



Memorandum



Miami-Dade County Office of the Inspector General
A State of Florida Commission on Law Enforcement Accredited Agency
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To: Honorable Carlos A. Gimenez, Mayor
Miami-Dade County

From: Patra Liu, Interim Inspector General

Date: January 6, 2014

Subject: *OIG Final Report Underreporting of Gross Revenues to the Miami-Dade Aviation Department by Johnson Service Group, Inc., Ref. IG12-31*

Attached please find the Office of the Inspector General's (OIG) final report regarding the above-captioned matter. The report, as a draft, was provided to the President of Johnson Service Group, Inc. (JSG) and to the Miami-Dade Aviation Department (MDAD) for their review and the opportunity to provide a written response. A response was received from MDAD, which is attached. No response was received from JSG.

The primary finding of this investigation is that JSG has been underreporting its gross revenues to MDAD since it began engaging in commercial activities at the airport. Moreover, this does not appear to have been corrected, as evidenced by JSG's submission of its latest (November 2013) monthly report. Based on the OIG investigation, JSG has paid MDAD over \$11,000 in permit fees owed. Additional fees, however, are also likely owed. As such, the OIG is requesting from MDAD a status report in 60 days to describe actions taken to address our recommendations. We look forward to receiving the status report on or before March 7, 2014.

Attachment

cc: Honorable Dennis C. Moss, Chairman, Transportation and Aviation Committee
and Members of the Transportation and Aviation Committee
Emilio T. Gonzalez, Director, Miami-Dade Aviation Department
Evelyn Campos, Division Director, Office of Professional Compliance, MDAD
Greg Owens, Division Director, Real Estate Management and Development, MDAD
Cathy Jackson, Director, Audit and Management Services Department
Charles Anderson, Commission Auditor
Louis A. Bertone, President, Johnson Service Group, Inc.
Darryl Dixon, Vice-President of Aviation, Johnson Service Group, Inc.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
***OIG Final Report of Investigation Re: Underreporting of Gross Revenues
to the Miami-Dade Aviation Department by Johnson Service Group, Inc.***

INTRODUCTION & SYNOPSIS

In July 2012, the Miami-Dade Aviation Department (MDAD) Office of Professional Compliance provided the Office of the Inspector General (OIG) with information concerning an MDAD permittee, Johnson Service Group, Inc., (JSG). The MDAD Office of Professional Compliance (OPC) received an allegation that JSG may have been underreporting its gross revenues to the department and, thus, underpaying MDAD the required opportunity fee in accordance with its permit to conduct commercial activities at the airport. OPC asked the OIG to assist by investigating the matter.

JSG began operating under a permit at Miami International Airport (MIA) on April 1, 2010. The Permit Agreement (an Aircraft Maintenance Services Permit Agreement) between MDAD and JSG requires JSG, as the permittee, to pay MDAD an “opportunity fee” of 3% of its gross revenues derived from its commercial activities at MIA. In accordance with the Permit Agreement, JSG agreed to observe, obey and comply with all MDAD rules and regulations, submit certified monthly and annual reports of gross revenues, and promptly remit the monthly payment of 3% of its gross revenues to MDAD Finance. The Permit Agreement was extended for one year from April 1, 2011 to March 31, 2012; thereafter, JSG operated under a month-to-month extension of the permit until December 1, 2012, when it received its new Permit Agreement from MDAD.

The OIG investigation substantiated the allegation that JSG was underreporting its gross revenues. The OIG found that JSG, for a period of over two (2) years, repeatedly and significantly underreported its gross revenues to MDAD in violation of the Permit Agreement. As a result, MDAD was deprived of over \$10,000 in opportunity fees. The OIG also found that JSG began operations at the airport in January 2010—about 90 days prior to the execution of the Permit Agreement. As such, the gross revenues earned by JSG during this timeframe were not reported to MDAD. Last, our review determined that JSG did not provide the required Certified Public Accountant (CPA) annual audit report as required by the Permit Agreement.

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 programs, accounts, records, contracts, and transactions; conduct reviews, audits, inspections, and investigations of County departments, offices, agencies, and boards; and require reports from County officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General.

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ENTITIES COVERED IN THIS REPORT

Johnson Service Group, Inc. (JSG)

According to the Florida Department of State, Division of Corporations, JSG is a foreign, for-profit Florida corporation with a principal address of 475 S. Frontage Road, Suite 103, Burr Ridge, Illinois, 60527. JSG was incorporated in Florida on November 18, 2009. Louis A. Bertone of Atlanta, Georgia is listed as President/Director, and Dale W. Slater of Burr Ridge, Illinois is listed as Director/Secretary/Treasurer. JSG is also actively incorporated in the states of Georgia, Illinois and Delaware. JSG provides, in part, employee leasing services to companies in the aviation maintenance industry.

AAR Aircraft Services, Inc. (AAR)

According to the Florida Department of State, Division of Corporations, AAR is a foreign, for-profit Florida corporation with a principal address of 1100 N. Wood Dale Road, Wood Dale, Illinois 60191. AAR was incorporated in Florida on December 24, 2009. Among the services AAR provides is the maintenance, repair and overhaul of commercial airplanes. AAR operates at MIA from a hangar (MDAD Building 850) located at 5300 NW 36th Street, Miami, Florida 33122. AAR is a customer of JSG. AAR pays JSG for the services (in the form of staffing) that JSG provides.

RELEVANT GOVERNING AUTHORITIES

Persons or firms desiring to conduct private business on County property are governed by Section 21-29.1 of the Code of Miami-Dade County (County Code) and Administrative Order (A.O.) No. 8-5. They require persons or firms to first obtain a permit, concession, lease, or other written authorization from the Board of County Commissioners. The persons or firms shall make application to the department director who is responsible for the property of interest. Permits are issued for a specific time period, not to exceed one year in duration. They are non-transferable and may be revoked at any time at the discretion of the department director.

Permits authorizing commercial activities at MIA require that the permittee pay MDAD a Percentage Fee or Opportunity Fee based on a percentage of the permittee's gross revenues earned from its MIA activities. This payment must be submitted on a monthly basis, accompanied by a certified report attesting to the entity's gross revenues for the month. This report must be filed by the 10th calendar day of the following month. Permittees are also required to submit a certified annual report of monthly gross revenues within 90 days following the end of each 12 months of the permit.

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INVESTIGATION

This investigation was predicated on MDAD's expressed concern to the OIG that JSG may have been underreporting its gross revenues. Our investigation comprised of reviewing the submitted monthly finance reports and comparing that information to financial records obtained directly from JSG and AAR via subpoena. Interviews were also conducted with managers from AAR, JSG, and the MDAD Finance Department and MDAD Properties Division.

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

JSG's Commercial Activity at MIA

On the effective date of April 1, 2010, JSG entered into a Permit Agreement with MDAD. (Exhibit 1) The Permit Agreement authorizes JSG to provide the following services:

Aircraft maintenance services for AAR Aircraft Services at Miami International Airport. Maintenance services to be performed at AAR Aircraft Services leasehold only.

For the right and privilege to engage in commercial activities at MDAD, JSG agreed to observe, obey and comply with all rules and regulations contained in Chapter 25 of the Code of Miami-Dade County, and agreed to pay MDAD an Opportunity Fee in the amount of 3% of all gross revenues arising from its commercial activities at MDAD.¹ The Permit Agreement was extended for one year from April 1, 2011 to March 31, 2012. JSG operated on a month-to-month extension of the permit from April 2012 to November 30, 2012, and then received a new Permit Agreement from MDAD, effective December 1, 2012 through November 30, 2013. The current Permit Agreement is eligible for a one-year extension.

On December 15, 2009, a few months before receiving its permit, JSG entered into a contract with AAR to provide technical and engineering staffing to AAR's MIA hangar operation. (Exhibit 2) Under the terms of the contract, JSG provides

¹Gross revenues, as defined by the Permit Agreement, refers to the "total amount of money or other consideration charged for or received by the Permittee for (a) all services rendered, (b) all sales made, or (c) all transactions engaged in under the authority of this permit...." The permit language further stipulates that the term "gross revenues is intended to be all encompassing and is intended to apply to the fullest extent of the money or consideration charged by or received by the Permittee for its activities under this Permit...."

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employees to AAR that work on airplane maintenance and repairs under AAR's supervision. JSG bills AAR a flat, all-inclusive, hourly rate for each person it provides. The workers are JSG employees and each is paid by JSG based on individual employment terms that it has with each employee.

JSG invoices AAR on a weekly basis. The invoice prepared by JSG lists the employee's name, rate, number of hours (either as straight time or overtime), and the extended cost. The hourly rates gleaned from the invoices were typically \$28 or \$31. The rate billed to AAR is fully inclusive of JSG's payroll burden, overhead and profit.

Monthly Report of Gross Revenues

The Permit Agreement between JSG and MDAD requires JSG to submit a monthly report of its commercial activities.² The monthly report, which is an MDAD-prepared document template, contains two columns with the headings: LIST OF CUSTOMERS and AMOUNT. JSG fills in the information (customer names and amounts received as revenue) totals the dollar amount, computes the 3% fee, and certifies at the bottom of the page that the information is true and correct. (See Exhibit 3 composite for four monthly reports submitted by JSG.)³

JSG did not report its gross revenues received from AAR. It instead listed the employees that it was providing to AAR as "customers" and stated the amounts paid to the worker for the reported period. JSG has only one client at MIA and that one client—as listed on its permit—is AAR. The "AMOUNT" that should be listed is a revenue amount—not the amount that JSG pays its workers. Just one glance at the monthly report confirms that it is inaccurate. In fact, every one of its monthly reports is wrong.⁴

Moreover, even if JSG mistakenly reported its employees' payroll amounts instead of its AAR invoiced amounts, they were still wrong. OIG Special Agents compared the amounts listed for each employee on its monthly reports to JSG payroll records and determined that the amounts reported were still less than the actual amounts paid. Thus, either way, JSG underreported its gross revenues to MDAD.

² These reports are due by the 10th calendar day of the month.

³ The OIG selected two monthly reports from 2010 and two monthly reports from 2013 to demonstrate that JSG has consistently provided inaccurate information on its monthly reports.

⁴ Separate and apart from JSG's blatant underreporting of its gross revenues from AAR is MDAD's failure to catch these obvious reporting flaws on JSG's part. A comparison of the monthly reports to the permit's stated services, i.e., "maintenance services for AAR," would have revealed JSG's reporting errors.

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OIG Determination of Underreported Amounts

The OIG obtained the monthly and annual reports of gross revenues submitted to MDAD, for the period beginning April 2010 through September 2012, and compared these amounts against financial and payroll records obtained pursuant to OIG subpoena. We obtained JSG's payroll and accounts receivable records, and copies of invoices billed to AAR. From AAR, we received corroborating records of the invoices they received from JSG and the amounts paid. Our reconciliation of the reported amounts to the actual amounts shows that MDAD is owed \$10,342 (see OIG Table 1 below).

Table 1: Gross Revenues - Reported vs. Received (April 2010 – September 2012)

Month/Year	JSG Gross Revenues Reported to MDAD	Actual Gross Revenues Received by JSG	Amount Under-reported	Additional Fee Due to MDAD
April 2010	0	\$ 1,457.12	\$ 1,457.12	\$ 43.71
May 2010	0	\$ 1,557.08	\$ 1,557.08	\$ 46.71
June 2010	0	\$ 1,810.20	\$ 1,810.20	\$ 54.31
July 2010	0	\$ -	\$ -	\$ -
August 2010	0	\$ 2,504.04	\$ 2,504.04	\$ 75.12
September 2010	0	\$ 1,449.56	\$ 1,449.56	\$ 43.49
October 2010	\$ 14,264.26	\$ 12,776.12	\$ (1,488.14)	\$ (44.64)
November 2010	\$ 19,015.98	\$ 13,147.12	\$ (5,868.86)	\$ (176.07)
December 2010	\$ 11,565.42	\$ 48,768.21	\$ 37,202.79	\$ 1,116.08
January 2011	\$ 15,249.64	\$ 30,436.00	\$ 15,186.36	\$ 455.59
February 2011	\$ 23,314.75	\$ -	\$ (23,314.75)	\$ (699.44)
March 2011	\$ 22,094.14	\$ 78,047.94	\$ 55,953.80	\$ 1,678.61
April 2011	\$ 28,444.09	\$ 83,801.34	\$ 55,357.25	\$ 1,660.72
May 2011	\$ 23,546.42	\$ 30,278.90	\$ 6,732.48	\$ 201.97
June 2011	\$ 9,177.06	\$ 66,915.21	\$ 57,738.15	\$ 1,732.14
July 2011	\$ 1,164.25	\$ 21,827.75	\$ 20,663.50	\$ 619.91
August 2011	\$ 19,564.45	\$ 132.06	\$ (19,432.39)	\$ (582.97)
September 2011	\$ 21,206.49	\$ 31,938.59	\$ 10,732.10	\$ 321.96
October 2011	\$ 24,684.46	\$ 48,423.99	\$ 23,739.53	\$ 712.19
November 2011	\$ 24,055.11	\$ 16,585.73	\$ (7,469.38)	\$ (224.08)
December 2011	\$ 23,041.61	\$ 63,011.75	\$ 39,970.14	\$ 1,199.10
January 2012	\$ 23,519.14	\$ 38,718.51	\$ 15,199.37	\$ 455.98
February 2012	\$ 20,705.64	\$ 11,762.93	\$ (8,942.71)	\$ (268.28)
March 2012	\$ 19,010.94	\$ 57,472.65	\$ 38,461.71	\$ 1,153.85
April 2012	\$ 16,817.92	\$ 30,423.82	\$ 13,605.90	\$ 408.18
May 2012	\$ 13,260.78	\$ 13,467.26	\$ 206.48	\$ 6.19
June 2012	\$ 19,267.40	\$ 23,183.21	\$ 3,915.81	\$ 117.47

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Month/Year	JSG Gross Revenues Reported to MDAD	Actual Gross Revenues Received by JSG	Amount Under-reported	Additional Fee Due to MDAD
July 2012	\$ 16,644.88	\$ 11,848.90	\$ (4,795.98)	\$ (143.88)
August 2012	\$ 13,494.78	\$ 24,575.34	\$ 11080.46	\$ 332.41
September 2012	\$ 11,966.36	\$ 13,494.88	\$ 1,528.52	\$ 45.86
Totals	\$435,075.97	\$ 779,816.21	\$ 344,740.24	\$ 10,342.20

Conducting Business at MIA Prior to Approval of Permit Agreement

Miami-Dade County A.O. No. 8-5, *Permission to Conduct Private Business on Public Property*, Section 21.29-1 of the County Code, as well as MDAD Operational Directive 99-01, *Permit Agreements to Conduct Commercial Activity at Miami-Dade County Airports*, prohibit commercial activity on MDAD properties without a permit.⁵ The OIG’s review of JSG invoices and AAR payments revealed that JSG began leasing employees to AAR in mid-January 2010, almost 3 months prior to the approval of the Permit Agreement. Records obtained from both AAR and JSG reflect that between March 1, 2010 and March 19, 2010, JSG received \$23,895 from AAR as compensation for aircraft maintenance leased employees. If JSG had reported the receipt of this gross revenue to MDAD, it would have been required to remit the 3% opportunity fee of \$717, which it didn’t.

Annual Certification Report

The Permit Agreement also requires JSG to submit to MDAD an Annual Certification Report and Schedule of Monthly Gross Revenues within 90 days following the end of each 12-month permit period. If the annual monthly gross revenues exceed \$250,000 for the 12-month period, then JSG is required to submit a certified report prepared and attested to by a Certified Public Accountant (CPA). If the annual gross revenues are less than \$250,000, JSG is permitted to—without audit—have a corporate officer submit an annual report of gross revenues, certified by a notary public, subject to the provisions of Chapter 837.012, Florida Statutes.

For the period reviewed by the OIG, JSG submitted two annual reports for the 12-months ended March 2011 and March 2012. (See Exhibit 4 composite for the two annual reports.⁶) These reports, both certified by JSG corporate officers, significantly underreported JSG’s gross revenues received from AAR. For the second of the two 12-month periods, JSG reported gross revenues of \$247,194,

⁵ Exempt commercial activities that do not require a permit are detailed in MDAD Operational Directive No. 99-01, III (G). JSG’s employee leasing activity is not an exempt commercial activity.

⁶ JSG also submitted an annual report for the 12-month period ended March 2013.

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when, in fact, JSG's gross revenues were \$470,869. By falsely reporting that its gross revenues were under \$250,000, JSG avoided the CPA audit requirement, and was instead allowed to provide a much more simple report attested to by one of its corporate officers.

Interview of JSG Vice President of Aviation, Darryl Dixon

On March 1, 2013, OIG Special Agents interviewed Mr. Darryl Dixon, JSG Vice President of Aviation, via telephone at 770-317-1840. During the course of the interview, Mr. Dixon stated that he has been with JSG for about 4 years and he works from the Atlanta office. Mr. Dixon advised that his areas of responsibility include sales, account management, and recruitment.

Mr. Dixon explained his understanding of "gross revenues" to mean all of the money JSG invoiced and received from AAR without any deductions. Mr. Dixon stated that there were three former employees responsible for calculating JSG's Opportunity Fee. He stated that these former employees would receive printouts from corporate every pay period that would list the contract employees' hours, rate of pay, overtime, etc. The applicable data would then be transferred by these employees to the monthly reporting form. These numbers would then be added up and multiplied by 3% to arrive at the monthly opportunity fee due to MDAD. Mr. Dixon advised that JSG was experiencing a high rate of turnover at this time, and stated that on several occasions he, himself, completed the monthly report forms in the same manner as described above. Mr. Dixon stated that he was and is still the JSG employee responsible for certifying JSG's monthly and annual gross revenue reports to MDAD.⁷

Mr. Dixon was advised that the OIG determined the amounts that JSG received from AAR as "gross revenue" and that they were significantly more than the amounts that JSG reported to MDAD. Mr. Dixon opined that the person calculating the amount may have used figures from the wrong column. When advised that the computations were done for two consecutive years and consistent underreporting was found for almost every month, Mr. Dixon expressed shocked. Mr. Dixon stated he is responsible for any underreporting of JSG's gross revenues as he signed off on the reports. Mr. Dixon apologized for any underpayment and offered to "make it right."

⁷ The Annual Certification and Schedule of Monthly Gross Revenues submitted to MDAD on August 7, 2012, for the period beginning April 2011 and ending March 2012 was certified by JSG President Louis Bertone. All other monthly and annual reports of gross revenue were certified by Darryl Dixon.

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RESPONSES TO THE DRAFT REPORT

This report, as a draft, was provided to Louis Bertone and Darryl Dixon, President and Vice-President of JSG, and to MDAD for their review and provision of discretionary responses. The OIG received a response from MDAD (Appendix A-1) that concurred with all four of the OIG's recommendations (see below). We did not receive a response from JSG.

CONCLUSION, RECOMMENDATIONS & SUBSEQUENT EVENTS

The allegation that JSG was underreporting its gross revenues to MDAD is substantiated. The OIG's investigation revealed that between April 2010 and September 2012, JSG underreported its actual gross revenues by \$344,740 and, as such, owes MDAD **\$10,342**. In addition, JSG also failed to report \$23,895 in gross revenues it received from AAR prior to the effective date of its Permit Agreement. As such, JSG owes an additional **\$717** to MDAD.

We recommend that MDAD:

1. Immediately seek collection of these amounts plus any fines or penalties.
MDAD sent a collection letter dated 11/22/13 to Mr. Louis Bertone, President of JSG, requesting the immediate payment of \$11,059 (Appendix A-2). Payment was received on or about 11/26/13 (Appendix B-1).
2. Require JSG to submit CPA certified audits.
Pending – The above-mentioned MDAD letter requested this report from JSG no later than February 28, 2014.
3. Determine the true amounts owed for the period October 2012 through the present, and collect any additional amounts owed.
Pending – MDAD responded to the OIG that it “has requested immediate payment of any percentage fees owed as the result of the report of the Independent Certified Public Accountant.”
4. Consider taking any other appropriate actions with regard to JSG's permit for its failure to comply with the terms, conditions and covenants described therein, including, but not limited to, requiring JSG to change how it reports revenues received from its customers.
MDAD in its 11/22/13 letter instructed JSG to “[c]orrect monthly reporting deficiencies as identified by the OIG by completing the monthly report to reflect the name of customers serviced by Johnson Service Group and the total gross revenues earned from these customers.”

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As to this last recommendation, the OIG observes that along with remitting a check for \$11,059, JSG also sent in its *Monthly Gross Revenue Report* for the month of November 2013 (Appendix B-2), and a corresponding check payment for the 3% opportunity fee (Appendix B-3). Just one glance at the November report exposes that it is still wrong. First, the monthly report was signed and sent in before the month was over. Second, the November 2013 report continues to list its employees as “customers.” The amount earned (i.e., revenue) from its customer—AAR Aircraft Services, Inc.—is not listed.

On the one hand, JSG deftly and swiftly acknowledged that it underreported—and thus underpaid MDAD—when it remitted a check for \$11,059 just days after receiving the OIG’s draft report and MDAD’s demand letter. On the other hand, none of the reporting deficiencies were corrected. We believe that MDAD should consider its options to ensure compliance, including imposing sanctions and/or revoking JSG’s permit.

The OIG requests to be provided with a status report in 60 days regarding these remaining issues. We look forward to receiving this report on or before March 7, 2014. Lastly, the OIG would like to thank MDAD’s Office of Professional Compliance and MDAD’s Real Estate Management and Development Division for their collaboration and cooperation in this investigation.

**Miami-Dade County
Office of the Inspector General**

Exhibit 1

**Permit Agreement between MDAD and Johnson Service Group, Inc.
Effective April 1, 2012
(20 pages)**

**OIG Report of Investigation
IG12-31**

Permit No.: PC-005610
Cust. No.: JOHE66
Doc. Name: JOHE5610PMT

MIAMI-DADE COUNTY, FLORIDA

Aviation Department
Miami International Airport

AIRCRAFT MAINTENANCE SERVICES PERMIT AGREEMENT

Issued to: **JOHNSON SERVICE GROUP, INC.**
(Permittee) **6000 Lake Forest Drive, Suite 120**
Atlanta, GA 30328

Effective Date: **April 1, 2010**

The holder of this Permit is granted a nonexclusive privilege by Miami-Dade County's Aviation Department ("MDAD") under authority of Miami-Dade County's Administrative Order No. 8-5 to enter onto Miami International Airport ("Airport") to provide the following services:

Aircraft maintenance services for AAR Aircraft Services at Miami International Airport. Maintenance services to be performed at AAR Aircraft Services leasehold only. (Refer to attached Exhibit B).

AOA access is authorized for personnel only.

This Permit shall be for a term of month-to-month not to exceed one year from the effective date shown above and may be extended at the discretion of MDAD for up to an additional year or portion thereof to the extent permitted by Administrative Order 8-5 or other provisions of law. This Permit may be cancelled by either party upon not less than fifteen (15) days written notice. In addition, the Permit is valid only for so long as a Permittee has a current contract or contracts with its customers under which the Permittee will be providing goods or services to its Airport customers. MDAD shall have the right to terminate the Permit upon determining that the Permittee no longer has any contracts for providing goods or services to an Airport customer for which this Permit was required. Termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of termination.

This Permit is issued subject to the following Terms and Conditions attached hereto, consisting of pages 3 through 19, Exhibit A and Exhibit B.

**BOARD OF COUNTY COMMISSIONERS
OF MIAMI-DADE COUNTY FLORIDA**

Date: 1/21/10

By: [Signature]
Aviation Director

The Permittee hereby accepts this Permit and agrees to abide by all provisions hereof.

JOHNSON SERVICE GROUP, INC.

Date: 1/25/2010

By: [Signature]
President

LOUIS A. BERTONE
Print Name

Approved for form
and legal sufficiency

Attest:

[Signature]
Corporate Secretary

DALE W. SLATER
Print Name

(Corporate Seal)

MSH
Mercedes Holston
Assistant County Attorney

PCB

TERMS AND CONDITIONS

A. General:

1. Authority to Conduct Business on the Airport: This Permit allows the Permittee to conduct certain commercial activities on a particular Airport owned and operated by Miami-Dade County. Such Airport is identified on page one of the Permit, and these Terms and Conditions apply to the Permittee's activities on the entirety of the Airport. The "entirety of the Airport" refers to all of the property described on the Airport Layout Plan for the Airport (the "ALP"). The term "Airport" includes all of the buildings and facilities located on the grounds of the Airport as defined in the ALP, whether occupied or constructed by private companies or MDAD, and includes all unimproved areas of the Airport. The Airport consists of secured areas where SIDA badges (Security Identification Display Area badges) are required. It also consists of non-secured areas open to the public, including grassed lands, roads, and parking areas.

2. Compliance With Rules and Regulations: The Permittee shall observe, obey and comply with all ordinances of Miami-Dade County, Florida ("County"), including (a) the Rules and Regulations of Miami-Dade County's Aviation Department ("MDAD") contained in Chapter 25, Code of Miami-Dade County, Florida (the "Code"), (b) the Living Wage Ordinance contained in Section 2-8.9 if the Code, as the same may be amended from time to time, (c) operational directives issued under the Code, and (d) all other laws, statutes, ordinances, regulations and rules of the Federal, State and County governments, and any and all plans and programs developed in compliance therewith which may be applicable to its operations under this Permit.

3. Permittee's Permits and Licenses: The Permittee shall obtain and maintain in a current condition all federal, state, and local permits and licenses required for its operations hereunder and shall pay all taxes and license fees and excises which may be assessed, levied, exacted or imposed on such operations and shall make all applications, reports and returns required in connection therewith. Such permits and licenses may include, but not be limited to, Certificates of Use, Certificates of Occupancy, and any operating permits required by the County's Department of Environmental Resources Management ("DERM"). Upon request from MDAD, the Permittee shall provide MDAD and all others designated by MDAD with copies of any and all permits and licenses, applications therefor, and reports required in connection therewith.

4. Permittee Not to Discriminate: The Permittee, in exercising any of the rights, or privileges herein granted, shall not on the grounds of age, race,

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color, sex, religion, national origin, ancestry, or disability, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of Title 49 of the Code of Federal Regulations issued by the Office of the U.S. Secretary of Transportation, the Americans with Disabilities Act, or any other applicable federal, state, and county laws, rules, and regulations. The County shall have the right to take such actions as any agency of the United States Government or any court of competent jurisdiction may direct, to enforce this nondiscrimination covenant.

5. Indemnification: The Permittee shall defend, indemnify and hold the County and its officers, employees, agents, and instrumentalities free and harmless from any and all claims, liability, losses or damages, including attorneys fees, costs of defense, and appellate costs, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to, or resulting from the actions of, or the negligence, negligent performance, or willful misconduct of the Permittee its employees, agents, servants, partners, principals, contractors, invitees, or customers. The Permittee shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or action of any kind or nature in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments and attorneys fees which may issue thereon. The Permittee expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Permittee shall in no way limit its responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as herein provided.
6. Payment of Penalties and Fines: The Permittee agrees to pay on behalf of the County any penalty, assessment, or fine, issued against the County, and to defend, or to compromise, in the name of the County any claim, assessment, or civil action, which may be presented or initiated by any agency or officer of the federal, state, or county governments, based in whole or substantial part upon a claim or allegation that the Permittee, its employees, agents, servants, partners, principals, contractors, invitees or customers, have violated any law, ordinance, rule, regulation, or directive described in Section A. 2 hereof or otherwise applicable to Permittee's operations hereunder, or any plan or program developed in compliance therewith.
7. Assignment and Transfer: The rights and privileges granted to the Permittee hereunder shall be exercised only by the Permittee, through its officers, partners and employees, and not by or through any other person, corporation, or legal entity. This Permit is not assignable or transferable by the Permittee in whole or in part to any other person, corporation or legal

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entity. No portion of the commercial activity allowed under this Permit shall be subcontracted unless MDAD has specifically approved such subcontract in writing; provided, however, MDAD reserves the right to allow General Aeronautical Service Permittees to subcontract portions of their work to subcontractors selected from the list of local disadvantaged businesses maintained by the County's Department of Business Development. The provisions of Section C.5 below shall apply to all subcontracted work approved by MDAD.

8. Liability for Damaged Facilities: The Permittee shall be financially responsible for the repair or replacement of any property of the County damaged by the Permittee's operations hereunder, including damage or destruction through the acts or negligent acts of its employees, agents, servants, partners, principals, contractors, invitees, or customers, except for normal wear and tear of any facility or item of infrastructure permitted to be used by Permittee in the normal scope of Permittee's actions hereunder. The Permittee shall notify the Department as to any damage to Airport property caused by Permittee or such other named parties and such damage shall be repaired either by the Permittee under the direction of MDAD or by MDAD itself, with MDAD having the right to determine which party shall make the repair and with Permittee being responsible for reimbursement to MDAD of the cost of any such repair being made by MDAD, plus 25% of such costs as reimbursement for MDAD's administrative costs associated with such repair, upon Permittee's receipt of MDAD's billing for such costs.
9. Signs and Posters: No signs, posters, or advertising devices shall be erected, displayed or maintained by the Permittee on any facility used by Permittee on the Airport or on Permittee's equipment or vehicles used on the Airport, without the written approval of MDAD, and any signs, posters, or advertising devices not approved by MDAD, may be removed by MDAD at the expense of the Permittee. The Permittee shall, for identification purposes as opposed to advertising purposes, place its standard corporate identification on all of its equipment and vehicles operating on the Airport.
10. Default Termination: In addition to either party's right to terminate this Permit without cause on not less than fifteen (15) days' written notice, as set forth on Page 1 of this Permit, the Department shall have the right, upon not less than 15 calendar days written notice to the Permittee, to terminate this Permit if the Permittee fails to comply with any of the terms, conditions and covenants of this Permit, unless the default shall have been cured within the notice period. Permittee acknowledges and agrees that MDAD may, but specifically is not required to, hold a hearing prior to any such termination and that the terms of MDAD's Operational

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Directive 99-01, as amended from time to time, shall apply to this Permittee in all respects, except where specifically provided otherwise in this Permit.

11. No-Activity Termination: The Department shall have the right, upon not less than 15 calendar days written notice to the Permittee, to terminate this Permit if Permittee has not engaged in any activity hereunder for ninety days or more, or if Permittee has failed to file the Monthly Gross Revenues Report required under Section D.1 of this Permit.
12. Permittee Rights; No Agency: This Permit does not grant the Permittee any rights to vehicle parking, equipment storage space, or any other rights in or for any land or space on the Airport, except as provided under Section F.3 hereof, as to Permittee's right to common use facilities and ingress and egress, nor does this Permit constitute the Permittee as the agent, partner, joint venturer, or representative of the County for any purpose whatsoever.

B. Insurance:

1. Insurance Requirement: In addition to such insurance as may be required by law, the Permittee shall obtain and maintain during the term of this Permit the following insurance:
 - (a) Commercial General Liability Insurance: On a comprehensive basis, including Contractual Liability, products, and completed operations in an amount not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage. Miami-Dade County must be included as an Additional Insured with respect to this coverage.
 - (b) Automobile Liability Insurance: Automobile Liability Insurance, covering all owned, non-owned, and hired vehicles used by the Permittee in connection with its operations under this Permit in an amount not less than:
 1. \$5,000,000 combined single limit per occurrence for bodily injury and property damage covering vehicles when being used by the Permittee on the Air Operations Area ("AOA") of the Airport.
 2. \$300,000 combined single limit per occurrence for bodily injury and property damage covering vehicles when being used by the Permittee off of the AOA.
2. Quality of Insurance Company: The insurance coverages required herein shall include those classifications as listed in the Standard Liability Insurance Manuals, that most nearly reflect the operations of the Permittee under this Permit. All insurance policies required herein shall be

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issued by companies authorized to do business under the Laws of the State of Florida. The companies must be rated no less than "A-" as to Management, and no less than "VII" as to strength in accordance with the latest edition of "Best's Insurance Guide", published by A.M. Best Company, Inc., or its equivalent as approved by MDAD's Risk Management Division.

3. Certificates of Insurance: Prior to the commencement of operations hereunder, and annually thereafter, the Permittee shall furnish certificates of insurance to clearly indicate (1) that the Permittee has obtained insurance in the type, amount and classifications as required for strict compliance with this Section; (2) that any material change or cancellation of the insurance shall not be effective without thirty days prior written notice to MDAD and the County; and (3) that the County is named as an Additional Insured with respect to the Commercial General Liability Coverage.
4. Additional Insurance: The County reserves the right to require the Permittee to provide such reasonably amended insurance coverage or such additional types of insurance coverage as MDAD deems necessary or desirable from time to time during the term of this Permit. Upon MDAD's issuance of notice in writing to the Permittee regarding such amended or additional insurance coverage requirements, such requirements shall automatically amend the insurance requirements of this Permit as of the effective date stated in such notice.
5. Insurance Not a Limitation on Liability: Compliance with the foregoing requirements shall not relieve the Permittee of its liability under any other portion of this Permit or as may be provided by law.

C. Fees and Payments:

1. Opportunity Fee: As a condition to allowing the Permittee the right and privilege of engaging in commercial activities either on the Airport or on the portions of the Airport as defined on page 1 of this Permit, or both, the Permittee shall pay MDAD an Opportunity Fee in the amount of **THREE PERCENT (3.0%)** of all Gross Revenues arising from the operation of Permittee's commercial activities either (a) on the Airport grounds or in the facilities located on the Airport in which Permittee is allowed to conduct its business hereunder, or (b) outside of the Airport grounds if this Permit to operate at the Airport is a requirement for Permittee's commercial activities or business outside of the Airport grounds or is made possible by the Permittee's commercial activities or business on the Airport grounds as allowed by this Permit.

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2. **Other Fees:** In addition to the Opportunity Fee of 3% payable to MDAD under Section C.1, Permittee shall pay MDAD all other service or facility charges that may be established by the County from time to time and are applicable to Permittee's commercial operations hereunder.

3. **Gross Revenues:** The term "Gross Revenues," as used in this Permit, refers to the total amount of money or other consideration charged for or received by the Permittee for (a) all services rendered, (b) all sales made, or (c) all transactions engaged in under the authority of this Permit, and in the case of (a), (b), or (c), such services, sales, or transactions resulted from, or were facilitated by, the activities of the Permittee under this Permit, whether such activities were on the Airport grounds or off the Airport grounds under the conditions set forth in Section C(1) above. The following shall apply to the definition of "Gross Revenues":
 - (a) The term "Gross Revenues" is intended to be all-encompassing and is intended to apply to the fullest extent of the money or consideration charged by or received by the Permittee for its activities under this Permit or as facilitated by this Permit, and includes, but specifically is not limited to:
 - I. Fees and charges imposed by Permittee upon its customers;
 - II. Opportunity or percentage fees collected by the Permittee from its customers, including any "pass-through" charges to a customer by which the Permittee recovers from the customer the 3% Opportunity Fee, or any portion thereof, payable by the Permittee to MDAD under Section C.1 above;
 - III. Any money or consideration charged to a customer or received by the Permittee from a customer, whether on a cash or credit basis and whether such money or other consideration is actually paid to or is unpaid to the Permittee, with the Permittee being required to pay MDAD the 3% Opportunity Fee on any uncollected charges to Permittee's customers; and
 - (b) If the Permittee does not charge a customer a cash amount or an amount of stated consideration if other than cash, or if MDAD determines that the amount or consideration charged by a Permittee does not reflect the reasonable value of the services provided by the Permittee, MDAD shall have the right to impute a value for Permittee's services under this Permit and recover from the Permittee 3% of such imputed value.

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4. **Exclusion from Gross Revenues:** The only amounts of money or other forms of consideration that are excluded from the all-encompassing concept of "Gross Revenues" are taxes imposed by law which are separately stated to and paid by a customer and directly payable by the Permittee to a taxing authority, and revenues from Bankrupt Airlines to the extent set forth in D.2 below, provided Permittee complies with the reporting obligation set forth in D.2 below.
5. **Subcontracted work:** If the Permittee is allowed by MDAD in writing under Paragraph A.7 to subcontract its work permitted hereunder to a subcontractor, the following shall apply:
 - (a) The subcontractor must perform the work under its own Permit separately obtained from MDAD to conduct such activities on the Airport;
 - (b) The Permittee shall be liable for payment of the 3% Opportunity Fee on the entirety of the money or consideration charged by the Permittee to the customer who was serviced by such subcontractor;
 - (c) The Permittee must identify to MDAD the names of the subcontractor and the nature of the work the subcontractor will be performing, including the names of all customers to be serviced by such subcontractor;
 - (d) The subcontractor under its separate Permit shall be required to pay MDAD the 3% Opportunity Fee on the amount the subcontractor receives from the Permittee in payment for the subcontractor's work unless the subcontractor has (1) separately identified its subcontracting activities to MDAD on the "Monthly Gross Revenues Report" required to be filed under Section D.1 below, (2) identified each customer serviced by the subcontractor, and (3) provided to MDAD the information relating thereto as required by MDAD from time to time on the "Monthly Gross Revenues Report";
 - (e) As noted in (d) above, if the subcontractor fails to obtain its own Permit or fails to make the identification and provide such information as required in (d), the subcontractor shall be liable for payment of the 3% Opportunity Fee on the amount received by the subcontractor from the Permittee hereunder in payment for the subcontractor's work for the Permittee; and
 - (f) If Permittee fails to identify the name of a subcontractor and provide the information required in 5(c) above, such failure constitutes a material breach of this Permit that will entitle MDAD to terminate the Permit immediately.

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6. Payment Security: Prior to the commencement of this Permit, the Permittee shall provide the County with a cash deposit, an irrevocable letter of credit, or other form of security acceptable to MDAD and so endorsed as to be readily negotiable by the County, as security for the payments required hereunder, in the amount of not less than \$1,000.00, or such other amount as may be directed from time to time by MDAD, plus any applicable State sales taxes applicable to the security deposit as may be required by law. Following the commencement of commercial activities hereunder, the amount of such payment security may be increased annually or periodically as MDAD determines, to an amount equal to three times the average monthly payment made by the Permittee in the prior year or in the prior period. Such payment security, as adjusted from time to time, shall be kept in full force throughout the term of this Permit. MDAD may draw upon such payment security cash or instrument if the Permittee fails to pay the fees and charges required to be paid under this Permit within the time or times required herein for such payment.
7. Late Payment: In the event the Permittee fails to make any payments, as required to be paid under the provisions of this Permit, within ten (10) calendar days after same shall become due, interest at the rates established from time to time by the Board of County Commissioners (currently set at 1 ½% per month), shall accrue against all such delinquent payment(s) from the original due date (and not from the end of any grace period) until the Department receives payment.
8. Penalty for No Monthly Report: In the event the Permittee fails to submit the monthly report required under Section D.1 below by the tenth (10th) calendar day of the following month, a penalty fee of Fifty Dollars (\$50.00) per day for each calendar day following the report due date until the report is received by MDAD shall be imposed, up to a maximum of Seven Hundred Fifty dollars (\$750.00) per violation.
9. Interest and Penalty Fees Not a Waiver: The right of the Department to require payment of such interest and penalty fees and the obligation of the Permittee to pay same shall be in addition to and not in lieu of the County's rights to enforce other provisions herein, including termination of this Permit, or to pursue other remedies provide by law.
10. Dishonored Check or Draft: In the event that the Permittee delivers a dishonored check or draft to the County in payment of any obligation arising under this Agreement, the Permittee shall incur and pay a service fee of TWENTY-FIVE DOLLARS, if the face value of the dishonored check or draft is \$50.00 or less; THIRTY DOLLARS, if the face value of the dishonored check or draft is \$50.00 and less than \$300.00; and the greater of FORTY DOLLARS, if the face value of the dishonored check or draft is \$300.00 or more, or Five Percent of the face value of such dishonored check or draft. Further, in such event, the Department may require that future payments required pursuant to this Agreement be made

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by cashiers check or other means acceptable to the Department.

11. Payment Address: The Permittee shall pay and/or submit all reports and fees required to be paid under this Permit to the following address:

Miami-Dade County Aviation Department
Finance Division
P.O. Box 526624
Miami, Florida 33152-6624

D. Reports:

1. Monthly Gross Revenues Report: The Permittee shall submit a Monthly Gross Revenues Report (see Exhibit A hereto) accurately reflecting all Gross Revenues and a listing of all customers for the month, by the 10th calendar day of the month following the month in which the services were performed and the Gross Revenues for such services were received or accrued. Such reports shall be signed and attested to by a corporate officer or other authorized representative of the Permittee. The Opportunity Fee due to MDAD under Section C.1 shall be remitted together with this report, either by check drawn on a local bank or in cash. Failure of the Permittee to accurately reflect Gross Revenues on the Monthly Report, or failure to remit the Opportunity Fee in the correct amount along with the Monthly Report, shall result in the automatic termination of this Permit. In the event that there are no Gross Revenues from any month, the Permittee shall submit a report stating such fact.
2. Exception for Fees Due from Bankrupt Airlines: The Permittee may retroactively adjust the previously reported Monthly Gross Revenues Report to reflect the uncollected portion of amounts owed to Permittee but not collectible from an airline customer that has filed for bankruptcy, provided that such adjustment be separately noted on the Monthly Report required by Section D. 1 hereof and supported by legible copies of the "Notice to Creditors" received by the Permittee from the U. S. Bankruptcy Court, with a case number, and the "Proof of Claim" filed by the Permittee in the U. S. Bankruptcy Court, with applicable documentation. The Permittee must obtain a stamped copy of the Proof of Claim filed by the Permittee in the airline's bankruptcy proceeding, showing the Bankruptcy Court in which the Proof of Claim was filed and the date of the filing.
3. Annual Special Report Audit Required: The Permittee shall, within 90 days following the end of each 12 months of this Permit, submit to the

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Department a certified report, prepared and attested to by an independent Certified Public Accountant, as to the correct Gross Revenues per month and for the year for the Permittee's operations under this Permit. Said report shall be prepared in accordance with the American Institute of Certified Public Accountants' requirements for special reports. The first such report shall contain 12 full calendar months of operation under the percentage formula and any fraction of the first month. The last such report shall include the last day of operation. MDAD may, upon request of the Permittee, allow the Permittee in the first year of Permittee's operations to provide an audit for that portion of the year reflecting the Permittee's fiscal year.

4. Waiver of Annual Audit: Notwithstanding the provisions of Section D.3 above, if the annual Gross Revenues of the Permittee for any year of this Permit are less than \$250,000, the Permittee may, without audit, certify its Gross Revenues for such year to the Department. Such certification shall be in a form specified or approved by the Department, shall be executed before a notary public, commissioned in the State of Florida, subject to the provisions of Chapter 837.012, Florida Statutes, by a corporate officer of the Permittee. If it is determined by the Department as a result of an audit or inspection of the Permittee's books and records, that the Permittee has understated its Gross Revenues and that the corporate officers certification was therefore a false oath, such shall be considered an uncorrectable default hereunder, pursuant to which the Department may terminate this Permit and assess a 50% surcharge on the percentage fees due on the understated portion of the Gross Revenues. In addition, the Department may seek its remedies under the County's False Claims ordinance or else file charges for the false oath, pursuant to Chapter 837.012 Florida Statutes, and the annual audit waiver pursuant to the provisions of this Section D.3 shall no longer be applicable for the remaining terms of this Permit or any subsequent agreement between the County and the Permittee.

E. Accounting Records:

1. Maintenance of Records: The Permittee shall keep and maintain during the term of this Permit all books of account and records customarily used in this type of operation, in accordance with generally accepted accounting practices and standards, and for such period of time thereafter as provided herein unless otherwise approved by the Department. The Permittee shall make all such books of account and records available to the auditors of the County, in the local offices of the Permittee, within three working days of any request for same. The County shall then be permitted to audit and examine all such books of account and records relating to the operations of the Permittee hereunder; provided, however, that the Permittee shall not be required to maintain such books of account and records for more than three years after the end of each 12 months of this

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F. Operations:

1. **Restricted Area Access - Identification Badges:** The Permittee shall be responsible for requesting the Department to issue identification ("ID") badges to all employees who require access to Restricted Areas on the Airport as part of its regularly assigned duties, including areas designated in the Airport Security Program as Secured Area/AOA/SIDA/Sterile Areas, Restricted Areas, or as otherwise determined by the Aviation Department and certain areas designated by signs or regulations as off-limits to unauthorized individuals. The Permittee shall be further responsible for the immediate reporting of all lost or stolen ID badges and the immediate return of the ID badges of all personnel transferred from Airport assignment or terminated from the employ of the Permittee or upon termination of this Agreement. Each employee must complete the SIDA training program conducted by the Department before an ID badge is issued. The Permittee shall pay, or cause to be paid, to the Department such nondiscriminatory charges as may be established from time to time, for ID issuance, fingerprinting fees, lost or stolen ID badges and those not returned to the Department in accordance with this Section. The Department shall have the right to require the Permittee to conduct background investigations and to furnish certain data on such employees before the issuance of such ID badges, which data will include a fingerprint based criminal history records check (CHRC) of employee applicants for such badges.

2. **Standards of Service:**
 - (a) The Permittee shall furnish good, prompt and efficient service adequate to meet all the demands for its services at the Airport, and furnish said services on a fair, equal and nondiscriminatory basis to all users thereof; provided, however, that the Permittee shall be allowed to make reasonable and nondiscriminatory discounts or other similar types of price reductions to volume purchasers or users.

 - (b) The operations and conduct of the Permittee, its employees and agents, shall be conducted in an orderly and proper manner so as not to annoy, disturb or be offensive to others at the Airport. The Department shall have the right to object to the Permittee regarding the demeanor, conduct and appearance of the Permittee's employees and agents, whereupon the Permittee shall take all steps necessary to remove or correct the cause of the objection.

 - (c) The Permittee shall remove or cause to be removed all trash and refuse generated by Permittee, its agents, employees, contractors, invitees, or customers to such locations in such manner as shall be

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designated by the Department and in accordance with federal, state, and county requirements.

3. Common Use Facilities: The Permittee shall have the right, in common with others, as necessary for the performance of the services authorized herein, to use the ramps, roads, streets, and bridges and all other non-exclusive or common use facilities owned or provided by the County for users of the Airport, in accordance with regulations and operating procedures and the facility use assignment processes of the Department and subject to the payment of any nondiscriminatory fees, rates and charges established by the County for such uses. However, the Permittee shall not be authorized to operate vehicles on the Air Operations Area (AOA) of the Airport, unless such access is determined to be necessary by the Department. In such event, Permittee shall comply with all requirements of MDAD regarding the Permittee's use of vehicles on the AOA.
4. Personnel:
 - (a) The Permittee shall properly control the actions of its employees at all times its employees are working on the Airport, and ensure that they present a clean and neat appearance, discharge their duties in a courteous and efficient manner, be suitably uniformed, and wear appropriate corporate and Airport identification.
 - (b) Permittee's Responsibility for Employee's Violations: In the event the Permittee fails to properly control its employees or by permitting its employees to improperly use the facilities provided by the County, the Department shall have the right to require the Permittee to conduct an investigation into any claimed violation of the Department's requirements; if such investigation confirms the violation, Permittee agrees to administer appropriate discipline up to and including discharge of the offending employee.

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5. Drug-Free Workplace Default: The Permittee acknowledges that as part of its application for a Permit, it provided to the County a Drug-Free Workplace Affidavit certifying that it is providing a drug-free workplace for its employees, as required by County Ordinance No. 92-15, adopted on March 17, 1992, as such may be amended from time to time ("Ordinance"). Based on the provisions of said Ordinance, the County shall have the right, upon 15 days written notice to the Permittee, to terminate this Permit in the event the Permittee fails to provide, as of each anniversary of the effective date of this Permit, the annual re-certification affidavit as required by the Ordinance; provided, however, that such termination shall not be effective if the Permittee submits the required Affidavit within the notice period.

Further, this Agreement shall be terminated upon not less than fifteen calendar days written notice to the Permittee, and without liability to the County, if the Department or the County Manager determines any of the following:

- (a) That the Permittee has made a false certification in its execution of the Affidavit submitted with its application or in its annual re-certification as required by the Ordinance;
- (b) That the Permittee has violated its original or renewal certification by failing to carry out any of the specific requirements of the Ordinance, other than the annual re-certification; or
- (c) That such a number of employees of the Permittee have been convicted of violations occurring in its workplace(s) as to indicate that the Permittee has failed to make a good faith effort to provide a drug-free workplace as required by the Ordinance.

6. Vehicles and Equipment: Vehicles and equipment of the Permittee, brought on to the Secured Area/Air Operations Area ("AOA") of the Airport, shall at all times comply with the regulations of the Department, as provided under Chapter 25, Code of Miami-Dade County, Florida, and shall be subject to MDAD's approval. MDAD shall have the right, but shall not be obligated, to inspect, at any time, the vehicles and equipment of the Permittee for proper safety equipment and general operating conditions. The Department, shall further have the right to require removal from the Secured Area/AOA or any other area of the Airport of any vehicle or equipment of the Permittee determined by the Department, in its sole discretion, to be (i) parked in violation of any provisions of the rules and regulations of the Department, (ii) to be in an unsafe condition, or (iii) in a condition that may cause environmental damage. MDAD shall have no Liability to the Permittee for such removal. Vehicles and equipment of the Permittee may not be stored on common use areas of any Secured Area or the AOA of the Airport.

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7. Airfield – Vehicle Operator: Before the Permittee shall allow any employee to operate a motor vehicle of any type or kind on the Secured Area or the AOA of the Airport, the Permittee shall require such employee to attend and successfully complete the AOA Driver's Training Course conducted from time to time by the Department. The privilege of a person to operate a motor vehicle on the Secured Area/AOA may with withdrawn by the Department because of violations of Secured Area/AOA driving rules. Notwithstanding the above, the Permittee shall be responsible for ensuring that all vehicle operators of Permittee's vehicles or of its fueling vehicles operating on the Airport and the Secured Area/AOA/SIDA have a current, valid driver's license or a Commercial Driver's License of the proper Class and with the proper endorsements, as required by law.

8. AOA - Right to Search: The Permittee agrees for itself and its employees, agents, contractors, and invitees that its and their vehicles, cargo, goods and other personal property are subject to being searched when attempting to enter or leave and while on the Secured Area/AOA/SIDA. The Permittee further agrees that it shall not authorize any employee or agent to enter the Secured Area/AOA/SIDA unless and until such employee or agent has executed a written consent-to-search form acceptable to the Department. Persons not executing such consent-to-search form shall not be employed by the Permittee at the Airport, in any job requiring access to a Secured Area, or AOA, or Security Identification Display Area of the Airport.

The Permittee further agrees that the Department has the right to revoke or suspend prior Secured Area/AOA/SIDA access authorization or to prohibit an individual, agent or employee of the Permittee from entering the Secured Area/AOA/SIDA based upon facts which lead a person of reasonable prudence to believe that the Permittee or such individual, employee or agent is inclined to engage in theft, cargo tampering, aircraft sabotage, or unlawful activities. Any person denied access to the Secured Area/AOA/ or whose prior authorization has been revoked or suspended on such grounds shall be entitled to a hearing before the Director of the Department or his designated management representative within a reasonable time. Prior to such hearing, the person whose authorization has been revoked or suspended or who has been denied access to the Secured Area/AOA/SIDA shall be advised in writing, as to the reason for such action; provided, however, that nothing shall prevent MDAD from revoking or suspending such access authorization immediately if circumstances so warrant, following which the hearing may be requested and held.

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9. Working Restrictions: The Permittee understands and agrees that all persons entering and working in or around international aircraft and facilities used by various Federal Inspection Services agencies may be subject to the consent and approval of such agencies. Persons not approved or consented to by Federal Inspection Services agencies may not be employed by the Permittee in areas under the jurisdiction or control of such agencies.

G. Notices

Any notices required herein shall be delivered by hand or sent by certified or registered mail to the parties as follows:

To Miami-Dade County:

Director
Miami-Dade County Aviation Department
P.O. Box 025504
Miami, Florida 33102-5504

To the Permittee: Mr. Louis Bertone, President
Johnson Service Group, Inc.
6000 Lake Forest Drive, Suite 120
Atlanta, GA 30328

or to such other address in lieu thereof as may hereafter be designated in writing by either party.

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H. Entirety of Permit:

The parties hereto agree that this Permit sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Permit may be added to, modified, superseded or otherwise altered, except as may be specifically authorized herein or by written instrument executed by the parties hereto.

I. Disclosures:

The Permittee acknowledges that it has completed and submitted a Drug Free Workplace Affidavit, a Miami-Dade County Disclosure Affidavit, a Family Leave Affidavit, a Public Entity Crimes Affidavit, an Arrearage Affidavit, a Criminal Record Affidavit, and a Disability Nondiscrimination Affidavit. The discovery of any misrepresentation on any of these documents shall result in the automatic termination of this Permit by the Department.

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EXHIBIT B

- ***This Permit authorizes the performance of line ("turn around") aircraft maintenance services and major maintenance services only at the locations specified in this Exhibit. As per the Miami-Dade Aviation Department's Airside Operations Division, the following services constitute line maintenance, including but not limited to:***

- A) Adding air to aircraft tires as needed.
- B) Adding oil to aircraft engines as needed.
- C) Cleaning the windscreen of aircrafts.
- D) General visual inspection of the airframe at the gate.

- ***Services not authorized to be performed on aircraft:***

- A) Any ramp repair services on aircraft provided by the general aeronautical service permittees to include:
 1. Guiding aircraft in and out of loading and unloading positions.
 2. Placing in position passenger, baggage and cargo loading and unloading equipment.
 3. Providing airstart and cabin air.

- ***Equipment including vehicles shall be controlled as follows:***

- A) Equipment shall not be parked at terminal gates except when aircraft maintenance is being performed. Equipment shall only be parked in areas designated by Airside Operations.
- B) Unserviceable equipment shall be removed promptly to a repair shop, approved equipment storage area or off the Airport.

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Exhibit B
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• **Authorized airport location for the performance of aircraft maintenance services:**

- A) The Permittee will be authorized to perform aircraft maintenance to AAR Aircraft Services as needed, only while aircraft is parked at AAR's hangar and/or AAR leased aircraft pavement (pavement space leased by AAR Aircraft Services/leasehold).
- B) If the Permittee is required to perform Major Maintenance to AAR aircraft, while the aircraft is parked at locations other than AAR's hangar or locations other than the pavement space leased by AAR, the Permittee will be required to do the following: The operator must obtain permission from an Airside Operations Supervisor or Division Director prior to beginning the work. The aircraft may be required to be relocated to another more suitable parking location in order for the work to be performed.
 - 1. Miami-Dade Aviation Department will charge a Major Maintenance Fee, presently at \$300 per 24 hours in addition to whatever charges are incurred by the aircraft, if Major Maintenance is performed at locations other than the pavement space leased by AAR.

**Miami-Dade County
Office of the Inspector General**

Exhibit 2

**Contract Dated December 15, 2009
Between Johnson Service Group, Inc. and AAR Aircraft Services
(2 pages)**

**OIG Report of Investigation
IG12-31**



JOHNSON SERVICE GROUP, INC.

Technical & Engineering Staffing

We have several regional offices supported by our national recruiting centers in Atlanta and Chicago. JSG can support your project based staffing needs whenever and wherever they arise. Johnson Service Group's strength is in our ability to quickly adapt to our clients changing needs.

We are among the nation's leading multifaceted technical service companies, specializing in providing human resource solutions to industrial staffing requirements for our client companies.

This document shall serve as contract between Johnson Service Group, Inc. at 6000 Lake Forrest Dr. Suite 280; Atlanta, GA 30328 (referred to in this Agreement as "JSG") and AAR Aircraft Services at 5300 NW 36th Street Blvd 850, Miami, FL 33122 (referred to in the Agreement as "Client Company"). The purpose of this Agreement is to authorize JSG to source temporary/contract employees to work at the location of the Client Company, and under the supervision of the Client Company.

PRICING:

Aerospace Maintenance/ Mechanics:

Johnson Service Group agrees to bill AAR Aircraft Services weekly for all hours worked by contractors in the agreed upon labor categories; Aerospace Maintenance/Mechanics: \$28.00 Straight time and \$28.00 Overtime for all skill sets.

Right To Hire Payment Schedule:

AAR Aircraft Services may convert any Aerospace Contractor to a direct employee following the conversion payment schedule below.

Billable Days Worked	Percent of Annual Salary
0-30 days	15%
31- 60 days	10%
61-90 days	5%
After 90 days	0%

A fee for a Non Contract Employee who is a Direct Hire Placement will be 15% of Employee's first year salary, which will be invoiced directly to the Client.

EMPLOYEE RELATIONS PRACTICES

Regarding employee relations with our contract employees, Johnson Service Group practices the following:

- The Recruiting Staff monitors relations with our client company, and communicates with our contractors on a regular basis. Issues of concern are dealt with in a timely manner. If necessary, counseling, discipline and discharge of any contractor is dealt with by the responsible recruiter, or by the Recruiting Manager.
- We require a signed contract prior to the start of work for any and all contract employees. The employee understands the terms of the contract, and expectations of the client company. Specific work rules and other client company requirements are also discussed.

CANDIDATES/EMPLOYEES:

JSG shall submit resumes of qualified candidates for positions as described by AAR AIRCRAFT SERVICES. The client company has no obligation to interview or hire a candidate. If a candidate is approved for hire, a confirming letter, e-mail, or purchase order shall be exchanged between JSG and the client company denoting aforementioned billing rates. Contractors shall remain the employees of JSG at all times, and, as such, JSG is responsible for associated taxes and insurance. JSG will provide a pre-employment DOT drug screen and background check on each contractor at no additional charge.

FEES AND CONSIDERATIONS:

All candidates who are subsequently hired for assignment to Client shall be paid by JSG according to the actual number of hours worked each week, and client shall be billed for the actual number of hours worked each week. Each employee will prepare a weekly timecard, either paper or electronic, and a Client supervisor or representative shall approve the hours before they are paid. JSG is responsible for any and all benefits, which may or may not be afforded to the employees such as paid holidays or vacation, at no cost to Client.

RE-IMBURSABLE EXPENSES:

Client shall re-imburse JSG for company approved travel (excluding daily travel to and from work) and associated actual and reasonable expenses incurred by JSG's employee while on assignment to Client provided that an approved expense report is presented to the Client. There is no mark-up over and above actual expenses incurred and approved.

INVOICING:

Invoices will be rendered weekly to the Client for the hours specified on the weekly timecards at the rates specified in the confirming letter or Purchase Order. Payment terms are: NET 30 DAYS. Approved time cards for any contract employee on assignment shall serve as approval for billing to the Client Company for services rendered by the contract employee. Signed time sheets shall accompany invoices if so desired by Client.

EQUAL EMPLOYMENT OPPORTUNITY:

JSG is an equal opportunity employer. It is the policy of the firm to seek and employ men and women of skill, integrity, and enthusiasm, without regard to race, color, religion, sex, age, national origin, handicap, or veteran status, in all aspects of employment, including recruitment, placement, rate of pay, and separation.

Darryl Dixon
Johnson Service Group, Inc. (Print Name)

BRIAN Loomer
AAR AIRCRAFT SERVICES (Print Name)

By: Darryl Dixon Sr. VP/GM
Signature, Title, Date
12/15/09

by: Ruan Loomer VP+GM
Signature, Title, Date
12-15-09

**Miami-Dade County
Office of the Inspector General**

**Exhibit 3
Composite**

**Monthly Gross Revenue Reports submitted by Johnson Service Group, Inc.
for the Months of October 2010, November 2010, July 2013, and August 2013.
(4 pages)**

**OIG Report of Investigation
IG12-31**

MONTHLY REPORT OF GROSS REVENUES

Exhibit A
JOHE66-5610
AFFIRMED
Rev-120 11/10
10/10 RPT

MONTH OF: Oct YEAR: 2010

FROM: Johnson Service Group, Inc.
6000 Lake Forrest Drive, Ste 120
Atlanta, Ga 30328

TO: **MS. LORI SUGG**
MIAMI DADE AVIATION DEPT.
FINANCE DIVISION
P.O.BOX 526624
MIAMI, FLORIDA 33152-6624

FEDERAL EXPRESS ADDRESS:
4200 NW 36TH STREET
SUITE 300
MIAMI, FLORIDA 33122

RECEIVED
DEC 14 2010

Concession Revenue
LIST OF CUSTOMERS

		<u>AMOUNT</u>
1)	<u>Cesar Cardenas</u>	<u>\$3,377.64</u>
2)	<u>Hector Condis</u>	<u>\$5,715.30</u>
3)	<u>Harold Delgado</u>	<u>\$5,171.32</u>
4)	<u></u>	<u></u>
5)	<u></u>	<u></u>
6)	<u></u>	<u></u>
7)	<u></u>	<u></u>
8)	<u></u>	<u></u>
9)	<u></u>	<u></u>
10)	<u></u>	<u></u>
11)	<u></u>	<u></u>
12)	<u></u>	<u></u>
13)	<u></u>	<u></u>
14)	<u></u>	<u></u>

List additional customers on an attached sheet

TOTAL MONTHLY GROSS REVENUES: \$ 14,264.26

COMPUTATION OF PERCENTAGE FEE DUE:

3% OF MONTHLY GROSS REVENUES (Maintenance Permit) \$ 427.93

PAYMENT INCLUDED IN CK # AMT: DATED:

I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND CORRECT.

Darryl Dixon
SIGNATURE

Darryl Dixon
PRINT NAME Entered by/Date: LD 12/15/10

Sr Vice-President/GM
TITLE

12/15/10 DATE
10349-0598 Batch #

Invoice Batch # 0600

Invoice # 10174383

MONTHLY REPORT OF GROSS REVENUES

Exhibit A
JDHE66- 5610
AFFIRM N
Rev. No. 12/10
11/10 RPT

MONTH OF: Nov YEAR: 2010

FROM: Johnson Service Group, Inc.
6000 Lake Forrest Drive, Ste 120

TO: **MS. LORI SUGG**
MIAMI DADE AVIATION DEPT.
FINANCE DIVISION
P.O. BOX 526624
MIAMI, FLORIDA 33152-6624

RECEIVED
DEC 14 2010

Concession Revenue

FEDERAL EXPRESS ADDRESS:
4200 NW 36TH STREET
SUITE 300
MIAMI, FLORIDA 33122

LIST OF CUSTOMERS

AMOUNT

1)	Hector Condis	\$4,257.23
2)	Antonio Loncopan	\$208.32
3)	Harold Delgado	\$3,889.20
4)	Salvador Perera	3210.67
5)	Juan Ramos	3585
6)	Rogue Leal	3865.56
7)		
8)		
9)		
10)		
11)		
12)		
13)		
14)		

List additional customers on an attached sheet

TOTAL MONTHLY GROSS REVENUES: \$ 19,015.98

COMPUTATION OF PERCENTAGE FEE DUE:

3% OF MONTHLY GROSS REVENUES (Maintenance Permit) \$ 570.48

PAYMENT INCLUDED IN CK # _____ AMT: _____ DATED: _____

I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND CORRECT.

Darryl Dixon
SIGNATURE

Darryl Dixon
PRINT NAME
Entered by/Date: 12/14/10

Sr Vice-President/GM
TITLE

12/14/10
DATE BWA Batch # 10348-0588

Invoice Batch # - 0592

Invoice # 10774380

8/12

Exhibit A

MONTHLY REPORT OF GROSS REVENUES

MONTH OF: July YEAR: 2013
(Due by the 10th day of the following month)

From: Johnson Service Group, Inc.
1000 Parkwood Circle
Suite 800
Atlanta, GA 30339

To: Miami-Dade Aviation Department
P.O. Box 526624
Miami, Florida 33152-6624
Attn: Ms. Brenda Ellis
Finance Division

Lease No.: 005610

Email: bellis@miami-airport.com
Phone: 305-876-8497 Fax# 305-876-7792

FED EX/UPS/DHL ADDRESS:

4200 NW 36 Street
Building 5A, Suite 300
Miami, Florida 33166

<u>List of Customers</u>	<u>Amount</u>
(1) <u>Hector Condis</u>	\$ <u>3,013.08</u>
(2) <u>Miguel De Frenza</u>	\$ <u>5,634.72</u>
(3) <u>Juan Ramos</u>	\$ <u>5,425.56</u>
(4) <u>Ablel Romero</u>	\$ <u>1,337.28</u>
(5) <u>Tommy Silvers</u>	\$ <u>4,249.84</u>
(6) <u>Willy Spanoz</u>	\$ <u>7,705.36</u>
(7) <u>Gabriel Torres</u>	\$ <u>6,266.34</u>
(8) _____	\$ _____
(9) _____	\$ _____
(10) _____	\$ _____
(11) _____	\$ _____

Total Monthly Gross Revenues \$ 34,274.19

Computation of Percentage Fee Due:

3% of Monthly Gross Revenues \$ 1,028.22

Payment included in Check No.: _____ Amount Paid: _____ Dated: _____

I hereby certify that the above statement is true and correct

Darryl Dixon
Signature

_____ Date 8/12/13

_____ Sr Vice President & G.M.
Title

RECEIVED
AUG 12 2013

* The Department reserves the right to modify this form at any time.

Concession Revenue

MIAMI

Exhibit A

JDH 66-7083
MIAMI
REV HD 8/13
RPT 8/13

MONTHLY REPORT OF GROSS REVENUES

MONTH OF: August YEAR: 2013

(Due by the 10th of the following month)

From: Johnson Service Group Inc.
475 Frontage Road
Suite 103
Burr Ridge, IL 60527
Attn: Tracy Corbett

Lease No: 005610

To: Miami-Dade Aviation Department
P.O. Box 526624
Miami, FL 33152-6624
Attn: Ms. Brenda Ellis
Finance Division
Email: bellis@miami-airport.com
Phone: (305) 876-8497

FED EX/UPS/DHL ADDRESS:
4200 NW 36 Street
Building 5A, Suite 300
Miami, Florida 33166

List of Customers	Amount
1) Hector Condis	\$ 1,457.40
2) Miguel De Frenza	\$ 4,970.84
3) Juan Ramos	\$ 4,724.16
4) Abiel Romero	\$ 3,736.04
5) Tommy Silvers	\$ 3,271.52
6) Willy Spanoz	\$ 6,142.34
7) Gabriel Torres	\$ 2,438.46
8)	\$
9)	\$
Total Monthly Gross Revenues	\$ 26,740.76

Computation of Percentage Fee Due:

3% of Monthly Gross Revenues \$ 802.22

EFT
Payment Included in Check No.: E0001421 Amt Paid 802.22 Dated 9/3/13

I hereby certify that the above statement is true and correct.

Tracy Corbett
Signature

9/3/13
Date

Operations & Financial Acctg Mgrs.
Title

*The Department reserves the right to modify this form at any time.

ENTERED BY / DATE EE 9/4/13
BWA BATCH # 13247-0916
INVOICE BATCH # 13247-0918
INVOICE # 13247918

RECEIVED

SEP 04 2013

Concession Revenue

**Miami-Dade County
Office of the Inspector General**

**Exhibit 4
Composite**

**Annual Gross Revenue Reports submitted by Johnson Service Group, Inc.
for the 12-month periods ended March 2011 and March 2012.
(2 pages)**

**OIG Report of Investigation
IG12-31**

ANNUAL CERTIFICATION AND SCHEDULE OF MONTHLY GROSS REVENUES

Company Name: Johnson Service Group, Inc. LEASE/PERMIT# PC-005610

“Schedule of Gross Revenues”

For the 12 Months Ended Mar 31, 2011
(Month / Day) (Year)

<u>Period</u>	<u>Month</u>	<u>Year</u>	<u>Gross Revenues</u>
1	April	2010	\$ 0
2	May	2010	\$ 0
3	Jun	2010	\$ 0
4	Jul	2010	\$ 0
5	Aug	2010	\$ 0
6	Sep	2010	\$ 0
7	Oct	2010	\$ 14,264.26
8	Nov	2010	\$ 19,015.98
9	Dec	2010	\$ 11,565.42
10	Jan	2011	\$ 15,249.64
11	Feb	2011	\$ 23,314.75
12	Mar	2011	\$ 22,094.14
Total			\$ 105,504.19

I, the undersigned, a corporate officer of Johnson Service Group, Inc. (company name), do hereby certify that, the above Schedule of Gross Revenues for the year-ended Mar 31, 2011, is true and correct.
(Month / day (Year))

Date: 1/12/2012

Corporate Name: Johnson Service Group, Inc.

Corporate Official Signature: Darryl A Dixon

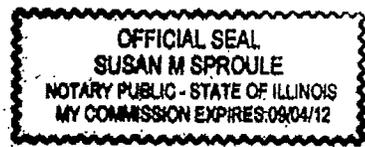
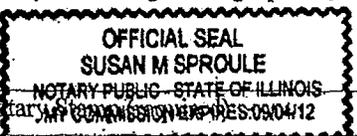
Corporate Title: Sr. Vice President/G.M.

Print Name: Darryl Dixon

Affix Corporate Seal (required)

On this 12 day of January, 2012, Darryl D. Dixon personally came before me, known to be the individual and officer of Johnson Service Group who certified the above schedule, and acknowledged the certification of the same, and being by me duly sworn, did depose and say, that he/she is the said officer of the corporation aforesaid, and that the corporate seal affixed to the above schedule is the seal of said corporation, and that said corporate seal and his/her signature as such officer were duly affixed and subscribed to the said instrument by the authority of the Board of Directors of said organization.

Susan M Sproule
 Notary Public Signature (required)



Affix Notary Seal (required)

Submit original with official corporate signature, corporate seal and notary signature/stamp

ANNUAL CERTIFICATION AND SCHEDULE OF MONTHLY GROSS REVENUES

Company Name: Johnson Service Group, Inc. LEASE/PERMIT# 005610

"Schedule of Gross Revenues"

For the 12 Months Ended March 31, 2012
(Month / Day) (Year)

<u>Period</u>	<u>Month</u>	<u>Year</u>	<u>Gross Revenues</u>
1	Apr	2011	\$ 28,444.09
2	May	2011	\$ 23,546.42
3	June	2011	\$ 9,177.06
4	July	2011	\$ 10,256.52
5	Aug	2011	\$ 19,546.45
6	Sep	2011	\$ 21,206.49
7	Oct	2011	\$ 24,684.46
8	Nov	2011	\$ 24,055.11
9	Dec	2011	\$ 23,041.61
10	Jan	2012	\$ 23,519.14
11	Feb	2012	\$ 20,705.64
12	Mar	2012	\$ 19,010.94
Total			\$ 247,193.93

RECEIVED
COMMERCIAL OPERATION
ACCOUNTING
12 AUG -7 AM 11:33
DABE COUNTY
AVIATION DEPT.

I, the undersigned, a corporate officer of Johnson Service Group, Inc. (company name), do hereby certify that, the above Schedule of Gross Revenues for the year-ended March 31, 2012, is true and correct.
(Month /day) (Year)

Date: 7/25/2012



Corporate Name: Johnson Service Group, Inc.

Registered Corporate Signature: [Signature]

Corporate Title: President

Print Name: Louis A. Bertone

State of Incorporation: Delaware

Affix Corporate Seal (required)

On this 26 day of July, 2012, Louis Bertone personally came before me, known to be the individual and officer of Johnson Service Group who certified the above schedule, and acknowledged the certification of the same, and being by me duly sworn, did depose and say, that he/she is the said officer of the corporation aforesaid, and that the corporate seal affixed to the above schedule is the seal of said corporation, and that said corporate seal and his/her signature as such officer were duly affixed and subscribed to the said instrument by the authority of the Board of Directors of said organization.

[Signature]
Notary Public Signature (required)

Notary Public, Coweta County, Georgia
My Commission Expires Feb. 7, 2014

Notary Stamp (required)

Affix Notary Seal (required)

Submit original with official corporate signature, corporate seal and notary signature/stamp

**Miami-Dade County
Office of the Inspector General**

Appendix A

A-1 MDAD's Response to the OIG Draft Report

A-2 MDAD's Letter to Johnson Service Group dated November 22, 2013

**OIG Report of Investigation
IG12-31**

Memorandum



Date: November 22, 2013

To: Patra Liu
Interim Inspector General

From: Emilio T. González, Aviation Director
Miami-Dade Aviation Department 

Subject: Response to OIG Report – Underreporting of Gross Revenues to the Miami-Dade Aviation Department by Johnson Service Group, Inc. (JSG)

This memorandum responds to the draft report referenced above, dated November 19, 2013. The Miami-Dade Aviation Department thanks the Office of the Inspector General (OIG) for the time and effort involved in this engagement, as well as the courtesy and professionalism of its staff. The Department also appreciates the promptness with which the OIG responded to Aviation Finance's request for an investigation to address its concerns regarding JSG.

The OIG's recommendations are listed followed by the Department's responses.

FINDINGS AND RECOMMENDATIONS

OIG Determination of Underreported Revenues

OIG Recommendation

Immediately seek collection of these amounts (\$10,342 for the period between April 2010 and September 2012, and \$717 for the period prior to the effective date of its Permit Agreement) plus any fines or penalties.

Department Response

The Department concurs and has sent a collection letter dated November 22, 2013 to Mr. Louis Bertone, President of Johnson Service Group requesting the immediate payment of \$11,059.

Annual Certification Report

OIG Recommendation

Require JSG to submit CPA certified audits.

Department Response

The Department concurs and has requested an Independent Certified Public Accountant's report certifying revenues for the twelve months ended September 30, 2013 by February 28, 2014. Certified audits have been requested for all future years ended September 30, for the duration of JSG's permit at Miami International Airport.

Monthly Report of Gross Revenues

OIG Recommendation

Determine the true amounts owed for the period October 2012 through the present and collect any additional amounts owed.

Department Response

The Department concurs and has requested immediate payment of any percentage fees owed as the result of the report of the Independent Certified Public Accountant.

Interview of JSG Vice President of Aviation, Darryl Dixon

OIG Recommendation

Consider taking any other appropriate action with regards to JSG's permit for its failure to comply with the terms, conditions and covenants described therein, including but not limited to, requiring JSG to change how it reports revenues received from its customers.

Department Response

The Department concurs and has instructed JSG to correct monthly reporting deficiencies by listing the name of the customers serviced and the total gross revenues earned. Additionally JSG has been formally advised that the Department will instigate immediate sanctions including revocation of their permit if they do not correct the deficiencies noted in the OIG report.

Should you have any questions regarding our response, please contact Evelyn Campos, MDAD Division Director of Professional Compliance at 305-876-7390.

c: Honorable Harvey A. Ruvin, Clerk of Courts
Robert A. Cuevas, Jr., County Attorney
Charles Anderson, Commission Auditor
Cathy Jackson, Audit and Management Services Director



Miami-Dade Aviation Department
P.O. Box 025504
Miami, Florida 33102-5504
T 305-876-7000 F 305-876-0948
www.miami-airport.com

miamidade.gov

Commercial Airport:
Miami International Airport

General Aviation Airports:
Dade-Collier Training & Transition
Homestead General
Kendall-Tamiami Executive
Opa-locka
Opa-locka West

November 22, 2013

Mr. Louis A. Bertone
President
Johnson Service Group, Inc.
475 S. Frontage Road, Suite 103
Burr Ridge, IL 60527

Dear Mr. Bertone:

We received the Miami-Dade County's Office of the Inspector General's (OIG) draft report dated November 19, 2013, regarding its investigation of your company, Johnson Service Group, Inc., as a Miami-Dade Aviation Department permittee. You have also been given a copy of the OIG's report.

Based upon the findings of the OIG's investigation, in order to retain your firm's permit to do business with the Aviation Department, it must **immediately**:

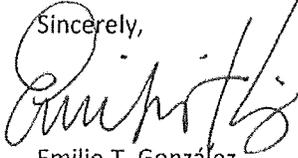
1. Remit by Wednesday, November 27, 2013, \$11,059 in unpaid and unreported percentage fees owed to the Department for the period March 1, 2010 through September 30, 2012.
2. Submit an independent Certified Public Accountant's report certifying revenues for the twelve months ended September 30, 2013. We must receive this report by February 28, 2014. Any percentage fees owed as a result of this annual report will be due immediately.
3. Correct monthly reporting deficiencies as identified by the OIG by completing the monthly report to reflect the name of customers serviced by Johnson Service Group and the total gross revenues **earned from** these customers.
4. Submit an independent Certified Public Accountant's report certifying revenues for all future years ended September 30, for the duration of your firm's permit at Miami International Airport.

Johnson Services Group, Inc
November 22, 2013
Page 2

If the remedies listed above are not immediately implemented, we will revoke your permit to provide services on airport property. Further, all Airport identification badges for Johnson Service Group employees will be voided. AAR Aircraft Services Group, Inc., will also be given a copy of the OIG report and this letter.

If you have questions regarding the above, please contact Sergio San Miguel, Aviation Controller, at 305-876-0763, or ssanmiguel@miami-airport.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Emilio T. González". The signature is written in a cursive style and is positioned above the printed name and title.

Emilio T. González
Director

- C: Anne S. Lee, Chief Financial Officer, Miami-Dade Aviation Department
Greg Owens, Division Director Real Estate Management and Development Division, Miami-Dade
Aviation Department
Scott Packert, Controller, AAR Aircraft Services, Inc.

**Miami-Dade County
Office of the Inspector General**

Appendix B

- B-1** JSG's check, dated November 26, 2013, payable to MDAD for \$11,059
- B-2** JSG's Monthly Report of Gross Revenues for November 2013
- B-3** JSG's check for November 2013 Permit Opportunity Fee

**OIG Report of Investigation
IG12-31**

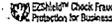
JOHNSON SERVICE GROUP, INC.

TECHNICAL & ENGINEERING STAFFING
475 FRONTAGE ROAD
BURR RIDGE, IL 60527

Bank of America.



Commercial Disbursement Account • Northbrook, Illinois



CHECK NO.
108165

PAY ***Eleven Thousand Fifty-Nine & No/100 Dollars

DATE

AMOUNT

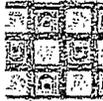
11/26/13

\$11,059.00

Void After 90 Days

TO THE
ORDER
OF

MIAMI-DADE AVIATION
FINANCE DEPARTMENT
PO BOX 526624
MIAMI, FL 33152-6624



AUTHORIZED SIGNATURE

Security features. Details on back.

JOHNSON SERVICE GROUP, INC. - TECHNICAL & ENGINEERING STAFFING

108165

MIAM01

MIAMI-DADE AVIATION

108165

2010-2012

11/26/13

11059.00

0.00

0.00

11059.00

MONTHLY REPORT OF GROSS REVENUES

MONTH OF: November YEAR: 2013

(Due by the 10th of the following month)

From: Johnson Service Group Inc.
475 Frontage Road
Suite 103
Burr Ridge, IL 60527
Attn: Tracy Corbett

Lease No: 005610

To: Miami-Dade Aviation Department
P.O. Box 526624
Miami, FL 33152-6624
Attn: Ms. Lori Sugg
Finance Division
Email: bellis@miami-airport.com
Phone: (305) 876-8497

FED EX/UPS/DHL ADDRESS:

Attn: Lori Sugg
4200 NW 36 Street
Building 5A, Suite 300
Miami, Florida 33166

List of Customers	Amount
1) Hector Condis	\$ 610.68
2) Miguel De Frenza	\$ 4,731.16
3) Juan Ramos	\$ 4,758.04
4) Abiel Romero	\$ 1,533.00
5) Willy Spanoz	\$ 4,814.30
6) Gabriel Torres	\$ 1,997.33
7)	\$
8)	\$
9)	\$
Total Monthly Gross Revenues	\$ 18,444.51

Computation of Percentage Fee Due:

3% of Monthly Gross Revenues \$ 553.34

Payment included in Check No.: _____ Amt Paid _____ Dated _____

I hereby certify that the above statement is true and correct.

Tracy Corbett
Signature

11/26/13
Date

Manager - Operations Accounting
Title

*The Department reserves the right to modify this form at any time.

JOHNSON SERVICE GROUP, INC.

TECHNICAL & ENGINEERING STAFFING
475 FRONTAGE ROAD
BURR RIDGE, IL 60527

Bank of America.



Commercial Disbursement Account • Northbrook, Illinois

Check Fraud
Protection for Business

CHECK NO.
108166

PAY ***Five Hundred Thirty-Four & 16/100 Dollars

DATE AMOUNT
11/26/13 \$534.16

Void After 90 Days

TO THE ORDER OF MIAMI-DADE AVIATION
FINANCE DEPARTMENT
PO BOX 526624
MIAMI, FL 33152-6624



Don W. [Signature]
AUTHORIZED SIGNATURE

Security features. Details on back.

JOHNSON SERVICE GROUP, INC. - TECHNICAL & ENGINEERING STAFFING

108166

MIAM01	MIAMI-DADE AVIATION	108166
--------	---------------------	--------

112013	11/26/13	553.34	0.00	0.00	553.34
97/1150	09/17/13	-19.18	0.00	0.00	-19.18