



Joseph M. Centorino, Inspector General

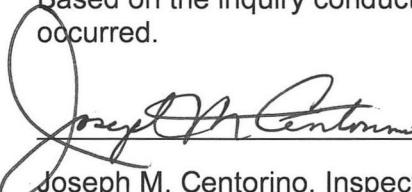
TO: FILE
FROM: Joseph Centorino, Inspector General

DATE: June 23, 2021
REFERRAL: Alleged Illegal Campaign Contributions
OIG No. 21-28

This referral came about as a result of email communications from Mr. Larry Shafer, Jr. to the City Attorney, alleging that illegal contributions had been made by City real estate developers to two City Commissioners during their respective 2019 election campaigns, in violation of City of Miami Beach Code Section 2-489. The OIG was copied on the communications. Following a brief discussion with the City Attorney, the Inspector General referred the issues raised by Mr. Shafer to the Miami-Dade Commission on Ethics and Public Trust, which has jurisdiction to investigate possible violations of Section 2-489, and to make findings and, where appropriate, take enforcement action.

The Inspector General referred these issues to the Ethics Commission pursuant to Section 2-256(d)(8)(b) of the City of Miami Beach Code. No complaint was filed by the Inspector General. The alleged violations became the subject of an inquiry by the Ethics Commission investigative staff, conducted without the participation of the OIG. The reports of those inquiries and their dispositions are attached to this report.

Based on the inquiry conducted by the Ethics Commission, no violations of Section 2-489 occurred.



Joseph M. Centorino, Inspector General

06/23/2021
Date

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MIAMI-DADE COMMISSION ON ETHICS & PUBLIC TRUST
CONCLUSION MEMORANDUM

TO: FILE

FROM: Michael P. Murawski, Advocate

DATE: April 30, 2021

CASE NO: PI 21-18

On or about March 10, 2021, the COE received information from a resident of the City of Miami Beach, regarding a music festival allegedly hosted by Commissioner Ricky Arriola (Arriola) and held as a campaign event for the Commissioner. The music festival was held on November 2, 2019, just two days before the City's General Election in which Arriola ran and was re-elected for a second term as City Commissioner. Pursuant to the flyer announcing the festival, one of the sponsors of the event was City developer Kahunah Properties.

The case was assigned to Investigator S. Batista

(For details see Final Investigative Report)

Analysis and Conclusion:

After review, it was determined that there was insufficient evidence to establish a violation of the City of Miami Beach Campaign Finance ordinance. Wherefore this matter is closed with no further action.

Approved by:

Date: May 11, 2021

Jose Arrojo, Executive Director



**CASE
CLOSED**

Date: 5-11-21

Miami-Dade Commission on Ethics & Public Trust
Investigative Report

Investigators: Sylvia Batista
Subject: Illegal campaign contribution
Date Opened: 03/10/21
Date Submitted: 04/08/21

Case No.: PI21-18
Case Name: City of Miami Beach
Commissioner Ricky Arriola

Allegation(s):

On or about 03/10/21, the COE received information from Larry Shafer (Shafer), a resident of the City of Miami Beach, regarding a music festival allegedly hosted by Commissioner Ricky Arriola (Arriola) and held as a campaign event for the Commissioner. The music festival was held on 11/2/19, days before the City's 11/5/19 General Election in which Arriola ran and was re-elected for a second term as City Commissioner. Pursuant to the flyer announcing the festival, one of the sponsors of the event was City developer Kahunah Properties.

The COE conducted an inquiry of a possible violation of City of Miami Beach campaign finance laws due to the sponsorship of a campaign event by a City developer.

Relevant Law:

City of Miami Beach Code Section 2-489. Prohibited campaign contribution by real estate developers.

A. General

(1)(a) No real estate developer shall give a campaign contribution directly or indirectly to a candidate, or to the campaign committee of a candidate, for the offices of mayor or commissioner. . .

(1)(b) No candidate, or campaign committee of a candidate for the offices of mayor or commissioner, shall deposit into such candidate's campaign account any campaign contribution directly or indirectly from a real estate developer. .

3(a) A person or entity other than a real estate developer who directly or indirectly makes a contribution to a candidate who is elected to the office of mayor or commissioner shall be disqualified for a period of 12 months following the swearing in of the subject elected official from becoming a real estate developer.

3(c) A real estate developer shall not make a contribution within 12 months after termination of its status as a real estate developer.

(4)(a) 1. A "real estate developer" is a person and/or entity who has a pending application for a development agreement with the City or who is currently negotiating with the City for a development agreement, or, who has a present or pending application with the City for a change of zoning map designation or a change to the City's future land use map.

Investigation:

Document Review:

A review of the flyer promoting the 11/02/19 music festival reflects that the Miami Beach Salsa Fest #6 was produced and presented by Almodovar Musica Productions. The invitation to the event was made by Arriola as Vice Mayor of the City. One of the sponsors listed on the flyer was Kahunah Properties, a City real estate developer. The flyer does not mention Arriola's re-election campaign nor does it contain the disclosure language required on all campaign material.

Arriola's campaign treasurer reports did not list Kanunah Properties or its principal Matis Cohen, as contributors of money or in-kind services to the campaign. A request for records and additional information was emailed to Arriola on 03/15/21.

Interviews:

03/30/21 – Commissioner Ricky Arriola -

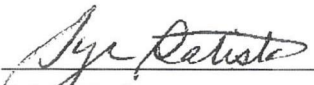
Arriola was informed of the allegation being reviewed by the COE regarding the music festival's sponsorship by a City real estate developer. Arriola explained that he sponsored the free music festival for \$2,500 by way of his company, Inktel. Arriola stated that this was not a campaign event and for this reason he did not pay for the sponsorship through his campaign account.

Arriola stressed that he attended the music festival because he is a City Commissioner and a corporate sponsor of the event. The event had nothing to do with his campaign for re-election, therefore, City campaign finance laws do not apply.

Arriola provided copies of the invoice for the sponsorship of the event directed to Inktel and a copy of the sponsorship contract between Almodovar Musica LLC and Inktel.

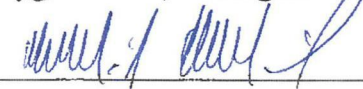
Conclusion:

This report has been submitted to the COE Advocate, Mr. Murawski, for further disposition.



Sylvia Batista, Investigator

Date: 5/13/21



Michael Murawski, Advocate

Date: 5/12/2021

**CASE
CLOSED**



Date: 5/20/2021

Miami-Dade Commission on Ethics & Public Trust
Investigative Report

Investigators: Sylvia Batista
Subject: Illegal campaign contribution
Date Opened: 03/10/21
Date Submitted: 05/18/2021

Case No.: PI21-19
Case Name: Abraham A. Galbut
City of Miami Beach Developer

Allegation(s):

On or about 03/10/21, the COE received information from Larry Shafer (Shafer), a resident of the City of Miami Beach, regarding a \$1,000 campaign contribution given to City of Miami Beach Commissioner Steven Meiner (Meiner) on 10/18/19. The contribution was made by Abraham A. Galbut (Galbut) on behalf of Hudson Consulting & Management, LLC (HCM). HCM officers are President - Abraham A. Galbut, Vice-President and Secretary - Eric B. Galbut; and Vice-President and Treasurer – Daniel Galbut.

In an initial inquiry conducted by the COE (PI19-45), City Attorney Raul Aguila confirmed that neither HCM nor its officers, including Galbut, were real estate developers in the City at the time of the contribution, nor were they real estate developers during the twelve (12) month period preceding the contribution.

Shafer alleged that three (3) months prior to Meiner being sworn into office, the property located at 650 72nd Street was purchased by KG 72nd, LLC, an entity controlled by Matis Cohen and Galbut. Additionally, two months before Galbut's contribution to Meiner, Galbut hired a lobbyist to promote development efforts in the North Beach Town Center of the newly purchased property.

Finally, Shafer alleged that had HCM and Galbut filed applications which were approved within the one year period after the swearing in of Commissioner Meiner on 10/25/19, such contribution would be illegal.

The COE conducted an inquiry to determine whether a violation of City of Miami Beach campaign finance laws had taken place.

Relevant Law:

City of Miami Beach Code Section 2-489. Prohibited campaign contribution by real estate developers.

A. General

(1)(a) No real estate developer shall give a campaign contribution directly or indirectly to a candidate, or to the campaign committee of a candidate, for the offices of mayor or commissioner. . .

(1)(b) No candidate, or campaign committee of a candidate for the offices of mayor or commissioner, shall deposit into such candidate's campaign account any campaign contribution directly or indirectly from a real estate developer. . .

3(a) A person or entity other than a real estate developer who directly or indirectly makes a contribution to a candidate who is elected to the office of mayor or commissioner shall be disqualified for a period of 12 months following the swearing in of the subject elected official from becoming a real estate developer.

3(c) A real estate developer shall not make a contribution within 12 months after termination of its status as a real estate developer.

(4)(a) 1. A "real estate developer" is a person and/or entity who has a pending application for a development agreement with the City or who is currently negotiating with the City for a development agreement, or, who has a present or pending application with the City for a change of zoning map designation or a change to the City's future land use map.

Review:

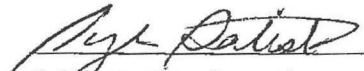
DATE	DESCRIPTION
07/25/19	KG 72 nd , LLC, an entity controlled by Matis Cohen and Abraham Galbut , purchased 650 72 nd Street. KG 72 nd , LLC also owns 600 72 nd Street, and 7130 and 7134 Carlyle Avenue.
10/18/19	Abraham Galbut made a \$1,000 campaign contribution to Meiner from Hudson Consulting and Management, Inc. (HCM). Commissioner Meiner's campaign deposited the contribution and reported it on their campaign treasurer report. HCM's officers are Abraham Galbut , Eric Galbut and Daniel Galbut.
10/25/19	Swearing in ceremony of Commissioner Meiner. For the following twelve (12) months from this date, HCM and Abraham Galbut are prohibited from becoming developers in the City.
10/25/20	One year from the swearing in of Commissioner Meiner. Abraham Galbut and HCM are no longer prohibited from becoming developers in the City.
01/04/21	Land Use Board Hearing Application filed by NOBE Creek, LLC.
03/08/21	Lobbying MB Historic Preservation Board – lobbying for approvals re. HPB20-0431, 880 71 st St., owned by KG Normandy, LLC. The Managers and officers of KG Normandy, LLC are Marisa Galbut, Dayami Aguiar, and Russell Galbut. The Registered Agent of KG Normandy LLC is Abraham Galbut.

03/18/21	Lobbying MB Design Review Boards – lobbying for approvals DRB21-0632 a/k/a DRB20-0505, 666 71 st Street, owned by NOBE CREEK LLC. NOBE CREEK LLC’s application to the DRB directly references Abraham Galbut’s ownership of NOBE CREEK, LLC.
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On 05/06/21, the COE requested copies of pending applications for a development agreement between the City and Galbut and/or HCM, and/or any pending applications for a change of zoning map designation or change to the City’s future land use map filed within the time period of 10/25/19 to 10/25/20. The City Clerk’s office replied that there are no records responsive to the request.

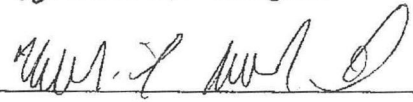
Conclusion:

This report has been submitted to the COE Advocate, Mr. Murawski, for further disposition.



 Sylvia Batista, Investigator

Date: 5/27/21



 Michael Murawski, Advocate

Date: 5/21/2021



MIAMI-DADE COMMISSION ON ETHICS & PUBLIC TRUST
CONCLUSION MEMORANDUM

TO: FILE

FROM: Michael P. Murawski, Advocate

DATE: May 19, 2021

CASE NO: PI 21-19 (Steven Meiner/ Abraham Galbut)

On or about 03/10/21, the COE received information from Larry Shafer (Shafer), a resident of the City of Miami Beach, regarding a \$1,000 campaign contribution given to City of Miami Beach Commissioner Steven Meiner (Meiner) on 10/18/19. The contribution was made by Abraham A. Galbut (Galbut) on behalf of Hudson Consulting & Management, LLC (HCM). HCM officers are President - Abraham A. Galbut, Vice-President and Secretary - Eric B. Galbut; and Vice-President and Treasurer – Daniel Galbut.

Shafer alleged the campaign contribution was made in violation of City of Miami Beach Code Section 2-489 entitled, “Prohibited campaign contribution by real estate developers.”

The investigation was assigned to COE investigator S. Batista. For details see Final Investigative Report.

Analysis and Conclusion:

The investigation determined that there was no violation of the City of Miami Beach Code.

Mr. Galbut was prohibited from becoming a “real estate developer” for a period of one year from the date of the swearing in ceremony of Commissioner Meiner, October 25, 2019. A “real estate developer” is defined by the Miami Beach Code as: “ a person and/or entity who has a pending application for a development agreement with the City or who is currently negotiating with the City for a development agreement, or, who has a present or pending application with the City for a change of zoning map designation or a change to the City’s future land use map.”

Mr. Galbut did not meet the definition of “real estate developer” until January 4, 2021, more than a year after the swearing in of Commissioner Meiner. Accordingly, this matter can be closed with no further action.

Approved by:
Jose Arrojo, Executive Director

Date: May 20, 2021