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**Office of the Inspector General
Miami-Dade County**

Memorandum

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

From: Christopher Mazzella
Inspector General

Date: January 20, 2006

Re: Additional Arrest of Contractors in County Storm Drainage Projects Scam

Attached is a news release relating to the second arrest of [REDACTED] two employees of Magna Construction, Inc. (Magna) on fraud-related charges in connection with the company's work on a Miami-Dade County Department of Environmental Resource Management (DERM) storm drainage project.

As you may recall, an investigation by the Office of the Inspector General (OIG) resulted in the July 2005 arrests of [REDACTED] Jorge Tourino (J. Tourino), and company foreman Leoncio Echevarria (Echevarria) on charges of Organized Scheme to Defraud. The continuing investigation by the OIG resulted in the second arrest of the same individuals and a new charge of Organized Scheme to Defraud.

Magna was contracted to improve storm water drainage in different areas of the County. In the second arrest, the defendants were charged with defrauding the County of hundreds of thousands of dollars by billing the County for work not performed. The investigation uncovered that at three work sites in Miami-Dade County located at N.W. 179th Street from 2nd Avenue to 7th Avenue, N.W. 177th Street from 2nd Avenue to 7th Avenue, and N.W. 7th Avenue from the area of State Road 826 to 175th Street, Magna employees were ordered by the defendants to dig trenches at shallower depths than required. The County was billed and paid Magna \$115,657.50 for nineteen trenches purported to be dug at the appropriate depths.

In this most recent arrest, DERM hired SRS Engineering of Miami, Fl., to oversee the construction of this project. SRS then hired an engineer from Parsons Brinckerhoff to inspect the job sites. The Parsons Brinckerhoff engineer accepted the word of Magna employees as to the depth of the trenches instead of demanding that the trenches be dug up to measure their depth and to properly inspect the worksites. Similarly, on the previous Public Works project for which Magna and its principals were charged with defrauding the County, the BND Engineering inspector contracted to oversee the projects also failed to properly inspect the sites and accepted the word of Magna employees.

As you can surmise, I am becoming increasingly alarmed at the quality of inspectional services being provided to the County. As the investigation continues and additional transgressions are detected, remedial action at substantial costs to the County may be required and, consequently, those responsible for inspectional services must be held accountable for their failings. You will be kept apprised of developments.

cc: Mr. George Burgess, County Manager
Mr. Pete Hernandez, Deputy County Manager
Mr. Joseph A. Ruiz, Assistant County Manager
Mr. John Renfrow, Director, Department of Environmental Resources Management
Ms. Marsha E. Jackman, Director, Department of Business Development
Ms. Cathy Jackson, Director, Audit & Management Services
Mr. Roger T. Hernstadt, Director, Office of Capital Improvements

Clerk of the Board (Copy Filed)



OFFICE OF THE INSPECTOR GENERAL
MIAMI-DADE COUNTY

**Additional Arrests of Contractors Defrauding the County
in Storm Water Drainage Program**

The Miami-Dade County Office of the Inspector General (OIG) and the Miami-Dade State Attorney's Office announced today the second arrests in the continuing investigation of contractors in connection with a joint investigation code named "The Big Dig." [REDACTED] Jorge Tourino (J. Tourino), age 23 of Miami, FL, and Leoncio Echevarria (Echevarria), age 47 of Hialeah, FL, were arrested and charged with Organized Scheme to Defraud for defrauding the County of thousands of dollars from Department of Environmental Resource Management (DERM) projects.

[REDACTED] J. Tourino, and company foreman Echevarria were previously arrested in July 2005 for fraudulently billing the County for work not performed and for substituting used materials represented to be new. The continuing investigation by the OIG led to the second arrest of [REDACTED] Tourino [REDACTED] and Echevarria for a similar scheme of fraudulent billing. In this most recent arrest, Magna Construction, Inc., was hired to complete part of a County drainage project and agreed to perform the installation of a french drain system for three sites in Miami-Dade County located at N.W. 179th Street from 2nd Avenue to 7th Avenue, N.W. 177th Street from 2nd Avenue to 7th Avenue, and N.W. 7th Avenue from the area of State Road 826 to 175th Street.

The project was a result of DERM's studies to improve storm water drainage in different areas of the County. The County contract paid out at a specific rate per linear foot based upon the depth of the trenches. The design plans of the project were all individually drawn to handle flooding at each of the sites and required specific depths of trenches.

According to the Arrest Affidavit filed by Special Agents of the OIG, two former employees of Magna pointed out to OIG investigators areas where the trenches were dug to less than the required depths at the instruction of [REDACTED] Jorge Tourino and Leo Echevarria. According to the Arrest Affidavit, Magna employees were ordered to dig shallow and immediately cover up the trenches. The oversight for this project was provided, per contract with Miami-Dade County, by SRS Engineering of Miami, Fl., who supervised a full time inspector employed by Parsons Brinckerhoff. The OIG investigation revealed that at times the inspector did not measure the depth of the trenches and, instead, took the word of Echevarria that the trenches were dug to the proper depth.

At the request of the OIG, DERM reviewed the allegations and hired the engineering firm of Wingerter Laboratories, Inc. to conduct testing and inspection services at the sites. Wingerter examined 23 trenches, of which 19 trenches were found to be shallower than the required depth. Magna billed the County \$115,657.50 for the 19 trenches in question.

State Attorney Katherine Fernandez Rundle commented, "I have a message for every crooked supplier and every crooked businessman. The days of believing you can get away with cheating and defrauding County government are over. You may get away with it for a week. You may get away with it for a month. But we are working to ensure that the next bracelet on your wrist will come with a lock and key. I, my prosecutors, Inspector General Christopher Mazzella and his staff are making this a reality, every day of the week."

In commenting on the arrests, Inspector General Christopher R. Mazzella noted that his office is committed to rooting out contractors that defraud the taxpayers of Miami-Dade County, particularly where County drainage projects are jeopardized.

Copies of the Arrest Warrant and Arrest Affidavit 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. 12th Avenue, telephone number (305) 547-0532.

Media Opportunity – Inspector General Mazzella will be available for a media opportunity today between 11:00 a.m. and 2:00 p.m. at the OIG office.