

**Miami-Dade County Public Schools
Office of Management and Compliance
Audits**



**INVESTIGATION OF UNITECH BUILDERS
CORP., - DIRECT PURCHASE ORDER (DPO)
FORGERY**



Our investigation confirmed that a former employee of Unitech Builders Corp., a contractor doing business with the Miami-Dade County Public Schools, forged seven (7) district purchase orders by altering various elements contained on the document and violated School Board Policy 8700. Our investigation also identified areas for improvement in the District's DPO program.

January 2018

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Office of Management and Compliance Audits

Mr. José F. Montes de Oca, CPA

Chief Auditor

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Investigation Supervised and Reviewed by:

Mr. Trevor L. Williams, CPA

Investigation Reviewed by:

Mr. Jon Goodman, CPA, CFE





Miami-Dade County Public Schools

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January 25, 2018

The Honorable Chair and Members of The School Board of Miami-Dade County, Florida
Members of the School Board Audit Committee
Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

In accordance with School Board Policy 8700, the Office of Management and Compliance Audits (OMCA) was notified of certain actions of a contractor who was participating in the District's direct purchase order (DPO) program. These actions included, but were not limited to, allegations of forgeries of the District's DPO documents.

The objectives of the investigation were to confirm whether the contractor, Unitech Builders Corp., forged the District's DPO documents and determine the extent of the forgery. Our investigation confirmed that the six DPO's in the two construction projects identified by management were indeed forgeries. We also uncovered a separate incident of forgery perpetrated by an employee of the subject company occurring on a third construction project. Our review of other projects managed by this contractor concluded that the condition was not noted in other district projects beyond the three indicated.

Our findings and recommendations were discussed with management and Unitech Builders Corp.. Both have provided responses, which are included herein. We would like to thank management and Unitech Builders Corp., for their cooperation and for the courtesies extended to our staff during the investigation.

Sincerely,

Jose F. Montes de Oca, CPA, Chief Auditor
Office of Management and Compliance Audits

Office of Management and Compliance Audits

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At A Glance

Why we did the investigation

Pursuant to School Board Policy 8700 – Anti-Fraud, the Office of Management and Compliance Audits (OMCA) shall investigate reports of known or suspected fraudulent activity it receives. The District’s Schools Facilities Office’s management reported a known incident of forgery occurring in the District’s direct purchase order (DPO) program related to two construction projects to OMCA.

What we recommend

We recommend that district administration commence the process as outlined in School Board policy to determine the appropriate discipline to be administered to UBC for the confirmed acts of forgery. Additionally, although District management has taken measures to improve the DPO process, we recommend the development and implementation of procedures to inform suppliers identified for DPO purchases that materials orders should be processed only upon receipt of a PO issued directly from the District.



EXECUTIVE SUMMARY

What we found

Through our investigation, we have confirmed that Unitech Builders Corp.(UBC), a contractor doing business with the Miami-Dade County Public Schools (M-DCPS), forged seven (7) district purchase orders (PO's) by altering various elements contained on the document. The alterations were made to PO's related to three construction projects, Mae M. Walters Elementary School, Henry M. Flagler Elementary School, and Ojus Elementary School, for equipment and materials procured through the District's DPO program. The forged PO's involved seven equipment/materials suppliers and totaled \$413,552. Additionally, UBC's actions violated Policy 8700.

Besides forging district DPO documents and violating Policy 8700, our investigation also found that UBC did not maintain records to demonstrate it complied with the District's receipting requirements for DPO procured equipment and materials received on the jobsite.

Notwithstanding these findings, we found no evidence to indicate that UBC's actions resulted in financial loss to the District.

Although we recognize that the District's Facilities management has instituted new procedures in the DPO process to prevent similar acts of forgery from recurring, additional minor improvements are needed.

BACKGROUND

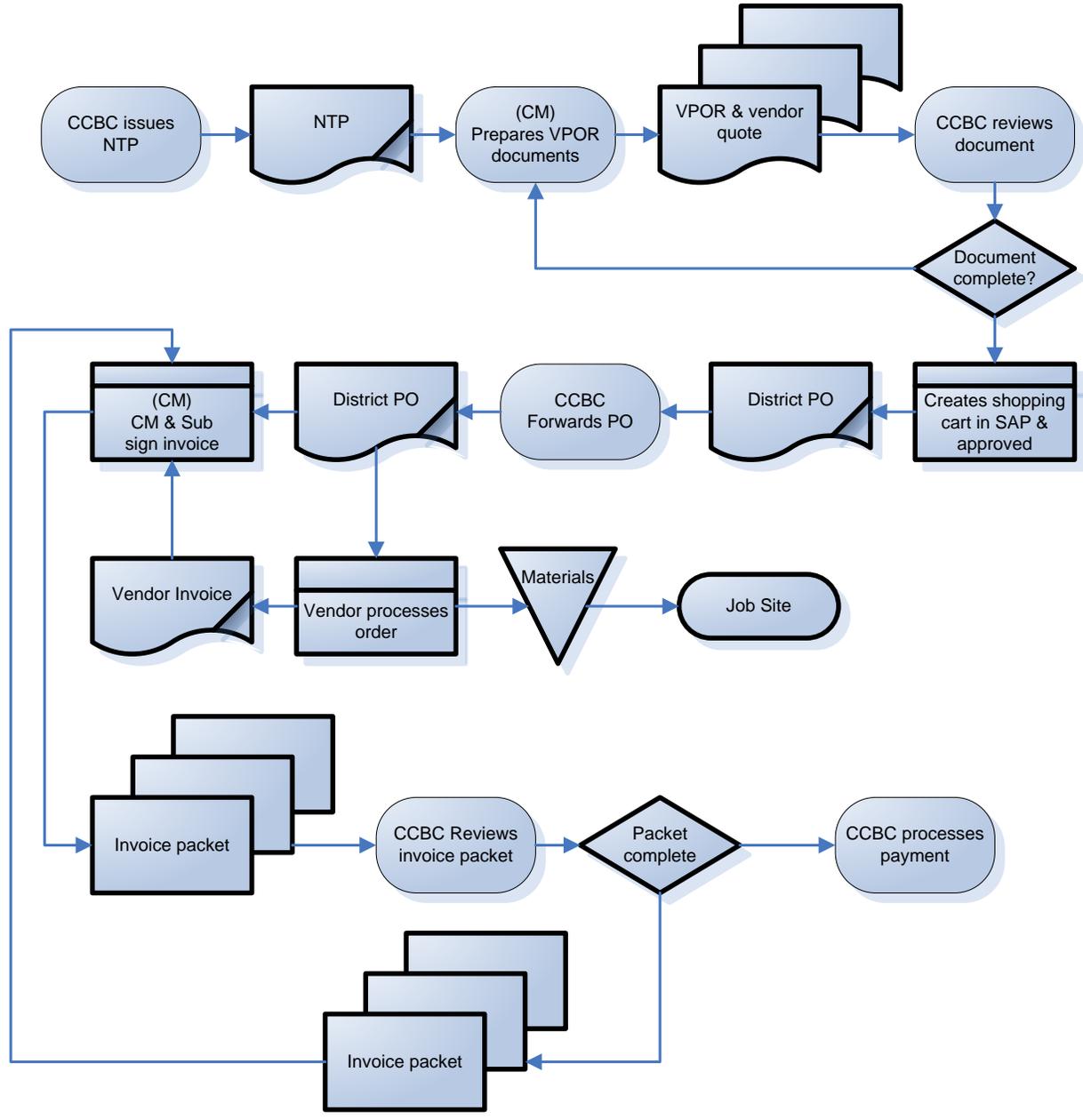
The District utilizes the DPO program, an industry leading practice, to procure certain targeted equipment and materials used in its construction projects in lieu of having the contractor provide these items. In this way, the District saves money by not incurring sales tax on the said equipment and materials. The Construction Manager (CM) of a given project will indicate the proposed cost of the related equipment and materials and tax savings as deductions in the detailed breakdown of the project's negotiated guaranteed maximum price (GMP). According to district's management, the identified tax savings are guaranteed.

Once the District issues a Notice to Proceed (NTP) to the CM of the project, the CM can start submitting DPO requests. In the DPO program, the CM, not the District, will order the equipment and materials needed for a construction project. Specifically, the CM will e-mail a *vendor purchase order request* (VPOR) to the District's Capital Construction Budgets and Control department (CCBC) notifying it of the need to prepare and process a district purchase order (PO) for the ordered items. The VPOR will contain information about the equipment/materials supplier, the ship-to location, the mailing address for invoicing purposes, the name and number of the project, the description and cost of the item(s), and the tax savings. It will also be accompanied by an attached quotation sheet from the equipment/materials supplier.

When the CCBC department receives the VPOR, a staff member confirms: (a) that the aforementioned information is included, (b) that the total material for the GMP has not been exceeded, and (c) that the VPOR is sequentially numbered. At this point, the VPOR is forwarded to an account specialist to create a *shopping cart*. Depending on the shopping cart value, it will be approved by one or more members of management in the approval chain. Once the shopping cart is approved, it becomes a valid PO with a sequentially system-generated PO number. The approved PO is sent to both the CM and the equipment/materials supplier.¹ Once the supplier generates an invoice for the equipment/materials delivered and/or installed at the school site, it is sent to the CM for approval. The approved invoice is then sent to the District for payment. Upon receipt, the District will match the invoice to the PO for payment.

¹ This describes the procedure that was in place during the period when the forgery occurred. Subsequent to the forgery being discovered, the procedure was revised to require that the PO be sent to the equipment/materials supplier only and not to the CM.

DIAGRAM OF M-DCPS DPO PROCESS



OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this investigation are to confirm whether UBC forged the District's DPO documents, by altering elements within the document, and to determine the extent of the forgery and whether the confirmed actions violated any School Board policy, rule, or law. The scope of the investigation includes capital construction projects the District awarded to UBC between 2015 and 2017, in which project equipment and materials were procured via the District's DPO program. To satisfy the objectives of our investigation, we obtained and examined copies of various documents, including purchase orders, invoices, proposals/quotations, Notices to Proceed, suppliers' information, project logs, email correspondences, Board policy, Florida Statutes, and Florida Department of Revenue Rules. Order and delivery information was confirmed with equipment and materials suppliers. Additionally, we interviewed various District staff, UBC's Project Executive, and equipment/materials suppliers.

DETAILS OF THE INVESTIGATION FINDINGS

THE FORGERY

During March 2017, a materials supplier contacted the District's CCBC department inquiring about the payment status of certain open invoices for materials delivered to an M-DCPS construction project. The CCBC department informed the materials supplier that there was no PO issued to them for the construction project in question. Staff from the CCBC department requested that the supplier provide them with copies of the PO they received from the CM, Unitech Builders Corp., (UBC), for the items in question. After receiving copies of the requested documents, staff from the CCBC department determined that the documents were forged PO's. Further inquiry and investigation by CCBC's staff determined that UBC had forged five (5) PO's, totaling \$339,813, related to the Mae M. Walters Elementary School, Project No. 01434700 and one (1) PO, totaling \$50,890, related to the Henry M. Flagler Elementary School, Project No. 01433800. The CCBC department alerted the District's School Facilities' management of this condition.

District Schools Facilities management contacted UBC, who initially denied forging the PO and claimed that the CCBC department had generated this PO. Subsequently, upon further questioning, UBC acknowledged responsibility for the forgery and blamed the company's chief financial officer (CFO)² for it. The District

² During a subsequent interview with the UBC's Project Executive, this individual was identified as the former Controller of the company.

responded by suspending UBC's work on two ongoing and three future construction projects and notifying OMCA of this matter, as required per School Board Policy 8700.

The OMCA designed procedures to confirm whether UBC forged the District's DPO documents and to determine the extent of the forgery and whether the confirmed actions violated any School Board policy, rule, or law. We obtained copies of the six forged PO's, other related documents, and samples of known valid PO's. Our examination of the documents confirmed that the six PO's identified by management were indeed forgeries where elements of the PO's had been altered. The CM, UBC, issued the forged PO's to the equipment/materials suppliers for the procurement and delivery of equipment and materials through the DPO program. These six forged PO's pertained to two schools – Mae M. Walters Elementary and Henry M. Flagler Elementary – and six different vendors with a total value of \$390,703.

To determine the extent of the forgery and whether this condition was pervasive in other UBC projects, we requested from the District's Facilities and Maintenance staff, a list of all projects awarded to UBC between 2012 and 2017 in which DPO's were used. Our review of these other projects uncovered one additional forged PO valued at \$22,849 pertaining to Ojus Elementary School, Project No. 01439600. No other altered PO's were identified. This additional forged document brings the total number of confirmed forged PO's to seven (7) for the total value of \$413,552.

Additionally, we sent various requests for information to all DPO suppliers for the three construction projects containing forged DPOs. The purpose of this procedure was to confirm information pertaining to materials ordered and delivered via the DPO process and to determine whether the items listed on the forged documents were in fact delivered to and installed at the related M-DCPS project. In addition, we aimed to possibly identify additional altered PO's through this process. Two of the vendors that were contacted did not provide the requested information.³ For the remaining vendors, the information they provided was consistent with project information and/or UBC's project billings in all but one case.

We requested that UBC provide us with an inventory of equipment/materials delivered to the job sites. However, the information UBC provided to us in response to our request was inadequate for establishing receipt of equipment/materials on the job site or a record of inventory. The District's Supplemental Conditions Section 00801 requires the CM, through its subcontractor, to maintain certain receipting documents to

³ One of the two vendors that did not respond by providing the requested information stated the company was not authorized to release customer information to us. The remaining vendor indicated the company would provide us with the requested information but never did.

support their acceptance of equipment/materials delivered to the job site. UBC could not support their compliance with this requirement. During our interview with the UBC's Project Executive,⁴ he indicated to us that to document UBC's receipting process on the Henry M. Flagler project, the company's onsite representative signed off on the supplier's invoice, checked the amounts, compared them to the DPO, and counted the large items. We made multiple requests for the documents demonstrating the company's conformance with the described process, but received none.

We further inquired of the District's Facilities staff (management and project managers) whether all items ordered for the projects had been delivered to the specific M-DCPS project. Staff indicated that most of the equipment required for the Henry M. Flagler project was already installed. Because an inventory of installed equipment/materials were not maintained, we were unable to determine whether all items ordered by UBC had been delivered to the related M-DCPS projects and must rely on the assertions made by district Facilities staff and our alternative analytical procedures performed. Based on our inquiries and analysis, nothing came to our attention to indicate that the equipment/materials contained in the forged documents were not delivered to the related M-DCPS project.

As a result of the discovered forgery and to improve the DPO process, the District changed some of its procedures pertaining to the DPO program. Currently, once a VPOR is validated, a PO is sent to the equipment/materials supplier and is no longer sent to the CM. Additionally, vendor invoices must be approved by the CM, the Project Manager (PM), and the Project Architect before the request for payment is processed, as opposed to sign-off from only the CM and subcontractor.⁵ Notwithstanding management's actions, we have made one recommendation to further improve the DPO process.

THE MOTIVE

We interviewed both M-DCPS Facilities' staff and the UBC's Project Executive separately. During our interviews, we asked whether the interviewee was aware of the motive behind the forgery. None of the District's staff interviewed provided a motive for the forgery. They indicated the actions provided no conceivable benefit to UBC. However, the UBC's Project Executive, while indicating that the forgery was committed by its former Controller, stated that the company's former Controller was behind in his paperwork for the various projects and did not want to get further behind. He also stated

⁴ This individual introduced and represented himself to District Facilities and OMCA's staff as the person responsible for overseeing all construction and executive duties within UBC.

⁵ Although this revised practice was initiated upon discovery forgery, management has since reconsidered its implementation and has desisted from its implementation.

that this former employee indicated that his health and family life contributed to him being behind in his work and that his actions were not perpetrated to obtain any monetary gain.

Through our investigation, we requested that UBC provide us with the former Controller's contact information for the intent of obtaining a statement from him relative to his alleged actions. UBC provided to us only a telephone number purported to be that of the former controller. UBC stated that this is the only contact information they have for the former employee. Our attempts to contact the former Controller via the telephone number provided were unsuccessful as the number was out of service. Other alternative means explored for contacting the former employee was also unsuccessful. As such, we were unable to obtain a statement from the individual alleged to have been responsible for the forgery.

The reason for the former Controller's forging of documents as stated by the UBC's Project Executive appears to be less than persuasive given that the documents were seemingly altered prior to the issuance of an NTP for the projects in question. In addition, UBC's Project Executive stated that at times, UBC will "purchase" project equipment and materials on credit, then the supplier would "reimburse" them when payment of the DPO is received from M-DCPS. He indicated that under this arrangement, the suppliers are fully aware that they will not receive payment from M-DCPS until an NTP and a permit are issued for the project, the items are delivered on site, and an invoice is submitted to M-DCPS. The UBC's Project Executive further stated that the PO's subsequently submitted for the Mae M. Walters project were not approved and that his company has absorbed the related sales tax cost on the items, since they were now purchased directly by UBC.

VIOLATION OF SCHOOL BOARD POLICY

School Board Policy 8700 – ANTI-FRAUD, establishes definitions and rules for handling certain illegal or unethical activities in the District. The said policy at Section A.- Scope, offers the following:

*This policy applies to any fraud, or suspected fraud, involving elected officials, employees, consultants, vendors, **contractors**, outside agencies and employees of such agencies, and **any other parties with a business relationship with the District.** [Emphasis added]*

Additionally, Section C.- Definition, of the said policy offers the following:

Fraud is defined as the intentional, false representation or concealment of a material fact in order to personally benefit or induce another to act to his/her detriment, and includes:

1. *falsifying, unauthorized altering, or forging District documents, including but not limited to:*
 - a. ...
 - b. ...
 - c. ...
 - d. ... or any other District financial document;

Based on our investigation, we have concluded that UBC, a contractor having a business relationship with the District during the time of the actions investigated, violated Policy 8700 by altering seven (7) district PO's.

In April 2017, the School Board Attorney's Office sent a letter to UBC informing the company of the District's intent to act against the company for its use of forged and/or altered documents on the Mae M. Walters Elementary School and Henry M. Flagler Elementary School projects. The alteration of document on the Ojus Elementary School project had not yet come to light at the time of sending that communication.⁶

RECOMMENDATIONS

We recommend that district administration commence the process as outlined in School Board policy to determine the appropriate discipline to be administered to UBC for the confirmed acts of forgery.

In addition, we acknowledge that the District's management has taken measures to improve the DPO process and to prevent the recurrence of the conditions that are the subject of this investigation. However, we recommend the development and implementation of procedures to inform suppliers identified for DPO purchases that materials orders should be processed only upon receipt of a PO issued directly from the District.

⁶ Although UBC indicated to us that they performed an internal investigation of the alleged forgery and determined that their former controller had indeed perpetrated the forgery on the Mae M. Walters and Henry M. Flagler Elementary Schools projects, they were not aware of a similar act perpetrated on the Ojus Elementary School project until the OMCA brought it to their attention during our interview.

UNITECH BUILDER'S CORP., RESPONSE



Dear Mr. Montes de Oca:

We are in receipt of your letter dated January 11th, 2018, on behalf of Miami Dade County Public Schools (hereinafter MDCPS). Please let this letter serve as the response by Unitech Builders Corp. (hereinafter UBC). First and foremost, it should be noted that UBC has a very long history, many years, of performing contractual work for MDCPS and until the incident UBC's performance has been exceptional.

Second, your report alleges that the actions were those of UBC which implies the UBC owners and management were somehow involved in the forging activity. The evidence clearly shows that the forging activity was conducted by a disgruntled UBC employee, with no ownership position, who was terminated immediately upon ownership and management learning of his conduct. Moreover, that former employee met with Raul Perez on March 22nd, 2017 and personally confessed to acting on his own and without the knowledge of UBC ownership. A written confession (interoffice memo prepared by said employee dated March 21st, 2017) was also sent to Mr. Perez on March 23rd, 2017. These facts are missing from your report. Therefore, the report should be corrected to reflect that the actions were that of an employee. While of course UBC is responsible for the actions of its employees, the report should be corrected to reflect the correct facts. Also on March 23rd, 2017 Mr. Anthony R. Gomez, President of UBC, sent an email to Mr. Perez setting out ownership position regarding this incident and what their internal investigation had found after being informed of the forgery. This is also missing from the report. Both emails have been in possession of MDCPS since March 23rd, 2017. MDCPS were not the only ones trying to investigate the matter and UBC cooperated completely with the MDCPS investigation and turned over the finding and evidence of its investigation to MDCPS.

Third and of most important of all, as reflected in the report at page 7, **"None of the District's staff interviewed provided a motive for the forgery. They indicated the actions (by former UBC employee) provided no conceivable benefit nor any financial gain to UBC and or no extra cost to MDCPS"**

The report states that UBC failed to provide contact information to MDCPS for the employee, while failing to include the fact that UBC took the employee prior to him being fired to meet with Raul Perez of MDCPS (meeting lasted a couple of hours) who obtained as much personal information on the employee as he wanted. In short, UBC has taken action to not only terminate the employee but also install procedures to prevent this situation from ever occurring again.

We hope to get past this unfortunate incident and resume our working relationship with MDCPS.

Thank You,

A handwritten signature in blue ink, appearing to read 'Anthony R. Gomez', is written over a light blue horizontal line.

Anthony R. Gomez

President

16115 SW 117 Avenue, Suite #23 | Miami, Florida 33177 | p: 305.259.1980 | f: 305.259.1970 | CGC054992 | CCC057322
www.UnitechBuildersCorp.com

MANAGEMENT'S RESPONSE

M E M O R A N D U M

January 25, 2018

TO: Mr. Jose Montes-de-Oca, Chief Auditor
Office of Management and Compliance Audits

FROM: Jaime G. Torrens, Chief Facilities Officer
Office of School Facilities



SUBJECT: REVIEW OF DRAFT REPORT – INVESTIGATION OF UNITECH BUILDERS CORP. - DIRECT PURCHASE ORDER (DPO) FORGERY

Thank you for your Investigation Report (Report) on the Direct Purchase Order (DPO) forgeries by Unitech Builders Corporation (UBC). This matter was referred to your office by our staff immediately upon discovery of anomalies in DPO related activities by UBC on some District projects. We have reviewed your findings which confirm the purchase order forgery by UBC and UBC's acknowledgment, as well as your conclusion that UBC did not profit or derive a benefit from such. We are as perplexed as the auditors regarding UBC's motives given the absence of ulterior financial gain. Nevertheless, we are reassured that the District's current DPO process controls effectively revealed the forgeries.

Additionally, as you are aware, upon finding the subject anomalies, the District immediately suspended UBC's access to the DPO Program on its two commissioned projects in construction, terminated UBC's pre-construction services commissioning on two other projects, and terminated the Miscellaneous Construction Manager at-Risk Agreement, pending the results of your review (see letter attached). We have also consulted with the School Board Attorney's Office on appropriate next steps as it relates to UBC.

In closing, we concur with your recommendations and thank you for your courtesies in this matter.

JGT:cb
M145

Attachment

cc: Mr. Alberto M. Carvalho
Mr. Daniel Tosado
Ms. Ana Rijo-conde
Mr. Raul F. Perez
Ms. Teresa Comesana-Alfau



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School Board Attorney
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Dr. Martin Karp
Lobby Navarro
Mari Tere Rojas

April 18, 2017

VIA EMAIL, VIA US MAIL & VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Unitech Builders Corp.
Attention: Anthony R. Gomez, President
16115 SW 117th Ave., Bay 23
Miami, Florida 33177

VIA US MAIL AND VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Berkley Insurance Company
Attention: To whom it may concern
475 Steamboat Road
Greenwich, Ct. 06830

Re: Unitech Builders Corp. ("Unitech") Use of Forged and/or Altered Documents on the Mae M. Walters Elementary School (Project # 01434700) and Henry M. Flagler Elementary School (Project # 01433800)

As you know, the Board recently became aware of the existence of several documents generated by Unitech, purporting to be legitimate Purchase Orders issued by the Board for materials destined to be used in the above referenced Projects. These forged documents were uncovered by Board staff after receiving calls from vendors requesting payment on said materials. Upon further research, Board staff confirmed none of the documents had been issued/executed by Board personnel.

As a result, please be advised that the District intends to take immediate action, including but not limited to the following:

1. Refer the matter to an investigative agency in accordance with the provisions of Board Policy 8700 "Anti-Fraud", paragraph C.1.;
2. Invoke the Board's right to audit pursuant to Section 6.9 of the CM at-Risk Agreements and Section 2.5 of the General Conditions of the Contract for Construction;
3. Terminate for convenience all current assignments and commissioned projects between the Board and Unitech currently in pre-construction; and

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Unitech Builders Corp.
Berkley Insurance Company
Page 2
April 18, 2017

4. Immediate suspension of Unitech's participation in the Direct Purchase Order Program on the Mae M. Walters Elementary School and Henry M. Flagler Elementary School Projects until the investigation in 1. listed above is concluded, and/or, at the Board's sole option, terminate the commissioned projects for cause, pursuant to Sections 14.2 and 14.3 of the General Conditions of the Contract for Construction, depending the results of the investigation.

Notwithstanding the above, the Board expects Unitech continue to satisfactorily perform on the Mae M. Walters Elementary School and Henry M. Flagler Elementary School projects. Additionally, Unitech must refrain from communicating with vendors, suppliers and subcontractors regarding this matter.

As to all other current and commissioned projects in pre-construction, you are directed to stop all work immediately. Specifically, as to Miami Beach Sr. High School (Project No. 01339400) and Dr. Henry W. Mack/ West Little River K-8 Center (Project No. 01443200) Construction Manager At-Risk Agreements, this letter serves as the Board's ten (10) day Notice of Intent to Terminate for Convenience pursuant to Section 9.2.2.1. The recommendation will be placed on the agenda for the next School Board meeting.

As to the Miscellaneous Construction Manager At-Risk Agreement commissioned on March 12, 2014, pursuant to Section 8.2.2, it is terminated for convenience effective today.

This letter constitutes the required notice under the referenced sections of the CM at-Risk Miscellaneous Agreement, the CM at-Risk Agreements for Miami Beach and Henry Mack, and the GMP Amendment and General Conditions of the Contract for Construction on the Mae M. Walters and Henry M. Flagler Projects.

Sincerely,



Walter J. Harvey
School Board Attorney

Cc: Mr. Alberto M. Carvalho
Mr. Jose Montes de Oca
Dr. Daniel Tosado
Mr. Jairne G. Torrens
Taylor Espino Vega Touron (dvega@tevtlaw.com)

LETTER OF RESPONSE FROM MR. RAUL PEREZ



Miami-Dade County Public Schools

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Alberto M. Carvalho

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Dr. Steve Gallon III
Lubby Navarro
Dr. Marta Pérez
Mari Tere Rojas

January 24, 2018

Michael Hernandez, CPA
Operations & Performance Audits
Office of Management and Compliance Audits

Re: Response to Unitech Builders Corp. Letter related to Investigation of Unitech Builders Corp., - Direct Purchase Order (DPO) Forgery

Mr. Hernandez, I have reviewed your email and attached letter from UBC and offer the following insight on this matter:

After being made aware of the forged P.O.'s I scheduled a meeting with UBC and other district staff to discuss the matter. (See attached outlook invite) Only Mr. Eugene Rey from UBC attended and was presented the copies of the forged P.O.'s and asked if he had any knowledge of these documents being prepared by UBC. He denied any wrong doing on his and UBC's behalf and stated that the forged P.O.'s were issued by the district. After the meeting, I contacted Mr. Anthony Gomez of UBC and informed him that we were continuing our fact-finding exercise and that he should continue to look into the matter as well.

On March 23, 2017, not March 22, 2017 as indicated in UBC's response letter I meet with Mr. Gomez and Mr. Rey for about ½ hour not the two hours being represented in their letter, (See attached outlook invite), in which Mr. Rey admitted that he had forged the documents; however, I do not recall him making the representations stated in the UBC's response letter and did not obtain any personal information on the employee as claimed. I merely was conducting a fact-finding exercise not an investigation. I was to ascertain if one would be warranted and if so, to be conducted by the appropriate district office. After this brief meeting, I requested for Mr. Gomez to memorialize what had just taken place and email it to me.

Later that day I received an email from Mr. Gomez (See attached) in which he details what had taken place. Please note that Mr. Rey was not terminated as he claims in his response. He merely states that Mr. Rey will no longer be involved with MDCPS projects. Please also note that this office or writer did not receive a written confession from Mr. Rey as stated in the UBC response letter and is also not identified or mentioned in his memorialized March 23, 2017 email. I find it interesting that UBC in their response did not provide any back up documentation to substantiate their claims.

After obtaining the facts on this matter and discussing them with Mr. Torrens, Chief Facilities Officer, and the Board attorney a meeting took place with the Office of Management and Compliance Audits to present what had transpired with UBC and have them review the matter as required by Board rule and to determine the next steps.

Office of Capital Improvement Projects • SBAB • 1450 N.E. 2nd Ave. • Suite 307 • Miami, FL 33132
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As you can see UBC's response letter is outlined with incorrect facts and many inconsistencies as described by the response above. If you require any additional information, please do not hesitate to contact me. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Raul Perez', written over a vertical blue line.

Raul Perez, R.A., NCARB, LEED®AP BD+C
Assistant Superintendent, Construction Management
MDCPS Office of Capital Improvement Projects

L 64
RFP:rfp

Cc: Mr. Jose Montes de Oca
Mr. Jaime Torrens
Mr. Trevor Williams

OMCA'S COMMENTS RELATIVE TO UNITECH BUILDER'S CORP., AND MANAGEMENT RESPONSES

The OMCA received Unitech Builders Corp.'s official response to a draft of our investigation report on January 16, 2018. In this response, Mr. Raul Perez, Assistant Superintendent, Construction Management for the M-DCPS Office of Capital Improvement Projects is mentioned in several statements. Mr. Perez was contacted to verify the veracity of statements made in the UBC response. Mr. Perez provided an explanation to respond to specific matters contained in UBC's assertions that were of concern to us. Additionally, Mr. Perez submitted a letter to further explain matters related to the forgery. We have included Mr. Perez's letter, without attachment, in this report.

The following is a synopsis of contradictions observed in the UBC's assertions and Mr. Perez's explanation:

- **Existence of a March 17, 2017 meeting between UBC employee and M-DCPS staff** – Mr. Raul Perez states he met with a UBC employee on March 17th who "...denied any wrong-doing on his and UBC's behalf and stated that the forged P.O.'s were issued by the district." UBC's official response makes no mention of this meeting. However, Mr. Perez also stated that at a subsequent meeting on March 23, 2017, this UBC employee did state that "...he had forged the documents..."
- **A written confession from UBC employee was sent to Mr. Perez** – UBC's official response claims: "A written confession was also sent to Mr. Perez on March 23, 2017." We inquired of Mr. Perez whether this occurred. He stated that he did not receive a written confession from any employee of UBC. To date, this document has not been presented to us by anyone.
- **UBC employee responsible for forging direct purchase order (DPO) documents was terminated immediately by UBC** – In their response, UBC states the employee who was responsible for the forgery "...was terminated immediately upon ownership and management learning of his conduct." However, responding to our inquiry, Mr. Perez stated that the UBC employee was not terminated as claimed in the UBC response, but was removed from having contact with M-DCPS' projects. To support his statement, Mr. Perez provided to us a March 23, 2017, e-mail from Mr. Gomez, UBC President to Mr. Perez which states "...this employee has been removed from any contact with MDCPS."
- **Retrieval of personal (contact) information on UBC employee who forged the DPO documents at March 23, 2017, meeting** – In their official response, UBC mentions, "The report states that UBC failed to provide contact information to MDCPS for the employee, while failing to include the fact that UBC took the employee prior to him being fired to meet with Raul Perez of MDCPS (meeting

lasted a couple of hours) who obtained as much personal information on the employee as he wanted.” In responding to our inquiry, Mr. Perez stated that the meeting occurred on March 23, 2017 for half an hour and that he did not obtain any personal information on the employee as claimed.

We have included these comments in this final report to ensure that all relevant information related to the events and circumstances surrounding the forgery are presented.

Anti-Discrimination Policy

Federal and State Laws

The School Board of Miami-Dade County, Florida adheres to a policy of nondiscrimination in employment and educational programs/activities and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964 as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA) as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963 as amended - prohibits gender discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA) - prohibits discrimination against employees or applicants because of genetic information.

Boy Scouts of America Equal Access Act of 2002 – no public school shall deny equal access to, or a fair opportunity for groups to meet on school premises or in school facilities before or after school hours, or discriminate against any group officially affiliated with Boy Scouts of America or any other youth or community group listed in Title 36 (as a patriotic society).

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.

In Addition:

School Board Policies 1362, 3362, 4362, and 5517 - Prohibit harassment and/or discrimination against students, employees, or applicants on the basis of sex, race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, gender, gender identification, social and family background, linguistic preference, pregnancy, citizenship status, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

For additional information contact:

Office of Civil Rights Compliance (CRC)
Executive Director/Title IX Coordinator
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INTERNAL AUDIT REPORT

**Investigation of Unitech Builders Corp., -
Direct Purchase Order (DPO) Forgery**



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