

March 25, 2003

MDC-OFFICE OF THE
INSPECTOR GENERAL

2003 APR -1 PM 1:54

Chris Mazzella
Inspector General
Miami Dade County
19 W. Flager St. Suite # 220
Miami, Fl. 33128

Dear Sir:

I wish to report the possible violation of Florida Statutes by John Rivera, President of the Dade County Police Benevolent Association, (PBA).

The Dade County Government has provided monies for police officer retirees, for a supplement to their insurance costs for the past thirteen years. These monies were under the collective bargaining agreement and were distributed to eligible retirees by the PBA.

In March 2003, the PBA received \$350,000.00 from Dade County for distribution to the individual retirees. This monies was appropriated by the PBA and used to pay into their own PBA / Nationwide Health Trust. No monies were paid to the retiree as intended by Dade County.

The Nationwide Health Trust is in debt in the amount of 2.2 Million and the PBA would be financially responsible if it were closed.

State Statute 518.10 cites Fiduciary Duty. Clearly the PBA was a fiduciary for the retirees as it relates to their health insurance subsidy which was given annually by Miami Dade County. The PBA should be held to the standard of a "Prudent Investor" for the retirees benefits. Thus giving the retiree benefits (\$350,000.00) to Nationwide Health Trust, which they know is a failing entity, would show their breach of fiduciary duty.

Further the PBA has established a course of conduct in paying the retirees the subsidy for the past thirteen years. Not all retirees are in the Nationwide Health Trust.

The intent of Miami Dade County, as the settlor, is an important factor as to where and how the monies were to be distributed. The PBA defrauded the county by using the monies for their own insurance trust. Miami Dade County should demand the return of the monies from the PBA.

Please accept this information as a valid complaint even though it is signed anonymous retired officers.

Attached is copy of letter from the PBA to retirees





THE VOICE OF LAW ENFORCEMENT

DADE COUNTY POLICE BENEVOLENT ASSOCIATION, INC.

March 19, 2003

RE: PBA Retirees Health Insurance Program

Dear Retiree:

I hope this letter finds you well. I wanted to take this opportunity to personally explain what is happening with Nationwide Public Employee's Trust (NPET) and the County distribution to the PBA's retirees health insurance program contained in the current collective bargaining agreement between Miami-Dade County and the Police Benevolent Association.

As the President of the PBA, I have always felt it was important to take care of the retired officers, not only out of respect, but also as a token of gratitude for paving the way for those that are still active. It is for this very reason that I have always fought hard and steadfast for the County supplement currently in place. No other administration has ever taken such an unwavering approach and, yet, we continuously find ourselves correcting problems created by others in the past.

In the past, the PBA has been able to take the County contribution and distribute it evenly among eligible retirees. Unfortunately, it was not economically feasible to do so this time. At the last Board of Director's meeting on March 12, 2003, the PBA Board of Directors voted to infuse the County supplement, along with \$350,000.00 from its own general fund, directly into NPET in an effort to prevent NPET from being shut down.

Because the closing of NPET could expose the PBA to financial liability and certainly leave a large number of retirees without any insurance whatsoever, the Board also voted to create a committee made up of PBA Executive Vice President Rick Kolodgy; PBA Board members Jay Huff, Mary Walters and Jorge Durand, and retiree Ron Carey. As many of you know, Rick Kolodgy has served as an executive committee member for NPET for the past several years and should be able to provide insight that may prove very helpful to the committee in carrying out its burden of hiring an accounting firm to conduct a forensic audit and finding a trust attorney to report back to the full Board.

Although the current PBA did not create this problem, I feel it is up to all of us to provide the backup now needed. I know you join me in the effort and desire to protect ALL our fellow law enforcement officers, and while redirecting the County supplement was not a desirable choice, it was a necessary step to protect retirees currently in the Trust. I feel it is incumbent upon all of us to do what we can to help each other.

Rest assured I will continue in my endeavor to provide for all retired officers. I remain committed to you and will not waver in my resolve to ensure you and all retired officers are not forgotten and receive the accolades you have earned.

Sincerely,

John Rivera
President