



Memorandum



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To: The Honorable Carlos A. Gimenez, Mayor, Miami-Dade County
The Honorable Jean Monestime, Chairman
and Members, Board of County Commissioners, Miami-Dade County

From: Mary T. Cagle, Inspector General

A handwritten signature in blue ink, appearing to read 'MTC'.

Date: February 26, 2015

Subject: Trio Arrested for Fraudulently Designating Children as “At-Risk” in Referrals to the County’s Former Child Development Services Division; Ref. IG13-06

An OIG investigation concluded today with the arrests of three individuals for lining their own pockets by scamming parents in connection with a program that provides subsidized child care and pre-school services for at-risk kids. The program, funded through both Federal and State education funds, is administered locally by The Early Learning Coalition of Miami-Dade/Monroe. Until July 2013, Miami-Dade County Community Action & Human Services Department (CAHSD) contracted with the Early Learning Coalition to determine eligibility, process referrals and provide payment to daycare centers. The County’s former Child Development Services Division (a former division of CAHSD) was also supplemented by the County’s General Fund to fund program operations. The initial complaint received by the OIG alleged that a County employee, working in the Child Development Services Division, was charging parents money to approve their children for immediate placement into the program. While that allegation was determined to be unfounded, the OIG found that other individuals were involved in a scheme that involved charging parents a fee to classify their children as “at-risk” in order to advance them in the priority of eligibility.

The Program—The Florida School Readiness Program—offers financial assistance to families for early education and childcare. The State’s Office of Early Learning administers the Program. Referrals of “at-risk” children to the Program can be made directly from the Florida Department of Children and Families (DCF) or through the Community-Based Care Lead Agency contracted by DCF to provide services. In Miami-Dade County, Our Kids, a not-for-profit organization, serves as the Community-Based Care Lead Agency providing services to children under DCF supervision. Children’s Home Society (CHS) provides similar services as a subcontractor under the Our Kids umbrella.

The investigation found that a former employee of CHS and two of her associates organized a scheme to defraud the program by falsely designating children as “at-risk” in order to place them in a higher priority of eligibility ahead of other children. Signatures of CHS supervisors were also forged to effectuate the phony paperwork. That paperwork was then submitted to the County’s Child Development Services Division. The trio charged parents between \$100 to \$500 in cash per child, per referral; however, none of the parents were aware that the applications fraudulently designated their children as “at-risk” kids. As a result of this scam, the trio caused the Office of Early Learning to disburse over \$156,000 in benefits for the immediate placement of children who were not at risk.

The OIG investigation was a joint effort with the Miami-Dade State Attorney’s Office (SAO); the State of Florida Office of Early Learning, Office of the Inspector General (OEL-OIG); and the U.S. Department of Health and Human Services, Office of the Inspector General (HHS-OIG). Attached is a press release that contains additional information about the fraud and the individuals criminally charged.

The OIG is grateful for the assistance of its law enforcement and OIG partners, and appreciates the cooperation of the employees of Miami-Dade’s Community Action & Human Services Department during the course of this investigation.

Attachment

cc: Alex Ferro, Chief of Staff, Office of the Mayor
Russell Benford, Deputy Mayor
Lucia Davis-Raiford, Director, CAHSD
Cathy Jackson, Director, Audit and Management Services Department
Charles Anderson, Commission Auditor
Rodney McKinnon, Director, Office of Early Learning, State of Florida
Kristopher Roberts, Special Agent, HHS-OIG
Evelio Torres, CEO, Early Learning Coalition of Miami-Dade/Monroe
Jackie Gonzalez, CEO, Our Kids of Miami-Dade/Monroe, Inc.
Rebecca McGuire, Executive Director, Children’s Home Society



KATHERINE FERNANDEZ RUNDLE

STATE ATTORNEY



ELEVENTH JUDICIAL CIRCUIT IN AND FOR MIAMI-DADE COUNTY

FOR IMMEDIATE RELEASE

Three Arrested in Childcare Benefits-for-Cash Scheme

Miami – February 26, 2015

Scarlette Jarquin, Allan S. Diaz, and Ana Marcano were arrested and charged today with a scheme to defraud monies slated for at-risk children's daycare and pre-school services intended to assist Miami-Dade's needy children. Between March 2011 and November 2013, the scheme led to the improper expenditure of over \$156,000 in School Readiness funds while Jarquin and Diaz pocketed over \$20,000 in cash.

"It is always regrettable when individuals plot to swindle the needy so they can put a few dollars in their own pockets," commented State Attorney Katherine Fernandez Rundle. "This broad governmental coalition, constructed to attack fraud, will continue its efforts as long as people think they can get away with these types of crimes."

These three individuals are charged with:

Scarlette Jarquin	1 count Organized Scheme to Defraud (1st Degree Felony) 1 count Grand Theft (1st Degree Felony)
Allan S. Diaz	1 count Organized Scheme to Defraud (1st Degree Felony) 1 count Grand Theft (1st Degree Felony)
Ana Marcano	1 count Organized Scheme to Defraud (1st Degree Felony) 1 count Grand Theft (1st Degree Felony) 10 counts Uttering Forged Instruments (3rd Degree Felonies)

The joint Miami-Dade Office of the Inspector General (OIG) and State Attorney's Office investigation found that Jarquin and her husband Diaz recruited low-income mothers and promised to expedite their application for pre-school benefits through the School Readiness Program for a fee. The School Readiness Program offered financial assistance for early education and childcare. Priority placement on the waiting list was given to children who have been determined by the Department of Children and Families, or through the court system, to be at-risk of abuse, neglect, or abandonment. Priority was also given to children of parents receiving temporary cash assistance.

Jarquin and Diaz charged low-income parents from \$100 to \$500 in cash to accelerate each child's application to the School Readiness Program. Marcano, a long-time friend of Jarquin's from her church and Bible studies classes, was the key access point for the scheme. Through her former employment at the Children's Home Society, Marcano would submit false and fraudulent applications to Miami-Dade County's former Child Development

FOR FURTHER
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Services (CDS) Division of the Miami-Dade County Community Action & Human Services Department. CDS had contracted out the work to determine eligibility, process referrals and provide payment to daycare centers. The referral forms Marcano completed designated the children as “at-risk” and eligible to receive immediate placement ahead of families already on a waiting list for these services. The at-risk designation also made applicants eligible for substantial reductions or waivers of any fees that low-income participants are required to pay if enrolled. There was no indication that the parents who paid Jarquin and Diaz were aware of the at-risk designation now attached to their child’s application or were aware of the forged signatures of CHS supervisors needed to complete the process.

"Abusing the public trust is always unacceptable, but it is truly reprehensible when it involves children." stated Mary T. Cagle, Miami-Dade County Inspector General.

This investigative effort by the Miami-Dade Office of the Inspector General (OIG) and the State Attorney’s Office (SAO) could not have succeeded without the collaborative efforts and work done by the Office of Early Learning, the Office of the Inspector General (OEL-OIG) and the Office of the Inspector General, U.S. Department of Health and Human Services (HHS-OIG). Their commitment to eliminating programmatic fraud must be recognized and fully appreciated.

“Our office worked closely with the early learning coalition in Miami-Dade as well as with the other government offices mentioned to bring these individuals to justice,” said Office of Early Learning Executive Director Rodney MacKinnon. “Our job is to help ensure that the funds meant to help children and families in need are used exactly as intended.”

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