



**Miami-Dade Commission on Ethics & Public Trust**

**Investigative Report**

**Investigator:** Karl Ross

<b>Case K14-130</b>	<b>Case Name:</b> Evelyn Ferrer	<b><u>Date Open:</u></b>	<b><u>Date Closed:</u></b>
<b>Complainant(s):</b>	<b>Subject(s):</b> Evelyn Ferrer	Dec. 10, 2014	<b>CASE CLOSED</b>

**Allegation(s):**

Date: 5/25/2016

Ms. Ferrer, a mortgage service officer with Miami-Dade County PHCD, was asked to come into compliance with the county ethics code with respect to a second mortgage she improperly obtained on her residence at 325 Ives Dairy Road, Unit #2. Ms. Ferrer was employed by the unit overseeing and servicing such loans as part of her county functions at the time she obtained the financing back in 2004. The mortgage was worth \$35,000, and has a remaining balance of roughly half that amount, which she is unable to repay or refinance.

Ms. Ferrer has received several extensions of the time allotted for her to come into compliance, but she advised that she has been unable to refinance her home due to a recent bankruptcy. She has been given, as of the time of the writing of this report, until March 1, 2016.

**Relevant Ordinances:**

The Miami-Dade County Conflict of Interest and Code of Ethics ordinance, Sec. 2-11.1, states in applicable part, Subsection (C) titled *Prohibition on transacting business with the County by individuals*, that: "No person ... shall enter into any contract or transact any business ... in which he or she or a member of his or her immediate family has a financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County ..."

The subsection further states that any contract or transaction entered into in violation of this provision is voidable and that willful violations shall constitute malfeasance. One of the potential penalties for any such malfeasance includes forfeiture of one's employment.

## Investigation:

### Interviews

Evelyn Ferrer, subject of investigation

Feb. 10, 2016

Ms. Ferrer appeared for a voluntary interview at COE by this writer and Ethics Advocate Murawski. She was accompanied by a co-worker, Barbara Jones, and by her union rep with AFSCME Local 199, Edgardo Marrero. She had advised she has worked in the same office – the Mortgage Service Department – for about 15 years (since 2001), and was a temp worker prior to that since 1998. Her current title is loan service representative.

Ms. Ferrer advised that she purchased a 3-bedroom condo in 2004 with the help of the county's First-Time Homebuyer Program. She said she obtained a conventional loan for \$60,000 from Gibraltar Bank and received a second mortgage from the county's First-Time Homebuyer Program in the amount of \$35,000 at 3 percent interest. She said she has a balance of about \$17,000 remaining on that loan, and is unable to pay it off or refinance. She said she has bad credit because of her recent bankruptcy and this has made her ineligible. She said she was carrying too much credit card debt, but never defaulted on her home loans.

Ms. Ferrer advised she resides in the property at 325 Ives Dairy Road, #2, along with her grown son and daughter, ages 27 and 21. She said she pays \$840 a month for her first mortgage, and \$186.07 for her county-backed second mortgage. She said half that amount is deducted bi-weekly from her paycheck, ensuring she does not go into default.

Ms. Ferrer said her job with the Mortgage Service Department is to service delinquent loans before they are referred to collections. She said she contacts the borrowers, and tries to get them to pay what they owe. She said that because she has the loan deducted from her county paycheck there is no possibility she would oversee her own delinquency. She said that about 7,000 people participate in the program, including other PHCD employees.

Asked how she knew about the program and sought to apply for assistance back at the time she was looking to buy a home, Ms. Ferrer stated: "I worked there. That's how I knew about the program." She said that it did not occur to her at the time there might be a problem with her applying for a loan with her own agency. She said the application was reviewed by a co-worker, Jose Quinde, in the origination department; she works in the loan service department. She said Quinde helped her fill out the application, and that she did not feel she had a conflict at that time. She said she has had ethics training since then, but the issue never came up.

Ms. Jones – Ferrer's friend and co-worker – said that other employees in their office had similar situations, but that in at least one instance a co-worker obtained a waiver from the Board of County Commissioners. She said she asked her former supervisor, Juan Garcia, about whether Ferrer should seek a similar waiver and that Garcia told her not to worry about it.

She noted that Garcia was highlighted in the *Miami Herald* "House of Lies" investigative series, as was the director of housing at the time, Rene Garcia. They indicated that attention to ethical issues within the department was not given much emphasis at that time. Jones and

Ferrer said one co-worker with a similar loan, Tiffany, obtained a waiver after-the-fact, while another co-worker, Myra, paid off her mortgage and resolved the conflict thusly.

Mr. Marrero, the union representative, said the department lacks SOPs to make it clear to housing employees what they can and cannot do, with respect to county run programs.

Ms. Ferrer said her supervisor at present is Leyano Sosi, and that Michael Liu is the department director. She advised that Liu had granted her a final extension through March 1.

Mari Saydal-Hamilton, assistant executive director  
Miami-Dade County Public Housing and Community Development Department  
Phone: (786) 469-4156  
Feb. 19, 2016

Investigator Ross and Ethics Advocate Murawski met with Ms. Saydal-Hamilton and several other PHCD officials, including Quality and Assurance Officer Alisa Lara Caballero, one of two ethics officers for the department, to discuss Ms. Ferrer's situation.

Advocate Murawski expressed concerns about lax past practices which made it possible for Ferrer and other county employees to improperly participate in county housing assistance programs. Ms. Saydal-Hamilton acknowledged that, during previous administrations, this was commonplace, but she said that a new monitoring program has been implemented to flag all county employees and their relatives attempting to receive such assistance. She said the case of Ms. Ferrer is one of two unresolved cases – the other involving Ana Hercules, who has until June to find a new residence for herself and her five children.

Advocate Murawski asked what controls could be implemented to ensure that Ms. Ferrer did not exercise any oversight and/or influence over her second-mortgage. Ms. Ferrer handles collections, and contacts program participants who have fallen behind on their payments. Ms. Saydal-Hamilton indicated that Ferrer has access to program information systems and, as a result, could potentially tamper with relevant files and records. COE expressed a willingness to allow for a resolution other than termination of Ms. Ferrer, so long as adequate safeguards were in place to prevent her from monitoring her own mortgage loan.

Ms. Saydal-Hamilton indicated that Mr. Liu, the agency director, is not inclined to make special allowances for Ms. Ferrer, given that other employees in a similar predicament had to make other sacrifices to come into compliance with the ethics code. She similarly noted that should Ms. Ferrer be transferred to another department or agency she could lose certain benefits, including seniority. COE advised that it was up to PHCD to find a solution. Ms. Saydal-Hamilton said she would take the matter up with director Liu, and keep COE apprised of its decision with respect to Ms. Ferrer.

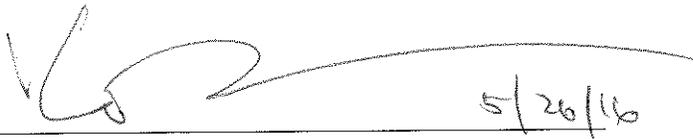
**Document/Audio/Video Review:**

All relevant correspondences and records were reviewed as part of this inquiry, as well as documents relating to her attempts to refinance her existing mortgages.

**Conclusion(s):**

After meeting with PHCD representatives, it was determined that it was incumbent on PHCD to take whatever actions it felt necessary to remedy the situation. The remedies discussed ranged from devising administrative controls to prevent any possible exploitation by Ms. Ferrer with respect to the oversight of her loan; to transferring her to another department or office within PHCD where she would not have access to applicable information systems; and up to and including her being laid-off, which could potentially lead to her being pipelined to another county agency, albeit at a loss of seniority, pay and other benefits.

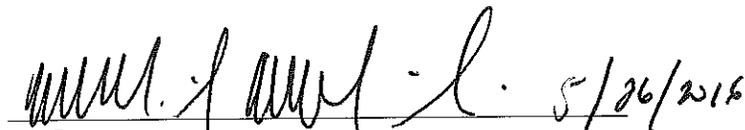
On May 19, 2016, PHC Director Michael Liu issued a letter to Ms. Ferrer advising that since she successfully refinanced her home with a loan from a private bank, she was no longer in violation of the County's ethics code. Accordingly, this case will be closed.



5/26/16

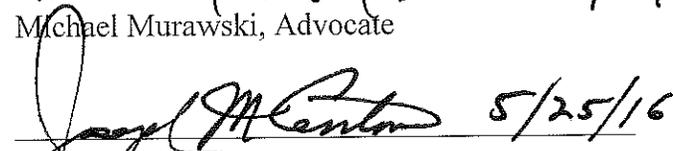
Karl Ross, COE Investigator

Approved by:



5/26/2016

Michael Murawski, Advocate



5/25/16

Joseph Centorino, Executive Director