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OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 11(A)(12)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: January 20, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution directing the County Mayor to review affordable housing projects funded by the County and developed or constructed by Biscayne Housing Group, Inc., or its principals Gonzalo Deramon and Michael Cox; Carlisle Development Group, or its principals Matthew Greer and Lloyd Boggio; Siltek Group, Inc., or Siltek Affordable Housing, LLC, or their principal Rene Sierra; BJ&K Construction, Inc., or its principal Michael Runyan; Design Management and Builders Corporation, or its principal Arturo Hevia, or any entities related to these entities or principals, for the purpose of determining if the County has been the victim of any criminal activity, including but not limited to conspiracy to commit theft or fraud, by any of these entities or persons

Resolution No. R-61-16

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Barbara J. Jordan and Co-Sponsors Commissioner Daniella Levine Cava, Commissioner Sally A. Heyman, Commissioner Rebeca Sosa, and Senator Javier D. Souto.

Abigail Price-Williams
County Attorney

APW/lmp

MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: January 20, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 11(A)(12)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Statement of social equity required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(12)
1-20-16

RESOLUTION NO. R-61-16

RESOLUTION DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO REVIEW AFFORDABLE HOUSING PROJECTS FUNDED BY THE COUNTY AND DEVELOPED OR CONSTRUCTED BY BISCAYNE HOUSING GROUP, INC., OR ITS PRINCIPALS GONZALO DERAMON AND MICHAEL COX; CARLISLE DEVELOPMENT GROUP, OR ITS PRINCIPALS MATTHEW GREER AND LLOYD BOGGIO; SILTEK GROUP, INC., OR SILTEK AFFORDABLE HOUSING, LLC, OR THEIR PRINCIPAL RENE SIERRA; BJ&K CONSTRUCTION, INC., OR ITS PRINCIPAL MICHAEL RUNYAN; DESIGN MANAGEMENT AND BUILDERS CORPORATION, OR ITS PRINCIPAL ARTURO HEVIA, OR ANY ENTITIES RELATED TO THESE ENTITIES OR PRINCIPALS, FOR THE PURPOSE OF DETERMINING IF THE COUNTY HAS BEEN THE VICTIM OF ANY CRIMINAL ACTIVITY, INCLUDING BUT NOT LIMITED TO CONSPIRACY TO COMMIT THEFT OR FRAUD, BY ANY OF THESE ENTITIES OR PERSONS; AND DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO TAKE APPROPRIATE LEGAL OR OTHER ACTIONS TO RECOVER COUNTY FUNDS, TO PREPARE AND SUBMIT A REPORT WITHIN 90 DAYS, AND TO UPDATE SAID REPORT EVERY THREE MONTHS DURING THE FIRST YEAR AND AT LEAST ANNUALLY THEREAFTER

WHEREAS, the County has allocated hundreds of millions of dollars, from multiple sources, including Building Better Communities General Obligation Bonds, Documentary Surtax, HOME Investment Partnerships Program, and Neighborhood Stabilization Program funds, for the development and construction of affordable housing projects throughout the County; and

WHEREAS, many of these County-funded projects were developed by Biscayne Housing Group, Inc. or its related entities (together to be referred to as "BHG"), whose principals are Gonzalo DeRamon ("DeRamon") and Michael Cox ("Cox"); and Carlisle Development Group or its related entities (together to be referred to as "Carlisle"), whose

principals are Matthew Greer ("Greer") and Lloyd Boggio ("Boggio") (together DeRamon, Cox, Greer, Boggio, BHG and Carlisle to be referred to as the "Developers"); and

WHEREAS, many of these County-funded projects were constructed by Siltek Group, Inc. and Siltek Affordable Housing, LLC or related entities (together hereinafter referred to as "Siltek"), whose principal is Rene Sierra ("Sierra"); BJ&K Construction, Inc. or related entities ("BJ&K"), whose principal is Michael Runyan ("Runyan"); or Design Management and Builders Corporation or related entities ("DMBC"), whose principal is Arturo Hevia ("Hevia") (together Siltek, BJ&K, DMBC, Sierra, Runyan, and Hevia to be referred to as the "Contractors"); and

WHEREAS, Greer, Runyan, Sierra, DeRamon and Cox have been charged with Conspiracy to Commit Theft of Government Money and Property, pursuant to 18 U.S.C. § 371, in a federal criminal superseding information filed August 4, 2015 (the "Superseding Information"), attached hereto as Exhibit A; and

WHEREAS, the Superseding Information alleges that DeRamon, Cox, Greer, Runyan, and Sierra, conspired to unjustly enrich themselves by submitting fraudulently inflated construction contracts to Florida Housing Finance Corporation in order to obtain excess federal tax credits and grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit. The Superseding Information refers to the arrangement as a "kick-back" scheme, by which Sierra and Runyan would "kick back" the proceeds of the inflated construction contracts to DeRamon, Cox, and Greer; and

WHEREAS, Boggio has been charged with Conspiracy to Commit Theft of Government Money and Property, pursuant to 18 U.S.C. § 371; Conspiracy to Commit Wire Fraud, pursuant to 18. U.S.C. § 1349; and Money Laundering, pursuant to 18 U.S.C. § 1957, in a federal criminal superseding indictment filed October 5, 2015 (the "Superseding Indictment"), attached hereto as Exhibit B; and

WHEREAS, the Superseding Indictment alleges that Boggio conspired with Greer, Runyan and others to unjustly enrich himself by submitting fraudulently inflated construction contracts to Florida Housing Finance Corporation in order to obtain excess federal tax credits and grant monies to which they were not entitled, and then to use the proceeds for his personal use and benefit. The Superseding Indictment refers to the arrangement as a "kick-back" scheme, by which Runyan would "kick back" the proceeds of the inflated construction contracts to Boggio and Greer. The Superseding Indictment further alleges that Boggio used interstate commerce for the purpose of executing his fraudulent scheme and engaged in a monetary transaction in or affecting interstate and foreign commerce involving criminally derived property; and

WHEREAS, Hevia was charged by Information with Conspiracy to Commit Theft of Government Money and Property, pursuant to 18 U.S.C. § 371, in a federal criminal information filed June 25, 2015 (the "Hevia Information"), attached hereto as Exhibit C; and

WHEREAS, the Hevia Information alleges that Hevia, DeRamon and Cox conspired to unjustly enrich themselves by submitting fraudulently inflated construction contracts to Florida Housing Finance Corporation in order to obtain excess federal tax credits and grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit. The Hevia Information refers to the arrangement as a "kick-back" scheme, by which Hevia would "kick back" the proceeds of the inflated construction contracts to DeRamon and Cox; and

WHEREAS, the Superseding Information, Superseding Indictment, and the Hevia Information list the following projects as being subjects of the conspiracies described: Brownsville Transit Village II, Brownsville Transit Village III, Brownsville Transit Village IV, Everett Stewart Senior Village, Metro, Poinciana Grove, Wahneta Palms, Villa Patricia III, Labre Place, Village Carver II, Bonita Cove, Notre Dame, Casa Matias, and Georgia Ayers; and

WHEREAS, all of developments listed above except for Wahneta Palms (the "Subject Developments") have County funds invested in them; and

WHEREAS, the Superseding Information, Superseding Indictment and the Hevia Information allege that the Developers had unwritten agreements which provided that the Contractors would receive inflated payments which would be listed in the construction contracts, but the Contractors would keep a lesser amount and would "kick back" the remaining inflated amount to DeRamon, Cox, Greer, and Boggio; and

WHEREAS, Greer, DeRamon, Cox, Hevia, Runyan, and Sierra have pled guilty to Conspiracy to Commit Theft of Government Money and Property, pursuant to 18 U.S.C. § 371; however, Boggio has not pled guilty to the charges against him; and

WHEREAS, as an additional funder of the Subject Developments, the County may have been a victim of the same conspiracy and deceit described in the Superseding Information, Superseding Indictment and the Hevia Information since the County may have disbursed its grant and loan funds based upon the same inflated construction contracts described therein; and

WHEREAS, in addition to the possible payment of inflated construction costs, the County may have paid as to the Subject Developments all or a portion of an inflated developer's fee, a contractually agreed upon profit for the developer calculated as a percentage of project development costs; and

WHEREAS, this Board seeks to discover whether the County has been a victim of the conspiracy and fraud described above as to the Subject Developments or any other development of the Developers or the Contractors, or any entities related to the Developers or Contractors,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The matters contained in the foregoing recitals are incorporated in this resolution by reference.

Section 2. This Board directs the County Mayor or County Mayor's designee to review the Subject Developments and all other projects funded by the County and developed or constructed by the Developers, the Contractors or any entities related to the Developers or the Contractors for the purpose of determining whether the County has been a victim of criminal activity, including, but not limited to, theft, fraud or conspiracy by any of these entities or persons. If necessary, the County Mayor or County Mayor's designee is further directed to consult with the Miami-Dade Office of the Inspector General, United States Department of Housing and Urban Development and its inspector general, and other appropriate law enforcement agencies to assist in the investigation of matters contained herein. The County Mayor or County Mayor's designee is authorized to file a lawsuit, join another lawsuit, or otherwise take measures to recover any misused County funds.

Section 3. The County Mayor or County Mayor's designee shall prepare and submit a report to this Board within 90 days of the effective date of this resolution. The report shall describe the progress and results of the investigation, review, legal action or other measures taken, as described in Section 2 of this resolution. Thereafter, the County Mayor or County Mayor's designee shall prepare an updated report at least every three months for the first year and then at least annually thereafter, which reporting shall continue until the latter of the following occur: the criminal cases against the Developers and the Contractors are resolved; the County Mayor or County Mayor's designee determines that the County has not been a victim of any criminal activity or misuse of County funds, as described in Section 2 of this resolution; or the County has recovered all funds misused as a result of the unlawful activity described in the Superseding Information, Superseding Indictment or the Hevia Criminal Complaint or

discovered during the review described in Section 2 of this resolution. The County Mayor or County Mayor's designee shall place all reports required by this resolution on the agendas of the Board pursuant to Ordinance No. 14-65.

The Prime Sponsor of the foregoing resolution is Commissioner Barbara J. Jordan, and the Co-Sponsors are Commissioner Daniella Levine Cava, Commissionner Sally A. Heyman, Commissioner Rebeca Sosa and Senator Javier D. Souto. It was offered by Commissioner **José "Pepe" Diaz**, who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman** and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	**aye**		
Esteban L. Bovo, Jr., Vice Chairman	**aye**		
Bruno A. Barreiro	**aye**	Daniella Levine Cava	**aye**
Jose "Pepe" Diaz	**aye**	Audrey M. Edmonson	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Dennis C. Moss	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**absent**	Xavier L. Suarez	**absent**
Juan C. Zapata	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of January, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. BKN

Brenda Kuhns Neuman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 15-20473-CR-UNGARO(s)
18 U.S.C. § 371
18 U.S.C. § 981(a)(1)(C)

FILED by TB D.C.
AUG 04 2015
STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

UNITED STATES OF AMERICA

v.

MATTHEW GREER,
LLOYD BOGGIO,
MICHAEL RUNYAN,
GONZALO DERAMON,
MICHAEL COX, and
RENE SIERRA,

Defendants.
_____/

SUPERSEDING INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At all times relevant to this Superseding Information:

The Federal Low-Income Housing Tax Credit and Grant Program

1. The United States Government funded the construction of affordable housing for low-income Americans through the award of federal tax credits and federal grant monies to developers.

2. The Tax Reform Act of 1986 authorized state housing agencies to issue federal tax credits to developers for the construction of low-income housing. These tax credits allowed for a dollar-for-dollar reduction of a taxpayer's annual tax liability over a period of years.

Developers typically sold these tax credits to investors to finance the construction of low-income housing developments.

3. The American Recovery and Reinvestment Act of 2009 authorized state housing agencies to issue federal grant monies from the U.S. Department of Treasury to developers for the construction of low-income housing. Developers used these grant monies to build the low-income housing developments.

4. Pursuant to both programs, state housing agencies received an annual allotment of federal tax credits and grant monies for the construction of low-income housing developments. Florida Housing Finance Corporation ("FHFC"), located in Tallahassee, Florida, was the designated state housing agency that issued these tax credits and grant monies in Florida.

5. FHFC issued federal tax credits and grant monies to developers through an annual application process. Developers submitted applications to FHFC for the construction of proposed low-income housing developments. FHFC selected some of the proposed developments to receive federal tax credits and grant monies through a competitive process.

6. Once selected, FHFC required the selected developer to submit their costs to build the proposed development to FHFC's representatives. This submission included a contract signed by the developer and contractor setting forth the actual compensation to be paid the contractor to build the low-income housing development (the "construction contract").

7. FHFC allocated federal low-income housing tax credits and grant monies based on the developer's submitted costs, including primarily the construction contract. Generally, a development with higher submitted costs would receive a greater allocation of tax credits and/or grant monies.

8. For those developers receiving federal tax credits and grant monies, FHFC allowed them to receive a developers' fee of between sixteen and twenty-one percent of the development's costs and to receive rental income from the development.

The Defendants and The Low-Income Housing Developments

The Developers

9. Defendants **MATTHEW GREER** and **LLOYD BOGGIO** were, at alternating times, the chief executive officers of Carlisle Development Group ("CDG"), a low-income housing developer in Miami, Florida. **GREER** set up an entity called Marquesas Capital, Inc. ("Marquesas"). **BOGGIO** set up an entity called Caesar and Cleopatra Investments LLLP ("Caesar and Cleopatra").

10. Defendants **GONZALO DERAMON** and **MICHAEL COX** were the founders of Biscayne Housing Group, Inc. ("BHG"), a low-income housing developer in Miami, Florida. **DERAMON** set up an entity called SSHH Construction, Inc. ("SSHH") that did no actual construction work.

The Contractors

11. Defendant **MICHAEL RUNYAN** was the founder of BJ&K Construction, Inc. ("BJ&K"), a general contractor located in Fort Lauderdale, Florida.

12. Defendant **RENE SIERRA** was the founder of Siltek Affordable Housing, LLC ("Siltek"), a general contractor located in Plantation, Florida.

13. General Contractor Arturo Hevia was the founder of Design Management and Builders Corporation ("DMBC"), a general contractor located in Doral, Florida.

//

The Low-Income Housing Developments Involved in the Conspiracy

14. CDG hired BJ&K to construct the following low-income housing developments (the "BJ&K Subject Developments") in Miami-Dade County and elsewhere:

a. **Brownsville Transit Village II**: a 100-unit apartment complex in Brownsville (5225 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

b. **Brownsville Transit Village III**: a 103-unit apartment complex in Brownsville (5275 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

c. **Brownsville Transit Village IV**: a 102-unit apartment complex in Brownsville (5185 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

d. **Everett Stewart Senior Village**: a 96-unit apartment complex in Brownsville (5255 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

e. **Metro**: a 90-unit apartment complex in Overtown (1000 NW 1st Avenue, Miami, Florida) for low-income families.

f. **Poinciana Grove**: an 80-unit apartment complex in Little Haiti (5601 NW 2nd Avenue, Miami, Florida) for low-income elderly individuals.

g. **Wahneta Palms**: a 64-unit apartment complex in Polk County (225 2nd Wahneta Street E, Winter Haven, Florida) for low-income families.

h. **Villa Patricia III**: an 89-unit apartment complex in Little Haiti (7815 NE 2nd

Avenue, Miami, Florida) for low-income individuals and families.

15. BHG and CDG had a joint venture to construct the following low-income housing developments with Siltek (the "Siltek/BHG/CDG Subject Developments") in Miami-Dade County:

a. **Labre Place** ("**Labre**"): a 90-unit apartment complex in Overtown (350 NW 4th Street, Miami, Florida) for formerly homeless and low-income individuals and families.

b. **Village Carver II**: a 90-unit apartment complex in Little Haiti (401 NW 71st Street, Miami, Florida) for low-income elderly residents.

16. BHG hired Siltek to construct the following low-income housing developments (the "Siltek/BHG Subject Developments," and together with the "Siltek/BHG/CDG Subject Developments," the "Siltek Subject Developments") in Miami-Dade County:

a. **Bonita Cove**: a 60-unit apartment complex in Little Haiti (5705 NW 2nd Avenue, Miami, Florida) for low-income families.

b. **Notre Dame**: a 64-unit apartment complex in Little Haiti (5725 NW 2nd Avenue, Miami, Florida) for low-income families.

17. BHG hired DMBC to construct the following low-income housing developments (the "DMBC Subject Developments") in Miami-Dade County:

a. **Casa Matias**: an 80-unit apartment complex in Homestead (14340 SW 260th Street, Naranja, Florida) for low-income and homeless individuals and families.

b. **Georgia Ayers**: a 72-unit apartment complex in Opa-Locka (13280 Port Said Road, Opa Locka, Florida) for low-income families.

COUNT 1
Conspiracy to Commit Theft of Government Money and Property
(18 U.S.C. § 371)

1. Paragraphs 1 through 9, 11, and 14 of the General Allegations section of this Superseding Information are realleged and incorporated herein.

2. From in or around 2007, through in or around 2012, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

MATTHEW GREER,
LLOYD BOGGIO, and
MICHAEL RUNYAN,

did knowingly and willfully, that is, with the intent to further the purpose of the conspiracy, combine, conspire, confederate, and agree with each other, and others known and unknown to the United States Attorney, to commit an offense against the United States, that is, to knowingly and willfully embezzle, steal, purloin, and convert to his own use and gain, a thing of value of the United States and of a department and agency thereof, the aggregate amount of which exceeded $1,000.00, that is, Internal Revenue Code Section 42 federal tax credits and United States Department of Treasury grant monies, to which they were not entitled, in violation of Title 18, United States Code, Section 641.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for **MATTHEW GREER**, **LLOYD BOGGIO**, **MICHAEL RUNYAN**, and their co-conspirators to unjustly enrich themselves by submitting fraudulently inflated low-income housing construction contracts to FHFC's representatives to obtain excess federal tax credits and grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which **MATTHEW GREER**, **LLOYD BOGGIO**, **MICHAEL RUNYAN**, and their co-conspirators sought to accomplish the purpose and object of the conspiracy included, among others, the following:

4. CDG submitted applications to FHFC to build several housing projects for low-income and homeless individuals. FHFC selected some of these projects, including the BJ&K Subject Developments, as eligible for receipt of federal tax credits and/or grant monies.

5. Once selected as eligible to receive federal tax credits and/or grant monies, **MATTHEW GREER** and **LLOYD BOGGIO** directed CDG employees to solicit final construction bids for the BJ&K Subject Developments from BJ&K reflecting the total compensation that BJ&K would receive to build each development.

6. CDG employees received a final construction bid from BJ&K's employees or estimated BJ&K's final construction bid for each BJ&K Subject Development. **MATTHEW GREER** and **LLOYD BOGGIO** then directed CDG's employees to provide BJ&K with an inflated contract price for the construction contract for each BJ&K Subject Development, which would be submitted to FHFC's representatives.

7. **MATTHEW GREER**, **LLOYD BOGGIO**, and **MICHAEL RUNYAN** had an unwritten agreement that BJ&K would receive the inflated price listed in the construction contracts, but BJ&K would keep only their final construction bid amount and would kick back the remaining inflated amount in the contracts to **GREER** and **BOGGIO**.

8. **MICHAEL RUNYAN** and either **MATTHEW GREER** or **LLOYD BOGGIO** signed construction contracts with the fraudulently inflated prices for each BJ&K Subject

Development and submitted these contracts to FHFC's representatives. These construction contracts falsely represented the actual amount of compensation that BJ&K would receive to build the BJ&K Subject Developments. FHFC's representatives relied on these fraudulent contracts in determining the amount of federal tax credits and grant monies to issue.

9. FHFC allocated federal tax credits and grant monies for the BJ&K Subject Developments based on CDG's submitted costs. The inflated amounts in the contracts caused FHFC to allocate excessive federal tax credits and grant monies.

10. CDG built the BJ&K Subject Developments primarily using federal grant monies and monies from the sale of the federal tax credits. During construction, CDG distributed monies to BJ&K's bank accounts totaling the full amount set forth in the inflated construction contract for each BJ&K Subject Development. In this way, **MATTHEW GREER** and **LLOYD BOGGIO** made it appear to FHFC and others that the inflated contract price was the construction cost for each of the BJ&K Subject Developments, when in fact, it was not.

11. As funds were deposited in BJ&K's bank accounts, **MICHAEL RUNYAN** tracked and retained the excess funds received from the inflated contracts. **MICHAEL RUNYAN** kicked back these excess funds by wiring payments to bank accounts for the benefit of **MATTHEW GREER** and **LLOYD BOGGIO**.

12. As a result of the inflated contracts, FHFC allocated at least $26 million in excess federal tax credits and grant monies for the BJ&K Subject Developments. During the course of the scheme, **MICHAEL RUNYAN** kicked back at least $26 million for the benefit of **MATTHEW GREER** and **LLOYD BOGGIO**.

13. These kickback payments were in addition to tens of millions of dollars in FHFC-

authorized developers' fees that CDG was already receiving as compensation for the BJ&K Subject Developments.

OVERT ACTS

In furtherance of the conspiracy and to achieve the object and purpose thereof, at least one of the co-conspirators committed or caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. On or about October 10, 2007, a BJ&K employee sent an e-mail to a CDG employee indicating BJ&K's final construction bid of approximately $12.7 million for the construction of Poinciana Grove.

2. On or about December 10, 2007, **LLOYD BOGGIO** and **MICHAEL RUNYAN** signed the Poinciana Grove construction contract with a fraudulently inflated construction price of approximately $14.8 million, which concealed approximately $2.1 million in intended kickback payments.

3. On or about October 29, 2008, FHFC's representatives recommended an allocation of $20.2 million in federal tax credits to cover construction costs and other development costs for Poinciana Grove, which included at least $2.1 million in excess credits as a result of the fraudulently inflated construction contract.

4. On or about December 16, 2008, **MICHAEL RUNYAN** wired a kickback payment of approximately $1,386,893 to a Marquesas trust account for the benefit of **MATTHEW GREER** and **LLOYD BOGGIO**.

5. On or about September 14, 2009, a BJ&K employee sent an e-mail to a CDG employee indicating BJ&K's final construction bid of approximately $14.1 million for the

construction of Metro.

6. On or about October 22, 2009, **MATTHEW GREER** and **MICHAEL RUNYAN** signed the Metro construction contract with a fraudulently inflated construction price of approximately $16.8 million, which concealed approximately $2.7 million of intended kickback payments.

7. On or about March 10, 2010, FHFC's representatives recommended an allocation of over $20.6 million in federal grant monies to cover construction costs and other development costs for Metro, which included at least $2.7 million in excess grant monies as a result of the fraudulently inflated construction contract.

8. On or about March 23, 2011, **MICHAEL RUNYAN** wired a kickback payment of approximately $8,723,291 to the Caesar and Cleopatra investment account for the benefit of **MATTHEW GREER** and **LLOYD BOGGIO**.

All in violation of Title 18, United States Code, Section 371.

COUNT 2
Conspiracy to Commit Theft of Government Money and Property
(18 U.S.C. § 371)

1. Paragraphs 1 through 10, 12, 15, and 16 of the General Allegations section of this Superseding Information are realleged and incorporated herein.

2. From in or around 2009, through in or around 2012, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

GONZALO DERAMON,
MICHAEL COX,
MATTHEW GREER,
LLOYD BOGGIO, and
RENE SIERRA,

did knowingly and willfully, that is, with the intent to further the purpose of the conspiracy, combine, conspire, confederate, and agree with each other, and others known and unknown to the United States Attorney, to commit an offense against the United States, that is, to knowingly and willfully embezzle, steal, purloin, and convert to his own use and gain, a thing of value of the United States and of a department and agency thereof, the aggregate amount of which exceeded $1,000.00, that is, Internal Revenue Code Section 42 federal tax credits and United States Department of Treasury grant monies, to which they were not entitled, in violation of Title 18, United States Code, Section 641.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for **GONZALO DERAMON, MICHAEL COX, MATTHEW GREER, LLOYD BOGGIO, RENE SIERRA**, and their co-conspirators to unjustly enrich themselves by submitting fraudulently inflated low-income housing construction contracts to FHFC's representatives to obtain excess federal tax credits and grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which **GONZALO DERAMON, MICHAEL COX, MATTHEW GREER, LLOYD BOGGIO, RENE SIERRA**, and their co-conspirators sought to accomplish the purpose and object of the conspiracy included, among others, the following:

4. BHG submitted applications to FHFC for the construction of the Siltek/BHG Subject Developments. CDG, in a joint venture with BHG, submitted applications to FHFC for the construction of the Siltek/BHG/CDG Subject Developments. FHFC selected these

developments, the Siltek Subject Developments, as eligible for federal tax credits and/or grant monies.

5. **GONZALO DERAMON** and **MICHAEL COX** solicited a final construction bid reflecting the total compensation Siltek would receive to build the Siltek Subject Developments.

6. **RENE SIERRA** provided final construction bids to **GONZALO DERAMON** and **MICHAEL COX** for each Siltek Subject Development. **DERAMON** then provided **SIERRA** with an inflated price to use in the construction contracts for each Siltek Subject Development, which would be submitted to FHFC's representatives.

7. **GONZALO DERAMON, MICHAEL COX,** and **RENE SIERRA** had an agreement that Siltek would receive the inflated price listed in the construction contract for the Siltek Subject Developments, but Siltek would keep only its final construction bid amount and kick back the remaining inflated amount of the contract to **COX** and **DERAMON**.

8. **GONZALO DERAMON, MICHAEL COX, MATTHEW GREER,** and **LLOYD BOGGIO** had a side agreement that they would share the excess funds for the Siltek/BHG/CDG Subject Developments.

9. **GONZALO DERAMON** and **RENE SIERRA** signed construction contracts with these fraudulently inflated prices for each Siltek Subject Development and submitted these contracts to FHFC's representatives. These construction contracts falsely represented the actual amount of compensation that Siltek would receive to build each Siltek Subject Development. FHFC's representatives relied on these fraudulent contracts in determining the amount of federal tax credits and grant monies to recommend that FHFC issue.

10. FHFC allocated federal tax credits and grant monies for the Siltek Subject Developments based on BHG's submitted costs. The inflated amounts in the contracts caused FHFC to allocate excessive federal tax credits and grant monies to BHG.

11. BHG built the Siltek Subject Developments primarily using federal grant monies and monies from the sale of the federal tax credits. During construction of the developments, BHG distributed monies to Siltek's bank accounts totaling the full amount in the fraudulently-inflated construction contracts. In this way, **GONZALO DERAMON** and **MICHAEL COX** made it appear to FHFC and others that the inflated contract price was the actual construction cost for each Siltek Subject Development, when in fact, it was not the true cost.

12. As funds were deposited in Siltek's bank accounts, **RENE SIERRA** tracked and retained the excess funds received from the fraudulently inflated contracts. **SIERRA** met with **GONZALO DERAMON** and **MICHAEL COX** during construction of the Siltek Subject Developments to review the amount of excess funds available for periodic kickbacks to the developers.

13. **GONZALO DERAMON** directed **RENE SIERRA** to kick back the excess funds by writing checks payable from Siltek to SSHH. From SSHH, monies were distributed to bank accounts and investments for the personal use and benefit of **DERAMON, MICHAEL COX**, **MATTHEW GREER**, and **LLOYD BOGGIO**.

14. During the course of the scheme, FHFC allocated at least $8.8 million in excess tax credits and grant monies as a result of the inflated contracts for the Siltek Subject Developments. **RENE SIERRA** kicked back approximately $6.2 million in illegal payments for the benefit of **GONZALO DERAMON, MICHAEL COX, MATTHEW GREER,** and

LLOYD BOGGIO.

15. The kickback payments were in addition to millions of dollars in FHFC-authorized developers' fees that BHG was already receiving as compensation for the Siltek Subject Developments.

OVERT ACTS

In furtherance of the conspiracy and to achieve the object and purpose thereof, at least one of the co-conspirators committed or caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. On or about September 11, 2009, **GONZALO DERAMON** and **MICHAEL COX** received an e-mail from a Siltek employee reflecting **RENE SIERRA's** final construction bid of approximately $10.9 million for the construction of Labre.

2. On or about October 12, 2009, **GONZALO DERAMON** and **RENE SIERRA** signed the Labre construction contract with a fraudulently inflated construction price of approximately $12.8 million, which concealed approximately $1.9 million of intended kickback payments.

3. On or about January 11, 2010, FHFC's representatives recommended an allocation of over $19 million in federal grant monies to cover construction costs and other development costs for Labre, which included at least $1.9 million in excess grant monies as a result of the fraudulently inflated construction contract.

4. On or about August 5, 2011, **RENE SIERRA** wrote a check to SSHH in the amount of $1,000,000 that included a kickback payment for Labre and other Siltek Subject Developments for the benefit of **GONZALO DERAMON**, **MICHAEL COX**, **MATTHEW**

GREER, and **LLOYD BOGGIO.**

5. On or about September 28, 2011, **RENE SIERRA** wrote a check to SSHH in the amount of $1,000,000 that included a kickback payment for Labre and other Siltek Subject Developments for the benefit of **GONZALO DERAMON, MICHAEL COX, MATTHEW GREER**, and **LLOYD BOGGIO**.

All in violation of Title 18, United States Code, Section 371.

COUNT 3
Conspiracy to Commit Theft of Government Money and Property
(18 U.S.C. § 371)

1. Paragraphs 1 through 8, 10, 13, and 17 of the General Allegations section of this Superseding Information are realleged and incorporated herein.

2. From in or around 2009, through in or around 2012, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

GONZALO DERAMON,

did knowingly and willfully, that is, with the intent to further the purpose of the conspiracy, combine, conspire, confederate, and agree with Arturo Hevia, Michael Cox, and others known and unknown to the United States Attorney, to commit an offense against the United States, that is, to knowingly and willfully embezzle, steal, purloin, and convert to his own use and gain, a thing of value of the United States and of a department and agency thereof, the aggregate amount of which exceeded $1,000.00, that is, Internal Revenue Code Section 42 federal tax credits and United States Department of Treasury grant monies, to which he was not entitled, in violation of Title 18, United States Code, Section 641.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for **GONZALO DERAMON,** Arturo Hevia, Michael Cox, and their co-conspirators to unjustly enrich themselves by submitting fraudulently inflated low-income housing construction contracts to FHFC's representatives to obtain excess federal tax credits and grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which **GONZALO DERAMON**, Arturo Hevia, Michael Cox, and their co-conspirators sought to accomplish the object of the conspiracy included, among others, the following:

4. **GONZALO DERAMON** and Michael Cox submitted applications to FHFC for the construction of several low-income housing developments by BHG. FHFC selected some of these developments, including the DMBC Subject Developments, as eligible for federal tax credits and/or grant monies.

5. Once selected by FHFC, **GONZALO DERAMON** solicited a final construction bid for the DMBC Subject Developments from Arturo Hevia reflecting the total compensation DMBC would receive to build each DMBC Subject Development.

6. **GONZALO DERAMON** received a final construction bid from Arturo Hevia for each DMBC Subject Development. **DERAMON** then provided Hevia with an inflated price to use in the construction contracts for each DMBC Subject Development, which would be submitted to FHFC's representatives.

7. **GONZALO DERAMON** and Arturo Hevia had an unwritten agreement that

DMBC would receive the inflated price listed in the construction contract, but DMBC would keep only its final construction bid amount and kick back the remaining inflated amount of the contract to **DERAMON** and Michael Cox.

8. **GONZALO DERAMON** and Arturo Hevia signed construction contracts with these fraudulently inflated prices for each DMBC Subject Development and submitted these contracts to FHFC's representatives. These construction contracts falsely represented the actual amount of compensation that DMBC would receive to build each DMBC Subject Development. FHFC's representatives relied on these fraudulent contracts in determining the amount of federal tax credits and grant monies to recommend that FHFC issue.

9. FHFC allocated federal tax credits and grant monies for the DMBC Subject Developments based on BHG's submitted costs. The inflated amounts in the construction contracts caused FHFC to allocate excessive federal tax credits and grant monies for the DMBC Subject Developments.

10. BHG built the DMBC Subject Developments primarily using federal grant monies and monies from the sale of federal tax credits. During construction of the developments, BHG distributed monies to DMBC's bank accounts totaling the full amount in the fraudulently-inflated construction contracts. In this way, **GONZALO DERAMON** made it appear to FHFC and others that the inflated contract price was the actual construction cost for each DMBC Subject Development, when in fact, it was not the true cost.

11. As funds were deposited in DMBC's bank accounts, Arturo Hevia tracked and retained the excess funds so that Hevia could make periodic kickbacks for the benefit of **GONZALO DERAMON** and Michael Cox.

12. **GONZALO DERAMON** directed Arturo Hevia to kick back these excess funds to **DERAMON** and Michael Cox by writing checks payable from DMBC to SSHH. From SSHH, **DERAMON** and Cox caused monies to be distributed to bank accounts and investments for their personal benefit.

13. In total, as part of this scheme, FHFC allocated at least $1.3 million in excess federal tax credits and grant monies as a result of the inflated contracts for the DMBC Subject Developments. Arturo Hevia caused over $1 million in kickback payments to be made for the benefit of **GONZALO DERAMON** and Michael Cox.

14. These kickback payments were in addition to millions of dollars of FHFC-authorized developers' fees that BHG was already receiving as compensation for the DMBC Subject Developments.

OVERT ACTS

In furtherance of the conspiracy and to achieve the object thereof, at least one of the co-conspirators committed or caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. Prior to October 30, 2010, **GONZALO DERAMON** received a final construction bid from Arturo Hevia of approximately $6.64 million to construct Georgia Ayers.

2. On or about October 30, 2010, **GONZALO DERAMON** and Arturo Hevia signed a fraudulently inflated contract to build Georgia Ayers for approximately $7.54 million.

3. On or about August 18, 2011, FHFC's representatives recommended an allocation of over $5.4 million in federal tax credits to cover construction costs and other development costs for Georgia Ayers, which included over $1 million in excess tax credits as a result of the

fraudulently inflated construction contract.

4. On or about March 7, 2013, Arturo Hevia wrote a check to SSHH in the amount of $148,231.80 that included a partial kickback payment for Georgia Ayers for the benefit of **GONZALO DERAMON** and Michael Cox.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE
(18 U.S.C. § 981(a)(1)(C))

1. The General Allegations Section of this Superseding Information are realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of America of certain property in which each of the defendants, **MATTHEW GREER, LLOYD BOGGIO, MICHAEL RUNYAN, GONZALO DERAMON, MICHAEL COX**, and **RENE SIERRA**, has an interest:

2. Upon conviction of any conspiracy to commit theft of public money or property, in violation of Title 18, United States Code, Section 371, as alleged in this Superseding Information, each of the defendants shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense pursuant to Title 18, United States Code, Section 981(a)(1)(C).

3. The property subject to forfeiture includes, but is not limited to, the following with respect to **MATTHEW GREER** and **LLOYD BOGGIO**:

a. a joint and several forfeiture money judgment in the amount of $25,181,263.00 in United States currency, which sum represents proceeds traceable to the offenses of conviction;

b. approximately $9,221,490.87 in United States currency, seized from Apollo Bank, account number 103001799, in the name of Matthew Greer;

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 15-20473-CR-UNGARO(s)(s)
18 U.S.C. § 371
18 U.S.C. § 1349
18 U.S.C. § 1957
18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 982(a)(1)

FILED by D.C.
OCT 02 2015
STEVEN M. LARIMORE
CLERK U. S. DIST. CT.
S. D. of FLA. – MIAMI

UNITED STATES OF AMERICA

v.

LLOYD BOGGIO,

Defendant.
_____/

SUPERSEDING INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Superseding Indictment:

The Federal Low-Income Housing Tax Credit and Grant Programs

1. The United States Government funded the construction of affordable housing for low-income Americans through, among other means, the award to developers of federal tax credits from the Internal Revenue Service ("IRS") and federal grant monies from the United States Department of Treasury.

2. The U.S. Department of Treasury was a department of the federal government established to manage federal government revenue. The IRS was an agency of the U.S. Department of Treasury responsible for enforcing and administering the tax laws of the United States, and collecting federal taxes owed the United States.

3. The Tax Reform Act of 1986 authorized state housing agencies to issue IRS federal tax credits to developers for the construction of low-income housing. These federal tax credits allowed for a dollar-for-dollar reduction of a taxpayer's annual tax liability over a period of years. Developers typically sold these federal tax credits to investors to fund the construction of low-income housing developments.

4. The American Recovery and Reinvestment Act of 2009 authorized state housing agencies to issue federal grant monies from the U.S. Department of Treasury to developers for the construction of low-income housing. Developers used these federal grant monies to fund the construction of low-income housing developments.

5. Pursuant to both programs, state housing agencies received an annual allotment of federal tax credits and federal grant monies, directly from the federal government, for the construction of low-income housing developments. Florida Housing Finance Corporation ("FHFC"), located in Tallahassee, Florida, was the designated state housing agency that issued these federal tax credits and federal grant monies in Florida.

6. FHFC issued federal tax credits and federal grant monies to developers through an annual application process. Developers submitted applications to FHFC for the construction of proposed low-income housing developments. FHFC selected some of the proposed developments to receive federal tax credits and federal grant monies through a competitive process.

7. Once selected, FHFC required the selected developer to submit their costs to build the proposed development to FHFC's representatives. This submission included a contract

signed by the developer and contractor setting forth the actual compensation to be paid the contractor to build the low-income housing development (the "construction contract").

8. FHFC allocated federal low-income housing tax credits and federal grant monies based on the developer's submitted costs, including primarily the construction contract. Generally, a development with higher submitted costs would receive a greater allocation of federal tax credits and/or federal grant monies.

9. For those developers receiving federal tax credits and federal grant monies, FHFC allowed them to receive a developer's fee of between sixteen and twenty-one percent of the development's costs, and to receive subsequent rental income from the completed development.

The Defendant, the Co-Conspirator Developers, and Co-Conspirator Contractors

10. Defendant **LLOYD BOGGIO** and co-conspirator Matthew Greer were the chief executive officers of Carlisle Development Group ("CDG"), a low-income housing developer in Miami, Florida. **BOGGIO** set up an entity called Caesar and Cleopatra Investments LLLP ("Caesar and Cleopatra") and an entity called Clinton, Boggio and Associates Inc. ("Clinton Boggio").

11. Co-conspirators Gonzalo DeRamon and Michael Cox were the founders of Biscayne Housing Group, Inc. ("BHG"), a low-income housing developer in Miami, Florida. DeRamon set up an entity called SSHH Construction, Inc. ("SSHH") that did no actual construction work.

12. Co-conspirator Michael Runyan was the founder of BJ&K Construction, Inc. ("BJ&K"), a general contractor located in Fort Lauderdale, Florida.

13. Co-conspirator Rene Sierra was the founder of Siltek Affordable Housing, LLC

("Siltek"), a general contractor located in Plantation, Florida.

The Low-Income Housing Developments

14. CDG hired BJ&K to construct the following low-income housing developments (the "CDG Subject Developments") in Miami-Dade County and elsewhere:

a. **Brownsville Transit Village II**: a 100-unit apartment complex in Brownsville (5225 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

b. **Brownsville Transit Village III**: a 103-unit apartment complex in Brownsville (5275 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

c. **Brownsville Transit Village IV**: a 102-unit apartment complex in Brownsville (5185 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

d. **Everett Stewart Senior Village**: a 96-unit apartment complex in Brownsville (5255 NW 29th Avenue, Miami, Florida) for low-income individuals and families.

e. **Metro**: a 90-unit apartment complex in Overtown (1000 NW 1st Avenue, Miami, Florida) for low-income families.

f. **Poinciana Grove**: an 80-unit apartment complex in Little Haiti (5601 NW 2nd Avenue, Miami, Florida) for low-income elderly individuals.

g. **Wahneta Palms**: a 64-unit apartment complex in Polk County (225 2nd Wahneta Street E, Winter Haven, Florida) for low-income families.

h. **Villa Patricia III**: an 89-unit apartment complex in Little Haiti (7815 NE 2nd Avenue, Miami, Florida) for low-income individuals and families.

15. CDG and BHG had a joint venture to construct the following low-income housing developments with Siltek (the "BHG Subject Developments") in Miami-Dade County:

a. **Labre Place ("Labre")**: a 90-unit apartment complex in Overtown (350 NW 4th Street, Miami, Florida) for formerly homeless and low-income individuals and families.

b. **Village Carver II**: a 90-unit apartment complex in Little Haiti (401 NW 71st Street, Miami, Florida) for low-income elderly residents.

COUNT 1
Conspiracy to Commit Theft of Government Money and Property
(18 U.S.C. § 371)

1. Paragraphs 1 through 10, 12, and 14 of the General Allegations section of this Superseding Indictment are realleged and incorporated herein.

2. From in or around 2006, through in or around 2012, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

LLOYD BOGGIO,

did knowingly and willfully, that is, with the intent to further the object of the conspiracy, combine, conspire, confederate, and agree with Matthew Greer, Michael Runyan, and others known and unknown to the Grand Jury, to commit an offense against the United States, that is, to knowingly and willfully embezzle, steal, purloin, and convert to his own use and gain, and to knowingly receive, conceal and retain, with the intent to convert to his own use and gain, a thing of value of the United States and of a department and agency thereof, the aggregate amount of which exceeded $1,000.00, that is, Internal Revenue Code Section 42 federal tax credits and United States Department of Treasury grant monies, to which they were not entitled, in violation of Title 18, United States Code, Section 641.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for **LLOYD BOGGIO** and his co-conspirators to unjustly enrich themselves by submitting fraudulently inflated low-income housing construction contracts to FHFC's representatives to obtain excess federal tax credits and federal grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which **LLOYD BOGGIO** and his co-conspirators sought to accomplish the purpose and object of the conspiracy included, among others, the following:

4. CDG submitted applications to FHFC to build several housing projects for low-income and homeless individuals. FHFC selected some of these projects, including the CDG Subject Developments, as eligible for receipt of federal tax credits and/or federal grant monies.

5. **LLOYD BOGGIO** and Matthew Greer directed CDG employees to solicit final construction bids for the CDG Subject Developments from BJ&K reflecting the total compensation that BJ&K would receive to build each development.

6. **LLOYD BOGGIO** and Matthew Greer directed CDG employees to provide BJ&K with an inflated contract price, relative to the final construction bid, for the construction contract for each BJ&K Subject Development.

7. Michael Runyan, and **LLOYD BOGGIO** or Matthew Greer, signed construction contracts with the fraudulently inflated prices for each BJ&K Subject Development and submitted these fraudulently inflated construction contracts to FHFC's representatives. These construction contracts falsely represented the actual amount of compensation that BJ&K would receive to build the CDG Subject Developments.

8. **LLOYD BOGGIO**, Matthew Greer, and Michael Runyan had a secret agreement that BJ&K would receive the full price listed in the construction contracts, but BJ&K would keep only their final construction bid amount and would kick back the remaining inflated amount in the contracts to **BOGGIO** and Greer.

9. FHFC allocated federal tax credits and federal grant monies for the CDG Subject

Developments based on CDG's submitted costs. The fraudulently inflated amounts in the contracts caused FHFC to allocate excessive federal tax credits and federal grant monies.

10. Based on the fraudulently inflated contracts, FHFC allocated federal grant monies for the CDG Subject Developments, including excess grant monies, via wire transfers involving interstate communications.

11. Based on the fraudulently inflated contracts, FHFC allocated federal tax credits for the CDG Subject Developments, including excess federal tax credits, and CDG sold the tax credits to investors for funds received via interstate wire transfers.

12. CDG used the federal grant monies and monies from the sale of the federal tax credits to fund the construction of CDG Subject Developments. CDG distributed the full amount set forth in the fraudulently inflated construction contracts to BJ&K's bank accounts. In this way, **LLOYD BOGGIO** and Matthew Greer made it appear to FHFC and others that the fraudulently inflated contract price was the construction cost for each CDG Subject Development, when in fact, it was not.

13. As funds were deposited in BJ&K's bank accounts, Michael Runyan tracked and retained the excess funds received from the fraudulently inflated contracts. Michael Runyan kicked back the fraudulently obtained excess funds by wiring payments to bank accounts for the benefit of **LLOYD BOGGIO** and Matthew Greer.

14. As a result of the fraudulently inflated contracts, FHFC allocated at least $26 million in fraudulently obtained excess federal tax credits and federal grant monies for the CDG Subject Developments. During the course of the scheme, Michael Runyan kicked back at least $26 million for the benefit of **LLOYD BOGGIO** and Matthew Greer.

15. These kickback payments were in addition to tens of millions of dollars in FHFC-authorized developer's fees that CDG received as compensation for the CDG Subject Developments.

OVERT ACTS

In furtherance of the conspiracy and to achieve the object and purpose thereof, at least one of the co-conspirators committed or caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. On or about October 10, 2007, Michael Runyan caused a BJ&K employee to send an e-mail to a CDG employee indicating BJ&K's final construction bid of approximately $12.7 million for the construction of Poinciana Grove.

2. On or about December 10, 2007, **LLOYD BOGGIO** and Michael Runyan signed the Poinciana Grove construction contract with a fraudulently inflated construction price of approximately $14.8 million, concealing approximately $2.1 million of kickback payments intended for **BOGGIO** and Matthew Greer.

3. On or about September 14, 2009, Michael Runyan caused a BJ&K employee to send an e-mail to a CDG employee indicating BJ&K's final construction bid of approximately $14.1 million for the construction of Metro.

4. On or about October 22, 2009, Matthew Greer and Michael Runyan signed the Metro construction contract with a fraudulently inflated construction price of approximately $16.8 million, concealing approximately $2.7 million of kickback payments intended for Greer and **LLOYD BOGGIO**.

5. On or about February 25, 2011, Matthew Greer, in a CDG-controlled bank

account, received a wire transfer of approximately $2.1 million in U.S. Department of Treasury federal funds from FHFC for the construction of Metro.

6. On or about March 23, 2011, **LLOYD BOGGIO** e-mailed Michael Runyan requesting that Runyan wire purported "consulting fees" to **BOGGIO's** Caesar and Cleopatra account.

All in violation of Title 18, United States Code, Section 371.

COUNT 2
Conspiracy to Commit Theft of Government Money and Property
(18 U.S.C. § 371)

1. Paragraphs 1 through 11, 13, and 15 of the General Allegations section of this Superseding Indictment are realleged and incorporated herein.

2. From in or around 2007, through in or around 2012, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

LLOYD BOGGIO,

did knowingly and willfully, that is, with the intent to further the object of the conspiracy, combine, conspire, confederate, and agree with Matthew Greer, Gonzalo DeRamon, Michael Cox, Rene Sierra, and others known and unknown to the Grand Jury, to commit an offense against the United States, that is, to knowingly and willfully embezzle, steal, purloin, and convert to his own use and gain, and to knowingly receive, conceal and retain, with the intent to convert to his own use and gain, a thing of value of the United States and of a department and agency thereof, the aggregate amount of which exceeded $1,000.00, that is, Internal Revenue Code Section 42 federal tax credits and United States Department of Treasury grant monies, to which they were not entitled, in violation of Title 18, United States Code, Section 641.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for **LLOYD BOGGIO** and his co-conspirators to unjustly enrich themselves by submitting fraudulently inflated low-income housing construction contracts to FHFC's representatives to obtain excess federal tax credits and federal grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which **LLOYD BOGGIO** and his co-conspirators sought to accomplish the purpose and object of the conspiracy included, among others, the following:

4. CDG, in a joint venture with BHG, submitted applications to FHFC for the construction of the BHG Subject Developments. FHFC selected these developments as eligible for federal tax credits and/or federal grant monies. BHG obtained control of the joint venture with respect to the BHG Subject Developments.

5. Gonzalo DeRamon and Rene Sierra signed construction contracts with fraudulently inflated prices for the BHG Subject Developments, which falsely represented the actual compensation Siltek would receive to build the BHG Subject Developments. BHG submitted these fraudulently inflated construction contracts to FHFC's representatives.

6. FHFC allocated federal tax credits and federal grant monies for the BHG Subject Developments based on BHG's submitted costs. The fraudulently inflated amounts in the contracts caused FHFC to allocate excessive federal tax credits and federal grant monies for the BHG Subject Developments.

7. **LLOYD BOGGIO**, Gonzalo DeRamon, Michael Cox, and Matthew Greer had

an undisclosed side agreement that they would share the proceeds of the excess federal tax credits and federal grant monies from the BHG Subject Developments.

8. BHG used the federal grant monies and monies from the sale of the federal tax credits to fund the construction of the BHG Subject Developments. BHG distributed the full amount set forth in the fraudulently inflated construction contracts to Siltek's bank accounts. In this way, Gonzalo DeRamon and Michael Cox made it appear to FHFC and others that the fraudulently inflated contract price was the construction cost for each CDG Subject Development, when in fact, it was not.

9. As funds were deposited in Siltek's bank accounts, Rene Sierra tracked and retained the excess funds received from the fraudulently inflated contracts. Sierra met with Gonzalo DeRamon, Michael Cox, and **LLOYD BOGGIO** during construction of the BHG Subject Developments to review the amount of fraudulently obtained excess funds available for periodic kickbacks to the developers.

10. Gonzalo DeRamon directed Rene Sierra to kick back the fraudulently obtained funds by writing checks payable from Siltek to SSHH. From SSHH, monies were distributed to bank accounts and investments for the personal use and benefit of DeRamon, Michael Cox, **LLOYD BOGGIO**, and Matthew Greer.

11. As a result of the fraudulently inflated construction contracts, FHFC allocated at least $6 million in excess federal tax credits and federal grant monies for the BHG Subject Developments. Rene Sierra kicked back at least $4 million in fraudulently obtained funds to SSHH for the benefit of Gonzalo DeRamon, Michael Cox, **LLOYD BOGGIO**, and Matthew Greer.

OVERT ACTS

In furtherance of the conspiracy and to achieve the object and purpose thereof, at least one of the co-conspirators committed or caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. On or about October 12, 2009, Gonzalo DeRamon and Rene Sierra signed the Labre construction contract containing a fraudulently inflated construction price of approximately $12.8 million, concealing approximately $1.9 million of kickback payments intended for DeRamon, Michael Cox, **LLOYD BOGGIO**, and Matthew Greer.

2. In or around early 2010, Rene Sierra, Gonzalo DeRamon, Michael Cox, and **LLOYD BOGGIO** met to discuss the fraudulent contract inflation in the BHG Subject Developments.

3. In or around May 2010, Gonzalo DeRamon and Michael Cox agreed to split approximately $3.7 million of the fraudulently obtained excess funds from the BHG Subject Developments with **LLOYD BOGGIO** and Matthew Greer.

4. On or about June 10, 2011, Gonzalo DeRamon, in a BHG-controlled account, received a wire transfer from FHFC of approximately $1.4 million in U.S. Department of Treasury federal funds for the construction of Labre.

5. In or around November 2012, **LLOYD BOGGIO** received a check from SSHH with BHG Subject Development kickback proceeds.

All in violation of Title 18, United States Code, Section 371.

COUNT 3
Conspiracy to Commit Wire Fraud
(18 U.S.C. § 1349)

1. Paragraphs 1 through 10, 12, and 14 of the General Allegations section of this Indictment are realleged and incorporated fully herein by reference.

2. From in or around 2006, through in or around 2012, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant

LLOYD BOGGIO,

did willfully, that is with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with Matthew Greer, Michael Runyan, and others known and unknown to the Grand Jury, to knowingly and with intent to defraud, devise and intend to devise a scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and knowingly transmitted and caused to be transmitted in interstate commerce, by means of wire communications, certain writings, signs, signals, pictures, and sounds, for the purpose of executing the scheme, in violation of Title 18, United States Code, Section 1343.

OBJECT OF THE CONSPIRACY

3. It was the object of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by submitting fraudulently inflated low-income housing construction contracts to FHFC's representatives containing materially false and fraudulent representations regarding construction costs to fraudulently obtain excess federal grant monies and federal tax credits.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which **LLOYD BOGGIO** and his co-conspirators sought to accomplish the purpose and object of the conspiracy included, among others, the following:

4. CDG submitted applications to FHFC to build several housing projects for low-income and homeless individuals. FHFC selected some of these projects, including the CDG Subject Developments, as eligible for receipt of federal tax credits and/or federal grant monies.

5. **LLOYD BOGGIO** and Matthew Greer directed CDG employees to solicit final construction bids for the CDG Subject Developments from BJ&K reflecting the total compensation that BJ&K would receive to build each development.

6. **LLOYD BOGGIO** and Matthew Greer directed CDG employees to provide BJ&K with an inflated contract price, relative to the final construction bid, for the construction contract for each BJ&K Subject Development.

7. Michael Runyan, and **LLOYD BOGGIO** or Matthew Greer, signed construction contracts with the fraudulently inflated prices for each BJ&K Subject Development and submitted these fraudulently inflated construction contracts to FHFC's representatives. These construction contracts falsely represented the actual amount of compensation that BJ&K would receive to build the CDG Subject Developments.

8. **LLOYD BOGGIO**, Matthew Greer, and Michael Runyan had a secret agreement that BJ&K would receive the full price listed in the construction contracts, but BJ&K would keep only their final construction bid amount and would kick back the remaining inflated amount in the contracts to **BOGGIO** and Greer.

9. FHFC allocated federal tax credits and federal grant monies for the CDG Subject

Developments based on CDG's submitted costs. The fraudulently inflated amounts in the contracts caused FHFC to allocate excessive federal tax credits and federal grant monies.

10. Based on the fraudulently inflated contracts, FHFC allocated federal grant monies for the CDG Subject Developments, including excess grant monies, via wire transfers involving interstate communications.

11. . Based on the fraudulently inflated contracts, FHFC allocated federal tax credits for the CDG Subject Developments, including excess federal tax credits, and CDG sold the tax credits to investors for funds received via interstate wire transfers.

12. CDG used the federal grant monies and monies from the sale of the federal tax credits to fund the construction of CDG Subject Developments. CDG distributed the full amount set forth in the fraudulently inflated construction contracts to BJ&K's bank accounts. In this way, **LLOYD BOGGIO** and Matthew Greer made it appear to FHFC and others that the fraudulently inflated contract price was the construction cost for each CDG Subject Development, when in fact, it was not.

13. As funds were deposited in BJ&K's bank accounts, Michael Runyan tracked and retained the excess funds received from the fraudulently inflated contracts. Michael Runyan kicked back the fraudulently obtained excess funds by wiring payments to bank accounts for the benefit of **LLOYD BOGGIO** and Matthew Greer.

14. As a result of the fraudulently inflated contracts, FHFC allocated at least $26 million in fraudulently obtained excess federal tax credits and federal grant monies for the CDG Subject Developments. During the course of the scheme, Michael Runyan kicked back at least $26 million for the benefit of **LLOYD BOGGIO** and Matthew Greer.

15. These kickback payments were in addition to tens of millions of dollars in FHFC-authorized developer's fees that CDG received as compensation for the CDG Subject Developments.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 4-5
Money Laundering
(18 U.S.C. § 1957)

1. The allegations contained in paragraphs 1 through 15 of this Superseding Indictment are realleged as though fully set forth herein.

2. On or about the dates specified as to each count below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

LLOYD BOGGIO,

did knowingly engage and attempt to engage in a monetary transaction, in or affecting interstate and foreign commerce, by, through or to a financial institution, each such transaction involving criminally derived property of a value greater than $10,000, and such property having been derived from specified unlawful activity, as more specifically described below:

Count	Approximate Date	Monetary Transaction
4	March 23, 2011	Wire transfer of CDG Subject Development kickback proceeds of $8,723,291 from BJ&K's bank account to defendant **LLOYD BOGGIO's** Caesar and Cleopatra account.
5	November 8, 2012	Deposit of check for BHG Subject Development kickback proceeds of $1,173,005 payable from SSHH in defendant **LLOYD BOGGIO's** Clinton Boggio account.

3. It is further alleged that the specified unlawful activity is theft of government money, in violation of Title 18, United States Code, Section 641 and wire fraud, in violation of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1957 and 2.

FORFEITURE
(18 U.S.C. § 982)

1. The General Allegations Section of this Superseding Indictment is realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant, **LLOYD BOGGIO**, has an interest.

2. Upon conviction of a conspiracy to commit theft of public money or property, in violation of Title 18, United States Code, Section 371, or a conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349, as alleged in this Superseding Indictment, the defendant shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of such violation, pursuant to Title 18, United States Code, Section 981(a)(1)(C).

3. Upon conviction of a money laundering offense in violation of Title 18, United States Code, Section 1957, as alleged in this Superseding Indictment, the defendant shall forfeit to the United States any property, real or personal, involved in such violation, or any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1).

4. The property which is subject to forfeiture includes, but is not limited to the following:

a. a forfeiture money judgment in the sum of $30,000,000 in United States currency, which sum represents the value of property involved in or derived from proceeds of the offenses;

b. the real property located at 3316 Devon Court, Miami, Florida;

c. approximately $614,000.00 in United States currency, from CEF Total

Return Opportunity Fund LP, Class A Investment Interest, account number 893489062, in the name of Caesar and Cleopatra Investments LLLP.

d. approximately $495,109.11 in United States currency, seized from Wells Fargo Bank, account number 2000058126688, in the name of Caesar and Cleopatra Investments LLLP;

e. approximately $460,526.28 in United States currency, seized from Fidelity Investments, account number 647-492736, in the name of Caesar and Cleopatra Investments LLLP;

f. approximately $298,590.00 in United States currency, seized from Fidelity Investments, account number 647-497592, in the name of Caesar and Cleopatra Investments LLLP;

g. approximately $105,720.60 in United States currency, seized from Wells Fargo Bank, account number 1010298389111, in the name of Lisa Boggio Gift Trust, Lloyd J. Boggio, Trustee;

h. approximately $46,665.37 in United States currency, seized from US Century Bank, account number 2-895-1, in the name of Lloyd Joseph Boggio and Nancy Christine Boggio; and

i. approximately $11,290.74 in United States currency, seized from Wells Fargo Bank, account number 1010298386237, in the name Lloyd and Nancy Boggio.

5. If any of the property described above, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States of America to seek forfeiture of substitute property pursuant

to Title 21, United States Code, Section 853(p).

All pursuant to Title 18, United States Code, Sections 982(a)(1), 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461(c), and the procedures set forth in Title 21, United States Code, Section 853.

A TRUE BILL

FOREPERSON

WIFREDO A. FERRER
UNITED STATES ATTORNEY

MICHAEL R. SHERWIN
ASSISTANT U.S. ATTORNEY

MICHAEL N. BERGER
ASSISTANT U.S. ATTORNEY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA **CASE NO.** 14-20473-CR-UNGARO(s)(s)

vs.

LLOYD BOGGIO,

Defendant.

/

CERTIFICATE OF TRIAL ATTORNEY*

Superseding Case Information:

Court Division: (Select One)

X Miami ___ Key West
___ FTL ___ WPB ___ FTP

New Defendant(s) Yes ___ No X
Number of New Defendants ___
Total number of counts ___

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) NO
List language and/or dialect ___

4. This case will take 12 days for the parties to try.

5. Please check appropriate category and type of offense listed below:

(Check only one)			(Check only one)	
I	0 to 5 days	___	Petty	___
II	6 to 10 days	___	Minor	___
II	11 to 20 days	X	Misdem.	___
IV	21 to 60 days	___	Felony	X
V:	61 days and over	___		

6. Has this case been previously filed in this District Court? (Yes or No) YES
If yes:
Judge: Case No. 14-20473-CR-UNGARO(s)
(Attach copy of dispositive order)
Has a complaint been filed in this matter? (Yes or No) YES
If yes:
Magistrate Case No. 15-mj-2873-OTAZO-REYES
Related Miscellaneous numbers: 15-20474-CR-UNGARO
Defendant(s) in federal custody as of ___
Defendant(s) in state custody as of ___
Rule 20 from the ___ District of ___

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? ___ Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? ___ Yes X No

MICHAEL R. SHERWIN
ASSISTANT UNITED STATES ATTORNEY
Court ID No. A5501230

*Penalty Sheet(s) attached

REV 4/8/08

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: **LLOYD BOGGIO**

Case No: **15-20473-CR-UNGARO(s)(s)**

Counts #: 1, 2

Conspiracy to Commit Theft of Government Property

Title 18, United States Code, Section 371

* **Max. Penalty:** Five (5) Years' Imprisonment

Counts #: 3

Conspiracy to Commit Wire Fraud

Title 18, United States Code, Section 1349

* **Max. Penalty:** Twenty (20) Years' Imprisonment

Counts #: 4-5

Money Laundering

Title 18, United States Code, Section 1957

* **Max. Penalty:** Ten (10) Years' Imprisonment

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

FILED by TB D.C.

Jun 25, 2015

STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S.D. OF FLA. – MIAMI

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

15-20474-CR-UNGARO/OTAZO-REYES

CASE NO. _____

18 U.S.C. § 371
18 U.S.C. § 981(a)(1)(C)

UNITED STATES OF AMERICA

v.

ARTURO HEVIA,

Defendant.

_____/

INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At various times relevant to this Information:

The Federal Low-Income Housing Tax Credit and Grant Program

1. The United States Government funded the construction of affordable housing for low-income Americans through the award of federal tax credits and federal grant monies to developers.

2. The Tax Reform Act of 1986 authorized state housing agencies to issue federal tax credits to developers for the construction of low-income housing. These tax credits allowed for a dollar-for-dollar reduction of a taxpayer's annual tax liability over a period of years. Developers typically sold these tax credits to investors to finance the construction of low-income housing developments.

3. The American Recovery and Reinvestment Act of 2009 authorized state housing agencies to issue federal grant monies from the U.S. Department of Treasury to developers for the construction of low-income housing. Developers used these grant monies to build the low-income housing developments.

4. Pursuant to both programs, state housing agencies received an annual allotment of federal tax credits and grant monies for the construction of low-income housing developments. Florida Housing Finance Corporation ("FHFC"), located in Tallahassee, Florida, was the designated state housing agency that issued these tax credits and grant monies in Florida.

5. FHFC issued federal tax credits and grant monies to developers through an annual application process. Developers submitted applications to FHFC for the construction of proposed low-income housing developments. FHFC selected some of the proposed developments to receive federal tax credits and grant monies through a competitive process.

6. Once selected, FHFC required the developer to submit their costs to build the proposed development to FHFC's representatives. This submission included a contract signed by the developer and contractor setting forth the actual compensation to be paid the contractor to build the low-income housing development (the "construction contract").

7. FHFC allocated federal low-income housing tax credits and grant monies based on the developer's submitted costs, including primarily the construction contract. Generally, a development with higher submitted costs would receive a greater allocation of tax credits and/or grant monies.

8. For those developers receiving federal tax credits and grant monies, FHFC allowed them to receive a developers' fee of between sixteen and twenty-one percent of the

development's costs and to receive rental income from the development.

The Defendant and His Co-Conspirators

9. Defendant **ARTURO HEVIA** was the founder of Design Management and Builders Corporation ("DMBC"), a general contractor located in Doral, Florida.

10. Co-conspirator Gonzalo DeRamon was a co-founder of Biscayne Housing Group, Inc. ("BHG"), an affordable housing developer in Miami, Florida.

11. Co-conspirator Michael Cox was a co-founder of BHG.

12. Gonzalo DeRamon and a co-conspirator created SSHH Construction, Inc. ("SSHH"), a shell company that did no work.

The Low-Income Housing Developments Involved in the Conspiracy

13. BHG hired DMBC to construct, among others, the following low-income housing developments (the "Subject Developments") in Miami-Dade County in the Southern District of Florida:

a. **Casa Matias**: an 80-unit apartment complex in Homestead (14340 SW 260th Street, Naranja, Florida) for low-income and homeless individuals and families.

b. **Georgia Ayers**: a 72-unit apartment complex in Opa-Locka (13280 Port Said Road, Opa Locka, Florida) for low-income families.

CONSPIRACY
(18 U.S.C. § 371)

From in or around 2009, through in or around 2013, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

ARTURO HEVIA,

did knowingly and willfully, that is, with the intent to further the purpose of the conspiracy,

combine, conspire, confederate, and agree with Gonzalo DeRamon, Michael Cox, and others known and unknown to the United States Attorney, to commit an offense against the United States, that is, to knowingly and willfully embezzle, steal, purloin, and convert to his own use and gain, a thing of value of the United States and of a department and agency thereof, the aggregate amount of which exceeded $1,000.00 that is, Internal Revenue Code Section 42 federal tax credits and United States Department of Treasury grant monies, to which he was not entitled, in violation of Title 18, United States Code, Section 641.

PURPOSE OF THE CONPSIRACY

14. It was the purpose of the conspiracy for **ARTURO HEVIA**, Gonzalo DeRamon, and Michael Cox to unjustly enrich themselves by submitting fraudulently inflated low-income housing construction contracts to FHFC's representatives to obtain excess federal tax credits and grant monies to which they were not entitled, and then to use the proceeds for their personal use and benefit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which **ARTURO HEVIA**, Gonzalo DeRamon, and Michael Cox sought to accomplish the object of the conspiracy included, among others, the following:

15. Michael Cox and Gonzalo DeRamon submitted BHG's applications to FHFC for the construction of several low-income housing developments by BHG. FHFC selected some of these developments, including the Subject Developments, as eligible for federal tax credits and/or grant monies.

16. Once selected by FHFC, Gonzalo DeRamon solicited a final construction bid for the Subject Developments from **ARTURO HEVIA** reflecting the total compensation DMBC

would receive to build each Subject Development.

17. **ARTURO HEVIA** provided a final construction bid to Gonzalo DeRamon for each Subject Development. DeRamon then provided **HEVIA** with an inflated price to use in the construction contracts for each Subject Development, which would be submitted to FHFC's representatives.

18. Gonzalo DeRamon and **ARTURO HEVIA** had an unwritten agreement that DMBC would receive the inflated price listed in the construction contract, but DMBC would keep only its final construction bid amount and would kick back the remaining inflated amount of the contract to DeRamon and Michael Cox.

19. Gonzalo DeRamon and **ARTURO HEVIA** signed construction contracts with these fraudulently inflated prices for each Subject Development and submitted these contracts to FHFC's representatives. These construction contracts falsely represented the actual amount of compensation that DMBC would receive to build each Subject Development. FHFC's representatives relied on these fraudulent contracts in determining the amount of federal tax credits and grant monies to recommend that FHFC issue.

20. FHFC allocated federal tax credits and grant monies for the Subject Developments based on BHG's submitted costs. The inflated amounts in the construction contracts caused FHFC to allocate excessive federal tax credits and grant monies for the Subject Developments.

21. BHG built the Subject Developments primarily using federal grant monies and monies from the sale of federal tax credits. During construction of the developments, BHG distributed monies to DMBC's bank accounts totaling the full amount in the fraudulently-inflated

construction contracts. In this way, Gonzalo DeRamon made it appear to FHFC and others that the inflated contract price was the actual construction cost for each Subject Development, when in fact, it was not the true cost.

22. As funds were deposited in DMBC's bank accounts, **ARTURO HEVIA** tracked and retained the excess funds so that **HEVIA** could make periodic kickbacks for the benefit of Gonzalo DeRamon and Michael Cox.

23. Gonzalo DeRamon directed **ARTURO HEVIA** to funnel the kickback payments to DeRamon and Michael Cox by writing checks payable from DMBC to SSHH. From SSHH, DeRamon and Cox caused monies to be distributed to bank accounts and investments for their personal benefit.

24. In total, as part of this scheme, **ARTURO HEVIA** caused over $1 million in kickback payments to be made for the benefit of Gonzalo DeRamon and Michael Cox.

25. These kickback payments were in addition to millions of dollars of FHFC-authorized developers' fees that BHG was already receiving as compensation for the Subject Developments.

OVERT ACTS

In furtherance of the conspiracy and to achieve the object thereof, at least one of the co-conspirators committed or caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. Prior to October 30, 2010, **ARTURO HEVIA** provided Gonzalo DeRamon with a final construction bid of approximately $6.64 million to construct Georgia Ayers.

2. On or about October 30, 2010, **ARTURO HEVIA** and Gonzalo DeRamon signed

a fraudulently inflated contract to build Georgia Ayers for approximately $7.54 million.

3. On or about August 18, 2011, FHFC's representatives recommended an allocation of over $5.4 million in federal tax credit allocation for the construction of Georgia Ayers, which included over $1 million in excess tax credits as a result of the fraudulently inflated construction contract.

4. On or about March 7, 2013, **ARTURO HEVIA** wrote a check to SSHH in the amount of $148,231.80 that included a partial kickback payment for Georgia Ayers for the benefit of Gonzalo DeRamon and Michael Cox.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE
(18 U.S.C. § 981(a)(1)(C))

1. The allegations contained in this Information are realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant, **ARTURO HEVIA**, has an interest.

2. Upon conviction of a conspiracy to commit theft of public money or property, in violation of Title 18, United States Code, Section 371, as alleged in this Information, the defendant shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense pursuant to Title 18, United States Code, Section 981(a)(1)(C).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461(c), and the procedures set forth in Title 21, United States Code, Section 853.

WIFREDO A. FERRER
UNITED STATES ATTORNEY

MICHAEL R. SHERWIN
ASSISTANT U.S. ATTORNEY

MICHAEL N. BERGER
ASSISTANT U.S. ATTORNEY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

vs.

ARTURO HEVIA,

Defendant.

_____/

CASE NO. _____

CERTIFICATE OF TRIAL ATTORNEY*

Superseding Case Information:

New Defendant(s) Yes ____ No ____
Number of New Defendants ____
Total number of counts ____

Court Division: (Select One)

__X__ Miami ____ Key West
____ FTL ____ WPB ____ FTP

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) __NO__
List language and/or dialect _____

4. This case will take __0__ days for the parties to try.

5. Please check appropriate category and type of offense listed below:

(Check only one)			(Check only one)	
I	0 to 5 days	__X__	Petty	____
II	6 to 10 days	____	Minor	____
II	11 to 20 days	____	Misdem.	____
IV	21 to 60 days	____	Felony	__X__
V:	61 days and over	____		

6. Has this case been previously filed in this District Court? (Yes or No) __NO__
If yes:
Judge: Case No. _____
(Attach copy of dispositive order)
Has a complaint been filed in this matter? (Yes or No) __NO__
If yes:
Magistrate Case No. _____
Related Miscellaneous numbers: _____
Defendant(s) in federal custody as of _____
Defendant(s) in state custody as of _____
Rule 20 from the _____ District of _____

Is this a potential death penalty case? (Yes or No) __No__

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? ____ Yes __X__ No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? ____ Yes __X__ No

MICHAEL R. SHERWIN
ASSISTANT UNITED STATES ATTORNEY
Court ID No. A5501230

*Penalty Sheet(s) attached

REV 4/8/08

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: ARTURO HEVIA

Case No:

Count #: 1

Conspiracy to Steal Government Money and Property

Title 18, United States Code, Section 371

*** Max. Penalty:** Five (5) years' imprisonment

Count #:

***Max. Penalty:**

Count #:

***Max. Penalty:**

Count #:

***Max. Penalty:**

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

United States of America	)	
v.	)	Case No.
ARTURO HEVIA,	)	
	)	
Defendant	)	

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

_____
Defendant's signature

_____
Signature of defendant's attorney

Rene A. Sotorrio
Printed name of defendant's attorney

_____
Judge's signature

_____
Judge's printed name and title