




Memorandum



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To: Ralph Cutié, Director
Miami-Dade Aviation Department

From: Felix Jimenez, Inspector General 

Date: March 6, 2024

Subject: OIG Report of Investigation Re: *Animal Air Express*, Ref. IG20-0010-I

Enclosed please find the Office of the Inspector General's (OIG's) Report of Investigation. The OIG investigated allegations that a Miami-Dade Aviation Department permittee, Air Animal Express, misrepresented the status of its permit to the U.S. Department of Agriculture and that it sublet space from National Airport Services, Inc. an MDAD leaseholder. The OIG was not able to substantiate the allegations, however, AAE has ceased operations and MDAD has canceled its permit.

The report as a draft was provided to NAS for review and the opportunity to provide a written response. The OIG did not receive a response. The OIG was unable to provide a draft to AAE or its owner, who has left the United States.

Attachment

cc: Evelyn Campos, Division Director, Professional Compliance, MDAD
National Airport Services, Inc., c/o Lowell Kuvin, Esq. (under separate cover)



MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
REPORT OF INVESTIGATION
Animal Air Express
IG20-0010-I

I. INTRODUCTION AND SYNOPSIS

On May 20, 2020, the Miami-Dade County (County) Office of the Inspector General (OIG) received an anonymous complaint alleging Mr. Gustavo A. Hernandez, owner of Animal Air Express (AAE) misrepresented the status of his permit with Miami-Dade Aviation Department (MDAD) to the U.S. Department of Agriculture (USDA).¹ AAE applied for a permit to conduct business within the cargo section of Miami International Airport (MIA). The complainant alleged that prior to the finalization of the permit, Mr. Hernandez applied for a permit with the USDA and represented to USDA that he had an active permit to do business at MDAD.

The complainant also alleged that AAE was subletting office space from National Airport Services, Inc. (NAS), an MDAD leaseholder, without authorization. The OIG found the allegations set forth by the anonymous complainant are unsubstantiated.

II. OIG JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs; audit, inspect and review past, present and proposed County and Public Health Trust programs, accounts, records, contracts, and transactions; conduct reviews, audits, inspections, and investigations of County and Public Health Trust departments, offices, agencies, and boards; and require reports from County and Public Health Trust officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General.

III. INVESTIGATIVE FINDINGS

The OIG conducted interviews and reviewed documents related to the MDAD Permit Section, USDA, MDAD's Real Estate Management and Development Division (MDAD Properties), and the MDAD Finance Division. Agents interviewed relevant parties, analyzed permits and lease agreements, monthly gross revenue reports, financial institution records, and email communications.

¹ From November 26, 2019, to June 1, 2020, Mr. Hernandez also operated Animal Air International (AAI). Like AAE, AAI was involved in the transportation of animals into the United States by air. AAI never applied for nor possessed a permit from MDAD.

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A. AAE's Representations of the MDAD permit to the USDA

AAE was a Florida corporation in the business of transporting livestock via air. It was incorporated on March 13, 2020. The president was Gustavo Hernandez. AAE was administratively dissolved on September 23, 2022, for failing to file an annual report.

The OIG spoke with Sheilla Uche, of MDAD's Business Retention & Development Division, Permit Section regarding the AAE MDAD Permit. In April 2020, Mr. Hernandez applied to the MDAD Permit Section for a permit to conduct live animal transport services. The permit application was signed by Mr. Hernandez on April 29, 2020, and was approved by MDAD Deputy Aviation Director Ken Pyatt on June 9, 2020.

AAE was granted an authorized MDAD permit in June 2020 for a month-to-month period of up to one year. The permit was extended for a second month to month period of up to one year in June of 2021. Under its permit agreement AAE had to remit to MDAD 7% of its gross revenues arising from the operations of its business at MIA and Miami Executive Airport as opportunity fees and prepare a Monthly Report of Gross Revenues (MRGR). AAE stopped filing MRGRs in December 2021. In April of 2022, MDAD terminated their permit for failure to submit MRGRs. Per MDAD, AAE was \$2300 in arrears to MDAD when the permit was terminated.

The OIG attempted to obtain a copy of AAE's permit application to the USDA. The USDA was unable to locate any applications submitted by Mr. Hernandez. USDA did provide the OIG with a Memorandum of Understanding dated May 1, 2020, between the USDA and AAE outlining the responsibilities and duties relating to animal transport at airport and seaport facilities. USDA also provided a letter addressed to Mr. Hernandez, dated October 12, 2021, which notified him of permit violations. The letter confirms that AAE had been granted a permit by the USDA to conduct business.

The OIG attempted to interview Mr. Hernandez but was unable to locate him. The U.S. Customs and Border Patrol (CBP) informed the OIG that Mr. Hernandez departed the United States for Medellin, Colombia on July 23, 2022. As of February 13, 2024, Mr. Hernandez has not returned to the U.S.

The OIG interviewed Ms. Paola Pezoa, NAS's Vice President, regarding any assistance with the USDA application she provided to Mr. Hernandez. Ms. Pezoa recalled meetings with Mr. Hernandez on several occasions to answer questions about the MDAD administrative process involving permits but was not hired as a consultant to AAE and did not advise Mr. Hernandez about the permit with USDA.

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Without a copy of the permit application or speaking with Mr. Hernandez, the OIG cannot determine if AAE misrepresented any MDAD permit information in its application to USDA.

B. AAE's Sublease of Office Space from National Airport Services, Inc.

NAS is in the business of cargo handling at MIA. NAS operates from Building 716, sections C, D and E, on the West side cargo area of MIA. Since approximately 2016, NAS has held consecutive lease agreements to operate in various locations at MIA. The OIG reviewed the NAS leases and found that the leases all contained a subleasing prohibition. The OIG also interviewed an official from MDAD Properties who confirmed that lessees are not allowed to rent office space to a permittee without the approval of MDAD Properties. However, it is permitted, and customary, for permittees to use office space when transacting business with the leaseholder. The leaseholders can provide a desk or office for the permittee to use at no cost.

The OIG interviewed NAS President and owner, Mr. Jorge Alvarez, who reported that NAS did not sub-lease office space to AAE, or any business associated with Mr. Hernandez. Mr. Alvarez recalled mostly dealing with an individual named Ricky from AAE and did not remember Mr. Hernandez. Mr. Alvarez could not remember if AAE used office space at NAS to process paperwork, although it was possible.

Ms. Pezoa, Vice President at NAS, stated she did not believe AAE had office space at NAS. She recalled visiting either Ricky or Mr. Hernandez at a warehouse AAE leased near 79 Street. Ms. Pezoa indicated that she believed Ricky was now living in Chile and that Mr. Hernandez had returned to Colombia.

The OIG reviewed AAE bank statements from March 2020 through September 2020 and found one check purportedly for rent made payable to Miami Airport Industrial. The OIG was not able to speak with Mr. Hernandez about this allegation.

From September 2019 to May 2020, NAS lists "Animal Air"² as a customer on its MGRRs and paid opportunity fees on this business. In June 2020, Animal Air Express received a permit from MDAD and began paying opportunity fees to MDAD. After June 2020, Animal Air is no longer listed as a customer of NAS on its MRGRs.

IV. ISSUANCE OF DRAFT REPORT FOR REVIEW AND COMMENT

This report, as a draft, was provided to NAS, through its attorney Lowell Kuvin, Esq., for review and submission of a discretionary written response. The OIG did not receive a response.

² It is unclear if Animal Air refers to Animal Air Express or Animal Air International.

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The OIG was unable to provide a draft to AAE since it has ceased operations and is no longer an active corporation, nor to Mr. Gustavo A. Hernandez as he has left the United States, and no forwarding address could be located.

V. CONCLUSION

There is insufficient evidence to prove or disprove the allegations due to the lack of records and witnesses. The allegations are unsubstantiated but given that MDAD has canceled AAE's permit and AAE is no longer in operation, they represent no risk to MDAD.

This investigation was conducted in accordance with the *Principles and Standards for Offices of Inspector General* as promulgated by the Association of Inspectors General.