



*Florida Department of Law Enforcement*

**OFFICE OF EXECUTIVE INVESTIGATIONS**

*David Rivera*  
*Allegations of Official Misconduct, Unlawful  
Compensation, Fraud & Theft*

**INVESTIGATIVE SUMMARY**

**INVESTIGATIVE PREDICATE**

On October 26, 2010, the Florida Department of Law Enforcement, Office of Executive Investigations initiated an investigation into the financial reporting activities of former Florida State Representative David Rivera. The Miami Dade State Attorney's Office (SAO) initially requested assistance from FDLE's Miami Regional Operations Center after numerous articles were published in the Miami Herald newspaper regarding Mr. Rivera's activities. The Miami Regional Operations Center forwarded the SAO request to the Office of Executive Investigations for review and any action deemed appropriate.

Upon review of the information provided in the Miami Herald articles and subsequent conversations with the Miami Dade State Attorney's Office, FDLE initiated an investigation and examined multiple areas of Mr. Rivera's activities, including possible reporting violations on his state mandated financial disclosure forms, the appearance of unlawful compensation and the apparent use of campaign contributions for personal use. Possible criminal and ethical violations were identified, and the following provides an overview of FDLE's investigative findings.

**OFFICIAL MISCONDUCT  
FALSIFICATION OF OFFICIAL DOCUMENTS**

**ORIGINAL FINANCIAL DISCLOSURES:**

**Millennium Marketing, Inc.**

As a member of the Florida House of Representatives from 2002 through 2010, Mr. Rivera was required by Florida law to file financial disclosure forms with the Florida Commission on Ethics. A review of the filed disclosure forms revealed multiple discrepancies regarding his stated sources of secondary income. In his disclosure forms, Mr. Rivera indicated that, from 2002 through 2005, Millennium Marketing was a source of secondary income in addition to his legislative salary. A review of Florida Department of State electronic records revealed that Millennium Marketing, Inc. was not a registered Florida corporation during this time period and was not created until September 2006. A corporation identified as Millennium Marketing Strategies was created in 2000 but was inactive after September 2001. Additionally, FDLE reviewed bank records for Millennium Marketing Strategies from 2004 to present

(even though it was an inactive corporation during this time) and discovered that no payments had been made to Mr. Rivera.

Furthermore, Mr. Rivera's financial disclosure records indicated that Millennium Marketing's major sources of income were derived from Object Video, the Republican Party of Florida (RPOF) and Enwright Consulting. Object Video was contacted and stated that there were no records of either Mr. Rivera or Millennium Marketing being compensated by their organization. Enwright Consulting advised that, although no payments were made to a Millennium Marketing, Mr. Rivera was employed for a brief period in 2002 and received \$4,000 in compensation. The RPOF advised that Mr. Rivera was employed by their organization in 2002 prior to his election as a state representative; however, the RPOF had no records related to Millennium Marketing as a source of payment. Millennium Marketing, Inc. was established in September 2006 by Ileana Medina, reported "god-mother" of Mr. Rivera, and added Daisy Magarino, Mr. Rivera's mother, as an officer of the corporation in 2008.

### **Interamerican Government Relations**

Additionally, Mr. Rivera claimed on his financial disclosure forms that Interamerican Government Relations (IGR) was a source of secondary income from 2003 through 2009. IGR was a Puerto Rico based company established by Mr. Rivera in 2003. The Puerto Rico Department of State advised FDLE that no annual reports had been filed with the department since the creation of the company. The disclosure forms also identified the United States Agency for International Development (USAID) as the major source of IGR's income. USAID had no records of Mr. Rivera or IGR being compensated as a vendor/contractor by their organization.

### **AMENDED FINANCIAL DISCLOSURES:**

A further review of the documentation submitted by Mr. Rivera revealed that he filed amendments to his 2003-2009 disclosure forms on October 15, 2010, following numerous media articles regarding reported financial discrepancies. Each amendment removed all information related to secondary sources of income and indicated that the information that was originally provided was not required. The amendments removed all references to Interamerican Government Relations, Object Video, Millennium Marketing and the United States Agency of International Development.

Mr. Rivera made a second amendment to his 2006 through 2009 disclosure forms in January 2011. Included in the current amended disclosure forms, Mr. Rivera identified a previously undisclosed liability that began in 2007 and was not referenced in his original filings. The liability was identified as a loan from "Ileana Medina and/or Millennium Marketing." The loan liability was listed as follows; 2007 - \$35,000, 2008 - \$55,000 and 2009 - \$95,000. Accompanying the amended disclosures was correspondence explaining that the information provided on the amended forms was "inadvertently excluded on the original form 6's" (financial disclosure forms). Furthermore, it was explained that Mr. Rivera did not believe that the loans from Millennium Marketing were required to be reported on his initial disclosure forms. The correspondence also stated that Mr. Rivera had repaid these "contingent liabilities in full with interest."

As will be explained in detail in the following sections, from 2002-2010 Rivera utilized his campaign accounts to support his personal expenses. Additionally, it appears that, Mr. Rivera utilized Millennium Marketing as a "pass through" for at least \$132,000 in compensation he received from Southwest Florida Enterprises, a corporation involved in the pari-mutuel industry, specifically, the Flagler Dog Track in Miami, Florida. This compensation was related to his involvement in the passage of the citizen referendum for gaming slots in Miami Dade County occurring between 2006 and 2008. The contract, signed by Southwest Florida Enterprises, Millennium Marketing, Inc. and Mr. Rivera, clearly states that Millennium Marketing "shall engage

David Rivera as the key person to act as the primary provider of services pursuant to the terms and conditions of this Agreement...”

Analysis of documents obtained to date supports the contention that Mr. Rivera purposely falsified his financial disclosure forms in an attempt to legitimize other source of income beyond his salary as a State Legislator. First, Mr. Rivera provided information on his initial financial disclosure submissions that was false and then amended the forms to remove the information. Second, Mr. Rivera amended his financial disclosure forms claiming that \$132,000 received from Millennium Marketing were liabilities (loans), when, in fact, documentary evidence indicates that it was compensation for being employed as a consultant to the Flagler Dog Track for the gaming referendum.

In an effort to support his assertion, Mr. Rivera “paid back” the loans by transferring the ownership of a condominium to Millennium Marketing as well as paying Millennium Marketing approximately \$41,000. Financial records show that three weeks prior to this “loan” repayment, Mr. Rivera received \$49,000 from Ileana Medina, president of Millennium Marketing. This activity supports the allegation that Mr. Rivera attempted to disguise compensation received from the pari-mutuel industry and fabricated the source of that income with the assistance of Millennium Marketing by claiming the compensation were loans from Millennium Marketing.

## **UNLAWFUL COMPENSATION FABRICATION OF EVIDENCE**

### **SLOT REFERENDUM:**

In 2005, a state referendum regarding the approval of Las Vegas style slot machines was contested in Broward and Miami Dade County. Broward County voters approved the use, while Miami Dade County voters narrowly rejected the proposal. Referendum rules stated that the proposal could again be put on the ballot after a two year time period. Because of this stipulation, the owners of the Flagler Dog Track contracted with then State Representative David Rivera to spearhead the campaign to promote the slot machine proposal in Miami Dade County for an additional vote. This vote took place and passed in 2008.

Interviews with the Havenick family (owners of the Flagler Dog Track) revealed that Fred Havenick had verbally agreed to hire Mr. Rivera to lead the campaign for slot machines in Miami Dade County sometime before his death in June of 2006. The family continued to honor their father’s wishes by contracting with Mr. Rivera for his services in November 2006. The contract between the Havenick family (West Flagler Associates) and Mr. Rivera was also signed by Ileana Medina, President of Millennium Marketing. Interviews of individuals familiar with the contract negotiations revealed that Mr. Rivera had identified multiple companies as the recipient of funds related to the negotiated fee on previous drafts of the contract, but ultimately decided on Millennium Marketing, Inc. prior to finalizing the agreement.

The agreement outlined the negotiated fee for Mr. Rivera and various payment schedules depending on the referendum date and outcome. Because the Miami Dade vote took place in 2008, Mr. Rivera and Millennium Marketing, Inc. were eligible to receive approximately \$1,000,000 in fees. Millennium Marketing, Inc. was issued a \$50,000 retainer in November 2006 by a Havenick subsidiary. Millennium Marketing, Inc. then proceeded to provide Mr. Rivera \$25,000 in January 2007. Mr. Rivera received another \$10,000 from Millennium Marketing, Inc. in February 2007. In March 2008, after the approved slot referendum, Millennium Marketing, Inc. received a total of \$460,363 from two separate Havenick subsidiaries bringing the total payment to Mr. Rivera and Millennium Marketing, Inc. to \$510,363. Between the receipt of funds in March 2008 and August of 2010, Millennium Marketing, Inc., through

nine separate financial transactions, provided to Mr. Rivera an additional \$97,000, bringing his total payments to \$132,000.

The remaining funds not provided to Mr. Rivera were disbursed through multiple accounts belonging to Ileana Medina and Daisy Rivera/Magarino. On May 21, 2011, Daisy Magarino invoiced West Flagler Associates for the remaining \$500,000 due to Mr. Rivera and Millennium Marketing Inc. West Flagler Associates responded to the request by providing Millennium Marketing, Inc. with a \$200,000 check, but kept \$300,000 for incurred expenses and as a reserve for any future expenses related to the investigation being conducted. To date, Mr. Rivera and Millennium Marketing have received \$700,000 of the original \$1,000,000 contract.

Even though Mr. Rivera did, in his official capacity as a state representative, vote on multiple pieces of legislation that directly affected the Flagler Dog Track after he and Millennium Marketing, Inc. were compensated, his activities do not appear to specifically meet the quid pro quo requirements for violating Florida's Unlawful Compensation law. However, the investigation did identify potential ethical violations based upon Mr. Rivera's behavior and intent. Mr. Rivera may not have solicited and/or received any pecuniary benefit for acting within his capacity as a public official, but he did take steps to disguise his relationship with a special interest group.

First, he utilized a business created by a known associate, the sole purpose of which was to facilitate the financial transactions between the Flagler Dog Track and himself. The investigation revealed that Millennium Marketing, Inc. had no other source of significant business income beyond the contract with West Flagler Associates. Second, as mentioned in the previous section, Mr. Rivera tried to further distance himself from the business relationship with the Flagler Dog Track by claiming the monies received from Millennium Marketing were loans rather than compensation for services provided during the slot referendum. This was further supported by the identification of "Promissory Note" documents that appear to have been created by Millennium Marketing, Inc. to further the concealment of funds to Mr. Rivera.

## **CAMPAIGN THEFT/FRAUD**

Mr. Rivera ran several re-election campaigns during his time as a Florida House of Representatives member. FDLE analyzed Mr. Rivera's financial campaign activities from his 2004, 2006 and 2008 re-election campaigns, in addition to his 2010 campaign for state Senator. After a thorough analysis, FDLE identified a pattern of activity in which Mr. Rivera was utilizing funds collected during his political campaigns to defray personal expenses not related to campaign activity.

### **PERSONAL CREDIT CARDS**

Upon reviewing Mr. Rivera's personal finances, it was determined that a large portion of his financial activity was conducted through the use of a variety of credit cards. A review of the credit card activity revealed that Mr. Rivera frequently paid his credit card balances with campaign funds. The payments to the credit card companies either came directly from a campaign account or from Mr. Rivera's personal account. When the payments did come from Mr. Rivera's personal account, the payment would be directly supported by a reimbursement to himself from the campaign. A review of Mr. Rivera's personal finances did not substantiate the legitimacy of these reimbursements. From 2006 through 2010, FDLE identified approximately \$65,000 in what are believed to be non-campaign related credit card charges that were paid for with campaign funds. These expenses included but were not limited to; pet services, dry cleaning, dental care, medical services, entertainment and travel expenses for his girlfriend.

**STATE TRAVEL VOUCHERS**

In addition to using campaign funds to pay for personal expenses, Mr. Rivera utilized his campaign funds to pay for costs associated with his activities as a Florida House of Representatives member. These costs were reimbursed to him by the State of Florida and Mr. Rivera's District 112 office account through travel vouchers. Mr. Rivera's travel vouchers were compared to his personal credit card statements to determine which charges were reimbursed by the State of Florida and/or the District 112 Legislative Office Account. From 2006 through 2010, approximately \$29,500 in charges were paid by campaign funds, even though Mr. Rivera was personally reimbursed for these same charges by the State of Florida and/or the District 112 office account.

**STATE ATTORNEY REVIEW**

On July 29, 2011, this investigative summary was provided to Assistant State Attorney Joe Centorino of the 11<sup>th</sup> Judicial Circuit of Florida for review.