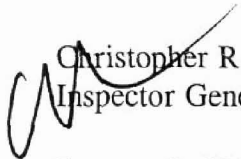


Memorandum

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To: The Honorable Carlos Alvarez, Mayor
The Honorable Chairperson Bruno A. Barreiro
Members, Board of County Commissioners

From:  Christopher R. Mazzella
Inspector General

Date: January 3, 2007

Subject: OIG Investigations Result in Pleas and Sentences.

By way of this memorandum, the Office of the Inspector General (OIG) reports that several OIG investigations were successfully prosecuted by the Miami-Dade State Attorney's Office during the last quarter of 2006. Three individuals were sentenced and one individual entered into a cooperation agreement with prosecutors. Hervel West (West), charged with Theft and Fraudulent Mortgage Transactions against the Miami-Dade County Homeless Trust, pled and was sentenced in October. Veronica Smith-Riley (Smith-Riley) charged in two separate cases with Organized Fraud and Grand Theft, was sentenced in November. Also in November, Frank Tucker, (Tucker) pled guilty and entered into a cooperation agreement with prosecutors for his part in the theft of over one (1) million dollars from the County's Water & Sewer Department. In December, Addie Stewart (Stewart), co-defendant of Hervel West, was sentenced for her part in the theft and mortgage fraud against County interests.

Stewart, the former Director of Rainbow Beginning Ministries (Rainbow), a non-profit organization chartered to help the homeless, and West, an unlicensed mortgage broker, were charged with swindling Miami-Dade County's Homeless Trust out of thousands of dollars through an elaborate real estate mortgage scheme. County funds solicited by Stewart for Rainbow were used to purchase the property for the homeless shelter and to start up the shelter's operations. Stewart, with West's assistance, fraudulently filed a deed to transfer ownership of the property back to Stewart and then obtain a mortgage on the property. Stewart and West thereby encumbered the property purchased with County funds. West was sentenced to five (5) years probation with the special conditions that he pay \$12,364.10 in restitution and forfeit any professional mortgage broker licenses obtained after the investigation was concluded. Stewart, who cooperated with prosecutors, was sentenced to three (3) years probation with the condition that she complete 200 community service hours and pay \$6,000 in restitution.

In November, Tucker, pled guilty to charges of Organized Fraud and Money Laundering. Tucker, along with co-defendant, Anthony Vance (Vance), stole \$1 million dollars from

the County's Water & Sewer Department. Tucker's sentence of three (3) years in State Prison followed by ten (10) years of probation is deferred until he complies with paying restitution in the amount of \$1,000,000 to the County, paying costs of investigation to the OIG, and testifies truthfully against co-defendant Vance. As part of the cooperation agreement, Tucker is to sell various assets and forfeit others in order to pay the restitution. At this time, \$257,000 has been recovered from Tucker's assets. Vance, the former manager of the Water & Sewer Department's mailroom operations is currently pending trial for his part in the embezzlement of funds from the County.

Also sentenced was Smith-Riley who, in November 2006, pled guilty to two cases investigated by the OIG involving different frauds on the County. Smith-Riley was charged with fraud, theft and practicing law without a license in two diversified schemes to defraud the Miami-Dade County Court System and the Miami-Dade County Department of Human Services Child Care Assistance Program of thousands of dollars. The OIG investigations revealed that Smith-Riley, through her property management company, S&R Financial and Property Services, Inc., filed fraudulent—and sometimes forged—motions with the court for the disbursement of surplus proceeds resulting from residential foreclosure sales. In an unrelated scheme, Smith-Riley, who was operating an unlicensed day care center, submitted false documentation to the County to receive reimbursement from the Child Care Assistance Program administered by the Miami-Dade Department of Human Services. The program is designed to provide financial assistance to eligible low-income families for child care. Smith-Riley was sentenced to three (3) years in State Prison followed by two (2) years of Community Control (house arrest), followed by eight (8) years of probation. Additionally, Smith-Riley was ordered to pay \$11,100.00 in restitution to Miami-Dade County, forfeit any professional licenses she holds, pay costs of investigation to the OIG and perform 100 hours of community service.

The OIG will continue its work in identifying these frauds that impact the citizens of this County.

cc: Hon. Joseph A. Farina, Chief Judge, Eleventh Judicial Circuit
Hon. Jon Gordon, Administrative Judge, Eleventh Judicial Circuit
Mr. Harvey Ruvin, Clerk of the Circuit and County Courts
Hon. Katherine Fernandez Rundle, State Attorney Eleventh Judicial Circuit
Mr. George Burgess, County Manager
Ms. Mae Bryant, Assistant County Manager
Mr. Roger Carlton, Assistant County Manager
Mr. David Raymond, Director, Homeless Trust
Mr. John Renfrow, Director, Water & Sewer Department
Ms. Carolina Montoya, Acting Director, Department of Human Services
Mr. Jose Cintron, Director, Office of Community and Economic Dev.
Ms. Cathy Jackson, Director, Audit & Management Services
Mr. Charles Anderson, Commission Auditor

Clerk of the Board (Copy Filed)