



Memorandum

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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 8, 2009

Subject: County Grant Recipient Arrested for Fraud, IG08-13

An investigation by the Office of the Inspector General (OIG), in conjunction with the Miami-Dade State Attorney's Office, has resulted in the arrest of Abdallah Masoud Mustafa (Mustafa) on charges of Organized Scheme to Defraud, Grand Theft, Notary Fraud, Uttering a Forged Instrument, and Communications Fraud. (Attached is the news release.) The OIG investigation uncovered that Mustafa, President of Rezkitna Corporation, which owns the M&M Supermarket in Homestead, forged required insurance certificates to obtain a community redevelopment grant with the Office of Community and Economic Development (OCED).

The OIG investigation found that Mustafa did not have the required insurance and instead provided forgeries. He also notarized his own signature on documents required by the contract, which were then submitted to the County. The County, relying on the fraudulent certificates and paperwork submitted by Mustafa and the Rezkitna Corporation, paid various companies over \$49,000 for improvements to the M&M Supermarket. The OIG is grateful for the heightened awareness exhibited by the Office of Community and Economic Development (OCED), who initially spotted the suspicious paperwork and brought it to our attention for further investigation.

Attachment

cc: Mr. George Burgess, County Manager
Mr. Denis Morales, Chief of Staff, Office of the Mayor
Ms. Cynthia Curry, Senior Advisor to the County Manager
Ms. Shalley Jones Horn, Director, Office of Community and Economic Development
Ms. Cathy Jackson, Director, Audit & Management Services
Mr. Charles Anderson, Commission Auditor
Clerk of the Board (Copy Filed)



County Grant Recipient Arrested for Fraud

Abdallah Masoud Mustafa (Mustafa), 27, President of Rezkitna Corporation, a County grant recipient, was arrested today in Lee County by the Lee County Sheriff's Office for fraud in connection with an award of grant funds. The arrest resulted from an investigation by the Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office. Mustafa was charged with one (1) count of Organized Scheme to Defraud, one (1) count of Grand Theft, five (5) Counts of Notary Fraud, six (6) counts of Uttering a Forged Instrument, and five (5) counts of Communications Fraud for defrauding the County's Office of Community and Economic Development (OCED) of nearly \$50,000. Rezkitna Corporation was also named in the warrant and is expected to be charged.

OCED provides grants for community redevelopment and improvement projects. In August 2005, Rezkitna Corporation, through its president, Mustafa, entered into a contract with OCED to receive a grant of \$50,000 for the rehabilitation, repair, and enhancement of the M&M Supermarket in Homestead. M&M Supermarket is owned by the Rezkitna Corporation. The OCED grant required the business to pay \$5,000 towards the repairs or improvement costs. Additionally, the award was contingent on Mustafa submitting proof of insurance and maintaining the insurance for the duration of the contract. Rezkitna Corporation was required to maintain public/general liability insurance, worker's compensation insurance, and automobile liability insurance with the County listed as an additional insured. These requirements were set to reduce the risk to the County.

The OIG investigation uncovered that Mustafa faxed or delivered numerous forged and fraudulent certificates of insurance to the County. In fact, the corporation's insurance had been cancelled for failure to pay the premium before the execution of the contract with the County. The investigation also revealed that Mustafa illegally notarized his own signature on at least five separate occasions in executing the original contract and in providing other documents required by the contract. Based on the fraudulent documents, Rezkitna Corporation and Mustafa caused the County to pay \$49,636 to various companies for substantial improvements made to the M&M Supermarket. These improvements benefited Rezkitna Corporation and Mustafa.

The OIG is grateful for the cooperation during the course of this investigation of the County's Office of Community and Economic Development. Copies of the arrest affidavit are available at the Office of the Inspector General, 19 West Flagler Street, Suite 220, Miami, Florida, telephone number (305) 375-1946, or at the State Attorney's Office, c/o Ed Griffith, 1350 N.W. 12 Avenue, Miami, Florida, telephone number (305) 547-0535.