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Miami-Dade agency's failures leave trail of trouble

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On a December day in 2004, with cameras flashing and smiles beaming, Miami-Dade Commissioner Dorrin D. Rolle stood center stage at the groundbreaking for a new youth and senior center being built by the James E. Scott Community Association, the inner-city nonprofit he directed.

"This project has been a long process and I'm glad to see it come to fruition," Rolle told the crowd gathered at 9201 NW Eighth Ave.

But by February 2009, U.S. Department of Housing and Urban Development auditors inspecting JESCA's \$1.5 million project found a vacant, unfinished building serving no one. Now HUD is clamoring for Miami-Dade County to pay back the \$827,212 in federal funds the county steered to the JESCA project. The county is out another \$675,000 of local money.

Today the failed project serves as a microcosm of Commissioner Rolle's management of the venerable agency, which is being liquidated in U.S. Bankruptcy Court, amid new questions about how he has improperly pushed the county to support an agency that paid him nearly \$200,000 a year in salary.

During his 16-year stewardship as president and chief executive of JESCA, federal and county funding was squandered. JESCA employees went unpaid. Retirement contributions were diverted. Rolle was sanctioned in 2002 for improperly using his sway at County Hall to attempt to benefit JESCA, and faces a second ethics charge leveled in May.

Rolle as county commissioner also voted in 2006 to award \$600,000 in county funds to his own nonprofit agency. His JESCA salary rose to \$198,000 the next year.

By the time Rolle stepped down as head of JESCA in 2008, the social services agency, which traces roots to 1925, was on the brink of financial collapse.

Commissioner Rolle declined to comment, citing pending litigation.

"Regrettably, I must wait to tell my side of the story either in the lawsuits themselves or after the lawsuits end," Rolle wrote in a letter to The Miami Herald.

As JESCA slumped into bankruptcy in August 2009, its debts tallied \$3.4 million against assets of \$1.7 million. Hopes of reorganizing quickly evaporated due to a dearth of funds, and now the 85-year old institution, named for a prominent local black leader, is dead.

JESCA owes \$352,013 in employee health insurance premiums to cash-strapped Jackson Memorial Hospital. The bulk of the unpaid hospital bills date to Rolle's tenure as JESCA chief executive. Commissioner Rolle sits on the Public Health Trust, which runs Jackson and is focused on helping resolve the hospital's severe financial woes.

Miami-Dade's Community Action Agency is out \$86,999 in funding it says JESCA never justified.

The Miami-Dade tax collector says it's owed \$8,626.

Nearly 90 former employees have filed claims seeking more than \$600,000 in wages that weren't paid, much of it under Rolle's watch. Some have sued Rolle and JESCA in U.S. District Court for their pay. JESCA employees included single mothers who grew up in Liberty City and attended JESCA programs as kids. There is little hope of the money being recouped.

"Someone should be charged with theft. That's a crime," said Marsha Williams, who worked in JESCA's homeless program 38 years. She's claiming \$20,000 in unpaid wages.

Retirement nest-egg contributions were deducted from paychecks in 2006 and 2007 under Rolle's watch, but never sent to the benefits administrator, AXA Equitable. Promised matching contributions also weren't made.

According to an investigation by the Miami-Dade Inspector General, JESCA diverted the retirement contributions to pay later payroll and operating expenses.

The U.S. Department of Labor puts the total at \$181,195. Both the Labor Department and Miami-Dade State Attorney's Office have launched investigations.

Critics say Rolle's stewardship of JESCA raises questions about his fitness as one of 13 county commissioners. Rolle chairs the County Commission's airport and seaport committee, overseeing two of the region's biggest economic engines.

"Seems like someone should be held accountable," said Donna Anderson Turner, a curriculum specialist in JESCA's Head Start program, who worked for the agency more than 35 years.

Yet Rolle, running for reelection next month, has reported \$154,000 in campaign contributions -- more than 10 times as much as his five challengers combined, as of the latest campaign filings. Just 6,379 votes were needed to elect him in 2006.

JESCA's demise was long in the making.

When Rolle, who joined JESCA in 1972 as a social worker, took the helm as CEO in 1992, he was entrusted with rebuilding the organization. Its former CEO Archie Hardwick was convicted of misusing agency funds. Hardwick, who died in prison, mispent JESCA money on cars, jewelry, mistresses, and a nose job.

But by 2004, JESCA was bouncing checks to pay employees, ringing up bank overdraft fees of \$331,299. Despite a steady spigot of government funding from federal Community Development Block Grants and programs like Head Start and Model Cities, it was chronically strapped for cash.

A string of audits revealed the agency comingled funds, a classic case of robbing Peter to pay Paul. Documentation was shoddy. JESCA often struggled to show it was actually delivering all the services it was getting paid for.

Employees tried to keep the agency stitched together. When the milkman cut off deliveries for nonpayment, JESCA's Head Start staffers reached into their own pockets to buy snacks for the kids. But the gaps ran too deep for employees to bridge.

In JESCA's 2006 annual report, outside auditors from Watson Rice warned of "substantial doubt" about the agency's ability to survive. Waving a red flag, the auditors said the nonprofit had just 46 cents to cover

each dollar of debt coming due.

JESCA named a new auditor the following year.

For years, county officials kept doling out federal and county money to JESCA, amid evidence of the agency's financial unraveling. JESCA employees never knew week to week whether they would be paid. By October 2007, they were complaining to county officials.

In 2007, Rolle sent out memos explaining bounced checks and delays in payroll.

It became common practice for staffers to race off to the bank or check-cashing spots. "You'd get there and there was no money," said Edna Wilson, who worked at JESCA more than eight years as a teacher's assistant.

A sore point among many employees was JESCA's annual gala dinner, a fundraiser where Rolle expected each staffer to pony up for three tickets. "When it went up to \$50 it was a stress and a strain to pay," said Wilson, who is seeking \$3,196 in unpaid wages. "When it went to \$75 and I was not getting paid, I didn't go."

The fundraiser drew much of its donations from local lawyers, lobbyists and companies doing business at County Hall.

One big donor was Dennis Stackhouse, a Boston developer fighting felony charges of stealing funds for a taxpayer-supported biotech center planned for Poinciana Park, a failed Liberty City project that Rolle helped push through the County Commission.

Commissioner Rolle sometimes crossed bright ethical lines, using his position at County Hall to advocate for JESCA, records show.

In 2002, Rolle was sanctioned for asking then-county Mayor Alex Penelas and others to include \$275,000 for JESCA, despite explicit ethics guidelines forbidding elected officials from exploiting their office for private gain.

This May, Rolle was charged again by the county Ethics Commission for pressing County Manager George Burgess for funding for JESCA's star-crossed community center in September 2007. That case is pending.

Still unanswered is what happened to the all the money that went to JESCA. Once in bankruptcy court, JESCA couldn't afford to hire an accounting firm for a financial autopsy.

Its real estate holdings had been sold off or heavily mortgaged. Just weeks before leaving, Rolle signed a \$220,000 mortgage on the failed community center. Lenders foreclosed on its properties. A long creditors' list has been tallied, but no one is getting paid.

The agency's bankruptcy attorney stepped down Jan. 28, citing "no business to reorganize."

"It's sad," said Turner, the Head Start staffer. "I wonder what James Scott would think. James Scott would never think it would end like this."