

**City of Coral Gables City Commission Meeting**  
**Agenda Item F-3**  
**August 27, 2024**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Vince Lago**  
**Vice Mayor Rhonda Anderson**  
**Commissioner Melissa Castro**  
**Commissioner Ariel Fernandez**  
**Commissioner Kirk Menendez**

**City Staff**

**City Attorney, Cristina Suárez**  
**City Manager, Amos Rojas, Jr.**  
**City Clerk, Billy Urquia**  
**Finance Director, Diana Gomez**  
**Budget Director, Paula Rodriguez**

**Public Speaker(s)**

**Maria Cruz**  
**Jackson Rip Holmes**

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Agenda Item F-3 [10:16 a.m.]

A Resolution of the City Commission directing the City Manager to undertake all steps necessary to conduct a full forensic audit of all City transactions. (Sponsored by Mayor Lago)

Mayor Lago: Moving onto item F-3. I think this could be a very quick discussion. There's a piece of this that was missing and that is, I would like to have for the next Commission an update, if it's completed on where we are in regard to the P-Card discussion. I think that's important to put that to rest. I would like my colleagues, if we're not going to have a full forensic audit, I think it's important to have an audit at least of what we can do. I think it's important for transparency. I think it's important to put it out there to do something. So, I'm asking my colleagues to think, if

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you're not willing to provide a full forensic audit of the city to address issues, we should do something that instills transparency and ensures that we're sending the right message.

Vice Mayor Anderson: I have used forensic auditors in my litigation cases many times and I think there's a framework in which we can identify the area where there's most likely to be issues, that's what I do when I prosecute or defend a case where the issues where I can target and be able to accomplish the purpose being sought. Where's there most likely to be issues? – and it could be – we're not saying that there's fraud, we're not necessarily saying that there's a problem, but is there waste, are there efficiencies that we can obtain by having a closer look at things in our records here. This is an important step, you know, just like many other efforts to show transparency within our city. I think there is a desire for this, not only in Coral Gables, but in other cities that have recently passed, for instance to have an auditor, Inspector General for the City of Miami and we should listen to what the sentiment of voters are in that vein and follow their direction and make sure that we're doing our best for greater efficiencies in our city, reducing waste and reducing the opportunity for fraud by having targeted audits of areas. If you know that the Police are out there, you are less likely to do things. So, I think it's an important step moving forward.

Commissioner Castro: I personally think that this is a task that the Inspector General should be targeting what departments really need some looking into and from the last Commission meeting, I believe that we were all in consensus, that we were sending the Inspector General to the Charter Committee. So right now, I don't think we are in the right economic state due to employees, police, Teamsters to do a full forensic audit, and I really, really think the smartest way to do this is with an Inspector General that we all agreed that we wanted to go through the Charter Review Committee and for him to pinpoint which are the critical departments that would need some looking into.

Mayor Lago: Two quick points. Number one, Mr. Clerk, I'd like to have that P-Card discussion and update from staff at the next Commission meeting on the agenda. Number two, you're 100 percent correct, we all did agree to have the Inspector General, but there's a difference. Its kicking it down the curb till the election, we should put the Inspector General now. We could do it. We can put it on the election now coming up in November, we don't have to wait. We could have done it before. We could have done it easily. Now we have to wait till the next election, post that, so it drags its feet, so we're not going to have. So, we wait for the Inspector General. We're not going to have the audit for minimum eight or nine months and we're not going to have an Inspector General for eight or nine months. So, I just want to put it on the record. I'm ready to move forward with this. I'm willing to meet my colleagues halfway. If you want to do a portion, if you only want to do certain offices, if you only want to do certain departments just to make sure we find efficiencies, I'm more than willing to do it. Just like with the Inspector General, I think we're more than willing to move forward on this issue.

Commissioner Fernandez: I agree with you. I had already talked to the Manager about having an update on the P-Card audit next Commission meeting. That's basically what I have said. I've been waiting for just to see where we see the most issues. There are departments that have way more transactions than others, but there could be less discrepancies on the transactions that we see. So,

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what I would ask of you is, I'm willing to meet you halfway. Let's get that P-Card audit and finalize the language of what departments we want to be targeted. So, I think we'll have that next Commission meeting. Be happy to work with you on crafting the language to make sure we target the departments that most need monitoring.

Mayor Lago: Commissioner, for the record, we're not talking about moving forward. We're talking about the past. When you do an audit it's about the past and what happened in the past. The P-Card audit is completely separate in regard to a forensic audit of the city. You can do both. There are no issues. I don't want to kick the can down the curb anymore. I want to move forward. Let's get the audit in place and let's get the Inspector General in place, we can literally do it right now. Put it on the ballot for the next election and we move forward, and it sends a strong message from this Commission. If you want to wait till next Commission meeting to see what the P-Card results are, I don't have a problem with that, but the P-Card is a very miniscule portion of what an audit is. My financials are audited for my business quarterly. We have to submit it to banks; we have to submit it to individuals that provide it. So, at the end of the day, it's not a real difficult task. It cost money, it does, and I think it's an opportunity. So, when you submit somebody, for example, your audited financials, they can see that it's been reviewed by an accountant, that its certified, that its trustworthy and that you can move forward with that. So, if you want to wait till the P-Card discussion next Commission meeting, I don't have a problem with it, but it's something I think we can handle today. Madam Vice Mayor, you were saying.

Vice Mayor Anderson: I do think, and I just want to see if we can work together. A sense of moving forward is moving these issues forward and I do think we can move these issues forward. That's why I spoke about what the voters in the City of Miami chose to do, to be able to have greater transparency and trust in their government as far as allowing the voters to vote on the Inspector General issue. We can move this forward as well. The county is looking into establishing the opportunity for us to be able to utilize Inspector General services. I think we could send the message that we are truly interested in it if we put it on the ballot. That doesn't mean that we fund it immediately. By the time we vote on a budget, and by the time you start implementing procedures, it already is going into the next budget season. But perhaps we have an urgent need, okay, for an item to be investigated and it goes beyond the scope of what the police department really should be handling, then we hire the Inspector General services, but if there is no need, we're not going to have this opportunity with the county to be able to utilize these services because they are not going to do it if there is no desire to move forward. And I think we can take what happened in the City of Miami as a message that voters want to speak on these issues, as they have spoken on other issues as well as to what their desires are. In a democracy we should be able to do this together and go forward. I think it's important because an Inspector General has powers that are far beyond someone that just does a financial audit. You have the subpoena power. You have the ability to take witness statements. You can dig into things, and this is one of the tools that will be needed. It takes time to develop this. We will have suggestions from staff as to where, they don't have time to do forensic audits and its best to have someone from the outside do it, because they will see things that sometimes you just may not see. We used someone outside to be able to do the examination of what should be in the North Ponce area for historic preservation, because our staff just doesn't have the time to deal with it. Someone that can focus in and deal with that issue. So, I

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would like to see this move forward. I would like to also hear the recommendations from our staff as to what areas should be targeted, that would be part of the process, but in order to move forward, I think this Commission as a body needs to express the desire for identifying the areas that need to be looked at more carefully other than just the P-Cards, and like everything else, make a statement to the community that we are willing, we are willing to go through this process and have the community know that nothing is being hidden from them and we are looking for greater efficiencies all the time.

Commissioner Fernandez: I don't think that message has been sent at all. I think we've had numerous discussions up here and at least my comments have been clear during the entire process. I wanted to see what the P-Card audit, which was something I brought to the table when I found out about issues that were questionable on what was being purchased with our P-Cards and that was the reason that I started this process, and what I've said since the beginning has been the same thing. I wanted that audit to be completed to see where we are, where we stand, what the areas of most concern are and you're right, it is very finite. It's a very small audit that's being conducted because it's just the P-Card associated with their Amazon accounts. There are Costco accounts, there are Office Depot accounts. There are numerous other accounts that aren't even being looked into, but it's not as if nothing has been done. I've had meetings with my Budget Advisory Board member, with the Manager to discuss different potential ways to audit the financials, to ensure that it's not a cost burden on our residents as well, because a \$1.5 million dollar audit that will take three years to conduct isn't really going to give us the results that we're looking for and it's going to take three years to get done. But again, all I'm asking for, let's get the results of the P-Card audit. I am willing to work on finding a resolution that is cost effective and gets us, basically the answers that we are looking for and that the community is looking for.

Mayor Lago: If I may address that also. We have a long agenda today, so I'm more than willing to move it to the next Commission meeting. Two things. Number one, as I've said from the beginning, it's not about a \$1.5 million dollar audit, it's not about a three-year audit, we can do things very expeditiously. There are ways to work things and lower the cost. When you cast such a wide net that's why it cost so much money. If you noticed in the beginning of the meeting, I said, let's focus in on areas of great concern, that's number one. Number two, if you go back and you play the record when we discussed the issues of P-Card the first time, our Finance Director stood up here and said very clearly that there was no impropriety, there was nothing out of the norm in regard to the P-Cards. I look forward to the P-Card audit coming back so that we can finally lay this to rest and put it behind us. But at the end of the day, if you want to have it at the next Commission meeting, we'll have it at the next Commission meeting. I look forward to, like what the Vice Mayor said, think about opportunities for the audit, think about opportunities for departments, think about areas that would benefit from this type of audit. Find solutions, see if we can call for a private sector entity to come in and potentially do it for less. See if we can engage our employees, our residents, our board members to see how we can potentially do something that gets more ideas on how we can be even more efficient. There are a lot of things you can do here. And I look forward to the P-Card discussion when we have it the next time. So, I have that on the agenda, Mr. Clerk, correct.

City Clerk Urquia: Yes sir.

Mayor Lago: Alright. Looking forward to it.

Commissioner Castro: I have a question about the P-Cards. Who is auditing the P-Cards?

City Manager Rojas: We are. Paula's shop has auditors that...

Commissioner Castro: Who is? Who is?

Finance Director Gomez: Good morning.

City Manager Rojas: Thank you.

Finance Director Gomez: Yes. Good morning, Diana Gomez, Finance Director. So, the Chief Procurement Officer is Celeste Walker, and her staff have been putting together everything, all the transactions for the two-year period. We had done the preliminary of about eight months. The rest of it, Celeste was putting it together. She did let me know that she's pretty much done with putting it together. We still have to review it. So, she has been the one that has been reviewing it and working with the departments. For the most part what we have been doing is, we've been sending it back to departments to make sure that the explanations provided as to why, what was the business purpose for whatever purchase was made, things like that. So, to get a better justification of what, if there was a need for better justifications. Some things are very straightforward. Office supplies are typically office supplies.

Commissioner Castro: And who is the supervisor of that department?

Finance Director Gomez: I am.

Commissioner Castro: You are. Okay.

Finance Director Gomez: Celeste of the Procurement Department that falls under the Finance Department.

Commissioner Castro: Okay. So, it's not being audited by an unbiased party.

Finance Director Gomez: So, it's not being audited by an outside party – no. So it's the departments that are reviewing the transactions that they had provided, so when we started this, Celeste had come up and explained the processes for which they go through in terms of going through and auditing the procurement P-Card transactions and what we do in order to review to make sure that they are in accordance with city policies and things like that. Every transaction that had happened thus far and since most likely have been always part – have always been acceptable per the policy, existing policy and past practices of the city. There was some discussion about maybe some judgement calls or things like that where the department directors, departments have the

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responsibility for justifying why a certain purchase was necessary, and so, then that's the additional exercise that we've been going through to see what was there a valid business purpose for all the purchases that were made. So, at this point, as I've said before, there had been nothing that was determined that it fell outside of the stated policies nor was there any improper use of the P-Card for purposes of the purchases that were done. So that's what we're doing, and so, two years of transactions is a lot of transactions and to go through them and collect them all as well as going back to the departments and have the departments give additional explanation, if an explanation is needed that takes time. So, we've been putting that together and so with the budget being the higher priority had not had the opportunity to review it yet with the City Manager in order to be able to then submit that audit that was requested.

City Manager Rojas: May I suggest that Commission, Mr. Mayor we'll present the P-Card, the final portion of the P-Card. In the meantime, we'll dust off the risk assessment that was done two, three years ago for audited purposes, Paula, hadn't we done an assessment. Dust it off, see, even though its old, see which areas that that particular assessment identified as priority and then with the Commission's blessing select the priorities for us to look at to do a more of a forensic audit in that area.

Mayor Lago: Paula, let me ask you a quick question. When was the last time you looked at the risk assessment?

Budget Director Rodriguez: So, our risk assessment was done...

Mayor Lago: I said when did you look at it?

Budget Director Rodriguez: The risk assessment was done when we awarded the last contract for our internal auditors in 2017, and...

Mayor Lago: And when was the last time you reviewed it?

Budget Director Rodriguez: So, we review it every year, and so, each year we review the risk assessment.

Mayor Lago: When was the last time, when was the exact date that you reviewed it?

Budget Director Rodriguez: So, I review it at the beginning of each budget year, so some time in October, November of last year, as we develop the audit plan for that fiscal year.

Mayor Lago: I want to put that on the record because we're not dusting anything off. Your department does an amazing job, and you review that all the time and I've actually gone over it with you, and I've gone over it with staff. I think the Manager's position in regard to doing the P-Card is a great thing, let's do it, like what our Finance Director said, and also like what Commissioner Castro just said right now. She said, is it unbiased, is there an unbiased entity that's reviewing. I want to clarify that really quick, just really quick. Number one, I have the utmost faith

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and confidence in your department. What you do, what all of your employees do is amazing. You tell the truth, that's number one. Number two, an unbiased approach would be using an outside forensic accounting company to come in and review it. That's what I've been saying for some time. So, we're going in circles, but my point is, just like we're going in circles in regard to the Inspector General. If the Commission pushes it for a vote, we would have had it on this ballot in November, but now we're waiting for a body that we appointed to give the same recommendation we're going to give saying, it's a good idea, whether it comes from the county or whether it comes from the city, let's move forward, but it would be a year later. So, my point is that I don't have a problem waiting another meeting and listening, but I feel very, very confident with our Finance Director and your team where you said in regard to the preliminary review of the P-Card that there was no malfeasance and that everything was done as per the law.

Finance Director Gomez: If I may make a clarification.

Mayor Lago: Of course.

Finance Director Gomez: This audit that was requested by Commissioner Fernandez, this particular audit was not done by an outside party. So, this one when we first talked about it, we said that this would be a review done internally from the Procurement Division as well as getting with the other departments. However, I just wanted to make it clear that we do, through our internal audit process, which is an outside company that does fall under Paula's purview and the City Manager's purview, they do also audit P-Card transactions when they do a P-Card audit. But this particular audit that we were requested to be done, this one was not looked at by an outside party because we had discussed that we would do it internally at that point in time. So, just wanted to make sure that that was clear. So, the P-Card is something that our internal auditors have looked at in the past.

Mayor Lago: So, we'll come back next meeting, and we'll review it again.

Commissioner Castro: I have complete faith and that you guys are doing the best job possible but looking at it from a scientific outsider point of view, professional and responsible, that's an element you have to keep in consideration.

Finance Director Gomez: Absolutely.

Mayor Lago: And that's why I've said before, let's do an audit with an outside firm. I wholeheartedly agree with Commissioner Castro. I'm happy she's coming around to see that's the opportunity in the way it should be done. Thank you.

Commissioner Fernandez: So, is it all about attack with you, because you attacked me, and you are attacking Commissioner Castro and then you blame the rest of us for attacking you.

Mayor Lago: I'm not attacking you.

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Commissioner Fernandez: Yes. You just talked down to Commissioner Castro. You owe her an apology. That was completely uncalled for regardless. When it comes to the Inspector General, you continue with your talking points your Campaign Manager has put out for you. And let me tell you, they are completely wrong. We have a process in the City of Coral Gables when it comes to changes of the Charter, it goes to a Charter Review Committee. That's what this body unanimously voted for, but then all of a sudden you had a change of heart, because you wanted to play politics so that you can go out and put money into your PAC from developers and put out text messages attacking the colleagues who are trying to follow the process, and your PAC continues to send out false information on a regular basis. You want to talk about political violence. You are the politically violent person on this Commission, continually trying to divide our community. Enough. Enough.

Mayor Lago: May I respond to you sir.

Commissioner Fernandez: You're going to say whatever you're going to say anyway.

Mayor Lago: So first off. You are wholeheartedly incorrect. I'm not attacking anybody. What bothers you is that I put the truth on the record.

Commissioner Fernandez: No.

Mayor Lago: I didn't interrupt you.

Commissioner Fernandez: You did. More than once.

Mayor Lago: Give me the opportunity. Okay. We're going to move on because obviously I can't get a word in. Let's move on.

City Clerk Urquia: Mr. Mayor before you move on, I have members of the public requesting to speak on this item.

Mayor Lago: Of course.

City Clerk Urquia: Mrs. Maria Cruz.

Mrs. Cruz: Maria Cruz, 1447 Miller Road and I forgot Mrs. because I'm so – let me find myself since this is a wonderful day that the Lord has made. Let me tone it down a little bit. I am tired, tired, tired of this Commission, number one, not following Robert's Rules. We do have somebody who is expected to make sure, according to our Charter, that Robert's Rules are followed. I have never seen, Tom Wells was here some time a short time ago and reminded us that if the Chair is going to be proposing something and talking about it, the gavel has to be moved. Well forget about that. We don't follow rules. We do whatever we want. That's the comment on that. The second comment since I was the one that brought up the issue about the P-Cards. Since I was the one that brought up the issue with the employee that was depositing city checks on her mother's bank

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account. Since I'm the one that believe it or not, I don't have a wedgie board or a black ball that tells me what to look after, there are employees in this city that tell me that there is reason to check and that's how I know what to ask for. Employees that know that as soon as I requested the P-Cards we had employees from all departments finding ways to maneuver so it was nothing wrong. And when we keep saying there was no malfeasance, there was nothing wrong, we are not telling the truth. I'm sorry, I'm going to say it again. We are not telling the truth. There was no way that by saying that you know, the department head, the director signed off on it. The department head and the director did not have the right to buy stuff for people to cook in their office. The department head did not have the right to buy thousands of dollars on coffee so people could have different choices of coffee or special drinks for the boyfriends. I'm sorry, the fact that somebody higher up approved it, that somebody did wrong, and our money should not be used for that, and I'm tired of the accusations, and I'm tired of continuing to say and you are not talking about transparency. Did any of you know that wonderful glass partition that we have protecting the security of the Mayor cost the city over \$14,000. No. But let me tell you that's what it cost. Okay. To protect his safety and I guess his employee's safety, because the rest of us who cares. Okay. And let me tell you, not long ago, and I'm sure Ms. Gomez knows and has the copy because I have a copy too, there was an audit by the outside firm specifically about the P-Cards and found a whole bunch of stuff that was wrong and suggestions on how to fix it. And guess what, it was not fixed because we continue doing because we do not like to have scandal in this city. When I came here in front of this board and talked about the checks being deposited in a personal account. Oh my God. First time that we had problems in the city. No. We've had problems before, and we will continue having problems as long as we try to cover it up. The people that are looking need to do the right thing instead of suggesting how to get out of the problem. Okay. I'm sorry, I don't care who approved it. If you use tax money to make sure that everybody had 555 different types of coffee or 500 different decorations for Halloween and for Thanksgiving and for weddings. I'm sorry. Our taxpayers do not think that that's okay, regardless of who approved it, whether it was the City Manager, whether it was God, because they talked to him. I don't care. What's wrong is wrong. And let's stop the shenanigans and keep track of the \$14,000 for protection for one person.

City Clerk Urquia: Next speaker Jackson Rip Holmes.

Mayor Lago: Mr. Holmes, good morning, sir.

Mr. Holmes: Greetings. This subject really makes me boiling mad. Number one, what you've been proposing is a cover up audit. Its not a real audit. The audit that needs to be done is an audit of developer contributions to Coral Gables Election candidates and what they've gotten out of it. Now, I have a question for the City Attorney, because I think you're giving conflicting signals Madam City Attorney. First, I want to disclose, I've been in touch with Pro Publica. If you don't know this, Pro Publica is one that is proved what you've seen on the news that Clarence Thomas, the U.S. Supreme Court Justice is guilty of bribes, and I've asked them to do an audit on the people here that are taking money from developers, and they have not said no. So, I have a question Madam City Attorney. Is it improper for that to be done?

City Attorney Suarez: I'm sorry, for another organization to audit.

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Mr. Holmes: I'm asking you a question. If Pro Publica is willing to do an audit of the influence of developer money in the City of Coral Gables is that improper?

City Attorney Suarez: So, we have no control over this organization that you are mentioning sir.

Mr. Holmes: So, you are saying it's not improper.

City Attorney Suarez: I don't know. I have no information about this.

Mr. Holmes: I have information that you've told people such an audit would be improper.

City Attorney Suarez: I have not given any opinion as to any such audit.

Mr. Holmes: And so, if I can prove otherwise then you are not telling the truth right now and I think I can prove otherwise.

City Attorney Suarez: I don't know what you are talking about sir.

Mayor Lago: If I may, with all due respect. Why don't you sit down with the City Attorney and have a conversation.

Mr. Holmes: I have already done that, and she is giving misdirection to different people, including to me, and I believe I can prove it.

Mayor Lago: I think the best thing is not have a back and forth.

Mr. Holmes: May I further. Nothing improper about Pro Publica which prove that Clarence Thomas is taking bribes from doing an audit of the City of Coral Gables and developer influence. Is it correct, there is nothing improper about that?

City Attorney Suarez: Again, what do you mean by improper. We don't control that organization. So, I don't know what they would be doing to do such an audit. So, I'm happy to talk with you after the meeting or during a break and maybe get more information.

Mr. Holmes: Well, I'm taking exception to your giving telling me one thing and telling people in the leadership of the City Commission other things and I think that's improper. Thank you.

Commissioner Menendez: I have a quick question Mr. Holmes, just to understand a little bit and I apologize. So, what you're saying is has been discussed here about internal audits and to P-Cards and other things, you are saying that your concern or perhaps the concern of others is not only what's happening internally, but the impact or influence of outside parties having an impact internally in Coral Gables, the outside impacting the inside. Is that what you're alluding to.

Mr. Holmes: Yes. And to elaborate, Javier Banos who knows the subject matter has said that of all the contributions made to city election candidates, 80 percent come from developers and only 20 percent come from all taxpayers combined. So, it's as if to say that Citizens United has legalized buying City Hall around the country and so when we have that kind of disparity the audit that needs to be done is who gave how much to which candidates and what did they get for it.

Mayor Lago: Perfect. My advice is put it together, present it before the Commission if you like, speak to the City Attorney, speak to the Manager and we can move forward. Thank you for being here. Thank you. Mr. Clerk.

City Clerk Urquia: That's it Mr. Mayor.

Mayor Lago: Alright. Perfect. We'll bring it back to the next meeting.