

**Managing a Press "Feeding Frenzy": Gregory Coler and the
Florida Department of Health and Rehabilitative Services**

Gregory Coler came to Florida in early 1987 with ambitious plans for the state's mammoth human services delivery agency. As secretary of Florida's Department of Health and Rehabilitative Services (HRS), Coler believed he could apply lessons from his previous jobs—most recently as the director of the Illinois Department of Public Aid—to the sprawling agency with responsibilities ranging from welfare to nursing homes to child abuse.

Two years after his appointment, Coler believed he'd made a good start toward accomplishing his goal of modernizing HRS and making it more efficient and accountable. During his tenure, the agency's budget had grown dramatically—from \$3.7 billion to about \$7.5 billion—helping to make possible the introduction of a state-of-the-art computer system and other improved management techniques. Such projects, and Coler's tireless promotion of them, had led to a generally positive portrayal of Coler and HRS in the press.

Yet the favorable view of Coler and his agency changed abruptly in the wake of a notorious and fatal incident of child abuse in which HRS appeared culpable. In the view of Coler and other observers of his administration, the incident was a watershed, setting off a wave of criticism. In the months that followed the child's death, what one paper called "an avalanche of bad press"¹ washed over Coler, as everything from HRS contracting procedures to Coler's personal calls on a cellular car phone was subject to intense scrutiny. "It was open season on Greg Coler," recalls Mike Powers, HRS director of legislative and external affairs at the time. The criticism threatened to overshadow Coler's considerable achievements at HRS and—if some editorialists had their way—to drive him out of office altogether. To Coler's critics in the press, the negative stories reflected aspects of his personal style and management of HRS that they regarded as open to question. To Powers, as well as to Coler, the "media attacks" were the inevitable penalties attached to the "desire to bring change ... and to innovate, and to wade into ... the issues of the day."

Background: Coler Comes to Florida

When Greg Coler first came to HRS, in February 1987, he brought with him considerable experience in high-profile management positions in human services. After a stint in the New York State Department of Social Services, he had gone on to serve as director of the Illinois Department of Children and Family Services in Chicago in 1979, where he had been brought in by Republican

¹ *Fort Lauderdale News and Sun-Sentinel*, December 6, 1989.

This case was written by Esther Scott, based on a draft by John Hilliard, under the direction of Martin Linsky for the Ford Foundation/University of Washington Conference, "Public Innovation and the Media: Stimulus or Barrier?" Funding was provided by the Ford Foundation. Recipient of the 1992 Stephen B. Hitchner Memorial Case Prize. (0794)

Governor Jim Thompson to be an aggressive agent of change. "I want a torpedo," Thompson had said, and Coler had filled the bill, both in that position and later as director of the Department of Public Aid in Illinois. It was his reputation as a hard-driving, entrepreneurial manager in social welfare that had attracted Bob Martinez, Florida's newly elected governor. Martinez, one of only two Republican governors of Florida over the past 100 years, had conducted a nationwide search before settling on Coler to head up one of the state's most visible, and overburdened, agencies.

Like many human services agencies elsewhere in the country, HRS was struggling under the burden of a huge clientele and a vast span of responsibilities. With a budget of some \$3.7 billion in 1987 and roughly 37,000 employees, HRS was, according to a report in the *Wall Street Journal*, "the nation's largest state-administered agency."² It was also, the story continued, "one of the most troubled." Strained by the demands of the fastest-growing population of any large state in the US, HRS was contending with lack of funds (Florida ranked "dead last" in per capita social service spending in the US, according to the *Tampa Tribune*), underpaid and demoralized employees, high turnover, dated management practices, and the multiple needs of its hundreds of thousands of clients. The HRS "client load," a *Tampa Tribune* editorial once noted, "exceeds the population of Singapore or Costa Rica or Kuwait. Floridians regularly served by HRS, if assembled, would fill Tampa Stadium (72,000) more than 40 times."

Martinez brought Coler in not only to apply his distinctive brand of management to the struggling agency, but to demonstrate that, contrary to their popular image, Republicans did "have a heart" when it came to social welfare. Coler, says Florida Republican House Minority Leader Jim Lombard, "was a critical appointment" for Martinez:

[He would] prove that Republicans were not insensitive to the needs of people, but also prove that there had to be a better way of doing it than just shoveling money out the door and not knowing where it's going. The feeling was that he was that kind of guy. He was sympathetic and efficient and certainly dealt with pretty tough situations in the past, and he ought to be able to handle it.

In coming to Florida, Coler would not only be taking on a huge and troubled agency; he would be wrestling with its problems in a many-lensed public eye. Florida, says AP correspondent Brent Kallestad, "is a great newspaper state." There were, by his estimate, some 40 daily papers in the state, five of them—the *St. Petersburg Times*, the *Miami Herald*, the *Tampa Tribune*, the *Orlando Sentinel*, and the *Fort Lauderdale News and Sun-Sentinel*—with circulations of over 300,000. Florida was also, Kallestad adds, "a great place to be from a journalist's standpoint. ... Florida has such strong sunshine laws that ... the media can review with ease all the records [of government employees]. They're real accessible; there are a lot of reporters going over that stuff."

2 *Wall Street Journal*, August 15, 1988.

A Warm Reception

Coler's first moves at HRS indicated that he was capable of handling both the agency and the local press. Even before the required confirmation vote by the state senate in the spring of 1987, Coler took firm charge of HRS immediately upon his arrival on the first of February. "I'm here to produce," he told reporters. "I'm not here to lament the poor, I'm here to produce." In short order, he asked seven top HRS managers to step down, and fired the district administrators in four districts. While he ultimately appointed a number of HRS veterans, he also hired many new people, some of whom had worked for him in Illinois, to fill the vacancies he had created. "The game is changing now," he said, "and I'm going to take to the field a new team to play what a lot of people feel is the Super Bowl of social welfare administrations."

In his first days at his new post, Coler made frequent appearances in the local press. Newspapers featured interviews with him, and relayed his criticisms of HRS and his ideas for remedying its many problems. In an early February interview with the *Palm Beach Post*, Coler talked of the "tremendously weak infrastructure" and outlined plans to introduce computerized systems into the agency to improve both efficiency and quality of service. Coler considered it vital to bring computer technology to HRS to revamp its hopelessly antiquated operations. Coler also attacked the agency's child abuse and neglect system, which he termed "nonexistent" and HRS management, which he called "extremely weak," particularly in its lack of technical background.

Overall, Coler's efforts to imprint an agenda and a dynamic image on the agency and on the public mind appeared to meet with a favorable response from the press. On February 26, 1987, for instance, the *Fort Lauderdale News and Sun-Sentinel* ran an editorial entitled "Coler's Initial Performance Good," applauding the new secretary for his quick action in dismissing HRS managers and in clearing up a backlog of unresolved food stamp cases. "HRS still has serious problems," the editorial concluded, "most of them involving lack of money, low morale and high turnover. A firing here, a blitz there, won't solve those problems. But Coler has set a promising tone in his first month in office." But even as the editorial was being printed, other reports of an entirely different nature began appearing in the press, and Coler found his image quickly tarnishing.

Questions Emerge

The impetus for the turnaround in the press was a February 25 story in the *Miami Herald* which revealed that "the FBI is inquiring about past dealings between Gregory Coler ... and computer firms that won lucrative contracts with the Illinois social services agencies that Coler ran before moving to Florida." At issue, principally, were some \$1.5 million in contracts awarded to firms owned by Albert DiBernardo, a friend and colleague who had worked with Coler on computerization projects in New York and Illinois. Those contracts and others had, in fact, already been investigated by the Illinois State Police while Coler was still in office there; the Illinois police, the *Herald* reported, "have repeatedly inquired into Coler's contracts but never found evidence of criminal acts. ... " To Coler, this reprise of what he hoped was by now a dead issue was dismaying. "I've been inspected [and] X-rayed," he says. "The Illinois State Police interviewed 150 people. ... And when they were done with it, they

said, 'Coler not only didn't break any laws, he never broke any rules. We give him a clean bill of health.' So then I come down here [to Florida] and ... I've got the fire in my belly, I'm ready to roll. Then I get the call from the guy at the *Herald* saying, 'FBI investigation.'"

The governor's office quickly sprang to Coler's defense. Martinez aide Jim Smith told the *Herald* that Florida's Department of Law Enforcement had conducted its own background check on Coler before he was appointed HRS secretary, and that the Illinois State Police had told their Florida counterparts that they had supported Coler's reappointment in Illinois. At the same time, however, Smith conceded that he had warned Coler that DiBernardo (who had followed Coler to Illinois shortly after he took office there) "should not appear too soon as a consultant in Florida: 'I told Coler ... I thought there would have to be a pretty good time difference between him [Coler] coming to Florida and him [DiBernardo] showing up.'"

Predictably, Florida newspapers were soon filled with articles on the FBI inquiry, which was still in its early stages and largely a matter of speculation. To Coler, it was strictly a source of pain. "The FBI [investigation]," he says, "was very difficult—to have something that is completely untrue play such a part in your public life ... when you've never done anything wrong ... and then you read those headlines: 'Coler Investigated.' ... That may have been a low point." Others agreed that, in the words of *Miami Herald* editorial writer Wingate Payne, the investigation "set a bad tone." It also may have opened the way to further scrutiny by the press. On March 11, just a few weeks after the *Herald* broke the FBI story, the paper, exercising its easy access to government documents, reported on the results of its examination of Coler's travel records, dating back to his first visits to Florida in December when he was interviewing for the HRS job. The three hotels Coler had stayed at over a three-month period, the paper wrote, included "some of Florida's finest hotels," with rates ranging from \$80 to \$150 per night. While Florida had no formal limit on lodging expenses, other state officials had, according to the *Herald*, been "more frugal" in their accommodations. Coler had, as the paper acknowledged, paid for part of the hotel tabs out of his own pocket but, says AP reporter Brent Kallestad, "the appearance of that ... was damaging to him. ... You leave a wake when you operate that way." "There are a lot of things you might do in the private sector," he reflects, "[that] you don't do in Florida." In retrospect, Coler himself admits that "I could've been a little more sensitive when I first came to Florida," but notes: "I went to a couple of hotels, I paid the money. It literally was the first time I was in Miami and I'm going down there with [Fred] Baggett [a Florida attorney who had brought Coler to Martinez's attention] and he says, 'We're going to stay here.' What am I supposed to say? I guess I could have said, 'No, Fred, let's stay at the Holiday Inn.'"

As a result of Coler's travel claims, the *Herald* reported, the state comptroller's office had "informally advised" the new HRS secretary "to stop billing the state for high-priced hotels like those he has patronized since coming to Florida"—an advisory that one local TV station called "a bit of a hand slap" (Channel 27) and another "a short lecture in economics" (Channel 40). Governor Martinez, however, defended Coler's practices. Coler had "been working in states where perhaps per diem, and everything else, went a lot higher than it does in Florida," he pointed out before local TV cameras. "And, knowing New York and Illinois, I suspect that would be the case." Martinez's words, however, underscored a problem Coler faced in his adopted state: his outsidership. The very cities he

had worked in seemed to cast a sinister light on his career. "There was a feeling," recalls David Bruns, a columnist for the *Tallahassee Democrat*, "that, 'How could you be clean if you had made it in Chicago?'" Moreover, there was some resentment that Coler had brought in other "outsiders" to serve with him at HRS. "There was some local unhappiness throughout the various HRS districts," recalls Wingate Payne, "because all of a sudden all of the familiar faces were gone. A lot of folks came in from Illinois. ... When folks come down from 'the north' with the attitudes that the way they did it back home is better than the way that we're doing it here, there's a lot of resentment."

But while the stories of his travel expenses got wide play on the air and in newspapers, it was the news of the FBI investigation that threatened to wreck Coler's chances for confirmation by the state legislature. Despite Martinez's continued assertions that a thorough background check had given Coler a clean bill of health, some legislators expressed concern about proceeding with the confirmation. Mary Ann Grizzle, chairwoman of the state senate's Executive Business Committee, emerged from a committee meeting to tell reporters that she "had reservations about the appointment with the [FBI] investigation going on," and that there was "no hurry to confirm Coler as the new HRS secretary."

But Coler was no newcomer to wooing a Democratic legislature, and he quickly got busy acquainting himself with state lawmakers and overcoming their reservations. "I was always used to working with the other party being in power," he says, "so I immediately set forth to build a bipartisan coalition when I got [to Florida]. ..." He also focused his attentions on legislative staffers, who, he felt, were especially influential in Florida, and convinced them that he knew his substance in depth, and knew how to win support for human services programs. Coler also got help from Martinez, who embraced the HRS secretary's proposed "Project Independence"—a welfare reform effort that would be jointly sponsored by the governor and a bipartisan coalition of state legislators—and made him point man on the high profile program.

Coler's efforts to win over the legislature appeared to pay off. Recalls Steve Press, who later became the chairman of the House Committee on Health and Rehabilitative Services, "From the very beginning, when I first met with Greg Coler, I thought I was talking to a Democrat. ... There was ... no feedback to me that he wasn't trying to do the best job he could, given what he had to deal with." Ben Graber, who chaired the HRS Committee's oversight subcommittee, also carried away a good impression from his early meetings with Coler. "He spoke very well," Graber recalls, "and he had some great ideas about child care and about how to handle it. He did not sound like your conservative Republican; he sounded very moderate, almost liberal in some ways. Very concerned about child care and poor people. He came across very positive."

When the state senate finally met to vote on Coler on May 13, 1987, it was clear that he had effected a stunning reversal: lawmakers voted 39-0 to confirm his appointment as secretary of HRS. Before the vote, some, like Sen. Pat Frank of Tampa—who asserted that the "head of this agency should be above reproach"—alluded to the FBI investigation; but the nominee's supporters easily countered any expressions of concern. "More than half a dozen other senators," the *Tampa Tribune* reported the following day, "immediately jumped to Coler's defense, saying an investigation did not necessarily mean anything and complimenting his work so far." Still, some felt that the early publicity had left a lingering impression. "I think," reflects Andrea Brunais, an editorial writer for

the *Tribune*, "he was viewed from the outset as someone who had cronies. ... He was kind of branded from the start. [His image was] this guy is a kind of politico, kind of a wheeler-dealer."

Honeymoon

Coler's convincing victory in the confirmation vote ushered in a period of calm in which he appeared in the press largely in the context of the programs he was publicizing. An energetic and intense leader, he tirelessly promoted new initiatives at HRS and kept them before the public eye. Finding that Florida had no statewide network for receiving and coordinating reports of child abuse, he worked with the legislature and agency officials to change laws and procedures, and to introduce systems of accountability. He established a single 24-hour toll-free number (1-800-96ABUSE) to report abuse and developed a computer system that would eliminate much of the paperwork that absorbed hard-pressed social workers' time. At the same time, he heavily marketed the new program, appearing in conferences throughout the state, putting the hotline number on milk cartons and posters in grocery stores. "Florida has 12 million eyes to see child abuse with," he would say. "... What we have to do is make the call, and we can put an end to it."

Coler was equally fervent in promoting an integrated computer system that would serve a wide range of HRS programs that were being administered separately. The new system—called the Florida-On-Line-Recipient-Integrated-Data-Access System, or FLORIDA—would be expensive, costing about \$100 million, and time-consuming to build. But, armed with the federal government's promise to pay 80 percent of the initial cost of the project, Coler persuaded the legislature to fund the program, which would not come fully on-line until 1992. In an interview—one of many he gave to publicize the system—with a local TV station, he told viewers that FLORIDA would allow HRS "to throw away 160 of the 189 government forms that HRS workers now fill out by hand." He continued:

There's nothing more important to allow HRS to do its job to serve people than to get our manpower out of the business of dealing with this manually, and on these terminals so that we can help people who desperately need it, work with Project Independence and attend to the many other responsibilities that can't be done with a computer.

Reporters following Coler in his first two years in office watched with some admiration as the HRS secretary worked the legislature and the press to win support for the programs he wanted. "He was, I thought," says Andrea Brunais of the *Tampa Tribune*, "[an] effective kind of a bulldog personality in getting what he wanted from the legislature and not letting anyone say that his issues were less important [than other issues]. His issues were the most important issues in the world, and you could tell he felt that way." He routinely used the press as leverage in his efforts to wring more money out of the state legislature. Coler was "very high profile" in his first year, recalls Brunais, "calling press conferences, calling people in the press" to give his side of a legislative battle. He was also, notes Brent Kallestad, highly effective in wooing lawmakers whose support he sought. "He wined and

dined the legislators when he needed their votes," he says. "In four years, he doubled the amount of funding that came from the legislature. ... It's unprecedented, his ability to attract dollars."

During this "honeymoon" period, Coler made himself and his agency generally accessible to reporters—a welcome change. "I had dealt with the previous administration at HRS," says *Miami Herald* reporter Andres Viglucci, "and it was kind of night and day. Under Coler they were a lot more open; the previous administration was run like the CIA." At times, however, Coler could seem to play favorites. Brunais recalls that Coler gave her his car phone number: "I ... was allowed to get to him where other journalists would get really frustrated when they [couldn't] get through." He could also lash back when he felt unfairly criticized. Brunais remembers a meeting with a panel of editorial writers, when Coler was asked a "very provocative question about, 'Well, how come you're not spending here and blah, blah, blah'" by a writer from the *St. Petersburg Times*. "It sounded like a very critical question," she remembers. "[Coler] just absolutely lambasted her." He was still fuming over the *Times'* failure to back an HRS request for more funds. "He had really been stung and felt that they hadn't come and supported him in a budget request when he needed it and how dare they come back now. Now that, I think, is really gutsy and kind of risky." It was these qualities of combativeness and determination that appealed to some reporters. "He [was] very intense, very aggressive," says Kallestad. "I think many of the reporters liked him because he [was] not your typical bureaucrat."

Coler's assertiveness also won him fans in the state legislature. Rep. Jack Tobin, who was chair of the HRS Committee at the time of Coler's appointment, characterizes him as "a very aggressive secretary. He really took the bull by the horns, made some major changes when he came in. ... He was not afraid to rock the boat and do some innovative things that other people had not done previously." Moreover, Tobin adds, "he developed what I would consider a very good working relationship with members of the legislature. ... He fostered a lot of cooperation that had heretofore not been available. ... He also spent a lot of time in the [state] capital. Usually, you never see the secretary of HRS. His style was to personally appear before legislative committees and testify. It would not be uncommon to see him walking the halls and lobbying for issues that he felt the legislature should support." Rep. Ben Graber calls Coler a "good politician. He knew who to meet and who to get to know and who to like; and he made friends with powerful committee members and committee chairmen of HRS and those organizations that affected him early."

As Coler's second year as HRS secretary drew to a close, he was riding high. A November 29, 1988 full page editorial in the *Tampa Tribune*, entitled "Long-Derailed HRS Engine is Back on Track," applauded improvements at the agency and detailed Coler's accomplishments during his tenure. They included:

- A vast improvement in the follow-up on child abuse tips
- A 33 percent increase in child support collections from delinquent parents—an achievement that prompted the Association for Children for Enforcement of Support to name Florida as the most improved state in the nation

- Jobs for some 31,000 welfare recipients as part of Project Independence, which was expected to save the state some \$57 million in public assistance payments
- Improved benefits for foster parents, resulting in an increase of 224 desperately needed foster homes in 1987-88

The "strides HRS has made in just two years are remarkable," declared the *Tribune*. " ... [F]rom what we've seen so far, Coler and his new, energetic lieutenants are striving hard to make HRS responsible to the public." Coler, adds Brent Kallestad, "had good ideas. Most people recognized that. ... He revamped the computer system that really advanced the ability of HRS to get work done. ... Florida was real outdated, but he just ran stuff through. He just got it done. ... So in some ways he was very, very successful."

The Death of Bradley McGee

But by the end of 1989, the positive image Coler had built was under attack. The precipitating event, Coler believed, was not a revelation of any questionable practices, but the shocking death of a young child.

In July 1989, Bradley McGee—one of thousands of young children under the protection of HRS—died as a result of injuries from a beating at the hands of his mother and stepfather. Worse still, it was HRS that had, in a sense, delivered young Bradley to his awful fate. Abandoned as an infant, Bradley had been placed by the agency in a foster home, where he had thrived. When he was two, however, his mother reappeared in his life; she was married, had a new baby and another on the way, and she wanted Bradley back. Despite signs that all was not well when the boy visited his mother, social workers at HRS—which had a firm policy of reuniting families where possible—reported favorably on the mother's request. On the strength of their recommendation, a judge returned Bradley to his mother's care.

In his new home, Bradley was abused which resulted in his death. Tragic as Bradley's death had been, it was for Coler, with his long experience in social welfare administration, nothing new. "When I got that call [informing him of Bradley's death]," he says, "it wasn't the first time I'd been through it." Nevertheless, it was a blow. "It's the fear and the weight of the burden of being responsible for abuse," he explains. "It's like being kicked in the stomach with a lead boot."

Once word of Bradley's death reached the press, it dominated the news for months. (See Exhibit 1.) Recalls Steve Andrews, an investigative reporter for a Tampa TV station: "The frenzy began the weekend this child died. It was inescapable. Anywhere [Coler] went ... he was just mobbed by the media. They wouldn't let it go."

Each time the press reported the latest development—a hearing, or the indictment of the HRS workers involved, or the trial of the boy's parents—the gruesome details of Bradley's death were recounted. "They must have run a picture of this darling little blond-haired, blue-eyed boy ... ten thousand, twenty [thousand times]," says Coler. "If you stacked up the copy that was written about that one child abuse case, it would probably overpower everything else that was written about the department." The stories on Bradley McGee focused largely on HRS's mishandling of the case, but there was also some criticism of the agency's priorities under Coler. HRS, an editorial in the *St. Petersburg Times* argued, had focused too much attention on its computer systems.

Coler tried to contain the damage with an open-door approach to the press. "There was no cover-up," he says. "... Right away, we disciplined the workers.³ Told people what we were trying to [do]. It didn't make any difference, because it was that kind of story, that had all the right ingredients." He adds:

Tragedy is hard news, and the avoidance of it is soft news.
How do you ever win that game? I got more hard-to-place kids
adopted in Florida than anybody ever thought could get done.
You know, they didn't get two lines [in the press]. ... It's just
tough. ... In child abuse and neglect, it's like you're playing a
football game and when the evil opponents score, the
scoreboard doesn't just light up—they have a five-day
discussion of it. But when you score—you rescue a child who,
how do you know, he [might] have ended up dead, [and] you get
him adopted—the electricity's off on your end of the field.

Reversal of Fortune

The death of Bradley McGee, says Mike Powers, HRS director of legislative and external affairs, was "pivotal" in Coler's administration. "We had been doing, I thought, rather well," recalls Powers, who had earlier worked with Coler in Chicago. "[There were] minor controllable problems, a little flare, something here, something there ... but not any large deal." In the wake of the boy's death, however, "it was Greg Coler hunting season," and "the press started hunting [down] ... a lot of rumors that people had been trying to push around for a long time. [They were] nickel and diming him." TV investigative reporter Steve Andrews, who became one of Coler's most relentless critics, agrees that the McGee incident prompted some, particularly within HRS, to talk to the press about Coler. "After the Bradley McGee thing," he recalls, "we started getting calls from people inside the system. ..."

During the fall and early winter of 1989, numerous articles in the Florida newspapers scrutinized Coler's activities and management of HRS. Some of the stories delved deeply into the minutiae of Coler's personal work habits. A piece in the *St. Petersburg Times*, for example, criticized

3 Coler did help raise money for the legal defense of HRS workers who were indicted in the aftermath of Bradley McGee's death. "It's one thing to be disciplined for not doing your job," he says, "but I don't believe they had criminal intent!" A caseworker was convicted on a felony count, but the conviction was ultimately overturned.

him for acquiring a full-size car for official use, instead of the subcompact required under state law, and for using it to drive from his home to work (Coler, the *Times* wrote, did not own his own car). The same paper also made note of Coler's acquisition of a cellular phone for his official car, and his occasionally using it to make personal calls. Coler himself did not regard a car phone as a luxury item for someone in his position. "You'd think a guy running a \$5 billion to \$7 billion agency ought to have a cellular phone," he says. "That seems reasonable to me." Rep. Jack Tobin agreed: "I had no problem with him having a car and a phone all the time, whether he was on personal business or state business, because ... as the head of the entire social service network for Florida, he should be accessible seven days a week, 24 hours a day." Nonetheless, the *Tampa Tribune* reported on January 7, 1990, the state comptroller's office was "investigating whether Coler improperly used a state car for personal business and whether he failed to report the vehicle as a benefit" to the IRS. According to state purchasing guidelines, an employee needed permission from the Florida Department of Administration to drive a state vehicle for personal use. Coler had not obtained that permission, he explained to reporters, because he had not been informed of the reporting requirement—an omission on the part of the HRS personnel management director.⁴ Meanwhile, the *Tribune* noted, Coler had returned both the car and the car telephone, and paid the state \$135 to cover his personal calls.

Coler's travel became an issue again. The *Fort Lauderdale News and Sun-Sentinel*, which, according to Brent Kallestad, was "very aggressive" in its coverage of Coler,⁵ reported that Coler had billed the state for \$75,000 in travel expenses since 1987, and the *Tampa Tribune* made note of a two-night stay at the Sheraton Park Avenue Hotel in New York, for which Coler billed the state \$195. "In this state," Coler muses, "it's sort of like, if you like to travel, travel equals bad." The attention Coler's travels received in the press prompted Governor Martinez to raise the subject with his HRS secretary in early December 1989. "We've asked Greg to concentrate on the office meeting environment," Martinez aide Brian Ballard told reporters. "He doesn't need to go on trips, he doesn't need to go out for dinner."⁶

Of more concern, perhaps, were reports in a number of newspapers of HRS contracts that went to friends and former associates of Coler. "State social services chief Greg Coler has given millions of dollars in business to a computer company that has employed two longtime friends and associates," the *Miami Herald* wrote on December 10, 1989. The company was Unisys, and the two friends were Michael Tristano, a former deputy of Coler's in Illinois, and Al DiBernardo. Tristano had gone on to be vice president of marketing for Unisys which, the *Herald* reported, had been awarded several million dollars in computer equipment, maintenance, and training contracts with HRS. DiBernardo was working as a consultant with Unisys (a contract that was terminated in late 1989 as part of company cutbacks). Coler strongly denied influencing the selection of Unisys to supply the agency with computer services, and pointed out that Unisys had, in fact, lost out on a much larger contract—the \$100 million job to set up a huge new computer network at HRS. However, the *Herald* countered, "when Unisys lost

4 *St. Petersburg Times*, January 6, 1990.

5 Coler attributes the *Sen-Sentinel's* generally hostile coverage to "rather a heated disagreement" he had with the paper's editor over its "bashing the HRS."

6 *Tampa Tribune*, December 7, 1989.

out, another friend of Coler's made out"—in this case Fred Baggett, the lawyer who had recruited Coler to Florida and whose firm was employed to defend HRS against the losing companies which challenged the contract award.⁷

Coler defended his practice of bringing in colleagues with whom he had worked before, arguing that he could rely on them to produce and that their familiarity would save precious time. "I've always," he says, "been so conscious of how short the time is." He felt that, in hiring friends whose track records he knew, he was obtaining the best possible services for HRS and its clients. "I don't believe you can be an effective bureaucrat, an effective leader," he asserts, "and not have friends." Coler complained, the *Herald* reported, that "questions about his dealings with friends [were] obscuring his successes in automating Florida's far-flung social services." He bridled at the assumption that he steered work toward his friends for his or their financial gain. "I don't think I should be held to a standard of Coler plus association equals guilt," he told the *Herald*. "If I knew someone previously, and they were to go to work for me or contract, that does not equal wrong-doing—unless favoritism was involved."

Newspaper accounts, however, continued to hammer away at the links between the personal and the professional at HRS. On December 1, the *Miami Herald* ran a front-page article reporting that Coler's 23-year-old daughter had landed a \$30,000/year job with Sylvester Lukis, a Washington, DC lawyer who had won \$110,000 in contracts from HRS during 1988 and 1989. Lukis, whom the *Herald* described as a close friend of Martinez and a major fund-raiser in his gubernatorial campaign, had been awarded the HRS contracts for legal services (which, under Florida law, did not require a bidding process) soon after Martinez took office—and, Coler pointed out to reporters, well before his daughter was hired on. In a separate article, the *Herald* reported that HRS had hired the former wife of a close friend and Republican supporter, real estate developer Bill Knight, to work for the agency. Knight, Coler told the paper, had not asked him to find a job for his ex-wife, nor had Coler himself exerted pressure on HRS to employ her. The job itself, which paid a little over \$300 a week, involved working with juveniles in a detention center and a halfway house.

Throughout the flurry of negative stories, Governor Martinez defended Coler's record, asserting that he had "done an outstanding job at HRS." Nonetheless, his aides appeared to chafe at some of the newspaper reports, such as that Coler was "wined and dined in New York City" by Unisys executives.⁸ "It's inappropriate to receive gifts from people you're doing business with," Brian Ballard told the *Tampa Tribune*. "We don't condone accepting travel, meals or gifts." Such statements did not stem criticism in the press. "In his fraternizing," columnist Mark Silva wrote in the *Herald* on December 10, 1989, "Coler's style is more like a politician's than a bureaucrat's." Reviewing the ubiquitous financial disclosure forms, Silva found ammunition for his argument. "Most of the managers of Martinez's agencies," he noted, "report no gifts of any consequence from friends. Coler reports a list," including a

7 None of these contracts, however, violated any laws or guidelines. Under the provisions of state law, many of the services that HRS contracted for—e. g., health care, prevention, and professional services—were exempt from the purchasing guidelines issued by the Florida Department of General Services. The agency did promulgate its own rules for obtaining these services, including guidelines on bidding procedures and policies governing conflict of interest issues.

8 *Tampa Tribune*, December 2, 1989.

trip to Las Vegas and a couple of fishing trips. It was in connection with one of those fishing trips, aboard the yacht of developer Bill Knight, that Coler faced perhaps the most damaging of the "post-McGee" revelations.

The Inverrary Leases

In November 1989, the *Fort Lauderdale News and Sun-Sentinel* began printing stories about HRS's signing of five leases, worth about \$5.6 million, for office space near Fort Lauderdale, in the Inverrary residential and commercial complex. The office space, it turned out, was owned by Knight. The paper reported on Coler's friendship with Knight—he had stayed in Knight's home, gone marlin fishing with him—and described the Inverrary complex as a luxurious development (the former home of comedian Jackie Gleason) "surrounded by golf courses and lush landscaping."⁹ Moreover, the *Sun-Sentinel* and other papers reported, the bidding process for the office space had included an "environmental factor," which meant that the winning bids would not necessarily be (and in one case was not) the lowest bid.

The description of the Inverrary office space infuriated Coler. The surroundings were nice, he says, but by no means luxurious: "It's in a pretty place and it's on water, but it's a class B office space."¹⁰ Nonetheless, the luxury tag stuck. Most papers referring to the leases continued to label it "luxury office space." "It's a good example," says Coler, "of the press chasing the press without checking it out." In the uproar that followed, Coler and Paul Freedlund, the HRS district administrator who had set up the bid specifications, tried to explain the reasoning behind the lease: they had wanted to attract more middle class parents into the foster care program and hoped that moving the office from its present rough neighborhood would encourage them. In addition, they noted, there were concerns for the safety of the HRS workers who had to negotiate their way through a dangerous area each day on their way to and from work. Coler called the previous office space a "nightmare on ugly street," and vowed "to get [HRS] out of bankrupt shopping centers and slumlord rates."¹¹ Although the cost of the Knight leases, according to Freedlund, averaged \$14/square foot, compared to \$13.02 in the county as a whole,¹² HRS officials noted that the rents at Inverrary would be, in fact, less expensive than those the agency had been paying for much less attractive space. Moreover, as the *Miami Herald* noted in a November 30 story, other government agencies, including the Florida Department of Corrections, also rented space at Inverrary; in fact, the Corrections Department was paying almost \$5 per square foot more than HRS would be charged.

Nor was HRS out of line in including an environmental factor in its evaluation of bids. State agencies in Florida had considerable latitude in weighting the criteria for a lease. Under state law, agencies had to choose the "lowest and best bid." While "lowest" referred to cost, the "best" gave agencies the leeway to consider and weight according to their need other factors in making their bid

9 *Fort Lauderdale News and Sun-Sentinel*, December 1, 1989, p. 24A.

10 Moreover, according to Coler, the press didn't get the location right. Newspapers usually described the leased offices as being either in the Inverrary complex or in Corporate Park in Inverrary, but they were actually, Coler says, in town, separated from the golf course by a body of water.

11 *St. Petersburg Times*, December 6, 1989, p. 8B.

12 *Tampa Tribune*, December 7, 1989, p. 1B.

selection. The Florida Department of General Services had limited oversight of the leasing activities of agencies, and as Mary Goodman, the director of the Bureau of Property Management was later to testify, HRS was no more problematic in its rental arrangements than any other state agency with a "massive leasing program."

The explanations offered by Freedlund and Coler did not appear to quiet criticism in the press, however. "Actually they [HRS] negotiated a pretty good deal," says Brent Kallestad, "but the appearance was, again, that it was a contributor of Martinez's that they were paying off by renting some space."

Coler also defended his relationship with Knight. He had, he notes, paid for his plane fare for the fishing trip. There was no connection between his fishing trip with Knight and the lease, although, he acknowledges, "one could rightly say, 'Gee, Greg, maybe ... we should've drawn some lines there, antennae should have gone up.'" However, Coler saw nothing underhanded in his cultivation of Knight. It was through such contacts, he says, that he won support, financial and otherwise, for human services programs. As an example, Coler notes that it was through Knight that he was introduced to tennis star Chris Evert, whom he persuaded to donate \$500,000—money that was then matched by the state—for a program aimed at drug-abusing mothers; Evert also donated her time for radio and TV ads to promote the program's goals. "My style my whole life," he explains, "has been to recruit rich people to help me do my stuff. I've socialized with them from [the early days of his career in Minnesota]. ... And I've raised money my whole life—one of the things I've done as a public servant is to raise money."

Under Siege

The "open season on Greg Coler" continued throughout the waning months of 1989. By the end of the year, some newspapers had begun demanding his resignation. Others, like the *Miami Herald*, issued warnings. The "results of [Coler's] personal relationships create an image of impropriety that jeopardizes his credibility in one of the state's most crucial jobs," a *Herald* editorial declared on December 3. "If more evidence of this intolerable mixture of friendship and official duty surfaces, the governor should send Mr. Coler packing." (See Exhibit 2.)

Throughout the crisis, the governor had continued to stand firmly by his embattled human services secretary, but Martinez himself was fighting for his political life. Never a favorite with the press, Martinez had appeared to commit political suicide when, in his very first "state of the state" address, he urged the passage of a tax on services, such as advertising. In the ensuing storm of criticism, his approval rating had plunged to 12 percent. While Martinez, who eventually disavowed the tax scheme, had recovered somewhat from his precipitous fall by 1989, he was perceived as a weak incumbent. Amid its own concerns about the upcoming election year, the governor's office appeared somewhat disturbed about the latest round of newspaper stories on Coler. On December 1, the *Herald* reported that Brian Ballard "has warned HRS Secretary Greg Coler against dealing with friends," in the wake of reports about the Inverrary leases. About a week later, it was reported that the governor

had ordered Coler to break one of the leases at Inverrary. "Cost to the taxpayers should always outweigh bureaucratic comfort," Martinez told reporters.¹³

While strongly defending his actions in the press, Coler also acknowledged that public perception was an issue. The HRS secretary, wrote Mark Silva in the *Miami Herald* on December 10, "appears penitent after a series of admonitions" from Ballard and Martinez. "We're in an election year," Coler said. "I'm going to be visible. I want to make sure that that visibility reflects positively on the responsibility I have." Coler pledged, the *Tampa Tribune* reported on December 7, to break off social contacts with people who did business with HRS. "Nobody's accused me of doing anything wrong," he reminded the paper. "It's this issue of appearances. That's not going to be a problem in the future."

Coler believed that such statements were the public's due. "You have to be willing, I think," he muses, "to show people that you're sensitive to what they're trying to say, be it fair or not fair, ... to say, 'Okay, I hear your concerns and I'm going to do this and not to be a smartass about it, and to have some humility about it, public humility.'" On one issue, however, Coler was not willing to back down—the matter of the office space at Inverrary. "On the one hand, I'm saying, if you're being criticized on a style point—who cares?" he explains. "But [in the case of the office leases], this was an important policy point that I was making, that we'd been paying a lot of money [for slum-style office space]. I thought the point I was talking about was important. Real important."

Coler would soon get a chance to make his point. Rep. Steve Press, the chair of the HRS Committee, announced that he would hold a hearing in January to ask Coler to explain the agency's decision to sign the leases at Inverrary. "I would certainly want [HRS] to explain why the 'environment' is so relevant," he told reporters. "That sort of attitude seems to be approaching cavalier. It's incredible."¹⁴ As the steady stream of negative stories continued through the month of December, Coler prepared to make his case before the legislature.

¹³ *Tampa Tribune*, December 7, 1989, p. 1B.

¹⁴ *Fort Lauderdale News and Sun-Sentinel*, December 1, 1989, p. 24A.

Enough, Mr. Coler!

MIXING THE public's business with personal friendship or family members' employment can be the kiss of death to a public official's career. Gregory Coler, head of Florida's Department of Health and Rehabilitative Services (HRS), is discovering that the connections never, ever look innocent even if they are.

Mr. Coler's relationships with some state contractors have raised eyebrows lately. Gov. Bob Martinez warned him the other day about his links to Boca Raton developer Bill Knight.

Mr. Knight, a GOP supporter, won a bid to lease office space to HRS in Broward County. The rent is higher than that offered by two other bidders, though HRS is paying less than other tenants. South Florida legislators criticized HRS for its luxury-minded choice, made by a selection committee. Mr. Knight claims that Mr. Coler was unaware of his bid.

Mr. Knight's former wife got a job in Broward's HRS district after Mr. Coler told her which person to see. Bosses often get job inquiries from acquaintances and refer them to staffers. No one disputes that Gail Knight did her job well while at HRS.

Of more concern is yet another Coler family-professional tie, this one between Mr. Coler's daughter, Kate, and another

PERSONAL FAVORS AT HRS

friend and HRS contractor, Sylvester Lukis.

After Mr. Martinez became governor, Mr. Lukis, his friend and political supporter, received no-bid contracts to represent HRS in Washington, D.C., in money claims with Federal agencies. Mr. Coler and Mr. Lukis also became friends.

Mr. Lukis then hired Ms. Coler, just out of college, as a \$30,000 assistant in his Washington office. When that law firm's office closed, Mr. Coler took steps to make sure that Mr. Lukis kept HRS's legal work.

Mr. Coler denies knowing that Mr. Lukis was planning to hire his daughter. Mr. Lukis's office received up to \$110,000 in HRS contracts in 1988 and 1989, some during Ms. Coler's employment there. She has since found another job.

Maybe Greg Coler is just such a likable guy that he can't help but be friends with every heavyweight who does business in Tallahassee. Nevertheless, these results of his personal relationships create an image of impropriety that jeopardizes his credibility in one of the state's most crucial jobs.

If more evidence of this intolerable mixture of friendship and official duty surfaces, the governor should send Mr. Coler packing.