

**City of Miami Beach**, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)  
Office of Internal Audit  
Tel: 305-673-7020

TO: Jimmy L. Morales, City Manager  
VIA: Mark D. Coolidge, Interim Internal Auditor  
FROM: Carmin Dufour, Tax Auditor



DATE: September 30, 2018  
AUDIT: Recover Right, LLC  
PERIOD: September 2015 to June 2018

This report is the result of a scheduled audit of the roll-off fee returns filed and the corresponding amounts paid by Recover Right, LLC during the period of September 2015 through June 2018.

### INTRODUCTION

A roll-off is defined as a container with a minimum capacity of ten cubic yards designed to be transported by a motorized vehicle. They are typically used for the purpose of removing construction debris, which include rock, metal and other materials used in connection with a construction project or for the removal of large quantities of trash and bulky waste.

Although it is a dynamic number, fifteen companies currently possess business tax receipts authorizing them to operate roll-offs within the City's boundaries. They are required to abide by the terms outlined in the City Code which among other terms includes the remittance of 18% roll-off fees of the contractor's total applicable Miami Beach gross receipts with any fees deemed not paid subject to penalties of 10% per month up to a maximum of 50% plus interest of 1% per month. The term gross receipts mean 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.

Monthly reports are to be submitted to the City's Finance Department by the end of the subsequent month of the gross receipts generated during the previous month within the City. For example, October 2017's report was due by November 30, 2017; November 2017's report was due by December 31, 2017 and so on. In addition, the contractor is to deliver to the City's Finance Department a statement of annual gross receipts generated from accounts within the City for the preceding fiscal year, certified by an independent certified public accountant.

### OVERALL OPINION

During random unannounced field visits, Office of Internal Audit staff discovered that Recover Right, LLC was operating in the City without a valid business tax receipt (BTR). The City's Code Compliance Department was notified, and they issued violation #CC2018-04509 in the amount of \$1,000.00. As a result, the roll-off contractor obtained a BTR to operate in the City. Historically the lack of non-filing of franchise returns has led to the discovery of not reporting revenues to the City of Miami Beach, FL. Therefore, we scheduled our audit to confirm whether this contractor is compliant whereby no other deficiencies were noted.

## PURPOSE

The purpose of this audit is to determine whether tested roll-off contractor billings and filings were correct; whether tested remittances were correctly calculated, received timely and accurately recorded by the City, and whether the contractor was in compliance with designated sections of the City Code and related Ordinances.

## SCOPE

1. Confirm that Recover Right, LLC maintained sufficient books and records to verify that their billings were correct; their gross receipts were correctly calculated and support the monthly fees submitted to the City.
2. Confirm that Recover Right, LLC is timely submitting the Monthly Reports of Gross Receipts along with their corresponding full remittances to the City.
3. Confirm that the roll-off contractor timely obtained their required annual business tax receipts during the audit period.
4. Confirm that Recover Right, LLC has complied with City Code Section 90-278's reporting requirements during the audit period.
5. Confirm that the roll-off contractor has obtained the required insurance in adherence with City Code Section 90-196 during the audit period.
6. Confirm that tested monthly roll-off fee returns were accurately recorded in the City's Financial System.

## FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSE

1. Finding – *Violation #CC2018-04509 for \$1,000 Remains Unpaid to Date*  
Section 90-276 states "Except as provided elsewhere in this article, no person shall engage in the business of removing or disposing of construction and demolition debris or large quantities of trash from any premises within the city limits without first securing a license for such activities from the City Manager by paying the license fee as set forth in chapter 18 of this code." Recover Right, LLC did not timely obtain their annual business tax receipt to operate in the City of Miami Beach. At the Office of Internal Audit's request, a Code Compliance Department officer was dispatched and the roll-off contractor was issued violation #CC2018-04509 for \$1,000. Although Recover Right, LLC has since obtained their business tax receipt, they still have not paid the violation amount as of September 30, 2018.

### Recommendation

Recover Right, LLC should promptly remit the violation amount of \$1,000 or the City may terminate their business tax receipt.

Internal Audit Report  
Recover Right, LLC  
September 30, 2018

## **EXIT CONFERENCE**

This audit report was e-mailed to Recover Right, LLC's management whereby they agreed to the findings contained herein.

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cc: Eric Carpenter, Assistant City Manager  
Roy Coley, Public Works Department Director  
Ronda McPherson, Interim Sanitation Department Director  
John Woodruff, Chief Financial Officer  
Lisa Bowman, Recover Right, LLC (Owner)