



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

Investigative Report

2017-0009

Riviera Beach Outside Employment

January 29, 2019

Insight – Oversight – Foresight



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RIVIERA BEACH OUTSIDE EMPLOYMENT

SUMMARY

WHAT WE DID

In December 2016, the Palm Beach County Office of Inspector General (OIG) discovered during a separate OIG investigative matter that Regina Williams (Ms. Williams), the Legislative Assistant to City of Riviera Beach (City) Councilman and Riviera Beach Community Redevelopment Agency (CRA) Commissioner Terence Davis (Councilman Davis), may have engaged in outside employment without submitting a City Outside Employment Disclosure Form to her department director for review and approval. According to City Policy Number HR-13-0001, a City employee may engage in outside employment so long as the employee submits a City Outside Employment Disclosure Form to his or her department director for approval and determination that such employment does not conflict with the employee's employment with the City.

Ms. Williams has been the Legislative Assistant to Councilman Davis since March 2013. On June 1, 2015, Ms. Williams filed Articles of Organization for Innovative Consulting LLC (Innovative) with the Florida Secretary of State, Division of Corporations. She served as the company's managing member and registered agent until its administrative dissolution in September 2016.

During 2015 and 2016, Innovative received monies from several individuals and companies, including Riviera Beach City Council Members and businesses that had contracts with the City or CRA, or that were subject to regulation by the City or CRA.

Based on our initial review, we initiated an investigation of the following allegation:

Allegation (1): Ms. Williams did not submit an Outside Employment Disclosure Form to her department director for approval and a determination of whether her outside employment presented a conflict of interest with her employment with the City, in violation of the City Policy.

Our investigation uncovered information that led to the development of three additional issues of concern:

Issue (1) Ms. Williams may have had conflicting employment or contractual relationships with individuals or business entities having a contract with, or that were subject to the regulation of the City, in violation of the County and State of Florida Code of Ethics.

Issue (2) Councilman Davis may have had a conflicting employment relationship with his Legislative Assistant Regina Williams,

or may have misused his official position to secure a special benefit for himself, Ms. Williams, or Innovative, in violation of the County and State of Florida Code of Ethics.

Issue (3) Councilman Davis may have filed inaccurate Department of State, Division of Elections (DS-DE) campaign reports with the Riviera Beach City Clerk, in violation of the Florida Election Code.

WHAT WE FOUND

Allegation (1) is supported. Ms. Williams did not submit an Outside Employment Disclosure Form to her department director for review and approval for a determination that such employment would not present a conflict of interest with her employment with the City. Although Ms. Williams's supervisor was aware of her outside employment, we found no records showing that Ms. Williams complied with the requirements of the City's Outside Employment Policy.

For Issue (1) we found sufficient information to warrant referral of Issue (1) to the State of Florida and Palm Beach County Commissions on Ethics for a determination of whether Ms. Williams violated the State of Florida and/or Palm Beach County Codes of Ethics.

For Issue (2) we found sufficient information to warrant referral of Issue (2)

to the State of Florida and Palm Beach County Commissions on Ethics for a determination of whether Councilman Davis violated the State of Florida and/or Palm Beach County Codes of Ethics.

For Issue (3) we found sufficient information to warrant referral of Issue (3) to the State of Florida Election Commission to investigate potential violation(s) of Florida Election Code.

WHAT WE RECOMMEND

We made five (5) recommendations that could assist the City in ensuring that the City's Policy regarding outside employment and Florida state statutes and regulations regarding campaign finance are adhered to. The City concurred with our recommendations and will take corrective actions to implement them. We have included the City's management response as Attachment 1.

Ms. Williams's response to this report is included as Attachment 2.

Councilman Davis's response to this report is included as Attachment 3.



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BACKGROUND

The City was incorporated in 1922. The City Charter was initially adopted by referendum on April 17, 1973, and subsequently revised by referendum on March 11, 2008. The City operates under a Council-Mayor-Manager form of government. Five City Council Members are elected to three-year staggered terms and are responsible for the legislative and policymaking functions of the City. The Mayor is a non-voting Council Member.



Councilman Davis was elected to the City Council in March 2013. Ms. Williams began working for Councilman Davis as a part-time Legislative Assistant, effective March 20, 2013. Ms. Williams filed Articles of Organization for Innovative Consulting LLC on June 1, 2015, to be effective May 28, 2015. Innovative was registered as an active limited liability company until it was administratively dissolved on September 23, 2016. Ms. Williams served as Innovative's managing member and registered agent.

The City approved an Outside Employment Policy on April 18, 2013, which requires City employees engaged in employment outside of their City employment to complete a Disclosure Form and obtain approval from his or her department director. In December 2016, the OIG discovered during a separate investigative matter that Ms. Williams may have been engaged in outside employment through her private business, Innovative, without submitting an Outside Employment Disclosure Form to her department director for approval and evaluation for potential conflicts of interest, as required by City policy.¹

Innovative's business and financial records showed that Innovative received payments from several companies and individuals between October 7, 2015 and March 28, 2016, as follows:

- The Campaign account of Councilman Davis;
- Stonerock Shipping Corp, a privately held company incorporated in Delaware, with approximately five employees in Riviera Beach. The principal of Stonerock is Stuart Kroll;
- Mr. Thomas Long, a Tampa, Florida-based attorney for Mr. Kroll, the owner of Stonerock;

¹ That investigative work was in part reported in OIG Investigative Review 2015-0009 in August 2017.

- Viking Associates, a multi-national company operating in Riviera Beach²;
- Mr. Sherman Jones, a California resident; and
- The Campaign account of Port of Palm Beach Commissioner Wayne Richards.

Between April 2016 and March 2018, the following campaigns for Riviera Beach political officials made payments directly to Ms. Williams:

- The Campaign of Councilman Davis; and
- The Campaign of former Riviera Beach Councilwoman Dawn Pardo.

During the course of the investigation, we interviewed several current and former City employees and officials and all of the individuals and representatives from the companies that wrote checks to Innovative, with the exception of Sherman Jones, a California resident (Mr. Jones). Our office spoke briefly by phone with Ms. Williams, but she did not respond to our numerous attempts to conduct a formal interview of her. We also reviewed business and financial records from multiple sources, including Ms. Williams, the City of Riviera Beach, and the Florida Division of Corporations.

ALLEGATIONS AND FINDINGS

Allegation (1):

Regina Williams, the Legislative Assistant to City of Riviera Beach Councilman and Riviera Beach CRA Board Member, Terence Davis, did not submit an Outside Employment Disclosure Form to her department director for approval and determination of whether such outside employment presented a conflict of interest with her employment with the City, in violation of City Policy.

Governing Directives:

City of Riviera Beach Policy Number HR-13-001 (Outside Employment Policy)

Finding:

The information obtained **supports** the allegation.

Governing Directives:

City of Riviera Beach Policy Number HR-13-001, dated April 18, 2013, is titled “Outside Employment Policy.” The City’s Outside Employment Policy provides in part,

1.0 POLICY STATEMENT

Public Service is a public trust requiring City of Riviera Beach employees to uphold the policies, procedures, rules and regulations of the City of Riviera Beach above private gain for themselves or others. It (sic) carrying out public trust the City of Riviera Beach (“City”) finds it in the best interest of

² Viking Associates is part of a multi-national group of companies hereafter referred to as ‘Viking’.

its citizens to establish a policy regulating outside employment. **Generally, it is the City's policy that an employee may be engaged in outside employment so long as it is determined that such employment does not present a conflict with the employee's employment with the City.**

.....

3.0 **DEFINITIONS**

Outside employment is the act of an employee engaging in activities for personal gain, including monetary gain that compromises the employee's ability to represent the employer's best interests.

4.0 **AUTHORITY**

.....**All City employees** are required to subscribe to this Policy and to the State's and County's Codes of Ethics for Public Officers and Employees.

Violation of this Policy may result in disciplinary action, up to and including termination of employment.

5.0 **APPLICABILITY**

This Policy applies to all City of Riviera Beach employees including appointed employees, general employees, and public safety personnel. **Outside employment shall be deemed to include, but shall not be limited to, employment or work performed by a city employee for monetary gain with an outside person, business or entity, including businesses owned by the employee, to provide labor, services, or materials.**

.....

- B. **A City employee may accept outside employment, so long as it is determined that such employment does not present a conflict of interest, and is not contrary, detrimental, or adverse to the interests of the City.**

.....

- D. **City employees who seek outside employment must fill out the "Disclosure Form" and receive approval from the employee's department director. City employees who already engaged in outside employment at the effective date of this Policy must also fill out the "Disclosure Form" and receive approval to continue the outside employment.**
- E. **If, in the judgment of the department director, the employee's outside**

employment causes or may cause absences, tardiness, or otherwise **interferes or may interfere** with the operations of the City or with the **employee's responsibility as an employee of the City.....**, then **permission for outside employment may be revoked**. Furthermore, permission to engage in outside employment may be withdrawn at any time if, **in the opinion of the department director, the responsibilities of the job are inconsistent with the employee's responsibilities to the City, causes a conflict, or in any way interferes with the employee's duties as an employee of the City.**

.....

6.0 PROCEDURE

Upon request, a Disclosure Form shall be provided to the employee by the employee's department and filled out by the employee. **Upon receipt, the department director shall review the form, and make a decision on the request as soon as practicable....The department director has the absolute right to determine whether or not to allow outside employment.** A copy of the completed form shall be kept in the employee's department. The employee has the obligation to update the form as appropriate.

[Emphasis added]

Ms. Williams's Employment with the City of Riviera Beach

Ms. Williams's personnel file from the City shows that she began working for the City as a part-time Legislative Assistant in the Legislative Department, effective March 20, 2013. The file further states Ms. Williams was "assigned to work for Councilperson Terrence (sic) Davis." The City's position description for 'Legislative Assistant' states the person in the position "works under the supervision of the assigned elected official" and "serves at the pleasure of the assigned elected official."

Information from Riviera Beach City Staff

The former Human Resources Director for the City, Bruce Davis, told the OIG that City outside employment forms were kept with the department heads for employees. On June 11, 2017, Mr. Davis provided documents to the OIG reflecting that there were no Outside Employment Disclosure Forms for any of the City Manager's Office personnel, nor for any of the City Council Members' Legislative Assistants. In May of 2018, Eureka Irvin, the City's current Interim Human Resources Director verified that the City has no Outside Employment Disclosure Forms on file for any of the Legislative Assistants dating back to the Policy's adoption in April 2013.

Information Received From Regina Williams, City of Riviera Beach Legislative Assistant and Managing Member of Innovative Consulting LLC

We requested documents from Ms. Williams as part of this investigation. In December of 2017, she contacted the OIG via telephone to request an extension of time to respond to the document request. During that telephone conversation, Ms. Williams made several unsolicited statements relative to the documents our office requested. She told the OIG that Innovative was no longer an active company and that Innovative was not a vendor with the City. She added that as of the date of that conversation, no tax returns had been prepared and filed for Innovative. According to Ms. Williams, Innovative had only two clients: Councilman Davis and Port of Palm Beach Commissioner Wayne Richards (Mr. Richards). Ms. Williams stated that she did not sign written contracts with those clients but had oral agreements with both. She said Mr. Richards was a client for a brief time.

Ms. Williams subsequently provided Innovative's response to the OIG's records request. Consistent with her oral representations, her written response identified Councilman Davis and Mr. Richards as Innovative's only clients between May 28, 2015 and September 23, 2016. The documents provided included a "Letter of Agreement" between Innovative and Mr. Richards and stated the contract between Innovative and Councilman Davis was verbal. Ms. Williams's response identified her as the only person who performed work for Innovative.

Ms. Williams did not disclose during her conversation with our office, nor did the records she produced indicate the reasons Innovative received funds from Stonerock, Viking, Mr. Thomas Long, or Mr. Sherman Jones.³

OIG Attempts to Interview Ms. Williams

After reviewing the documents Ms. Williams produced to our office, the OIG attempted to conduct a follow-up formal interview. We attempted to contact her on multiple occasions via phone, email, and in person at both her home and at the City legislative office. All efforts were met with no response, and while we received a read receipt for at least one email sent to her, none of the telephone messages and emails requesting that she contact the OIG were returned. We also attempted to contact her through the City Attorney's Office, City Manager's Office, and Councilman Davis. Again, all efforts were met with no response.

Innovative's Financial and Business Records

Bank records for Innovative show the account was opened on October 12, 2015. Ms. Williams is identified as the "owner with control of the entity" and as the only authorized signatory on the account. The financial and business records for Innovative and records relating to payments from her clients show the following:

³ According to our interview with Dawn Pardo and the documents we reviewed, Ms. Williams did not provide services to Ms. Pardo nor receive payments from Ms. Pardo until after our conversation with Ms. Williams.

Date	Source	Amount	Payer	Recipient
10/7/15	Bank Records	\$1,000	Wayne Richards Campaign	Innovative
12/15/15	Bank Records	\$500	Wayne Richards Campaign	Innovative
1/1/16	Bank Records	\$500	Wayne Richards Campaign	Innovative
2/4/16	Bank Records	\$500	Wayne Richards Campaign	Innovative
2/10/16	Bank Records	\$700	Sherman Jones	Innovative
2/29/16	Bank Records	\$2,500	Davis Campaign	Innovative
2/29/16	Bank Records	\$1,000	Sherman Jones	Innovative
3/1/16	Bank Records	\$300	Sherman Jones	Innovative
3/14/16	Bank Records	\$2,000	Sherman Jones	Innovative
3/15/16	Bank Records	\$1,200	Sherman Jones	Innovative
3/16/16	Bank Records	\$450	Davis Campaign	Innovative
3/21/16	Bank Records	\$1,000	Stonerock	Innovative
3/21/16	Bank Records	\$1,000	Thomas Long	Innovative
3/28/16	Bank Records	\$500	Wayne Richards Campaign	Innovative
3/28/16	Bank Records	\$2,000	Viking	Innovative
4/8/16	Bank Records	\$1688.08	Davis Campaign	Regina Williams
2/23/18	Per Pardo Campaign Treasurer Reports	\$1,000	Pardo Campaign	Regina Williams
3/14/18	Per Pardo Campaign Treasurer Reports	\$500	Pardo Campaign	Regina Williams

Payments to Innovative totaled \$15,150 and payments from the campaign accounts of Riviera Beach officials directly to Ms. Williams totaled \$3,188.08.⁴ The Innovative bank account had a balance of \$0.66 on October 31, 2016 and was administratively closed on January 31, 2017.

OIG Interview of Riviera Beach City Councilman Terence Davis

Our office interviewed Councilman Davis on November 29, 2018. He said after he was elected in 2013, he hired Ms. Williams as his assistant. Councilman Davis stated Ms. Williams has a part-time 30 hour per week position for which she makes her own schedule. Councilman Davis said the entire legislative body reports to the entire City

⁴ Ms. Williams's personal account records also show deposits totaling \$700 from Mr. Jones.

Council, as well as to the City Manager. Each Council Member has an assistant assigned to them.

Councilman Davis was not aware whether Ms. Williams has had any other jobs since the time she began working for him. When we asked whether he was familiar with Innovative, Councilman Davis stated, "What she does outside of my work, I allow her to do what she needs to do, it's a part-time position" and he does not get into the details of any of that information.

When asked, Councilman Davis advised our office that he did not know whether the City had an outside employment policy; he said he would have to look up that information. Upon being advised of the City's Outside Employment Policy and asked whether Ms. Williams ever sought authorization from him to engage in outside employment, Councilman Davis stated "...I've always encouraged my, my staff, or anyone I speak to in the City, to try to find a way to better yourself. So, what she does outside, you know, I don't have no problem with it." Regarding whether Ms. Williams sought his permission to engage in outside employment, Councilman Davis stated, "I would like to look at that policy and go back and confirm whether or not this conversation ever took place," and he would contact the OIG with the response. Councilman Davis further stated "...What she do outside - may or may not do outside - of that responsibility, she has that freedom to do so."

When asked by the OIG whether he ever hired Ms. Williams or Innovative, Councilman Davis stated he would need to check and get back to us with that information. An OIG Investigator then advised Councilman Davis that records showed that his campaign hired Ms. Williams as a consultant. Councilman Davis again stated he would need to "go back and do some research to confirm... what may have happened, what may have not happened."

We interviewed Councilman Davis a second time on December 13, 2018. At the time of his second interview, Councilman Davis stated that after speaking with the City Attorney, it was now his understanding that there was no policy issued to any of the Council Members regarding outside employment, and he did not become aware of its existence until OIG brought it to his attention.

OIG Interview of Port of Palm Beach Commissioner Wayne Richards

Mr. Richards told the OIG that when he ran for re-election two cycles ago, Ms. Williams was the consultant for his opponent. Mr. Richards said he was impressed with the way Ms. Williams represented and worked with his opponent. As such, when he ran for re-election again in 2016, he decided he wanted Ms. Williams on his campaign team.

Mr. Richards said Ms. Williams provided general campaign support to his campaign. He does not live in Riviera Beach; Ms. Williams was very familiar with the local happenings. As such, he said, she played a large role in managing his campaign calendar, attending

campaign functions; making sure he was aware of campaign functions, distributing literature, and making sure he was aware of various local events.

OIG Interviews of Tyler Alten and George Carter of Viking

Tyler Alten is a Vice President of Viking. George Carter is a Property Manager for Viking Homes. Mr. Alten did not recognize the name of Ms. Williams. Viking has paid many consulting firms in Riviera Beach, but neither Mr. Alten nor Mr. Carter specifically recalled hiring Ms. Williams or Innovative Consulting.

Mr. Carter knows Ms. Williams because he was a City of Riviera Beach employee prior to working for Viking. He knew Ms. Williams to have a consulting business and do consulting work with the City for a long time, but he does not know what she consulted on. He said Viking has had consultants in the past who have hired other consultants to help them. Mr. Carter believed it was possible that because Ms. Williams was one of former Riviera Beach CRA Director Tony Brown's advisors, Viking became aware that Ms. Williams was a consultant through the course of doing business with the City.

Mr. Alten told the OIG that when Viking was involved in a public-private partnership with the City of Riviera Beach, Viking was the master developer and conducted numerous public marketing events in the community. He said Viking used consultants from the community to help them coordinate the events for comparable sums to what Viking paid Innovative, and Mr. Alten believes that may be why Viking paid Innovative.

An attorney for Viking thereafter contacted the OIG and stated Viking has no records pertaining to any work done by Innovative or Ms. Williams.

OIG Interview of former Riviera Beach City Councilwoman Dawn Pardo

City Campaign Treasurer's Reports show that former Councilwoman Dawn Pardo paid Ms. Williams for consulting during her 2018 election cycle, which ended on March 12, 2018. Ms. Pardo said she hired Ms. Williams to conduct phone bank calls from a voter registration list and thinks she made checks out to Ms. Williams directly, and Ms. Williams then paid employees. Ms. Pardo believed she paid Ms. Williams approximately \$2,500 to \$3,000. Ms. Pardo knew that Innovative was Ms. Williams's business.

Ms. Pardo said that it was common knowledge Ms. Williams had done consulting work. Ms. Pardo knew that this consulting work was performed for other Riviera Beach elected officials. Additionally, she heard that Ms. Williams was part of a team that helped one of the County Commissioners and a State Representative.

Conclusion

The City's Outside Employment Policy dated April 18, 2013, requires City employees who seek outside employment to fill out a "Disclosure Form" and receive approval from the employee's department director. Although Ms. Williams began her employment with the

City prior to the Policy's effective date, the Policy was adopted two years before she filed Articles of Organization for Innovative in June 2015.

Ms. Williams acknowledged during our investigation that she operated Innovative and had at least two clients while employed with the City. Additionally, a representative from Viking indicated that Viking "may have" paid Innovative to serve as a consultant to coordinate events.

As Viking representatives noted during their interview with our office, one of the Viking companies had been designated by the City in 2006 as the master developer of a \$375 million public-private redevelopment plan for the Riviera Beach Marina. Although Viking Developers withdrew as the master developer in or about December 2015, the company continued to work within the City to develop the Riviera Beach Marina District and the Riviera Beach CRA leased property from one of the Viking businesses.

We also learned that Ms. Williams received monies for services from the campaigns of both former Councilwoman Pardo and Councilman Davis, her supervisor for the City. Councilman Davis stated during his interview with our office that the legislative body, the department where Ms. Williams works, reports to the entire City Council. If this statement is true, Ms. Williams's private efforts to ensure that two particular Council Members are re-elected may compromise her ability to execute her duties for the City and the Council as a whole. At a minimum, Ms. Williams's benefits professionally from her private efforts for their campaigns.

According to the City Policy, "outside employment is the act of an employee engaging in activities for personal gain, including monetary gain that compromises the employee's ability to represent the employer's best interests". The Policy does not limit its application to services rendered through a corporate entity, such as Innovative, but instead applies to any "activities" for personal gain or money.

Neither the City nor Ms. Williams provided our office with any documents to show that Ms. Williams complied with her obligation to fill out an Outside Employment Form and to obtain permission from her department director after the outside employment is evaluated for possible conflicts of interest. Adherence to the Policy would allow the City through the employees' department directors to evaluate whether outside employment presents a conflict of interest and is contrary, detrimental, or adverse to the interests of the City.

Ms. Williams's supervisor, Councilman Davis, advised our office that he had "no problem with" Ms. Williams engaging in outside employment and that he "always encouraged [his] staff, or anyone [he] speak[s] to in the City, to try to find a way to better yourself." The goal of bettering oneself, however, is not inconsistent the City's policy. In fact, the Policy states that an employee may be engaged in outside employment "so long as it is determined that such employment does not present a conflict with the employee's employment with the City". We found no evidence through our interviews or review of relevant documents and our interview with Councilman Davis to indicate that Councilman Davis evaluated whether Ms. Williams's outside employment services to her clients,

including Davis himself, presented a conflict with her employment with the City or is contrary, detrimental, or adverse to the interests of the City.

As such, we find that the allegation **is supported**.

ADDITIONAL ISSUES & FINDINGS

Issue (1): Ms. Williams may have had conflicting employment or contractual relationships with individuals or business entities having a contract with or that were subject to the regulation of the City, in violation of the County and State of Florida Code of Ethics.

Governing Directives:

Section 112.313(7), Florida Statutes; Palm Beach County Ethics Code Sec. 2-443(d).

Finding:

Ms. Williams acknowledged during our investigation that her company, Innovative, had at least two clients, Councilman Davis and Port Commissioner Richards. Upon our review of financial and business records, we learned that Innovative received monies from Viking in March of 2016. On March 2, 2016, approximately 26 days before Innovative received a payment from Viking, the City CRA requested CRA Board approval of an "...amended property exchange agreement between the Agency and Viking Developers...including terms to Lease Land for Temporary Parking." Additionally, the City CRA "Enterprise Operations – Summary" budget projections for fiscal year 2016 listed "Yachtsman & Viking Property Leases" as a \$125,308 projected expense for fiscal year 2016, and a \$125,308 projected expense for fiscal year 2017. Viking's representative advised our office that it "may have" paid Innovative to provide consulting services.

Former Councilwoman Pardo informed our office that Ms. Williams, individually, also performed services for the Campaign of former Councilwoman Pardo.

We also learned that Innovative received monies from Stonerock, a company which exports bulk scrap metal from the Port of Palm Beach, and according to media reports, was investigated by the City for zoning concerns and had clashed with the City over permitting issues. Additionally, Innovative received payments from Sherman Jones. We could not conclude with certainty the reason for the payments from Mr. Jones. However, Mr. Jones may have done business with the City. City records reflect that Councilman Davis used a City credit card to pay for an airline ticket for Mr. Jones. The Expense Report that accompanied the credit card statement described the purchases as "Plane Ticket purchase round trip for Mr. Sherman Jones to perform Park to Park Tour 3/7/2015 Dan Calloway Park RB."

The Florida Code of Ethics, section 112.313(7) provides,

(7) CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP.—

(a) **No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee,** excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the state or any municipality, county, or other political subdivision of the state; **nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.**

[Emphasis added]

Exceptions to the prohibitions outlined in section 112.313(7) are set forth in section 112.313(12).

The Palm Beach County Code of Ethics provides,

Outside employer or business includes:

- (1) **Any entity**, other than the county, the state, or any other federal, regional, local, or municipal government entity, **of which the official or employee is a member, official, director, proprietor, partner, or employee, and from which he or she receives compensation for services rendered or goods sold or produced....**

Sec. 2-443 Prohibited conduct.

.....

(d) ***Contractual relationships.*** **No official or employee shall enter into any contract or other transaction for goods or services with their respective county or municipality. This prohibition extends to all contracts or transactions between the county or municipality as applicable or any person, agency or entity acting for the county or municipality as applicable, and the official or employee, directly or indirectly, or the official or employee's outside employer or business.** Any such contract, agreement, or business arrangement entered into in violation of this subsection may be rescinded or declared void by the board of county commissioners pursuant to section 2-448(c) or by the local municipal governing body pursuant to local ordinance as applicable. This prohibition shall not apply to employees who enter into contracts with Palm Beach County or a municipality as part of their official duties with the county or that municipality. This prohibition also shall not apply to officials or employees who purchase goods from the county or municipality on the same terms available to all

members of the public. This prohibition shall also not apply to advisory board members provided the subject contract or transaction is disclosed at a duly noticed public meeting of the governing body and the advisory board member's board provides no regulation, oversight, management, or policy-setting recommendations regarding the subject contract or transaction. [Emphasis added]

Exceptions are outlined in the County Code of Ethics, section 2-443(e).

OIG Interview of Tyler Alten of Viking

Mr. Alten said that at the time of the IG interview Viking had a site plan for a residential structure that was pending with the City Zoning Department. Viking also had a potential property swap under negotiation with the CRA.⁵ Mr. Alten believed that site plan was under engineering review before it would go to the City Council, and it must go before both the CRA and the City Council.

OIG Interview of Riviera Beach City Councilman Terence Davis

Councilman Davis confirmed that he knew of Viking; when asked whether he is familiar with Viking working with Ms. Williams, he stated "anything regarding her company - if there's a company at all - I would have to ask her those questions".

Conclusion

We are referring this matter to the Florida Commission on Ethics to determine whether Ms. Williams's relationship with Councilman Davis, former Councilwoman Pardo, and Viking created a conflicting relationship with her employment with the City and/or the CRA. Additionally, we are referring the question to the Florida Commission on Ethics as to whether Ms. Williams's acceptance of monies from Mr. Jones, Stonerock, and Thomas Long created a conflict between her private interests and the performance of her public duties.

We are referring this matter to the Palm Beach County Commission on Ethics to determine whether Ms. Williams, a municipal employee, engaged in prohibited contracts and/or transactions with Councilman Davis and former Councilwoman Pardo, who had the authority to act on behalf of the City or with Viking, Stonerock, or Mr. Jones, who had relationships with the City or the Riviera Beach CRA.

Issue (2):

Councilman Davis may have had a conflicting employment relationship with his Legislative Assistant Regina Williams or may have misused his official position to secure a special benefit for himself, Ms. Williams, or Innovative, in violation of the County and State of Florida Code of Ethics.

⁵ Councilman Davis has been a Commissioner for the Riviera Beach CRA throughout his tenure as a Riviera Beach elected official.

Governing Directives:

Section 112.313(6)-(7), Florida Statutes (Standards of conduct for public officers, employees of agencies, and local government attorneys); Palm Beach County Ethics Code sec. 2-443(b)

Finding:

Section 112.313 states,

(6) MISUSE OF PUBLIC POSITION—**No public officer**, employee of an agency, or local government attorney **shall corruptly use or attempt to use his or her official position** or any property or resource which may be within his or her trust, or perform his or her official duties, **to secure a special privilege, benefit**, or exemption for **himself, herself, or others....**

(7) CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP.—

(a) No **public officer** or employee of an agency shall have or hold any employment or **contractual relationship** with any **business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee**, excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the state or any municipality, county, or other political subdivision of the state; **nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.** [emphasis added]

The Palm Beach County Code of Ethics (Ord. No. 2011-011, § 1(Exh. 1), 5-17-11) states:

Sec. 2-443. Prohibited conduct.

.....

b) **Corrupt misuse of official position.** An official or employee **shall not use his or her official position or office**, or any property or resource which may be within his or her trust, **to corruptly secure or attempt to secure a special privilege, benefit**, or exemption for himself, herself, **or others**. For the purposes of this subsection, "corruptly" means done with a wrongful intent and for the purpose of obtaining, or compensating or receiving compensation for, any benefit resulting from some act or omission of an official or employee which is inconsistent with the proper performance of his or her public duties.

OIG Interview of Stuart Kroll, President of Stonerock Shipping Corporation

Stuart Kroll of Stonerock Shipping Corporation told the OIG that in approximately 2015, he, along with the Port Director and Port Commissioner Peyton McArthur went to a Riviera Beach City Council meeting. At that time, he said, the relationship between the Port and the City was bad. Mr. Kroll said that Councilman Davis was the only Council Member who tried to allow Port Commissioner McArthur to speak. After the meeting was over, Mr. Kroll suggested to Port Commissioner McArthur that Councilman Davis might be a “ray of light”.

Mr. Kroll stated that over the course of the next year, the Port Director and Port Commissioner McArthur communicated with Councilman Davis, who seemed like he wanted to have good relations with the Port. According to Mr. Kroll, at some point Councilman Davis contacted Mr. Kroll and asked for his help in Councilman Davis’s re-election campaign. Mr. Kroll said he told Councilman Davis he would help his re-election campaign because Councilman Davis seemed like an honest person. At Councilman Davis’s request, Mr. Kroll caused Stonerock to write a check to Councilman Davis’s Legislative Assistant’s consulting business, Innovative, because Councilman Davis told Mr. Kroll that Innovative would use the money for Councilman Davis’s political campaign. Mr. Kroll said he did not know who ran Innovative or anything further about it. Mr. Kroll never discussed having Innovative provide him or Stonerock with consulting services. Neither Mr. Kroll nor Stonerock ever received any invoice, receipt, or paperwork from Innovative.

Thomas Long, Mr. Kroll’s attorney, also wrote a check to Innovative, with the notation “Stonerock” in the memo line. Mr. Kroll said he probably told Mr. Long to write that check to help Councilman Davis’s campaign, as well. Mr. Kroll said it was possible that Stonerock also made a contribution directly to Councilman Davis’s campaign.

OIG Interview of Thomas Long

Mr. Long told the OIG that he is Stuart Kroll’s personal attorney. He stated that in the past Mr. Kroll was in litigation with the City of Riviera Beach. He also said that there was a time that Mr. Kroll was supporting political candidates in the City, and as such Mr. Long wrote a check to Innovative for the same reason as Mr. Kroll did; to support Councilman Davis. He did not recognize the names Innovative or Ms. Williams, and has never met Ms. Williams or Councilman Davis. He stated that the check itself is the only record he has of this transaction with Innovative or Ms. Williams.

Business and Financial Records the OIG Reviewed

Innovative’s bank records reflect a \$1,000 check from Stonerock Shipping Corp dated and deposited on March 21, 2016, and a \$1,000 check from Thomas Long dated March 21, 2016 and deposited on March 28, 2016. The check from Mr. Long has “Stonerock” written on the “For” line. This is consistent with Mr. Kroll’s statement to the OIG.

Councilman Davis's campaign bank records confirm that a \$1,000 check from Stonerock dated February 16, 2016 was deposited and posted to the account on February 19, 2016. Councilman Davis's Campaign Treasurer's Reports show a contribution of \$1,000 from Stonerock on February 17, 2016. This is consistent with Mr. Kroll's statement that in addition to his payment to Innovative he may have also directly contributed to Councilman Davis's campaign.

OIG Interview of Riviera Beach City Councilman Terence Davis

Councilman Davis was interviewed by the OIG on November 29, 2018 and December 13, 2018. Upon being asked whether he was familiar with anyone else who may have hired Ms. Williams, Councilman Davis stated he would need to get back to the OIG with a response.

Councilman Davis declined to answer when the OIG asked if he knows of Stuart Kroll. Councilman Davis declined to answer when the OIG asked if he knows of Stonerock Shipping.

During the first interview Councilman Davis told the OIG he did not know Mr. Long. During the second interview Councilman Davis declined to answer when asked if he looked into who Mr. Long is.

At the interview on December 13, 2018, Councilman Davis stated that after looking at his Campaign Treasurer's Report, he acknowledged that Innovative worked on his campaign. He said the work was for organizing, strategizing, and for marketing ideas. Councilman Davis has no records of Innovative's work other than what was disclosed in Campaign Treasurer's Reports. He said there were no receipts and there was no contract; everything was verbal. Councilman Davis stated that he thought there were one or two payments to Innovative. He then referred to the Campaign Treasurer's Reports and indicated that as reflected on his Campaign Treasurer's Reports, he paid Innovative \$6,542.68 for its work. He stated that Ms. Williams has subcontractors that she does business with.

Conclusion

We are referring this matter to the Florida State Commission on Ethics to determine whether Councilman Davis's political campaign's contractual or employment relationship with Ms. Williams and Innovative created a conflicting relationship between his private interests and the performance of his public duties. Additionally, we are referring the matter to the Florida State Commission on Ethics to determine whether Mr. Long and Mr. Kroll's statements that they paid monies to Innovative at Councilman Davis's direction constitutes a misuse of official position by Councilman Davis. Similarly, we are forwarding the same issue to the Palm Beach County Commission on Ethics.

Issue (3):

Councilman Davis may have filed inaccurate Department of State, Division of Elections (DS-DE) campaign reports with the Riviera Beach City Clerk, in violation of Florida Election Code.

Governing Directives:

Chapter 106, Florida Statutes (Campaign Financing).

Finding:

Chapter 106, Florida Statutes, includes the following provisions,

Section 106.021 - **Campaign treasurers; deputies; primary and secondary depositories.**-

.....

(3) **No contribution or expenditure**, including contributions or expenditures of a candidate or of the candidate's family, **shall be directly or indirectly made or received in furtherance of the candidacy of any person for nomination or election to political office** in the state or on behalf of any political committee **except through the duly appointed campaign treasurer** of the candidate or political committee, subject to the following exceptions:

(a) Independent expenditures;

(b) Reimbursements to a candidate or any other individual for expenses incurred in connection with the campaign or activities of the political committee by a check drawn upon the campaign account and reported pursuant to s. 106.07(4). The full name of each person to whom the candidate or other individual made payment for which reimbursement was made by check drawn upon the campaign account shall be reported pursuant to s. 106.07(4), together with the purpose of such payment... [emphasis added]

Section 106.07 - Reports; certification and filing

(1) Each campaign treasurer designated by a candidate or political committee pursuant to s. 106.021 **shall file regular reports of all contributions received, and all expenditures made**, by or on behalf of such candidate or political committee...[emphasis added]

Chapter 106.19 - Violations by candidates, persons connected with campaigns, and political committees.-

(1) Any candidate; campaign manager, campaign treasurer, or deputy treasurer of any candidate; committee chair, vice chair, campaign treasurer, deputy treasurer, or other officer of any political committee; agent or person acting on

behalf of any candidate or political committee; or other person who knowingly and willfully:

- (a) Accepts a contribution in excess of the limits prescribed by s. 106.08;
- (b) **Fails to report any contribution required to be reported by this chapter;**
- (c) **Falsely reports or deliberately fails to include any information required by this chapter...is guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.** [emphasis added]

Section 106.11 Expenses of and expenditures by candidates and political committees.—

Each candidate and each political committee which designates a primary campaign depository pursuant to s. 106.021(1) shall make expenditures from funds on deposit in such primary campaign depository only in the following manner, with the exception of expenditures made from petty cash funds provided by s. 106.12:

(1)(a) The campaign treasurer or deputy campaign treasurer of a candidate or political committee **shall make expenditures from funds on deposit in the primary campaign depository only by means of a bank check drawn upon the campaign account of the candidate** or political committee. The campaign account shall be separate from any personal or other account and shall be used only for the purpose of depositing contributions and making expenditures for the candidate or political committee.

....

(3) **The campaign treasurer, deputy treasurer, or authorized user who signs the check shall be responsible for the completeness and accuracy of the information on such check and for insuring that such expenditure is an authorized expenditure.** [emphasis added]

Section 106.141 Disposition of surplus funds by candidates.—

(1) Except as provided in subsection (6), **each candidate** who withdraws his or her candidacy, becomes an unopposed candidate, or is eliminated as a candidate **or elected to office shall, within 90 days, dispose of the funds on deposit** in his or her campaign account **and file a report reflecting the disposition of all remaining funds.**

....

(4)(a) Except as provided in paragraph (b), any candidate required to dispose of funds pursuant to this section shall, at the option of the candidate, dispose of such funds by any of the following means, or any combination thereof:

1. Return pro rata to each contributor the funds that have not been spent or obligated.

2. Donate the funds that have not been spent or obligated to a charitable organization or organizations that meet the qualifications of s. 501(c)(3) of the Internal Revenue Code.
3. Give not more than \$25,000 of the funds that have not been spent or obligated to the affiliated party committee or political party of which such candidate is a member..... [emphasis added]

Councilman Davis's Campaign Reporting Discrepancies

During calendar year 2016, Councilman Davis was registered as the Treasurer for his campaign, and the signatory for his campaign bank account. Councilman Davis told the OIG he was the person responsible for the Campaign Treasurer's Reports filed by his campaign during the 2016 election cycle. We obtained a copy of an Appointment Of Campaign Treasurer And Designation Of Campaign Depository For Candidates form from the Riviera Beach City Clerk's Office dated September 18, 2015. It names Councilman Davis as the Treasurer of his campaign and was signed by Councilman Davis. Councilman Davis also signed each of the Campaign Treasurer's Reports filed by his campaign during that cycle.

OIG examination of the Davis Campaign Treasurer Reports and the Davis Campaign bank account revealed numerous discrepancies with the reporting of expenditures made to Mr. Jones and Innovative⁶:

⁶ Campaign Treasurer's Reports filed by Councilman Davis for the 2016 election cycle reflect total contributions to the campaign of \$35,800. The campaign's bank records, however, show total campaign contributions of \$38,325.

The Campaign Treasurer's Reports filed by Councilman Davis for the 2016 election cycle reflect total campaign expenditures as \$35,800, but the campaign's bank records reveal total expenditures of \$36,636.92.

Our investigation revealed inconsistencies in other detailed items between Campaign Treasurer's Reports and the campaign's bank records. Those inconsistencies were outside the scope of our investigation and are not addressed in this report.

Comparison of Davis Campaign Bank Statements with Davis Campaign Treasurer Report Expenditures for Sherman Jones					
Date of Check	Source of information	Amount of Check	Payer	Payee	Purpose Noted
2/8/16	Bank Records	\$1,200	Davis Campaign	Sherman Jones	
2/26/16	Bank Records	\$2,200	Davis Campaign	Sherman Jones	
3/11/16	Bank Records	\$4,000	Davis Campaign	Sherman Jones	
3/14/16	Bank Records	\$1,800	Davis Campaign	Sherman Jones	
Total Amount Paid via Check	\$9,200				
Date of Expenditure	Source of Information	Amount Reported	Payer	Payee	Purpose Noted
2/18/16	Campaign Treasurer Reports	\$1,200	Davis Campaign	Sherman Jones	Custom Design Mailer & Door Hanger
3/12/16	Campaign Treasurer Reports	\$2,500	Davis Campaign	Sherman Jones	Campaign Designs, Flyer, Mailer, Door hanger, Palm Cards
3/14/16	Campaign Treasurer Reports	\$2,500	Davis Campaign	Sherman Jones	Campaign Consultant Fee
3/15/16	Campaign Treasurer Reports	\$2,500	Davis Campaign	Sherman Jones	Campaign Graphics designs
Total Amount of Expenditures Reported	\$8,700				

Councilman Davis's Campaign bank account records and the campaign finance reports filed with the City Clerk that we reviewed show that the campaign under reported \$500 in payments to Mr. Jones. The campaign treasurer, in this case Councilman Davis, had an obligation to file accurate reports showing his campaign expenditures.

Comparison of Davis Campaign Bank Statements with Davis Campaign Treasurer Report Expenditures for Innovative					
Date of Check	Source of information	Amount of Check	Payer	Payee	Purpose Noted
2/29/16	Bank Records	\$2,500	Davis Campaign	Innovative Consulting	
3/16/16	Bank Records	\$450	Davis Campaign	Innovative Consulting	
Total Amount Paid via Check	\$2,950				
Date of Expenditure	Source of Information	Amount Reported	Payer	Payee	Purpose Noted
3/16/16	Campaign Treasurer Reports	\$6,542.68	Davis Campaign	Innovative Consulting	Consulting Fee Aug 2015 to March 2016
Total Amount of Expenditures Reported	\$6,542.68				

Councilman Davis's Campaign bank account records and the campaign finance reports filed with the City Clerk that we reviewed show that the campaign over-reported \$3,592.68 in payments to Ms. Williams. The campaign treasurer, in this case Councilman Davis, had an obligation to file accurate reports showing his campaign expenditures.

Councilman Davis's Disposition of Surplus Campaign Funds

Councilman Davis was re-elected in March 2016. His campaign's bank records show that the account was closed on April 8, 2016. On the date of closure, campaign account had a balance of \$1,688.08. On the day after Councilman Davis's campaign account was closed, a cashier's check drawn from Councilman Davis's campaign account for \$1,688.08 and payable to "Regina Williams" was deposited into Ms. Williams's personal bank account. The deposited check was notated "Re: Terence Davis Campaign Account DI". Councilman Davis's campaign records filed with the Riviera Beach Clerk do not reflect the expenditures to Ms. Williams during the final reporting cycle nor final disposition of the \$1,688.08 remaining in its account after he was reelected in March 2016.

OIG Attempts to Interview Mr. Jones

We attempted to contact Mr. Jones telephonically and via email on multiple occasions. All efforts were met with no response, and messages left for him to contact OIG were not returned.

Interview with Stuart Kroll, President of Stonerock Shipping Corporation

According to Mr. Kroll, at some point Councilman Davis contacted Mr. Kroll and asked for his help in Councilman Davis's re-election campaign. Mr. Kroll said he told Councilman Davis he would help his re-election campaign because Councilman Davis seemed like an honest person. At Councilman Davis's request, Mr. Kroll caused Stonerock to write a check to Councilman Davis's Legislative Assistant's consulting business, Innovative, because Councilman Davis told Mr. Kroll that Innovative would use the money for Councilman Davis's political campaign.

These monies were requested by Councilman Davis for his campaign and were considered by Mr. Kroll to be campaign contributions. Such amounts were not reported on Councilman Davis's Campaign Treasurer's Reports.

OIG Interview of Riviera Beach City Councilman Davis

Although City records reflect that Councilman Davis used a City credit card to pay for an airline ticket on Virgin Airlines for Mr. Jones, during the first OIG interview of Councilman Davis, he stated he would have to check if he knew anyone named "Sherman Jones."

In Councilman Davis's second interview, he referred to Campaign Treasurer's Reports and stated records reflect his campaign paying Mr. Jones \$2,500 for graphics and designs, and \$2,500 as a consulting fee.

Conclusion

Based upon our review of Councilman Davis's Campaign Treasurer's Reports, relevant bank records, and our interviews with him, we are referring our concerns regarding this Campaign Treasurer's Reports to the Florida Elections Commission to determine whether the discrepancies between his banking records and campaign reports, his request that Mr. Kroll deposit campaign contributions in Innovative's business account, and his payment of \$1,688.08 to Ms. Williams to close out his campaign account after the 2016 elections violated the Florida Election Code.

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank the City of Riviera Beach staff for their cooperation throughout this investigation.

RECOMMENDED CORRECTIVE ACTIONS

Based on our findings, we recommend the following corrective actions with regard to **Allegation (1)**:

We made five (5) recommendations that could assist the City in ensuring that the City's Policy regarding outside employment and Florida state statutes and regulations regarding campaign finance are adhered to:

1. Ms. Williams complete the City's Outside Employment Disclosure form if she is still engaged in outside employment, as required by City Policy.
2. If Ms. Williams submits a current Outside Employment form, her department director should review the form and determine whether the outside employment presents a conflict with her employment with the City.
3. The City determine whether Ms. Williams's violation of the Outside Employment Policy warrants disciplinary action.
4. The City consider revising its Outside Employment Policy to require department directors to acknowledge in writing the evaluation of outside employment requests and to note the basis for the determination that such outside employment conflicts or does not conflict with the employee's employment with the City.
5. The City train all City department directors and employees, including appointed employees, general employees, and public safety personnel regarding the obligations and penalties set forth in the City's Outside Employment Policy. The acknowledgment of this training should be documented.

RESPONSE FROM THE CITY OF RIVIERA BEACH

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, City Manager Hoskins was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. The City's written response is Included in this report as Attachment 1.

The City concurred with the OIG's recommendations and advised the following:

- The City will require Ms. Williams to complete an outside employment disclosure form.
- If Ms. Williams is still engaged in outside employment, the city will require her to submit a current outside employment form to the City Manager for review and determine whether her outside employment presents a conflict with employment with the City.
- The City has determined through a review of her personnel file that Ms. Williams did not complete a form pursuant to the policy. The City will determine if Ms. Williams was

ever made aware of the outside employment policy. The city will make a determination on the type of discipline that will be administered.

RESPONSE FROM MS. WILLIAMS

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Ms. Williams was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. Her written response is included in this report as Attachment 2.

RESPONSE FROM COUNCILMAN DAVIS

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Councilman Davis was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. His written response is included in this report as Attachment 3.

Attachment 1

The City's Response



CITY ● F RIVIERA BEACH

600 WEST BLUE HERON BLVD.
(561) 845-4010

• RIVIERA BEACH, FLORIDA 33404
FAX (561) 840-3353

OFFICE OF
CITY MANAGER

January 25, 2019

Office of Inspector General
Palm Beach County
100 Australian Avenue, Fourth Floor
P.O. Box 16568
West Palm Beach, Florida 33416

Re: Investigative Report No. 2017-0009

Dear Mr. Carey:

For your review and information, I am transmitting the City of Riviera Beach's Response to the Office of Inspector General's (OIG) Investigative Report No. 2017-0009.

Please feel free to call me if you have any questions or concerns.

Sincerely,

Karen Hoskins
City Manager

Recommended Corrective Actions
Investigative Report 2017-0009
Riviera Beach Outside Employment

Recommendations

- (1) Ms. Williams complete the City's Outside Employment Disclosure form if she is still engaged in outside employment, as required by City Policy

Response: The City will require Ms. Williams to complete an outside employment disclosure form. This task will be completed as soon as practically possible.

- (2) If Ms. Williams submits a current Outside Employment form, her department director should review the form and determine whether the outside employment presents a conflict with her employment with the City.

Response: If Ms. Williams is still engaged in outside employment the city will require her to submit a current outside employment form to the City Manager for review and determine whether her outside employment presents a conflict with employment with the City.

This task will be completed as soon as practically possible.

- (3) The City determine whether Ms. Williams's violation of the Outside Employment Policy warrants disciplinary action.

Response: The City has determined through a review of her personnel file that Ms. Williams did not complete a form pursuant to the policy. The City will determine if Ms. Williams was ever made aware of the outside employment policy. The city will make a determination on the type of discipline that will be administered.

This task will be completed as soon as practically possible.

- (4) The City consider revising its Outside Employment Policy to require department directors to acknowledge in writing the evaluation of outside employment requests and to note the basis for the determination that such outside employment conflicts or does not conflict with the employee's employment with the City.

Response: The City will comply with this recommendation.

This task will be completed as soon as practically possible.

(5) The City train all City department directors and employees, including appointed employees, general employees, and public safety personnel regarding the obligations and penalties set forth in the City's Outside Employment Policy. The acknowledgment of this training should be documented.

Response: The City will comply with this recommendation.

This task will be completed as soon as practically possible.

Attachment 2

Ms. Williams's Response

My Response to the Alleged Complaint.

At no time prior to this investigations was I advised by anyone at the City that an outside employment policy existed and that I was subject to being within its operation and that I was required to fill out any form relating to my employment activities apart from the City of Rivera Beach. As indicated in your report there was no such outside employment policy when I was first employed as a legislative aide.

Outside employment is expressly "not prohibited" by the municipal policy you have referenced. While I did not complete the form adopted subsequent required after my employment I am unaware of any policy rule or regulation that prohibits any of the actions alleged to have been taken by me d/b/a Innovative as indicated in the report.

The report fails to factually address what my job duties were at the city and how the OIG believes that the facts in the report demonstrate that any actions taken as referenced in the report demonstrate objectively a conflict of interest with respect to my duties as a legislative aide nor does it objectively demonstrate that my alleged actions somehow were detrimental contrary or detrimental to the City of Beach. The report appears to be no more than a bias and inequitable stacking of unsupported inferences to support the contrived conclusion reached in the report. For example you our report references on page 14 that my company Innovative receives certain payments from the companies Stone rock and Sherman Jones and after having interview representatives of those companies you admitting you do not know reason the payments were made and subsequently you then unfairly infer some form of misconduct to be investigated by the Ethics commission.

On page 15 the report cites section 2-443 of the County Code of Ethics prohibiting conflicting contractual relationships but fail to address that the literal language of that section prohibits only contracts and transactions with a municipality or county. None of the actions alleged to have been taken by me d/b/a Innovative involve contracts or transactions between Innovative and the municipality Riviera Beach.

None of the actions alleged to have been taken by me d/b/a Innovative involve employment or contractual relationships between innovative and any business entity or agency regulated by the City of Riviera Beach as unfairly inferred on page 17 of the report .

None of the actions alleged to have been taken by me d/b/a Innovative involve which could objectively be determined to secure or attempt to secure special privilege or benefit for anyone let alone to do so "corruptly" as inferred the report's conclusions.

Finally, the report unfairly fails to indicate that the legislative aide position I occupy at Riviera Beach is a part time employment position. The report indicates that Innovative performed services with respect to the campaigns of Dawn Pardo, Terrence Davis and Wayne Richards. In a representative democracy such as ours it is my right under both the state and federal constitutions to support candidates seeking public

office on my own time irrespective of whether or not I am compensated for the work I may perform for that candidate.

Attachment 3

Councilman Davis's Response

January 28, 2019

John A. Carney
Office of the Inspector General
Palm Beach County
P. O. Box 1658
West Palm Beach, FL 33416

RE: INVESTIGATIVE REPORT 2017-0009 RIVIERA BEACH OUTSIDE
EMPLOYMENT JANUARY 15, 2019

Dear Mr. Carney,

Please accept this response to the findings and recommendations in the above-referenced draft report provided to me on or about January 15, 2019, by the Office of the Inspector General (OIG). My response will address the one (1) Allegation, three (3) Issues of Concern and five (5) Recommendations presented by the OIG.

ALLEGATION:

Allegation (1): Ms. Williams did not submit an Outside Employment Disclosure Form to her department director for approval and a determination of whether her outside employment presented a conflict of interest with her employment with the City, in violation of the City Policy.

Allegation 1 Findings: Ms. Williams did not submit an Outside Employment Disclosure Form to her department director for review and approval for a determination that such employment would not present a conflict of interest with her employment with the City. Although Ms. Williams's supervisor was aware of her outside employment, we found no records showing that Ms. Williams complied with the requirements of the City's Outside Employment Policy.

RESPONSE: Ms. Regina Williams became a part-time Legislative Assistant for the Office of the City Council, City of Riviera Beach and assigned to Councilman T. Davis during March of 2013. At that time, I was unaware of a City of Riviera Beach's Outside Employment Policy. According to this OIG Report, the City approved an Outside Employment Policy on April 18, 2013. I am not sure how the implementation of this policy occurred in April of 2013, but new policies are typically distributed to Department Directors via Human Resources. The Directors are then responsible for having employees sign for and acknowledge receipt of the new policy. I do not recall being provided a copy of the Outside Employment Policy for distribution. Additionally, no acknowledgment of receipt of said policy could be located in Ms. Williams' personnel file.

PBC OIG – 2017-0009
January 28, 2019

I was aware of Ms. Williams outside employment activities and understood her need for additional work as the job with the City of Riviera Beach was only part-time.

ISSUES OF CONCERN:

Issue (1): Ms. Williams may have had conflicting employment or contractual relationships with individuals or business entities having a contract with, or that were subject to the regulation of the City, in violation of the County and State of Florida Code of Ethics.

For Issue (1) Findings: we found sufficient information to warrant referral of Issue (1) to the State of Florida and Palm Beach County Commissions on Ethics for a determination of whether Ms. Williams violated the State of Florida and/or Palm Beach County Codes of Ethics.

RESPONSE: At the time of the Davis Campaign in 2016, I was not aware of any prohibition or conflict between Ms. Williams and individuals or business she was working with as a consultant via her private business. Ms. Williams understood that all personal or private work performed must occur during none work hours and away from any and all City of Riviera Beach properties.

I will follow-up with the State of Florida and the Palm Beach County Commissions on Ethics as well as the Florida Attorney Generals Office for an official opinion concerning this matter.

Issue (2): Councilman Davis may have had a conflicting employment relationship with his Legislative Assistant Regina Williams or may have misused his official position to secure a special benefit for himself, Ms. Williams, or Innovative, in violation of the County and State of Florida Code of Ethics.

For Issue (2): we found sufficient information to warrant referral of Issue (2) to the State of Florida and Palm Beach County Commissions on Ethics for a determination of whether Councilman Davis violated the State of Florida and/or Palm Beach County Codes of Ethics.

RESPONSE: At the time of the Davis Campaign in 2016, I was not aware of any prohibition or conflict with Ms. Williams working as a consultant via her private business for the Davis Campaign. Ms. Williams understood that all campaign work must be performed during none work hours and away from any and all City of Riviera Beach properties.

I will follow-up with the State of Florida and the Palm Beach County Commissions on Ethics as well as the Florida Attorney General's Office for an official opinion concerning this matter.

Issue (3): Councilman Davis may have filed inaccurate Department of State, Division of Elections (DS-DE) campaign reports with the Riviera Beach City Clerk, in violation of the Florida Election Code.

For Issue (3) we found sufficient information to warrant referral of Issue (3) to the State of Florida Election Commission to investigate potential violation(s) of Florida Election Code.

RESPONSE: At the time of the filing and to the best of my knowledge all campaign reports filed with the Riviera Beach Supervisor of Election (Riviera Beach City Clerk) were accurate.

I will follow-up with the Department of State, Division of Elections (DS-DE) and with the Riviera Beach Supervisor of Elections for an official opinion concerning this matter. If after an official review and or recommendation by the DS-DE warrants, I will file an amended report(s) to reflex said recommendation (s) or requirement (s).

OIG RECOMMENDATIONS:

1. Ms. Williams complete the City's Outside Employment Disclosure Form if she is still engaged in outside employment, as required by City Policy.

RESPONSE: Ms. Williams has recently received a copy of the City's Outside Employment Policy and is waiting on her attorney to review before signing.

2. If Ms. Williams submits a current Outside Employment Form, her department director should review the form and determine whether the outside employment presents a conflict with her employment with the City.

RESPONSE: All Outside Employment Forms submitted by Ms. Williams in the future will be reviewed by me as her supervisor. Additionally, I will consult with the Human Resources Director and with the City Attorney prior to approving outside employment for Ms. Williams as needed.

3. The City determine whether Ms. Williams's violation of the Outside Employment Policy warrants disciplinary action.

PBC OIG – 2017-0009

January 28, 2019

Page 4 of 4

RESPONSE: I will schedule a meeting with the City Manager, the Human Resources Director and with the City Attorney to discuss this matter. As a group, a determination will be made as to the appropriate course of action based on this report and my personal knowledge of Ms. Williams previous employment as a Consultant.

4. The City consider revising its Outside Employment Policy to require department directors to acknowledge in writing the evaluation of outside employment requests and to note the basis for the determination that such outside employment conflicts or does not conflict with the employee's employment with the City.

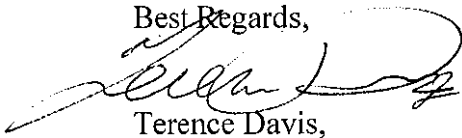
RESPONSE: I will schedule a meeting with the City Manager, the Human Resources Director and with the City Attorney to discuss the OIG's recommendation and a course of action moving forward.

5. The City train all City department directors and employees, including appointed employees, general employees, and public safety personnel regarding the obligations and penalties set forth in the City's Outside Employment Policy. The acknowledgment of this training should be documented.

RESPONSE: I will schedule a meeting with the City Manager, the Human Resources Director and with the City Attorney to discuss the OIG's recommendation and a course of action moving forward.

On behalf of the Citizens of Riviera Beach, I would like to thank the Office of the Inspector General Office for their efforts and for making recommendations to improve public trust in the City of Riviera Beach.

Best Regards,

A handwritten signature in black ink, appearing to read "Terence Davis", with a large, stylized flourish extending to the right.

Terence Davis,