

Office of School Board Attorney
Walter J. Harvey, Board Attorney

SUBJECT: AUTHORIZATION TO FILE LAWSUIT AGAINST PALMETTO HOMES OF MIAMI, INC., AND COUNSELING AND EDUCATIONAL CONSULTING, INC., AND ANY OTHER INDISPENSABLE PARTY TO SEEK RECOVERY OF FUNDS IMPROPERLY USED IN CONNECTION WITH THE MIAMI PARTNERSHIP FOR ACTION IN COMMUNITIES GRANT ("PROJECT MPACT")

The School Board Attorney requests that the School Board authorize the filing of a lawsuit against Palmetto Homes of Miami, Inc., a Florida for Profit Corporation, and against Counseling and Educational Consulting, Inc., a Florida for Profit Corporation, two companies identified as being involved with the improper use of grant funds provided by the Miami Partnership For Action in Communities Task Force (also known as "Project MPACT").

The now defunct Project MPACT was examined by the Office of Management and Compliance Audits as part of their Audit program during the 2012-2013 school year. The audit examined Project MPACT's program activities from the 2002/2003 through the 2009/2010 fiscal years while it was an active program serving the school district. The audit disclosed, among other things, numerous instances of material weaknesses, misfeasance, irregular management practices, apparent conflicts of interest, and evidence of payroll fraud. The audit also revealed that there were substantial instances of non-compliance with grant requirements.

In filing this action against the identified parties, and any other indispensable party that might be implicated as the lawsuit progresses, through this lawsuit, the intent is to seek recovery (where possible) of any grant monies improperly disbursed by the parties, and the reimbursement of costs expended by the District. The lawsuit will also seek any and all liquidated damages authorized by contract and any other remedies provided by law.

The proposed litigation would be handled by The School Board Attorney's Office with the assistance from outside counsel specializing in this area.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida authorize the filing of a lawsuit against Palmetto Homes of Miami, Inc., and Counseling and Educational Consulting, Inc., and against any other indispensable party to seek recovery of funds that were improperly used in connection with the Miami Partnership for Action in Communities Grant ("Project MPACT"), and any other remedies that may be allowed by law.