



Memorandum



Miami-Dade County Office of the Inspector General
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To: Hon. Pedro Garcia, Property Appraiser, Miami-Dade County
From:  Christopher Mazzella, Inspector General, Miami-Dade County
Date: November 18, 2010
Subject: Property Tax Exemption Case Concluded, Ref. IG08-02-Z

The case against Philip Espinosa (Espinosa), who was charged with Forgery, Uttering Forged Instruments, Organized Scheme to Defraud and Grand Theft after an investigation by the Miami-Dade County Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office, concluded last week. Espinosa was arrested after the OIG uncovered several homeowners defrauding the County of property taxes. Under Florida law, property owners who are disabled may be entitled to a complete exemption of property taxes pursuant to a Total and Permanent Exemption (T&P Exemption). The privilege of the exemption ceases upon the death of the disabled homeowner.

The OIG investigation revealed that Espinosa submitted fraudulent financial statements to the Property Appraiser's Office after the death of his disabled mother to continue her T&P Exemption. Espinosa entered a diversion program and has repaid the County a total of \$9,256 in property taxes, interest, and penalties for the taxes he avoided.

This criminal case and three others stemmed from a larger review of the T&P Exemption Program. The OIG had issued an extensive report in October 2008 that identified 42 properties with a cumulative assessed value of over \$6 million, where the T&P Exemption was erroneously continued. The report can be viewed at: <http://www.miamidadeig.org/reports/TPExemptionsFinal.pdf>. The report proposed remedial measures to prevent future tax losses to the County, which, to our knowledge, are being implemented by the Property Appraiser's Office.

All four criminal prosecutions have now been successfully resolved and the back taxes in each case paid.

cc: Hon. Carlos Alvarez, Mayor, Miami-Dade County
Hon. Dennis C. Moss, Chair, Board of County Commissioners
and, Members, Board of County Commissioners, Miami-Dade County
George Burgess, County Manager
Cathy Jackson, Director, Audit & Management Services
Mr. Charles Anderson, Commission Auditor