




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 24, 2006

Re: Million Dollar Theft and Money Laundering Investigation of WASD Supervisor

An investigation started by the Office of the Inspector General (OIG) this September has resulted in a state judge issuing a warrant for the arrest of Miami-Dade County (County) employee Charles Anthony Vance (Vance). Vance, an employee of the County's Water & Sewer Department (WASD) since 1991, was terminated from County employment last month on an unrelated matter. At the time of his termination Vance was a Supervisor 2 in charge of the mailroom at WASD.

The OIG investigation has revealed that Vance embezzled a total of one million dollars of WASD funds, from September 2003 to August 2006. Among his various duties, Vance was responsible for monitoring and replenishing the WASD mail meter accounts with the U.S. Postal Service (USPS) thus ensuring the continuous operation of the WASD mailroom. WASD collectively mails to its customers approximately 10,000 bills per day. OIG investigators discovered that Vance diverted twenty (20) WASD checks in the amount of \$50,000 each which were fraudulently deposited into a USPS account in the name of Modular Innovations, Inc. Modular Innovations is not and has never been a vendor for the County.

The WASD funds deposited into the Modular Innovations account were then withdrawn and deposited into a series of bank accounts in order to conceal Vance's involvement and his ultimate personal use of WASD funds. At this time, the OIG investigation has revealed that Vance purchased a 2006 BMW 530i and a 2005 Honda Accord with funds directly traceable to WASD. In addition, Vance wrote checks to himself, to cash, and to friends totaling \$50,700.00 from funds directly traceable to WASD monies deposited into the Modular Innovations' USPS account. The warrant charges Vance with one (1) count of Organized Fraud, one (1) count of First Degree Grand Theft, four (4) counts of Money Laundering and twenty (20) counts of Official Misconduct. The case is being prosecuted by the Miami-Dade State Attorney's Office. The OIG investigation into Vance's fraudulent use of WASD funds continues. Specifically, the OIG is probing the creation of the Modular Innovations account and the establishment of bank accounts, as well as investigating other individuals involved in laundering stolen County funds. Additional arrests are expected.

cc: Mr. George Burgess, County Manager
Mr. Roger Carlton, Assistant County Manager
Mr. John Renfrow, Director, Water & Sewer Department
Ms. Cathy Jackson, Director, Audit & Management Services
Mr. Charles Anderson, Commission Auditor
Clerk of the Board (copy filed)