

Biscayne Building  
19 West Flagler Street  
Suite 220  
Miami, Florida 33130  
Phone: (305) 579-2594  
Fax: (305) 579-2656

## Miami-Dade County Commission on Ethics and Public Trust

# Memo

**To:** Mike Murawski, independent advocate  
**Cc:** Robert Meyers, executive director  
**From:** Karl Ross, ethics investigator  
**Date:** July 27, 2006  
**Re:** K06-048 Sara L. Hernandez

---

The issue is whether Ms. Hernandez, a Miami-Dade Housing Agency employee since 1988, disposed of two lots she purchased at county auction in 2004 in violation of a Commission on Ethics opinion she received the following year.

### **Background:**

- On Feb. 9, 2004, Ms. Hernandez purchased a lot (15601 SW 297<sup>th</sup> St.) at county auction for \$12,177.12. She purchased a second lot on that same date (14600 SW 284<sup>th</sup> St.) for \$12,996.62, also at auction.
- On Jan. 28, 2005, Ms. Hernandez, a construction loan officer for affordable housing programs since 1993, wrote a letter to COE Investigator Art Skinner asking whether she could participate in affordable housing programs MDHA administers in order have several costly liens removed.
- On Feb. 23, 2005, Ms. Hernandez received an opinion from COE instructing her not to participate in the MDHA affordable housing programs. She was further advised not to participate in any such programs jointly with a developer while she retained a financial interest in the properties.

- On Aug. 12, 2005, Ms. Hernandez sold both properties to C.N.N. Development Corp., of 8181 NW 36<sup>th</sup> St. The sales price of each property was \$70,500 in what appear to be arms-length transactions.
- On May 22, 2006, the Office of the Inspector General (OIG) received an anonymous complaint regarding Ms. Hernandez, indicating she may have acted improperly in purchasing two county owned lots at auction.
- On June 5, 2006, OIG referred the complaint to the Miami-Dade police Public Corruption Investigations Bureau. The complaint was copied to COE Executive Director Robert Meyers.
- After conferring with detectives at PCIB, this office opened an investigation into Ms. Hernandez on June 13, 2006, to determine whether she incurred in a violation of the ethics ordinance.

### **Findings:**

- COE investigators interviewed Lazaro Sobrado, president of C.N.N. Development Corp., who stated that he never met Ms. Hernandez face-to-face. He said he learned of the availability of her lots through a mutual acquaintance, Jose Miranda, a real estate investor. He said he was not aware of any outstanding liens on the properties at the time he purchased them, assuming any such liens were satisfied by Ms. Hernandez at or prior to closing. He said he did not develop the properties in accordance with any county housing programs. He said he sold the homes during the pre-construction phase to buyers using conventional, private-sector financing.
- COE investigators spoke to Jose Miranda, who confirmed that he told Mr. Sobrado about Ms. Hernandez's lots. He said he had attempted to purchase the lots himself but was not successful because there were "a lot of liens" on the properties, making them too expensive for him. He said he knew Mr. Sobrado as an independent home builder who could afford the lots.
- COE investigators spoke to Ms. Hernandez on several occasions, and she advised that she paid the liens – totaling nearly \$30,000 on one property and about \$9,000 on the other -- at the time of closing with C.N.N. She confirmed the involvement of Mr. Miranda in arranging the sale to Mr. Sobrado. She later provided this office with copies of her closing statements. The HUD-1 forms corroborate that the liens were satisfied at closing, drawn from the proceeds of the sale to C.N.N. Development Corp.

### **Conclusion:**

After investigation, it does not appear that Ms. Hernandez acted improperly in disposing the lots in question. Ms. Hernandez properly consulted COE at the time she was considering participating in MDHA affordable housing programs in order to

get the liens waived. There is no indication she deviated from the ethics opinion in her subsequent sale of the properties to C.N.N. Development Corp. The liens were satisfied at closing, the HUD-1 settlement statement shows. Mr. Sobrado told investigators his buyers were approved by commercial lenders, and that no county agency facilitated the transactions. A review of Ms. Hernandez's personnel file shows she consistently received "above satisfactory" performance evaluations.