

## The Miami Process

by

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### **Introduction**

The anti-corruption movement in Miami, Florida (USA) seems to me to date from the period just after Hurricane Andrew swept through the county in August, 1992, creating about \$13b in damages. Much of the damage was due to shoddy construction and lax standards by building inspectors. A Pulitzer Prize was awarded to The Miami Herald for its investigative reporting on this issue. This exposure to the costs of corruption at the household level, I hypothesise, sensitised the entire population to the damages associated with this type of wrongdoing.

Tightened building standards were passed, which have had enough of an impact on builders that they have lobbied fiercely at the state level to have the new requirements superseded by state-wide standards at a lower level. This lobbying effort has been unsuccessful.

In the period following the hurricane, one particular scandal damaged the reputation of the county commission and government. The most outspoken commissioner, Joe Gersten, was expected to be the next mayor. He made a police report that his automobile had been stolen from outside his home. Subsequent investigations by legal authorities and by newspaper reporters indicated that the car had in fact been stolen from outside a house of ill repute on Miami Beach. When the story broke, Mr. Gersten was touring France on an official visit with a young lady who occupied a government job doing public relations for the county. They sent word that they were representing Miami at a number of important film festivals, and delayed coming home for several weeks. Mr. Gersten was eventually charged with making a false representation to legal authorities and became a fugitive in Australia.

During this period Miami's financial situation became precarious. A population decline occurred as residents left the area after the hurricane. Crimes against tourists received national and international publicity. There was an influx of itinerant workers drawn to post-hurricane construction jobs, many of undependable habits and questionable character. Considerable fraud

occurred, both by construction firms whose work was unsatisfactory and by a certain proportion of residents who misrepresented damages to collect inflated insurance settlements.

Nothing is as powerful in creating learning as personal experience. As the population of Miami struggled to get their homes in order and rebuilt their communities, the hardships created by fraud and maladministration became painfully evident. Newspapers and other media came out with stories of corruption, not just down at city hall, but in all parts of town. Miami's citizens, those who didn't move away, could not help but develop a heightened awareness and understanding of corruption.

During this time the Hispanic, mainly Cuban, population of Miami came to dominate the political system. Although Hispanics had been elected to high office before, this was a period when power was consolidated, mainly through the establishment of district representation rather than representation at large for both the school board and the county commission, as well as the city commission.

To summarise, during the early part of the 1990s a natural disaster sensitised ordinary citizens to corruption. The community's economic well-being suffered from the disruption following the hurricane and widely publicised crimes against tourists. Population declined. Hispanics came to dominate elected boards just as the reputation of the city declined.

In recent years, more ethical problems emerged and gained national attention. There was a mayoral election stolen through vote fraud. A deficit of \$69m in the county budget, was hidden and denied by elected officials. One of the largest and most influential companies in the city over-billed the county for millions of dollars for non-existent road work. The port authority misspent millions of public funds for a variety of improper purposes, including lavish entertainment for elected and appointed officials.

My sentimental favourite of the various fraud issues involves horticultural malfeasance. As our community struggled to rebuild after the devastation of Hurricane Andrew in 1992, we contracted for thousands of trees to be planted to replace those uprooted by the storm. But thousands of the trees have gone missing, and thousands more are much shorter than the ones the county bought. The contractor's explanation is that the trees must have shrunk after they were planted. The official in charge of the contract has now been indicted and awaits trial

The electoral fraud attracted a great deal of media attention, culminating in a feature on the investigative show *Sixty Minutes* where a professor of political science from my university called Miami a "banana republic." This seems to have been the precipitating factor in mobilising the Hispanic business leaders against corruption.

Why did they become fed up? They seemed to feel anguished that this great Hispanic city had become the object of ridicule in the national news, and that a culture of corruption was being interpreted as representative of their own cultural background. One of the reporters who exposed the election fraud put it this way: "It is an outrage--my family sacrificed everything to come here from Cuba to live in a democratic country, and now the integrity of the electoral system is violated" (Manny Garcia, interview on WLRN (91.3 FM) radio, October 4, 1999).

Another factor was that the business climate was damaged by the perception that our community was made up of rogues and criminals. Skilled employees were becoming difficult to recruit to firms from other areas, and existing employees were difficult to retain. Our school conducted a survey of 350 companies in the metropolitan area, asking what were their biggest problems that interfered with their being competitive in world trade. Two items stood out-- public safety and corruption.

### **Mobilisation for Social Change**

As our community sought to improve the ethical climate, a number of groups began working on various facets of the issue. A grass-roots organisation called the Citizens Action Network, or CAN, began pressing for internet access of public documents. The Greater Miami Chamber of Commerce formed a set of four committees to develop a code of business ethics and several events designed to put a spotlight on ethics. Hispanic business leaders raised pledges of almost \$1m to set up an organisation known as the Alliance for Ethical Government to work mainly on issues of public corruption.

All county employees have now been through ethics training. Law enforcement agencies put increased resources into public corruption, resulting in a number of prosecutions and convictions. The County Commission voted to establish an Ethics Commission to investigate complaints and bring charges. The Mayor has appointed a high profile Ethics Advisor who was formerly the head of the district's F.B.I. An Inspector General's office has been established. At least fifty persons have been convicted of various crimes, and many investigations are underway. There have been a series of town meetings on ethics, held in neighbourhoods of various ethnic communities. Religious leaders declared an "Ethics Sabbath" where they delivered homilies on ethics. There was a very successful ethics summit for youth, attended by about 500 young people, and an ethics summit for the community as a whole, with about 250 in attendance.

### **What Comes Next?**

The authority of the Ethics Commission is limited to the county level. Its authority does not extend to the municipalities at this time, and considerable work remains to be done at this level. Elected officials of these municipalities reportedly are somewhat less than enthusiastic at the prospect of the Ethics Commission's authority being extended to this level. In addition, authority for the Ethics Commission to start investigations on its own still needs to be granted by the County Commission. As the law stands now, the Ethics Commission can act only when someone with personal knowledge of wrongdoing makes a complaint. Furthermore, if the complaint does not stand up in court, the person making the complaint must pay all court costs, a provision which is a significant deterrent. In order for the Ethics Commission to be really effective, the legislation authorising it must be strengthened, and strengthened by the very commissioners who

have been at the centre of many of the problems that have emerged. The Ethics Commission, the Inspector General, and state and federal authorities will doubtless recommend that a number of changes be made in the laws governing contracts, procurement, and other areas of public administration. Already, changes have been made on the state level regarding absentee voting in elections, but the effectiveness of these changes is under question.

The code of conduct which the Ethics Committee of the Greater Miami Chamber of Commerce is recommending for businesses has yet to be endorsed by the Chamber as a whole or adopted by a single business. Even if it were adopted, it contains no provision for sanctions against businesses who violate the code, and such a provision is difficult to imagine, given that the Chamber is a voluntary organisation.

However, even if the code has not been adopted, the discussions which occurred in developing the code may have contributed to culture change. One principle of the proposed code is that businesses should not contribute to the election campaigns of any candidate who has been indicted for a crime (the commissioner now in jail for vote fraud, at the last election, was under indictment for financial misrepresentation in private business matters). Discussion of this principle may have influenced the election which will be held in a few weeks, where two of the incumbent commissioners are being challenged by newcomers with clean records.

Much work remains to be done in communicating to the public. Ironically, in an atmosphere of heightened investigation and law enforcement, the perception of the public may be that there is more corruption than ever before, because more of it is visible

The Alliance for Ethical Government appears at this time to be the institution most likely to endure. The initial funding contributed by the Hispanic business leaders provided a basis for hiring a staff currently led by Justice Gerald Kogan, the just-retired Chief Justice of the Florida Supreme Court. Almost 200 community leaders are participating in the various committees sponsored by the Alliance. However, the representation still does not include all segments. For example, representation of the African-American community, particularly business leaders and church leaders, is on the light side. Among the professions, there is heavy representation of lawyers and academics, but little representation of bankers, investment advisors, or accountants. There is virtually no representation of the travel industry, the construction industry, the administration of the airport or the seaport, trade unions, social workers, firemen, policemen, or other civil service employees. I suspect that recruitment of these groups will be essential for increasing public awareness and building local legitimacy.

This brings us to the role of Transparency Miami. We are a group of about twenty private citizens from many walks of life. Some of us participate in the Chamber activities and some participate in the Alliance activities. We do not have an ongoing staff an office, or regular meetings. Rather, we have projects such as our adaptation of the TI Source Book, taking out references to the national and international level and inserting references to our local situation. We have meetings as needed in church or university facilities, or Chamber offices. We link the local groups to the wider

9<sup>th</sup> International Anti-Corruption Conference (IACC), 10-15 October, 1999, Durban, South Africa

network of interest and expertise in the anti-corruption movement. After consultation with TI-USA and headquarters in Berlin, we use the name Transparency Miami and present ourselves as “loosely affiliated” with TI. On a personal level, my aim is to link Miami’s anti-corruption and business ethics activists to the network of knowledge and support in TI, and to bring the vision of TI to Miami. I feel that Miami’s anti-corruption efforts will benefit from the expertise of the TI network, resulting in greater effectiveness and credibility.