



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 Audrey Edmonson, Chairwoman
and Members, Board of County Commissioners

From: Mary T. Cagle, Inspector General

Date: December 18, 2019

Subject: Miami-Dade County Contractor Arrested for Submitting Bogus, Altered, and Forged Insurance Invoices and Receipts – Ref. IG19-0002-I

An OIG investigation concluded today with the arrest of Jorge Gonzalez, the owner/president of ABC Construction, Inc. (ABC), and Laura Gonzalez (no relation), ABC's office manager. The construction firm, ABC, the prime contractor on two Miami-Dade County projects, was also served with a corporate summons and charged with the same set of criminal offenses. The charges against all the parties stem from the forged and fraudulently prepared documents that were submitted to the County.

The investigation, jointly conducted with the State Attorney's Office (SAO), was initiated based on referrals from the Internal Services Department, Division of Small Business Development (SBD) and the Department of Transportation and Public Works (DTPW). The initial referral from SBD involved issues related to non-payment of responsible wages and the possible submission of fraudulent documents related to the construction of the Joseph Caleb Center Parking Garage, a \$10.5 million contract (Z00051-PG GOB ESP). The OIG was actively investigating these allegations, when we received a referral from DTPW alleging that ABC submitted a suspected fraudulent insurance receipt as proof of payment in an attempt to obtain County funds on the University of Miami Metrorail Station Pedestrian Overpass Project, a \$3.8 million construction contract (CICC 7360 Plan, RPQ No. 265910-R, Project No. CIP010).

Both construction projects (the Caleb Garage and the Pedestrian Overpass) required ABC to obtain certain builder's liability insurance that would be reimbursed by the County. The investigation determined that invoices, receipts, and other documentation submitted to the County pertaining to the required insurance coverage were forged and fraudulently prepared. ABC usurped the identity of a legitimate insurance agency and presented the fraudulent documentation as genuine invoices. Fraudulent receipts were also prepared and submitted to the County as a means of seeking reimbursement.

Both projects have been substantially completed and are in use. However, neither project is closed as issues, including the under-payment of wages on the Caleb Garage project,

still remain. Contract retainage is still being held on both projects. Since 2001, ABC has received over \$60 million either as a prime or subcontractor on County contracts.

Attached is a SAO press release with further details about the criminal charges named in the arrest warrants and the corporate summons. The OIG appreciates the assistance of SBD and DTPW during this investigation.

Attachment

cc: Alex Ferro, Chief of Staff, Office of the Mayor
Edward Marquez, Deputy Mayor
Jennifer Moon, Deputy Mayor
Tara C. Smith, Director, Internal Services Department
Alice Bravo, Director, Department of Transportation and Public Works
Gary Hartfield, Division Director, Small Business Development
Cathy Jackson, Director, Audit and Management Services Department
Yinka Majekodunmi, Commission Auditor



KATHERINE FERNANDEZ RUNDLE STATE ATTORNEY



ELEVENTH JUDICIAL CIRCUIT IN AND FOR MIAMI-DADE COUNTY

FOR IMMEDIATE RELEASE

Construction Company, Company Owner & Office Manager Charged Alleged Improper Payments Related to 2 County Construction Projects

Miami (December 18, 2019) - As a result of a joint investigation by the Miami-Dade County Office of the Inspector General and the Miami-Dade State Attorney's Office, Jorge Gonzalez, Owner and President of ABC Construction Inc. (ABC), Laura Gonzalez, Office Manager for ABC, and ABC Construction Inc., allegedly submitted fictitious invoices, insurance forms and altered receipts to Miami-Dade County to receive insurance reimbursements that ABC was not authorized to receive. ABC has performed work for various Miami-Dade County departments for approximately 25 years.

The charged parties allegedly provided fictitious invoices, insurance forms and altered receipts to Miami-Dade County to expedite insurance reimbursement payments that ABC was not immediately authorized to receive. These deceptive acts occurred on two County contracts awarded to ABC: 1) the Caleb Parking Garage; and 2) the Pedestrian Overpass Bridge at University Metrorail Station. The involved \$57,288.20 of payments led to the filing of criminal charges.

Jorge Gonzalez has been charged with:

- 3 counts - Criminal Use of Personal ID Information, 2nd Degree Felony
- 3 counts - Uttering Forged Instrument, 3rd Degree Felony
- 1 count - Grand Theft, 2nd Degree Felony

Laura Gonzalez has been charged with:

- 2 counts - Uttering Forged Instrument, 3rd Degree Felony
- Criminal Use of Personal ID Information, 2nd Degree Felony

ABC Construction Inc. has been charged with:

- 1 count - Organized Scheme to Defraud, 1st Degree Felony
- 5 counts - Uttering Forged Instrument - 3rd Degree Felony
- 5 counts - Criminal Use of Personal ID Information, 2nd Degree Felony
- 1 count - Grand Theft, 2nd Degree Felony

"There can never be a rationalization of any business process that uses false invoices and documents to get things done," said State attorney Katherine Fernandez Rundle. "I congratulate the Office of the Inspector General for exposing this problem and bringing it to my prosecutors for resolution."

"It is unfathomable that a company that has made over 60 million dollars from the taxpayers of Miami-Dade County would stoop so low to defraud the County in this manner," added Miami-Dade Inspector General Mary T. Cagle. "In addition to the ongoing prosecution, the OIG will be pursuing debarment of this company and its principal from any future County work."

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FOR FURTHER
INFORMATION CONTACT:

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