



Memorandum



Miami-Dade County Office of the Inspector General
A State of Florida Commission on Law Enforcement Accredited Agency
601 NW 1st Court ♦ South Tower, 22nd Floor ♦ Miami, Florida 33136
Phone: (305) 375-1946 ♦ Fax: (305) 579-2656
Visit our website at: www.miamidadeig.org

To: The Honorable Daniella Levine Cava, Mayor, Miami-Dade County
The Honorable Chairman Jose “Pepe” Diaz, Chair
and Members, Board of County Commissioners, Miami-Dade County

Kenneth C. Hoffman, Chair, The Children's Trust
James Haj, President and CEO, The Children's Trust

From: Felix Jimenez, Inspector General 

Date: May 27, 2022

Subject: Children's Trust Grant Recipient Pleads Guilty to Fraud, Ref. IG17-0036-I

Kelly Regalado, former Program Director of United Martial Arts Academy, Inc. (UMAA), a now-dissolved Florida corporation that was awarded grants from The Children's Trust,¹ pled guilty today to Organized Scheme to Defraud, a first-degree felony, and Wire Fraud. Regalado was adjudicated guilty and sentenced to 10 years probation. UMAA also pled guilty.

UMAA was originally established in 2004 by Regalado and her husband to operate a martial arts academy in the Homestead area. The academy was partially funded through The Children's Trust to operate both after school and summer programs, which included a tutoring component. The Children's Trust's grants partially reimbursed UMAA for certain expenses pursuant to a pre-set contract formula. Regalado oversaw UMAA's office administration and caused fraudulent information to be entered into The Children's Trust computerized financial program, upon which reimbursement was based. This information included false student attendance data, false employee pay data, and false expenses for goods and services purportedly purchased from third party vendors. When The Children's Trust became suspicious and demanded further proof of expenses, Regalado caused fraudulent UMAA bank statements to be sent to The Children's Trust. Suspecting fraud, The Children's Trust referred the case to the OIG for further investigation.

The OIG investigation, conducted jointly with the State Attorney's Office, determined that UMMA used a variety of schemes, including billing for ghost students, employees, and expenses, to illegally obtain Children's Trust funds. As part of today's plea agreement,

¹ Established by Florida statute and County referendum, The Children's Trust provides grants for community-based youth program service providers. The Children's Trust is funded through a levy of an ad valorem tax on properties in Miami-Dade County.

which has been sanctioned by The Children's Trust, Regalado and her husband sold their homesteaded property and repaid the Trust \$180,000 in restitution. She also paid costs of investigation. Further, Regalado is debarred from contracting with Miami-Dade County for a period of five years, the maximum time allowed under the Code of Miami-Dade County. Moreover, the Court entered orders permanently dissolving UMAA from ever doing business in the State of Florida.

The OIG appreciates the collaboration and assistance of The Children's Trust.

cc: Geri Bonzon-Keenan, County Attorney
Gerald K. Sanchez, First Assistant County Attorney
Jess McCarty, Assistant County Attorney
Cathy Jackson, Director, Audit and Management Services Department
Yinka Majekodunmi, Commission Auditor
Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
Imran Ali, Chief of Staff, The Children's Trust