




Memorandum



Miami-Dade County Office of the Inspector General
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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 13, 2016

Subject: Luis Ramirez, the Former Majority Owner of an MDAD Permittee,
Pleads Guilty to Defrauding the Airport; Ref. IG15-07

Luis Ramirez (Ramirez), the former majority owner of Aviation Main Services, Inc. (AMSI) a permittee providing ramp services to various airlines at Miami International Airport (MIA), pled guilty today to Grand Theft. Ramirez was sentenced to two years of house arrest followed by five years of probation. As part of his plea, Ramirez paid \$376,809 in restitution to the Miami-Dade Aviation Department (MDAD). Additionally, Ramirez must pay \$45,000 for costs of investigation, must perform community service hours each month, and will be debarred from contracting with the County for the maximum allowable time of five years.

This case stemmed from an audit performed by the County's Audit and Management Services Department that found that AMSI was keeping two sets of accounting records. The case was referred to the OIG, and our continuing investigation with the State Attorney's Office determined that Ramirez intentionally underpaid MDAD for fees owed pursuant to its permits. AMSI is a private company, which under its permit with the County, provides ramp services (line maintenance and ground support) primarily to cargo airlines at MIA. Pursuant to various agreements that it had with MDAD over the years, AMSI was obligated to pay either 3% or 7% of its gross revenues generated, depending upon the specific services rendered. These opportunity fees are set by the Board of County Commissioners.

The audit and subsequent criminal investigation found that AMSI was keeping two sets of accounting documents. Invoices sent to AMSI customers correctly charged the customers for services performed. AMSI customers correctly paid the 7% fee when applicable. However, the invoices turned over to County auditors and investigators were not the same. These invoices fraudulently misrepresented the services provided as qualifying for the lower (3%) fee—not the true 7% fee. AMSI pocketed the difference.

During the course of the investigation, Ramirez sold his majority interest in AMSI. The losses to MDAD totaled \$376,809. While AMSI has provided the services at MIA since 1992, the investigation focused on losses from 2009 to 2015.

The OIG appreciates the County's Audit and Management Services Department for forwarding their findings to us for criminal investigation. We would also like to thank MDAD staff for their cooperation and support throughout the course of this investigation.

Attached is the State Attorney's Office press release with additional information about today's plea and sentence.

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
Neil Singh, Interim Commission Auditor



KATHERINE FERNANDEZ RUNDLE

STATE ATTORNEY

**ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY**



FOR IMMEDIATE RELEASE

AVIATION SERVICE COMPANY OWNER SENTENCED FOR DEFRAUDING AVIATION DEPARTMENT

Luis Alberto Ramirez Falsified Records To Minimize Payments

Miami (October 13, 2016) - Luis Ramirez, the former majority owner of Aviation Main Services, Inc. (AMSI) who was arrested in March 2016 after a joint investigation by the Miami-Dade State Attorney's Office and the Miami-Dade County Office of the Inspector General, pled guilty today in Miami-Dade Circuit Court to the charge of Grand Theft.

Ramirez was sentenced to two years of house arrest followed by five years of probation. As part of his plea, Ramirez has paid restitution to the Miami-Dade County Aviation Department (MDAD) in the amount of \$376,809 and he must also pay the costs of the investigation which led to his arrest in the amount of \$45,000.

Additional conditions include performing 4 hours of community service per month, being debarred from contracting with the county for a period of five years and staying away from any and all MDAD properties unless he is a ticketed passenger.

Ramirez sold his majority interest in AMSI prior to his arrest. However before the sale, both a Miami-Dade County Audit and the subsequent joint criminal investigation found that AMSI/Ramirez had "misstated" AMSI's gross revenues reported to the Miami-Dade Aviation Department (MDAD) and had underpaid its opportunity fees. While AMSI had provided the services at MIA since 1992, the investigation conducted focused on losses from 2009 to 2015. Those losses to MDAD totaled the restitution amount of \$376,809 which Ramirez paid in open court through his attorney during the plea colloquy.

"Mr. Ramirez is now paying a high price for trying to cheat the county," said State Attorney Katherine Fernandez Rundle. "The Miami-Dade County Office of the Inspector General and my prosecutors are excellent at putting these types of criminal cases together for trial. For governmental thieves, the message is, if you steal, be prepared to feel the heat because we're coming for you."

"The OIG would like to thank the County's Internal Audit Department for uncovering the fraud during the course of their audit and for immediately contacting us so that we could initiate an investigation into Luis Alberto Ramirez's criminal conduct," stated Miami-Dade Inspector General Mary Cagle.

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FOR FURTHER
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