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**Office of the Inspector General**

**Miami-Dade County**

# Memorandum

To: The Honorable Alex Penelas, Mayor

The Honorable Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

From: Christopher Mazzella,  
Inspector General

Date: September 18, 2003

Re: Additional Arrests Made in Building Inspection Fraud Investigation

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Attached for your information is a news release relating to the arrest of another contractor relative to the OIG's investigation into a widespread scheme to obtain false certificates of occupancy and/or certificates of completion. Thus far, four individuals have been arrested. The Planning and Zoning and Building Departments continue to assist us in this matter.

cc: Mr. George M. Burgess, County Manager  
Mr. Charles Danger, P.E., Director, Building Department  
Ms. Diane O'Quinn-Williams, Director, Planning & Zoning Department  
Mr. Herminio Gonzalez, P.E., Director, Building Code Compliance

Clerk of the Board (copy filed)



## News Release

### General Contractor Arrested in Continuing OIG Investigation

The Miami-Dade Office of the Inspector General (OIG) announced today that an additional arrest will be made in its continuing investigation of a widespread scheme by current and former County employees, building contractors, and others to fraudulently manipulate County systems to obtain Certificates of Completion or Certificates of Occupancy for renovated or newly constructed homes without obtaining proper permits or conducting mandated inspections. Jose Losa, Jr. is expected to surrender this morning.

Losa, Jr., also known as Joe Losa, age 35, is Vice President of JAL Consultants, Inc., located at 10876 S.W. 24 Terrace, Miami, Florida. Losa, Jr. is a State Certified General Contractor and the qualifier for JAL Consultants, Inc., a general construction-contracting firm. The President of JAL Consultants, Inc., Jose Losa, Sr., surrendered in a similar scheme, involving the construction of the home of John and Barbara Fogg, two weeks ago. His son, Losa, Jr., is charged with Grand Theft and Official Misconduct, stemming from a fraudulently obtained Certificate of Completion for a different residential construction project.

According to an arrest warrant affidavit filed by a Special Agent of the OIG, in April 2002 Orlando and Helen Galban (the Galbans) entered into an agreement with Redlands Acres Family Homes Development Corp. (Redlands Acres) for the purchase of a newly constructed single-family residence in Southwest Miami-Dade County. Redlands Acres hired JAL Consultants as the general contractor and Gilberto Cerda as project manager to oversee construction. Cerda was arrested two weeks ago with Losa, Sr., in the fraud involving the Foggs.

The OIG investigation uncovered a master building permit issued on the Galban property to JAL Consultants with Joe Losa as the listed qualifier. Subsidiary permits were issued to JAL and others, for all the plumbing, electrical, and mechanical work needed on the construction of the residence. The Galbans' construction was plagued by delays.

The affidavit states that on December 16, 2002, at 10:45 a.m., a Miami-Dade County Building Inspector examined the Galban property and denied approval of the final inspection on the master permit due to lack of inspections on a subsidiary permit issued to JAL. Later that same day, at 3:43 p.m., a Planning and Zoning Department employee overrode the inspection requirements for these permits in the County computer system. A fraudulent Certificate of Completion was then issued and purchased with a credit card belonging to Jose Losa, Jr. According to the affidavit, the Galban's contract required a Certificate of Completion before a closing date could be set or the funds totaling \$184,900 could be transferred to Redland Acres. The Galbans proceeded to closing based on the issuance of the Certificate of Completion.

The affidavit also alleges that Losa Jr. attempted to cover up his misdeeds after the Building Department and the Planning and Zoning Department, at the OIG's request, issued notices to the contractors of record and owners of suspected structures requiring them to provide proof of proper inspections at the time of construction. Such a notice was sent to JAL and to the Galbans. According to the affidavit, on June 2, 2003 in an attempt to close out the original permits on the Galban property without the fraudulently obtained Certificate of Completion being discovered, Losa, Jr. applied to the County for another building permit. Seventeen days later, the Galban property received a second fraudulent Certificate of Completion without the Galbans' knowledge or consent. Again, the Certificate of Completion was paid for using Losa, Jr.'s credit card. The inspections remain undone on the Galban property.

The OIG investigation has, thus far, determined that JAL, Jose Losa, Sr., Jose Losa, Jr. and/or Gilberto Cerda are connected to approximately thirteen (13) properties where fraudulent Certificates of Completion were obtained from a corrupt Planning and Zoning employee.

Copies of the arrest warrant and arrest affidavit are available at the Inspector General's Office, 19 West Flagler Street, Suite, 200, telephone number (305) 375-1946 and at the State Attorney's Office, c/o Ed Griffith, 1350 N.W. 12<sup>th</sup> Avenue, telephone number (305) 547-0532.

Media Opportunity – Inspector General Mazzella will be available for a media opportunity today between 1:30 p.m. and 4:00 p.m. at the OIG office.