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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: March 15, 2006

Re: OIG Investigation Results in Substantial Monetary Recovery in Theft of Court System Funds

An OIG investigation that revealed a complex foreclosure surplus fraud scheme, using the Court system to victimize South Florida homeowners, recently yielded the conviction of Manuel Rosado, Jr. On February 7, 2006, Rosado, Jr., pled guilty to Organized Scheme to Defraud for stealing surplus foreclosure funds. The OIG investigation uncovered that Rosado, an employee of an asset locator company, took surplus foreclosure funds from the Court Registry in Miami-Dade County and Hillsborough County and did not remit them to property owners.

Due to the recent appreciation of property values, monies from foreclosure sales are exceeding the debt on the property. Frequently, homeowners involved in foreclosure sales are not aware that the foreclosure sale has yielded surplus monies, to which they are entitled. The theft was accomplished by submitting false motions and petitions to the Court. Rosado, Jr., fraudulently represented that numerous homeowners were his clients for whom he was to collect the surplus funds. Rosado, Jr., then used the monies for his own personal benefit. Rosado, Jr., was sentenced to five years probation and agreed to pay over \$100,000 in restitution to the victims of his surplus fund fraud. As part of his sentence he will also pay investigative costs to the OIG, and to provide information to investigators. In a separate, but related scheme, the attorney, Terrence Rosenberg, used by Rosado, Jr., to file the fraudulent paperwork, is pending trial. The OIG investigation resulted in charges filed by the Office of Statewide Prosecution against Rosenberg and three others for a mortgage fraud scheme and theft of surplus funds from an elderly woman.

The Clerk of the Court should be commended for his office's assistance to the OIG in this investigation.

cc: Hon. Joseph A. Farina, Chief Judge, Eleventh Judicial Circuit
Hon. Jon Gordon, Administrative Judge, Eleventh Judicial Circuit
Mr. Harvey Ruvin, Clerk of the Circuit and County Courts
Mr. George Burgess, County Manager
Ms. Cathy Jackson, Director, Audit & Management Services
Clerk of the Board (copy filed)