

**IN THE CIRCUIT COURT OF THE NINTH JUDICIAL CIRCUIT  
IN AND FOR ORANGE COUNTY, FLORIDA**

SPRING TERM, 2007

IN RE: PRESENTMENT OF THE GRAND JURY

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF FLORIDA

LAWSON LAMAR, State Attorney for the Ninth Judicial Circuit, by and through Designated Assistant State Attorney's Steven Foster, and Greg Tynan, convened the Grand Jury on Tuesday May 15, 2007 and again on Tuesday August 24, 2007 and again on Monday September 22, 2007 and again on Tuesday October 9, 2007. The Orange County Grand Jury has heard extensive testimony concerning two areas of practice by the Orlando-Orange County Expressway Authority (OOCEA) that causes concern regarding the exercise of responsibility by the Authority to properly manage public funds and to conduct business with its vendors and consultants in a fair and ethical manner.

In regard to proper management of public funds, there are two primary areas that the Grand Jury has reviewed. The evidence appears overwhelming that the OOCEA mismanaged funds entrusted to them by the public; the payment of \$107,500 to consultant Doug Guetzloe and his company Advantage Consultants and the failure to implement purchasing plans to allow the OOCEA to use its sales tax exempt status for building materials.

The OOCEA paid a total of \$107,500 in public monies to Doug Guetzloe and his company, Advantage Consultants. Ostensibly, the reason Guetzloe was hired was to provide to the OOCEA a basic understanding of how the public felt about paying tolls. Such an undertaking appears on its face to be a waste of public dollars in so far as the non-profit organization closely associated with Guetzloe, AX the Tax, regularly attended OOCEA Board meetings and were rather vocal in their opposition to tolls. The Grand Jury found several areas of concern in the decision to hire Advantage Consultants. No scope of work was delineated by anyone at OOCEA for Advantage Consultants. No expectations

or goals were outlined in writing when Advantage Consultants was hired. There were no requests for proposals generated by the OOCEA and the Advantage Consultants contract was not subject to bidding. Rather, Ron Pecora of Pecora & Blexrud, the OOCEA's marketing consultant, was informed by Doug Guetzloe that he, Guetzloe, would be working for the OOCEA. In turn Pecora called Mike Snyder, the Executive Director of the OOCEA who directed Pecora to hire Advantage Consultants as a subcontractor and to submit their invoices along with Pecora & Blexrud invoices. This process circumvents the normal bidding process that is essential to a clear and complete understanding of what the Authority expects of its consultants and vendors and assists in ensuring that its expectations are met in a fiscally prudent manner. Under the scheme used to employ Advantage Consultants, little to no scrutiny was afforded the "work" the company was paid to perform. There was no quality assurance done by those at the Authority, which is responsible for the safe guarding of public funds. Advantage Consultants submitted invoices to OOCEA through Pecora & Blexrud for Radio Sponsorships (which never occurred), Research, and Consulting Services. The OOCEA did in fact obtain a final product from Advantage Consultants, a two and one fourth page "white paper" with no data or research results included. However, four pages of email excerpts from Guetzloe's followers are attached. (Advantage Consultants' \$107,500 product is attached to this presentment). Invoicing by Advantage Consultants began in August of 2004 and concluded in April of 2006, two years for two pages of "research and consulting".

A comparison of the \$107,500 white paper done by Advantage Consultants with another research job OOCEA contracted out is illustrative of the improvident use of public funds by the OOCEA in this instance. In January of 2004, the University of South Florida was contracted by the OOCEA to conduct a research project regarding temporary toll suspensions. The cost of this research project was \$19,542. The project was completed within 30 days and produced a thirty page report, complete with data. This project was a direct invoice to the Authority, not hidden as invoices submitted by a subcontractor through an Authority general contractor.

Also illuminating is other research and consulting work Guetzloe has done for other governmental entities over the years. Altamonte Springs hired Guetzloe on two occasions in the 1990's to conduct surveys and focus groups of the city's residents. The total contracted cost to the city for these two projects was \$44,500. The end product provided to Altamonte Springs was a massive report which included data collected, notes from the focus groups and conclusions drawn from the data.

It appears to this Grand Jury that the hiring of Advantage Consultants was an effort on the part of the leadership of the OOCEA to pay hush money to “. . . a small but vocal group of anti-tax and anti-toll activists [who] were making continuous attacks on the Authority in particular, and against toll roads in general.” (Allan Keen in his address to the 10/25/2006 OOCEA Board). This inescapable conclusion from the facts surrounding Advantage Consultants' hiring and payment is buttressed by the fact that Allan Keen, along with OOCEA Executive Director Mike Snyder, decided to “engage the opposition” to accomplish these goals:

- 1) learn from their position; learn how to address their issues and/or concerns, or at least be better versed and/or understanding of 'their side of the story'
- 2) determine and develop the best method to communicate a message that would resound best with this group
- 3) gain the support of their leadership as to the philosophy and benefit of a “user-fee” system for transportation funding. (Allan Keen in his address to the 10/25/2006 OOCEA Board).

From the final product provided to OOCEA by Advantage Consultants, it does not appear that any of the three goals were achieved – only a quieter Ax the Tax seemed to flow from the \$107,500 payment to Doug Guetzloe.

Orange County Comptroller Martha Haynie has engaged in two separate audits of the OOCEA in the past five years. In the first audit she strongly recommended that the OOCEA develop a direct purchasing procedure to enable supplies necessary for road building to be purchased sales tax free. All other major governmental agencies in Central Florida have such a procedure in place. Until very recently the OOCEA chose to ignore the reasonable recommendations of Martha Haynie, costing the

public untold waste in unnecessary sales taxes paid by the OOCEA. The Authority would be well served by a careful study and adoption of the direct purchase policies implemented by the Orange County School system in order to ensure that no more toll money is wasted.

The Grand Jury also heard testimony regarding OOCEA officials' inappropriate involvement in fund raising activities. In 2001 – 2002 there was a change in leadership at the OOCEA. Allan Keen, a local developer and political fund raiser, was appointed to the Authority by then Governor Jeb Bush. Keen was soon thereafter elected to the Chairman position by the OOCEA Board of Directors. He served as Chairman until his resignation in 2006. Rich Crotty became a member of the OOCEA Board by virtue of his election as Orange County Mayor in 2002. Orlando Evora, a local attorney, was named Vice Chairman of the OOCEA Board from 2002 to 2006. Mike Snyder, a former board member, was hired as OOCEA's Executive Director in 2002. During this time period, fund raising for various issues and political candidates close to Allan Keen's heart was undertaken at his behest.

Chairman Keen utilized two primary consultants to the OOCEA as the means to raise funds from the vendor family of the OOCEA, Pecora & Blexrud, the Marketing Consultant to the OOCEA, and PBS&J, the General Engineering Consultant. Ron Pecora, of Pecora & Blexrud, had had a business relationship with the OOCEA since 1992, he had never prior to 2001 been asked to engage in fund raising activities by the Authority's Chairman. In 2002, both Pecora and Bob Paulsen of PBS&J were asked to assist in raising funds for the Winter Park High School Band by Chairman Keen. Keen's daughter was a member of the Band at that time. Pecora and Paulsen were asked to raise funds by soliciting contributions from the Authority's family of vendors and consultants.

The next fund raising endeavor Pecora and Paulsen were asked to participate in was for the Mobility 20/20 campaign. Mobility 20/20 was a transportation campaign in Central Florida spearheaded by OOCEA Board Member and Orange County Mayor Rich Crotty. Both Chairman Keen and Vice Chairman Evora sought Pecora's help in going to OOCEA vendors and consultants to raise funds for this campaign.

Fund raising efforts on behalf of Chairman Keen continued through the next two election cycles. Pecora and Paulsen were asked to participate in fund raising by Chairman Keen for numerous candidates for public office. Allan Keen had made various fund raising commitments to political candidates. These promises would be made by him and he would then tell Pecora and Paulsen how much of the commitment he would supply out of his or his company's pocket. Pecora and Paulsen were then given the balance of the commitment as an amount or quota that needed to be raised by tapping OOCEA vendors repeatedly, essentially turning Pecora and Paulsen into his collection agents. In order to assist these collection agents in their efforts, Chairman Keen ensured that they were given a list of the OOCEA vendors and consultants. On at least one occasion, Pecora's vendor list included the amount of money paid to the top vendors of the OOCEA. These fund raising quotas were generally communicated by Keen through correspondence from one of his private companies. In one such memo, dated May 24, 2002 Chairman Keen told Pecora: "As you may know, I have given Congressman Rogers \$1,000 and Orlando [Evora] is getting an additional \$1,000 leaving the balance of our commitment at \$3,000 . . . The reception is where we should have the other folks attend who you are inviting and who are contributing the remaining \$3,000." Later in the same memo Chairman Keen outlined the commitment to Tom Feeny at \$10,000, with Orlando Evora taking care of \$2,500, Keen \$1,000, leaving a balance for Pecora to raise of \$6,500. Chairman Keen had also agreed to serve on the host committee for Ric Keller. As such, Keen's commitment to Keller was \$2,000. Keen faxed information concerning Keller's fund raising event to Pecora with the following note in Keen's own handwriting: "AEK TO DO \$500. NEED \$1,500 please. Thanks so much, Allan". Interestingly, Chairman Keen agreed to raise \$4,000 for Mike McLean, a candidate for the Seminole County Commission (the OOCEA does not even service Seminole County). Not surprisingly, fund raising for this race was particularly difficult. The attached group of emails and faxes clearly indicate the pressure to perform placed on Pecora and Paulsen in this particular effort. In turn, the vendor family was feeling resentment as Chairman Keen, through Pecora and Paulsen, went to the vendor well too many times.

The campaigns Chairman Keen made commitments to, and in turn imposed fund raising quotas upon Pecora and Paulsen, included a total of 18 candidates for local, state and federal elected offices. We received testimony that Chairman Keen wanted the contributions solicited by Pecora and Paulsen to be credited to Keen by having the contributors mark on the memo line of their contribution checks ALLAN KEEN or OOCEA.

The political fund raising effort of Chairman Keen from 2002 to 2006 was phenomenal. Chairman Keen, through Pecora and Paulsen, successfully raised at least four hundred sixty eight thousand three hundred fifty two dollars (\$468,352) from the OOCEA vendor family for candidates supported by Allan Keen. According to testimony heard by the Grand Jury, this amount was raised for only eleven of the 18 candidates known to have been actively supported by Allan Keen.

These fund raising activities instigated by Chairman Keen amounted to an organized shakedown of OOCEA vendors and were unduly excessive and coercive. They created a culture of corruption by giving the appearance that it is necessary to contribute to those candidates or issues supported by the Chairman in order to continue doing business with the Authority. While it should be clear that the Grand Jury received no evidence of direct threats by or on behalf of Chairman Keen to any vendor, the manner and frequency in which funds were solicited and earmarked on behalf of the Chairman, and at least one instance of a follow up e-mail from Allan Keen when a quota was not met, clearly reflected an exertion of undue influence.

Ostensibly, the fund raising Chairman Keen directed was to be done on behalf of candidates who would be supportive of the OOCEA. This argument fails for two different reasons. First, funds were raised on behalf of candidates who had no significant influence over matters concerning OOCEA, including candidates for Seminole County Commission. The OOCEA does not build or maintain roads within Seminole County. Also, a substantial amount of money was raised on behalf of Randy Johnson, a candidate for State of Florida Chief Financial Officer. Chairman Keen acknowledged in an email to Pecora and Paulsen,

Randy Johnson has been a very loyal and fervent friend to the Authority for many years. He saved us from the evior's several times, and had championed our causes. He can't help us much as CFO (except as a Cabinet member), but we need to reward him for what he has done.

and I are hosting an afternoon event on July 11<sup>th</sup> at 5:00 to 6:30 PM in the Board room on Morse Boulevard. will get "bankers" there, and I would like to get the Xway and other transportation folks there. My goal from us would be a minimum of \$10,000, and more if possible from our side.

He really has helped us, and this is the time to reward him. I know that Mike would agree fully. Of course we should engage not only Broad & Cassel, Shutts, Marcos, Southern Strategy, First Southwest (think they can do this???) but all of the others, etc., etc., etc. ....

As always, I sincerely appreciate your effort on this. Thanks!

Please call with any questions.

Take care, Allan

Second, Chairman Keen used his corporate email and fax systems to communicate the fund raising quotas to Pecora and Paulsen in an apparent attempt to avoid creating public records thereby masking the fund raising activities from public view. In at least one communication, Chairman Keen clearly indicated that the OOCEA Executive Director Mike Snyder was fully aware of his activities, but was not being copied in the emails for obvious reasons. These actions on the part of Chairman Keen clearly indicate he knew his actions were inappropriate for his position. If the fund raising efforts he directed were purely for candidates who would vote favorably on issues affecting the Authority, there would be no obvious reasons for keeping his requests out of the public record and public scrutiny. However, even if the sole purpose of the fund raising was to assist those types of candidates, Chairman Keen's requests done in secrecy were his acknowledgment that it was inappropriate for a person in his public position to use that position to solicit campaign funds from those very people and companies, the vendor family, that he as Chairman of the Board of Directors of the OOCEA had influence over.

Chairman Keen and Vice Chairman Evora were particularly interested in the re-election of

County Mayor Rich Crotty. Crotty was also a sitting Authority Board member at the time. It is particularly offensive that fund raising efforts directed by the Chairman and Vice-Chairman of the Authority were targeting vendors of the Authority for the benefit of a sitting Board Member. This practice is unduly coercive. As a Board Member, Crotty had a vote on the contracts that were awarded or would be awarded to the very vendors who were solicited for contributions on his behalf. Further, in his role as County Mayor, Crotty also would be able to exert influence on contracts that some of these very vendors may seek with the Orange County government. The total dollar amount raised by Keen through Pecora and Paulsen for Mayor Rich Crotty was \$62,900 (8.5 percent of the total funds raised by Crotty in his re-election bid).

Soliciting funds from vendors to an agency on behalf a candidate who is also a Board Member of that very agency should not be tolerated by the public. Such solicitations of OOCEA vendors must stop immediately in order to regain the trust of the public. Political fundraising reforms statewide should be implemented to put a stop to practices of this nature.

Reform by the OOCEA is also necessary. The pay to play perception generated by the fund raising activities of Chairman Keen and the OOCEA should stop immediately. All solicitations of OOCEA vendors generated by a member of the Board of Directors or OOCEA staff should be prohibited. Only then will the appearance of an organized shakedown of Authority vendors come to a halt. OOCEA vendors and their employees should also be required, by the terms of their future contracts, to disclose to the Board of Directors when they voluntarily contribute to the campaign of a sitting Board Member.

By this presentment, the Orange County Grand Jury directs the State Attorney to provide a copy of this document to the Governor of Florida, the Orange County Commission and the Orlando-Orange Expressway Authority and for distribution to all who request copies.

Respectfully submitted this 9<sup>th</sup> day of October, 2007, at Orlando, Orange County, Florida.



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FOREMAN OF THE GRAND JURY

As authorized and required by law, I have advised the Grand Jury returning this presentment.

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