

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
OF FLORIDA IN AND FOR THE COUNTY OF MIAMI-DADE**

**FINAL REPORT
OF THE
MIAMI-DADE COUNTY GRAND JURY**

SPRING TERM A.D. 2007

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INDEX

	Page
FLEECING FROM WITHIN: GOVERNMENT EMPLOYEES ENGAGED IN HOUSING FRAUD	1 - 29
I. INTRODUCTION.....	1
II. THE HOUSING CHOICE VOUCHER PROGRAM APPLICATION PROCESS.....	2
A. The Application Process	3
B. The Verification Process	5
C. The Annual Recertification Process.....	7
D. Verification of the Annual Recertification	8
III. FRAUDULENT ACTIVITY OF GOVERNMENT EMPLOYEES	8
A. Identity Theft and Failure to Disclose Income	9
B. Fraud at the Initial Verification Stage	10
C. Fraud at the Annual Recertification Stage	12
D. Miscellaneous Fraudulent Activity	16
E. Recommended Punishments	21
IV. RECOMMENDATIONS FOR IMPROVEMENTS	22
A. Recommendations for the Initial Verification Stage	23
B. Recommendations for the Annual Recertification Stage	25
C. Recommendations of Consequences for HUD Related Criminal Conduct	26
D. Community Participation in Preventing and Uncovering Fraud	27
V. CLOSING	29
 INDICTMENTS	 30-34
ACKNOWLEDGEMENTS	35

FLEECING FROM WITHIN:
GOVERNMENT EMPLOYEES ENGAGED IN HOUSING FRAUD

I. INTRODUCTION

The Miami-Dade Housing Agency (MDHA) has made attempts to recover from the public scandal that rocked that agency a few years ago. Newspaper headlines and the 2005 Grand Jury Report railed against alleged corruption and mismanagement that allowed developers to obtain millions of dollars of public funds without fulfilling their promise to build affordable housing for low and moderate-income families in Miami-Dade County. This Grand Jury decided that it would look at another aspect of the MDHA, the Housing Choice Voucher Program, also known as Section 8. Section 8 is a federally subsidized rental housing assistance program that allows eligible low-income residents to obtain housing in communities throughout the country. MDHA administers the Section 8 Program on behalf of the U.S. Department of Housing and Urban Development (USHUD).

The MDHA has been (and still is being) cheated by some of the very people it is trying to help, purportedly, low and moderate income wage earners who seek financial assistance with their rental payments. Unlike the developers, these individuals have not made off with “millions.” However, many of them have unlawfully obtained benefits worth tens of thousands of dollars in federal funds they were not entitled to receive. They achieved it by lying to the Housing Agency. These individuals either failed to report employment and/or lied about the amount of income they were receiving. Sadly, many of those participating in this fraud worked for government. We have issued several Indictments with the release of this report to bring attention to this problem and to punish those who have knowingly and intentionally ripped-off the system, thereby depriving the needy of assistance. The indicted defendants include: 1) a Department of Children and Family Services employee; 2) an officer with the Department of Corrections; 3) school

teachers; 4) substitute teachers; 5) nurses; 6) an employee with the Miami-Dade Parks & Recreation Department; and 7) a Miami-Dade Transit Agency bus driver.

The defendants are all charged with various types of public assistance fraud, including complex theft/fraud schemes conducted by individuals receiving benefits under HUD's Section 8 Program. It is estimated that nationwide, the United States Department of Housing and Urban Development (USHUD) experiences annual losses in excess of hundreds of millions of dollars due to these fraudulent practices.

In addition to describing the specific criminal conduct committed by these defendants, this Grand Jury report will: 1) briefly explain the process for eligible county residents to receive Section 8 housing assistance from the MDHA; 2) describe how the defendants abused the process, thereby defrauding our federal and local governments; and 3) make recommendations on how the MDHA and the federal government may work more closely together to reduce and/or prevent such fraud in the future. To appreciate how the frauds were committed, one must have a basic understanding of what the Housing Choice Voucher Program is and how it works. We will address that first.

II. THE HOUSING CHOICE VOUCHER PROGRAM

The mission of the MDHA is to provide decent, affordable housing to Miami-Dade County's qualified low- and moderate-income residents. On an annual basis, MDHA receives millions of dollars in funding from USHUD. MDHA serves as a conduit for those funds and administers them in accordance with USHUD guidelines and procedures. Pursuant to Section 8 guidelines and procedures, residents conduct their own search to find housing that may be single-family homes, duplexes, townhouses, multiplexes, or traditional apartments. The unit must pass inspection before the tenants move in and it is supposed to be re-inspected at least once annually by the MDHA. Section 8 residents sign a lease with their landlords the same as renters do on the private market. They are responsible for paying the landlord a portion of their rent, based on their monthly-adjusted income. MDHA pays the remainder via a housing assistance payment (HAP) to private landlords on behalf of the Section 8 residents. Both the Section 8 resident and the landlord are responsible for complying with the lease and the rules and regulations of the program. The landlord signs a contract with MDHA and is

responsible for managing and maintaining the property. Residents are responsible for keeping the unit in good condition.

A. The Application Process

The Section 8 program is only one form of rental assistance available in Miami-Dade County. With the combination of high percentages of low-income workers, high demand for affordable rental housing and insufficient available rental stock, the process for persons seeking housing benefits is both tedious and lengthy. Generally, there are two basic types of housing programs available: Project-based (which includes conventional public housing and county owned newly constructed Section 8 units) and Tenant-based (which includes the Housing Choice Voucher Program). As reflected on its website,¹ the MDHA uses a single list for both programs. There are presently more than **thirty-five thousand (35,000)** Miami-Dade County residents who are on the waiting list seeking some form of housing assistance. Most have been waiting for years for their number to come up on “the lottery.” It is necessary for us to explain the lottery.

Periodically, MDHA has an Open Registration period for county residents to apply for housing assistance. More accurately, they apply for placement on a list to be considered for housing assistance. The last Open Registration period closed in April 2005. Once the registration period closed, and regardless of whether the applicant intended to apply for each program, all applicants seeking to apply for any one of the available housing programs were automatically placed on both the tenant-based and project-based waiting lists. The position of the applicants on the tenant-based and project-based lists is determined by a neutral lottery system. Using a private company, one lottery is conducted for the tenant-based list and another lottery is conducted for the project-based list. Again, both lists are maintained on the same document.

Once the ranking process is completed, the list determines the order in which MDHA will address individual requests for housing assistance. The ranked list of applicants is available on the MDHA website. Applicants are able to track their ranking and at any given time determine their position on the list. MDHA will use the present list until the next open registration period.

¹ <http://www.miamidade.gov/housing/home.asp>

For applicants seeking to participate in the Housing Voucher Program, when their names come up, they are evaluated for program eligibility.² If they are deemed eligible and if a Housing Voucher is available, they are given a voucher. The Housing Choice Voucher is valid for a period of sixty (60) days from the date of issuance. Prior to the expiration date, the family may contact MDHA to request assistance in locating suitable housing. The family must submit a completed Request for Tenancy Approval package within the sixty (60) day period unless an extension has been granted by MDHA. If the voucher holder (Section 8 participant) does not find a place within that time period, his name is removed from the list and he must wait for another Open Registration period to apply for assistance again.

Section 8 is one of the more sought after forms of assistance in recent years. Why? Rather than requiring residents to live in government-owned public housing units, the Housing Voucher Program allows applicants to live in private rental housing with the government subsidizing the rental payments to private landlords. Applicants conduct a search and find an apartment or single-family house in a neighborhood of their choosing. There are strict requirements for the quality of the housing and the private rental units are inspected before Section 8 allows tenants to rent. Contractual agreements lay out the terms, duties, rental amount and responsibilities of the tenant, landlord and Public Housing Agencies (PHAs). The maximum rental rates to be charged to the tenant as well as the maximum amount of rent to be paid by the tenant are all based on formulas and calculations set by USHUD. In its basic form, the less money the tenant makes the more subsidy the government provides. In some instances, MDHA may also use federal housing dollars to assist Section 8 tenants with utility payments.

USHUD issues funds for housing vouchers for PHAs all over the country. The MDHA is presently funded for over 15,000 vouchers. USHUD expects each Public Housing Agency to use at least ninety-five (95%) of its allotted housing vouchers. With only close to eighty percent (80%) of the vouchers being used, the MDHA is clearly suffering from an underutilization in this area of its housing program. Although we recognize that there has been a significant drop in Miami-Dade in the number of Section

² A detailed discussion of the eligibility and evaluation process is set forth below in section II.B. of this report.

8 housing units available,³ we are still at a loss to understand how there can be an underutilization of vouchers in this housing market. We believe part of the problem may lie in the fact that the MDHA has only twenty-nine (29) caseworkers responsible for handling the administration of approximately fifteen thousand (15,000) vouchers. This staffing shortage makes MDHA more vulnerable to fraud because of inadequate oversight of personnel and files. The staffing problem must be addressed if the MDHA is ever to realize a more effective utilization of its 15,000 vouchers.

As it relates to the availability of rental stock in Miami-Dade County, in addition to privately owned housing units, many apartment complexes in Miami-Dade were constructed with government financing and have 100% set-aside requirements. The developers of these affordable housing complexes have entered into 30-year rental regulatory agreements with the county. The agreements require all of the units in these complexes to be set-aside for low and moderate-income renters. The developers of these apartment complexes hire their own management companies operating “on site” and it is their employees who make sure all Section 8 tenants residing in those units meet eligibility requirements. The guidelines followed by the management companies are issued by the MDHA.

B. The Verification Process

As applicants approach the top of the waiting list, they are contacted by mail and scheduled for an eligibility interview to complete their applicant file. MDHA tries to verify the family’s eligibility for Section 8 benefits within the period of sixty (60) days before MDHA issues a voucher to the applicant. The following items are to be verified to determine an applicant’s qualification for admission to a MDHA housing program:

- Family composition and type (Elderly/Disabled/etc.);
- Annual Income;
- Assets and Asset Income;
- Deductions from Income;

³ Many Section 8 landlords are complaining that the amount of money received pursuant to the program is insufficient now in light of rising property taxes, the costs of much needed repairs due to hurricane damage and increases in insurance coverage. The option many of these landlords have chosen is to exit the Section 8 program and rent to the general public charging market rental rates for their housing units.

- Social security numbers of all family members;
- Applicant screening information;
- Citizenship or eligible immigration status; and
- Status of full or part-time students expected to reside in the housing unit with the Section 8 participant.

Documents that should be produced at the eligibility interviews include, among other things, the following:

- Social security cards for all persons appearing on the application,
- Medicare and/or Medicaid cards,
- Proof of age and other documents related to family or household make-up including birth certificates, divorce and custody papers, citizenship, immigration papers, etc.
- Proof of all income including letter from Social Security, Veteran's Administration, pensions, employment, and child support payments.
- Proof of assets such as bank accounts, life insurance policies, etc.
- Picture ID such as a driver's license
- Verification of child care expenses

These documents must be presented to establish eligibility to receive benefits. Applicants must also present documentation revealing the income of others who expect to reside within the same household. Attempts are made to verify the employment and income information provided by the applicant.⁴ All applicants must certify the information they give is correct and are informed of their obligation to verify and document all information before they are accepted into any program.

Misrepresentation of income, family composition or any other information affecting eligibility and selection criteria will result in the family being declared ineligible. In the event the misrepresentation, which may constitute fraud, is discovered after admission, the family may be subsequently recommended for termination, even if the family meets current eligibility requirements at that time.

⁴ Many of the defendants we chose to indict defrauded the system at this stage by providing false and or fraudulent documents or by outright lying to the persons conducting the interview. Brief narratives of the actual fraudulent behavior committed in this manner are included below in Section III of this report.

Following the verification process, and assuming no reasons for denial are present, the applicant is approved and can begin receiving benefits through the MDHA.

C. The Annual Recertification Process

Many Section 8 participants have received housing benefits for years. However, in recognition of the fact that the tenants' circumstances may change, (i.e., an unemployed person may get a job, a low wage earner may get a better job or a salary increase),⁵ on an annual basis tenants are required to verify, update and/or change their information as it relates to income sources, income amounts and family composition. All Section 8 participants are subject to this recertification process. The tenants are aware that it is their obligation to provide such updates on an annual basis to maintain eligibility.

The types of information that should be updated include any increases in salary or new sources of income for the tenant, any new members added to the household, any income for the new household members, marriages, and any losses of income. The annual updates are submitted in writing on a form provided by the MDHA and the information provided is executed under a statement advising that false information could lead to criminal charges and/or termination of benefits.⁶

As part of the recertification process, all applicants must present identification at the recertification appointment prior to completing the recertification documents. It is the responsibility of the person conducting the recertification to document the identification presented by the applicant that confirmed his/her identity.

⁵ Ideally, all able-bodied Section 8 participants presently receiving benefits should work themselves out of the program. Their housing subsidies should decrease over time as they reap the benefits of getting better jobs which carry higher salaries. Eventually, the increased income will make them ineligible to receive any more housing benefits. Those participants "worked" themselves out of the system. The funding that subsidized their housing can now be re-directed toward another needy family. In this ideal world, housing assistance is viewed as a "hand up" and not a "hand out". We believe these defendants viewed these housing benefits as a hand-out to which they were entitled

⁶ A number of the defendants whose indictments were released with this report routinely provided false and fraudulent information during their recertification period. Many of them did so for a great number of years. Their actions are also described below in Section III.

D. Verification of the Annual Recertification

The MDHA has a process whereby it attempts to verify the information provided by Section 8 participants during the annual recertification period. These annual recertifications must be done within sixty (60) days of the expiration of the tenant's lease. Presently, the processing is not being done in a timely manner. Further, although the MDHA is conducting a certain percentage of quality control reviews on applicant files, it is not conducting a sufficient number of such reviews based on the size of the agency. We believe this deficiency may also be related to a staffing issue. Consequently, additional resources should be devoted to these areas. We discuss this in greater detail in Section IV of this report.

III. FRAUDULENT ACTIVITY OF GOVERNMENT EMPLOYEES

The investigations that resulted in these charges issued by the Grand Jury were the result of a multi-agency task force. Detectives from the Miami-Dade Police Department's Public Corruption Bureau and Special Agents with USHUD's Office of the Inspector General worked together to uncover the criminal conduct of these individuals. The investigations entailed following up on allegations of illegal activity conducted by tenants receiving HUD funded Section 8 subsidies issued by the Miami-Dade Housing Agency for use in Miami-Dade County.

We believe many of the defendants indicted herein lied in their initial interviews in order to qualify for a voucher. HUD regulations require that at least seventy-five (75%) of families initially provided tenant-based assistance in any fiscal year shall be families whose incomes do not exceed thirty percent (30%) of the area median income. Governmental agencies categorize these families as "very low"⁷ income wage earners. In Miami-Dade County, the maximum household income for a family of four (at 30% of area median income), would be \$17, 800.⁸ This policy provision is designed to ensure that the lion's share of available assistance is being directed toward those with the

⁷ This is a specific bureaucratic term used by the government to distinguish between three levels of poverty: very low, low and moderate income households. The number and types of available benefits vary based on income level.

⁸The income limits are listed on the MDHA website at <http://www.miamidade.gov/housing/income-limits.asp>

greatest need, namely, those who make the least amount of money. Due to this regulation, when applicants lie and under-report their income (to place themselves in the very low income bracket) they increase the likelihood that they will obtain a housing voucher.

On the other hand, many of the persons we indicted were, in fact, eligible to receive benefits from the MDHA when they originally entered the program. They provided truthful and accurate information. However, when their financial circumstances changed for the better, they failed to report these changes. They did not report these changes because they wanted to avoid a decrease in the amount of their monthly subsidy. Thus, in an effort to obtain maximum benefits (which would lessen their personal monthly rent obligation), they lied and engaged in other fraudulent acts when submitting their Annual Recertification documents. These actions cheated many well-deserving members of our community of their own benefits! Unfortunately, the pot of money available to the MDHA is fixed on an annual basis. When people abuse the system in this manner, they hurt those who can stand it the least and have no ability to help themselves: the poor and disenfranchised members of our communities.

To highlight the types of fraud uncovered during our investigation, we provide some specific cases below. These examples include persons who:

- 1) provided fraudulent information to obtain benefits initially;
- 2) provided fraudulent information to maintain eligibility after initial eligibility to receive benefits was met; and
- 3) provided additional fraudulent information to maintain eligibility after initially defrauding MDHA to qualify for benefits and to allow them to enter public housing.

A. Identity Theft and Failure to Disclose Income

Sunni Clayton - Indicted for Public Assistance Fraud, Grand Theft in the Third Degree and Fraudulent Possession or Use of Personal Identification

Sunni Clayton applied for residency in the Spinnaker Cove Apartment Complex in April of 1997. Spinnaker Cove is a low-income, restricted property where the residents all pay the same low rental fee. Based on the information given by Ms. Clayton, she was approved for residence and moved into the complex in June of 1997.

From that date until April of 2005, Ms. Clayton attended numerous recertification appointments and submitted various documents during the recertification process.

The investigation revealed that when Ms. Clayton originally applied for housing benefits and completed the recertification documents, she used a Social Security number that belonged to an unrelated minor female. In addition to using someone else's social security number, in 2004 and 2005 Ms. Clayton also: 1) **never** reported to MDHA that she was employed as a teacher with the **Miami Dade County Public Schools (MDCPS)**; and 2) **never** reported to MDHA the income she received from MDCPS. Furthermore, while failing to make these disclosures, Ms. Clayton claimed to be working at a company that no longer existed, and was reporting significantly less income than she was actually making. As a result of her false statements, Ms. Clayton was able to remain in the HUD funded low-income restricted property at Spinnaker Cove Apartment complex where the rent was discounted to a rate of \$670.00 per month. It is important to point out that the fair market value of the rental unit was at least \$950 per month. Ms. Clayton moved out of the apartment complex once she found out about the investigation.

B. Fraud at the Initial Verification Stage

June Coachman - Indicted for Public Assistance Fraud and Grand Theft Second Degree

June Coachman was a participant in the MDHA Public Housing Program since at least 1980. For twenty-two (22) years she worked at the **Florida Department of Children and Families (DCF)**. According to records obtained from the Human Resources Department of DCF, Ms. Coachman was employed by DCF from August of 1985 through December of 2005 when the facility where she worked closed. During the entire twenty-two years that she was employed with that agency Ms. Coachman: 1) **never** reported to MDHA that she worked for DCF; and 2) **never** reported to the MDHA the income she received from DCF. Due to the applicability of the statute of limitations, she cannot be prosecuted for the benefits she stole for the first twenty (20) years she was a client of the MDHA.

For the time period in which charges are viable and documents are available, Ms. Coachman represented to the MDHA that her sole source of income was her employment

at the Miami Arena with Leisure Management International (LMI). In fact, during that time she also earned income from her job as a Rehabilitation Specialist with DCF. For instance, in 2003 Ms. Coachman reported to the MDHA that her income was \$12,740. Her combined income that year (DCF and LMI) was actually \$47,097. In 2004 and 2005, she reported income of \$13,650 for each year. In actuality, her combined income for those years was \$52,467 and \$48,756, respectively.

Based on her false and fraudulent statements, MDHA provided housing assistance to Ms. Coachman totaling **\$27,399** from April 2003 through April 2007.

Jeanette Gough and Valaree Gough - Indicted for Public Assistance Fraud and Grand Theft Second Degree

Jeanette Gough entered the Public Housing Program in June of 1998 and remained in the program for seven (7) years until she was terminated in September of 2005. During the time that she was living in Public Housing, Ms. J. Gough reported that her daughter, Valaree Gough resided with her and that their only source of income was child support payments of \$110.00 per month in the year 2000. In 2001, 2002 and 2003, Ms. J. Gough listed her monthly income as donations from her sister in the amounts of \$300, \$200, and \$200 a month, respectively. In April of 2000, Jeanette began working for **Jackson Memorial Hospital (JMH)**. She was still working there when she was terminated from the program in 2005. In November of 2002, Valaree Gough began working for Assurant Solutions and continued to be employed there until September of 2003. In September of 2003, Valaree Gough started working for the **Department of Corrections** as a corrections officer and was still employed there when her mother was removed from the Public Housing Program in 2005. Jeanette Gough and Valaree Gough did knowingly, fail to report these changes in circumstances in order to obtain or continue to receive public assistance and/or aid or benefits in an amount larger than that to which they were entitled. The investigation of the Goughs revealed that Jeanette Gough and Valaree Gough:

- Never reported Jeanette Gough's employment with JMH which began on April 3, 2000 and never reported to the MDHA the income she received from JMH;

- Never reported Valaree Gough's employment with Assurant Solutions which began on November 18, 2002 and never reported to the MDHA the income she received from Assurant Solutions; and
- Never reported Valaree Gough's employment with the Florida DOC which began on September 12, 2003 and never reported to the MDHA the income she received from the Florida DOC.
- Never reported that Jeanette Gough purchased a home with an individual by the name of Mattie Powell on July 25, 1986, located at 831 Dunad Avenue Opa Locka, Florida.

As a result of the false statements and omissions of material facts, Jeanette and Valaree Gough received government assisted housing benefits for which they did not qualify, causing the MDHA Public Housing Choice Voucher Program to issue forty-nine (49) monthly housing assistance payments from January 2002 through September 2005, on behalf of Jeanette and Valaree Gough with an aggregate value of **\$24,640.00**. Additionally, from January of 2002 through September of 2005, eleven (11) monthly utility assistance payments were issued on their behalf with an aggregate value of **\$150.00**.

C. Fraud at the Annual Recertification Stage

Miladys Penalver - Indicted for Public Assistance Fraud and Grand Theft Third Degree

Miladys Penalver had been a participant in the Section 8 Public Housing Program for fourteen years (since May of 1993). Initially, Ms. Penalver reported her correct information to the MDHA. However, in 2004, Ms. Penalver began working for the **Broward County Public Schools (BCPS)** as a guidance counselor. Ms. Penalver: 1) **never** reported to MDHA that she worked for BCPS; and 2) **never** reported to the MDHA the income she received from BCPS. In 2004, 2005, and 2006 she earned \$18,164.46, \$40,218.50 and \$40,979.75, respectively. For 2007, as of July, she had earned \$22,308.85 in wages from the Broward County School Board. In February of 2007, a discrepancy was detected in the income reported by Ms. Penalver in her re-

certification documents.⁹ When questioned about the discrepancy, Ms. Penalver relinquished her housing voucher.

As a result of the false statements and/or omissions made by Ms. Penalver, the MDHA issued thirty (30) monthly housing assistance payments on Ms. Penalver's behalf totaling **\$36,455.00**.

Katrina Martin - Indicted for Public Assistance Fraud and Grand Theft Third Degree

Katrina Martin entered Public Housing in June of 2003. She submitted annual recertification documents thereafter. In 2003 and 2004 Ms. Martin reported her correct income to the MDHA. Ms. Martin had been employed with **Miami-Dade County Public Schools** (MDCPS) since 1993. She attained full-time status as a teacher in February of 2005. In 2005, 2006, and 2007, Ms. Martin reported to MDHA that she was unemployed and that she was receiving financial assistance from her brother. Further, in July of 2006, Ms. Martin submitted an Affidavit of Non-Employment in which she fraudulently represented that she was unemployed. The HUD Enterprise Income Verification System revealed that Ms. Martin was in fact employed during those years and earned substantially more than she reported. In 2005 Ms. Martin earned \$38,009, in 2006 she earned \$43,091, and in 2007 her income as of March, 2007 was \$12,599.

As a result of Ms. Martin's false and fraudulent statements regarding her income, MDHA provided her housing assistance totaling **\$16,245.90**.

Geornika Faith Jones - Indicted for two (2) counts of Public Assistance Fraud and two (2) counts of Grand Theft Third Degree

Ms. Jones participated in the Public Housing Program (Section 8) from November of 2002 until July of 2007. Records obtained during the investigation revealed that Ms. Jones under-reported her income to the MDHA. In May of 2003, during a recertification appointment, Ms. Jones reported that she was earning \$160 a week as a full-time

⁹ This discrepancy was discovered through a new and innovative system (the Enterprise Income Verification System) that the MDHA is now using to verify income information provided by its clients and to help ferret out fraudulent submissions.

accounting clerk with LNR Property Corporation. She provided an earning verification letter at that time, purportedly signed by the Payroll Coordinator at LNR. That employee, who was later interviewed by law enforcement officers, revealed that she was employed with LNR in 2002 as a commercial loan processor but she had never worked in the payroll or personnel department. She further stated that she did not prepare or sign the income verification form submitted to MDHA verifying Ms. Jones' salary.

On March 26, 2004, during a recertification appointment, Ms. Jones completed and signed a worksheet listing Lennar, later LNR, as her employer with weekly earnings of \$160. An earnings statement was faxed from Leisure Colony Management Corporation (a company hired to handle the payroll for Lennar) to the MDHA on March 30, 2004, reflecting Ms. Jones hourly rate of \$8.00 per hour, with a net pay of \$271.60 for that pay period. In May of 2007, law enforcement officers interviewed the Human Resource Manager with LNR, who reviewed the earning statement that was faxed to MDHA on Ms. Jones' behalf. The Human Resource Manager verified that the earning statement was fraudulent, based on the wages reported therein. An accurate copy of the earning statement for the aforementioned pay period was provided and included Ms. Jones' correct hourly rate of \$14.37 with a gross pay of \$1,149.60 and a net pay of \$861.55. Ms. Jones had been employed as a full-time accounting clerk with LNR from March of 2003 through June of 2004.

In addition to under-reporting her income to the MDHA, Ms. Jones also failed to report other income. From May of 2005 through February of 2006, Ms. Jones was employed with O.M. Management, Inc. (OMM) as a full-time specimen collector with an hourly wage of \$10.75. Ms. Jones: 1) **never** reported to MDHA that she worked for OMM; and 2) **never** reported to MDHA the income she received from OMM.

From October of 2006 to November of 2006, Ms. Jones was employed with Miami Behavioral Center (MBC) as a fulltime accountant assistant with an hourly wage of \$10.00. Ms. Jones: 1) **never** reported to MDHA that she worked for MBC; and 2) **never** reported to the MDHA the income she received from MBC.

On December 1, 2006, Ms. Jones was hired as a full-time corrections officer with the **Florida Department of Corrections** (DOC) with a bi-weekly salary of \$1,173.35.

Ms. Jones: 1) **never** reported to MDHA that she worked for DOC; and 2) **never** reported to the MDHA the income she received from DOC. Ms. Jones continued to receive \$800 in monthly assistance from the Public Housing Program until she was terminated from the program in July of 2007.

As a result of the false statements and omission of material facts by Ms. Jones that began in May of 2003, forty-seven (47) monthly housing assistance payments were issued on Ms. Geornika Jones' behalf with a total aggregate value of **\$36,230.00**. Additionally, twenty-one (21) utility assistance payments, with a total aggregate value of **\$2,247.00** were issued on behalf of Ms. Jones.

Kimberly Tribue-Hollis - Indicted for Public Assistance Fraud and Grand Theft Third Degree

Ms. Hollis entered the MDHA Public Housing Program in March of 2001 and remained in the program throughout 2005. In 2001 she reported her annual income at \$13,000. In 2002 and 2003 Ms. Hollis submitted a letter to MDHA and reported that she had no income because she was on medical leave from Miami-Dade Transit Agency (MDTA). In 2004, Ms. Hollis submitted another letter purportedly written by a MDTA employee, stating that Ms. Hollis was still on medical leave. That letter was actually written by a friend of Ms. Hollis. The investigation revealed that Ms. Hollis was not on medical leave from MDTA in 2002, 2003, or 2004. She was earning wages from MDTA for all those years. In fact, for a number of the pay periods she was actually being paid for working overtime hours. Ms. Hollis **never** reported to the MDHA the following earnings from MDTA:

- 2002 \$19,630.36
- 2003 \$34,970.00
- 2004 \$38,032.00
- 2005 \$44,054.00

As a result of the false statements and omission of material facts by Ms. Hollis, housing assistance payments were issued on her behalf with a total aggregate value of **\$22, 720.00** from June of 2002 through August of 2004, and **\$15, 940.00** from September of 2004 through October of 2005. Additionally, utility assistance payments, with a total

aggregate value of **\$297.00** were issued on behalf of Ms. Hollis from June of 2002 through August of 2004, and one payment of **\$99.00** during 2005.

Iresa Bryant - Indicted for Public Assistance Fraud and Grand Theft Third Degree

Ms. Bryant entered the MDHA Public Housing Section 8 Program in 1993. In July of 2001 Ms. Bryant became a full-time employee with **Miami Dade Parks and Recreation** (MDP&R). Ms. Bryant **never** reported to the MDHA her earnings from MDP&R. From the time she started as a full-time employee with MDP&R she earned the following incomes:

- 2003 \$22,997.94
- 2004 \$26,608.51
- 2005 \$28,241.77
- 2006 \$31,992.96

In addition to never reporting her earnings from MDP&R, Ms Bryant never reported that she married in June of 2004 and that her husband was an additional tenant in the Section 8 public housing unit. She likewise never reported to MDHA that her spouse earned \$11,624.00 in 2006 as a day laborer. Furthermore, Ms. Bryant never disclosed to the MDHA an asset (her partial ownership in real estate property) that she shared with her siblings.

As a result of the false statements and omission of material facts by Ms. Bryant that began in July of 2001, monthly housing assistance payments were issued on her behalf with a total aggregate value of **\$31,867.00** between October of 2002 and October of 2007.

D. Miscellaneous Fraudulent Activity

Catrina Brown - Indicted for two counts of Public Assistance Fraud and Grand Theft Second Degree

Catrina Brown was a participant in the Public Housing Program from February 1998 through 2007. During annual certifications Ms. Brown stated that her sources of income consisted solely of nominal contributions from family members and/or public assistance. In actuality, Ms. Brown was continuously employed from December 2001

through the present. She was employed by the University of Miami from December 2001 through May 2006; by **Jackson Memorial Hospital (JMH)** from June 2006 through the present, and also worked for American Express during 2003. Ms. Brown 1) **never** disclosed to MDHA that she worked for those employers; and 2) **never** disclosed the income she received from those employers to the MDHA. According to information provided by payroll personnel at the University of Miami and JMH, Ms. Brown earned the following combined amounts for the years indicated:

- 2002 - \$18,321
- 2003 - \$26,868
- 2004 - \$28,949
- 2005 - \$28,106
- 2006 - \$33,419
- As of March of 2007 - \$9,803

In addition to information provided by Ms. Brown's employers, she was involved in the purchase of a single-family home in 2004. Ms. Brown reported on her mortgage loan application dated May 7, 2004, that she was employed by the University of Miami as a Senior Staff Assistant and earned approximately \$2,090 per month. As part of the loan application package, Ms. Brown also provided copies of Federal Income Tax records for 2002 and 2003. The W-2 forms were consistent with the information provided above. Ms. Brown never disclosed this information to the MDHA

On or about May 7, **2004**, Catrina Brown purchased a single-family home located at 13830 NW 24th Avenue, Opa Locka, Florida. According to Florida Power & Light (FPL) electric utility records, Ms. Brown activated an FPL account at her new home on May 10, 2004. Ms. Brown closed her account at 2170 NW 183rd Street #A105, her MDHA assisted unit, on May 14, 2004. Thereafter, she did not reside in the subsidized unit as required under her lease with the MDHA. On her MDHA Application for Admission/Recertification dated March 10, **2006**, Ms. Brown represented to the MDHA that she did not own or have any interest in real property. Further, she did not inform the MDHA that she had moved out of the unit.

After Ms. Brown moved out of the MDHA assisted unit (and while she was living in the home that the MDHA was not aware of), Ms. Brown subleased her subsidized

public housing units on at least two separate occasions. The first person lived at 2170 NW 183rd Street from December 2004 through May 2005 and paid Ms. Brown \$450 per month for rent. FPL records corroborate the length of the stay by “sub-lessee #1.” The second person lived in Ms. Brown’s public housing units at 2170 NW 183rd Street #A105 and 640 NW 75th Street in 2005 and 2006,¹⁰ and paid Ms. Brown \$500 per month in rent payments. FPL records also corroborate the length of the stays in the apartments by “sub-lessee #2.” While Ms. Brown was receiving the monthly rental payments from these sub-lessees, the MDHA was paying monthly rent subsidies on Ms. Brown’s behalf.

As a result of Ms. Brown’s false and fraudulent statements, HUD, through the MDHA, provided housing assistance to Ms. Brown totaling **\$33,294** from January of 2003 through May of 2007. As of August 2007, Brown continued to own the home at 13830 NW 24th Avenue, Opa Locka.

Debbie Page - Indicted for Public Assistance Fraud and Grand Theft Third Degree

Debbie Page was a participant in the MDHA Housing Choice Voucher Program from June 2003 through the present. Information received revealed that Ms. Page concealed her ownership of a home in order to qualify for continued housing assistance. Specifically, in December 2004 Ms. Page applied for home-ownership assistance from Habitat For Humanity of Greater Miami (Habitat). She disclosed her current address as 2440 NW 159th Terrace, (her “Section 8 subsidized home”).

In January 2005, Ms. Page was selected as a prospective Habitat home recipient and advised that she was to perform a minimum of 250 hours of “sweat equity” toward the construction of her Habitat home. By August 2005, Ms. Page had met the sweat equity requirements. On August 25, 2005, Ms. Page signed a “Purchase and Occupancy Agreement” with Habitat, whereby she was authorized to occupy the Habitat home prior to the closing. She was to commence monthly payments of \$462 as of September 1, 2005. In connection with her Habitat home, Ms. Page completed two Uniform Residential Loan Applications (URLA). One application was completed on December 10, 2005 and the other on June 23, 2006. On each URLA, Ms. Page certified that her

¹⁰ This second address came about because the owner of the Section 8 home sold the property.

current address was 1776 NW 77th Street (the location of her Habitat home) and also indicated **“YES”** to the question, “Do you intend to occupy the property as your primary residence?” A Special Warranty Deed recorded with the Miami-Dade County Clerk of Courts dated June 23, 2006, showed that Ms. Page was the owner of the Habitat home.

According to Florida Power & Light (FPL) electric utility records, Ms. Page activated an account at her Habitat home on September 5, 2005 and continues to maintain her electric utility at that address. She terminated her FPL account at her Section 8 subsidized home, on August 18, 2005. Nevertheless, on February 2, 2007, Ms. Page represented to the MDHA, on an Applicant Participant Information Worksheet, that she still resided at her Section 8 subsidized home. Ms. Page falsely answered **“NO”** to each of the following questions:

“Do you receive income from any rental of property?”

“Do you have a checking or savings account?”

“Do you own or have a legal interest in any real estate, property, or land?”

Due to her landlord’s sale of Ms. Page’s existing Section 8 subsidized home, Ms. Page relocated her housing assistance voucher to another property located at 3873 NW 207th Street Road, Carol City (her Section 8 subsidized home #2). This occurred as of April 1, 2007, and is the address where Ms. Page currently receives a housing subsidy of \$939 per month.

On February 16, 2007, Ms. Page provided the MDHA with a Request for Tenancy Approval dated February 16, 2007, whereby she requested to transfer her voucher to her Section 8 subsidized home #2. On March 30, 2007, Ms. Page provided the MDHA with a Housing Lease Agreement dated March 26, 2007. According to the lease, Debbie Page was to reside at that property from April 1, 2007 through March 31, 2008.

Notwithstanding her representation that she was residing at her Section 8 subsidized home #2, Ms. Page applied for a Homestead Exemption for tax year 2007 for her Habitat home. The homestead exemption, which is available only to a homeowner, reduces tax liability by reducing the taxable assessed value of the homeowner’s primary residence by \$25,000. On several occasions between September 2005 and April 2007, Ms. Page provided false information to the MDHA regarding household assets and

family composition information in order to qualify for continued housing assistance. She concealed her ownership of the home at 1776 NW 77th Street and represented to the MDHA that she resided in her Section 8 unit when, in fact, she did not. Program guidelines provide that assistance to a family will be terminated if the family is absent from its unit for more than sixty (60) days without prior written approval.¹¹ Ms. Page's benefits should have been terminated. Based on Ms. Page's false statements, HUD, through the MDHA, provided housing assistance totaling \$18,997 on Ms. Page's behalf from September 2005 through October 2007.

Armando Valdes – Indicted for Public Assistance Fraud and two counts of Grand Theft

Armando Valdes was a landlord who received HUD-funded housing assistance payments (HAP) on behalf of Section 8 tenants. On October 11, 2002, Mr. Valdes signed a MDHA Housing Choice Voucher Program – Landlord or Authorized Agent Certification for property located at 4891 SW 5th Terrace (the “Section 8 property”). Pursuant to that contract, he acknowledged and agreed that it is illegal to charge any additional amounts for rent that have not been specifically approved by the MDHA. Further, failure to comply with the terms and responsibilities of the HAP Contract is grounds for termination of participation in the Housing Choice Voucher Program.

The rent to be paid to Mr. Valdes under the HAP contract for the subject property was \$781. The housing assistance payment from MDHA to Mr. Valdes was \$757. Mr. Valdes was to collect the remaining \$24 from the tenant, Helen Tavarez. This was the only amount Mr. Valdes was authorized to collect from the tenant. Despite the terms of the HAP agreement, Mr. Valdes collected additional monies from the tenant. He agreed to accept \$781 as rent from the MDHA, but actually charged a monthly rental of \$1150.00. The Section 8 tenant paid the difference.

On November 22, 2006, Mr. Valdes signed another HAP Contract with the MDHA for the Section 8 property, agreeing to abide by the following provisions:

7(b) Owner compliance with HAP contract – Unless the owner has complied with all provisions of the HAP contract, the owner does not have the right to receive housing assistance payments under the HAP contract.

¹¹ Miami-Dade Housing Agency Private Rental Housing Division, Section 8 Administrative Plan, p. 38

Under the November 2006 contract the monthly rent due to the owner, was \$781. The housing assistance payment from MDHA to Valdes was \$166. Mr. Valdes was to collect the remaining \$615 from the tenant. Despite the HAP agreement, Mr. Valdes agreed to honor, he collected additional monies from the tenant. He agreed to accept \$781 as rent from the MDHA, but actually charged a monthly rental of \$1150.00. The Section 8 tenant paid the difference.

In reliance on Mr. Valdes, Jr.'s agreement that he would honor the terms of the HAP contract, HUD, through the MDHA, provided housing payments totaling \$36,959 to Valdes, Jr. from October 2002 through March 2007.

Additionally, the investigation revealed that beginning in 1997 (until the present) Mr. Valdes applied for and received a Homestead Exemption for a property located at 10820 SW 139th Road. In 2001, Mr. Valdes applied for and received a Homestead Exemption for his Section 8 rental property. From October 2002 through April 2007, Mr. Valdes rented the Section 8 property to Helen Tavarez, a tenant in the MDHA Housing Choice Voucher Program. During that time, Mr. Valdes failed to notify the Property Appraiser's Office that the property was an income generating rental property and not his permanent home. This is a violation of the eligibility requirements for the Homestead Exemption.

As a result of Mr. Valdes false statements and/or omissions, he unlawfully withheld **\$9,455.97** in potential property tax revenue from Miami Dade County for the years 2003 through 2006.

E. RECOMMENDED PUNISHMENTS

We believe, at a minimum, all of these defendants should receive some period of probation that affords them sufficient time to make full restitution. We believe they should also be debarred from the housing program and required to perform community service hours to give back to the community from which they stole. Finally, the grand jury believes, as part of the probation, each of the defendants should be required to spend

a few days in jail. We believe this should be the least amount of punishment meted out to these government employees who defrauded the system they serve.¹²

IV. RECOMMENDATIONS FOR IMPROVEMENTS

During our investigation we were informed that the problems and fraudulent acts committed by these defendants are not unique to Miami-Dade County. This is a nationwide problem and one that USHUD has recently tried to tackle in a huge way. USHUD estimates that the total income and rent errors attributable to tenant underreporting of income was **\$255 million** in fiscal year (FY) 2004.¹³ This was a seventy four percent (74%) nationwide **decline** from FY 2000 baseline of **\$978 million**.¹⁴ One of the major weapons USHUD has unleashed in this effort is the Enterprise Income Verification System (EIVS). As reported on the website for USHUD, EIVS is:

A HUD provided Internet-based tool that allows [Public Housing Agencies] - PHA to view employment information, wages, unemployment compensation and social security benefit information at any point in time. The system also compares PHA verified/tenant reported wages, unemployment compensation and social security benefit information reported on HUD form 50058 with the UIV-

¹² One of the areas for which we provided input but did not consider indictments related to Section 8 participants and sexual offenders. This clearly violated HUD rules forbidding convicted felons to reside in their units. Surprisingly, these sexual offenders (not sexual predators) had registered with law enforcement and had informed the authorities of their address. We understand that arrests were made in some cases because the Section 8 participants failed to inform MDHA of the new member added to the family unit and/or in some cases allowed the new family member to live in the unit knowing that the family member was a convicted felon. As the conscience of the community we have a few thoughts we would like to share about these cases.

The Grand Jury fully appreciates the need to ensure those who are living in public housing are raising their children in safe and secure environments. We also understand the government's need to make sure that public housing tenants comply with the terms of the HUD regulations, including those requiring the reporting of changes in family composition. However, we have no evidence that any of these felons were working. Thus, there was no additional income to report. In that regard, the Section 8 participant was still eligible to receive benefits and there was no underreporting of income that would have impacted the amount of subsidy the tenant was entitled to receive. Because we believe that there are abuses of this provision all across the county (grandchildren, step-children, etc. living with other relatives in public housing) absent fraud, criminal conduct or theft of benefits (such as committed by the defendants we indicted) we think it would be more efficient to send a letter to the public housing participant. Advise them that if the felon is not out of the residence within a certain amount of time (maybe as short as forty-eight hours after receipt of the letter), MDHA will be proceeding with eviction proceedings and all housing benefits will be terminated. We think this achieves the same result more expediently. Moreover, and of equal importance, fewer resources are used, foregoing the unnecessary utilization of the police, jail, prosecutors, public defenders and courts. Consequently, the felon is removed from the unit and the community is safe.

¹³ USHUD website. <http://www.hud.gov/offices/pih/programs/ph/rhiip/uiiv.cfm>

¹⁴ Id.

reported amounts for the same income sources to identify families that may have substantially under reported their household income.¹⁵

The Grand Jury discovered during its investigation that part of the problem in the past with uncovering and ferreting out false and fraudulent information was due to the fact that MDHA caseworkers and clerical workers in the management offices of the private apartment units were unable to get such verification of information from governmental agencies. For instance, although applicants are required to provide a Social Security Number at the time they are seeking eligibility for benefits, the caseworkers receiving the information and conducting the employment/income verification did not have immediate access to the Social Security Department to determine whether an applicant was receiving benefits from that agency. Thus, an applicant being evaluated at the initial verification stage could deny receiving such benefits with impunity. Although the information that could reveal the false nature of the denial was available (though not communicated), the false information was not being discovered and applicants were being approved to receive benefits to which they were not entitled. These same problems also ensued for other attempted verifications such as income. Caseworkers were not able to access such information from the IRS. Simply put, many of the agencies did not have processes in place (or approvals) for sharing such information. We anticipate that many of those problems will now be resolved by using the Enterprise Income Verification System.

A. Recommendations for The Initial Verification Stage

The MDHA began using EIV a few years ago. Even with the staffing shortages, we anticipate that MDHA (like USHUD) will experience a significant percentage drop in the amount of total income and rent errors attributable to tenant underreporting of income. The efficiency and effectiveness of the EIV system prevents tenants from being able to hide their fraudulent activity behind governmental bureaucracy and the inability of one agency to share information with another. This grand jury recognizes that it is much easier and a cost savings to “prevent” fraud in the first place, instead of trying to “detect” it after it has already begun. In that regard, MDHA should ensure that all of its

¹⁵ Id.

caseworkers are trained in proper fraud detection techniques. We understand that recently all of MDHA's caseworkers involved in the upfront initial verification and recertification verifications were trained and tested. Those who passed the test were certified. Those who did not pass the test were (or are in the process of being) re-tested. We think these steps are essential if the MDHA is to be successful in its efforts to defeat those whose aim is to defraud the system. In that regard, we recommend that:

- 1. MDHA train caseworkers adequately to do a complete and thorough initial verification;*
- 2. All MDHA caseworkers involved in the income verification process should receive training and become certified before they start working on any applicant files;*
- 3. All such employees presently certified should receive regular and periodic updates and additional training to maintain their certification and skills; and*
- 4. MDHA provide such training and testing to the employees of the on-site management companies who are conducting income verification for tenants living in privately owned complexes where the developers have entered into 30-year Rental Regulatory Agreements.*

In addition to these recommendations for improvements at the Initial Verification Stage, and to the extent that these steps are not presently being taken, we recommend that MDHA:

- 1. Partner with a local police agency which will conduct statewide and nationwide criminal background checks on applicants seeking housing benefits;*
- 2. Have tenants sign consent forms that allow MDHA to search credit history information, obtain copies of IRS tax returns, and obtain information from the Social Security Agency;*
- 3. Require tenants to bring tax returns and W-2 forms to verify financial status at the initial meeting with the MDHA verification clerk;*
- 4. Reduce caseworker loads by increasing the number of caseworkers involved in the verification process;*
- 5. Make concerted efforts to examine drivers' licenses to ensure addresses are consistent with other information provided by the applicant;*
- 6. Take steps to combine the Application and Leasing center and the Section 8 Public Housing Program into one central location;*

We believe utilization of these practices will significantly reduce the amount of funding that is presently being lost due to fraudulent underreporting of income.

B. Recommendations for The Annual Recertification Stage

On an annual basis, local PHAs are evaluated based on standards set by USHUD. One of the constant criticisms leveled at MDHA for years is the small number of random samplings done on recertification packets. As it relates to staffing, the MDHA has a limited number of employees who are involved in verifying the information provided by the Section 8 participants who submit recertification packets. There are thousands of packets submitted on an annual basis. Although the MDHA conducts verifications on a random sampling of the packets, the total number of applicants affected is a mere drop in the bucket. More importantly, the number of random checks on files is below the percentage that USHUD mandates for a PHA the size of MDHA. We understand that this complaint from HUD has been consistent and has been consistently ignored. As many of the government employees charged herein submitted false statements in their recertification packets, increasing the percentage of files reviewed increases the chances that fraudulent activity will be uncovered. This situation needs immediate correction. In that regard, we recommend that the MDHA:

- 1. Increase the number of staff members conducting verifications of recertifications;*
- 2. Increase the number of random sampling of verifications to comply with the standards set by USHU; and*
- 3. Conduct annual spot checks on random files where a complete and thorough investigation is conducted to confirm veracity of all information in an applicant's file.*

In addition to the recommendations set forth in the aforementioned paragraph, we make the follow recommendations for improved efficiency at the annual recertification stage:

- 1. Adopt all of the recommendations made under Section IV.A designed to assist in detecting and defeating fraudulent activity;*
- 2. Conduct a computerized deed search at every recertification process appointment to determine whether Section 8 participants have acquired any real estate property; and*

3. *Between annual appointments, conduct surprise inspections to confirm that Section 8 participants are living in the units, and that only persons listed as residents live in the units;*

C. Recommendations of Consequences for HUD Related Criminal Conduct

Pursuant to the Miami-Dade Housing Agency Private Rental Housing Division, Section 8 Administrative Plan, persons who have committed fraud, bribery, or other corrupt or criminal act in connection with any federal housing program or have misrepresented information related to program requirements, including but not limited to income, family composition, citizenship, and immigration status are ineligible to receive housing benefits for ten (10) years.¹⁶ We think that under some circumstances, even ten years is much too lenient.

Firstly, many of the Section 8 participants we indicted had been receiving ill-gotten benefits for years. The total amount of loss from their criminal conduct cannot even be calculated because documents no longer exist from the initial fraudulent paperwork they submitted. For money they stole years ago they cannot be charged because of the applicability of the statute of limitations. However, in spite of their intentional, deceptive and criminal conduct, in ten years they can be eligible to re-apply for benefits. If they meet eligibility requirements, they can start receiving taxpayer funded housing subsidies again. We think that a ten year ineligibility period is not a sufficient bar or deterrent to this nationwide problem. Neither is it sufficient for the types of willful, wanton and deliberate schemes used by some of these defendants.

As we received information that a local housing agency can impose a more stringent sanction for violation of HUD rules, we recommend that:

1. *Persons who received financial benefits from committing fraud, bribery, or other corrupt or criminal act in connection with any federal housing program or by misrepresenting information related to program requirements should be ineligible to apply for housing benefits for at least ten (10) years;*
2. *MDHA develop stricter policies that will allow the agency to terminate a tenant from the program for life in appropriate circumstances (i.e., where there were elaborate schemes and multiple persons involved and/or huge losses of funds due to such fraud);*

¹⁶ Miami-Dade Housing Agency Private Rental Housing Division, Section 8 Administrative Plan, p. 12

3. *No persons debarred for fraudulent activity should ever be considered for eligibility until they have made full and complete restitution to the Housing Agency for all benefits wrongfully obtained;*
4. *In an effort to encourage the payment of such restitution amounts, we suggest that the MDHA report any late or non-payments of such amounts to credit reporting agencies;*
5. *Notwithstanding the number of years of debarment provided for under recommendation (1) above, the MDHA still retains the ability to extend the length of debarment beyond the minimum ten years for persons who received benefits in excess of some threshold amounts (i .e., above \$25,000); and*
6. *MDHA create some notification procedure where any such debarment is communicated to USHUD so that violators who are excluded from the program are precluded from moving to other jurisdictions to apply for benefits.*

D. Community Participation in Preventing and Uncovering Fraud

Several of the investigations that led to indictments were initiated due to calls from concerned citizens who became aware that certain individuals were defrauding the system. We are fairly certain that there are other citizens out there who are aware of similar fraudulent activity, maybe even on a larger scale than has been presented to us in these few cases. If our assumption is correct, there needs to be a campaign to educate the public, encouraging them to report these abuses.

An examination of MDHA's website reveals that there is information about a local fraud hotline.¹⁷ However, it is embedded deep in the MDHA's website, located at the bottom of the page under an obscure heading entitled "Regulatory and Policy Links." Once an internet user navigates through the site and clicks on the link, he finds a fraud brochure.¹⁸ The brochure proclaims, "MDHA is committed to eliminating fraudulent activity, program abuses or violations through the establishment of the MDHA Fraud Control Program." Our observation of the brochure leads to the conclusion that it is seriously outdated. For instance, the brochure is so old, it lists Rene Rodriguez as MDHA Director, Alex Penelas as Mayor, Steve Shiver as County Manager and lists

¹⁷ <http://www.miamidade.gov/housing/policy-links.asp>

¹⁸ <http://www.miamidade.gov/housing/library/brochures/S8Fraud-ES.pdf>

several former county commissioners as present members of the Board of County Commissioners.¹⁹ As revealed by the illegal activities disclosed in this report, fraud prevention needs to take a more prominent position both on MDHA's website and on MDHA's list of priorities. Having a four-year-old brochure on the agency's website does not convey the appropriate message of being committed to eliminating fraudulent activity.

It appears that HUD has recognized the benefits to be gained from getting the public involved in ferreting out fraudulent acts committed against housing programs. A review of HUD's website reveals several flyers and numerous other documents devoted to educating the public about fraud and encouraging them to report fraud, waste and abuse of any HUD program. The site also includes a link to a HOTLINE COMPLAINT INTAKE FORM that computer users can download, fill out and send via regular mail, e-mail or fax to HUD's office. Their website also has a hotline phone number that can be used to report fraud.²⁰ All of the information is readily available on one web page with links.

We believe that the MDHA could benefit from similar efforts and should follow the lead of USHUD in this regard. In support of this public education and outreach campaign we recommend that:

1. *MDHA improve dissemination of its hot-line number and encourage citizens to call in and make anonymous reports of waste, fraud and abuse of HUD programs;*
2. *MDHA update its website and brochure to include more information about preventing fraud and encouraging persons with information to contact the Housing Agency;*
3. *MDHA place information about fraud and fraud prevention on the homepage of its website;*
4. *MDHA update its website to also include a form that one can download, fill-out and send via regular mail, e-mail or fax to the Housing Agency; and*
5. *MDHA consider finding a funding source that could allow the agency to pay rewards to persons who disclose significant fraudulent activity to the agency.*

¹⁹ Id.

²⁰ <http://www.hud.gov/offices/pih/programs/ph/rhiip/uiivreporting.cfm>

V. CLOSING

We are deeply saddened by the fact that many of those whose Indictments were released with this report were governmental employees at the time they were engaged in these fraudulent schemes. As public servants we hold them to a higher standard. Again, we realize that there are others out there engaged in similar conduct. We anticipate that as the law enforcement agencies continue with their investigations and the Enterprise Income Verification System becomes more refined, more persons abusing the housing programs will be charged. We trust that the release of this report and these Indictments will have a chilling affect on others who may consider such conduct in the future. If it does, we will have saved money that the MDHA can use to assist the truly needy members of our community.

<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
(A) WALTAIRE CHOUTE and (B) HOHANNE HILAIRE	Murder First Degree (A Only) Robbery/Armed/With a Mask (A Only) Burglary with Assault or Battery Therein While Armed (A Only) Accessory After the Fact (B Only)	True Bill
DWAINE KEITH MERCHANT RICHARD OMAR RAMBARAN (A) and DANNY BINS PIERRE-LOUIS (B)	Murder First Degree	True Bill
(A) LIENS ABREU, (B) RUBEN GONZALEZ, and (C) OLGA ORAMAS	Murder First Degree (A&B) Attempted Felony Murder with a Deadly Weapon or Aggravated Battery (A& B) Burglary / With Assault or Battery/Armed (A& B) Murder / Premeditated/Attempt/Deadly Weapon (A&B) Murder/Premeditated/Attempt/Deadly Weapon (A&B) Burglary/With Assault or Battery / Armed (A) Firearm/Weapon/Possession by Convicted Felon/Delinquent (A)	True Bill
PARLEY JAY PASKETT and SHAKYNA DANAYA THOMAS	Murder First Degree Murder First Degree Murder First Degree Armed Home Invasion Robbery Conspiracy To commit First Degree Murder	True Bill
(A) JERRIE JAMALL TOMLIN, (B) RICKY BRADFORD, and (D) DARRELL WALKER	Murder First Degree (A) Murder First Degree (A) Robbery/Home Invasion/Armed (A) Firearm/Weapon/Possession by Convicted Felon/Delinquent (A) Accessory After the Fact (B)	True Bill
(A) DELVON THEOPHILVS CYRUS, (B) JERRIE JAMALL TOMLIN, and (C) RICKY BRADFORD	Attempted Felony Murder With a Deadly Weapon or Aggravated Battery Attempted Felony Murder With a Deadly Weapon or Aggravated Battery Robbery Using Deadly Weapon or Firearm Robbery Using Deadly Weapon or Firearm	True Bill
DERRICK BROCKINGTON	Attempted Felony Murder with a Deadly Weapon or Aggravated Battery Robbery/Home Invasion/Armed Burglary with Assault or Battery, or Armed (Remaining In)	True Bill
	Murder First Degree Murder First Degree Murder/Premeditated/Attempt Possession of Firearm by Convicted Felon	True Bill

<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
(C) LATRESSA HEIGHT, (D) MICHAEL LAMAR FRANCIS, and (E) EARNEST SYLVESTER HEIGHT	Murder First Degree (A,B,C) Kidnapping with a Weapon (A,B,C) Battery (A Only) Battery (A Only) Firearm/Possession by Convicted Felon/ Delinquent (B Only) Battery (C Only)	True Bill
(A) ALEX DIAZ and (B) GEOSVANI ESPINOSA	Murder First Degree	True Bill
ALFRED FARNELL	Murder First Degree	True Bill
(A) BRAXTON EUGENE SAMS, (B) RICHARD DAVID JACKSON, (C) WOODNEY LEMINEAU, and (D) MILTON MAJOR	Murder First Degree (A,B,C,D) Robbery/Armed/Attempt While Wearing Mask (A,B,C,D) Robbery/Armed/Attempt While Wearing Mask (A,B,C,D) Robbery/Armed/Attempt While Wearing Mask (A,B,C,D) Robbery/Armed/Attempt While Wearing Mask (A,B,C,D) Perjury in Unofficial Proceeding (C only)	True Bill
NAKEVA EDWARD THORNTON, Also known as "K"	Murder First Degree	True Bill
THOMAS LEON PENNINGTON ROBERT ST. GERMAIN	Murder First Degree Murder First Degree Murder/Premeditated/Attempt/Deadly Weapon Or Aggravated Battery Murder/Premeditated/Attempt/Deadly Weapon Or Aggravated Battery	True Bill
ROBERT ST. GERMAIN	Murder First Degree	True Bill
(A) ERICK GREEN WILLIAMS and (B) IVY RAQUEL MENDOZA	Murder First Degree (A&B) Murder First Degree/Conspiracy (A&B) Grand Theft Third Degree/Vehicle (A&B) Tampering or Fabricating Physical Evidence Conspiracy (A&B) Attempted Tampering With or Fabricating Physical Evidence (A&B) Perjury in Unofficial Proceeding (B)	True Bill
WILLIAM RAMON SUAREZ	Murder First Degree	True Bill
ROQUE ESTEBAN CALAFELL	Murder First Degree Armed Robbery/Deadly Weapon	True Bill
PERRY JEREL BAILEY	Murder First Degree	True Bill

<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
(A) JEFFERY LEE HATCHER, (B) DERRANCE DERONN ROBERTS and (C) ANTONIO LAMONT WILLIAMS,	Murder First Degree Robbery Using Deadly Weapon or Firearm Robbery/Attempted Carjacking	True Bill
EDWARD D. CURRY	Murder First Degree Firearm/Use, Display While Committing a Felony	True Bill
(A) HILDA MARIN, (B) ABEL PADRON ALFONSO and (C) LEMAY DORVIGNI SULET	Murder First Degree Murder First Degree/Conspiracy	True Bill
ROBERT REGINALD WEATHERSPOON	First Degree Murder Attempted First Degree Murder Armed Burglary	True Bill
JOHNNY CHARLES	Murder First Degree	True Bill
JOHNNY CHARLES	Murder First Degree Murder First Degree/Conspiracy	True Bill
(A) JOHNNY CHARLES and (B) FRANTZY JEAN-MARIE	Murder First Degree Murder First Degree/Conspiracy	True Bill
JOHNNY CHARLES	Murder First Degree Murder/Premeditated/Attempt/Deadly Weapon or Aggravated Battery	True Bill
JOHNNY CHARLES	Murder First Degree Murder/Premeditated/Attempt/Deadly Weapon or Aggravated Battery	True Bill
JOHNNY CHARLES (A) FRANTZY JEAN-MARIE and (B) JOHNNY CHARLES	Murder First Degree Murder First Degree Murder First Degree	True Bill
(A) JOHNNY CHARLES and (B) FRANTZY JEAN-MARIE	Murder First Degree Murder First Degree/Conspiracy Solicitation of First Degree Murder	True Bill
ROLANDO DE LA CARIDAD AGUILAR	Murder First Degree	True Bill
BARRINGTON MABSON ROACH, also known as KENNETH CONROY SMITH	Murder First Degree Murder/Premeditated/Attempt/Deadly Weapon or Aggravated Battery Murder/Premeditated/Attempt/Deadly Weapon or Aggravated Battery	True Bill

<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
ISRAEL CAPETILLO	Murder First Degree Conspiracy to Commit Second Degree Arson	True Bill
LUIS CARLOS PEREZ	Murder First Degree	True Bill
GARCHESTER WALLACE	Murder First Degree Batter on Person 65 Years of Age or Older	True Bill
(A) JOHNNHY MESADIEU, (B) JEAN MENTOR and (C) MARC PLACIDE	Murder First Degree (A&B) Robbery Using Deadly Weapon or Firearm (A&B) Burglary With Assault or Battery Therein While Armed (A&B) Accessory After the Fact (C Only)	True Bill
(A) ROBERT ST. GERMAIN, (B) JOHNNY CHARLES, (C) MAX DANIEL and (D) BENSON CADET	Murder First Degree Murder First Degree/Conspiracy	True Bill
(A) ROBERT ST. GERMAIN and (B) BENSON CADET	Murder First Degree Murder/Premeditated/Attempt/Deadly Weapon or Aggravated Battery Murder/Premeditated/Attempt/Deadly Weapon or Aggravated Battery	True Bill
(A) JOHNNY CHARLES, (B) BENSON CADET and (C) MAX DANIEL	Murder First Degree	True Bill
(A) JOHNNY CHARLES, (B) BENSON CADET and (C) MAX DANIEL	Murder First Degree Murder/Premeditated/Attempt/Deadly Weapon or Aggravated Battery	True Bill
SUNNI CLAYTON	Public Assistance Fraud/Disclose Change/\$200.00+ Identification/Personal/Fraudulently Use/Possess Grand Theft Third Degree	True Bill
JUNE COACHMAN	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Second Degree	True Bill
JEANETTE GOUGH and VALAREE GOUGH	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Second Degree	True Bill
MILADYS PENALVER	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Third Degree	True Bill
KATRINA MARTIN	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Third Degree	True Bill

<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
GEONIKA FAITH JONES	Public Assistance Fraud/Disclose Change/\$200.00+ Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Third Degree Grand Theft Third Degree	True Bill
KIMBERLY TRIBUE-HOLLIS	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Third Degree	True Bill
IRESA BRYANT	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Second Degree	True Bill
CATRINA BROWN	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Second Degree	True Bill
DEBBIE PAGE	Public Assistance Fraud/Disclose Change/\$200.00+ Grand Theft Third Degree	True Bill
ARMANDO VALDES	Public Assistance Fraud/Disclose Change/\$200.00+ Homestead Exemption/False Information Grand Theft Third Degree Grand Theft Third Degree	True Bill

ACKNOWLEDGEMENTS

Nine months ago twenty-one randomly selected individuals were brought together to form the Miami-Dade Grand Jury, Spring Term 2007. These jurors, initially separated by age, ethnicity and cultural diversity, were able to unify as a group to form a motivated team. The experience resulted in a greater knowledge and lifelong respect and appreciation for our judicial system.

It was an honor to serve on the Miami-Dade County Grand Jury and encourage our fellow citizens to participate in this important civic duty when our local government calls them to serve. We are also grateful for having the opportunity to be an influential part of the judicial process. We would like to take this opportunity to express our heartfelt thanks to the following, who have all managed innumerable duties with a cheerful and friendly attitude:

- Honorable Judge Gisela Cardonne Ely, who not only stressed the importance of serving on a grand jury, but also the significance of being involved in the community.
- State Attorney Katherine Fernandez Rundle, for her advice, commitment and years of service to the Miami-Dade County community and its judicial system.
- Chief Assistant State Attorney Don Horn, for his professionalism, dedication and support. His endless knowledge and guidance not only educated us but made our service a truly rewarding experience. Our deepest thanks for making our job easier.
- Assistant State Attorney Sandra Mill-Batiste, for her unwavering conviction to improving Miami-Dade County by exposing the exploitation of HUD and Miami-Dade Housing Agency, by those employed by government agencies.
- Rose Anne Dare, who flawlessly took care of all administrative details for each and everyone of us. Her professionalism and skills made our task easier to perform.
- Nelido Gil, our Bailiff, who every day greeted us with a smile, served tirelessly and made our days as jurors run as smoothly as possible. His ability to keep us in good spirits was definitely appreciated by all.
- Our court reporters, for their professionalism and commitment.
- To those witnesses and experts who took time to come before us and answered all of our questions and concerns, we also thank you.
- Susan Dechovitz, Assistant State Attorney, for her professionalism and enthusiasm.

Our task was difficult and our journey through the judicial system was at times disturbing, frustrating, surprising and enlightening. Ultimately, despite the personal and professional sacrifices made by each of us, it was an experience we will never forget. It has truly been a privilege and honor to serve our community.

Respectfully submitted,

Marcus K. Cobb, Foreperson
Miami-Dade County Grand Jury
Spring Term 2007

ATTEST:

Sherika Devoe
Clerk

Date: February 6, 2008