



# Memorandum

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To: Rudolph F. Crew, Ed.D, Superintendent, Miami-Dade County Public Schools  
From: Christopher R. Mazzella, Inspector General  
for Miami-Dade County Public Schools  
Date: August 21, 2008  
Subject: OIG Final Report Re: A Loan Given to the Principal Esther Visiedo-Villaverde, Principal of Bent Tree Elementary, Ref. IG08-38SB

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Attached please find the Office of the Inspector General's (OIG) final report on the above-captioned matter. The report concerns an allegation received by the OIG that Dr. Visiedo-Villaverde asked for and received a loan from a subordinate employee. The OIG's investigation sustained the allegation. The OIG recommends that the Miami-Dade County School Board create and enforce a policy that prohibits the solicitation of loans, gifts, and other items of value by supervisory personnel from subordinate employees regardless of the reasons given for such solicitation. We believe that such a prohibition would promote organizational integrity and morale. The OIG also requests that we be provided with a status report in 60 days from the Superintendent, on or before October 21, 2008, regarding any action taken on our recommendation.

As always, please do not hesitate to contact me should you have any questions.

cc: Hon. Agustin J. Barrera, Chair  
and Members, Miami-Dade County School Board  
Dr. Esther Visiedo-Villaverde, Principal, Bent Tree Elementary (under separate cover)  
Mr. Ruben Castillo (under separate cover)

Attachment (OIG Final Report)

**MIAMI-DADE COUNTY PUBLIC SCHOOLS OFFICE OF THE INSPECTOR GENERAL**  
***Final Report Re: Loan Given to Principal Esther Visiedo-Villaverde***

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**INTRODUCTION & SYNOPSIS**

In June 2008, the Miami-Dade County Office of the Inspector General (OIG) began an investigation after receiving information that Dr. Esther Visiedo-Villaverde, Principal of Bent Tree Elementary, had failed to repay a \$3,000 personal loan she solicited and received from Ruben Castillo, a Miami-Dade County Public Schools (MDCPS) school security monitor.

On October 12, 2006, Dr. Visiedo-Villaverde asked Mr. Castillo, whom she had previously selected for employment at Bent Tree Elementary, for the \$3,000 loan, the proceeds of which she gave to her son in connection with a financial obligation he had incurred. Although Dr. Visiedo-Villaverde and Mr. Castillo did not enter into a written loan agreement, Mr. Castillo has stated that Dr. Visiedo-Villaverde agreed to repay him the money the following week. Before the OIG conducted this investigation, Dr. Visiedo-Villaverde had repaid Mr. Castillo only \$500, despite both his repeated informal requests for repayment, as well as his filing of a lawsuit to recover the loan funds.

In response to questioning by OIG Special Agents, Dr. Visiedo-Villaverde admitted that she had solicited and received the \$3,000 loan from Mr. Castillo, but stated that the transaction was not related to her performance of any official duties. Dr. Visiedo-Villaverde also admitted that she still owed Mr. Castillo repayment in the amount of \$2,500. Finally, Dr. Visiedo-Villaverde acknowledged that her conduct was inappropriate and may have resulted in a conflict of interest.

On July 29, 2008, after she had been interviewed by OIG Special Agents, Dr. Visiedo-Villaverde made full repayment of the loan, in the amount of \$2,500, to Mr. Castillo's attorney. Because of this investigation, the OIG, by way of this report, recommends that MDCPS create and enforce policies and procedures to prohibit the solicitation of loans, gifts, and other items of value by supervisory personnel from subordinate employees.

**OIG JURISDICTIONAL AUTHORITY**

The OIG provides inspector general services to the MDCPS pursuant to the Interlocal Agreement (ILA) between Miami-Dade County and MDCPS. The ILA for inspector general services is expressly authorized by MDCPS School Board Rule 6GX13-8A-1.08. The scope and jurisdiction of the OIG's activities is dictated by the ILA. Among the authority jurisdiction, responsibilities and functions conferred upon the OIG through the ILA is the authority and jurisdiction to make investigations of MDCPS affairs, including the power to review past, present and proposed programs, accounts, records, contracts and transactions. The OIG shall have the power to require reports and the production of records from the MDCPS Superintendent, School Board members, School District departments and allied organizations, and School District officers and employees, regarding any matter within the jurisdiction of the OIG.

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**BACKGROUND**

***Dr. Esther Visiedo-Villaverde***

Dr. Visiedo-Villaverde was initially employed by MDCPS as a teacher for a period of five years, beginning in 1967. After having left MDCPS in 1972 to accept a position at a private school, Dr. Visiedo-Villaverde returned to work for MDCPS as a teacher in 1990, and later served as the principal at Jane Roberts Elementary. She has been the principal at Bent Tree Elementary since 2004.

***Ruben Castillo***

Mr. Castillo was employed by MDCPS as a school security monitor in February 2006, after having served as a customer representative with Delta Airlines for thirty-three (33) years. Mr. Castillo was originally assigned to Bent Tree Elementary, but was transferred upon his request to Miami Palmetto Middle School in September 2007.<sup>1</sup> Mr. Castillo's wife, Maria Castillo, has been employed by MDCPS since 1994 and works as a satellite assistant at Jane Roberts Elementary, where Dr. Visiedo-Villaverde previously served as principal.

***The Relationship between the Parties to the Loan***

As noted above, Dr. Visiedo-Villaverde has known the Castillos since 1994, when Maria Castillo began to work at Jane Roberts Elementary. In addition, the Castillos' children attended Jane Roberts Elementary during Dr. Visiedo-Villaverde's tenure there as principal. In January 2006, at the request of Maria Castillo, Dr. Visiedo-Villaverde arranged to have MDCPS hire Mr. Castillo for the Bent Tree Elementary school security monitor position.

**GOVERNING AUTHORITIES**

MDCPS School Board Rule 6Gx13-4A-1.213, *Code of Ethics*, states in part:

No employee shall engage in conduct, which creates a conflict of interest. A conflict of interest shall be defined as a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

**Financial Interest.** ... [A]n employee shall not engage, or have any interest, financial or otherwise ... in any transaction ... which conflicts with or impairs the proper discharge of official duties or which could bring disfavor or disrespect upon the employee or Miami-Dade County Public Schools.

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<sup>1</sup> The reasons for Mr. Castillo's transfer are not related to the focus of this investigation.

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**INVESTIGATION**

During the course of the investigation, OIG Special Agents reviewed documents including, but not limited to, MDCPS employment records, court records, financial disclosure forms, and emails. In addition, OIG Special Agents interviewed witnesses including Mr. Castillo and Dr. Visiedo-Villaverde.

***The \$3,000 Loan***

On October 12, 2006, Dr. Visiedo-Villaverde called Mr. Castillo into her office at Bent Tree Elementary and asked him to loan her \$3,000. At the time, she did not provide a reason for her request. Dr. Visiedo-Villaverde and Mr. Castillo did not enter into a written loan agreement, nor did Mr. Castillo require that any interest be added to the repayment amount. However, Mr. Castillo has stated that Dr. Visiedo-Villaverde agreed to repay him the money the following week.

Immediately following the discussion in Dr. Visiedo-Villaverde's office, Mr. Castillo transferred \$3,000 from his savings account at Washington Mutual Bank—which contained only \$5,000 at the time—to his checking account. Mr. Castillo then wrote a personal check made payable to Dr. Visiedo-Villaverde and gave it to her at Bent Tree Elementary. Thereafter, Dr. Visiedo-Villaverde promptly cashed the check at Washington Mutual Bank on the same day it was written.

***Mr. Castillo's Attempts to Obtain Repayment***

The OIG investigation has determined that between October 2006 and the present, Mr. Castillo made repeated attempts to obtain repayment of the loan from Dr. Visiedo-Villaverde.

***1. Mr. Castillo's Personal Requests***

The investigators' review of a series of e-mail communications between Mr. Castillo and Dr. Visiedo-Villaverde revealed that he asked her for repayment at various times, both orally and via e-mail, citing his need to pay expenses incurred in connection with the marriage of one of his sons, as well as the need to make school tuition payments for another. In her responses to the requests made by Mr. Castillo, Dr. Visiedo-Villaverde acknowledged that she owed him the debt, although at least one time she asked for forbearance due to costs related to her husband's illness. Nevertheless, until July 29, 2008, Dr. Visiedo-Villaverde made no repayments other than one \$500 installment described below.

***2. Demands Made by Mr. Castillo's Attorney***

In January 2008, Mr. Castillo retained an attorney to assist him in obtaining repayment from Dr. Visiedo-Villaverde. On January 22, 2008, pursuant to a demand letter the attorney issued on behalf of Mr. Castillo, Dr. Visiedo-Villaverde made a \$500 payment, \$400 of which the attorney passed on to Mr. Castillo.

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**3. *Mr. Castillo's Lawsuit***

On March 17, 2008, Mr. Castillo, with the assistance of his attorney, filed a lawsuit against Dr. Visiedo-Villaverde in the County Court of the 11th Judicial Circuit, Miami-Dade County. In his lawsuit, Mr. Castillo demanded repayment of the remaining \$2,500. The court records obtained by the OIG investigation reveal that although Dr. Visiedo-Villaverde was properly served with the lawsuit, she failed to respond, and failed to appear at a pretrial conference as ordered by the court. Accordingly, on April 24, 2008 the court issued a final default judgment in favor of Mr. Castillo in the amount of \$2,500.<sup>2</sup>

***Interview of Ruben Castillo***

As part of the investigation, OIG Special Agents interviewed Mr. Castillo. Mr. Castillo stated that he made the \$3,000 loan to Dr. Visiedo-Villaverde because of his family's previous relationship with her. Mr. Castillo also stated that Dr. Visiedo-Villaverde did not explain why she needed the loan and he did not ask her for a reason, nor did Mr. Castillo feel the need to execute a written loan agreement or demand that interest be paid. Rather, Mr. Castillo explained, he merely stated to Dr. Visiedo-Villaverde that he needed the money to be repaid the following week so that he could pay for his son's wedding ceremony. Mr. Castillo added that Dr. Visiedo-Villaverde agreed to repay the loan in full the following week, and he trusted her to repay it as promised.

Mr. Castillo did not feel that Dr. Visiedo-Villaverde's request for the loan was connected in any way to her selection of him for the Bent Tree Elementary school security monitor position. Mr. Castillo stated, however, that he understood that Dr. Visiedo-Villaverde might have borrowed money from other MDCPS personnel employed at Bent Tree Elementary.<sup>3</sup>

***Interview of Dr. Esther Visiedo-Villaverde***

OIG Special Agents also interviewed Dr. Visiedo-Villaverde. She acknowledged asking Mr. Castillo for the loan, and related that she gave the proceeds to her son, by a previous marriage, who needed it to resolve a legal problem involving child support. She stated that she did not want her current husband to know she was providing financial assistance to her son, so she approached Mr. Castillo for the loan because he was a nice man and she trusted him. Dr. Visiedo-Villaverde admitted that she had made no repayment efforts other than the \$500 she paid to Mr. Castillo's attorney in January 2008.

Dr. Visiedo-Villaverde stated that she had filed for bankruptcy in 2000, but that the bankruptcy did not involve her personal finances and was discharged years ago. She denied ever borrowing money from any other MDCPS employees. Dr. Visiedo-Villaverde also stated that at the time she made the loan request, she gave no consideration to the fact that she was Mr. Castillo's supervisor. She further stated

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<sup>2</sup> On June 10, 2008, Dr. Visiedo-Villaverde, through an attorney, moved to set aside the default judgment, claiming a scheduling error resulted in the failure of her attorney to appear at the pretrial conference. As of this writing, the motion has not been decided by the court.

<sup>3</sup> After Mr. Castillo identified the two other employees, they were interviewed by OIG Special agents. Both employees stated that Dr. Visiedo-Villaverde had never asked them for a loan.

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that she now realizes that borrowing money from Mr. Castillo was inappropriate and may have created a conflict of interest.

***Dr. Esther Visiedo-Villaverde Makes Full Repayment of the Loan***

During the interview conducted by OIG Special Agents, Dr. Visiedo-Villaverde stated that she would promptly repay the loan. On July 29, 2008, Dr. Visiedo-Villaverde made full repayment of the loan, in the amount of \$2,500, to Mr. Castillo's attorney.

**RESPONSE TO THE OIG'S DRAFT REPORT**

On August 1, 2008, the OIG provided this report in its draft form to Dr. Esther Visiedo-Villaverde for her discretionary comment and written response. The OIG received a written response from Dr. Visiedo-Villaverde, which is appended hereto as Appendix A. In her response, Dr. Visiedo-Villaverde described the OIG draft report as fair and accurate. Dr. Visiedo-Villaverde stated that she asked Mr. Castillo for the loan because she considered him a friend, not a subordinate, but she acknowledged that her actions could be interpreted as a conflict of interest. Dr. Visiedo-Villaverde offered her "sincerest apologies" for her conduct.

**CONCLUSIONS & RECOMMENDATIONS**

The OIG's investigation determined that in January 2006, Dr. Esther Visiedo-Villaverde arranged to have Mr. Castillo hired for the Bent Tree Elementary School security monitoring position. Further, in October 2006, Dr. Visiedo-Villaverde solicited and received from Ruben Castillo a loan in the amount of \$3,000, which, until recently, she had made no effort to fully repay. Mr. Castillo, who was supervised by Dr. Visiedo-Villaverde when she made the loan request, was forced to make repeated requests for repayment, including retaining the services of an attorney and filing a lawsuit to recover the loan funds. Upon review of the response received from Dr. Visiedo-Villaverde, we do not believe that material changes to the draft report were necessary.

Because of this investigation, the OIG, by way of this report, recommends that MDCPS create and enforce policies and procedures to prohibit the solicitation of loans, gifts, and other items of value by supervisory personnel from subordinate employees. The purpose of such policies and procedures would be to protect both the subordinate employee and the supervisor. With such protections in place, a subordinate employee would not be subject to any real or apparent coercion in the event of a request for an item of value made by a supervisor. The need for such a protection is even more obvious when the supervisor is in the chain of command of, or has direct authority over, the employee. Similarly, with such protections in place, a supervisor would not be subject to any real or apparent diminution of authority, or the loss of independence or impartiality in the decision making process, in the event of accepting an item of value received from a subordinate employee.

The OIG is not persuaded by Dr. Visiedo-Villaverde explanation that this loan was based upon the personal friendship of the parties, rather than their professional relationship. Whatever the

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relationship, this transaction resulted in a hardship to Mr. Castillo and the disgrace of a public default judgment to Dr. Visiedo-Villaverde. Financial transactions between Supervisors and subordinates, whether they be loans or other relationships, diminish organizational integrity and may give rise to systemic abuses. These types of relationships should be carefully scrutinized and certainly, in the case of loans, prohibited.

The OIG notes that Miami-Dade County Public Schools prohibits conduct by an employee that could bring disfavor or disrespect upon either the employee or MDCPS. School Board Rule 6Gx13-4A-1.213 also addresses the solicitation of items of value and the acceptance of gifts and other items of value. These regulations, however, address transactions between an employee and a MDCPS vendor and/or places transactions of this kind (solicitations or acceptances of gifts) in the context of influencing an employee's official actions. Neither addresses an authoritative relationship between a supervisor and a subordinate. Implementation of the prohibition recommended in this report would provide the additional benefit of averting even the appearance of impropriety, coercion, or abuse of authority regardless of whether improper conduct had actually been intended or occurred.

Accordingly, by way of this report, the OIG recommends that the Miami-Dade County School Board create and enforce policies and procedures to prohibit the solicitation of loans, gifts, and other items of value by supervisory personnel from subordinate employees. The OIG requests that we be provided with an update in 60 days, on or before October 21, 2008, by the Office of the Superintendent, on the status of any action taken with regards to our recommendation.

August 14, 2008

Mr. Christopher R. Mazzella  
Inspector General  
Miami Dade County Public Schools  
19 West Flagler Street Suite 220  
Miami, Florida 33130

Dear Mr. Mazzella:

I would like to thank you for the opportunity to provide a response to your report dated August 1, 2008. Although I understand that I cannot change what has already occurred, I hope that I can at least offer a sincere and humble explanation for the unfortunate events that have transpired.

The past two years have been a very difficult time for me personally. Regretfully, one of my sons found himself in an unfortunate legal dispute relating to child support obligations and my husband suffered unexpected complications from a surgical procedure and was severely ill and unable to work for several months. Given the circumstances, I tried to help my family through these difficult times; however, due to the magnitude and volume of these stressful events, I failed to use my best judgment particularly as it pertains to this matter.

As described fairly and accurately in your report, I turned to Mr. Castillo as a longtime friend to help me financially when I felt that I had nowhere else to go. My request for help was based solely upon my personal friendship with Mr. Castillo. I trusted Mr. Castillo and I am still grateful for the help that he was willing to give me.

At the time, my personal problems did not allow me to understand that professionally this matter might be perceived negatively. At the time, because I considered Mr. Castillo my friend, not my subordinate, I honestly did not think that my actions could be interpreted as a conflict of interest. This point is in fact highlighted in your correspondence. When I asked Mr. Castillo for the loan, I never intended that request come from a position of authority or subordination; he was my friend, and I was in need of assistance.

Please accept my sincerest apologies for my conduct. I have always tried to conduct my professional affairs with integrity and will always regret this transgression. If I can be of further assistance by responding to any additional questions, please do not hesitate to contact me.

Sincerely,



Esther Visiedo  
4861 SW 140 Ave.  
Miami, Florida 33175  
(786)298-8158

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INSPECTOR GENERAL  
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