



# Memorandum

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To: The Honorable Carlos Alvarez, Mayor

The Honorable Chairperson Bruno A. Barreiro  
and Members, Board of County Commissioners

From: Christopher Mazzella, Inspector General

Date: June 11, 2008

Re: OIG Investigation Results in Plea of Developer Involved in Housing Scandal

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Attached is a news release relating to the plea of developer Reynaldo Diaz (Diaz). An investigation by the Office of the Inspector General (OIG) and the State Attorney's Office into the misappropriation of Miami-Dade Housing Agency (MDHA) funds resulted in Diaz being charged last year with Organized Scheme to Defraud. Through his company, Infill Development Group (IDG), Diaz received \$940,000 in MDHA funds to provide homes for sale to low and moderate-income families. Of the 28 houses that IDG was supposed to build, only two were completed. Diaz, who has repaid the County the \$940,000, pled guilty to Organized Scheme to Defraud, a first degree felony. As part of his sentence, Diaz will perform 326 days of public service as a volunteer for Habitat for Humanity helping to build homes for low-income families. In addition, Diaz must cooperate with the OIG and the State Attorney's Office in the ongoing investigation into the theft of monies slated to provide affordable housing within the County.

cc: Mr. George Burgess, County Manager  
Mr. Denis Morales, Chief of Staff, Mayor's Office  
Ms. Cynthia Curry, Senior Advisor to the County Manager  
Ms. Cathy Jackson, Director, Audit & Management Services  
Mr. Charles Anderson, Commission Auditor

Clerk of the Board (Copy Filed)



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### **Media Advisory**

Contact: Ed Griffith : 305-547-0535

## **Reynaldo Diaz, Developer In Housing Scandal, Pleads Guilty**

**Agrees to Assist Prosecutors in Criminal Investigations**

Miami (June 11, 2008) – Reynaldo Diaz, a housing developer charged last year as a part of the ongoing investigation into the potential misuse of governmental monies intended to build low income housing, has pled guilty to his original charge, 1 count of an Organized Scheme to Defraud. This plea should help expand the ongoing investigation into our community's funding for low-income housing originally intended to help the needy.

While Mr. Diaz did build 2 homes with the \$940,000 he received from our local housing authorities, the 26 other contracted homes were never built. Investigators from the Miami Dade Office of the Inspector General and prosecutors from the Miami-Dade State Attorney's Office discovered that Mr. Diaz received a substantial county check to build homes on 6 properties that he never owned. A few false documents and a sales agreement signed by one of Mr. Diaz's employees----who also did not own the property----was all it took to get county housing funding.

Under the terms of the plea agreement ratified today in court before Circuit Court Judge Israel Reyes, Reynaldo Diaz will serve three (3) years probation with a number of special conditions:

- 326 days physically working for Habitat for Humanity in the construction of homes for the needy
- He will provide full cooperation in our ongoing housing investigations
- He will pay \$10,000 for cost of prosecution
- And he is prohibited from any future financial dealings with Miami-Dade County

These conditions are in addition to the \$940,000 of restitution that he previously returned to Miami-Dade County



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**“The virtual year of hard labor and sweat equity Reynaldo Diaz will personally perform helping the needy will not only improve our community physically, it will fulfill a part of the promise he made when he initially sought out county money,” commented State Attorney Katherine Fernandez Rundle. “Reynaldo Diaz’ cooperation and testimony in our ongoing housing investigations not only will make our criminal cases stronger, but should assist in bringing all the individuals who were a part of these deceptive, heartbreaking schemes, to justice.”**

**In commenting on the plea, Inspector General Christopher Mazzella said, “The Office of Inspector General will continue its efforts to untangle the housing scandal and, wherever possible, prosecute those responsible for it.”**

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