



Memorandum



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To: The Honorable Carlos A. Gimenez, Mayor, Miami-Dade County
The Honorable Chairman Joe A. Martinez,
and Members, Board of County Commissioners, Miami-Dade County

From:  Christopher Mazzella, Inspector General, Miami-Dade County

Date: February 22, 2012

Subject: Four Arrested for Swindling Property Buyers Out of \$2.4 Million—Con-artists Lured Victims into Believing that a County Employee Inside the Tax Collector's Office Could Facilitate Tax Deed Transactions Prior to Public Auction - IG10-54

An investigation by the Miami-Dade County Office of the Inspector General (OIG), the Miami-Dade Police Department (MDPD), and the Miami-Dade State Attorney's Office (SAO) resulted in today's arrest of four individuals for Racketeering. Ayda Young (Young), Yohany Garcia (Garcia), Zoraida Abreu (Abreu), and Johnny Bou-Nassar (Bou-Nassar) were arrested and charged with Racketeering, Grand Theft, Uttering Forged Instruments, and Identity Theft. In total, the criminal charges involved 15 victims that were defrauded of over \$2.4 million.

In October 2010, the OIG and MDPD independently received complaints from different victims alleging they were defrauded in a scheme to purchase tax deeds prior to their slated public auction sale. The victims were led to believe that the defendants were in collusion with a county employee, who could remove a property from the public auction list and sell it to a private buyer. That claim proved to be false. There was no evidence that any county employee was involved with this scheme.

The investigation revealed that Young, Garcia, Abreu, and Bou-Nassar used the legal entity, Miami-Dade County Short Sales, Inc. (MDC Short Sales), a Florida corporation controlled by Abreu, to conduct racketeering activity and fraud. The investigation revealed two distinct stories used by the group to defraud would-be-purchasers of real estate. In one version, prospective buyers were provided with the Miami-Dade County listing of properties with delinquent taxes for their selection. The prospective buyers would then choose properties from the list and write a check payable to Miami-Dade County or Miami-Dade County Short Sales in the amount of the delinquent taxes. The checks ranged in amounts of more than \$6,000 to over \$30,000. Writing the checks out to Miami-Dade County provided the victims a measure of comfort in the legitimacy of the transaction. The checks were taken by Garcia, Young, Abreu or Bou-Nassar to be cashed at check cashing stores where MDC Short Sales had established business relationships.

The buyers were assured that they would be granted full title to the real property from the Miami-Dade County courts. Some buyers were furnished with fraudulently notarized documents as proof of their purchase. The buyers believed that their checks were in fact going to be used to pay off the delinquent real estate taxes. The Tax Collector's Office is authorized by law to issue Tax Certificates to investors so that Miami-Dade County may recoup the delinquent taxes in cases of non-payment by property owners. In exchange for the purchase, the Tax Collector's Office offers the investors interest on the Tax Certificates and the guarantee that the Tax Certificates will be paid off within a predetermined period of time. If the property owner does not redeem the Tax Certificate then the Miami-Dade County Clerk of Courts will auction the property to the public. The Tax Certificate holder is paid and a Tax Deed is issued to the purchaser of the property. While a tax deed is a legal instrument that transfers title, the holder must still file suit to quiet title in the property. Miami-Dade County has never conducted any pre-sales of tax deeds of properties listed for public auction.

The properties were never deeded to any of the victims. Most victims lost all of their money. A few recovered a minimal amount from the defendants after repeated requests that their money be returned. The investigation found that in most cases the properties were never subject to tax deed sales.

In a variation of the tax deed scam, the defendants used MDC Short Sales to lure buyers interested in short sale real estate purchases. None of the defendants had the legal authority to sell any of the properties. Similar to the tax deed scheme, phony documents were provided to the buyers. The short sale scam resulted in individual victim losses ranging from more than \$40,000 to over \$500,000. Finally, on three occasions Bou-Nassar had the victims write checks to his own company AAA Trading, Inc. In all, the investigation found that Garcia, Young, Abreu and Bou-Nassar, through MDC Short Sales, defrauded fifteen (15) victims of over \$2.4 million from August 2009 through March 2011. The investigation also determined that there are more victims besides those named in the criminal complaint.

The OIG is grateful for the close collaboration of the MDPD and the assistance of the Miami-Dade County Clerk of the Courts and the Miami-Dade County Tax Collector's Office during the course of this investigation.

cc: Hon. Harvey Ruvlin, Clerk of the Courts, Miami-Dade County
Mr. Ed Marquez, Deputy Mayor, Miami-Dade County
Mr. James Loftus, Director, Miami-Dade Police Department
Mr. Luis Montaldo, General Counsel, Clerk of the Courts, Miami-Dade County
Mr. Fernando Casamayor, Director, Miami-Dade County Tax Collector
Ms. Cathy Jackson, Director, Audit & Management Services, Miami-Dade County
Mr. Charles Anderson, Commission Auditor, Miami-Dade County