



Memorandum

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To: The Honorable Carlos Alvarez, Mayor
The Honorable Chairperson Dennis C. Moss
Members, Board of County Commissioners

From: Christopher Mazzella, Inspector General

Date: March 24, 2010

Subject: OIG Investigation Results in the Arrest of a County Grant Recipient Who Stole
County Grant Funds to Pay Back a Theft of City of Miami Grant Funds – IG08-46

Attached is a press release detailing today's arrest of County grant recipient Charles Leon Cutler (Cutler). Cutler's arrest was a result of a joint investigation by the Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office. Cutler, who headed the non-profit Veteran's Employment Transition Services, Inc. (VETS), was charged with three counts of Grand Theft, third degree felonies, for misappropriating grant funds.

Cutler received monies from two County departments, the Office of Community & Economic Development (OCED), now known as the Department of Housing & Community Development, and the Department of Human Services (DHS), to fund job training programs and an educational and informational Summit for military veterans residing in Miami-Dade County. Cutler also received monies from the City of Miami to fund a separate job training and placement program. The OIG investigation uncovered that Cutler misappropriated funds from the City of Miami grant and then misappropriated funds from the OCED grant to repay the City of Miami theft. In addition, the OIG found that Cutler misappropriated DHS grant funds. Instead of putting together an educational and informational event for military veterans, Cutler withdrew money for himself and cut checks to family members. The OIG wishes to thank OCED and DHS for their cooperation during the course of this investigation.

cc: George Burgess, County Manager
Cynthia Curry, Senior Advisor to the County Manager
Irene Taylor-Wooten, Special Assistant, Social Services
Shalley Jones Horn, Director, Housing and Community Development
Phyllis Tynes-Saunders, Director, Human Services
Cathy Jackson, Director, Audit & Management Services
Charles Anderson, Commission Auditor
Clerk of the Board (Copy Filed)

March 24, 2010

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**ROBBING PETER TO PAY PAUL – COUNTY GRANT RECIPIENT DIVERTS
COUNTY FUNDS TO REPAY THEFT OF CITY OF MIAMI GRANT FUNDS**

(Miami, Florida) –

Charles Leon Cutler (Cutler), a Miami-Dade County resident and the President/Director and Registered Agent for Veteran's Employment Transition Services, Inc. (VETS), a Florida non-profit corporation, was arrested today as a result of an investigation by the Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office. Cutler was charged with three counts of Grand Theft, third degree felonies, for misappropriating grant funds received from the County and City, which were intended to benefit military veterans.

The OIG investigation uncovered that in 2007, VETS received a \$100,000 grant from the City of Miami and its Community Redevelopment Agency (CRA). VETS also received \$117,800 from the Miami-Dade County Office of Community & Economic Development (OCED), now known as the Department of Housing and Community Development. The City CRA grant funds were to be used for the creation of the Hospitality Institute, a job training and placement program in the Overtown area of Miami. The OCED monies were to be used for a separate and independent job training and placement program.

In December 2008, the CRA grant was assigned to Miami-Dade College and VETS was required to return any unused funds. Rather than transferring the funds, Cutler wrote and negotiated several checks to himself totaling \$4,000. Cutler's theft was uncovered by City of Miami officials and he was advised on January 5, 2009 that they would notify law enforcement. The very next day, Cutler repaid Miami-Dade College by diverting funds from the County's OCED grant. The OIG uncovered that Cutler falsely certified the amounts of employee salaries to OCED in order to repay the CRA funds. Additionally, he diverted \$1,000 for his personal use.

Cutler was also charged with the theft of County funds that he claimed was used for an event that was, in fact, partly funded by the City of Miami. Cutler, through various transactions, withdrew \$9,232.50 of a \$20,000 contract award from the Miami-Dade County Department of Human Services (DHS). He paid his daughter \$2,500 and his ex-wife \$2,000 for what he later claimed to be coordination and catering services for the Veterans' Summit. The investigation found that the 2008 Veterans' Summit was organized by the Liberty City Trust, held on City of Miami property, and catering was funded by the City of Miami with no financial support from VETS or Cutler.

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.

COMMUNICATIONS

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