



Memorandum



Miami-Dade County Office of the Inspector General
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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

Date: March 31, 2016

Subject: Aviation Company Owner Arrested for Intentionally Underpaying the County
Over \$350,000 in Airport Opportunity Fees; Ref. IG15-07

Based on a referral from the Miami-Dade County's Audit and Management Services Department, who found that an airport permittee underpaid the County and submitted suspect documentation in the course of the audit, the Office of the Inspector General (OIG) initiated an investigation that resulted in the arrest this morning of Alberto Luis Ramirez (Ramirez). The OIG, working in conjunction with the Miami-Dade State Attorney's Office, determined that Ramirez, the former sole owner and operator of Aviation Main Services, Inc. (AMSI), intentionally underpaid the County \$376,809 in "opportunity fees" owed in connection with his business at Miami International Airport (MIA). Ramirez was charged with the first degree felonies of Organized Scheme to Defraud and Grand Theft.

AMSI (previously known as Aircraft Main Services, Inc.) has leased space at MIA since 1992. AMSI has also held permits, granted to it by the Aviation Department, to conduct commercial activities on the premises. Specifically, AMSI was authorized to provide "ground support services" (typically ramp services for planes landing at the airport) for which it pays a 7% opportunity fee. On the other hand, AMSI also was authorized to provide "line maintenance services" (such as aircraft line inspections, taxiing planes, and checking and adding fluids) for which it pays a 3% opportunity fee. The opportunity fee – at either percentage – is based on the gross revenues received for providing the specified type of service.

Investigators found that Ramirez intentionally misclassified revenues received from ground support services as line maintenance services in order to pay a lesser amount in opportunity fees. Through the examination of financial documents obtained via subpoenas, the investigation found that Ramirez had maintained two sets of accounting records. Invoices sent to clients receiving ground support services were altered to depict the services as "line maintenance." For the six-year period 2009 to 2015, the total amount of the fraud was determined to be \$376,809.

Ramirez was the sole owner and principal of AMSI until approximately November 2015, when he sold his majority interest in the company. In the course of this investigation, he has admitted to prosecutors that he provided the County with the falsified accounting records. Based on the County's audit, the Aviation Department (separate and apart from this criminal investigation) has already begun pursuing recovery of the underpaid amounts. Ramirez voluntarily turned himself in to authorities this morning and he was formally arrested and charged. We appreciate the County's Aviation Department and the Audit and Management Services Department for their assistance and cooperation in this investigation.

Attached is the press release from the State Attorney's Office with additional information about today's arrest and the criminal charges filed.

cc: Alex Ferro, Chief of Staff, Office of the Mayor
Emilio T. Gonzalez, Director, Miami-Dade Aviation Department
Cathy Jackson, Director, Audit and Management Services Department
Charles Anderson, Commission Auditor



KATHERINE FERNANDEZ RUNDLE

STATE ATTORNEY



ELEVENTH JUDICIAL CIRCUIT IN AND FOR MIAMI-DADE COUNTY

FOR IMMEDIATE RELEASE

AVIATION COMPANY OWNER CHARGED FOR DEFRAUDING AIRPORT

Luis Alberto Ramirez Falsified Records To Minimize Payments

Miami (March 31, 2016) - As a result of a joint investigation by the Miami-Dade State Attorney's Office and the Miami-Dade County Office of the Inspector General, Luis Alberto Ramirez, the former President, Vice President, Secretary, and the former sole owner of Aviation Main Services, Inc. (AMSI), a company performing services at the Miami International Airport (MIA), has been arrested and charged with:

- 1 count Organized Scheme to Defraud over \$50,000 1st Degree Felony
- 1 count Grand Theft over \$100,000 1st Degree Felony

Ramirez has since sold his majority interest in AMSI. Before this sale, both a Miami Dade County Audit and the subsequent joint criminal investigation found that AMSI/Ramirez had "misstated" its gross revenues reported to the Miami-Dade Aviation Department (MDAD) and had underpaid its opportunity fees. The losses to MDAD total \$376,809. While AMSI has provided the services at MIA since 1992, the investigation focused on losses from 2009 to 2015.

AMSI is a private company approved through MDAD permits and/or lease agreements to provide ramp services to multiple cargo airlines and cargo clients at MIA. Once AMSI is hired by a client, the client calls AMSI for services prior to the arrival of a cargo aircraft. AMSI meets the aircraft and performs the requested services, which can include: "ground support services" (such as aircraft push back, aircraft towing, aircraft guidance in and out of parking positions, air starts, ground power unit services, crew stairs, lavatory services, and air conditioning services) and "line maintenance services" (such as aircraft line inspection, limited airframe and avionics repair, towing from/to passenger terminal for maintenance purposes, and checking and adding aircraft fluids).

The MDAD/AMSI permits and/or lease agreements required AMSI to pay specific fees, called opportunity fees, based upon AMSI's gross revenues. These opportunity fees, set by the Board of County Commissioners, are 7% of gross revenues derived from ground support services and 3% of gross revenues derived from line maintenance services. Mr. Ramirez admitted that he billed his customers the correct 7% opportunity fee for ground support services rendered. He then falsified records submitted to MDAD to make it falsely appear as if AMSI had performed line maintenance services instead. He then paid MDAD the lesser 3% fee and pocketed the 4% difference.

"This case is a message for those who think they can cheat our local government and get away with it," noted State Attorney Katherine Fernandez Rundle. "There will be a high personal cost for those nickels, dimes and dollars fraudulently siphoned from taxpayers, because you will be arrested and you will find yourself standing inside a jail cell. Investigators, like those at the Miami-Dade County Office of the Inspector General, and my prosecutors will see to that."

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FOR FURTHER
INFORMATION CONTACT:

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