



Memorandum

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To: The Honorable Carlos Alvarez, Mayor
The Honorable Chairperson Joe Martinez
Members, Board of County Commissioners

From: Christopher Mazzella
Inspector General

Date: October 26, 2006

Re: OIG Investigation into Theft of Court System Funds Uncovers another Fraud

Attached is a news release relating to the arrest of Jorge A. Jaen for a fraud uncovered during the Office of the Inspector General's (OIG's) probe of foreclosure surplus frauds perpetrated through the courts of Miami-Dade County. This is the eighth arrest resulting from the OIG probe into fraudulent filings in the Circuit Courts. The investigations began after a group of concerned Circuit Court Judges alerted the OIG.

Jaen came to the attention of OIG investigators during another OIG investigation, which uncovered a scheme to steal surplus foreclosure funds through fraudulent filings and misrepresentations to the courts. In this present case, Jaen made several false representations in order to obtain a car loan, including providing false documentation to the lender. Jaen has a history of fraud including a 1998 conviction for Conspiracy to Commit Extortion and a 1999 conviction for voter fraud relating to former City of Miami Commissioner Humberto Hernandez' re-election campaign.

cc: Hon. Joseph P. Farina, Chief Judge, Eleventh Judicial Circuit
Hon. Stuart M. Simons, Administrative Judge, Eleventh Judicial Circuit
Hon. Jon I. Gordon, Assoc. Administrative Judge, Eleventh Judicial Circuit
Mr. Harvey Ruvin, Clerk of the Circuit and County Courts
Hon. Katherine Fernandez Rundle, State Attorney Eleventh Judicial Circuit
Mr. George Burgess, County Manager
Ms. Cathy Jackson, Director, Audit & Management Services
Mr. Charles Anderson, Commission Auditor

Clerk of the Board (copy filed)



ANOTHER SCAM UNCOVERED IN OIG PROBE OF COURT SYSTEM FRAUD

An investigation by the Office of the Inspector General (OIG) resulted in the arrest of Jorge A. Jaen, 37, of Miami, Florida, on one count of Grand Theft in the Second Degree and one count of Obtaining Property or Credit through False Statements.

Jaen's fraud was discovered during an OIG investigation that revealed a complex foreclosure surplus fraud scheme, using the Court system to victimize South Florida homeowners. That investigation resulted in charges filed by the Office of Statewide Prosecution against attorney Terrence Rosenberg and three others for a mortgage fraud scheme and theft of surplus funds from an elderly woman. The investigation also yielded the conviction of Manuel Rosado, Jr. on a charge of Organized Scheme to Defraud for stealing surplus foreclosure funds. Jaen's name surfaced during the investigation and upon further inquiry OIG Special Agents discovered that Jaen had submitted false information on a car loan application. Jaen's arrest is the eighth arrest resulting from related OIG investigations into fraudulent Court filings. The investigations began after a group of concerned Circuit Court Judges alerted the OIG.

OIG Special Agents discovered that Jaen provided fraudulent W-2 Forms, false information about his employment and salary, as well as fraudulent information regarding home ownership to obtain a car loan. Jaen falsely represented that he owned free and clear a home actually mortgaged by Vanessa Ortega, his former live-in girlfriend.

This is not the first time Jaen was involved in providing false information regarding his residence. Jaen was convicted in 1999 for voter fraud in connection with City of Miami Commissioner Humberto Hernandez' campaign for re-election. Jaen, who was a campaign worker for Hernandez, falsely changed his home address and fraudulently voted in Hernandez' district.

The Miami-Dade State Attorney's is handling the prosecution of this case. According to Inspector General Mazzella, the OIG will continue its probe into predatory lending and mortgage fraud schemes. This additional arrest is a result of that commitment.