



**Joseph M. Centorino**, Inspector General

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

DATE: December 5, 2022  
AUDIT: Waste Plus, Inc. Roll-off Fee Revenues Audit  
OIG No. 22-18  
PERIOD: April 1, 2018 through December 31, 2021

This report stems from an audit performed of the roll-off permit fees charged, collected, and remitted by Waste Plus, Inc. to the City Finance Department during the April 1, 2018 through December 31, 2021 audit period. The City of Miami Beach Office of the Inspector General (OIG) Sanitation Tax Auditor examined the roll-off contractor's compliance with selected provisions in the City Code, including obtaining annual business tax receipts (BTRs), filing required reports, and maintaining sufficient insurance coverage. The performance of City staff responsible for monitoring Waste Plus, Inc. and the processing of all payments received from the contractor was also reviewed.

## **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. Contractors use these containers to collect and dispose 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 consists of all solid waste produced by commercial establishments.

The City's licensing and permitting system, EnerGov, reported 22 roll-off contractors on September 14, 2022 with 2021/22 fiscal year BTRs in "active" status, two roll-off contractors in "pending" status, two contractors in "applied" status, and one contractor in "revoke" status. The number of roll-off contractors frequently changes, either upward as new contractors abide by the City's guidelines and obtain their BTRs, or downward as contractors merge or stop conducting business in Miami Beach and do not renew their BTRs.

"Pending" status means that the BTR is not yet valid or active and missing needed documentation and/or payment. "Applied" status means that the application for a BTR was submitted to the Finance Department and is being reviewed to determine whether the contractor fulfilled all the requirements for issuance. "Revoke" status means the BTR previously issued by the City was rescinded for stated reasons.

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 through September 30, 2019 and 20% 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, 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 monthly report and any associated roll-off fees owed for July 2022 are due by August 31, 2022. 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 submitted concurrently with the monthly report to the Finance Department. It is an essential document to verify the accuracy of the roll-off contractor's filings during the audit process.

When the roll-off contractor has annual gross receipts reported to the City of more than \$200,000.00, it must deliver to the City's Finance Department a statement of 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 within sixty days following the close of the roll-off contractor's fiscal year pursuant to City Code Section 90-278(4).

Lastly, City Code Section 90-196 details the required insurance coverage to be maintained by qualified licensed roll-off contractors, and Section 90-193 addresses the need to obtain permits for all accounts serviced in the City.

## **OVERALL OPINION**

The OIG Sanitation Tax Auditor made multiple requests to the contractor over many months for the records needed to perform the audit. The contractor repeatedly either ignored these requests or needed time extensions for various reasons. As a result, the OIG served three subpoenas to Waste Plus, Inc. representatives during the audit process, but the contractor did not fully comply, providing some, but not all of the requested documentation. After more than 18 months of waiting and granting requested time extensions, the audit was completed with the best available information furnished to the OIG Sanitation Tax Auditor. All unsubstantiated transactions believed to have occurred in Miami Beach were assessed. The contractor has the burden of proof regarding such transactions, based on an opinion provided by the City Attorney's Office, and failed to meet that burden during this audit.

The contractor filed few Roll-Off Permit Fee returns and remitted little payments to the City's Finance Department for the months comprising the April 1, 2018 through December 31, 2021

audit period. Waste Plus, Inc. submitted its last Roll-off Permit Fee return on April 19, 2022, related to Miami Beach transactions occurring in March 2022, which is outside the audit period. However, the contractor continued to operate in Miami Beach, and it received at least three subsequent Notices of Violation from the City Code Compliance Department. Throughout the audit process, Waste Plus, Inc. remained non-cooperative with the OIG and non-compliant with the City Code.

The following deficiencies, separated by the deficient party(ies), were identified during the audit process:

A. Findings pertaining solely to Waste Plus, Inc.

1. Waste Plus, Inc. misclassified roll-off gross receipts totaling \$17,209.01 and did not report an additional \$655,595.65 in gross receipts to the City Finance Department during the audit period, resulting in unpaid roll-off permit fees due of \$213,355.79, including penalties and interest. In addition, \$7,675.48 in associated audit costs is due pursuant to City Code Section 90-278(6).
2. Waste Plus, Inc. records provided to the OIG indicate the performance of roll-off services at 26 Miami Beach locations during the audit period without its obtaining the roll-off permits required by City Code Sections 90-193, 90-276, and 90-278(6)(a-c). No Notices of Violation were issued to the contractor for these incidents by the Code Compliance Department.
3. Waste Plus, Inc. did not timely obtain its 2018/19 and 2019/20 fiscal years Business Tax Receipts from the City Finance Department, for which no Notices of Violation were issued by the Code Compliance Department.
4. \$7,300.00 in Notices of Violation issued by the Code Compliance Department to Waste Plus, Inc. during the 2020/21 and 2021/22 fiscal years remain unpaid as of November 29, 2022.
5. Waste Plus, Inc. did not provide the requested documentation to the OIG needed to determine whether it was compliant with City Code Section 90-278(4) related to the submittal of annual statements of gross receipts prepared by a Certified Public Accountant during the audit period.

B. Findings pertaining solely to the City

6. Waste Plus, Inc. was assigned eight different contact numbers in the City's EnerGov system, thereby complicating the search process to determine whether any outstanding balances existed.

C. Findings pertaining to both Waste Plus, Inc., and the City

7. Waste Plus, Inc. did not timely remit its monthly roll-off permit fees, but the Finance Department did not charge the contractor \$104.39 due in penalties and interest during the audit period pursuant to City Code Section 90-278(6)(a-c).
8. The roll-off contractor did not timely submit its lists of accounts to the City Manager pursuant to City Code Section 90-278(3), and no evidence was provided by City staff indicating that any were requested.

## 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 filings and monies were timely received and correctly recorded by the City Finance Department; and whether the contractor was compliant with other designated City Code sections.

**SCOPE**

1. Determine whether the roll-off contractor maintained sufficient records to verify whether its tested permit fee billings were correct; and whether its corresponding Miami Beach gross receipts were accurately computed based on the monthly fees submitted to the City.
2. Determine whether the roll-off contractor timely submitted its tested monthly reports of gross receipts and remitted full payment of fees due to the City; if not, determine whether the appropriate penalties and interest charges were assessed pursuant to City Code Section 90-278(6)(a-c).
3. Determine whether the roll-off contractor timely obtained its required annual BTRs.
4. Determine whether the roll-off contractor complied with reporting requirements listed in City Code Section 90-278.
5. Determine whether the roll-off contractor maintained the required insurance coverage pursuant to City Code Sections 90-191 and 90-196.
6. Determine whether tested monthly roll-off fee payments remitted were accurately recorded in the City's Financial System.

**FINDINGS AND RESULTS/RECOMMENDATIONS**

The findings below are separated by those pertaining solely to the roll-off contractor, those pertaining solely to the City, and any pertaining to both the roll-off contractor and the City.

**A. Findings Pertaining Solely to Waste Plus, Inc.**

1. ***Unreported Roll-off Permit Fees Totaling \$213,355.79 (Including Penalties and Interest) And \$7,675.48 In Audit Costs Are Due To The City.***  
 The Munis system, the City’s enterprise resource planning system, reported that Waste Plus, Inc. made the following nine Roll-off Permit Fee monthly payments related to the 45-month audit period, totaling \$8,740.00:

Filed Monthly Return	Amount Paid
May 2021	\$180.00
June 2021 *	\$180.00
June 2021*	\$480.00
July 2021	\$420.00
August 2021	\$620.00
September 2021	\$1,150.00
October 2021	\$2,930.00
November 2021	\$1,760.00
December 2021	\$1,020.00
<b>Total</b>	<b>\$8,740.00</b>

\* The roll-off contractor filed two separate Roll-off Permit Fee returns for June 2021.

Contractors were not required by the City Code during the audit period to file monthly Roll-Off Fee Returns when no monies were due to the City. Therefore, the Finance Department would not have been aware that any monthly returns/payments due were not filed, as City staff likely assumed that the contractor did not perform any related Miami Beach roll-off transactions for any unreported months. This shortcoming was resolved through the passage of City Ordinance No. 2021-4456, effective December 18, 2021, which among other provisions, requires roll-off contractors to file monthly returns regardless of whether any work was performed within the City and it levies a \$50 late filing fee for each month that the return is delinquent.

City Code Section 90-221 defines gross receipts as follows: *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.* The OIG Sanitation Tax Auditor examined all contractor furnished documentation to determine the amount of monthly roll-off gross receipts occurring within the City during the April 1, 2018 through December 31, 2021 audit period. These calculated amounts were then compared to the remitted roll-off fee payments, with any identified differences assessed.

Review by the OIG Sanitation Tax Auditor of the invoices provided by the contractor determined that 94 Miami Beach transactions totaling \$17,209.01 were misclassified and were not included in its monthly Roll-off Permit Fee Returns filed with the City Finance Department. These taxable transactions were primarily related to charges associated with overweight roll-offs, 20-yard dumpsters, transportation/travel time, and were reduced by any discounts given to customers. In sum, the OIG Sanitation Tax Auditor calculated that \$4,691.53 in related roll-off permit fees are due to the City (including penalties and interest), as shown by calendar year in the table below.

<i>Calendar Year</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. 2020 – Dec. 2020</i>	\$6,598.00	20%	\$1,319.60	\$0.00	\$0.00	\$1,319.60
<i>Jan. 2021 – Dec. 2021</i>	\$10,611.01	20%	\$2,122.20	\$1,061.15	\$188.58	\$3,371.93
<b><i>Totals</i></b>	<b>\$17,209.01</b>		<b>\$3,441.80</b>	<b>\$1,061.15</b>	<b>\$188.58</b>	<b>\$4,691.53</b>

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

The OIG Sanitation Tax Auditor made more than twenty requests over many months to the contractor, primarily by email and telephone, requesting the records needed to complete the audit. The contractor requested and was granted several time extensions during the audit due to asserted personal reasons and hardships. Three subpoenas were served on contractor management at different times in the audit process. Despite these multiple requests, the contractor only provided limited records to the OIG (e.g., General Ledger, relevant pages of the filed Federal Income Tax Returns, and Dispatch Reports). As a result, the OIG completed the audit based on these limited records and assessed all unsubstantiated transactions believed to have occurred in Miami Beach. Requested invoices would have confirmed whether all these transactions were taxable, but they were not provided.

Review of the furnished contractor documentation identified 1,677 roll-off transactions on its General Ledger that were related to City issued Building permits and were also included on the provided Dispatch Reports. The OIG Sanitation Tax Auditor found evidence indicating that many of the contractor’s customers performed work within the City’s boundaries. These transactions involved 36 different companies and the associated charges were related to dumpster service, overweight roll-offs, service, transportation/travel time, and were offset by applicable discounts.

Based on the available records, the OIG Sanitation Tax Auditor calculated \$208,664.26 in roll-off permit fees due to the City (including penalties and interest), as shown by period in the table below. In addition, the provided General Ledger shows that Waste Plus, Inc. charged and collected roll-off permit fees on these transactions but did not remit the corresponding monies to the City Finance Department, specifically, General Ledger accounts 40158 “franchise fee,” 40800 “other services,” and “miscellaneous” reported roll-off permit fee revenues.

<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>	\$107,740.50	18%	\$19,393.48	\$9,696.94	\$9,230.35	\$38,320.77
<i>Jan. 2019 – Sept. 2019</i>	\$176,775.95	18%	\$31,819.96	\$15,910.28	\$11,878.48	\$59,608.72
<i>Oct. 2019 – Dec. 2019</i>	\$65,846.78	20%	\$13,169.36	\$6,584.82	\$4,327.51	\$24,081.69
<i>Jan. 2020 – Dec. 2020</i>	\$156,585.75	20%	\$31,317.15	\$4,306.06	\$2,295.13	\$37,918.34
<i>Jan. 2021 – Dec. 2021</i>	\$148,646.67	20%	\$29,729.33	\$14,864.89	\$4,140.52	\$48,734.74
<b>Totals</b>	<b>\$655,595.65</b>		<b>\$125,429.28</b>	<b>\$51,362.99</b>	<b>\$31,871.99</b>	<b>\$208,664.26</b>

\* City Commission approved roll-off permit fees equaled 18% from the beginning of the audit period, April 1, 2018, through October 4, 2019, and 20% from October 5, 2019 through the end of the audit period, December 31, 2021.

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

In addition, City Code Section 90-278(6) states as follow: *If the contractor fails to timely pay the full permit fee as set forth in subsections (1) and (2) of this section, the contractor shall pay any and all of the city's expenses for collection of such fees, including, but not limited to, court costs, audit costs and reasonable attorney fees.* As a result, it was calculated that the City is due \$7,675.48 in audit costs through September 23, 2022 related to the completion of this audit by the OIG Sanitation Tax Auditor.

Results/Recommendations:

The City’s Finance Department should invoice Waste Plus, Inc. \$213,355.79 (\$4,691.53 Misclassified Gross Receipts + \$208,664.26 Unreported Gross Receipts) due to unreported/unpaid roll-off permit fees, including penalties and interest. The Finance Department should also invoice the contractor \$7,675.48 in audit costs through September 23, 2022 pursuant to City Code Section 90-278(6). Once these invoices are received, the roll-off contractor should timely remit full payment to avoid additional disciplinary actions under the City Code. Lastly, Waste Plus, Inc. should consistently and accurately file its future monthly roll-off fee returns to the City.

Finance Department Response:

The Finance – Revenue Division issued Invoice # 39649 Waste Plus, Inc. for \$4,691.53 which represents:

- o Audit findings of misclassified gross receipts resulting in underpaid fees of \$3,441.80.

- Penalties of \$1,061.15 on the additional fees.
- Interest of \$188.58 on the additional fees.

The Finance Revenue team has also invoiced (# 39650) Waste Plus, Inc. for \$208,664.26 which represents:

- Audit findings of unreported gross receipts resulting in underpaid fees of \$125,429.28.
- Penalties of \$51,362.99 on the additional fees.
- Interest of \$31,871.99 on the additional fees.

The Finance Revenue team has additionally invoiced (# 39652) Waste Plus, Inc. for \$7,675.48 for audit costs through September 23, 2022 related to the audit findings for the period from January 2018 – December 2021.

The findings of the OIG further stated that Waste Plus, Inc. should consistently and accurately file its future monthly roll-off fee returns to the City. The Finance Revenue team has monitored the monthly submissions for those months subsequent to the audit and made the following observations:

- Waste Plus, Inc. timely filed the monthly reports required (including accompanying payment) under City Code Section 90-278(4) for the period of Jan 2022-Mar 2022.
- The Finance Revenue team emailed Waste Plus, Inc. in July because we were missing filings for the months of Apr 2022-Jun 2022. We received an email response on July 29, 2022 from Waste Plus, Inc. that they had moved their business elsewhere and were no longer operating in the City of Miami Beach and therefore no filings for Apr 2022 or thereafter were necessary. Moreover, Waste Plus, Inc. stated that per their understanding, their license had been revoked since Feb 2022.

**2. *Waste Plus, Inc. Records Provided To The OIG Indicate The Performance Of Roll-Off Services At 26 Miami Beach Locations During The Audit Period Without Its Obtaining The Required Permits Contrary To City Code, With No Notices Of Violation Being Issued.***

City Code Section 90-193 states: *The city manager shall require, and will issue, a permit for each garbage facility, recycling, hazardous and biohazardous waste, rolloff and portable container, for all solid waste accounts in the city serviced by a private waste contractor. The permit for solid waste collection and disposal shall be issued by the city manager after the contractor has complied with all requirements for obtaining a business tax receipt; any and all other requirements prescribed by this chapter; and has been cleared by the city's finance department. Rolloffs, portable containers and containers for recycling or hazardous and biohazardous wastes shall be included, except that all recycling containers situated in a single location on a property shall require only one permit.* Roll-off permits are issued to contractors by the Sanitation Division upon satisfying all the designated requirements. If contractors perform roll-off services without timely obtaining the required permit, then each address is subject to the issuance of a Notice of Violation or NOV by the Code Compliance Department.

Upon reviewing the Dispatch Reports furnished by Waste Plus, Inc., the OIG Sanitation Tax Auditor determined that the contractor performed roll-off services at the following 26

Miami Beach addresses without obtaining the required permits from the Sanitation Division:

- |                                    |                             |
|------------------------------------|-----------------------------|
| 1) 100 South Pointe Drive          | 14) 4309 Sheridan Avenue    |
| 2) 1030 W. 47th Street             | 15) 4779 Collins Avenue     |
| 3) 1134 South Biscayne Point Drive | 16) 4929 Pine Tree Drive    |
| 4) 158 Palm Avenue                 | 17) 530 W. 41st Street      |
| 5) 1691 Daytonia Road              | 18) 5313 Collins Avenue     |
| 6) 1844 Daytonia Road              | 19) 5315 Alton Road         |
| 7) 1925 West Avenue                | 20) 5736 La Gorce Drive     |
| 8) 2050 Bay Drive                  | 21) 601 Washington Avenue   |
| 9) 3725 Pine Tree Drive            | 22) 6950 Indian Creek Drive |
| 10) 3734 Chase Avenue              | 23) 7116 Bay Drive          |
| 11) 4000 Alton Road                | 24) 720 South Shore Drive   |
| 12) 4101 Pine Tree Drive           | 25) 8240 Hawthorne Avenue   |
| 13) 4251 N. Bay Road               | 26) 875 W. 47th Street      |

As the Code Compliance Department is primarily complaint driven, no evidence was found indicating that it was notified of the unpermitted job sites. The City Attorney's Office previously confirmed during phone conversations with the OIG that NOVs can be issued retroactively by the Code Compliance Department to the contractor.

On February 9, 2022, the Sanitation Tax Auditor received two emails from the contractor. The first was related to invoice #21010 (dated March 9, 2020) involving the address, 720 South Shore Drive, while the second email, which contained the same invoice number as the original invoice was changed, stated that the correct address was 6525 Collins Avenue. The address, 720 South Shore Drive, did not have a roll-off permit; however, it was listed on the contractor Dispatch Reports during the audit period, and is one of the 26 addresses listed above serviced without a roll-off permit.

Results/Recommendations:

The Code Compliance Department should issue 26 NOVs for \$100 each to Waste Plus, Inc. for unpermitted work at the listed addresses. Once received, the roll-off contractor should promptly remit the corresponding payments due to avoid possible additional penalties. Waste Plus, Inc. should comply with the City Code and timely obtain the required roll-off permits for future Miami Beach addresses serviced or be subject to receiving NOVs from the Code Compliance Department.

Although the change on the original invoice from one Miami Beach address to another did not affect this audit finding, the contractor should not be allowed to prospectively change the information on its previously issued invoices. Making such changes could undermine the integrity of the data in the contractor's reporting system.

**3. *Waste Plus, Inc. Did Not Timely Obtain its 2018/19 and 2019/2020 Fiscal Year BTR Related to Roll-Offs, For Which No Notices Of Violation Were Issued By The Code Compliance Department.***

City Code Section 102-356 defines business tax as the fees charged for which the City grants the privilege of engaging in or managing any business, profession, or occupation within the city's jurisdiction. Furthermore, Section 102-360 states: *Each business tax receipt shall be valid for one year. Tax receipts shall be issued beginning October 1 of each year and shall expire on September 30 of the following year*" and, as Section 102-



370 explains, “(a) *The city shall endeavor to notify all business tax receipt holders that their business tax receipts are due for renewal. However, if the taxee does not receive a renewal notification, the taxee is responsible to renew the business tax prior to October 1 to avoid delinquent charges.*

In addition, Section 90-192 states: *(a) No person shall engage in the business of disposal and/or collection of any kind of solid waste, or recyclable material within the city without first having been approved by the city manager, and having secured a current business tax receipt for such activity.* Section 90-278(7) states: *In order to effectively provide for the collection of the permit fee by the contractor to the city, any person seeking to renew his/her annual business tax receipt pursuant to the provisions of chapter 102, article CV, in addition to the requirements contained therein, shall provide to the finance director evidence of payment of all outstanding permit fees, fines and other charges as a condition to reissuance or renewal of the business license.* Lastly, Section 102-377 states: *(a) Any person who shall carry on or conduct any business for which a tax receipt is required by this article without first obtaining such tax receipt shall be issued a violation for the offense which shall have a civil fine of \$1,000.00. The enhanced enforcement for this violation shall be pursuant to subsection 102-377(d) herein. (d) In addition to the above, a continued violation of subsection 102-377(a) for a period of 30 days or more without first obtaining a tax receipt, shall be punished by imprisonment not to exceed 60 days or by imposition of a fine not to exceed \$500.00 or both.*

The City’s EnerGov system reported the following statuses related to the contractor’s BTR for each fiscal year comprising the audit period:

<u>Fiscal Year *</u>	<u>License/BTR #</u>	<u>Status</u>	<u>License/BTR Fee</u>
2017/18	RL-10006940	Issued	Paid
2018/19	Not Billed	Not Issued	Paid (07/14/2021)
2019/20	Not Billed	Not Issued	Paid (07/14/2021)
2020/21	RL-10006940	Issued	Paid
2021/22	RL-10006940	Revoked	Paid

\* The City’s fiscal year starts annually each October 1<sup>st</sup> and ends September 30<sup>th</sup>; therefore, the 2017/18 fiscal year would represent October 1, 2017 through September 30, 2018.

Waste Plus, Inc. received its BTRs for the 2018/19 and 2019/20 fiscal years on July 14, 2021, which is well after its October 1<sup>st</sup> annual due dates. Therefore, the contractor did not have a valid active BTR from October 1, 2018 through its payment and issuance on July 14, 2021.

Then, the contractor provided OIG staff on August 5, 2021 with an affidavit signed under oath stating, *Waste Plus have not conducted any dumpster services from April 2018 till June 2021.* However, the furnished Dispatch Reports and issued roll-off permits confirm that the contractor conducted business within the City during this period, contrary to the affidavit.

As the Code Compliance Department is primarily complaint driven, no evidence was found indicating that it was notified, so no related NOVs were issued to the non-compliant contractor. The City Attorney’s Office confirmed in a May 25, 2022 email that if a roll-off contractor performed services without a BTR in a specific fiscal year, a Notice Of Violation for operating in the City without a valid BTR can be issued retroactively by the Code Compliance Department.

Results/Recommendations:

The Code Compliance Department should issue the contractor two separate NOVs for \$1,000 each related to its failure to timely obtain the required BTRs for the 2018/19 and 2019/20 fiscal years. Waste Plus, Inc. should comply with the City Code and timely obtain its future BTRs or be subject to receiving NOVs from the Code Compliance Department.

**4. \$7,300.00 In Notices Of Violation Issued By The Code Compliance Department During The 2020/21 and 2021/22 Fiscal Years Remain Unpaid As Of September 28, 2022.**

City Code Section 102-377 states: (a)Any person who shall carry on or conduct any business for which a tax receipt is required by this article without first obtaining such tax receipt shall be issued a violation for the offense which shall have a civil fine of \$1,000.00.

City Code Section 90-40(b) states: Violations of section 90-98: (1) Dumpsters and rolloffs placed on public property without city permit, per day ..... \$100.00.” Also, 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.

The City’s EnerGov system reported that Waste Plus, Inc. had ten unpaid NOVs totaling \$7,300.00 as of November 29, 2022 (see below).

Case Number	Main Address	Case Status *	Unpaid Balances	Open Date
CC2021-10821	1155 N SHORE DR	Fine Owed	\$1,000.00	5/25/2021
CC2022-12327	4665 N BAY RD	Fine Owed	\$1,000.00	1/11/2022
CC2022-12598	1155 N SHORE DR	Fine Owed	\$1,000.00	3/3/2022
SV2022-17942	1155 N SHORE DR	Fine Owed	\$100.00	3/3/2022
CC2022-12728	2814 COLLINS AVE	Fine Owed	\$1,000.00	3/22/2022
CC2022-12736	4835 COLLINS AVE	Fine Owed	\$1,000.00	3/23/2022
SV2022-18223	4835 COLLINS AVE	Fine Owed	\$100.00	3/23/2022
CC2022-13228	4835 COLLINS AVE	Fine Owed	\$1,000.00	6/7/2022
SV2022-19089	4835 COLLINS AVE	Fine Owed	\$100.00	6/7/2022
CC2022-13250	4665 N BAY RD	Fine Owed	\$1,000.00	6/11/2022
		<b>Total</b>	<b>\$7,300.00</b>	

\* A case status of “Invoice Pending” means it was submitted to Administrative staff to process the invoice.

Results/Recommendations:

Waste Plus, Inc. should timely pay any NOVs issued by the Code Compliance Department to avoid possible additional penalties.

Finance Department Response:

The Finance Revenue team has invoiced (# 39653) Waste Plus, Inc. for \$112.20 representing penalties and interest associated with late payments during the audit period for the months of May 2021 and June 2021 which is comprised of:

- o Penalties of \$102.00 on fees paid late.

- Interest of \$10.20 on fees paid late.
- The audit also stated that it would be beneficial if the late charge calculations could be programmed into the City's enterprise resource planning system. In order for an invoice to be created one would need to know the base amount on which the charge is to be calculated. And since that base amount is now known until the report and associated monies is received, the ability to automatically generate a late charge is not easily attainable.

**5. *Waste Plus, Inc. Did Not Provide The Requested Documentation To The OIG Needed To Determine Whether It Was Compliant With City Code Section 90-278(4) Related To The Submittal Of Annual Statements Of Gross Receipts Prepared By A Certified Public Accountant During The Audit Period.***

City Code Section 90-278(4) states: *Contractors having annual gross receipts reported to the city over \$200,000.00 shall, on or before 60 days following the close of their fiscal year, deliver to the finance department a statement of annual gross receipts (generated from accounts within the city) certified by an independent certified public accountant, reflecting gross receipts within the city for the preceding fiscal year.* Despite multiple requests for documentation by the OIG Sanitation Tax Auditor and the issuance of subpoenas, Waste Plus, Inc did not provide all the requested documentation needed to complete the examination. Consequently, the OIG could not determine whether the roll-off contractor was compliant with the requirements of Section 90-278(4).

**Findings Pertaining Solely to the City**

**6. *Multiple Contact Numbers Were Issued To Waste Plus, Inc. In The City's EnerGov System.***

The Tyler Technologies EnerGov system Citizen Self Services (CSS) portal is the web-based interface that customers use to engage with related City needs. Customers, such as Waste Plus, Inc., create password-protected contact numbers through the CSS portal containing all its relevant information.

Individuals and businesses with email accounts can, and often do, create numerous contact numbers as there are insufficient internal controls to limit the number of contact numbers in the EnerGov system. Although there may be many reasons why multiple contact numbers were issued to the same individual or corporation, any obsolete or outdated numbers are not inactivated. Some examples are as follows: several individuals interacting separately with the City but working at the same property address; failure of a customer to remember a selected password; and a customer acquiring a new email account. Regardless of the reason, the number of contact numbers has grown substantially over time, significantly complicating the search process, and the determination of 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 aware of all contact numbers and examine them in totality to accurately represent the individual or company's status.

The OIG Sanitation Tax Auditor's review of the EnerGov system determined that Waste Plus, Inc. was issued eight different contact numbers during the period of March 1, 2018 through September 15, 2021. The table below shows the corresponding disbursement of

the ten issued roll-off permits among the three contact numbers linked to the issued roll-off permits.

<b>Contact Numbers</b>	<b># Roll-Off Permits Issued</b>
478813	4
478814	1
C000053560	5
<b>Total</b>	<b>10</b>

During the period October 1, 2018 to July 14, 2021, Waste Plus, Inc. did not have an active BTR; however, six roll-off permits were issued without a valid BTR as shown below.

Permit Number	Main Address	Issue Date	Inspection Date
PWD0621-2802	4665 N BAY RD	6/8/2021	6/7/2021
PWD0521-2793	1155 N SHORE DR	5/28/2021	5/28/2021
PWD0220-2346	40 W RIVO ALTO DR	2/11/2020	2/11/2020
PWD0619-2052	1444 COLLINS AVE	7/2/2019	7/1/2019
PWD0619-2018	4760 ALTON RD	6/7/2019	6/7/2019
PWD0519-1987	1935 MARSEILLE DR	5/15/2019	5/15/2019

Source: EnerGov database

**Results/Recommendation(s):**

Only one active contact number is recommended to be assigned to each address, whenever possible, to facilitate effective and accurate searches. It is also recommended that the City's Information Technology Department begin a database debug by deleting these multiple contact numbers and transferring any corresponding transactions to a contact number under the control of the property or business owner. The OIG understands that this is a time-consuming and labor-intensive task but believes that this issue should be addressed. The Information Technology Department should also contact Tyler Technologies Inc. to determine whether sub-contact numbers could be linked to the main contact number issued to the property or business owner. Finally, Code Compliance Department information related to violations should include a contact number linked to the customer's BTR and any pertinent permits.

In addition, the Sanitation Division should only process roll-off permits for contractors with a BTR in "active" status. Similarly, the Code Compliance Department should only conduct inspections for roll-off permits for those contractors with BTRs in "active" status.

**Findings Pertaining to Both Waste Plus, Inc., and the City**

- Waste Plus, Inc. Did Not Timely Remit Its Monthly Roll-Off Permit Fees, And The Finance Department Did Not Charge The Contractor \$104.39 During The Audit Period Due In Penalties And Interest Pursuant To City Code Sections 90-278(6)(a-c).***

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. In addition, City Code Section 90-278(6)(a-c) requires that late contractor remittances are subject to penalties of ten percent per month with a maximum of fifty percent and interest at the highest legal rate of interest permitted by law (12% per annum was charged).*

The Munis System reported that the roll-off contractor remitted three of the nine roll-off permit fee payments (33.33%) to the City Finance Department after the due dates specified in City Code Section 90-278(4) (see the table below). The late submitted roll-off permit fee payments ranged from a low of 2 days for June 2021 to a high of 33 days for May 2021.

Street	Month	Return Due Date	Pay Date	# days Due
1155 N Shore Dr	May 2021	6/30/2021	8/2/2021	33
1155 N Shore Dr	June 2021	7/31/2021	8/2/2021	2
4665 N Bay Rd	June 2021	7/31/2021	8/2/2021	2

Despite the tardiness of these payments, the City Finance Department did not charge the roll-off contractor any related penalties and interest during the audit period. As a result, the OIG Sanitation Tax Auditor calculated that the City is due \$104.39 (see below).

Month	Amount Paid	Penalties	Interest	Amount Due
May 2021	\$180.00	\$36.00	\$1.95	\$37.95
June 2021	\$180.00	\$18.00	\$0.12	\$18.12
June 2021	\$480.00	\$48.00	\$0.32	\$48.32
<b>Total</b>	<b>\$840.00</b>	<b>\$102.00</b>	<b>\$2.39</b>	<b>\$104.39</b>

**Results/Recommendation(s):**

The City's Finance Department should create an invoice for \$104.39 charging Waste Plus, Inc. for penalties and interest associated with its three late payments during the audit period. Meanwhile, the contractor should timely remit its future roll-off fee payments to the City to avoid having additional late charges levied. If not, the contractor should be invoiced accordingly by the Finance Department pursuant to the City Code. It would be beneficial if the late charge calculations could be programmed into the City's enterprise resource planning system, so that the invoices could be automatically generated.

**8. Waste Plus, Inc. Did Not Timely Submit Its Lists Of Accounts To The City Manager Pursuant To City Code Section 90-278(3) And No Evidence Was Provided From City Staff Indicating Any Were Requested.**

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.*

Waste Plus, Inc. did not provide the City Manager with its lists of accounts during the audit period, nor was evidence provided indicating that any were requested by the City. Upon request, the roll-off contractor provided the lists of accounts 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.

The lists of accounts furnished were used to prepare and mail positive confirmation letters to Waste Plus, Inc. customers, requesting a listing of all Miami Beach roll-off transactions with the contractor during the specified period. The OIG Sanitation Tax Auditor's corresponding reconciliation of all returned confirmation letters with the furnished list of accounts revealed differences. For example, a third-party confirmation was received from a construction company indicating that Waste Plus, Inc. provided roll-off services at 1844 Daytonia Road (no roll-off permit requested) and 40 W Rivo Alto, which is consistent with roll-off permit PWD0220-2346 issued on February 11, 2020. Waste Plus, Inc did not report any roll-off fees related to either Miami Beach address, but both were included on the contractor furnished Dispatch Reports. Requests for the corresponding invoices related to these two addresses went unanswered by the contractor.

Results/Recommendation(s):

Waste Plus, Inc. should prospectively comply with City Code Section 90-278(3) and timely submit its lists of accounts to the City Manager. The OIG recommends that the City Code be revised to establish a due date for the submittal of these lists of accounts and to allow the charging of interest and/or penalties to non-compliant contractors.

**REQUESTED AUDITEE RESPONSES**


The draft audit report was sent by email on October 3, 2022 to all affected parties providing thirty working days to respond to the findings pursuant to Section 2-256(h) of the City of Miami Beach City Code. As a courtesy, the OIG Sanitation Tax Auditor contacted Mr. Beny Krasner of Waste Plus, Inc. on November 15, 2022 informing him that the allotted thirty working days had elapsed and whether he would like to respond to the findings. He subsequently stated in an email that additional time was needed to complete his analysis. Finally, the audit report was issued on December 1, 2022 with all responses received from auditees included.

Approved by:


  
\_\_\_\_\_  
Joseph Centorino, Inspector General

12/5/2022  
Date

Reviewed by:

  
\_\_\_\_\_  
Mark D. Coolidge, CPA, CIA, CIGA  
Chief Auditor

12-05-2022  
Date

  
\_\_\_\_\_  
Norman Blalotta, CIA, CFE, CIGA  
Deputy Chief Auditor

12/05/2022  
Date

Completed by:

  
\_\_\_\_\_  
Juan Ospina, Sanitation Tax Auditor

12/05/2022  
Date

cc: Alina T. Hudak, City Manager  
Eric Carpenter, Deputy City Manager  
Joe Gomez, Public Works Department Director  
Bradford Kaine, Sanitation Division Director  
John Woodruff, Chief Financial Officer  
Hernan D. Cardeno, Esq., Code Compliance Department Director  
Frank Quintana, Chief Information Officer  
Beny Krasner, President, Waste Plus, Inc.

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