

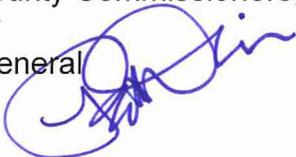


Memorandum



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To: The Honorable Carlos A. Gimenez, Mayor, Miami-Dade County
The Honorable Rebeca Sosa, Chairwoman
and Members, Board of County Commissioners, Miami-Dade County

From: Patra Liu, Interim Inspector General 

Date: July 15, 2013

Subject: Additional Arrests in MIA Hotel Overbilling Investigation; Ref. IG10-51

A former employee of the Miami International Airport (MIA) Hotel and her husband, a hotel vendor, were arrested today on felony charges for an alleged scheme to defraud Miami-Dade County out of over \$215,000 associated with purported purchases paid for by the hotel. The joint investigation by the Miami-Dade County Office of the Inspector General (OIG) and the State Attorney's Office (SAO) culminated in the arrests of Ivy Evans-Maquilon, (Evans-Maquilon) and her husband Jorge Maquilon (Maquilon). Evans-Maquilon was the former Administrative Assistant to the MIA Hotel's former General Manager. Her husband, Maquilon, purportedly sold goods to the MIA Hotel through his two companies, Decomax Corporation (Decomax) and Emporium Supplies Corporation (Emporium). A warrant for their arrest presented probable cause that Decomax overbilled the County over \$176,000 for goods never delivered and Emporium overbilled approximately \$39,000. The couple was charged with one count each of Organized Scheme to Defraud, a first degree felony; Grand Theft first degree; and Grand Theft second degree. Attached is a press release issued by the SAO.

The Maquilons are the second and third persons arrested for this orchestrated fraud scheme. Nestor Aznar (Aznar), former Chief Engineer and Maintenance Supervisor for the MIA Hotel, was arrested this past February for his part in the same scheme. The OIG initiated the investigation based on information about possible fraudulent billing by a hotel vendor received from the Miami-Dade Aviation Department's (MDAD) Office of Professional Compliance.

The 263 room MIA Hotel, a county asset, is operated by H.I. Development Corporation (H.I.D.) pursuant to a management agreement with Miami-Dade County. Under the agreement, H.I.D. operates the hotel and pays all of the operating costs from the Imprest Operating and Payroll Accounts (accounts established and funded by MDAD pursuant to the management agreement). All revenues generated by the MIA Hotel

belong to the County. To replenish the Imprest accounts, the MIA Hotel submits replenishment requests to MDAD supported by documentation justifying past expenditures out of the accounts. The scheme, as uncovered by the OIG investigation, involved the phony requisitions of MIA Hotel maintenance supplies from Decomax and Emporium. The fraudulent invoices were paid from the MDAD-funded Imprest Operating Account.

The OIG investigation uncovered that between mid-2007 and through 2010, the MIA Hotel issued checks to Emporium and Decomax to purchase supplies and materials. Aznar, who is cooperating with the SAO, has provided information that Evans-Maquilon solicited him to fraudulently requisition supplies from her husband's companies, Decomax and Emporium. The scheme also required Evans-Maquilon, who was the Administrative Assistant to the former MIA Hotel General Manager, to prepare the purchase orders for the phony supplies.

The investigation found that delivery tickets were lacking and only a small portion of the supplies purportedly purchased were actually delivered to the MIA Hotel. One of the fraudulent supply items purchased from Emporium was water cartridges (water valves). Maquilon and Evans-Maquilon received over \$39,000 from the fraudulent Emporium water cartridge invoices. Even more egregious were the fraudulent Decomax invoices submitted for payment of non-existent wallpaper. The wallpaper scheme involved submitting phony bids in addition to the fraudulent invoices. The wallpaper, purportedly ordered and delivered by Decomax, was the same type and style that MDAD had purchased earlier, thus the MIA Hotel already had a stock of MDAD-purchased wallpaper on hand to complete periodic maintenance and repairs. Boldly, Maquilon and Evans-Maquilon, through Decomax, fraudulently invoiced the MIA Hotel for additional wallpaper at approximately 5 times more than the price paid earlier by MDAD for the same wallpaper. Evans-Maquilon and Maquilon received over \$176,000 from the sham wallpaper invoices. The investigation uncovered that the monies received by Decomax and Emporium benefitted the Maquilons personally.

The OIG appreciates the cooperation of MDAD's Office of Professional Compliance, Finance Division, and Commercial Operations Division during the course of this investigation.

Attachment

cc: Emilio T. Gonzalez, Director, Miami-Dade Aviation Department
Cathy Jackson, Director, Audit & Management Services
Charles Anderson, Commission Auditor



KATHERINE FERNANDEZ RUNDLE STATE ATTORNEY



ELEVENTH JUDICIAL CIRCUIT IN AND FOR MIAMI-DADE COUNTY

For Immediate Release

Couple Arrested In County Overbilling Scheme

Wallpaper & Water Cartridges keys to \$222,000 theft

Miami –July 15, 2013

As the result of a joint investigation by the Miami-Dade Office of the Inspector General and the Miami-Dade State Attorney's Office, two individuals have been arrested in a vendor overbilling scheme.

Arrested today were:

- **Jorge Isaac Maquilon (President/Director & sole owner Decomax Corporation & Emporium Supplies Corporation)**
- **And his wife Ivy Evans-Maquilon (former employee of the Miami International Airport Hotel)**

Mrs. Ivy Evans-Maquilon , a member of the management team running the Miami Dade County-owned hotel at Miami international Airport, developed a scheme which bypassed the existing financial controls and allowed her to enrich herself, her husband Jorge Isaac Maquilon and another employee of the Miami Dade County owned hotel.

The fraud manipulated the existing management agreement which, when properly utilized, had the hotel owner, Miami Dade County, reimburse the contracted hotel operators for normal operating expenses. Under the management agreement, expenses over \$1000 required three competitive bids to secure the best price for Miami Dade County. This process was manipulated through the use of fake bids to make it appear that companies owned by Ms. Ivy Evans-Maquilon's husband, Jorge Isaac Maquilon (Decomax and Emporium Supplies) were the best supply source. To further facilitate this scheme, Ivy Evans-Maquilon kept her relationship to Jorge Isaac Maquilon less visible by only using her unmarried name (Ivy Evans) in her official hotel capacity.

FOR FURTHER
INFORMATION CONTACT:

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The investigation started in 2010 when the Inspector General's Office was informed that the Miami International Airport Hotel had apparently been over paying anywhere from 3 to 5 times the purchase price for wallpaper Miami-Dade County already had in stock from a previous March 2009 hotel renovation.

During this investigation, it was discovered that the overbilling supplier, Decomax, was owned by Jorge Isaac Maquilon and that required competitive bids were faked. The investigation then revealed additional frauds relating to the purchases of maintenance supplies from Emporium Supplies Corporation, another Jorge Isaac Maquilon company. Some of these supplies were never delivered and others were purchased and highly inflated prices. This fraud required the cooperation of the hotel maintenance supervisor, Nestor Aznar who profited from the scheme but who pleaded guilty and is now cooperating in the investigation.

Jorge Isaac Maquilon and Ivy Evans-Maquilon are both charged with:

- 1 Count Organize Scheme To Defraud 1st Degree Felony
- 1 Count Grand Theft 1st Degree Felony
- 1 Count Grand Theft 2nd Degree Felony

"The greatest horror for any business is to learn that a trusted employee has committed a theft. Miami Dade County's business of running an airport hotel relied entirely on having a competent management team in place. Sadly, that competency appears to have been lacking," commented State Attorney Katherine Fernandez Rundle. "This detailed investigation by the Office of the Inspector General and the Dade State Attorney's Office unraveled some complicated financial shenanigans and supplied the evidence necessary to build our strong criminal case."

In commenting on the arrest, Interim Inspector General Patra Liu stated, "The Miami International Airport is not an open pocketbook to benefit some dishonest employee or vendor. The Miami-Dade County OIG, with our law enforcement partners at the State Attorney's Office, remain fully committed to rooting out fraud at all levels of county government. I believe that Evans-Maquilon and Maquilon have gotten that message."

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State Attorney Katherine Fernandez Rundle will be available for additional commentary. Please call 305-547-0535 to arrange an appropriate time.