



Memorandum

19 West Flagler Street ♦ Suite 220 ♦ Miami, Florida 33130
Phone: (305) 375-1946 ♦ Fax: (305) 579-2656
visit our website at www.miamidadeig.org

To: The Honorable Carlos Alvarez, Mayor
The Honorable Chairperson Dennis C. Moss
and Members, Board of County Commissioners

From: Christopher Mazzella, Inspector General

Date: July 14, 2009

Re: Former Miami-Dade Transit Employee Sentenced for Embezzling Hispanic
Transit Society Funds, IG06-98

Former Miami-Dade Transit Department (MDT) employee Juan R. Rivas (Rivas), who was arrested last April resulting from a joint investigation by the Office of the Inspector General (OIG) and the State Attorney's Office, entered a guilty plea and was sentenced yesterday on first degree felony charges of Grand Theft and Organized Scheme to Defraud.

The investigation centered on the misappropriation of funds deducted from participating County employees' payroll for the Hispanic Transit Society, Inc. (HTS), a social organization of MDT employees of Hispanic heritage and others. The County's payroll processing system was set up to automatically deduct organizational dues from participating employees; the deductions were then electronically transmitted to HTS' bank account at Washington Mutual. Juan Rivas, a former MDT Quality Assurance Specialist, was the HTS President from October 2000 to June 2006. During this time, he embezzled over \$100,000 from HTS to fund his and his family's personal expenses, such as paying for auto insurance, SunPass accounts, family cruises, residential alarm services, golf equipment, and green fees. Rivas was not authorized by the HTS Board or the HTS membership to use the County employees' dues for his personal benefit.

Rivas was sentenced to two (2) years of house arrest followed by three (3) years of probation. Rivas has already made partial restitution to HTS and, as part of this plea agreement, will pay an additional amount of restitution to HTS. He is also obligated to pay costs of investigation to the OIG. Rivas, who had resigned his position with the County during the investigation just prior to being arrested, will also have his accumulated sick and annual leave forfeited as a condition of the plea agreement.

In this case, payroll deductions were continued to be processed even though the organization had been administratively dissolved by the State of Florida from 1997 to 2006. Based upon information uncovered during this investigation, the OIG questioned

the County administration about its due diligence for processing organizational deductions; as a result, the County has advised us that it is currently developing procedures to administer this process. The OIG believes that any measures to verify the legitimacy and corporate good standing of social organizations wishing to utilize the County's payroll deduction program are a step in the right direction.

The OIG would like to thank MDT and the HTS membership for their cooperation in this investigation.

cc: George Burgess, County Manager
Ysela Llort, Assistant County Manager
Harpal S. Kapoor, Director, Transit Department
Cathy Jackson, Director, Audit & Management Services
Charles Anderson, Commission Auditor
Denis Morales, Chief of Staff, Office of the Mayor
Clerk of the Board (copy filed)