




Memorandum



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To: The Honorable Carlos A. Gimenez, Mayor, Miami-Dade County
The Honorable Esteban L. Bovo, Jr., Chairman
and Members, Board of County Commissioners, Miami-Dade County

From: Mary T. Cagle, Inspector General 

Date: May 18, 2017

Subject: OIG Uncovers Scheme to Avoid Compliance with County Ord. 08-133,
Regarding Certificate of Use Requirement For Foreclosed Homes —
Criminal Charges, Guilty Plea and Restitution Achieved, Ref. IG14-12

An OIG investigation concluded today with the arrests of three individuals. All three, plus a property investment company, were charged in criminal court with various charges stemming from their scheme to fraudulently obtain 109 Certificates of Use and avoid complying with Miami-Dade County Ordinance No. 08-133.

Ordinance No. 08-133, as adopted on December 2, 2008 by the BCC during the mortgage foreclosure crisis, amended Section 33-8 of the Code of Miami-Dade County and was intended to act as a consumer protection measure. The Ordinance requires issuance of a Certificate of Use (CU) for residential properties (in unincorporated Miami-Dade County), which are acquired through a Certificate of Title (Foreclosures and Judgments), in accordance with Chapter 45, Florida Statutes. The process requires that affected individuals/institutions obtain a CU, prior to the sale, transfer or alienation of such property. To obtain a valid CU, a licensed architect or engineer must first inspect the property for structural integrity, and produce a *Disclosure and Findings Report*. The report also provides potential purchasers with an estimated cost of required repairs to bring a previously-foreclosed home up to code. Once completed, signed and sealed by the architect/engineer, the report is recorded in the public record via the County Recorder's Office. The recorded copy and a CU Application are then submitted to the Miami-Dade County Department of Regulatory and Economic Resources (RER) for review and approval.

The OIG joint investigation stemmed from a complaint from a licensed Florida architect, stating that his former employer stole his identity and fraudulently recorded 109 *Disclosure and Findings Reports* bearing the architect's name, his State of Florida Architectural License number and a forged signature. The architect denied inspecting, preparing, or signing any of the 109 questioned *Disclosure and Findings Reports*. His former employer then used the forged reports to fraudulently obtain 109 CUs from RER. His former employer then sold the properties to third parties.

By forging the *Disclosure and Findings Reports*, the company saved the architectural/engineering fees that it would otherwise have had to pay, conservatively estimated at \$43,600 (\$400 per house). Further, the combined value of the 109 Certificates of Use fraudulently obtained from RER was \$36,375.48. Once aware of the criminal investigation, the company resubmitted valid inspection reports and obtained valid CUs on 87 of the 109 properties. The OIG verified with the new engineer hired by the company that he personally conducted the inspections.

Of the four defendants, three were charged with Grand Theft, Identity Theft, and Recording False Documents related to Title to Real Property. The last was charged only with Petit Theft. Earlier today, the company pled guilty to the charges and was sentenced to five years of probation. As part of the plea, the company must obtain valid CUs on the outstanding properties, institute an employee ethics training program, file monitoring reports related to any CUs applied for during the course of probation, and pay costs of investigation. Moreover, the company must deposit \$25,000 in trust, to be used to bring the outstanding 23 properties up to code. To the extent that the money is not expended for that purpose, the company agreed that the balance be paid to support victims of crime.

Regarding the three individuals arrested, all three entered a program for first time offenders. As part of the program, they each must perform 109 hours of community service. Lastly, the Court entered orders finding all of the fraudulent *Disclosure and Findings Reports* null and void, and sealing them from the public view. The Court also entered orders revoking all of the fraudulently obtained CUs. As of today's date, restitution to the architect has been paid pursuant to a civil lawsuit filed against the company's owner and others.

The OIG appreciates the assistance of Miami-Dade County's RER and the County Recorder's Office for their assistance during the investigation.

Attached is the press release from the State Attorney's Office with additional information about today's arrests, the criminal charges and the settlements obtained.

cc: Hon. Harvey Ruvlin, Clerk of Court
Alex Ferro, Chief of Staff, Office of the Mayor
Jack Osterholt, Deputy Mayor and Director, Miami-Dade RER
Cathy Jackson, Director, Audit and Management Services Department
Neil R. Singh, Acting Commission Auditor



**KATHERINE FERNANDEZ RUNDLE
STATE ATTORNEY**

**ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY**



FOR IMMEDIATE RELEASE

Forged Architect Signatures and Faked Stamps Lead to Charges

Miami (May 18, 2017) - After complaints were made by a licensed Florida architect that his former employer was forging his signature and using his State Architectural license number on numerous Miami-Dade County required documents recorded with the Clerk of Court and related to rehabilitated homes, a joint investigation was undertaken by the Office of the Miami-Dade State Attorney and the Miami-Dade Office of the Inspector General. Today, the Florida limited liability company, Newest Kendall LLC, Jorge Fernandez (an owner and operator of Newest Kendall) and Newest Kendall office employees Javier Quintero and Jose Manuel Vence, all surrendered in Circuit and County Courts before Judges Dennis Murphy, Veronica Diaz, and Michelle Alvarez Barakat.

The company, Newest Kendall LLC, Jorge Fernandez and Javier Quintero were charged with:

- 1 count - Grand Theft (2nd Degree Felony)
- 1 count - Identity Theft (2nd Degree Felony)
- 1 count - Recording False Documents related to Title to Real Property (3rd Degree Felony)

Jose Manuel Vence was charged with 1 count of Petit Theft, a 1st Degree Misdemeanor.

Newest Kendall LLC and Jorge Fernandez were involved in the purchase, rehabilitation and sale of foreclosed homes. In order to sell the rehabilitated homes, a Miami-Dade County Certificate of Use (CU) had to be obtained. In the application process, a licensed architect is required to inspect the home for structural soundness, render an opinion and estimate of the cost of any required rehabilitation work for the proposed purchaser. The complaining architect denied inspecting, preparing, or signing any of the 109 questioned "Disclosure and Findings Reports", which were recorded at the Miami-Dade County Recorder's Office. The architect noticed that all the inspection reports were prepared on behalf of companies related to his former employer. The investigation revealed that Javier Quintero, using his position within Jorge Fernandez's or his entities' employ, produced and signed the false and forged inspection reports. The investigation showed that Fernandez knew of Quintero's actions and did nothing to stop them. Vence's role was to deliver the fraudulent documents to the County.

By forging the Disclosure and Findings Reports, Fernandez's companies saved the architectural or engineering fees of at least \$400.00 per house (\$43,600) and fraudulently obtained Miami-Dade County Certificates of Use valued at \$36,375.48. As a result of this investigation, Jorge Fernandez and his entities have resubmitted valid documents and obtained valid CUs on 87 of the 109

FOR FURTHER
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Page 2

properties.

In criminal court, Newest Kendall LLC pled guilty to the charges and was sentenced to five years of probation. As part of the plea, it must work to obtain valid CUs on the remaining outstanding properties, institute an employee ethics training program, file monitoring reports related to any CUs applied for during the term of probation, and pay costs of investigation. Moreover, Newest Kendall LLC must deposit \$25,000 in trust to be used in legalizing the outstanding properties, if needed. To the extent that the money is not expended, the remaining money will be used to support victims of crime.

Defendants Fernandez, Quintero and Vence all entered a program for first time offenders. As part of the program, they each must perform 109 hours of community service. To clarify the housing certification issues, the Court entered orders finding all of the fraudulent Disclosure and Findings Reports null and void and sealing them from public view. The Court also entered orders revoking all of the fraudulently obtained CUs. Pursuant to a civil lawsuit filed against Jorge Fernandez and others, restitution to the architect has already been paid.

“As this case aptly shows, there are no short-cuts to honesty and propriety,” said State Attorney Katherine Fernandez Rundle. “To save a few dollars, these defendants deliberately stole a man’s professional reputation and he properly worked with the Miami-Dade Office of the Inspector General and prosecutors from my office to restore his good name.”

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