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**Office of the Inspector General**  
**Miami-Dade County**

# Memorandum

To: The Honorable Alex Penelas, Mayor  
Miami-Dade County

The Honorable Gwen Margolis, Chair  
and Members of the Board of County Commissioners

From: Christopher Mazzella  
Inspector General

Date: June 11, 2002

Re: OIG Final Report of the Duty Free Concession Agreement at Miami Intl' Airport

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Attached please find a copy of the OIG's Final Report regarding the lack of Disadvantaged Business Enterprise (DBE) participation on the Duty Free Concession Agreement at Miami International Airport.

This report was provided in draft form to Miami Airport Duty Free Joint Venture (MADFJV) and each of its four DBE joint venture partners. A Draft was also provided to the Miami-Dade Aviation Department (MDAD) for its response to the OIG findings. Those responses received by the OIG are included in this Final Report and may be found in the Appendix Section. For your information, Mr. Andres Rivero, Esquire, responded to the OIG's Draft Report on behalf of all the joint venture partners, except for Ms. Carole Ann Taylor of Miami to Go, Inc. Ms. Taylor objected to Mr. Rivero's response and opted to provide a separate response, a copy of which is also attached.

Based upon a careful review of all the responses received to the OIG's Draft Report, the OIG concludes that no changes are necessary to its Draft Report.

## **RECOMMENDATIONS**

1. It is recommended that the Board of County Commissioners and the County Manager's Office carefully review this report, and, in particular, the composite videotape (a copy of which is provided for your convenience) prior to taking any further action with respect to duty free concessions at Miami International Airport.
2. Within 45 days, the airport should submit a written report to the OIG outlining the corrective actions being taken to rectify the Duty Free participation deficiencies.
3. The Aviation Department should carefully review any information previously reported to the Federal Aviation Administration (FAA) regarding the participation of the Joint Venture partners in the Duty Free Concession Agreement and provide the FAA with any necessary corrective declarations. Please provide the OIG with copies of any correspondence with the FAA relative to this matter.
4. It is further recommended that the County's Department of Business Development review the Airport's monitoring of the Disadvantaged Business Enterprise (DBE) participation in the Duty Free Concession agreement so as to insure that participation monitoring in the Duty Free Agreement, and other similar contracts, is correctly administrated.
5. Finally, the County Attorney's Office should review this matter to determine whether or not appropriate sanctions and/or penalties should be imposed on the contracting parties. MADFJV was given the opportunity to cure their contractual default in 2001 and failed to do so as evidenced by MDAD's Response (Annex D) titled "Complaint by Joint Venture Partner."

cc: Mr. Steve Shiver, County Manager  
Mr. Robert Ginsburg, County Attorney  
Mr. Bill Johnson, Assistant County Manager  
Ms. Angela Gittens, Director, Miami-Dade Aviation Department  
Ms. Marsha Jackman, Director, Department of Business Development

Miami Airport Duty Free Joint Venture  
C/o Mr. Andres Rivero, Esq.

Federal Aviation Administration (FAA)

Clerk of the Board (copy filed)