

City of North Miami Beach  
POLICE DEPARTMENT

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MEMORANDUM

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**TO:** INTERIM CHIEF LARRY GOMER  
**VIA:** DIRECT  
**FROM:** SGT. RICHARD SILBERMAN  
**DATE:** JULY 2, 2012  
**RE:** SANITATION BID COMMITTEE CONFLICT ALLEGATION BY COUNCILMAN PIERRE

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An investigation was requested by the City Manger due to potential allegations made during a City of North Miami Beach workshop meeting on May 1, 2012, regarding the Sanitation Department and its possible outsourcing. During the workshop, Councilman Frantz Pierre made the following comment:

***"On a "sidebar" I have a question for the Madam Attorney": You heard every single member of the panel say that they have no prior contacts with the company. Now my question for you...assuming that everything was done perfectly there were no contact or they disclosed their contact and we find out that one or several members had personal ties with companies...how does that tie into this?"***

After a brief explanation by the City Attorney, and discussion of procedures by Mr. Bonner and Mr. O'Connor, Councilman Pierre stated he had no further questions.

I reviewed the recorded meeting, and again along with Interim Chief Gomer, and determined that Councilman Pierre's comments appeared to be hypothetical and did not make any specific allegation against any particular individual. Therefore, this matter did not constitute any specific allegation that someone committed a violation of city policy, ordinance or state statute. This matter was then discussed between Interim Chief Gomer and City Manager Bonner, and it was explained that if Councilman Pierre had any specific grievance or allegation of wrongdoing against any city employee, that Mr. Pierre needed to come forward and provide a sworn statement as to his allegations.

During the City Council Meeting on May 15, 2012, Councilman Pierre again brought up the matter of the Sanitation bid, and stated the following (1:27:07):

***"I can put on record that, I got at least two credible witnesses that can tell me, that the original vice-president of the winning bid company, has extensive conversation with Ms. Shari Kamali."***

Mr. Bert Kehren had called and spoke to Interim Chief Gomer and mentioned the matter. Mr. Kehren was interviewed in addition to others as summarized below:

### **Bert Kehren**

On Tuesday, May 29<sup>th</sup>, 2012 I met with Mr. Bert Kehren, a City of NMB resident, who had earlier contacted Interim Chief Gomer, regarding information that had come to his attention regarding this matter. Mr. Kehren stated that he was told by another resident, Mary Hilton, that she had information alleging that money had improperly changed hands in the matter of the Sanitation outsourcing bid with the City. Mr. Kehren advised that this information had stemmed from a meeting between Kamali, Waste Pro representative(s), and others. Kehren stated that he was not present, but he felt compelled to bring the matter to the City's attention in the event that it was factual. He stated that when he insisted that Ms. Hilton bring her allegations to the City's attention, she began to backtrack a bit on her statements to Kehren.

### **Bruce Lamberto**

On Thursday, June 14<sup>th</sup>, 2012, I met with Mr. Bruce Lamberto outside of his place of employment (City of Miami Beach City Hall). Mr. Lamberto stated that he had a conversation with Councilman Pierre several weeks ago, in which Pierre commented on some vague allegations regarding Ms. Kamali and the Sanitation bid process. Lamberto stated that Pierre's allegations alluded to Kamali possibly allowing a vendor to change his bid after the bid was opened.

Mr. Lamberto stated that he has not had recent conversations with either Mary Hilton or Richard Riess. Most of what was provided by Mr. Lamberto was information heard at the recent council meetings. Mr. Lamberto stated that he spoke with Pierre and suggested that he apologize to Kamali for his comments about her in a public meeting. Lamberto stated that at the last council meeting of 6/5/2012, Pierre apologized if Kamali's feelings were hurt, however he stood by his comments.

### **Mary Hilton**

On Friday, June 8<sup>th</sup>, 2012, I spoke with Ms. Mary Hilton via telephone. Ms. Hilton stated that there had been a meeting at her residence a couple of months ago, in which Councilwoman Kramer, Mr. Richard Riess and Waste Pro representative Russell Mackie were in attendance. Ms. Hilton stated that she had no personal knowledge of Ms. Kamali having met with Waste Pro or having any improper contact with them regarding the Sanitation outsourcing bid. Ms. Hilton stated that

she had no knowledge of any financial transactions between Mackie and Kamali. Ms. Hilton suggested I speak with Mr. Riess for information he may be able to provide.

### **Barbara Kramer**

On Tuesday, June 12, 2012, I met with Councilwoman Kramer at her office. Mrs. Kramer confirmed that she had arranged a meeting to discuss the upcoming Sanitation outsourcing workshop, at the request of Mr. Mackie. Kramer stated that the purpose for the meeting request was to be able to provide information about the company and to answer any questions anyone may have prior to the upcoming workshop. Kramer stated that Mackie had mentioned that he had met Ms. Kamali along with the outsourcing committee maybe 7 months to approximately 1 year ago, however Kamali had stated that she did not recall having met Mackie.

Kramer stated that she is not aware of any improper contact between Kamali and Mackie, nor is she aware of any "money changing hands" as mentioned by Mr. Kehren.

### **Mac Serda**

Mr. Serda was interviewed in his office on 6/14/2012. Mr. Serda stated that he sits on the Sanitation outsourcing bid committee. Serda stated that the committee has met with representatives from the various bidders on several occasions, as they are present at workshop and other committee meetings as they are public. Serda stated that initially, prior to the bid being put out publicly, he personally made some inquiries from a sanitation company, (Waste Management he believes) in order to better educate himself on the scope of the business and other factors which would provide useful knowledge in preparing bid specifications. Serda stated that it would not be improper for committee members to reach out to conduct research if needed prior to a bid being put out.

Serda stated that there has been no improper contact by any member of the committee with any of the bidding vendors to his knowledge, nor has he heard of any improprieties or bribery on the part of any committee member. Serda stated that he was not aware of any violation of the imposed "cone of silence" put into place at the start of the bidding process.

### **Russell Mackie**

Mr. Mackie was interviewed on 6/13/2012 at 95 NW 167 ST (Dunkin Donuts). Mr. Mackie is a regional Vice-President for Waste Pro's Southeast Florida region. Mr.

Mackie stated that Waste Pro is one of the largest privately owned sanitation service providers in the Southeast. Mackie stated that the company stays abreast of what goes on in local governments as potential for new opportunities. Mackie stated that his company became aware of the stated financial hardships facing the city of North Miami Beach, and a request was made to meet with the Director of Public Works for the city of NMB, Ms. Shari Kamali. Mackie stated that an appointment was made and he along with Mr. Tim Bowers (also from Waste Pro) met with Ms. Kamali approximately one year ago. Mackie stated that this was basically a "sales call" to introduce themselves and their company to Ms. Kamali, and to express their interest in proposing their company's services to the City of NMB as a possible cost cutting alternative to the current in-house sanitation services. Mackie stated that this meeting was at their request, not Kamali's. Mackie stated that they were the only three at this meeting in Kamali's office.

Mackie stated that at this meeting, they discussed the Waste Pro company, their services, other client cities and services provided to them. Mackie stated that they explained to Kamali that several of the municipal customers are on a contract, which can be piggybacked. Mackie stated that Kamali was asked if NMB would be interested in their services, and that Kamali explained that this was not a decision for her to make.

Mackie stated that to his knowledge, Waste Pro was not aware of the City's Bid prior to publication. Mackie stated that once the bid was put out, Waste Pro answered the RFP and submitted the bid per procedures. Mackie stated that they observed the Cone of Silence, in as far as any discussions with anyone regarding the bid, with the exception of any questions that may have arisen which would have been directed to the City's procurement officer.

Mackie stated that once the bid selection was announced by the City Manager, there were apparent complaints about the process by competing vendors. Mackie stated that he had requested to meet with city officials via their hired lobbyist, Mr. Ron Book, who set up a meeting with Councilwoman Barbara Kramer. Mackie stated that Kramer requested the meeting be held at the residence of one of the city's community activists, Ms. Mary Hilton. Mackie stated that aside from Hilton, Kramer and Mr. Richard Riess were in attendance. He stated that the meeting lasted maybe one hour. Mackie stated that he basically answered questions about Waste Pro, services and their experiences with other cities who contracted with them for sanitation / waste management services. Mackie stated that there were no unusual matters discussed at this meeting.

Mackie stated that to his knowledge, at no time during this entire process was anything done improperly, by himself or any of his colleagues, to include any type of money or goods being provided for any favorable consideration or otherwise during the bid process

Mr. Mackie provided me with copies of email correspondence between his company and Ms. Kamali (see attached).

**Mr. Richard Riess**

I met with Mr. Riess on Monday, June 19<sup>th</sup>, 2012 at the NMBPD station (IA Office). Mr. Riess stated that he did not have any first hand information or personal knowledge of any improper meetings or other conduct by Ms. Kamali regarding the Sanitation bid. Mr. Riess did relay that at some point during the Sanitation Workshop meeting, he had overheard a conversation between Mr. Mackie and someone else outside of the Council Chambers, commenting that he was concerned that Ms. Kamali did not mention that he had met with her some time ago prior to the bid. According to Riess, Mackie expressed concern because of Bonner's comments of "firing people" for undisclosed conflicts.

**Comments extracted from Sanitation Workshop meeting on 6/1/2012**

**Councilwoman Smith:** "I just wanted to ask Councilman Pierre one question, ... he alluded that perhaps one of the five panels or people that were on the panel could have had a vested interest in one of the ...do you, that was the question you had asked, and so I wondered if you had any substance behind that before we..."

**Councilman Pierre:** "this is something I wan to discuss with our City Attorney before I make further revelations."

**Bonner:** Is there a notion that there is a conflict of interest on my panel?"

**Smith:** "We're going to find out. He just said he's going to talk to the City Attorney before he discloses...I'd just like to have him disclose it..."

**Bonner:** "Now...I don't want to cast disreputation...these people worked hard for your Council, I want to make certain that you know, that I have no suspect that this has occurred, if I did, people would get fired over this. You know how strongly I feel. These people's integrity is on the line. Say something on it now, I want to know now... It's only fair."

**Extract from Councilman Pierre's comments at the 6/5/2012 Council Meeting:**

"I want to touch briefly on a comment that a resident made earlier tonight (referring to Mr. Kehren). And I need to let the City know that, that was unilateral and erroneous view from that resident. Once again, when the time is right, the

Council and the City will know the truth. And I'm willing to meet with that resident because I got information that will blow his mind.

Having said that, I just want to address a comment that was made last council meeting, from the dais, and repeated by that same resident. I do value all of our employees. I love them. I've seen them in action. I see how hard they work. Just because somebody forgot to make a statement on record, I was trying to clarify the record. But, that was not an "attack." An attack is when you say something that you can document, but I stand corrected. I got "irrefutable evidence" that there were discussions, there were contact between Ms. Kamali and the individual. I got credible witnesses and I stand by it. That was not an attack. That was maybe an omission on her part. And that was not an attack. And since Ms. Kamali is here in the audience, if she feels that way, I would like to openly apologize.

The intention was not to hurt her feelings, not to accuse her of anything; simply she didn't disclose on record that she had contact. While I do know, I do have documents, evidence that she did have contact. That was not an attack, that was not an accusation, but maybe that was an oversight. Please, Ms. Kamali, if I hurt your feelings, please accept my apology. And for the rest of the Council, I got more information that I will disclose at a later date. I got information that will blow your mind."

**Extract from City Council Meeting on 6/15/2012:**

**Councilwoman Beth Spiegel:** "I would like to know, because you reminded me of something about, that you said something, Councilman Pierre, "Have we resolved the issue at the last meeting where there was your innuendo that there had been an ethical conflict...has that been resolved?"

**Councilman Frantz Pierre:** "Uh that, I was going to address at the end, but I can put on record that I got at least two credible witnesses who can tell me that the regional Vice-President of the winning bid company has extensive conversation with Miss Shari Kamali."

**City Manager Lyndon Bonner:** "I've got to address that. I'm gonna say this, 'So What'? Quite frankly, that's exactly what they're supposed to do. You're saying that something was inappropriate in those discussions? I think that all councilpersons have talked to lobbyists, or some of them along the way, but to imply that something was inappropriate there, that is what I take exception to.

**SHARI KAMALI**

On July 10, 2012, Ms. Kamali responded to a request to provide a voluntary, sworn statement regarding this matter.

Ms. Kamali stated that she is the Director of Public Services for the City of North Miami Beach and has been employed in this capacity for the last two and a half years.

Ms. Kamali stated that on or about August 1<sup>st</sup> of 2011, during a budget meeting, current Mayor Vallejo requested from the City Manager to look into the potential for savings if the City were to outsource the sanitation department. The City Manager, then tasked Ms. Kamali to look into the process. Kamali stated that she researched and assisted in writing the RFP for the process, and was ultimately selected to be a reviewer on the selection committee for the received bids.

Kamali stated that the entire process was under the direction of the City's Procurement Officer, Brian O'Connor, who worked under the direction of the City Council in determining the process to follow (RFP, Reverse Bid, Bid, etc.). Kamali stated that initially, when helping write the RFP, she recalled contacting Waste Management, WSI and one other, both ultimately vendors which submitted bids for the RFP. Kamali stated that she did not recall meeting with Waste Pro until it was brought to her attention that they had met sometime in August of 2011. Kamali stated that she located a "While You Were Out" phone message receipt from August 2011, in which she was contacted by someone from Waste Pro.

Kamali stated that she cannot recall the meeting with them, and in the course of her position, she meets regularly with many companies and representatives of various industries. Kamali stated that at a recent workshop, regarding the sanitation outsourcing, she did not recognize Russell Mackie who was in attendance. Kamali stated that if they met sometime in August of 2011, she did not recall it, nor did she recall any of the brief emails from either Russell Mackie or Tim Bowers from Waste Pro, in which they asked for a clarification and also provided Kamali with a copy of their contract with the City of Miramar.

Kamali stated that did not have any further contact with Waste Pro to her knowledge, and had no contact with any of the vendors once the Request for Proposal was advertised, nor during the "cone of silence" window.

Kamali was read excerpts from the allegations made by Councilman Pierre regarding possible misconduct during the process, and Kamali stated that after the first innuendo / allegation that someone may have violated a policy, she approached the City Manager and requested that the matter be investigated. Kamali stated that she had no indication that Pierre was alluding to her. Kamali stated that she has no idea why Pierre would be making these allegations against

her. Kamali stands firm that she has done everything above board and took great offense to Councilman Pierre's comments. Kamali stated that she does not know why Councilman Pierre would be singling her out in his accusations, other than possibly the mistaken belief that the Customer Service department falls under her, and his recent issues with an incident involving a City water meter reader.

### **Conclusion**

A decision to look into the possible outsourcing of the city's sanitation department as a potential cost savings measure was made sometime around August of 2011. The task was assigned by the City Manager to the Director of Public Services, under the guidance of the city's Procurement Department. Ms. Kamali along with members of her staff conducted research and contacted sanitation service providers, some, if not all, companies that subsequently provided bids. This research was to educate themselves so as to be able to provide knowledgeable information in the RFP process. The contacting of vendors, even potential vendors, is not considered inappropriate as long as it does not coincide with the "cone of silence" period during the bid process.

In furtherance of this investigation, a memorandum was submitted to Councilman Pierre on Friday, June 22 requesting he call the Internal Affairs Unit to schedule an appointment for the purpose of establishing his specific allegations and provide any and all evidence and witnesses, which he claimed to have regarding this matter. Councilman Pierre stated he had this information during public comment during workshop and council meetings.

Councilman Pierre called this investigator on Friday, June 29<sup>th</sup>, 2012 in response to a follow-up call, and advised that he no longer wished to pursue this matter. It was explained to him that this investigation was initiated based on his publicly made allegations, to which he stated that he had previously spoken to the Mayor and City Attorney and informed them that he would not be pursuing this matter further. Pierre stated that this matter "would only end up being found as inconclusive."

Contacts between Waste Pro and Ms. Kamali occurred on the following dates:

- 08/22/2011 Phone message from Tim Bower to Kamali
- 08/23/2011 Email from Tim Bower to Kamali (Thanking Kamali for agreeing to meet with them to discuss solid waste collection program and future needs). Gave a list of questions to help them put together a proposal.



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- 08/25/2011 Email from Tim Bower to Kamali (thanking Kamali for meeting with them "today" and that they look forward to providing a proposal asap. Asked a couple of questions. See emails).
- 08/30/2011 Email from Tim Bowers to Kamali (asking the cost of monthly billing charge for Single Family Residential trash and bulk collection).
- 09/7/2011 Phone message from Tim Bower to Kamali
- 09/12/2011 Phone message from Tim Bower to Kamali (re: someone requested a copy of a contract. He is willing to drop it off if needed).
- 09/13/2011 Email from Tim Bower to Kamali (advising that he tried to email a document but it was too large to go through and offered to drop off a hard copy).
- 09/13/2011 Email from Tim Bower to Kamali (attaching a copy of Miramar contract).
- 09/13/2011 Failed email from Tim Bower to Kamali (attempting to send large document file).

Due to Councilman Pierre's decision to not provide a formal allegation and not bring forth any claimed evidence or witnesses, this investigation cannot proceed further. Conversations with other concerned and/or involved parties failed to reveal any information or evidence to indicate any improper actions taken by Ms. Kamali.

This matter is hereby deemed unfounded at this time.