




Memorandum



Miami-Dade County Office of the Inspector General
A State of Florida Commission on Law Enforcement Accredited Agency
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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
Ms. Maria Alonso, Board Chair, The Children's Trust
Mr. Modesto E. Abety-Gutierrez, President/CEO, The Children's Trust

From:  Christopher Mazzella, Inspector General

Date: October 5, 2012

Subject: Taxpayer Funded Children's Trust Grant Recipient Arrested; Ref. IG10-38

Attached is a press release related to the arrest of Larrie M. Lovett, II (Lovett), Chairman and Director of the Brownsville Community Development Corp., Inc. (BCDC). BCDC was a grant recipient of The Children's Trust (Trust). Lovett was arrested today as a result of a joint investigation by the Miami-Dade County Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office.

As you know, through a portion of property taxes, Miami-Dade County property owners fund The Children's Trust to provide services for children in this community. BCDC received Trust grant funds to provide community-based services to the youth in the Brownsville-Liberty City neighborhoods. The Trust, through its Youth Violence Prevention Initiative, funded grants for community-based service providers to develop and implement a comprehensive strategy to prevent juvenile crime and antisocial behavior. As a grant recipient, BCDC was to pay the community service providers and seek reimbursement from the Trust. However, Lovett illegally diverted over \$112,000 in grant funds. OIG investigators found that Lovett used some of those funds to pay for personal trips, rent, car, utilities, and for use as spending money.

The OIG appreciates the cooperation of the Children's Trust during the course of this investigation.

Attachment

cc: Russell Benford, Deputy Mayor
Cathy Jackson, Director, Audit & Management Services Department
Charles Anderson, Commission Auditor



Miami-Dade County
OFFICE OF THE INSPECTOR GENERAL
Christopher R. Mazzella, Inspector General
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NEWS RELEASE

Director of the Brownsville Community Development Corporation Arrested on Charges of Theft and Organized Scheme to Defraud the Taxpayer Funded Children's Trust (Miami, FL)

The Miami-Dade County Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office announce today the arrest of Larrie M. Lovett, II (Lovett), Chairman and Director of the Brownsville Community Development Corp., Inc. (BCDC). The BCDC was a grant recipient of The Children's Trust (Trust). The investigation, which was initiated based upon information received from the Trust, revealed a scheme to divert Trust grant funds for Lovett's personal use. Lovett was charged with Organized Scheme to Defraud (a first degree felony) and Grand Theft (a second degree felony).

In 2006 the Trust, funded through Miami-Dade County property taxes, resolved to fund a Youth Violence Prevention Initiative following a spate of violent crimes involving the youth of our community. The Trust established the "Youth Murder and Violence Prevention Service Partnership" (YMVP) program to target fifteen to sixteen neighborhoods based on escalated rates of youth-involved violent crime. Each neighborhood formed a collaboration of community organizations, referred to as the "Lifelines Consortium" partners (consortium partners), to provide various services within the neighborhood. Lovett's BCDC was granted a YMVP Trust contract as the Lead Agency for the Brownsville-Liberty City neighborhood beginning in February 2007. BCDC received over \$1.6 million in grant funds from the Trust from 2007 through 2009.

The YMVP grant worked as a reimbursement grant. BCDC, as the lead agency, was responsible for seeking reimbursement from the Trust after paying the consortium partners for services rendered. The OIG investigation determined that Lovett fraudulently obtained over \$112,000 in Trust funds. Lovett obtained the funds by submitting false invoices and/or false proof of payments to the Trust. When grant funds were received, Lovett failed to forward the full amount of payment due to the consortium partners and to a vendor hired as a program evaluator.

Additionally, the consortium partners, through BCDC, could request a 15% advance of the contract amount at the start of each contract year to fund start-up costs and administrative

operations. The OIG investigation found that Lovett failed to forward to the consortium partners the full amounts advanced by the Trust for their costs, nor did he repay the full amount of the advance requested and given to BCDC by the Trust. Lovett, who had complete financial control of BCDC, was able to obtain funds from BCDC accounts through ATM withdrawals, debit card purchases, and BCDC business checks. The investigation also traced the use of the fraudulently obtained funds and found that Lovett spent the funds on personal matters such as: a trip to Chicago on behalf of the church he ministers, a trip to Los Angeles and Tucson, a stay at the Marriott Imperial Palms during a personal vacation, a rent payment for his home, personal car payments, personal car rentals, utility payments, and cash withdrawn at ATM's during holidays or personal trips.

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.