



# Memorandum

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To: The Honorable Carlos Alvarez, Mayor  
The Honorable Chairperson Bruno A. Barreiro  
Members, Board of County Commissioners

From: Christopher Mazzella  
Inspector General

Date: January 24, 2007

Re: OIG Investigation Results in Plea and Restitution

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Former County employees of the Water and Sewer Department, Rafael Mendez (Mendez) and James Gonzalez (Gonzalez), were sentenced today following an investigation by the Office of the Inspector General (OIG) into a complex scheme to embezzle union dues paid by County employees. Mendez, the former President, and Gonzalez, the former Secretary/ Treasurer of the American Federation of State, County, and Municipal Employees (AFSCME) Labor Union, Local 121, pled to one count each of Conspiracy to Commit Racketeering and Organized Scheme to Defraud, both first degree felonies. They were sentenced to two years community control (house arrest) followed by ten years of probation with special conditions, including restitution to AFSCME Local 121, forfeiture of the their accrued County leave, payment of costs of investigation to the OIG, and 200 community service hours. Mendez and Gonzalez, who will also be debarred from County contracts and barred from government employment, must pay AFSCME Local 121 a total of \$129,434,00.

The investigation into this large-scale theft of union dues was possible due to the diligence and information supplied by the current President of AFSCME Local 121, Mr. Jay Staley. Mr. Staley and his administration not only sought to untangle the financial chaos created by Mendez and Gonzalez, but filed a complaint with the OIG and provided their complete cooperation during the course of the investigation.

cc: Mr. George Burgess, County Manager  
Mr. Roger Carlton, Assistant County Manager  
Mr. John Renfrow, Director, Water & Sewer Department  
Mr. Jay Staley, President, AFSCME Local 121  
Ms. Cathy Jackson, Director, Audit & Management Services  
Mr. Charles Anderson, C.P.A., Commission Auditor

Clerk of the Board (Copy Filed)



OFFICE OF THE INSPECTOR GENERAL  
MIAMI-DADE COUNTY

### **OIG Investigation Results in Former Union Officials Sentenced For Racketeering Conspiracy**

An investigation by the Office of the Inspector General (OIG) into the criminal misconduct of a local government union has concluded today with the sentencing of two former union officials. Rafael Mendez (Mendez) and James Gonzalez (Gonzalez) were also both employees of the County's Water and Sewer Department. Gonzalez and Mendez were sentenced to two years community control (house arrest), followed by ten years of probation for conspiring to commit racketeering and organized scheme to defraud for their part in the embezzlement of funds from the American Federation of State, County, and Municipal Employees (AFSCME) Labor Union, Local 121.

Mendez, the former President of the Local 121, and Gonzalez, the former Secretary/Treasurer, have to repay AFSCME Local 121 a total of \$129,434 and were also ordered to pay \$25,000 each to Travelers Casualty and Surety Company of America. Each must perform 200 hours of community service and are barred from government employment and from contracting with the County. They are also to forfeit their accrued leave with the County. The leave, totaling approximately \$41,948.75 for Gonzalez and approximately \$48,640.49 for Mendez, is to be paid to AFSCME Local 121. In addition, both Mendez and Gonzalez must pay the OIG's investigative cost.

The investigation began in February 2004, when Mr. Jay Staley, the then newly elected President of AFSCME Local 121, lodged a formal complaint with the OIG alleging that thousands of dollars were stolen from the Union over a five year period by the preceding administration. The ensuing OIG investigation uncovered that Mendez and Gonzalez had written unauthorized checks directly to themselves, without the knowledge and consent of the membership or other executive board members.

The new Local 121 leadership, headed by Mr. Staley, sought to determine where the Union's money had been spent and why the most basic union financial responsibilities had not been met. During the course of the investigation, the OIG reviewed all checks drawn on Local 121's bank accounts and found a large number of checks were written to Mendez and Gonzalez. The sentences today conclude the prosecutions related to the embezzlement of funds from AFSCME Local 121. Inspector General Christopher Mazzella thanks Mr. Staley for his diligence and fortitude in exposing this scandal. The OIG will continue its work in identifying these frauds that impact the citizens of this County.