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

Memorandum

To: The Honorable Carlos Alvarez, Mayor
The Honorable Chairperson Joe Martinez
Members, Board of County Commissioners

From: Christopher Mazzella
Inspector General

Date: October 17, 2005

Re: Arrest of Employee of Miami-Dade Resident College

Attached is a news release relating to the arrest of Michael Headley (Headley), an employee of Miami-Dade Resident College (MDRC). MDRC, a not-for-profit corporation established to provide disadvantaged juveniles or those within the criminal justice system with social work services, sought and received a variety of grants from the County and State. Headley is the son of Joan Headley, who was arrested last week with former Judge Phillip Davis for defrauding the County of grant funds. Headley's charges are unrelated to the fraudulent scheme utilized by Davis and J. Headley.

While conducting the investigation into Davis and Joan Headley, it became apparent that Michael Headley was stealing funds from a Court Diversion Services/Pre-Trial Options Program (Diversion Program) established by MDRC. Davis and Joan Headley were charged with fraudulently utilizing County grant monies to pay employees of the Diversion Program. The OIG investigation uncovered that Michael Headley was falsifying MDRC Diversion Program checks and arranging through friends for those checks to be cashed and the funds returned to him for his own personal use. The checks, totaling \$31,401.36, were drafted to resemble restitution checks to victims of crimes.

cc: Mr. George Burgess, County Manager
Mr. Alphonso K. Brewster, Director, Miami-Dade Housing Agency
Ms. Cathy Jackson, Director, Audit & Management Services
Clerk of the Board (Copy Filed)



OFFICE OF THE INSPECTOR GENERAL
MIAMI-DADE COUNTY

PRESS RELEASE

The Miami-Dade County Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office (SAO) announced today the arrest of Michael Headley (M. Headley), age 29, of Miami. Headley was arrested at his home by the Hollywood Police Department on October 13, 2005. Michael Headley was charged with seven counts of Grand Theft pursuant to an arrest warrant issued out of Dade County. During the course of the arrest, the Hollywood Police Department found Headley in possession of a stolen firearm, for which he was separately arrested and is pending prosecution for in Broward County.

Michael Headley is the son of Joan Headley, who was arrested on October 5th, 2005 with former Circuit Court Judge Phillip Davis. While Michael Headley worked for Davis and J. Headley at Miami-Dade Resident College (MDRC), Michael Headley's charges are unrelated to the fraudulent scheme utilized by Davis and J. Headley. The charges against Michael Headley were uncovered during the probe into Davis and J. Headley.

MDRC, a not-for-profit corporation established to provide disadvantaged juveniles or those within the criminal justice system with social work services, sought and received a variety of grants from the County and State. MDRC also received revenue from its Court Diversion Services/Pre-Trial Options Program (Diversion Program). This program designated MDRC to provide pre-trial diversion services to defendants referred to the program by the courts. As part of those services, MDRC was responsible for collecting victim restitution money from criminal defendants, and then forwarding that money to the victims.

Michael Headley was the Manager of the MDRC Diversion Program. While conducting the investigation into Davis and Headley, it became apparent that Michael Headley was stealing funds from the Diversion Program. Michael Headley, who had no signatory authority on MDRC's checking account, falsified MDRC checks and arranged through friends for those checks to be cashed and the funds returned to him for his own personal use. The friends received a small cut of the money for cashing the checks. Further, those friends were not victims of crimes or in any way entitled to restitution from MDRC. The checks, totaling \$31,401.36, were drafted to resemble restitution checks to victims of crimes.

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.