

Biscayne Building  
19 West Flagler Street, Suite 220  
Miami, FL 33130  
Phone (305) 375-1946  
Fax (305) 579-2656  
[www.miamidadeig.org](http://www.miamidadeig.org)

**Office of the Inspector General**  
**Miami-Dade County**

# Memorandum

To: The Honorable Carlos Alvarez, Mayor

\_\_\_\_\_  
Received by Date

The Honorable Chairperson Joe Martinez  
and Members, Board of County Commissioners


\_\_\_\_\_  
Received by Date

Mr. Larry R. Handfield, Esq., Chairman  
Miami-Dade Public Health Trust Board

\_\_\_\_\_  
Received by Date

Mr. Marvin O'Quinn, CEO/President  
Miami Public Health Trust

\_\_\_\_\_  
Received by Date

  
From: Christopher Mazzella  
Inspector General

Date: May 31, 2005

Re: Questionable Expenditures by Miami-Dade Public Health Trust/Jackson Memorial  
Hospital for Funeral and Catering Services

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Attached please find the Office of the Inspector General's Final Report regarding our review on questionable expenditures by Miami-Dade Public Health Trust/Jackson Memorial Hospital for Funeral and Catering Services.

The draft report was issued to Public Health Trust (PHT) officials on January 18, 2005 for their comment. The PHT's and Chairman Handfield's responses were received on January 26, 2005 and both are fully attached to this report.

cc: Mr. George Burgess, County Manager  
Ms. Alina Tejada Hudak, Assistant County Manager  
The Hon. Katherine Fernandez Rundle, Miami-Dade State Attorney  
Mr. Robert Parker, Director, Miami-Dade Police Department  
Mr. Michael Trerotola, Major, Public Corruption Unit, MDPD  
Ms. Cathy Jackson, Director, Audit & Management Services

Clerk of the Board (copy filed)


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**Office of the Inspector General  
Miami-Dade County**

## **FINAL REPORT**

To: Larry Handfield, Chairman  
Miami-Dade Public Health Trust Board

Marvin O'Quinn, CEO/President  
Miami-Dade Public Health Trust/Jackson Memorial Hospital

From:  Christopher Mazzella  
Inspector General

Date: May 31, 2005

Re: Questionable Expenditures by Miami-Dade Public Health Trust/Jackson Memorial  
Hospital for Funeral and Catering Services

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### **I. SYNOPSIS**

The Office of the Inspector General (OIG) initiated this inquiry at the Miami-Dade Public Health Trust/Jackson Memorial Hospital (PHT/JMH) on October 12, 2004, pursuant to information received from the Public Corruption Investigations Bureau (PCIB) of the Miami-Dade Police Department. The information alleged that JMHS paid for limousine services for the funeral of a relative of the PHT Chairman.

OIG Special Agents conducting the inquiry, learned through documents received and/or interviews conducted that JMHS senior management approved and paid \$2,350 from the Executive Office's operating budget for limousine services for the funeral of Judge Wilkie Ferguson, the uncle of the Chairman of the PHT. It appears that an attempt was made to disguise the type of service being paid for as the original invoices for the limousine services were lost, misplaced or destroyed. In their place, one invoice for floral arrangements and catering service was used to support the purchase order and payment requisition. Conflicting statements by individuals with direct knowledge of the events and circumstances surrounding payment of the limousine bills also raised suspicions about the propriety of this expenditure.

In addition, it was discovered that on seven (7) separate occasions from March 2001 through February 2003, JMHS approved and paid a total of \$31,200 for catering services at the funerals of other PHT/JMHS officials and employees or their relatives from the Executive Office's operating budget. These expenditures ranged from a low of \$325 to a high of \$8,400.

The OIG has concluded that there is no rational justification for these types of expenditures. To our knowledge, there is no policy supporting them and the fact that such courtesies are not extended to all PHT/JMHS staff demonstrates favoritism and abusive management practices that cannot be condoned.

## **II. BACKGROUND**

The Public Health Trust (PHT) was created in 1973. The PHT Board is comprised of a volunteer board of trustees, which is headed by a Trust Board chairperson. The PHT sets the governing policies for the Jackson Health System and is entrusted with the responsibility to ensure that it is responsive to the community's needs. The Trust provides leadership for joint planning between Jackson Health System, the University of Miami Medical School, Miami-Dade County and other private and community organizations.

Jackson Memorial Hospital (JMH) is the cornerstone of the Jackson Health System. JMH is a public Miami-Dade County tax assisted hospital and is the major teaching facility for the University of Miami/School of Medicine.

The JMH Executive Office is comprised of the President/Chief Executive Officer, the executive vice presidents, the senior vice presidents of JMH's various divisions, and their clerical support personnel. The Executive Office's operating budget is the primary budget for the administrative and operating needs of the Executive Office. The operating budget is indexed under "cost code # 99301."

## **III. INVESTIGATION**

### **A. Limousine services**

On October 12, 2004, the OIG initiated an inquiry into the possible misuse of public funds by JMH/PHT. The inquiry was initiated pursuant to information provided by the PCIB of the Miami-Dade Police Department. The information alleged that upon the death of the PHT Chairman's uncle, JMH paid for limousine services totaling \$2,350. JMH personnel completed a requisition and purchase order upon receiving an invoice from Terry Wright, an employee of Grace Funeral Home. The employee, Wright, subsequently received a check from JMH made payable to him. The owner of Grace Funeral Home, Mr. Vincent Brown, contacted the Miami-Dade Police Department and reported that the check Wright received and cashed was meant for Grace Funeral Home and that the substituted catering invoice received by JMH was fraudulently prepared. Mr. Brown informed the police that he paid for the limousines and that his company was supposed to be reimbursed by JMH. After the police conducted its investigation, Wright was arrested for theft.

After learning of the theft investigation and resulting arrest, the OIG focused on the public nature of the funds used to pay for these private services. OIG Special Agents, through records and documents obtained and interviews conducted, gathered the following information:

In June 2003, Federal District Court Judge Wilkie Ferguson passed away at JMH. Judge Ferguson was the uncle of Larry Handfield, the PHT Chairman.<sup>1</sup> Mr. Handfield's Executive Assistant, Ms. Marilyn Moss, was contacted by Ms. Sandy Sears, Senior Vice President of Ambulatory Services, to determine if there was anything the hospital could do to assist Mr. Handfield's family. According to Ms. Sears, this contact was made on behalf of Dr. Gerald Kaiser, who was the acting CEO of JMH. Ms. Moss learned from Mr. Handfield that the family's only needs were limousine services for the wake and funeral on June 12 and 13, 2003, respectively. Ms. Moss relayed this information back to Ms. Sears, who then told her [Moss] to go ahead and arrange for the limousines and that the hospital would pay for them. Ms. Moss subsequently contacted an acquaintance, Terry Wright of Grace Funeral Home, to arrange for the seven (7) limousines.

According to Ms. Sears, she obtained Dr. Kaiser's approval for the hospital to pay for the limousines prior to informing Ms. Moss that she should make the arrangements. Dr. Kaiser recalls that their conversation was centered around providing flowers or catering service, although there was some discussion concerning limousines. When initially interviewed by the OIG, Dr. Kaiser stated that he was informed by his staff that in the past the hospital would send floral arrangements or provide catering service at funerals of PHT/JMH employees or their family members. Dr. Kaiser initially stated to the OIG Special Agents that he would not have approved providing limousine services. In a later interview, however, Dr. Kaiser altered his position and stated to the same OIG Special Agents that he would have approved limousines if the cost fell below \$2,500—a maximum cap that he personally set for funeral assistance.

Some time after the June 2003 services, Dr. Kaiser received and approved a JMH prepared payment requisition supported by a \$2,350 invoice for services for the Judge Ferguson funeral. The invoice, however, shows Terry Wright directly providing the services of floral arrangement(s) and complete catering service. Dr. Kaiser signed the requisition and invoice approving payment (**EXHIBIT 1 composite**). A check made payable to Wright for \$2,350 was prepared by JMH and given to him (**EXHIBIT 2**). Ms. Moss (the Chairman's Executive Assistant) stated that the only invoice(s) she ever saw was from Grace Funeral Home for limousine services totaling \$2,350 (**EXHIBIT 3 composite**). She believes she forwarded the invoices to Ms. Sears or her assistant, Ms. Miriam Vega. Ms. Sears stated to the OIG that she recalls receiving the limousine invoice and believes that she gave it to her assistant to complete a requisition for payment.

Ms. Vega was the individual who prepared the JMH requisition that Dr. Kaiser signed and approved for payment. Ms. Vega stated that she prepared the requisition based on the Terry Wright invoice that was provided to her. Ms. Vega told the OIG Special Agents that she never received any invoices for limousine services from Grace Funeral Home.

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<sup>1</sup> Judge Wilkie Ferguson was the husband of former Miami-Dade County Commissioner Betty Ferguson. The OIG's review determined that Commissioner Ferguson neither requested limousines for the service nor was she aware that JMH arranged and paid for the limousines.

Mr. Vincent Brown, owner of Grace Funeral Home, stated that he was initially unaware that his employee, Terry Wright, had been contacted by Ms. Moss to arrange limousine services for the Ferguson wake and funeral. Grace Funeral Home was not involved with any other funeral arrangements—another funeral home handled the services. Mr. Brown explained that he eventually learned of the limousines from Wright while attending the funeral. According to Mr. Brown, Wright informed him that JMH would pay for the limousines. Mr. Brown received and paid the two invoices from Protective Limousine services for \$550 and \$1,400 (**EXHIBIT 4 composite**). He stated that for several months afterwards he requested that Wright get the money due Grace Funeral Home from JMH. Mr. Brown later learned that Wright had received a payment of \$2,350 from JMH and kept it.

According to Mr. Brown, he fired Wright and reported the theft to the Miami-Dade Police Department, who conducted an investigation and arrested Terry Wright. It should be noted that while the actual total cost of the limousine services provided by Protective Limousine services was \$1,950 (\$550 and \$1,400), the invoices from Grace Funeral Home sent to JMH were for \$2,350 (\$550 and \$1,800). This increase of \$400 was the result of someone adding additional hours of limousine usage to the Grace Funeral Home invoices. Additionally, there is a conflict on the actual number of limousines provided. The billing statements from Protective Limousine services indicate that six (6) limousines were used for the two days. The invoices from Grace Funeral Home indicate that seven (7) limousines were used.

Although it is believed that the JMH Executive Office did agree in advance to pay for limousine services for Judge Ferguson's funeral, it appears there was an attempt to disguise the type of service that the hospital actually paid for. The invoices for the limousine services from Grace Funeral Home were received by Ms. Marilyn Moss and forwarded to Ms. Sandy Sears (**EXHIBIT 3 composite**). Ms. Sears believes she gave them to her assistant, Ms. Vega. Ms. Vega stated to the OIG Special Agents that she never received a limousine invoice, only the invoice for floral arrangements and catering. The two limousine invoices were somehow replaced with the one invoice for floral arrangement and catering service. It was this substituted invoice that was the basis for the actual payment.

The following individuals were interviewed along with others, and in retrospect, Mr. Eugene Shy (Assistant County Attorney), Mr. Frank Barrett (Chief Financial Officer), Dr. Gerald Kaiser (Senior Vice President of Medical Affairs), Ms. Sandy Sears (Senior Vice President of Ambulatory Services) and Mr. Larry Handfield (PHT Chairman). All believe that the expenditures, either for limousine services or catering services, were inappropriate and should not have been approved.

**B. Catering Services**

During the course of this inquiry, it was learned that the JMH Executive Office's operating budget paid for catering services for other funerals of PHT/JMH officials, employees or their relatives. All of the catering was provided by Whitcup-Bakst Catering Inc., located at 8000 N.W. 21 Street, the Fire Tower Building, Miami, FL. Catering services were provided on seven (7) separate occasions from March 2001 through February 2003. These services totaled \$31,200 and were paid from the Executive Office's operating budget. The expenditures ranged from a low of \$325 to a high of \$8,400. (See EXHIBIT 5 composite for the documentation corresponding to the table below.)

<b>Date of Service</b>	<b>Amount Paid</b>	<b>Service Provided For</b>
March 26, 2001	\$6,650.00	Catering service at "The Vision of Victory Hall" for the family of Ms. Sandy Sears. Ms. Sears was the Senior Vice President of Ambulatory Services/Community Health at the time the service was provided.
March 31, 2001	\$3,625.00	Catering service at "First Baptist Church of Bunche Park" for the family of Ms. Vida Addison. Catering was for 145 guests at \$25.00 each. Ms. Addison was an employee at the JMH North Dade Health Center at the time the service was provided.
April 19, 2001	\$2,500.00	Catering service at the residence of Dr. Howard Hadley for a family member. Catering was for 100 guests at \$25.00 each. Dr. Hadley was a Board of Trustee member of the PHT at the time the service was provided.
September 14, 2002	\$7,700.00	Catering service at "Esther Armbrister Park" for the family of Ms. Gloria Walker. Catering was for 350 guests at \$22.00 each. Ms. Walker was a Hospital Communications Specialist at JMH at the time the service was provided.
January 29, 2003	\$8,400.00	Catering service at the residence of Dr. Howard Hadley for a member of his family. Catering was for 350 guests at \$24.00 each. Dr. Hadley was a former PHT Board member, and at the time service was provided he was an Assistant Medical Director at JMH.
February 8, 2003	\$2,000.00	Catering service at "Community Christian Church" for the family of Mr. Stephen Pierce. Catering was for 125 guests at \$16.00 each. Mr. Pierce was the Director of Customer Service Telecommunications and Network Support at the time the service was provided.
February 18, 2003	\$325.00	Catering service at the residence of Mr. Ron Book for a member of his family. Mr. Book is a registered lobbyist for the University of Miami. He is also a lobbyist for PHT/JMH and was so at the time the service was provided.

For each of these funerals, the catering services were ordered from the Executive Office. The catering arrangements were coordinated through the President/CEO's Executive Assistant. Payments were ultimately approved by Mr. Ira C. Clark, former President/CEO of the PHT/JMH. In the course of this review, the OIG has contacted either the individual member identified in the above table or a member of his/her family regarding receiving the benefit of the catering services. We verified that catering services were provided. We also learned that most of the above-identified individuals were unaware that JMH actually paid for the catering.

#### **IV. CONCLUSION**

JMH is a public Miami-Dade County tax assisted hospital, and while so spent \$33,550 from March 2001 through June 2003 on funerals of select PHT/JMH employees or their relatives' funerals. The noted expenditures were for catering services for seven (7) funerals and limousine services for one funeral. The cost of the catering ranged from a low of \$325 for the delivery of a deli platter to a high of \$8,400 for food, beverages, equipment and service for 350 guests.

With regard to the expenditure for the limousine services, it appears there was an attempt to disguise the type of service that was eventually paid for, as the original invoices for limousine services were lost, misplaced or destroyed. In their place, one invoice for floral arrangements and catering services was used to construct the requisition and purchase order. This substituted invoice represented the kind of service that the Executive Office had approved of in the past.

All of these expenditures were approved for payment by JMH Executive Office personnel and charged against the Executive Office's operating budget. The OIG concludes that these expenditures, paid for with public funds, are inappropriate regardless of the type of service (catering or limousines) and regardless of the intended beneficiary. All those interviewed are now in agreement that the expenditures for both limousine services and catering services should never have been approved and paid for with taxpayers' money.



Christopher R. Mazzella  
Inspector General

Alan Solowitz  
Deputy Inspector General

Patra Liu  
Assistant Inspector General  
Legal Counsel

January 18, 2005

Mr. Larry Handfield, Chairman  
Miami-Dade Public Health Trust  
4770 Biscayne Boulevard, Suite 1130  
Miami, Florida 33137

**FILE COPY**

Mr. Marvin O'Quinn, CEO/President  
Miami-Dade Public Health Trust  
West Wing Room 117  
1611 NW 12<sup>th</sup> Avenue  
Miami, FL 33136-1005

Dear Sirs:

Attached please find a copy of the Office of the Inspector General's (OIG) Draft Report regarding our review of PHT/JMH expenditures for funeral expenses. We are providing this draft in accordance with the Board of County Commissioners' mandate of advance notification. The OIG requires your response(s) to this Draft Report. If you would like your response(s) to be included in the Final Report, you must submit it to the OIG by close of business on Wednesday, February 2<sup>nd</sup>, 2005.

The following individuals named below, are also receiving a copy of the draft report. For the individuals copied below, a response to this draft report is discretionary. If you would like your response(s) to be included in the Final Report, you must also submit it to the OIG by close of business on Wednesday, February 2<sup>nd</sup>, 2005.

If you wish, responses may be faxed to (305) 579-2656. Please do not hesitate to call should you have any questions.

Yours truly,

Christopher Mazzella  
Inspector General

  
Acknowledgment of Receipt or Proof of Service

1/18/05  
Date

cc: Mr. Ira C. Clark  
Dr. Gerald Kaiser  
Ms. Sandy Sears  
Ms. Marilyn Moss  
Ms. Miriam Vega





**MARVIN O'QUINN**  
*President/CEO*

*Executive Office*

*Jackson Memorial Hospital  
1611 N.W. 12<sup>th</sup> Avenue  
Miami, Florida 33136-1096*

*(305) 585-6754*

January 26, 2005

Mr. Chris Mazzella  
Office of the Inspector General  
19 West Flagler Street  
Suite 220  
Miami, FL 33130

2005 JAN 27 PM 12:08  
MDC-OFFICE OF THE  
INSPECTOR GENERAL

RE: OIG's draft report regarding review of PHT/JMH expenditures for funeral expenses

Dear Mr. Mazzella:

I have reviewed your draft report related to PHT/JMH expenditures for funeral services, and I have also taken the opportunity to discuss with my management staff the specific incident related to limousine services for the funeral of a relative of the PHT Chairman. Based on my review and findings, I find it difficult to agree with the OIG's conclusion that "it appears that an attempt was made to disguise the type of service being paid for as the original invoice was lost, misplaced or destroyed". Since it can not be determined what actually happened to the original invoice, there is no justification to discredit or suggest impropriety on the part of anyone. Additionally:

1. That the incident occurred in June 2003 and questions were raised about it almost one year and a half later, could certainly explain why specifics related to the incident could not be remembered in full by some and were not exact by others.
2. As precedent had already been established by the past PHT President to support family members of the deceased, management did not view the offering of support to the deceased's family member -- not on behalf of Dr. Kaiser as the report suggest, but on behalf of the Hospital's leadership, as any unusual or major occurrence. Discussion and approval was sought from Dr. Kaiser because he was the acting CEO at the time and was the only one who could actually authorize such expenditure.

3. According to the management staff "support" had never been defined as limited to only floral and catering, even though evidence suggests that had been the practice. Since management discussed and approved limousine services, there was no need to disguise anything. In either case, floral and catering or limousine services, was viewed as "support" to the family of the deceased.
4. If in fact the original invoice was lost or misplaced and payment was being requested for services provided, either another invoice could have been prepared by someone who assumed that consistent with past practice, floral and catering had been provided, or a substitute invoice could have been submitted.

In any case, while the invoiced amount of \$2,350.00 is consistent and not in question, it appears clear that there was need for more coordination and confirmation to ensure accuracy before sign-off for payment.

While obviously what does surface is opportunity for improved administrative processes (e.g., closer review/validation of paperwork), I find it very difficult to conclude any deliberate intent to disguise on the part of management.

In regards to the overall practice of providing support in crisis situations, it is clear from the information provided to your office by the Trust that the former CEO had, as a matter of policy, routinely contributed hospital funds to support employees in times of personal crisis and of great need. I certainly understand your conclusions relative to the merits of his actions and I do not take issue with them. I cannot provide any lucidity on the thought process that led to his actions as I am not knowledgeable of the specific events. However, it is certainly clear to me that these were acts of compassion provided to individuals who had given much of themselves to Jackson. Our board members volunteer their time and expose themselves to great scrutiny and criticism. Our employees provide extraordinary service and care under the most difficult circumstances spending more time with their "Jackson family" than with their biologic family. Thus, I speculate that taking all of this into consideration, Mr. Clark felt a need to demonstrate that Jackson appreciates their sacrifices by providing a simple act of compassion. I can only hope that should I suffer a similar tragedy in my life that I would be extended some level of compassion.

Sincerely,



**Marvin O'Quinn**  
**President & CEO**  
**Jackson Health System**

MOQ/sh



Christopher R. Mazzella  
Inspector General

Alan Solowitz  
Deputy Inspector General

Patra Liu  
Assistant Inspector General  
Legal Counsel

January 18, 2005

Mr. Larry Handfield, Chairman  
Miami-Dade Public Health Trust  
4770 Biscayne Boulevard, Suite 1130  
Miami, Florida 33137

**FILE COPY**

Mr. Marvin O'Quinn, CEO/President  
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If you wish, responses may be faxed to (305) 579-2656. Please do not hesitate to call should you have any questions.

Yours truly,

Christopher Mazzella  
Inspector General

  
\_\_\_\_\_  
Acknowledgment of Receipt or Proof of Service

*AS*  
1/18/05  
Date

cc: Mr. Ira C. Clark  
Dr. Gerald Kaiser  
Ms. Sandy Sears  
Ms. Marilyn Moss  
Ms. Miriam Vega



MDC-OFFICE OF THE  
INSPECTOR GENERAL  
JAN 31 AM 8:38

January 26, 2005

Inspector General of Miami-Dade County  
**Attn: Christopher Mazzella**  
19 West Flagler Street, Suite 220  
Miami, Florida 33130

**Re: OIG Review of PHT/JMH expenditures for funeral expenses**

Dear Mr. Christopher Mazzella:

I am an receipt of the draft report of the Office of the Inspector General regarding limousine expenses for the late Judge Wilkie D. Ferguson's funeral and the report of past funeral expenses paid by the Trust as contained in your report.

I feel only compel to just set the record straight in reference to the limousine expense that was paid for Judge Wilkie D. Ferguson funeral. Although I agree in hindsight that any payment associated with any funeral expense would not be appropriate. As I previously stated, I was contacted upon the passing of Judge Ferguson, as well as other family members, and asked if there was anything the hospital could do for the family. And, on several occasions I stated that everything was taken care of. Upon, maybe the fourth or fifth time, it was asked whether the hospital could get a limousine for the dignitaries and I said, "If they want to do that, then that would be fine."

At no time was I aware of the number or cost associated with the limousines. Furthermore, in reference to past funeral expenses, I had no knowledge.

Should you have questions or concerns, please feel free to call my office at 305-585-8625 (Public Health Trust Office) or 305-576-1011 (Law Office).

Sincerely yours,

A handwritten signature in black ink, appearing to read "L. Handfield".

Larry R. Handfield, Esq.