



COUNTY CHEATED OUT OF \$375,000

ADDITIONAL ARRESTS IN SCHEME TO CHEAT COUNTY'S SCALEHOUSE

The Office of the Inspector General (OIG) and the Miami-Dade County State Attorney's Office (SAO) announced additional arrests in connection with a joint investigation code named, "Operation Get the Lead Out." Arrested were two Miami-Dade County employees and one waste tire hauler for defrauding the County's Resource Recovery Facility of dumping fees. A second waste tire hauler is expected to surrender tomorrow.

Acting on information provided by Vicente Castro, Assistant Director of the Technical Division of the Miami-Dade County Department of Solid Waste Management (DSWM), the OIG began an investigation into a scheme by waste tire haulers to cheat the County's scales to avoid paying disposal fees.

DSWM operates the Resource Recovery Facility located at 6990 N.W. 97 Avenue. Miami-Dade County contracts with the Montenay Power Corp. to operate the disposal facility which converts waste to energy and shreds, recycles, and processes other waste for ultimate disposal. At the facility, the County operates a scalehouse which records the weight of a truck when empty and later subtracts that from the weight of a fully loaded truck as it comes into the facility to dispose of tires. Fees of \$75.00 a ton for waste tires are then assessed.

Jorge Cuervo, age 34, and his brother, Luis Cuervo, age 37, both of Hialeah, have been charged with Cheating, Organized Scheme to Defraud and Grand Theft. The Cuervos, according to an arrest warrant affidavit filed by a Special Agent of the OIG, have been involved in several schemes to defraud Miami-Dade County of disposal fees. The Cuervos own and operate a waste tire disposal business in which they drive a waste tire hauling truck. Jorge Cuervo was arrested today, and his brother Luis is expected to surrender tomorrow on an outstanding warrant.

In one scheme, the Cuervos added temporary lead weights to the cabin of their truck when first registering the "empty" weight of the truck. After obtaining this fraudulently inflated weight, they removed the lead and thereafter dumped truckloads of tires at a reduced weight. In a second scheme, the Cuervos lined the inside box of the truck with 5/8" plywood, adding 1020 lbs. to the truck prior to a required weigh-in at the County's scalehouse.

Every time the Cuervos dumped tires, the false weight was used to determine the amount of tires disposed. Because of the false weight, the Cuervos did not pay the proper disposal fees. The OIG investigation has identified a loss of disposal fees to the County of \$375,000 for the period of October 2002 through September 2003.

Also arrested today for defrauding the County of disposal fees are two County employees of the Solid Waste Department. Edward McDuffie, age 42, of Miramar, Broward County, Fl., and Joann Favors, age 43, of Miami, were charged with Grand Theft and Unlawful Compensation for defrauding the County of the mandated disposal fees. According to the arrest warrant affidavit filed by a Special Agent of the OIG, McDuffie and Favors are employed by the Solid Waste Department as a Waste Truck Driver and a Waste Collector, respectively. McDuffie and Favors, who are not assigned to collect waste tires for the County, received cash from tire vendors to dispose of waste tires. McDuffie and Favors split and pocketed the cash and then avoided the scales at the Resource Recovery Facility in an attempt to dump over nine (9) tons of waste tires into the shredding area. Had they not been caught the County would have incurred a \$680.00 loss in dumping fees. Nevertheless, both McDuffie and Favors received \$125.00 each from a tire vendor as payment for their illegal disposal of tires.

Inspector General Christopher Mazzella emphasized that corruption impacting the County's ability to collect revenues for its services hurts everyone and that it must be rooted out. Mr. Mazzella noted that in addition to the approximate \$375,000 in losses identified in these arrests, OIG investigators have identified substantially more losses, exceeding \$1 million in lost revenues, which will result in additional arrests.

Copies of the arrest warrants and arrest affidavits are available at the Inspector General's Office, 19 West Flagler Street, Suite, 220, telephone number 305-375-1946 and at the State Attorney's Office, c/o Ed Griffith, 1350 N.W. 12 Avenue, telephone number 305-547-0532.

Media Opportunity – Inspector General Mazzella will be available for a media opportunity today, Wednesday, May 26th, 2004 between 2:00 p.m. and 3:00 p.m. at the OIG office.