



Memorandum



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To: The Honorable Carlos A. Gimenez, Mayor, Miami-Dade County
The Honorable Jean Monestime, Chairman
and Members, Board of County Commissioners, Miami-Dade County

From: Mary T. Cagle, Inspector General

Date: October 26, 2015

Subject: Last Defendant Sentenced in MIA Hotel Overbilling Investigation, Ref. IG10-51

The Office of the Inspector General's (OIG) longstanding investigation into fraudulent activities at the Miami International Airport (MIA) Hotel concluded last Friday when the last of three criminal defendants was sentenced for his role in the fraud against the County. Nestor Aznar (Aznar), the former Chief Engineer and Maintenance Supervisor for the MIA Hotel, was sentenced to 15 years of probation. The Court also ordered Aznar to pay \$135,375 in restitution, plus costs of investigation.

Aznar, who was arrested in 2013, quickly pled guilty and agreed to cooperate with the State of Florida. His testimony, about a fraudulent billing scheme perpetrated by MIA Hotel employees and vendors, led to the arrest, conviction, and sentencing of his co-defendants, Jorge Maquilon and Ivy Evans-Maquilon. The MIA Hotel is a county-owned facility operated by H.I. Development Corporation pursuant to a management agreement with the County. Both Aznar and Evans-Maquilon were employees of H.I. Development Corporation.

Evans-Maquilon was the Executive Assistant to the former General Manager of the MIA Hotel. She colluded with Aznar to circumvent accounting internal controls, which then allowed the fraud scheme to flourish. As part of their scheme, Evans-Maquilon processed or caused to be approved false purchasing requisitions and other purchasing paperwork necessary to obtain materials such as wallpaper and maintenance supplies for the MIA Hotel. Under the management agreement, the Aviation Department made funds available through an Imprest Operating Account for the purchase of necessary supplies. Unbeknownst to the Aviation Department, the fraudulent requisitions for MIA Hotel maintenance supplies were purchased from Emporium Supplies Corporation and Decomax Corp.—two companies owned and controlled by Jorge Maquilon, Evans-Maquilon's husband.

The OIG investigation revealed that little to no merchandise was actually delivered to the MIA Hotel, yet Aznar, in his position as Chief Engineer and Maintenance Supervisor, falsely verified that the items were delivered. Evans-Maquilon manipulated the paperwork and caused checks to be issued to her husband's companies in payment for the phantom supplies. Jorge Maquilon was charged with fraud exceeding \$100,000 and his wife, Ivy Evans-Maquilon, was charged with \$125,000 of fraud losses to the County. Both, as part of their criminal judgments, were sentenced to pay restitution in addition to serving jail time.

This investigation stemmed from a referral to the OIG's airport squad from the Aviation Department's Office of Professional Compliance, who in conjunction with the Commercial Operations Division discovered some procurement irregularities including the undisclosed marital relationship between buyer and vendor. During the course of the investigation, the OIG also uncovered other significant transgressions that—while not rising to the level of criminal fraud—were significant enough that the Aviation Director requested the OIG document its findings in a separate administrative report.¹ That report illustrated a culture of lax management and oversight of this particular contract, which H.I. Development Corporation has held since 1989. The OIG observed that this lengthy contractual relationship—over 25 years without a new or even amended contract—had gone unattended for far too long to the detriment of the County. In the administrative report, the OIG made 13 specific recommendations to strengthen controls and heighten management oversight of the existing contract. While we strongly believe that it is time for the MIA Hotel to be operated pursuant to a new contract resulting from a new procurement process, we believe that the recommendations—which were adopted by the Aviation Department—will enhance revenue accountability on this contract and other similar management agreements.

cc: Alex Ferro, Chief of Staff, Office of the Mayor
Emilio T. Gonzalez, Director, Miami-Dade Aviation Department
Cathy Jackson, Director, Audit and Management Services Department
Charles Anderson, Commission Auditor

¹ See <http://www.miamidadeig.org/Reports2014/IG10.51MIAHotel%20Final.pdf>.