



Memorandum

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

From: Christopher Mazzella, Inspector General

Date: July 15, 2010

Re: Arrest of Former Tax Collector's Office Employee for Defrauding the Florida Housing Finance Corporation, Ref. IG10-15

Attached is an Office of the Inspector General (OIG) news release regarding the arrest of Kenneth Arthur Ferguson (Ferguson), a former employee of the Miami-Dade County Finance Department, Tax Collector's Office (Tax Collector). Ferguson was arrested on charges of Organized Scheme to Defraud, Forgery, and Uttering Forged Instruments. An investigation by the OIG and the Miami-Dade State Attorney's Office (SAO) uncovered a scheme by Ferguson to fraudulently obtain reduced rent housing through a low-income rent program administered by the Florida Housing Finance Corporation. The OIG was called to investigate the matter when officials at the Tax Collector's Office suspected activity of forgery.

Ferguson, an employee of the Tax Collector's Office since 1997, resigned this past April in the midst of the OIG investigation. His last position was as a Tax Records Specialist II. Ferguson, whose actual salary was higher than the qualifying limits for rental reduction at Villas Del Lago Apartments, forged his supervisor's signature on several employment verification forms. Ferguson also altered payroll statements and provided those as proof of income to qualify for the reduced rent program. The OIG investigated the matter and found that Ferguson had been submitting the forged and altered forms since 2005. As a result, Ferguson received reduced rent housing benefits exceeding \$37,000 that he was not qualified to receive. The OIG wishes to thank the Tax Collector's Office for its cooperation throughout this investigation.

Attachment

cc: George Burgess, County Manager, Miami-Dade County
Howard Piper, Special Assistant to the County Manager, Miami-Dade County
Carter Hammer, Director, Finance Department, Miami-Dade County
Fernando Casamayor, Tax Collector, Miami-Dade County
Cathy Jackson, Director, Audit & Management Services, Miami-Dade County
Charles Anderson, Commission Auditor, Miami-Dade County
Clerk of the Board (Copy Filed)



FORMER MIAMI-DADE COUNTY TAX COLLECTOR'S OFFICE EMPLOYEE ARRESTED FOR DEFRAUDING THE FLORIDA HOUSING FINANCE CORPORATION

The Miami-Dade County Office of the Inspector General (OIG) announces today the Tuesday night arrest of Kenneth Arthur Ferguson (Ferguson), a former employee of the Miami-Dade County Finance Department, Tax Collector's Office. The OIG conducted a joint investigation with the Miami-Dade State Attorney's Office (SAO) following a referral from the Tax Collector's Office. Ferguson, an employee of the Tax Collector's Office since 1997, resigned this April during the investigation. Ferguson was charged with one count of Organized Scheme to Defraud, a second degree felony; eleven (11) counts of Forgery; and eleven (11) counts of Uttering a Forged Instrument, third degree felony charges.

The OIG investigation found that Ferguson, a Tax Records Specialist II whose duties included collecting and processing tax payments from the public, forged his supervisor's signature on employment verification forms and altered payroll statements in order to qualify for low-income housing. The OIG learned that Ferguson participated in a low-income rent program at Villas Del Lago apartments since 2005. The low-income rent program, administered by the Florida Housing Finance Corporation in conjunction with the Federal Low Income Housing Credit Program, provides reduced-rate housing for qualified individuals. Eligibility requirements are centered on household composition, assets, family size, and income. To qualify, and to maintain qualification, residents must annually provide proof of income and family size.

Ferguson's scheme was first discovered when an income verification form with the forged supervisor's signature was inadvertently intercepted at the fax machine by an employee, and placed on the supervisor's desk. Upon seeing the document, Ferguson's supervisor immediately realized her signature had been forged. The OIG was called to investigate the alleged misconduct. The OIG found that Ferguson not only forged his supervisor's signature on verification of employment forms, but also fraudulently altered payroll statements, which are official public records, to demonstrate a lower income. Ferguson's actual income was higher than the qualifying limit for the reduced rent. Ferguson's fraud garnered him \$37,944 in rental housing benefits, from 2005 through 2009, that he was not qualified to receive.

"Forging documents to qualify for special poverty programs feels much like a crime against the poor. In reality, it is a sad crime against every person living in Miami-Dade County", said Miami-Dade State Attorney Katherine Fernandez Rundle. In commenting on the arrest, Inspector General Chris Mazzella said that Ferguson's actions are not only an abuse of trust—but deprived other low income families of affordable housing. The OIG would like to thank the Tax Collector's Office for its cooperation in this investigation. Copies of the arrest affidavit are available at the Office of the Inspector General at 19 West Flagler Street, Suite 220, Miami, FL, telephone number (305) 375-1946; or at the State Attorney's Office, c/o Ed Griffith, 1350 N.W. 12 Avenue, Miami, FL, telephone number (305) 547-0535.