



**Joseph M. Centorino**, Inspector General

TO: Honorable Mayor and Members of the City Commission  
FROM: Joseph Centorino, Inspector General

DATE: September 22, 2021  
AUDIT: USA Dumpster Rentals LLC Roll-off Fee Revenues Audit  
OIG No. 21-32  
PERIOD: October 1, 2017 through April 30, 2021

This report is the result of an audit performed of the roll-off fees charged, collected, and remitted by USA Dumpster Rentals LLC from October 1, 2017 through April 30, 2021, and the City's processing of these payments. In addition, the Office of the Inspector General (OIG) Sanitation Tax Auditor examined the contractor's compliance with selected provisions of the City Code, including the obtaining of annual business tax receipts (BTRs), filing required reports, and maintaining sufficient insurance coverage.

## INTRODUCTION

City Code Section 90-2 defines a roll-off as a container with a minimum capacity of ten cubic yards designed to be transported by a motorized vehicle. These containers are used by contractors for the collection and disposal of construction and demolition debris and/or large quantities of trash and/or bulky waste, but not garbage or commercial refuse. Bulky waste represents large items of household refuse, such as appliances, furniture, accumulations from major tree cutbacks, large crates and like articles, while commercial refuse is all solid waste produced by commercial establishments.

The City's licensing and permitting software, EnerGov, listed thirteen roll-off contractors on July 9, 2021 with their 2020/21 fiscal year BTRs in "active" status and another two roll-off companies in "pending" status. "Pending" status means that the BTR is not yet valid or active, and is missing needed documentation and/or payment in full. The number of roll-off contractors in the City frequently changes, either upward as new contractors obtain their BTRs in compliance with City requirements, or downward as contractors merge or stop conducting business in Miami Beach and, consequently, do not renew their BTRs.

Roll-off contractors operating in Miami Beach are required to follow the terms outlined in the City Code, which include the monthly remittance of roll-off fees equal to the City Commission approved rate (18% from the beginning of the audit period, October 1, 2017, through September 2019 before it was increased to 20% on October 1, 2019 for the remainder of the audit period) multiplied by the total gross receipts for each contractor's City operations. City Code Section 90-221 defines gross receipts as the entire amount of fees collected by the contractor (whether wholly or partially

collected) for solid waste collection and disposal within the City, excluding any taxes, and gross receipts from servicing roll-off and portable containers.

City Code Section 90-278(4) requires that monthly reports, accompanied by payment of any owed fees, are to be submitted to the City's Finance Department by all authorized contractors at the end of the month after the month in which the gross receipts were generated. For example, the report and any corresponding fees related to May 2021 are due by June 30, 2021. Any unpaid fees that are not timely received are subject to penalties of 10% per month up to a maximum of 50%, plus interest of 1% per month.

City Code Section 90-278(3) requires that each roll-off contractor provide the City Manager with a current list of the names and addresses of each account upon its initial application. Upon any application for renewal of its permit, each contractor must provide the frequency of service, the permit number and capacity of each roll-off container or dumpster for each account, and the address serviced by each roll-off container or dumpster. This list of accounts is typically furnished concurrently with the monthly report to the Finance Department, and is essential in verifying the accuracy of the roll-off contractor's filings during the audit process.

When a roll-off contractor has annual gross receipts reported to the City over \$200,000.00, it must deliver to the Finance Department a statement of its annual gross receipts generated from accounts within the City for the preceding fiscal year, prepared by an independent Certified Public Accountant (C.P.A.). These statements of annual gross receipts are to be furnished to the City's Finance Department within 60 days following the close of the roll-off contractor's fiscal year pursuant to City Code Section 90-278(4). USA Dumpster Rentals LLC did not exceed this annual threshold during the audit period, and therefore did not have to submit this statement.

Lastly, City Code Section 90-196 details the required insurance coverage that must be maintained to ensure that Miami Beach citizens have safe, efficient, sanitary, and qualified licensed contractors.

## **OVERALL OPINION**

USA Dumpster Rentals LLC cooperated and provided the requested documentation needed to adequately perform this audit. The following deficiencies were noted during this audit:

1. Gross receipts totaling \$49,169.16 were not reported to the City during the audit period, resulting in \$13,734.60 in roll-off fees due (including penalties and interest).
2. USA Dumpster Rentals LLC did not timely submit any monthly reports of gross receipts during the audit period pursuant to City Code Section 90-278(4).
3. The documentation provided by USA Dumpster Rentals LLC showed 34 Miami Beach addresses in which roll-off services were performed during the audit period; however, it did not timely obtain any required roll-off permits from the City's Sanitation Division pursuant to City Code Section 90-277.
4. USA Dumpster Rentals LLC did not timely submit its list of accounts as required under City Code Section 90-278(3), but a listing of customer names was provided upon request that was reconciled with the positive confirmation letters returned from Miami Beach customers.

5. USA Dumpster Rentals LLC was issued three simultaneously active contact numbers in the EnerGov system, thereby complicating the search process to determine whether any outstanding monies were due, whether roll-off permits were issued to specific addresses, etc.

## PURPOSE

The purpose of this audit was to determine whether tested roll-off contractor filings were complete and accurate; whether corresponding remittances were correctly calculated using the City Commission approved roll-off permit fee rate; whether these filings and monies were timely received and accurately recorded by the City; and whether the contractor was compliant with other designated City Code sections.

## SCOPE

1. Confirm that the roll-off contractor maintained sufficient records to verify that its tested permit fee billings were correct; and that its corresponding Miami Beach gross receipts were correctly computed based on the monthly fees submitted to the City.
2. Confirm that the roll-off contractor timely submitted its tested monthly reports of gross receipts and remitted full payment of fees owed to the City.
3. Confirm that the roll-off contractor timely obtained its required annual BTRs during the audit period.
4. Confirm that the roll-off contractor complied with reporting requirements under City Code Section 90-278 during the audit period.
5. Confirm that the roll-off contractor maintained the required insurance coverage pursuant to City Code Section 90-196 during the audit period.
6. Confirm that tested monthly roll-off fee payments remitted were accurately recorded in the City's Financial System.

## FINDINGS AND RESULTS/RECOMMENDATIONS

1. ***Finding – Gross Receipts Totaling \$49,169.16 Were Not Reported To The City During The Audit Period Resulting In \$13,734.60 Due (Including Penalties And Interest)***  
City Code Section 90-221 defines gross receipts as "*the entire amount of the fees collected by the contractor (whether wholly or partially collected) for solid waste collection and disposal within the city and including, without limitation, but excluding any taxes, and gross receipts from servicing roll-off and portable containers.*" As USA Dumpster Rentals LLC did not submit any monthly reports or roll-off permit payments to the City during the October 1, 2017 through April 30, 2021 audit period, any identified applicable Miami Beach roll-off gross receipts would result in monies due.

The contractor fully cooperated and provided the requested documentation to the OIG Sanitation Tax Auditor, whereby it was determined that gross receipts related primarily to yard dumpsters, drop-off fees and various additional fees had not been reported. The

following table shows the summarized calculations by period comprising the \$13,734.60 (including penalties and interest) due to the City from USA Dumpster Rentals LLC.

<i>Period</i>	<i>Unreported Gross Receipts</i>	<i>Roll-Off Fee Rate</i>	<i>Roll-Off Fees Due</i>	<i>Penalties *</i>	<i>Interest *</i>	<i>Total Amount Due</i>
<i>Jan. 2018 – Dec. 2018</i>	\$5,736.12	18.00%	\$1,032.50	\$516.26	\$358.50	<b>\$1,907.26</b>
<i>Jan. 2019 – Sept. 2019</i>	\$6,921.16	18.00%	\$1,245.81	\$622.91	\$321.79	<b>\$2,190.51</b>
<i>Oct. 2019 – Dec. 2019</i>	\$840.96	20.00%	\$168.19	\$84.10	\$31.88	<b>\$284.17</b>
<i>Jan. 2020 - Dec. 2020</i>	\$23,183.16	20.00%	\$4,636.64	\$1,225.67	\$298.81	<b>\$6,161.12</b>
<i>Jan. 2021 - Apr. 2021</i>	\$12,487.76	20.00%	\$2,497.55	\$630.89	\$63.10	<b>\$3,191.54</b>
<b>Totals</b>	<b>\$49,169.16</b>		<b>\$9,580.69</b>	<b>\$3,079.83</b>	<b>\$1,074.08</b>	<b>\$13,734.60</b>

\* Penalties and interest were waived and not charged for late payments received during the period of March 1, 2020 through November 30, 2020 in compliance with City Resolution Nos. 2020-31237 and 2020-31390.

Results/Recommendations:

The identified unreported Miami Beach gross receipts were discussed with USA Dumpster Rentals LLC management, which agreed with OIG’s calculations. The Finance Department should promptly create a City Bill invoicing the roll-off contractor \$13,734.60 in unreported roll-off fees during the audit period, including penalties and interest. Once the City Bill is received, the roll-off contractor should timely remit full payment to avoid additional disciplinary actions pursuant to the City Code.

Finance Department’s Response:

The Finance – Revenue Division created invoice #32659 on 8/18/2021 in the amount of \$13,734.60.

2. **Finding – City Code Section 90-278(4) Required Monthly Reports of Gross Receipts Were Not Timely Submitted By USA Dumpster Rentals LLC During The Audit Period**  
City Code Section 90-278(4) states, “Each contractor shall deliver to the city’s finance department a true and correct monthly report of gross receipts generated during the previous month (from accounts within the city) on or before the last day of each month. This monthly report shall include the customer names, service addresses, account numbers, and the actual amount collected from each customer. Payments of any fees required in this section shall be made monthly to the finance department, on or before the last day of each month, for gross receipts of the previous month...” USA Dumpster Rentals LLC did not timely submit any monthly reports of gross receipts during the audit period. Once notified by the OIG Sanitation Tax Auditor, the roll-off contractor submitted the monthly reports of gross receipts for February 2021 and May 2021 to the Finance Department, along with a \$352.21 payment as recorded in the Munis System (the City’s enterprise resource planning system) on June 16, 2021.

Recommendation(s):

USA Dumpster Rentals LLC should comply with the requirements of City Code Section 90-278(4) by timely submitting monthly reports of gross receipts containing the required information for the Miami Beach addresses serviced. These reports are essential in

verifying the accuracy of the roll-off contractor's filings.

Lastly, the Sanitation Division should prepare and present a revision of the City Code to the City Commission requesting that all applicable roll-off contractors be required to timely submit a report of gross receipts for every month, even those in which no gross receipts have been earned. If roll-off contractors' \$0 monthly reports of gross receipts are not received timely by the Finance Department, there should be a fixed amount of late charges levied for each month as stipulated in the City Code.

Finance Department's Response:

The Finance – Revenue Division and Sanitation Division will monitor monthly reports of gross receipts and attempt to contact the contractor to remind them to file timely.

Sanitation Division's Response:

The recommendation to revise the City Code will be taken under consideration by the Sanitation Division.

**3. Finding – *Roll-Off Permits Were Not Timely Obtained By The Contractor For Each Miami Beach Location Serviced During The Audit Period Pursuant to City Code Section 90-277***

City Code Section 90-277 states, *"No rolloff container, dumpster or portable container shall be placed or located within the city without a permit from the city. Failure to obtain a permit will result in a penalty of \$100.00 per location."* Testing determined that USA Dumpster Rentals LLC did not obtain any roll-off permits during the audit period, despite providing documentation indicating that gross receipts were earned at 34 identified Miami Beach addresses. Finally, no violations were issued by the Code Compliance Department to USA Dumpster Rentals LLC related to placing these 34 roll-offs without obtaining a permit.

Recommendation(s):

USA Dumpster Rentals LLC should comply with the requirements of City Code Section 90-277 by obtaining a roll-off permit from the Sanitation Division for each Miami Beach address serviced. If not obtained timely, the Code Compliance Department should be promptly notified so that violations may be issued pursuant to City Code Section 90-277.

Sanitation Division's Response:

Sanitation staff will review the monthly reports of gross receipts and check that contractors have an active roll-off permit. If they do not, we will report them timely to Code Enforcement.

**4. Finding – *City Code Section 90-278(3) Required Lists Of Accounts Were Not Timely Submitted***

City Code Section 90-278(3) states *"Each contractor shall provide the city manager with a current list of the names and addresses of each account, upon initial application, and upon any application for renewal, of its permit, the frequency of service, and the permit number and capacity of each roll-off container or dumpster as per account and the address serviced by each roll-off container or dumpster. No property owner may share an account with another property owner."* Testing determined that USA Dumpster Rentals LLC did

not provide the City Manager with any lists of accounts during the audit period; however, they were provided upon request to the OIG Sanitation Tax Auditor. These listings are essential in verifying the accuracy of the roll-off contractor's filings during the audit process as its customer data is subsequently reconciled with the supporting documentation provided.

Furthermore, the lists of accounts were used to prepare and mail positive confirmation letters to Miami Beach roll-off customers. Positive confirmation letters are sent to customers by the OIG to confirm accuracy or to supply information and send it back to the auditor. OIG's corresponding reconciliation of all completed and returned confirmation letters with the lists of accounts did not identify any material differences.

Recommendation(s):

USA Dumpster Rentals LLC should comply with the requirements of City Code Section 90-278(3) by timely submitting its lists of accounts to the City Manager. If not received timely, the City should promptly contact the contractor regarding its omission. In addition, the Sanitation Division should prepare and present a revision of the City Code to the City Commission requesting the establishment of a fixed late filing fee for any instances that these lists of accounts are not timely received.

Finance Department's Response:

The Finance – Revenue Division will verify that there is a list of accounts submitted with each monthly report and roll-off fee payment.

Sanitation Division's Response:

The recommendation to revise the City Code will be taken under consideration by the Sanitation Division.

**5. Finding – USA Dumpster Rentals LLC Was Issued Three Different Contact Numbers in the EnerGov System Thereby Complicating the Search Process To Determine Whether Any Outstanding Balances Exist, Roll-off Permits Were Issued to Specific Addresses, Etc.**

The Tyler Technologies EnerGov system's CSS (Customer Service System) Portal is the web-based interface that customers use to engage with related City needs. Customers, such as USA Dumpster Rentals LLC, create password protected contact numbers through the CSS containing all their relevant information.

Consequently, customers can, and often do, create numerous assigned contact numbers. Multiple contact numbers are often created for different individuals working at the same company, different locations serviced by the company, when a customer forgets his/her password, etc. For example, multiple contact numbers at the same property address could be issued to the homeowner, another to a contractor performing work on the property, and another to the contractor obtaining a roll-off permit. Regardless of the reasons and the genesis of this systemic deficiency, it has grown exponentially over time, significantly complicating the search process and resulting in undetected outstanding balances.

When more than one contact number is created in the EnerGov system; it can create confusion as roll-off permits, Code Compliance violations, outstanding balances, etc. may

be entered under any of the issued contact numbers. Consequently, the reviewer must be cognizant of all contact numbers in existence and review them in their totality to obtain an accurate representation of the individual or company's status.

The OIG Sanitation Tax Auditor's review of the EnerGov system determined that USA Dumpster Rentals LLC was issued the following three contact numbers for which the listed number of roll-off permits were assigned: ID-000030956, containing five roll-off permits; ID-000037813 and ID-000037889, each containing one roll-off permit. Although there were no outstanding balances due associated with any of these contact numbers, other recent roll-off fee revenue audits have found monies owed that were not detected by City personnel.

Recommendation(s):

It is recommended that only one active contact number be assigned to each entity to facilitate effective and accurate searches. It is recommended that the City's I.T. Department begin deleting these multiple contact numbers and transfer any corresponding transactions to a contact number under the control of the property owner, business owner, etc. The OIG understands that this is a time-consuming labor-intensive task, but believes that this issue should be addressed as soon as possible. The I.T. Department should contact Tyler Technologies to determine whether sub-contact numbers could be linked to the main contact number issued to the property or business owner.

Information Technology Department's Response:

The I.T. Department cannot delete contacts in the EnerGov without an involvement of the departments, in this case Public Works (PW). These kinds of actions are irreversible and can cause records issues in the future. Departments that use those contacts need to be involved in this process. I.T. currently has tools in place for the merging of contacts if more than one contact is being used. Departments must submit a MB Assist for this explaining what contacts must be kept and which ones inactivated. The departments are the ones that use these contacts every day and I.T. needs their guidance/decision for this process.

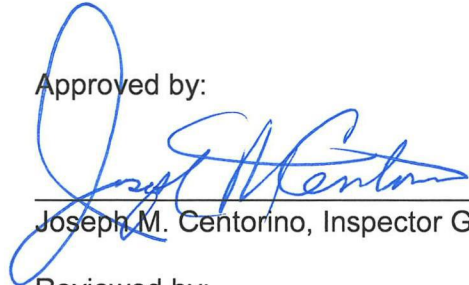
Tyler Technologies is currently working in linking main contacts to sub-contacts, which is available in EnerGov 2021 version. EnerGov 2021 is contingent on upgrading Munis for compatibility, which is scheduled to move into test in March of 2022. If the issue is that multiple people are applying from multiple contacts, in addition to the linking contacts that is coming up in 2021, I.T. can also suggest for PW to start using the "Certifications" section. This is similar to what Building currently is using. That will indirectly force companies to only use one contact because EnerGov will only allow the contact with the certificate to apply for that specific permit.

**CONCLUSION**

The OIG sent an August 17, 2021 email, containing the draft audit report, giving each auditee thirty working days to submit a written explanation or rebuttal of the findings, pursuant to City Ordinance No. 2019-4239(h). All responses subsequently received were included in this audit report following each applicable finding. USA Dumpster Rentals LLC

verbally agreed with the listed findings during phone conversations with OIG staff and opted not to include a response in the final report. Finally, the roll-off contractor sent a September 21, 2021 email to the OIG requesting the creation of a payment plan to eliminate the identified outstanding balance identified in this report.

Approved by:

  
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Joseph M. Centorino, Inspector General

09/22/2021  
Date

Reviewed by:

  
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Mark D. Coolidge, Chief Auditor

09-22-2021  
Date

  
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Norman Blaiotta, Deputy Chief Auditor

9/22/2021  
Date

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Juan Ospina, Tax Auditor

09/23/2021  
Date

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