to receive his executive allowance immediately. He texted Marcia Fennell to “make sure that money was in his next paycheck.”

That was just another of the many examples how Arthur Sorey ignored city policy.

Interview with Staff Accountant Juliette Pennant-Allen

Juliette Pennant-Allen supervised accountants payable. She is in charge of paying invoices, reviewing P Card expenditures, among other tasks. She advised that there have been multiple incidents of misconduct over the past two years since Arthur Sorey became the City Manager.

Ms. Pennant-Allen worked under Sorey’s Finance Director, Agnew Jean-Pierre, who told her to “stay in her corner” and to “mind her own business.” She was ordered to hire Christian Abril to handle accounts payable.

When Sorey first came on the job, he immediately started overspending on food vendors. One example of gross misspending was that he had food vendors call her directly to pick up their checks. He also overspent on food for library events, as well as Thanksgiving turkeys.

Although Ron Book was the city's main lobbyist, Arthur Sorey brought in his own lobbying companies.

Sorey also hired unnecessary "consultants," and had her redact the names of the people receiving the money for services. The main problem was the vendor LGL Consulting & Executive Advisory Group, LLC, and he had the owner's name redacted.

The elected officials, especially Paule Villard, would hire food vendors, and the invoices were excessive. In some cases, the city was billed far greater than the product provided, and the cost from those vendors was excessive compared to the product they received.

Sorey and his staff spent way too much money on personal food. The staff on the fourth floor was buying lunch every single day and billing the city.

The elected officials also misspent money on their P Cards. Paule Villard, for example, would pay vendors on her P Card. She once purchased a "pink carpet runner for a wedding."

Ms. Pennant-Allen, who has been employed by the city for 20 years, said that spending under Arthur Sorey was excessive compared to all prior administrations.

All of Arthur Sorey's events centered around food, such as employee events, lunches, and dinners, constant use of food trucks, donut trucks, and ice cream trucks.

As for Sorey's P Card expenditures, Ms. Pennant-Allen would never get the detailed bills or see the receipts. For months, he ignored her many requests for detailed invoices and bills, and she was unable to close out the year end due to his refusal to cooperate.

None of the policy rules were followed regarding P Card spending. For example, no food purchases or donations were to be charged on the P Cards, but Sorey, his staff, and several elected officials ignored the policy. They all refused to submit any documentation despite numerous requests.

In some cases, Commissioners used their P Cards for personal purposes. The mayor once used his card for an Uber, and she had to ask him several times to reimburse the city. While he did do so, other elected officials never did.

Ms. Pennant-Allen asked the City Manager to take away P Cards that were misused but he refused.

McKenzie Fleurimond, for example, traveled on behalf of the Pension Board, which should have paid for those trips, but the city was never reimbursed that money.

Ms. Pennant-Allen said she was "black balled" for "asking for too much information." She was even written up for "asking for too much information."

She also said that 60% of P Card purchases did not have back-up, and several accounts were overdrawn.

Arthur Sorey required a special contract with Prestige Auto Spa to detail his vehicle every month even though there already was a negotiated contract with a vendor to wash all city vehicles.

She was told numerous times by Finance Director Agnew Jean-Pierre that the "City Manager does what he wants and don't ask questions."

Marcia Fennell and Juliette Pennant-Allen were constantly retaliated against for enforcing the rules.

Sorey refused to submit any documentation, and he brought in his own people, such as interns Christian Abril, who approved all of his invoices with no back up.

Ms. Pennant-Allen also confirmed that Sorey had his special “Friends & Family Plan” vendors, mostly from North Miami, as “consultants,” for questionable public benefit. She again reiterated that LGL Consulting & Executive Advisory Group, LLC was one of those vendors.

And finally, Ms. Pennant-Allen also confirmed there was slow down in providing public records when Agnew Jean-Pierre was placed in charge.

Interview with former Public Affairs Assistant Jen Hillmon

I interviewed a former city employee, Jen Hillmon, was arrested for allegedly stealing eight Publix gift cards worth approximately \$1,200.

She explained that these particular gift cards were “left over from the turkey distribution. Arthur Sorey’s former Chief of Staff, Francisco Medranda, gave out 150 cards from lists given to him by Commissioners, who each submitted 15 names. *

Jen Hillmon said that all Commissioners received their cards and that they would deliver them personally.

Hillmon also said that 15 people gave lists to Francisco Medranda but did not give us the names of those people.

She also said that Francisco Medranda made a spreadsheet of the cards that were distributed.

When Francisco Medranda went on vacation, Andrew Bejel from Human Resources, and Athalie Edwards, Sorey’s Senior Advisor, took over the distribution.

Weekly meetings were “divided up between Commissioners” and department directors.

Ms. Hillmon also mentioned that “Andrew Plotkin from Parks, Eugene from Public Works, Dwight from Parks, Quavis from Parks, Patrick and Phyllis from Public Affairs,” all had weekly events meetings, especially about the turkey gift card distribution.

Ms. Hillmon also said that prior to the November election she had to give “at least 30 or more turkeys” because “Francisco said a Commissioner was “getting extra turkeys to help with her election.”

The same Commissioner also also received “surplus gift cards, extra gift cards left over,” and wasn’t asked to return them.

Andrew Bejel from HR also had extra gift cards.

Using the gift cards for political purposes was discussed at staff meetings.

And lastly, Ms. Hillmon stated that the City Manager had Athalie Edwards bring in “fancy lunches every day” for Sorey, Francisco Medranda, and former Assistant City Manager Kemarr Brown. She was directed to go pick up food from Olive Garden, Houston’s, Fat Boyz, Dutch Pot, etc.

**Interview of Donna Rockfeld, Former Chief Procurement Officer
From 2017 To November 17th, 2021**

P Card process. P cards had threshold, 1 K per transaction, 5 K per month.

Each individual sends a form to the procurement officer and manager approves p card issuance.

Individuals are trained. Prior to Arthur Sorey commissioners only used P cards for travel.

Sorey increased the number of P Cards.

Prior to Sorey expenditures were limited to Home Depot, and promotional items.

Rockfeld frequently demanded explanations for public purposes.

Rockfeld refused all expenditures for food.

Commissioner Michael Joseph's \$1,000 lifetime membership in Haitian Lawyers Association was City approved with her initials on it even though she rejected this expenditure and thought it was not proper.

She was ordered to approve city attorney payments without review. Sorey would make her pay it.

Process: Use P Card. Bank of America uploads statements. Goes to department and the card holder is required to attach each invoice to each transaction.

P Card holder required to attach invoices and an explanation of what it was for.

Commissioners began making expenditures without receipts and began attaching notes.

If rejected, the person must reimburse the city. They would receive a P Card abuse form and have their card removed. Prior to Sorey, there was minor abuse.

With Sorey within seven months the abuse started.

Abuse started when Sorey, gave commissioners p cards and all of their assistants as well.

Staff began to split purchases to get around the procurement rules and the caps on each card. . Gave P Cards to all of his assistants.

For example: office building rent, were split among several people. Food purchases increased, Costco, restaurants, treats just for city managers.

Sorey changes locks on doors so staff could not enter the manager's office.

Sorey hired Philip Ford who have automatic authority to approve without review. No qualifications to be a Procurement officer.

When Duke (Arthur Sorey) came in there was a P Card explosion, commissioners got cards, all of his assistants got cards, and they put a lock on doors.

At a commission meeting on November 16th, she advised the commission that she disagreed with Sorey and was vocal that his recommendation violated the requirement to go with the lowest bidder. .

The next day, November 17th, Rockfeld was pulled out of a meeting pulled out of seminar on doing business with city.

Rockfeld was not allowed to finish her presentation. Sorey said she could not be trusted, and that she had two choices. She could be immediately fired or get a severance package. The City Attorney was present with a prepared Agreement for her to sign on the spot so she could leave the city.

Every day Sorey would approve increased bid waivers.

LGO CONSULTING received 5 k per month executive leadership training and separate agreement.

Consistent bid waivers.

Whistleblower X Was Interviewed

This is a Police Department employee who advised that police staff were directed to prepare and distribute flyers with the names and to promote the election efforts of certain incumbent Commissioners. This police employee provided one such flyer which he said was given out with a Commissioners name on it to coincide with a reelection campaign.

CONCLUSIONS AND RECOMMENDATIONS

It is recommended that the Mayor and Commission, City Manager and City Attorney refer this report, the spread sheets and all data to the State Attorney's Office, Ethics Commission, Miami Dade Inspector General and Florida Inspector General for a complete review and analyses and to take appropriate action.

Additionally, in the interim they should revoke all P Cards that are active at this time and issue new P Cards only for travel purposes.

If a department requires a P-Card for emergency purchases then each department head should be required to submit within their department budget a maximum amount that can be negotiated at a particular vendor for the year. The supervisors of that department should have one person who receives the P Card request which will be approved by the department head. Those requests would then be sent to finance for review and final approval. Expenditures should be submitted with ample time for the approval process to occur minimum 15 days in advance.

It also recommended that the City establish whistleblower hotline if it does not already have one and encourage all staff to report any violations.