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**The Hispanic Federation-
Luis Miranda Connection:
Undermining the Agenda
of a Latino Community Institution**

By Angelo Falcón (July 10, 2014)

"I have spent my entire career developing and nurturing Hispanic institutions and leaders . . . To suggest I would jeopardize this goal for financial gain is hurting, insulting, and factually wrong."

---Luis Miranda, Letter to the Village Voice (Nov 26-Dec 2, 2003), page 48

When the New York City Council announced their distribution of their Discretionary Funding ("Member Items") last week, there was a storm of controversy about their funding of over \$1.3 million to the Hispanic Federation. The issue was not that Latino nonprofits deserved significantly increased funding but, rather, the organization's ties to a politically-connected lobbying firm. The subject of an extensive article in [Crain's New York Business](#) and [an editorial in the New York Post](#), the Hispanic Federation's longtime connection to lobbyist Luis Miranda's MirRam Group was seen as full of serious conflicts of interest that included the role of Council Speaker Melissa Mark-Viverito, a MirRam client, in making the discretionary grant.



The \$1.3 million allocation to the Hispanic Federation from the Council's new Communities of Color Non-Profit Stabilization Fund was a major increase over the \$150,000 they received from the City Council last year. The big question was how much of this money would be going to the MirRam Group, which [Crain's revealed](#) were getting at least an \$8,000 a month retainer.

José Calderon, the current President of the Hispanic Federation, was, as a result, characterized by me as a "witless 'bag man'" for MirRam. While his supporters argue that he is a good guy and honest, he has presided over what many see as a corrupt relationship between his organization and MirRam in the two years he has been the Federation's head. Insiders know that Calderon was not the choice of Miranda and Roberto Ramirez to head the organization, which unsuccessfully pushed the candidacy of Cathy Torres, a MirRam executive and former Chief of Staff to then-Assemblyman Roberto Ramirez. Despite this, he maintained and even defended to me Miranda and MirRam's continuing relationship with the Federation. Is he consciously involved in supporting this inappropriate relationship or has been basically witless about it? The jury is out on this one.

In an hour-long telephone conversation I had with Calderon in March 2012 just weeks before he was made President of the Federation, we had a spirited discussion over my suggestion to him that he needed to have the Hispanic Federation sever ties with Miranda and MirRam. I was telling him that it was not a good mix given the overly political nature of MirRam to have them as the Federation's lobbyist and that this relationship was giving his organization a negative image in the community, despite whatever good work he was doing. Calderon's position at the time was that the Federation had a good reputation and that Miranda's role in the development of the organization has been an important one. He saw no need to change that relationship.

Despite the fact that it is the Hispanic Federation's inappropriate relationship with Luis Miranda and MirRam that brought his Council funding such negative publicity, it is interesting that Calderon has decided to mount a personal campaign against me! Instead of addressing the legitimate issues being raised in the media, especially [the report in Crain's](#), he has sought [to misdirect the discussion](#) by inaccurately arguing that I am working against increased funding for Latino nonprofits! In the process, he is also mobilizing some colleagues in the Washington, DC-based National Hispanic Leadership Agenda and Hispanic Federation member organizations to sign letters condemning me and even trying to revoke our membership in this national coalition. While Calderon spends time on these pointless defensive moves, he avoids addressing the real issues facing his organization, which certainly do not revolve around me or the National Institute for Latino Policy.

The problem, some argue, is not with Calderon but the Hispanic Federation Board of Directors (see list of Board members at end of this article). The Federation was largely modeled after the United Way, but a review of the composition of the Federation's Board reveals that even by United Way standards, it is overly corporate-dominated. Most of the Federation Board members are middle-management-level people and disconnected from the day-to-day struggles of the Latino community. While the Hispanic Federation counts 97 Latino community-based organization's among its members, some among the largest in our community, not one of these community-based organizations serves on the Federation Board nor does the Board include community people outside of corporate circles. Most nonprofits have boards made up of people that have some connection to the communities they serve and strive to have a diverse membership that includes civic as well as corporate and philanthropic representatives, but not the Hispanic Federation.

The Hispanic Federation Board is largely made up of managers from the following companies (of which at least two are clients of MirRam): Aetna, Banco Espirito Santo, Comcast Corporation, ESPN Deportes, GE Capital, Hess Corporation, Huron Healthcare, Latin2Latin Marketing + Communications, LLC, MamasLatinas.com, Nielsen, One World Sports, Santiago ROI, Telemundo 47, The Baeza Group, LLC, UBS Financial Services Inc., Univision Television Group, Verizon and Wells Fargo. The only non-corporate member is the City University of New York. Some are clients of Miranda's, and some have been involved in practices that have been harmful to the Latino community.

Most nonprofits have created separate corporate advisory boards that assist

them in fundraising. These are usually apart from the actual board that makes decisions about the mission and goals of the organization because it is understood that corporations have their own priorities and culture that may not be compatible with community empowerment. Having a board, as the Hispanic Federation does, made up overwhelmingly of people whose main goal is to treat the Latino community as a commodity to be marketed to and used for personal upward mobility, is not a healthy development. One result is that they are mostly anonymous players in larger corporate entities and are not very visible in or interact much with the grassroots Latino community.

Those supportive of Calderon point out that this corporate-dominated board has, in fact, been taking power away from him. They point out that while before, funding proposals were presented to the staff for evaluation, they now have to be presented directly to the board. Given the composition of the board and their support of the unhealthy relationship with the MirRam Group, this is a troubling new development.

But, one might ask, what's the problem with Luis Miranda and the MirRam Group's role with the Hispanic Federation? Larger nonprofits hire lobbyists and, according to this year's Council Discretionary Funding, they seem to be delivering for the Hispanic Federation. The problems, however, started with Miranda's appointment as the Federation's first President in 1990. The Hispanic Federation came about as a result of long struggles with the United Way over their serious underfunding of the Latino community. In 1985, NiLP (known then as the Institute for Puerto Rican Policy [IPR]) [conducted the very first study in the country](#) on the lack of United Way funding to Latino organizations. In 1987, the Institute joined Luis Alvarez, a trustee of the then United Way of Tri-State, in organizing the [Latino Commission on the United Way](#) to pressure them to increase their funding of Latino nonprofits. One result of this was the [first comprehensive regional study of the Latino community](#) published in 1988, for which the Institute served as an unpaid consultant, that documented Latino community needs. As a result of this pressure and the direct intervention of the now-defunct Association of Puerto Rican Executive Directors (APRED), the United Way decided to create the Hispanic Federation, to which it gave in 1989 a \$300,000 start-up grant.

While, in current accounts of the Hispanic Federation, Luis Miranda is described as its founder, he was not but was its first President. It is important to note, as well that his appointment was quite controversial. It turned out that he was placed in this position through the direct intervention of then NYC Mayor Ed Koch. Miranda had served as Koch's Hispanic Advisor, a position that brought him much criticism from the Puerto Rican community that found Koch's neoconservative policies antithetical to its interests.

With the election of Rudolf Giuliani as NYC Mayor in 1983, Miranda once again made a connection with a mayor who was very unpopular with the Latino community. Despite the objections of many, while president of the Hispanic Federation he agreed in 1993 to also serve as Chair of Giuliani's Health and Hospitals Corporation (HHC). He eventually resigned from that position in 1995 when Giuliani's support of Medicaid cuts put Miranda and the Hispanic Federation in a politically awkward position. Instead of fighting the cuts and defying Giuliani, Miranda was criticized for simply walking away to avoid taking a position. The Federation Board had

passively allowed Miranda to serve in the Giuliani Administration while remaining as President of the Federation, a move that proved problematic.

Under Miranda, the Hispanic Federation also competed with its member organizations, such as the Latino Commission on AIDS, for funding. One especially grievous example, as the late Dennis De Leon explained to me, was his use of AIDS funding to pay for a Hispanic community opinion survey that inexplicably asked a lot of political questions. It turns out in retrospect that Miranda used what became an annual political survey funded by the Federation to establish his credibility as a political pollster, a skill that would later prove useful as he left the Federation to establish his now defunct political consulting firm and precursor to MirRam, Miranda y Más.

Upon leaving the Federation, Miranda was able to install his people as president. First there was then Assemblyman Ramirez's Chief of Staff Lorraine Cortes-Vazquez (now an executive with AARP, former NYS Secretary of State, and Board Chair of the National Puerto Rican Day Parade), followed by Lillian Lopez-Rodriguez, Cortes-Vazquez' second in command (who seemed to sever ties with Miranda towards the end of her tenure in 2012). Then when Lopez-Rodriguez went on to be Hispanic Affairs Director for Coca-Cola in Atlanta, Miranda and Ramirez were pushing their person, Cathy Torres, but longtime Hispanic Federation staffer, Calderon, was selected instead, fueling the false speculation that Miranda's relationship to the organizations might be coming to an end.

The association with Miranda and his MirRam Group has had a negative impact on the Hispanic Federation's image. For example, Miranda was a paid consultant to the Nielsen company that measures the audiences of television stations. There was [a major controversy over whether their "people meter" methodology](#) was continuing seriously to undercount Latinos and Black audiences, with Miranda hired by them to counter these charges. Miranda in this case took on a client whose practices were undermining Latino interests. Last October, Miranda got the Hispanic Federation to co-sponsor with Nielsen what amounted to [a self-serving marketing report on Latinos](#), which I criticized as inappropriate for the Federation as a social service organization who should be looking into community needs rather than corporate interests on how best to exploit Latinos as consumers.

Then there was a [major negative coverage in the New York Times](#) of the Hispanic Federation's campaign against the practices of the Herbalife company. Again, it was Miranda who brought the interests of one of his clients who is interested in buying out Herbalife in a plot to destabilize the company. Miranda was delivering the support of the Hispanic Federation for this hedge fund investor's controversial strategy, "Wolf of Wall Street" style. Miranda's shady dealings resulted in bad national press for the Hispanic Federation in a major respected national newspaper.

There was also the Hispanic Federation's [opposition to Mayor Bloomberg's soda ban](#). While one could reasonably be for or against this now unsuccessful policy, here, again, was a situation where Miranda brought the interests of another of his clients, Coca-Cola, to be taken up by the Hispanic Federation. It should also be noted that the Hispanic Federation head that Calderon replaced as we already pointed out, was [Lillian Lopez-Rodriguez](#), who was then and continues to be the Hispanic Affairs Director of Coca-

Cola.

In all three examples, Nielsen, Herbalife and the soda ban, Miranda's influence on the Hispanic Federation's agenda in instances where he is making a profit is perhaps technically legal but ultimately unethical. What in these instances is driving the Federation's agenda, Latino community needs or Miranda's financial gains?

As one reviews this history, it becomes clear that Luis Miranda has been a dominate player throughout the life of the Federation with considerable control over its agenda. A tribute to this power is that, although Calderon was not Miranda's preferred candidate, his business relationship with the Federation nonetheless remained intact. This also highlights the poor role that the Federation's Board has played over time in steering the organization into the political conflicts of interests that dominate so much of its history.

These issues are widely known within the Latino community and have created a major cynicism about the Hispanic Federation. It is seen as being way too political, as an ATM for Miranda and his MirRam Group, and as an ineffective advocate on Latino issues in the city. That is why despite the increased allocation to the Federation in the Council's Discretionary Funding, it was the negative news that predominated. In light of Council Speaker Mark-Viverito's relationship as a client of the MirRam Group, she is seen as being complicit in this political scheming by the Hispanic Federation instead of being applauded for bringing greater resources to the Latino community and promoting a progressive agenda in championing measures to assure the political independence of the Hispanic Federation.

Miranda and his MirRam Group have every right to make a living as political consultants and lobbyists. Although some have a problem with the manner in which they conduct themselves, my point is simply that the Hispanic Federation as a nonprofit should not have such a close financial and conflict-ridden relationship with what is a partisan political operation that Miranda and the MirRam Group represent. This is an unhealthy relationship that has brought much negative press to the Federation and has engendered tremendous cynicism about its operations throughout the city's Latino community. Some have pointed out that the egregious nature of this relationship could even be the subject of investigations by the New York State Attorney General or one of the United States Attorneys. Our community needs none of this.

Despite all these problems, José Calderon has decided to expend his energies on attacking me as a way to defend what he perceives as an affront to his honor. Perhaps he should be spending more time constructively addressing the many conflicts of interest that may well wind up undermining whatever good he is doing. At the same time, as I listened over the years to the whining of the Hispanic Federation member organizations about these problems and an unresponsive Federation Board, they should finally shut up, put up and organize to make needed and long-overdue changes in the governance and practices of the Hispanic Federation. After all, isn't the Federation supposed to be representing the community's best interests, and not that of Luis Miranda and his associates? In the absence of efforts to make such changes, José Calderon, whether witless or not, will continue to be seen as a "bag man" for this purely political operation. Personalizing the issues by trying to change the

subject and to attack me won't change that.

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