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Probe reveals how contracts are won

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The two-year corruption probe of Miami Commissioner Michelle Spence-Jones yielded no criminal charges, but it did offer a rare glimpse of influence at work behind the scenes at Miami City Hall.

Witnesses told investigators how developers hired -- and fired -- consultants to curry favor with Spence-Jones when crucial votes were on the line, records show. Spence-Jones asked a developer to hire a former campaign staffer, and tried to steer another consultant to the firm, witnesses said.

Beyond the commissioner's role, the papers spotlight how private companies try to win votes by deploying the right mix of politically-connected consultants -- while treading gingerly around lobbying laws.

The Miami-Dade State Attorney's Office dropped its probe of the development deals last month, after investigators said they could find no evidence that Spence-Jones received any money or traded her vote for favors.

Spence-Jones would not comment for this article. She insisted from the start that she did nothing wrong, but was unfairly targeted by a media ``smear campaign."

"The truth always prevails," she said at a press conference she convened after the case was dropped.

But a more complicated picture emerges from the hundreds of pages of sworn statements investigators took from more than 30 witnesses, many of whom gave conflicting testimony about key events.

Confounded by contradictory witnesses, the investigation unfolded like a children's game of telephone, with the whispers often leading back to one man: former City Manager Joe Arriola. In the spring of 2007, he recommended a Spence-Jones ally for a consulting job with a builder -- then called prosecutors weeks later with his suspicions of possible kickbacks.

"You know, you have no proof of this, but those are the rumors," Arriola told Assistant State Attorney Joe Centorino in an August 2007 interview, explaining why he came forward.

Over the course of the investigation, prosecutors chased vague rumors of payoffs and cronyism dating back to Spence-Jones' days as a City Hall staffer, the records show. Most tips were dead ends. Some leads were left unexplored.

"There were many inconsistencies -- which is code name for lies," said Spence-Jones attorney Richard Alayon.

MAIN FOCUS

The inquiry focused primarily on two hot-button real-estate deals: A proposed high-rise project near Mercy Hospital in Coconut Grove, and a condo project on city-owned land in Overtown, part of Spence-Jones'

district. Both required commission approval; in both cases, the developers hired consultants close to Spence-Jones, who ultimately gave support.

The developers of the Overtown site, Crosswinds Communities, sought the services of a "public outreach" consultant after protesters criticized the project at an October 2006 commission meeting.

Spence-Jones floated the consultant idea when she met two Crosswinds executives in the mayor's suite at City Hall after the meeting, company officials told prosecutors. The commissioner also introduced the executives to Barbara Hardemon, a confidant and former campaign worker.

The next day, Oct. 27, Spence-Jones phoned Crosswinds vice-president Ehrlich Crain and suggested the company hire Hardemon, Crain told investigators.

Spence-Jones told a different story. In her sworn statement last year, she said she gave Crosswinds a list of three public-relations specialists -- but not Hardemon.

"They asked me to give them three names," Spence-Jones said. "I didn't care who they hired."

Among the names she suggested, Spence-Jones said, was Bobbie Mumford, a longtime Miami public-relations consultant. Mumford told investigators she was approached not by Crosswinds but by Spence-Jones and Hardemon, who asked her to work for the developer.

Spence-Jones said she had "no idea" why Mumford tried to team up with Hardemon -- though Mumford said that was precisely what the commissioner and Hardemon proposed in a meeting at a Biscayne Boulevard restaurant. "They wanted me to be a part of their team," she said.

Mumford submitted a work plan, unsolicited, to Crosswinds seeking \$144,000 in fees. The proposal made no mention of Hardemon, but Crosswinds officials said they were told Hardemon would be hired through the contract.

Mumford said she planned to pay Hardemon out of \$50,000 set aside for "staffing" in the proposal. But she didn't expect Hardemon to do much work for the money.

"I wasn't going to get caught up in that," Mumford told prosecutors. "Barbara talked as if she had done a lot of work on the project already for which she had not been compensated."

Hardemon told investigators that she had no interest in working with Crosswinds because she didn't support the development. Mumford declined comment.

The county ethics law bars officials from recommending consultants or other professionals to government contractors outside of public meetings. In a memo last week about an unrelated case, the director of the county's ethics commission, Robert Meyers, said this rule aims to "prevent cronyism."

In the end, Crosswinds never hired Hardemon or Mumford. By the time Mumford made her bid, the developers had hired another public-relations consultant, Chasse Chester. But Chester lost the job in less than a month.

Crosswinds consultant Matthew Schwartz testified that the firm fired Chester because Spence-Jones refused to meet with her. To replace Chester, Crosswinds hired James McQueen, Spence-Jones' former campaign manager, to a six-month, \$30,000 contract.

Spence-Jones said she had no contact with Chester and played no role in McQueen's hiring.

Crosswinds officials said McQueen's role was neighborhood marketing, not lobbying commissioners. But they conceded that they hired McQueen because he was close to both Spence-Jones and Miami-Dade County Commissioner Audrey Edmonson, who had criticized elements of the project.

MUSTER SUPPORT

In March 2007, Hardemon landed a \$45,000 job as a community-outreach consultant with another developer, The Related Group, weeks before a crucial commission vote on the company's plan for condos near Mercy Hospital.

Related executives said they hired Hardemon and another Spence-Jones ally, former Miami-Dade Commissioner Barbara Carey Shuler, to muster support in the black community -- in an effort to gain Spence-Jones' vote. They said Hardemon was recommended by Arriola.

Related also bought ads on Spanish-language radio in an effort to sway Commissioner Joe Sanchez, who, like Spence-Jones, was considered a swing vote.

Arriola told investigators Hardemon approached him outside Spence-Jones' office and asked him to get her hired; he said he believed Hardemon was acting with the commissioner's tacit approval. A "commissioner talks to you [about] one thing, and then staff comes and tells you what they really want," Arriola said. "Four years of government, you find out."

Hardemon had a different version. She told investigators that Arriola asked her to get involved in the Related project during a breakfast meeting in Coconut Grove.

Related vice-president William Thompson, who managed the Mercy project, said Hardemon was not hired to lobby Spence-Jones, and the two women said they never spoke about the deal. Thompson said he never even asked Hardemon how she thought Spence-Jones would vote -- a statement Centorino questioned.

"You didn't pay her \$45,000 and not get some information about where Spence-Jones might be leaning?" he asked. "I'm just using common sense here. But if I'm wrong, tell me."

"You're wrong," Thompson replied.

Hardemon received \$30,000 of her fee only after Related won approval from the commission. Carey-Shuler's \$75,000 contract was structured the same way.

To prosecutors, the post-vote payments resembled "success fees," which are illegal for lobbyists in Miami-Dade -- but not for consultants. Thompson said he continued to pay Hardemon to maintain community support while the vote was appealed.

Related didn't pay Hardemon and Carey-Shuler directly. Carey-Shuler was paid through lobbyist Rosario Kennedy, Hardemon through Mercy Hospital and a public-relations firm. The pair filed no invoices or written reports of their work, company officials said under oath.

Related officials say they were not trying to conceal the payments. But the hospital's public-relations consultant, Israel Kreps, told investigators the arrangement made him "very uncomfortable."

"All sorts of red flags were going up in my mind," Kreps said. "It was clear that bringing Miss Hardemon on was designed to impact Michelle Spence-Jones' vote in that community."

Spence-Jones supported the Related project in a 3-2 vote. Developers scrapped the project last year after

losing a court fight over the deal.

The state found no evidence the commissioner orchestrated contracts for allies, who also denied wrongdoing.

"Just because somebody gets hired on the project doesn't mean that I know anything about it," Spence-Jones testified.

Miami Herald staff writer David Ovalle contributed to this story.

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