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Alan Grayson
Congress of the United States
8th District, Florida

June 19, 2009

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Richard Crotty
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4974 ORL Tower Road
Orlando, FL 32807

Daniel Webster
"Blue Ribbon" Committee Chairman
Orlando-Orange County Expressway Authority
4974 ORL Tower Road
Orlando, FL 32807

RE: **Ending the OOCEA Culture of Corruption**

Dear Messrs. Crotty and Webster:

I'm writing to you concerning the Grand Jury report documenting the "Culture of Corruption" at the Orlando-Orange County Expressway Authority ("OOCEA"), the recent massive toll increases on OOCEA roads that some have rightly called "Highway Robbery," and the fact that OOCEA has become a bloated, self-indulgent bureaucracy, sustained only by its ability to reach into motorists' pockets and take out their cash. Although the basic facts have been public for months now, there is no sign of the deep reforms that are needed to restore public trust.

I often drive on the East-West Expressway on the way from my home to my Congressional office. Like everyone among the half-million people who ride on OOCEA roads each day, I was shocked by the scale of the recent toll increases. A toll is a tax. These increases come at the worst possible time, when we already are plagued by a weak local

economy. They amount to huge tax increases on everyone who drives on OOCEA roads. They should be reversed.

I understand that the “blue ribbon” committee selected by Mayor Crotty, and headed by Senator Webster, plans to deliver a report next month concerning OOCEA. The stated purpose of this committee is to “restore faith” in OOCEA. The public is demanding change. Set forth below are a list of the reforms that, at a minimum, must be recommended by the committee and implemented by OOCEA if the existing and pervasive Culture of Corruption at OOCEA is to end.

1. **Full Implementation of the Letter and Spirit of the Grand Jury’s Recommendations in Law.** As you well know, the Grand Jury found that OOCEA consultants were turned into “collection agents” who performed “an organized shakedown” of OOCEA vendors for political contributions. “They created a culture of corruption by giving the appearance that it is necessary to contribute to [certain] candidates or issues supported by the Chairman in order to continue doing business with the Authority [*i.e.*, OOCEA].” Please note that these are not my words, but rather the words of the Grand Jury.

The Grand Jury noted that from 2002 to 2006 alone, \$468,352 was “coerc[ed]” from OOCEA vendors in this manner. Mayor Crotty alone received \$62,900 of this money for his reelection bid in 2006, while he was a sitting OOCEA Board Member voting on OOCEA vendor contracts. As the Grand Jury observed:

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 [*i.e.*, Crotty]. 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.

Grand Jury Report at 5-6.

The *Orlando Sentinel* later reported, on March 22, 2009, that Mayor Crotty had raised \$67,500 in a similar manner at the Greater Orlando Aviation Authority (“GOAA”), by exploiting his position on the GOAA Board. In the report, Dick Batchelor stated that for vendors competing for GOAA contracts, “there was a firm expectation to participate in fundraisers” for Crotty and other officials.

The Grand Jury was quite explicit in its recommendations. Among other things, it said:

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 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.

Id. at 6. The resolution adopted at the March OOCEA Board Meeting is only the smallest step in this direction. I call upon you to ensure that these rules are implemented not only in all OOCEA contracts, upon penalty of losing those contracts, but also in the charter and by-laws of OOCEA.

The Grand Jury also stated that “[s]oliciting funds from vendors to an agency on behalf of 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.” *Id.* at 6 (emphasis added). Therefore, I call upon Mayor Crotty to pledge that he will “stop immediately” all efforts to fund any campaign of his from the pockets of vendors or vendors’ employees at OOCEA, the Aviation Authority, the County, and any other public body where he exercises or has exercised influence.

Furthermore, in this regard, there is no meaningful distinction between a sitting Board Member like Mayor Crotty, and the Chairman of a “blue ribbon” committee like Senator Webster. Therefore, I call upon Senator Webster to take the same pledge, *i.e.*, to refrain from raising “dirty money” like this from sources with regard to which he now exercises or has exercised influence. As the Grand Jury noted, this is part of what is necessary “to regain the trust of the public.”

Finally on this subject, it should go without saying that the \$62,900 extorted from OOCEA vendors for Mayor Crotty’s campaign, while he was a sitting OOCEA board member, should be either repaid or contributed to charity immediately. The same thing is true of the \$67,500 in GOAA contributions, and all other contributions that Mayor Crotty has received from County and Lynx vendors and their employees. The Grand Jury rightly concluded that this money was not contributed willingly, but rather because of “the appearance that it is necessary to contribute . . . in order to continue doing business with the Authority.”

2. Ending Waste and Abuse at OOCEA. As awful as the coercion of campaign contributions from OOCEA vendors and their employees may be, the problems at OOCEA go

even deeper. Under its current leadership, OOCEA has earned the sad distinction of being the most wasteful local government bureaucracy in Orange County history.

At the time when Mayor Crotty and the OOCEA Board voted for substantial toll increases, 15 different OOCEA employees were collecting six-figure salaries. At the top of this list is the head of OOCEA, whose annual salary is just under a quarter of a million dollars. (Or, to put it another way, one million quarters.)

The Florida Legislative Committee on Intergovernmental Relations sets salaries for county constitutional officers throughout the state. This year, the highest salary that it set for Orange County was that of Sheriff, at \$159,623. It is hard to see why any unelected bureaucrat should be paid more than an elected official, who at least has earned the support of the voters. Therefore, I ask you to see to it that no one at OOCEA earns more than this. Other excessive salaries at OOCEA should be adjusted commensurately.

In addition, according to reports, OOCEA paid \$24 million to build its headquarters, where around 50 people work. That's approximately \$500,000 per office. According to one report, OOCEA paid \$1 million to build a convenience ramp from the highway to the office. As OOCEA Vice Chair Tanya Juarez aptly observed at the Feb. 26 meeting, "this building is symbolic of wasteful spending."

Equally wasteful are the four-color glossy OOCEA "newsletters" mailed throughout the region, which contain little if anything resembling news. People don't need newsletters to find their way to highway on-ramps.

OOCEA itself has calculated that it loses \$6 million to \$7 million each year because of toll violations. It is irresponsible to make law-abiding citizens pay more simply because scofflaws pay nothing.

When added up, bloated operations, maintenance and administration expenses like these chew up almost a quarter of all toll revenue. This is simply too much.

Why are we raising tolls at all, when there is so much waste and abuse at OOCEA? We should exhaust every other possibility before raising tolls, particularly in these difficult times.

3. Ending "Highway Robbery"

The toll increases need to be reversed. They simply aren't needed.

OOCEA collects far more in tolls than it is required to collect – to the tune of tens of millions of dollars each year. OOCEA has claimed that bond covenants "forced" it to raise tolls. Of course, OOCEA itself negotiated and, conveniently, agreed to these covenants. In

doing so, it placed the well-being of large investment banks above the well-being of motorists on its roads. As long as OOCEA pays the principal and interest due on its bonds, there is little if anything that the banks can do to force OOCEA to collect more. OOCEA is raising tolls, at the worst possible time, only in order to see its large pile of cash grow larger.

The fact is that OOCEA bonds require a debt service ratio of 1.2. Without any toll increase, OOCEA was projected to end this year at 1.31, and next year at 1.23. So the terms of OOCEA bonds do not and cannot justify toll increases.

The toll increases are, in fact, a manifestation of a deeper problem. The most fundamental problem at OOCEA is that it has strayed far away from its purpose, which is to construct highways to serve the population centers of Orange County. That purpose was carried out long ago. At this point, OOCEA is engaging in something resembling empire-building, at the expense of the toll-payers it is supposed to serve. As one observer put it, OOCEA “plans and organizes road expansion just to perpetuate itself.”

The East-West Expressway (“SR 408”) is a good example of this “mission creep.” SR 408 runs right through my district. The 13-mile central part of SR 408 was financed by bonds sold in 1971, and finished in 1973. Those bonds were paid off long, long ago. The total cost was \$89 million, which is less than what OOCEA now collects every six months. This amount has been paid back by drivers many times over.

Extensions to the east and west, totaling ten miles, were completed in 1990. The total cost was \$207 million, which is equal to the tolls that OOCEA now collects every year. Even though the areas around the extensions are less developed, toll revenue from the extensions has far exceeded the cost of construction and interest payments.

The massive amount of toll money taken today from SR 408 drivers is not used to maintain that road. On the contrary, when the road originally was built, operation and maintenance was turned over to the Florida Department of Transportation. The toll money from SR 408, from tolls so sharply increased, is to pay vendors who give kickbacks to elected officials in the form of campaign contributions, to pay excessive salaries to OOCEA staff and consultants, and to build *other* highways, which SR 408 drivers then subsidize.

This subsidy is approaching the point of absurdity. Minutes of the Feb. 26, 2009 OOCEA Board Meeting show that one of the fundamental rationalizations offered for Orange County toll increases was that they would pave the way – literally – for construction of a highway *in Seminole County*. So the *Orlando-Orange County* Expressway Authority is now taxing me, and the people in my district, to pay for its generosity toward people who live outside its own original territory. What possible reason is there to tax people in Orange County in order to build a road in Seminole County?

Indeed, Central Florida is one of the few places in the country with any local toll roads at all. Almost all highways built in America today are built with 90% federal money, a 10% local contribution, and no tolls. This has been the arrangement, in one form or another, since the Eisenhower Administration. Yet OOCEA insists on building new roads with no federal contribution, and it makes motorists on existing OOCEA roads pay for them and subsidize them.

The minutes of the Feb. 26, 2009 OOCEA Board Meeting show that OOCEA is well aware of the fact that there are alternatives to toll increases. For instance, the minutes specifically refer to the fact that nearby Jacksonville ended its tolls entirely. Yet rather than exploring such alternatives, OOCEA treats roads like SR 408 as “cash cows” that eventually pay for “Highways to Nowhere.”

It follows that in addition to reversing the toll increase, the committee should recommend, and OOCEA should implement, the following steps. First, OOCEA must stop using one highway to pay for another. When tolls have finished paying for a highway, the tolls on that highway either should be ended or should be reduced to cover maintenance only – which is what should have happened on SR 408 long ago. Second, OOCEA should not construct any highway for which state or federal funding is available. And if state or federal funding is not available, OOCEA should build a road only if that road will pay for itself. As someone who worked as a transportation economist for three years, I can tell you that many of the highways under consideration make no economic sense, and will never pay for themselves – so don’t waste our tax or toll money by building them.

Third, OOCEA must develop and implement a plan to remove all tolls from the roads that have paid for themselves already, or limit those tolls to maintenance costs only. Whether it takes a month, a year, or ten years, there must be a plan in place for each highway to eliminate or limit the tolls on that highway in this manner, and that plan must be implemented. The driving public deserves no less.

Finally, and perhaps most importantly, the OOCEA Board must become an elected board, not an appointed one. Sadly, there may be no other way to make the Board accountable to the motoring public that it is supposed to serve.

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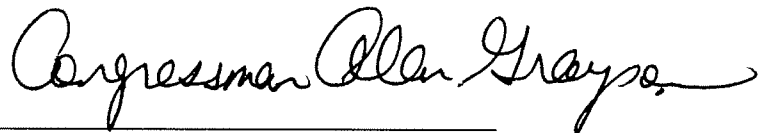
The public is understandably skeptical about the prospects for reform at OOCEA. In fact, there is a full-blown crisis of confidence in OOCEA. Seventy-eight percent of the public comments at the Feb. 26 OOCEA Board Meeting opposed the toll increase, but the Board voted for it anyway. An *Orlando Sentinel* poll following release of the Grand Jury Report found that 49% wanted Mayor Crotty to resign as Mayor, an additional 28% wanted Mayor Crotty to resign as OOCEA Chairman, 10% said that he could stay if and only if the toll increases were avoided (and they have been implemented), and only 13% expressed support.

These skeptical views were reinforced when Mayor Crotty chose Laura Guitar to serve on the “blue ribbon” committee. Guitar was a business partner with Ron Pecora, whom the Grand Jury identified as one of the two “bag men” for OOCEA contribution kickbacks. When this connection became public, she resigned from the committee.

As for Senator Webster, the public is equally skeptical. He cannot be expected to end the Culture of Corruption at OOCEA when he himself has taken substantial amounts of campaign money under similar circumstances. Senator Webster sponsored a plan to sell our toll roads to foreigners, who then could gouge our citizens without limit. Indeed, Senator Webster is symbolic of OOCEA excesses, since he named an expensive, little-used highway after himself when he presided over the Florida Senate – a highway that conveniently runs near his house.

Nevertheless, the public is demanding change. Many people remember that protests against the toll increases of 1990 eventually led to reversal of many of those increases in 1992. Therefore, on behalf of the public, I ask both of you to see to it that all of the changes above appear in the “blue ribbon” committee’s report, and are implemented by OOCEA forthwith.

Sincerely,

A handwritten signature in cursive script that reads "Congressman Alan Grayson". The signature is written in black ink and is positioned above a horizontal line.

Congressman Alan Grayson (FL-8)