



Joseph M. Centorino, Inspector General

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

DATE: September 5, 2023
AUDIT: Superior Recycling & Waste Management Inc. Roll-off Fee Revenues Audit
OIG No. 23-18
PERIOD: October 1, 2017, through May 31, 2021

This report stems from an audit performed of the roll-off permit fees charged, collected, and remitted by Superior Recycling & Waste Management Inc. to the City Finance Department during the October 1, 2017, through May 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 Superior Recycling & Waste Management 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 licensing and permitting system, EnerGov, reported 25 roll-off contractors on March 1, 2023 with their 2022/23 fiscal year BTRs in "active" status, and three roll-off contractors in "pending" 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.

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 October 5, 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(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. It is an essential document to verify the accuracy of the roll-off contractor's filings during the audit process.

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 February 2023 are due by March 31, 2023. Any unpaid fees that are not timely received are subject to penalties of 10% per month up to a maximum of 50%, plus the highest legal rate of interest permitted by law on the amount of the fee, exclusive of penalties, from the date the permit fee first became delinquent until paid.

When the roll-off contractor has annual gross receipts reported to the City greater than \$200,000.00, the contractor is required to deliver to the City 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). Superior Recycling & Waste Management did not exceed this annual threshold during the audit period, and, therefore, was not required to submit this statement.

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 requested time extensions for varying reasons. As a result, the OIG served two subpoenas numbered 21-09 and 22-07 to Superior Recycling & Waste Management Inc. representatives during the audit process, but the contractor still did not fully comply, as some, but not all, the requested documentation was provided. Finally, the audit was completed with the best available information furnished to the OIG Sanitation Tax Auditor, who assumed that all unsubstantiated transactions occurring in Miami Beach were taxable. According to the Office of the City Attorney, the contractor has the burden of proof regarding such transactions, which was not satisfied in this audit.

The contractor did not file any Roll-Off Permit Fee returns or remit any associated monies due to the City Finance Department during the October 1, 2017, through May 31, 2021, audit period. However, the contractor was issued four Notices of Violation or NOVs from the City Code Compliance Department for performing roll-off services on Miami Beach during the audit period without obtaining the required permits. After the audit period, the contractor was issued 21 NOVs from the City Code Compliance Department for performing roll-off services on Miami Beach during

the audit period without obtaining the required permits and BTRs. Unlike most roll-off contractors during the audit process, Superior Recycling & Waste Management 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 Superior Recycling & Waste Management Inc.
 - 1. Unreported roll-off gross receipts resulted in \$137,834.09 (\$34,354.79 + \$103,479.30) in roll-off permit fees due to the City, including penalties and interest. Associated audit costs may also be due to the City pending further guidance received from the Office of the City Attorney.
 - 2. Superior Recycling & Waste Management Inc. records provided to the OIG indicate the performance of roll-off services at seven Miami Beach locations during the audit period without obtaining the required permits, contrary to City Code and with no Notices of Violation issued.
 - 3. Superior Recycling & Waste Management Inc. did not timely obtain its 2017/18 and 2018/19 fiscal year business tax receipts related to roll-offs, for which it was not issued Notices of Violations.
 - 4. \$8,050.00 in Notices of Violations previously issued by the Code Compliance Department during the 2020/21 and 2021/22 fiscal years for not timely obtaining its required BTRs and/or roll-off permits remain unpaid as of June 9, 2023.

- B. Findings pertaining solely to the City
 - 5. Multiple contact numbers were issued to Superior Recycling & Waste Management Inc. in the City EnerGov system.

- C. Findings pertaining to both Superior Recycling & Waste Management Inc. and the City
 - 6. Superior Recycling & Waste Management 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 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-d).

3. Determine whether the roll-off contractor timely obtained its required annual BTRs during the audit period.
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 Section 90-196.
6. Determine whether tested monthly roll-off fee payments remitted were accurately recorded in the City 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 Superior Recycling & Waste Management Inc.

1. *Unreported Roll-off Permit Fees Totaling \$137,834.09 (Including Penalties and Interest) Are Due To The City.*

Examination of the Munis system, the City enterprise resource planning system, found that Superior Recycling & Waste Management Inc. did not file any Roll-off Permit Fee Returns or remit any corresponding monies due during the audit period.

The contractor did not respond to multiple OIG Sanitation Tax Auditor emails and phone calls related to initiating the audit, so the OIG served subpoena 21-09. In response, the contractor furnished, at varying times during the next six months, such requested documentation as its chart of accounts, general ledger, sales reports, and some related invoices.

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." The OIG Sanitation Tax Auditor examined all documentation furnished by the contractor to determine the amount of monthly roll-off gross receipts occurring within the City during the October 1, 2017 through May 31, 2021 audit period.

The OIG Sanitation Tax Auditor concluded that 293 Miami Beach transactions totaling \$123,337.82 represented unreported gross receipts to the City Finance Department. These taxable transactions were primarily related to roll-off charges associated with overweight, 10-yard delivered, 20-yard delivered, 30-yard delivered, and extra charges for pick-up. As of March 31, 2022, it was calculated that \$34,354.79 in related roll-off permit fees are due to the City (including penalties and interest), as shown by period, in the table below. In response, the City Finance Department issued invoice #36238 in the amount of 34,354.79 on April 4, 2022, which remains unpaid as of June 9, 2023.

<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>Oct. 2017 – Dec. 2017</i>	\$700.00	18%	\$126.00	\$63.00	\$64.26	\$253.26
<i>Jan. 2018 – Dec. 2018</i>	\$9,389.30	18%	\$1,690.08	\$845.06	\$726.93	\$3,262.07
<i>Jan. 2019 – Oct. 5, 2019</i>	\$13,199.70	18%	\$2,375.95	\$1,188.01	\$748.94	\$4,312.90
<i>Oct. 6, 2019 – Dec. 2019</i>	\$9,658.69	20%	\$1,931.74	\$965.88	\$518.03	\$3,415.65
<i>Jan. 2020 – Dec. 2020</i>	\$62,814.68	20%	\$12,562.94	\$1,224.93	\$449.79	\$14,237.66
<i>Jan. 2021 – May 2021</i>	\$27,575.45	20%	\$5,515.09	\$2,757.62	\$600.54	\$8,873.25
<i>Totals</i>	\$123,337.82		\$24,201.80	\$7,044.50	\$3,108.49	\$34,354.79

* City Commission approved roll-off permit fees equaled 18% from the beginning of the audit period, October 1, 2017, through October 5, 2019, and 20% from October 6, 2019, through the end of the audit period, May 31, 2021.

** 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.

Examination of general ledger and sales reports also revealed Superior Recycling & Waste Management Inc. servicing several contractors with Building permits in the City; therefore, the OIG Sanitation Tax Auditor requested the corresponding invoices to determine whether all the associated work with these contractors was performed within the City limits. These invoices were in addition to the ones that resulted in the \$34,354.79 above deficiency.

After multiple requests went unanswered and/or the additional time extensions granted elapsed, the OIG served subpoena 22-07 to the contractor requesting the provision of these additional invoices. However, the requested invoices were not provided to the OIG. As a result, the OIG completed the audit based on the limited records provided by the contractor, representing the best available information, and assessed roll-off permit fees on all related unsubstantiated transactions. The requested invoices would have indicated which transactions were taxable, but the contractor refused to comply.

The furnished contractor documentation contained 849 roll-off transactions on its General Ledger, and the corresponding customers received Building Permits from the City of Miami Beach. The OIG Sanitation Tax Auditor found evidence in the General Ledger and the Building Permits indicating that many of the contractor's customers performed work within the City's boundaries. The transactions for these customers involved 17 different companies and the associated charges were related to 10-yard delivered, 20-yard delivered, 30-yard delivered, and overweight roll-offs according to the description in the furnished General Ledger. In sum, the OIG Sanitation Tax Auditor calculated an additional \$103,479.30 in roll-off permit fees is due to the City (including penalties and interest), as shown by period in the table below:

<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>Oct. 2017 – Dec. 2017</i>	\$10,220.00	18%	\$1,839.60	\$919.80	\$1,155.96	\$3,915.36
<i>Jan. 2018 – Dec. 2018</i>	\$70,142.95	18%	\$12,625.75	\$6,313.10	\$7,022.61	\$25,961.46
<i>Jan. 2019 – Oct. 5, 2019</i>	\$63,648.95	18%	\$11,456.83	\$5,728.60	\$5,118.74	\$22,304.17
<i>Oct. 6, 2019 – Dec. 2019</i>	\$32,343.55	20%	\$6,468.71	\$3,234.39	\$2,460.92	\$12,164.02
<i>Jan. 2020 – Dec. 2020</i>	\$99,818.75	20%	\$19,963.75	\$2,776.70	\$1,822.34	\$24,562.79
<i>Jan. 2021 – May 2021</i>	\$42,428.34	20%	\$8,485.67	\$4,242.93	\$1,842.90	\$14,571.50
<i>Totals</i>	\$318,602.54		\$60,840.31	\$23,215.52	\$19,423.47	\$103,479.30

- * City Commission approved roll-off permit fees equaled 18% from the beginning of the audit period, October 1, 2017, through October 5, 2019, and 20% from October 6, 2019, through the end of the audit period, May 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, "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." Associated audit costs related to the completion of this audit may also be due to the City pending further guidance received from the Office of the City Attorney, which will be shared with the City Finance Department.

Results/Recommendations:

The City Finance Department should invoice Superior Recycling & Waste Management Inc. \$103,479.30 due to unreported roll-off permit fees, including penalties and interest. The Finance Department should also invoice the contractor audit costs pursuant to City Code Section 90-278(6) pending further guidance received from the Office of the City Attorney. The roll-off contractor should timely remit full payment of \$137,834.09 (\$34,354.79 + \$103,479.30) to avoid additional penalties available under the City Code. Lastly, Superior Recycling & Waste Management Inc. should consistently and accurately file its future monthly roll-off permit fee returns to the City and timely remit all monies due.

Finance Department Response:

The Finance Department has invoiced (# 44497) Superior Recycling & Waste Management for \$103,479.30 for unreported permit fees, including penalties and interest.

2. Superior Recycling & Waste Management Inc. Records Provided To The OIG Indicate The Performance Of Roll-Off Services At Seven Miami Beach Locations During The Audit Period Without Obtaining The Required Permits, Contrary To City Code And With No Notices Of Violation 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 City 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 NOV by the Code Compliance Department.

Upon examining the documentation furnished by Superior Recycling & Waste Management Inc., the OIG Sanitation Tax Auditor determined that the contractor performed roll-off services at the following seven Miami Beach addresses without obtaining the required permits from the Sanitation Division:

- | | |
|------------------------------|-------------------------|
| 1) 1401 North View Drive | 5) 306 West 41st Street |
| 2) 1700 Cleveland Road | 6) 6365 Collins Avenue |
| 3) 1844 Daytonia Road | 7) 6420 Allison Road |
| 4) 301 West San Marino Drive | |

It is important to note that if the contractor had provided all the requested documentation related to this audit, the records may have revealed additional Miami Beach addresses serviced without the required permits being obtained, thereby warranting issuance of additional NOVs.

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.

Results/Recommendations:

The Code Compliance Department should issue seven NOVs for \$100.00 each to Superior Recycling & Waste Management Inc. for unpermitted work at the seven listed addresses. Once received, the roll-off contractor should promptly remit the corresponding payments due to avoid possible additional penalties. Superior Recycling & Waste Management 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 additional NOVs from the Code Compliance Department.

Code Compliance Response:

Pursuant to Resolution No. 2023—32654 adopted by the City Commission on June 28, 2023, Code Compliance will not be issuing retroactive violations. Furthermore, going forward Code Compliance will not take action on OIG findings that are in draft form and not in final form.

3. *Superior Recycling & Waste Management Inc. Did Not Timely Obtain its 2017/18 and 2018/19 Fiscal Year BTRs Related to Roll-Offs, For Which It Was Not Issued Notices Of Violation.*

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(a) explains, “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.”

Section 90-192(a) states: “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. The business tax receipt will be issued once an applicant has met all requirements, as set forth in this division and in chapter 18, and has paid the applicable business tax receipt fee.”

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 V, 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 provides that conducting a business for which a tax receipt is required without first obtaining a tax receipt is punishable by a civil fine of \$1,000.00 for a first offense, with increased fines for further violations and, under Section 1-14 of the City Code, imprisonment for up to 60 days for continuing violations.

Records furnished by the contractor indicate it provided roll-off services at Miami Beach addresses during each of the 2017/18, 2018/19, 2019/20, and 2020/21 fiscal years. The City's EnerGov system reported the following status of the contractor's BTRs 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	Not Billed	Not Issued	Not Paid
2018/19	Not Billed	Not Issued	Not Paid
2019/20	BTR008218-11-2019	Issued	Paid (11/13/2019)
2020/21	BTR008218-11-2019	Issued	Paid (11/02/2020)

* The City's fiscal year starts annually each October 1 and ends September 30; therefore, the 2017/18 fiscal year would represent October 1, 2017, through September 30, 2018.

Superior Recycling & Waste Management Inc. received its BTR for the 2019/20 fiscal year on November 13, 2019, which is after its October 1 annual due date. Therefore, the contractor did not have a valid active BTR from October 1, 2017, through November 13, 2019, when its 2019/20 fiscal year BTR was issued.

As the Code Compliance Department is primarily complaint driven and no evidence was found indicating that it was notified of the violations, no related NOV's 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 NOV for operating in the City without a valid BTR can be issued retroactively by the Code Compliance Department.

Results/Recommendations:

The City Finance Department should promptly invoice the contractor for its 2017/18 and 2018/19 fiscal year BTRs, as the records furnished by the contractor indicate that it performed roll-off services in Miami Beach during this period. The Code Compliance Department should also issue the contractor two separate NOV's for \$1,000.00 each related to its failure to timely obtain the required BTRs for the 2017/18 and 2018/19 fiscal years. Superior Recycling & Waste Management Inc. should comply with the City Code and promptly obtain its belated BTRs, or risk receiving additional NOV's from the Code Compliance Department.

Finance Department Response:

The City Finance Department has invoiced the contractor for its 2017/18 and 2018/19 fiscal year BTRs, as the records furnished by the contractor indicate that it performed roll-off services in Miami Beach during this period.

Code Compliance Response:

Code Compliance will not take action on OIG findings that are in draft form and not in final form.

4. ***\$8,050.00 In Notices Of Violation Previously Issued By The Code Compliance Department For Not Timely Obtaining Its Required BTRs And/Or Roll-Off Permits During the 2020/21 and 2021/22 Fiscal Years Remain Unpaid As Of June 9, 2023.***
City Code Section 102-377(a) states: "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) provides that violations of section 90-98 for placing dumpsters and roll-offs on public property without a permit is punishable by a fine of \$100 per day. City Code Section 90-277 provides that, placing a roll-off container, dumpster or portable container within the City without a permit is punishable by a fine of \$100 per location.

The OIG Sanitation Tax Auditor's June 9, 2023 examination of the City EnerGov system found that Superior Recycling & Waste Management Inc. had not paid the following fifteen NOVs totaling \$8,050.00, previously issued by the Code Compliance Department due to the contractor's failure to timely obtain its required BTRs and/or roll-off permits (see below).

Case Number	Main Address	Case Status *	Unpaid Balances	Open Date
SV2021-14875	3747 CHASE AVE	Fine Owed	\$ 100.00	6/18/2021
CC2021-12048	3540 PINE TREE DR	Fine Owed	\$ 1,000.00	11/17/2021
SV2021-16766	3540 PINE TREE DR	Fine Owed	\$ 100.00	11/17/2021
CC2022-12745	1350 S BISCAYNE POINT RD	Fine Owed	\$ 1,000.00	3/24/2022
CC2022-13221	445 E RIVO ALTO DR	Fine Owed	\$ 1,000.00	6/6/2022
SV2022-19073	445 E RIVO ALTO DR	Fine Owed	\$ 100.00	6/6/2022
CC2022-13230	4301 COLLINS AVE	Fine Owed	\$ 1,000.00	6/8/2022
SV2022-19091	4301 COLLINS AVE	Fine Owed	\$ 100.00	6/8/2022
CC2022-13331	401 OCEAN DR	Fine Owed	\$ 1,000.00	6/26/2022
SV2022-19237	401 OCEAN DR	Fine Owed	\$ 350.00	6/26/2022
CC2022-13340	4301 COLLINS AVE	Fine Owed	\$ 1,000.00	6/28/2022
SV2022-19258	445 E RIVO ALTO DR	Fine Owed	\$ 100.00	6/28/2022
SV2022-19263	4301 COLLINS AVE	Fine Owed	\$ 350.00	6/28/2022
CC2022-13735	660 S SHORE DR	Fine Owed	\$ 500.00	8/22/2022
SV2022-19690	660 S SHORE DR	Fine Owed	\$ 350.00	8/22/2022
		Total	\$8,050.00	

* A case status of "Fine Owed" means that the contractor has not submitted the monies due to the City.

Results/Recommendations:

Superior Recycling & Waste Management Inc. should pay the fines owed associated with the NOVs issued by the Code Compliance Department to avoid possible additional

penalties. These monies due should be paid in full prior to the issuance of any BTRs to the contractor by the City Finance Department.

Findings Pertaining Solely to the City

5. *Multiple Contact Numbers Were Issued To Superior Recycling & Waste Management Inc. In The City EnerGov System.*

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

Individuals and businesses with email accounts often create numerous contact numbers due to 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, 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 significantly over time, thereby 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, and outstanding balances 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 determine the individual or company's status.

The OIG Sanitation Tax Auditor's review of the EnerGov system determined that Superior Recycling & Waste Management Inc. was issued nine contact numbers during the October 1, 2017, through May 31, 2021, audit period. The table below shows the corresponding issuance of four roll-off permits among the two contact numbers linked to the permits.

<i>Contact Numbers</i>	<i># Roll-Off Permits Issued</i>
<i>ID-000106952</i>	0
<i>487997</i>	3
<i>487998</i>	1
<i>ID-000076007</i>	0
<i>ID-000120647</i>	0
<i>ID-000131084</i>	0
<i>ID-000021161</i>	0
<i>ID-000067771</i>	0
<i>ID-000076006</i>	0
Total	4

In addition, it was discovered that the contractor has two active customer number accounts (1990 and 28111) in the Munis system, which could cause confusion in determining whether all payments due have been remitted by the contractor.

Results/Recommendation(s):

Only one active contact number in the EnerGov system is recommended to be assigned to each address related to roll-offs to facilitate effective and accurate searches. It is also recommended that the City 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 needs to be addressed. Finally, Code Compliance Department information related to violations should include a contact number linked to the customer's BTR and any relevant permits.

It is also recommended that each roll-off contractor have only one active customer account in the Munis system to facilitate the control and research of contractor payments.

Findings Pertaining to Both Superior Recycling & Waste Management Inc. and the City

6. *Superior Recycling & Waste Management 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.*

Superior Recycling & Waste Management Inc. did not provide the City Manager with its required lists of accounts during the audit period, nor was evidence found 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.

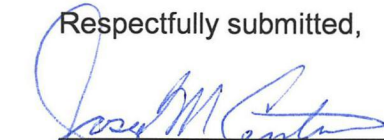
The lists of accounts furnished were used to prepare and mail positive confirmation letters to Superior Recycling & Waste Management Inc. customers, requesting a listing of all Miami Beach roll-off transactions with the contractor during the specified period. The OIG Sanitation Tax Auditor's corresponding reconciliation of all returned confirmation letters with the furnished list of accounts revealed material differences. For example, a third-party confirmation was received from a construction company indicating that Superior Recycling & Waste Management Inc. provided roll-off services at 1844 Daytonia Road and 6365 Collins Ave in Miami Beach without roll-off permits. Superior Recycling & Waste Management Inc did not provide any information related to either of these Miami Beach addresses. Requests for the corresponding invoices related to these two addresses went unanswered by the contractor.

Results/Recommendation(s):

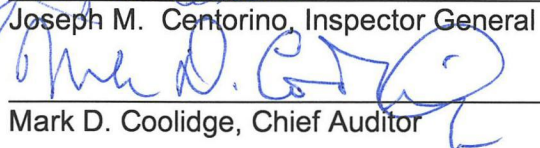
Superior Recycling & Waste Management Inc. should prospectively comply with City Code Section 90-278(3) and timely submit its lists of accounts to the City Manager. The OIG recommends that the City Code be revised to establish a due date for the submittal of lists of accounts and to allow the charging of interest and/or penalties to non-compliant contractors. If it is verified that the roll-off contractor performed roll-off services at either of the two Miami Beach addresses identified through third-party confirmations, then City staff should implement the available enforcement actions in the City Code.

Comments: the contractor did not provide any written response. OIG followed Subsection 2-276(h) which states, " ... whenever the Inspector General concludes a report or recommendation which contains findings as to the person or entity being reported on, or who is the subject of the recommendation, the Inspector General shall provide the affected person or entity a copy of the report or recommendation, and such person or entity shall have thirty (30) working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation."

Respectfully submitted,



Joseph M. Centorino, Inspector General



Mark D. Coolidge, Chief Auditor

09/05/2023
Date

09/05/2023
Date

cc: Alina T. Hudak, City Manager
Eric Carpenter, Deputy City Manager
Joe Gomez, Public Works Department Director
Bradford Kaine, Sanitation Division Director
Jason Greene, Chief Financial Officer
Hernan D. Cardeno, Esq., Code Compliance Department Director
Frank Quintana, Chief Information Officer
Aharon Rafaelov, President, Superior Recycling & Waste Management Inc.

OFFICE OF THE INSPECTOR GENERAL, City of Miami Beach
1130 Washington Avenue, 6th Floor, Miami Beach, FL 33139
Tel: 305.673.7020 • **Hotline: 786.897.1111**
Email: CityofMiamiBeachOIG@miamibeachfl.gov
Website: www.mbinspectorgeneral.com