

## Housing board member says colleagues have conflicts of interest

Despite one board member's protests, the Homestead Housing Authority won't ask for a legal opinion as to whether there is a conflict of interest between some board members and the new executive director.

By Christina Veiga, [cveiga@miamiherald.com](mailto:cveiga@miamiherald.com)

The Homestead Housing Authority board doesn't want to know whether there is a conflict of interest between some board members and the recently-hired executive director.

Instead, they voted at their Wednesday meeting to bar fellow board member Lois Jones from requesting a formal opinion from the board attorney on the matter.

"Why would you not want the request? Are you afraid of what it will show?" Jones asked members.

New board member Ian Iglesias, whose first meeting was Wednesday and who had to ask what the purpose of a housing authority is, made the motion to dismiss Jones' request, citing the potential cost.

"I don't see the need. I don't see the need to spend \$1,000," he said, estimating the attorney's bill, which would cost \$200 per hour.

The authority's 2011 budget is \$20.3 million.

The impassioned debate was triggered by discussion to raise Executive Director Oscar Hentschel's salary for the second time during his six-month tenure.

A spokeswoman for the U.S. Department of Housing and Urban Development, which funds the authority in part, said the department "will be reviewing the information surfaced during the Board of Commissioners' meeting."

Hentschel, who had no previous experience in housing or government, was hired in March at a salary of \$70,000. Board members raised his salary to \$90,000 after two months on the job. Board members on Wednesday suggested bringing Hentschel's salary up to \$125,000, which is what the previous director made after 14 years with the authority, according to Deputy Director Monica Rusconi.

Iglesias suggested the discussion was inappropriate to have in public, and said the board members should all meet privately. The board's attorney, **Gilberto Pastoriza**, explained that the board is a public entity subject to Florida Sunshine law, which prohibits members from discussing public business in a forum other than an open meeting, with few exceptions.

Jones said she questioned the raise after residents came to her with information that board member David Berrones and the executive director are business partners.

She also pointed out that one board member is related to Berrones by marriage, and another works for a daycare run by Berrones' brother.

"It's a conflict," she said. "It's a lot of little people together."

State records show Berrones and Hentschel registered a business together, Xcaret Group, in November 2010. The company's status is listed as "active."

Berrones and Hentschel said they registered the company but never did any business or made any profit together. When asked if the two are business partners, Berrones replied: "No. We're friends. We're neighbors."

When a reporter showed board attorney **Pastoriza** the business listing and asked whether that would constitute a conflict of interest, he responded: "I'm not going to give that to you — you're not my client."

The Housing Authority provides places to live for people with low incomes using money from HUD and the U.S. Department of Agriculture.

All board members are appointed by Mayor Steve Bateman, although Jones is a holdover from former Mayor Lynda Bell. Bateman said he appointed new board members because the previous board was "tired," and that he appointed Berrones and Chairwoman Audelia Martinez because both had spent time in migrant housing as children.

Among the Housing Authority's clients are migrant farm workers.

"You've got the right people there. You have people who started off in the fields picking, who have now put themselves through school and are successful," he said. "The only people who have benefitted are the citizens." Berrones and Bateman said they have not benefitted financially from any of the board member appointments nor from any housing authority contracts. Berrones acknowledged he contributed to Bateman's campaign and bought investment properties with the mayor prior to his election, but the two are no longer business partners, he said.

"Why would it be a conflict?" Berrones asked.