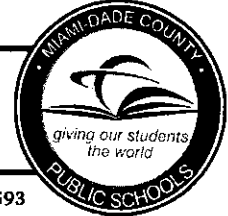



Christopher R. Mazzella
Inspector General
Office of the Inspector General for Miami-Dade County Public Schools



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To: The Honorable Chairperson, Ms. Perla Tabares Hantman
and Members, Miami-Dade County School Board

From:  Christopher Mazzella
Inspector General

Date: December 9, 2010

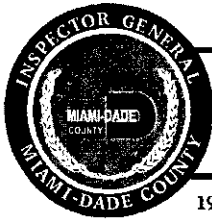
Subject: Equipment Vendor Prosecuted for Defrauding Miami-Dade County Public
Schools - Ref. IG10-32SB

Attached is a news release relating to the criminal prosecution of Miami-Dade County Public Schools (M-DCPS) vendor Dade Equipment Maintenance Corp. (Dade Equipment). Dade Equipment, a Florida corporation, was charged with one (1) count of Grand Theft in the third degree in connection with equipment sold to M-DCPS. The joint investigation by the Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office substantiated that Dade Equipment sold South Dade Senior High School three used golf carts that it falsely represented as new.

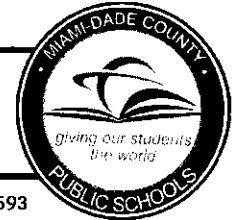
Dade Equipment has accepted a plea offer and agreed to a three (3) year debarment from any further contracts with M-DCPS. In addition, Dade Equipment will pay both restitution and costs of investigation totaling \$22,739.

This case reinforces the importance of ensuring that delivered equipment is not accepted and paid for without receipt of all appropriate documentation, such as accompanying warranties.

cc: Alberto M. Carvalho, Superintendent, M-DCPS
Walter Harvey, Board Attorney, M-DCPS
Jose Montes de Oca, Chief Auditor, M-DCPS



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December 9, 2010

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OIG NEWS RELEASE

Equipment Vendor Prosecuted for Defrauding Miami-Dade County Public Schools (Miami, Fl.)

Inspector General Christopher Mazzella and State Attorney Katherine Fernandez Rundle announced today that Dade Equipment Maintenance Corp. (Dade Equipment), a Florida corporation, was charged today in Miami-Dade Circuit Court with one (1) count of Grand Theft in the third degree in connection with its selling used equipment to Miami-Dade County Public Schools. In early November 2009, Dade Equipment won a bid to sell South Dade Senior High School (South Dade SH) three (3) new E-Z-GO golf carts and key switches. Dade Equipment's quote was \$2,000 lower than the highest quote but only \$423 lower than the second highest, not low enough to arouse suspicions that Dade Equipment's quote on new E-ZGO golf carts was fraudulent.

An investigation by the Miami-Dade County Public Schools Office of the Inspector General (OIG) and the State Attorney's Office uncovered that Dade Equipment sold South Dade SH used golf carts instead of new golf carts. The deception was more than a cosmetic issue, as new golf carts include a factory warranty that was not included with the used carts delivered to South Dade SH. In addition to the lack of warranty, the OIG discovered that the golf carts sold as new by Dade Equipment had in fact previously been leased to a golf course in Orlando. Some of the carts had logged over a thousand miles of use on a golf course prior to Dade Equipment purchasing them for resale. The OIG found that since January 2009, Dade Equipment was only authorized by the manufacturer to sell used E-ZGO golf carts and parts. However, Dade Equipment's website advertised the sale of new E-ZGO golf carts. Dade Equipment falsely stated to MDCPS that its quote was for the sale of new golf carts. As a result of Dade Equipment's misrepresentations, M-DCPS paid Dade Equipment \$17,379. Dade Equipment has accepted a plea offer and agreed to pay restitution of \$17,379 and \$5,000 in costs of investigation to the OIG, and accepted a three (3) year debarment from any further contracts with M-DCPS.

State Attorney Katherine Fernandez Rundle commented on the case, saying: "The actions of Dade Equipment Maintenance Corporation which defrauded Miami-Dade County Public Schools of thousands of dollars are an egregious example of fraud. We teach our students honesty and integrity. The fraud committed by this company by stealing from them could have also posed a danger to their well being. Anyone who steals public monies from any government entity will be caught and prosecuted to the fullest extent of the law."

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