



**Joseph M. Centorino**, Inspector General

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

DATE: September 24, 2020  
 AUDIT: Beach Towing Services, Inc. - Towing Audit  
 OIG No. 20-18  
 PERIOD: October 1, 2017 to October 31, 2018

This report is the result of a request made by the City Administration in November 2018 for the then-existing Office of the Internal Audit to verify compliance of Beach Towing Services, Inc. (Beach Towing) with selected provisions in the City of Miami Beach Administrative Rules and Regulations For Police and Parking Towing Permits (Towing Permits) that were in effect during the audit period. An entrance conference meeting was held in December 2018 with Beach Towing management to explain the audit process, to gain an understanding of their operations and to obtain copies of any relevant documents.

Although the reviewed Towing Permits contain a myriad of points that require compliance from Beach Towing, Office of the Inspector General (OIG) staff concentrated its testing primarily on the accuracy of the City's monthly billings and the amounts charged to tested tow customers. To help achieve these objectives, we reviewed the provided Standard Operating Procedures, work performed, available body camera footage, documentation received from the City's Parking, Police and/or Finance Departments, as well as copies of the Vehicle Storage Receipts received from Beach Towing.

As this audit was nearing completion, the City Commission voted in favor of terminating the internal audit at its June 5, 2019 meeting. At that time all internal audit work was immediately terminated. This audit's termination was subsequently re-visited at the January 15, 2020 Commission meeting wherein it was decided that the newly created Office of Inspector General, as an independent agency, had the authority to conclude the audit.

Consequently, the audit was resumed and has resulted in the issuance of three separate audit reports, including this one. The other two audit reports consist of testing performed relative to Tremont Towing, Inc. (Tremont Towing) and of the City departments involved in the towing process. Although the work performed was reported separately, there may be some overlap in the three reports, as noted shortcomings may involve more than one of the parties involved.

## ACRONYMS

CAD = Computer Aided Dispatch  
 GVW = Gross Vehicle Weight (Rating)  
 LERMS = Law Enforcement Records Management System  
 VSR = Vehicle Storage Receipts

## **INTRODUCTION**

Chapter 106, Article V, of the Miami Beach City Code, provides for the issuance of towing permits for the towing of vehicles identified by the City's Parking and Police Departments as requiring removal from public and private property, as well as vehicle impoundments. The same two tow companies, Beach Towing and Tremont Towing, have continued to operate exclusively in Miami Beach since at least their selection based on their response to Request for Proposals No. 1-91/94. The negotiated towing permits for the two companies have been revised as needed in the following years.

More recently, City Resolution 2015-28918 was adopted on February 11, 2015 approving the issuance of new Towing Permits to Beach Towing and to Tremont Towing for a three-year term commencing on March 1, 2015 and expiring on February 28, 2018. Both companies' terms were extended for an additional one year through February 28, 2019 with the passage of City Resolution No. 2018-30161.

Next, the City Commission on December 12, 2019, approved a one-year extension for both tow companies of the same terms with a reduction of their charged automated teller machine fees. Although this extension expired in February 2020, Beach Towing is currently continuing to operate on a month-to-month basis under its terms.

## **OVERALL OPINION**

Among other tests performed, OIG staff conducted a data analysis of all requested public tows occurring between October 1, 2017 and October 31, 2018, whereby selected supporting documentation as well as Parking and Police Department body camera footage for tested days was reviewed to determine whether the towing fees charged by Beach Towing were appropriate. Throughout the audit process, communication was also maintained with the towing company's representatives to request additional information and/or documentation. However, the received responses were not always sufficient to clarify the perceived shortcomings. Although the data obtained from its sample results was not extrapolated to draw conclusions on a larger scale to the population, the outcomes from the audit process stated in this report suggest that the tow companies need stronger oversight.

OIG staff believes that the Towing Permits need revision to help improve accountability and to better ensure that individuals are being properly charged for public tows. Examples include, but are not limited to, placing more responsibility on the tow companies to justify charges to individuals whose vehicles are towed, better defining listed terms, clarifying any identified ambiguities, and more clearly defining the roles of all parties. Without making these and other needed revisions to the Towing Permits, the deficiencies noted in this audit report will most likely continue and tow customers will have little recourse.

It is recommended that future Towing Permits include language requiring each tow company to provide the vehicle owner with photographic evidence of the impounded vehicle on a dolly/flatbed and/or the vehicle's door opened at the tow location, to support any corresponding charges. This requirement would permit the consumers of tow services to determine the validity of the charges at the time they retrieve their vehicles and to question any discrepancies. Once the owner leaves the scene, it becomes less likely that discrepancies will be noted or refunds retrieved, particularly by out-of-town owners.

Furthermore, the Parking Department employees present for all Beach Towing's Parking

Department public tows should function more as a consumer and City advocate, since they are present at each tow location and can verify whether dollies/flatbed services were used or whether the tow truck operators entered the vehicles on the Vehicle Storage Receipts (VSRs). Any subsequently identified unsubstantiated differences should be promptly refunded to the consumer and/or financial penalties imposed on the tow companies by the City.

For example, Broward County's Code of Ordinances Section 81/2 - 16(b) titled "Violations of Towing and Immobilization Regulations" lists several violations (charging more than the allowable maximum towing and immobilization rate, failure to maintain records for the required period, failing to accept all mandated methods of payment, among others) whereby the first violation results in a \$250 fine per violation, which increases to \$500 for any repeat violations. Meanwhile, City of Miami City Code Section 42-109 states that a "person who charges a vehicle owner a towing or storage charge in excess of the rate described herein is liable to the vehicle owner for three times the amount charged." Conversely, Miami Beach's Towing Permits and City Code remain relatively silent on this issue, and there are currently minimal consequences for proven non-compliance.

Although several sections of the Towing Permits stipulate the City's right to suspend or terminate the permit if certain violations are incurred by permittees, enforcing such action could jeopardize tow service in the City, as only two companies are presently authorized to operate within the City's boundaries. Therefore, OIG staff believes that the City Commission should strongly consider the possibility of expanding the tow market to include additional companies that would be required to operate a tow yard within a designated number of miles from the City's boundaries. If approved, this expansion would allow the City to impose a suspension or a termination of the agreement on a company without adversely affecting the availability of tow services.

Another option to be explored is the possibility of in-sourcing the towing operations to be managed by an existing City Department, or by a separately run department or other city-controlled entity. Despite the potentially high set-up costs with purchasing/leasing the wreckers, hiring/training staff, and preparing the location, there could be associated benefits including better control over operations and increased City revenues, as well as more transparency and oversight capability.

The following shortcomings were noted during testing that require corrective action:

1. Of the 21 tows that charged the \$40 dollies or flatbed services fee during the 14-day period of October 9, 2018 through October 22, 2018 in which the Parking Department's reviewed body camera footage, it was determined that eleven customers were properly charged, three were inconclusive, and seven customers were overcharged. As a result, Beach Towing was not fully complying with the August 2018 agreed upon terms, and these seven customers were overcharged by a total of \$280 ( $\$40 \times 7 = \$280$ ).
2. Beach Towing overcharged 55 Class B, 73 Class C and 12 Class D sampled customers on hook-up fees of the 148 reviewed ( $140/148 = 94.59\%$ ) based on an analysis of their gross vehicle weight ratings.
3. Beach Towing overcharged its customers on labor to engage/tow fees for 14 of 30 tows sampled in October 2018, based upon a review of Parking and Police Department provided body camera footage. As the tow operators were not observed entering the vehicles at the tow locations, it was concluded that these 14 customers were overcharged by a total of \$420 ( $\$30 \times 14 = \$420$ ).
4. The amounts charged by Beach Towing for sampled October 2018 storage fees could not be verified as their employees did not record the time/date indicating when the owners retrieved the towed vehicles.

5. The amounts charged and collected by Beach Towing for state sales taxes on administrative and/or storage fees for Police Department requested tows does not appear to be justified, based on a review of the State Statutes and Florida Department of Revenue Law Library Technical Assistance Advisement (TAA) – 103463 with the City Attorney's Office.
6. Beach Towing did not maintain the required insurance coverage in accordance with Section 4 of the Towing Permits.

## **SCOPE, OBJECTIVES, AND METHODOLOGY**

The scope of this audit was to determine Beach Towing's compliance with selected terms set forth in the corresponding Towing Permits. The audit covered the period of October 1, 2017 through October 31, 2018, and it focused primarily on determining Beach Towing Services, Inc.'s compliance with the following objectives:

- To determine whether vehicle owners were charged in accordance to the rates specified in the Towing Permits and in conformity with the services received.
- To determine whether the required annual Business Tax Receipt Certificates were obtained.
- To determine whether the required insurance coverage was maintained.
- Other procedures as deemed necessary.

This audit was conducted in accordance with the office's approved Standard Operating Procedures. Those require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit methodology included the following:

- Review of applicable provisions within the City Charter and Code of Ordinances, and City Standard Operating Procedures;
- Interviews and inquiries of City and external companies' personnel in order to gain an understanding of the internal controls (relative to the operations of the towing services), assess control risk, and plan audit procedures;
- Performance of substantive testing consistent with the audit objectives, including but not limited to examination, on a statistical and non-statistical sample basis, of applicable transactions and records;
- Drawing conclusions based on the results of testing with corresponding recommendations, and obtaining auditee responses and corrective action plans; and,
- Performance of other audit procedures as deemed necessary.

## **FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES**

The information provided below is relevant for the first four findings, as it represents the criteria for the OIG's testing of sampled customer charges. Per Section 22 of the Towing Permits, Beach Towing shall not charge more than the following maximum allowable rates established by the City Permit (as same may be amended from time to time):

- A The first eight hours of storage shall be without charge. Thereafter the following storage

rates shall apply per day:

- 1 Inside-Interior
  - a Motorcycles or Scooters \$12
  - b Any vehicle less than 20 feet in length and 8 feet in width \$30
  - c Any vehicle over 20 feet in length \$40
- 2 Outside-Exterior
  - a Motorcycles or Scooters \$10
  - b Any vehicle less than 20 feet in length and 8 feet in width \$30
  - c Any vehicle over 20 feet in length \$30
- 3 Boat and Trailer (Owner's Unit)
  - a Unit under 20 feet in length \$20
  - b Unit 21 feet to 35 feet in length \$35
  - c Unit over 35 feet in length \$45
- B Tow Rate Class "A" Tow Truck and Class "A" Car Carrier \$140
- C Class "B" Tow Truck \$145
- D Class "C" Tow Truck \$175
- E Class "D" Tow Truck \$200
- F Tow Rate Class "B" or "C" Car Carrier \$125
- G Use of Contractor's Boat Trailer, any length, including storage, per day:
  - 1 Trailer up to 18 feet in length \$50
  - 2 Trailer 18 to 30 feet in length \$75
  - 3 Trailer over 30 feet in length \$150
- H Additional charges:
  - 1 Extra labor or extra waiting time \$16.50 per hour after the first 30 minutes at the scene and prorated after the 1st hour in 15 minutes increments.
  - 2 Mileage Charges \$6 per mile, maximum of \$42 per tow.
  - 3 Administrative fee \$35 maximum per tow.
  - 4 Dollies or Flatbed Services \$40
  - 5 Labor to Engage/Tow (this is not an automatic fee and may only be imposed when access to enter the vehicle is required to properly engage/tow vehicle.) \$30
  - 6 After Hour Fee (may be assessed for tows retrieved between the hours of 8:00 PM and 8:00 AM.) \$30

A maximum administrative charge, different from the administrative fees mentioned above in Section 22(H)(3), not exceeding \$30 (and not as an automatic "add-on", but only when required to comply with Florida Statutes) may be imposed by the permittee (Beach Towing) for services such as the processing of paperwork, clerical work, or title research. Administrative charges are defined as costs associated with verification of a vehicle identification number; search of vehicle for ownership information; preparation of paperwork required by Florida Statutes; preparation and mailing of the notification letter(s); and preparation of vehicles for auction (including notification to owner or lien holder). Administrative charges shall not be imposed on vehicles with a "police hold" until or unless the hold is removed. Storage for City (confiscated) vehicles with "police holds" is free of charge to the City.

These maximum allowable rates mentioned above shall not apply to City of Miami Beach residents (such exemption(s) for City of Miami Beach residents shall hereinafter be referred to as the "Miami Beach resident discount"). To be eligible for this resident discount, individuals must provide proof of residency within the City of Miami Beach, and their driver's license information must match the registration information of the vehicle being towed. The permittee shall maintain a log documenting discounts given to City residents pursuant to the Miami Beach resident discount, which log shall be available for inspection and copying by the City Manager or his

designee, upon request. The permittee shall prominently post a sign displaying the maximum allowable rates for both City and non-City residents within the area(s) on its premises designated for the vehicle owner or his agent to transact business.

**Parking Department vs. Police Department Requested Tows**

In total, the Law Enforcement Records Management System (LERMS) showed that there were 23,844 (90.96%) Parking Department requested tows and 2,371 (9.04%) Police Department requested tows during the 13-month audit period. The Parking Department has established a process whereby their Coin Room staff manually enter into monthly Excel spreadsheets a detailed breakdown of all the individual fees charged to each towed vehicle owner by the tow company, which includes, among others, storage fees, mileage charges, administrative fees, after-hours fees, labor to engage/tow vehicle fees, and state sales taxes.

Conversely, the Police Department has not established a similar process for documenting the individual amounts charged to each towed vehicle owner. Police Department’s designated employees enter a limited share of information from the Vehicle Storage Receipts (VSR) that are received from the towing companies into the Computer Aided Dispatch (CAD) System for the release of the vehicles before they are forwarded to the Records Section for filing. Shortly after the month’s end, a CAD System report is generated of all recorded Police Department requested tows which is forwarded to the City’s Finance Department for billing.

The detailed monthly Excel spreadsheets enabled OIG staff to perform a wide range of analyses on the Parking Department’s requested public tows. Similar information is not readily available for the Police Department’s requested tows, which only comprised 9.04% of the total tows. Therefore, their tows were excluded from further analysis, but there is no basis upon which to believe that analysis of those tows would differ from those of the Parking Department.

As the information in these Excel spreadsheets was entered through a manual data entry process, a quality control test was performed to assess its reliability. All 350 tows performed by both tow companies in a randomly selected 7-day period occurring between October 9, 2018 and October 15, 2018 were reviewed. The corresponding data present in 2,450 entry fields (7 fields x 350 tows) in the corresponding spreadsheets was compared to the applicable storage receipts and/or invoices so that any identified inaccuracies could be quantified. When completed, it was determined that only 16 of the entries contained errors or 0.65% (16/2,450), which means that the accuracy rate was 99.35% ((2,450 – 16)/2,450). Based on these results, OIG staff relied on the monthly spreadsheet data in performing various analyses for the audit period.

**Alternating Tows**

Parking Department management stated that Dispatchers are to manually alternate tow requests between the two companies. If that practice is not followed at any given time, compensatory measures are taken to ensure that an equal share of overall tow requests is maintained. For example, if Beach Towing inadvertently received two consecutive tow requests, then Tremont Towing is to receive two successive tows once the oversight is identified.

The 23,844 Parking Department requested tows recorded through the LERMS database were analyzed for the 13-month audit period for which the corresponding results are presented in Exhibit 1 below:

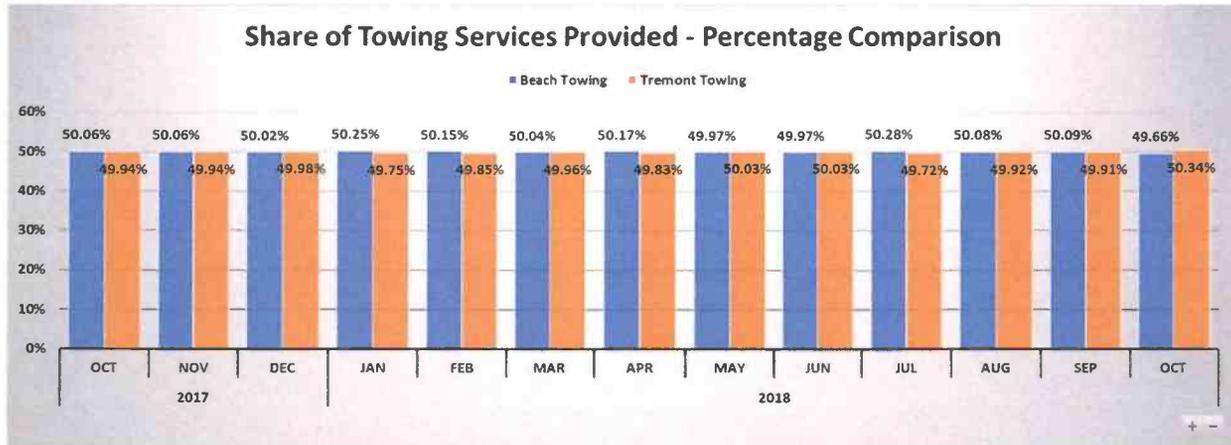
Exhibit 1

<u>Results</u>	<u>Number</u>	<u>Percentage</u>
Alternating:	23,474	98.45%

Not Alternating:	369	1.55%
Last in List (not able to be compared/Tremont)	1	0.00
Total:	23,844	100.00%
<b>Results for "Not Alternating"</b>		
Not Alternating - to the benefit of Tremont Towing:	169	0.71%
Not Alternating - to the benefit of Beach Towing:	200	0.84%
Total for Tremont:	11,907	49.94%
Total for Beach:	11,937	50.06%

Although no alternation occurred in 1.55% of the requested public tows, the subsequent breakdown showed that this difference was typically corrected. In summary, Beach Towing performed (on a net basis) 15 more public tows than Tremont Towing (11,937 – 11,907 = 30/2 = 15) during the 13-month audit period ((23,474/2) + 200 – 15 = 11,922 x 2 companies = 23,844 total). This immaterial 0.0629% difference (15/23,844) was not investigated further. Exhibit 2 below provides a graphical depiction of the percentage share of tow services assigned to each company per month.

Exhibit 2



**Revenue Comparison**

The information in the Parking Department's prepared monthly Excel spreadsheets included the total amounts paid by each tow customer. The OIG staff used this information to perform a revenue comparison (Exhibit 3 graphically and Exhibit 4 numerically) between the two tow companies with the following findings:

- The average rounded amount paid by customers per tow was \$255.45 which consisted of an average of \$268.60 for Beach Towing and \$242.27 for Tremont Towing.
- Beach Towing's billings exceeded Tremont Towing's by \$321,532 or by an average of 11.1% for the 13-month audit period.
- The percentage difference decreased to 3.7% for the last two months reviewed (September 2018 and October 2018) from 12.4% for the first 11 months (October 2017 through August 2018).

Exhibit 3

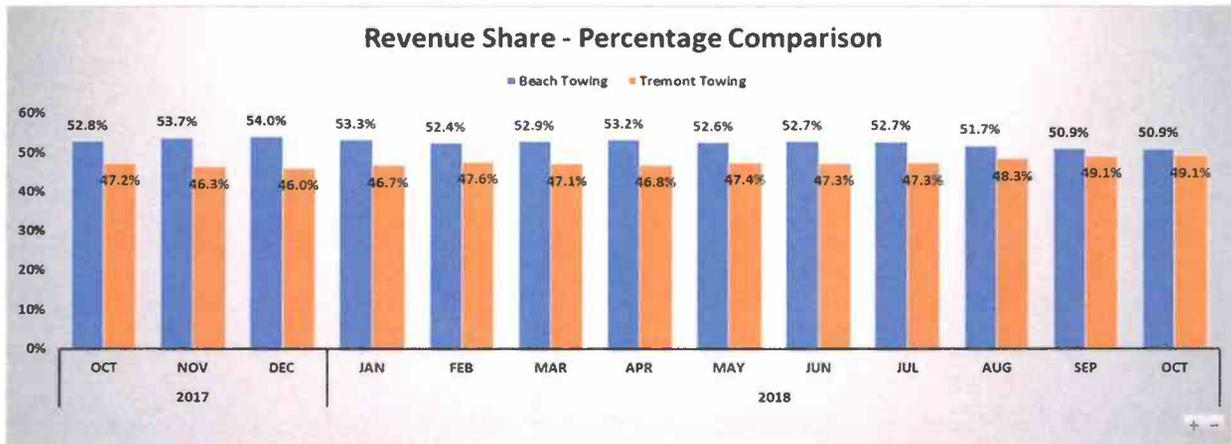


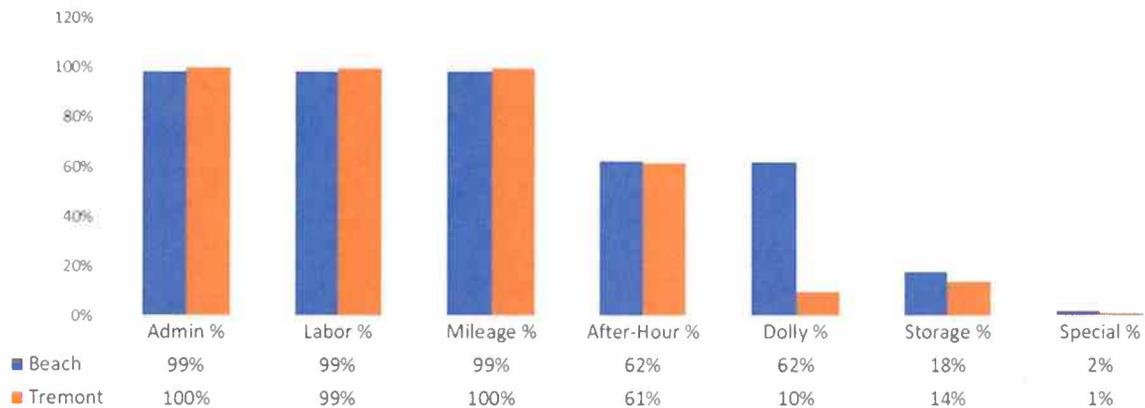
Exhibit 4

Revenue Share	Adjusted Total				% Gap Between Revenues
	Beach Towing	Tremont Towing	Grand Total	Difference	
<b>2017</b>					
Oct	\$239,026	\$213,975	\$453,001	\$25,051	11.7%
Nov	\$220,967	\$190,249	\$411,216	\$30,718	16.1%
Dec	\$274,832	\$234,259	\$509,090	\$40,573	17.3%
<b>2018</b>					
Jan	\$249,688	\$219,066	\$468,754	\$30,623	14.0%
Feb	\$231,184	\$209,961	\$441,145	\$21,224	10.1%
Mar	\$344,078	\$306,815	\$650,893	\$37,262	12.1%
Apr	\$248,444	\$218,940	\$467,384	\$29,504	13.5%
May	\$244,312	\$219,797	\$464,109	\$24,515	11.2%
Jun	\$230,744	\$206,690	\$437,434	\$24,054	11.6%
Jul	\$265,823	\$238,445	\$504,268	\$27,378	11.5%
Aug	\$233,677	\$218,266	\$451,944	\$15,411	7.1%
Sep	\$209,929	\$202,106	\$412,036	\$7,823	3.9%
Oct	\$213,566	\$206,169	\$419,735	\$7,397	3.6%
<b>Grand Total</b>	<b>\$3,206,271</b>	<b>\$2,884,738</b>	<b>\$6,091,009</b>	<b>\$321,532</b>	
Average Difference for the 13-month period:					11.1%
Average Difference for the initial 11-month period:					12.4%
Average Difference for the last 2-month period:					3.7%
Average amount paid by Beach Towing's customers:					\$268.60
Average amount paid by Tremont Towing's customers:					\$242.27
Average amount paid by customers:					\$255.45

More specific testing was performed to determine the difference in the frequency of fees, established in the Maximum Allowable Rates per Section 22 of the Towing Permits, such as hook-up fees, storage fees, state sales taxes, dollies or flatbed services fees, labor to engage/tow fees, after hour fees, etc. levied per tow. The data showed that both companies appear to be relatively consistent with the frequency in which the fees were applied, except for the dollies or flatbed services fee (61.81% for Beach Towing compared to 9.79% for Tremont Towing) as shown in Exhibit 5 below.

**Exhibit 5**

**Frequency of Additional Charges for Every Hook-up Fee**



Upon interviewing key personnel, reviewing the Parking and Police Department’s body camera footage, as well as other furnished supporting documentation, and covertly observing several tows in January and February 2019, the following shortcomings were identified:

**Finding #1: Customers Were Overcharged for Dollies or Flatbed Services Fees Not Rendered at the Tow Locations**

Dollies or flatbed services are required to transport all-wheel drive vehicles (so as not to damage their transmissions), or when the vehicles’ wheels will not roll properly for some reason. To help compensate Beach Towing for the additional time needed to install the dollies or the additional expense in using a flatbed, Section 22(H)4 of the Towing Permits allows for an additional \$40 fee to be charged to its customers in these instances. The following picture shows the usage of a dolly on a vehicle being pulled by a tow truck.



Exhibits 6 and 7 below provide a comparative analysis of the number of times that dollies or flatbed services were charged for each month of the audit period by each tow company and the corresponding amount of fees charged. They show that Beach Towing charged the \$40 dollies or flatbed services fee approximately 650% more frequently than Tremont Towing (7,179 compared to 1,106). However, the difference became much smaller in September 2018 (34 charges for Beach Towing vs. 29 for Tremont Towing) and October 2018 (62 charges for Beach Towing vs. 46 for Tremont Towing). It was also noted that the frequency in which dollies or flatbed services were charged decreased from an average of 644 times per month for October 2017 through August 2018 to 48 times per month for September and October 2018. This difference represents an estimated \$258,870 (see Exhibit 8 below) additional amount in dollies or flatbed services charges, when the initial 11-month period (October 2017 – August 2018) is compared to the subsequent two-month period (September 2018 – October 2018).

Exhibit 6

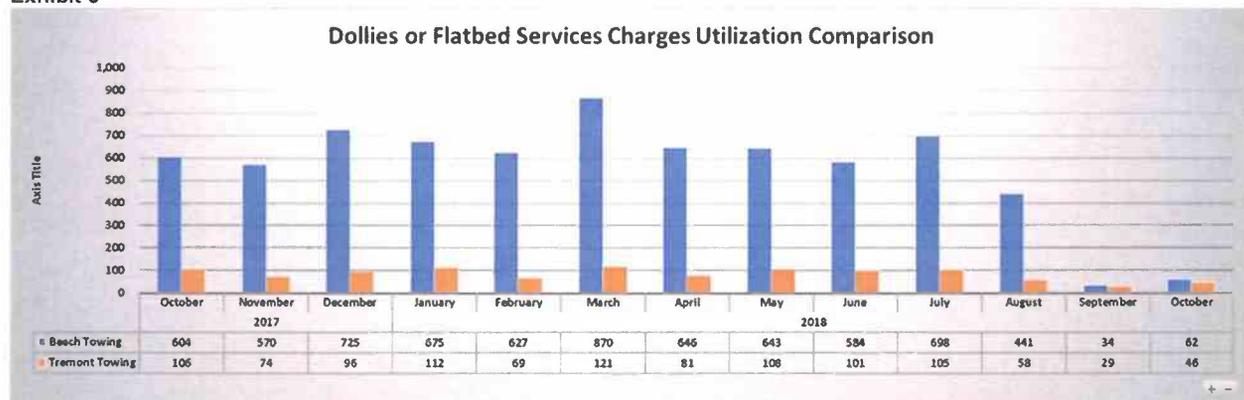


Exhibit 6's vertical axis represents the number of times that dollies or flatbed services were charged. The horizontal axis is the month in which the dollies or flatbed services were charged during the audit period. The numerical figures below each month are the total number of times that dollies or flatbed services were charged during that month by each tow company. Beach Towing is represented by the blue color bars; Tremont Towing is represented by the orange color bars.

Exhibit 7

	Beach Towing		Tremont Towing		Total # of Charges	Total Amount
	# of Charges	Amount	# of Charges	Amount		
<b>2017</b>						
October	604	\$24,155	106	\$4,200	710	\$28,355
November	570	\$22,790	74	\$2,940	644	\$25,730
December	725	\$28,985	96	\$3,820	821	\$32,805
<b>2018</b>						
January	675	\$26,980	112	\$4,440	787	\$31,420
February	627	\$25,065	69	\$2,760	696	\$27,825
March	870	\$34,755	121	\$4,820	991	\$39,575
April	646	\$25,810	81	\$3,220	727	\$29,030
May	643	\$25,659	108	\$4,290	751	\$29,949
June	584	\$23,335	101	\$4,005	685	\$27,340
July	698	\$27,880	105	\$4,165	803	\$32,045
August	441	\$17,615	58	\$2,310	499	\$19,925
September	34	\$1,350	29	\$1,155	63	\$2,505
October	62	\$2,480	46	\$1,835	108	\$4,315
<b>Grand Total</b>	<b>7,179</b>	<b>\$286,859</b>	<b>1,106</b>	<b>\$43,960</b>	<b>8,285</b>	<b>\$330,819</b>

Exhibit 7 displays the number of dollies or flatbed services charged per month and the corresponding amounts charged to tow customers. Amounts shown were compiled using solely dollies or flatbed services charged, \$40 for non-residents and \$35 for residents, and do not include any other tow charges.

Beach Towing			
	(B) Average Impounded Vehicles	(C) Average Impounded Vehicles Charged with a Dolly Fee	% of Dolly Charges to Impounded Vehicles (C/B)
Monthly Average from Oct 2017 through August 2018 (11 months)	919	644	70%
Monthly Average from Sept 2018 through Oct 2018 (2 months)	848	48	6%
(A) Average Monthly Number of Additional Dolly Charges When Compared the Initial Eleven-Month Period (Oct/17 - Aug/18) to the Subsequent Two Month Period (Sep/18 - Oct/18)		596	
Estimated Additional Number of Dolly Charges for the Initial Eleven-Month Period (A x 11)		6,555	
Dolly Rates (Nonresident / Resident)		\$40/\$35	
Estimated Additional Amount of Dolly Charges for the Initial Eleven-Month Period, Applying Percentages for Residents and Nonresidents and Abandoned. ((6,555 x (94.49%+0.78%) x \$40 + (6,555 x (3.95% x \$35))		\$258,870	

Exhibit 8 shows the monthly averages of impounded vehicles and dollies or flatbed services (listed as dolly above) charged and the percentage of the impounded vehicles that were charged dollies or flatbed services for the first eleven (11) months (gold fill) and the final two (2) months of the audit period (light green fill). Additionally, the difference between the eleven (11) month average dollies or flatbed services charged and the two (2) month average of the same fee, was calculated.

When contacted, Beach Towing’s representative stated via email that the reasons for the significant increase in dollies or flatbed services fees charged were due to the City’s raising of the streets and the tow company’s loss of access to two of its three entrances/exits. He claimed that the one remaining entrance/exit is subject to a sidewalk grade that causes vehicles to bottom out, thereby causing damage, and that they had notified the City Administration of this issue since at least 2016.

Furthermore, when asked for the reasons concerning the decrease in dollies or flatbed services fees charged commencing mid-August 2018 through October 2018, Beach Towing’s representative responded as follows: “...on August 17, 2018 both companies voluntarily agreed not to assess flatbed/dolly fees unless a City agent is present to notate the use of such equipment at the originating site of the tow. As previously explained, dollies/flatbeds are not always used at the initiation of the tow. This was a temporary and good faith proffer to avoid any confusion or misperception regarding the assessment of such fees due to inaccurate reporting by the media. It was both companies intention to address this temporary and voluntary practice with the City Commission when the towing permits were renewed in December 2018, but the opportunity did not present itself. It is both companies intention to revisit this matter with staff and/or the City Commission in the near future. In sum, both companies are still using flatbeds/dollies consistent with their historical practices; however, they are voluntarily waiving the flatbed/dolly fees for tows where a City agent is not present to notate the use of such equipment”.

OIG staff contacted the tow companies and City representatives to determine the date that both parties mutually agreed to terminate this practice, but no documentation was received. Consequently, it was assumed that they remained in effect at least until the December 2018 City Commission meeting based on the above email.

It was subsequently confirmed with the City's Public Works Department that no material changes have been made to the street or the grade of the sidewalk since 2016 as the streets were raised prior to that time. Since Beach Towing has visible cameras to record the activities occurring outside their offices, OIG staff requested access to view this footage to determine if dollies or flatbed services were provided for tested tows other than at the original tow location. However, their representative in a February 4, 2019 email stated that "Neither company has any footage responsive to your request nor are they required to."

OIG staff covertly observed towed vehicles on two different occasions in January and February 2019 in which it was noted that some vehicles with chassis low to the ground were successfully being delivered to Beach Towing's facility without the usage of dollies or flatbed services. Examples of some of these towed vehicles being delivered are shown in the following pictures taken from the video recordings. The objective was not to determine whether dollies or flatbed services were charged for these specific transactions, but whether they were needed to navigate the dip and to safely enter the tow yard without damaging the vehicles.





A Miami New Times article dated August 16, 2018, entitled “Beach Towing Tacks on Bogus “Flatbed” Fees, South Beach Driver Says”<sup>1</sup> discussed the apparent overcharging of the dollies or flatbed services fee to a customer. A follow-up Miami New Times article dated August 23, 2018 entitled “Miami Beach Cracks Down on Bogus Flatbed Fees From Towing Companies”<sup>2</sup> commented that the Parking Department management informed both tow companies to only charge dollies or flatbed services fees if they were used in public view at the tow locations with a City agent present.

To determine this statement’s impact, a more detailed analysis was performed to determine the frequency of dollies or flatbed services fees charged daily (see Exhibit 9), which showed a decrease in charges after August 22, 2018. Furthermore, Exhibit 10 below shows a linear trend analysis on the frequency of dollies or flatbed services fees charged daily for the days between August 23, 2018 through October 31, 2018, or after the decrease was detected. It may be observed that there is an upward trend on the number of dollies or flatbed services charged after August 22, 2018. However, OIG staff could not ascertain whether all dollies or flatbed services fees charged, prior and subsequent to the decrease detected, were or were not justifiable.

Exhibit 9

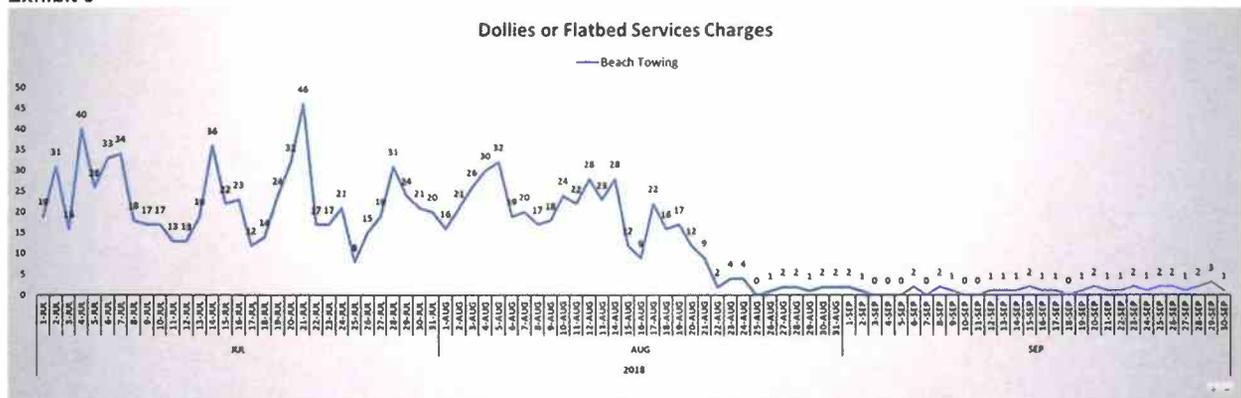


Exhibit 9 shows the number of dollies or flatbed services charged per day during the months of July, August and September

1 <https://www.miaminewtimes.com/content/printView/10632612>  
 2 <https://www.miaminewtimes.com/content/printView/10649222>

of 2018. As shown above, a significant decrease in dollies or flatbed services charges occurred after August 22<sup>nd</sup>, 2018. Exhibit 10

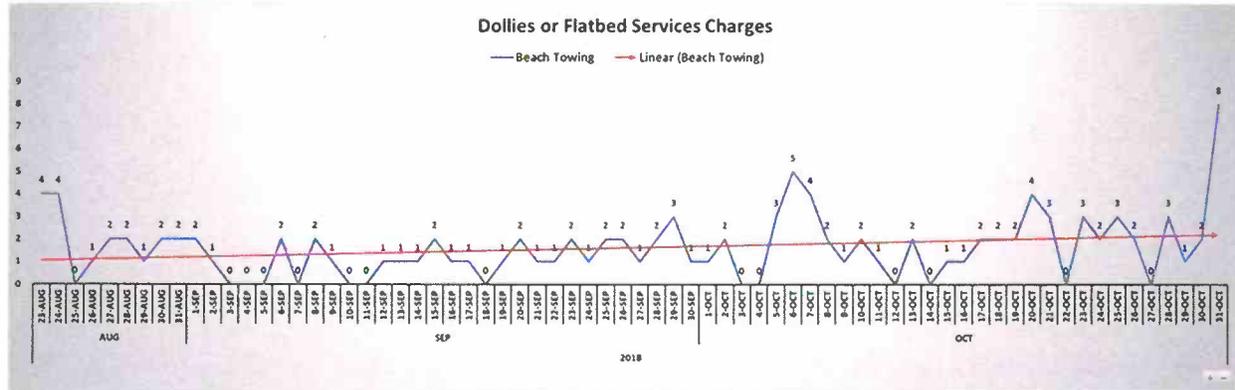


Exhibit 10 shows a linear trend analysis on the frequency of dollies or flatbed services charged per day from August 23<sup>rd</sup>, 2018 through October 31<sup>st</sup>, 2018. As shown above, an upward trend of dollies or flatbed services charged occurred.

Next, OIG staff reviewed all Parking Department tow impound documentation, as well as all tow receipts for the randomly selected seven-day period of October 9, 2018 through October 15, 2018 (178 tows). As only seven of these tested tows included the \$40 dollies or flatbed services charge, the subsequent seven-day period, covering October 16 through October 22, 2018, was also tested, which increased the sample size to a total of 21 transactions. The objective was to observe the corresponding Parking Department's body camera footage to determine whether dollies or flatbed services were provided at the original tow location for charged customers consistent with the terms agreed upon, as indicated in the August 23, 2018 newspaper article and the tow company representative's email.

Of the 21 tows reviewed on body camera footage that charged the \$40 fee for dolly or flatbed services between October 9, 2018 and October 22, 2018, it was found that three were inconclusive as the reviewed Parking Department body camera footage did not capture the entire tow. For the remaining 18 tows, it was determined that 11 were properly charged, and that seven were overcharged as dolly or flatbed services were not used at the tow location. As a result, it was concluded that Beach Towing was not fully complying with the August 2018 agreed upon terms and these seven customers were overcharged by \$280 ( $\$40 \times 7 = \$280$ ).

**Recommendations:**

The City Commission and City Administration should consider that the next Towing Permit include the following provisions:

- a. Preclude the towing companies from billing for dollies or flatbed services unless they were used at the tow location and the VSR is noted as such by the Parking Enforcement Specialists.
- b. Require that during the vehicle retrieval the customer be provided, along with the invoice, a picture of the vehicle on a dolly or a flatbed whenever a charge for such service is included, as well with any VSR submitted to the Parking or Police Departments as part of the City's billing process by the towing companies. The picture should show the vehicle license plate for accurate identification.
- c. Allow for financial penalties that either the City and/or the vehicle owners could levy against a towing company in the event of verified overcharges, similar to Broward County's Code of Ordinances Section 81/2 - 16(b) and City of Miami City Code Section 42-109.

Beach Towing's Response:

See Appendix B

Finding #2: **Customers Overcharged by Incorrectly Rating the Towing Weight Classification**

Section 22(B) through (E) of the Towing Permits details the hook-up fees for the different classes of vehicles ranging from \$140 for Class "A" tows to \$200 for Class "D" tows. In summary, the Towing Permits allow the applicable tow company to bill hook-up fees based on the class of the wreckers/tow trucks and/or car carriers as defined in Section 11 of the Towing Permits below:

- A. Class "A" wreckers and slide back car carriers - commercially manufactured unit, with a rated capacity of not less than 10,000 pounds, GVW (gross vehicle weight)
- B. Class "B" wreckers - commercially manufactured units, with a rated capacity of not less than 18,000 pounds, GVW  
Class "B" slide back car carriers – commercially manufactured unit, with a rated capacity of not less than 20,000 pounds, GVW
- C. Class "C" wreckers – commercially manufactured unit, with a rated capacity of not less than 36,000 pounds, GVW

According to the website [automotozine.com](https://automotozine.com)<sup>3</sup>, the gross vehicle weight (also known as gross vehicle weight rating) is explained as "...a safety regulation used to prevent the overloading of vehicles. It's the maximum safe operating weight of a truck, including its net weight, plus driver, passengers, cargo, and fuel. The gross vehicle weight rating doesn't change after a manufacturer determines it for a vehicle".

Given this information, OIG staff found it difficult to believe that the intent of the Towing Permits is to allow the tow companies to charge the customer higher rates when they use a larger wrecker than is needed to tow a vehicle. In other words, the OIG position is that it would only be proper to charge the customer hook-up fees of \$200 (Class "D") on an occasion when a Class "D" wrecker is needed to tow a vehicle with a GVW requiring the larger wrecker, rather than charge the higher fee when a smaller wrecker would have been appropriate for the tow.

A legal opinion from the City Attorney's Office was requested to confirm the OIG position on this issue, and the following response was received: "The maximum allowable rate to be charged by Beach Towing Services, Inc. or Tremont Towing, Inc. (collectively, the "Towing Permittees") for any vehicle tow must be based upon, and solely depend on, the Gross Vehicle Weight ("GVW") of the actual vehicle being towed, irrespective of the classification of the wrecker ("A", "B", "C" or "D") which is utilized for the towing of said vehicle by the respective Towing Permittees.

In other words, pursuant to the Towing Permits, there is no prohibition on the Towing Permittees employing a wrecker with a rating capacity greater than necessary to accomplish the tow of a particular vehicle. However, should the Towing Permittees utilize a wrecker with a rating capacity greater than necessary to effectuate the tow of a particular vehicle (when a wrecker of a lesser rating capacity could safely carry out such tow), then the affected customer should only be

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<sup>3</sup> <https://automotozine.com/gross-vehicle-weight-rating-explained/>

charged based upon the rates set forth in the Towing Permits for the lowest rated (least expensive) wrecker class that could have been utilized to accomplish the tow based upon the towed vehicle's GVW."

In addition, OIG staff made the following additional assumptions:

- a. Class "D" wreckers are not specifically addressed in the Towing Permits; therefore, OIG staff assumed they would contain a rated capacity of more than 36,000 pounds (the maximum weight limit for Class "C" wreckers).
- b. As the rated capacities for Class "B" wreckers and side back car carriers was slightly different (18,000 vs. 20,000 pounds respectively), that any vehicles whose GVW was more than 10,000 pounds but did not exceed 18,000 pounds would be charged Class "B" hook-up fees. If the vehicles GVW exceeded 18,000 but not 36,000 pounds, then it would be charged Class "C" hook-up fees.

Testing was performed on the Parking Department's requested tows during the audit period to determine Beach Towing's compliance with Section 22(B) through (E) of the Towing Permits. As such, OIG staff identified 11,614 Parking Department requested tows billed hook-up fees by Beach Towing according to the Parking Department's Excel monthly spreadsheets. Although these tows were not listed as Class "A", "B", "C", or "D" on these spreadsheets, all tested tows were systematically classified based on their corresponding fees charged to non-residential customers (ex. \$140 = Class "A", \$145 = Class "B", \$175 = Class "C" and \$200 = Class "D").

Exhibit 11 below shows the number and percentage of Parking Department requested tows performed by Class for each towing company during the audit period based on the Excel spreadsheets listed data.

Exhibit 11

Beach Towing			Tremont Towing		
	Count of Class Breakdown	% of Class Breakdown		Count of Class Breakdown	% of Class Breakdown
Class A	11,067	95.29%	Class A	11,250	99.61%
Class B	459	3.95%	Class B	28	0.25%
Class C	74	0.64%	Class C	5	0.04%
Class D	14	0.12%	Class D	11	0.10%
<b>Grand Total</b>	<b>11,614</b>	<b>100.00%</b>	<b>Grand Total</b>	<b>11,294</b>	<b>100.00%</b>

*This analysis solely included tows in which hook-up fees were charged to customers according to the Parking Department's provided monthly Excel spreadsheets. Any tows performed where hook-up fees were not assessed were excluded from analysis, which included tows of abandoned vehicles, instances where the tow documentation was apparently not submitted by the tow company as no information was recorded in the spreadsheets, and any tows performed on a "no-charge" basis which included towing services provided for City vehicles, crime victims, etc.*

As shown above, Beach Towing performed 11,067 Parking Department requested Class "A" vehicle tows, which represented 95.29% of its total tows during the 13-month audit period. In addition, Section 22 of the Towing Permits states, "The permittee shall not charge in excess of the following maximum allowable rates established by the City (as same may be amended from time to time) ..." Consequently, the \$140 Class "A" tow fee is a maximum allowable rate and not a fixed rate, so there is not known material risk of overcharging based on gross vehicle weight as all tows assessed hook-up fees greater than \$140 would be classified as either Class "B", "C", or "D" tows. As there are not known associated risks in Class "A" tows for the City and the customer,

no additional testing was performed in this area. Instead, OIG staff's focus was on the tows in which the hook-up fees charged exceeded \$140, which represented 4.71% of all the reported Beach Towing tows.

Each sampled vehicle's make and model was obtained from the vehicle identification number and/or license plate number listed on the VSR as well as any attached supporting documentation. Next, the gross vehicle weight ratings were obtained from internet searches of the manufacturers' websites for these specific vehicles, which was compared to the gross vehicle weight limits specified in Section 11 of the Towing Permits. As a conservative measure, the vehicle's most comprehensive trim available (the largest engine, extended cab, 4x4, etc.) or the highest gross vehicle weight ratings listed for each of the tested vehicles was always selected.

Appendix A located at the end of this report lists the tested vehicles for each Class and their corresponding impound numbers, make and model, gross vehicle weight ratings, etc. Due to its large size (459 Class "B" + 74 Class "C" + 14 Class "D" = 547 total), OIG staff randomly sampled 60 Class "B" hook-up fees and reviewed all 74 Class "C" and all 14 Class "D" hook-up fees for further analysis. In summary, the following results were obtained:

- a. Of the 60 randomly sampled Class "B" charged tows, there was insufficient information on the VSRs for two of the tested vehicles to determine the make and model classification needed to accurately determine their GVW. For the remaining 58 vehicles, it was concluded that three were correctly charged, as their GVW was more than 10,000 but less than or equal to 18,000 pounds, and that 55 were overcharged, as their GVW was less than or equal to 10,000 pounds.
- b. Of the 74 Class "C" tows analyzed, the GVW for one Lincoln Town Car limousine could not be accurately determined. All 73 of the remaining Class "C" tows were found to have been overcharged as none of the vehicles researched contained GVW ratings more than 18,000 pounds but less than or equal to 36,000 pounds.
- c. Of the 14 Class "D" vehicle tows analyzed, there was insufficient information on three VSRs to accurately determine their GVW. Of the remaining 11 Class "D" vehicles, ten tows were deemed to have been overcharged as their vehicles GVW was equal to or less than 36,000 pounds and one was correctly charged.

Lastly, the entire population of tows listed in the Parking Department's Excel monthly spreadsheets was reviewed, and it was determined that four tows were charged hook-up fees that exceeded the \$200 Class "D" maximum allowable rate established in Section 22 of the Towing Permits. Inquiries were made to Beach Towing's representative, who provided the explanation that one tow customer was charged a lump sum \$219 fee, and that the remaining three tows were erroneously billed \$300 each or \$100 more than the maximum allowable rate (\$100 x 3 customers = \$300). These four tows were also included in the analysis above concerning the vehicle's gross vehicle weight ratings.

#### Recommendations:

The City Administration and/or City Commission should consider implementing the following recommendations to improve customer knowledge and to increase Beach Towing's responsibilities:

- a. The Towing Permits, the Towing Bill of Rights and the signage displayed at Beach Towing's offices should more clearly define the applicable hook-up fee charges and the corresponding GVW ratings so that tow customers can better understand which fees are valid for their vehicle.

- b. The burden of proof should be on the tow companies to prove that any charges other than the Class "A" hook-up \$140 fee are valid rather than leaving it to less informed consumers to figure out the charges.
- c. The Towing Permits should allow for financial penalties that either the City and/or the vehicle owners could levy against the tow companies in the event of verified overcharges, similar to Broward County's Code of Ordinances Section 81/2 - 16(b) and City of Miami City Code Section 42-109.

Beach Towing's Response:

See Appendix B

**Finding #3: Customers Were Overcharged for Labor to Engage/Tow Fees Not Rendered**

Section 22(H)(5) of the Towing Permits states that the \$30 labor to engage/tow fee "... *is not an automatic fee and may only be imposed when access to enter the vehicle is required to properly engage/tow the vehicle.*" This fee is to be charged when the tow truck operator needs to enter the vehicle to disengage the emergency brake or straighten the vehicle's wheels to facilitate towing. Consequently, the tow truck operator would have to enter the vehicle at the tow location to facilitate the tow and to avoid damaging the vehicle.

As the 21 reviewed Parking Department transactions in finding #1 included fees for labor to engage/tow, as well as service charges of use of dollies or flatbeds, OIG staff examined available body camera footage to determine if Beach Towing's tow operators entered the vehicles at the tow locations. In doing so, it was found that six tows were inconclusive, as the body camera footage did not accurately capture the entire tow. Of the remaining 15 tows observed during the 14-day period of October 9, 2018 through October 22, 2018, it was concluded that four customers were properly charged labor to engage/tow fees as the tow operators were observed physically entering the vehicles, and 11 customers were overcharged because no entry of their vehicles occurred. Therefore, it was concluded that Beach Towing was not fully complying with Section 22(H)(5) of the Towing Permits terms and that these 11 customers were overcharged by a total of \$330 ( $\$30 \times 11 = \$330$ )

A similar review of the Police Department's tow impound documentation, as well as all invoices for the seven-day period of October 9, 2018 through October 15, 2018 was performed. Upon reviewing the body camera footage retained by the Police Department for the corresponding nine tows, it was found that six were inconclusive, as one could not tell if Beach Towing staff physically entered the vehicles at the tow locations. Of the remaining, it was determined that all three were overcharged, as the tow operators were not observed entering the vehicles at the tow locations. As a result, each of these three (3) customers was overcharged by \$30 for a total of \$90 ( $\$30 \times 3 = \$90$ ).

In sum, 30 Parking and Police Department tows with body camera footage were reviewed to verify whether the \$30 labor to engage/tow fees were properly charged to tested October 2018 tow customers. Of these tows, 12 were inconclusive as OIG staff could not determine whether the tow operators entered the vehicles at the tow locations. For the remaining 18 tows, it was concluded that four were properly charged and 14 were overcharged by a total of \$420 ( $\$30 \times 14$

= \$420).

OIG staff also analyzed how often the \$30 labor to engage/tow fee was charged during the 13-month audit period based on the data in the Parking Department's monthly Excel spreadsheets. The results of this analysis showed that Beach Towing charged this fee for 11,441 of the 11,614 tested tows occurring between October 1, 2017 and October 31, 2018 (98.51%), which resulted in \$343,313 being charged to their tow customers (see Exhibit 12 below).

Exhibit 12

Labor to Engage/Tow Fees Labor Charges Analysis				
	Count of Hookup Fee	Labor Charges	% of Labor Charges	\$ Labor Charges
2017				
October	855	843	98.60%	\$25,285
November	769	755	98.18%	\$22,735
December	956	945	98.85%	\$28,605
2018				
January	876	869	99.20%	\$26,055
February	822	812	98.78%	\$24,313
March	1,211	1,191	98.35%	\$35,690
April	880	872	99.09%	\$26,155
May	869	855	98.39%	\$25,625
June	847	839	99.06%	\$25,140
July	957	941	98.33%	\$28,205
August	886	865	97.63%	\$25,935
September	834	817	97.96%	\$24,485
October	852	837	98.24%	\$25,085
<b>Grand Total</b>	<b>11,614</b>	<b>11,441</b>	<b>98.51%</b>	<b>\$343,313</b>

Exhibit 12 shows the number of labor to engage/tow fees (abbreviated as labor charges above) charged relative to the number of hook-up fees assessed, their corresponding percentage, and the dollar amounts associated with the total number of labor charges per month and cumulatively for the audit period October 1, 2017 through October 31, 2018. The maximum allowed labor charge is \$30 per instance, which is the most frequent recorded amount; however, actual individual charges occasionally varied from this amount.

A closer review of the labor fees charged to engage/tow, as listed on the Parking Department's Excel monthly spreadsheets, found that seven tows exceeded the \$30 maximum allowable rate, which were subsequently emailed to the Beach Towing representative for an explanation on February 1, 2019. On February 6, 2019, satisfactory explanations were received for four of these tows; however, the explanations provided for the remaining three were insufficient to clearly determine the reasons for the overcharges. OIG staff determined that the labor fees on these three tows were overcharged by an estimated \$70.50.

In response, the towing company's representative stated that these amounts also included "special and additional charges" allowed under Section 22(H)(1) of the Towing Permits. This section states that any extra labor or extra waiting time may be charged at a rate of \$16.50 per hour, after the first 30 minutes at the scene and prorated after the 1st hour in 15 minutes increments.

The three (3) explanations were considered insufficient because they were incorrectly calculated based on the Towing Permits' maximum allowable rates and the information listed. For example, the representatives' response for the vehicle with impounded number 148580, for which a labor charge of \$60 was made, is "The labor fee did not exceed the maximum allowable rates. A \$30 labor fee was charged. In addition to the \$30 labor fee, additional labor in the amount of \$33 was charged pursuant to Section 22(H)(1). The tow took a total of 1 hour to perform, including disassembling the drive shaft at the point of the tow, and reassembling the drive shaft".

In addition to the fact that the implied total amount charged in the response does not match the actual labor amount charged ( $\$30 + \$33 \neq \$60$ ), it is stated in Section 22(H)(1) that the charge for one (1) hour of extra labor or waiting time is \$8.25 (1 - 0.5 hours = 0.5 hour x \$16.50) if the first half hour is discounted. Thus, OIG staff determined that the labor to engage/tow fee on these three tows was incorrectly billed in that customers were charged fees ranging from a low of \$60 to a high of \$90.

Recommendations:

The City Commission and City Administration should consider that the next Towing Permits contain provisions as follows:

- a. Preclude the towing companies from billing for labor to engage/tow fees unless the VSRs are noted as such by the Parking Enforcement Specialists present at the tow locations.
- b. Require that the customer be provided during the vehicle's retrieval, along with the invoice, one or more picture(s) of the vehicle with the door open when this charge is billed, as well with the VSR when the document is submitted to the Parking or Police Departments by the tow companies as part of the City's billing process. The corresponding picture(s) should show the vehicle's license plate for accurate identification.
- c. Include financial penalties, that either the City and/or the vehicle owners could invoke against the tow companies, in the event of verified overcharges, similar to Broward County's Code of Ordinances Section 81/2 - 16(b) and City of Miami City Code Section 42-109.

Beach Towing's Response:

See Appendix B

Finding #4: ***Insufficient Information to Assess Storage Fees***

Section 22(A) of the Towing Permits provides that the first eight hours of storage shall be without charge and then lists the daily storage rates based on the type and size of vehicle. On average, Beach Towing charged customers' storage fees for 18% of its tows as most vehicles were retrieved within eight hours. Upon reviewing the furnished Beach Towing documentation, OIG staff could not determine whether the charged storage fees were applicable as their employees typically did not record the time/date that the customers retrieved the vehicles.

Recommendations:

The City Administration and City Commission should consider that the next Towing Permits include the following provisions:

- a. Require that an automated time/date stamp be used rather than manual notations to help reduce the possibility of errors or manipulation, and that this information be made available to the City upon request. In the interim, Beach Towing staff should either use military time or denote the time as AM or PM to facilitate storage fee calculations.
- b. Require that customers receive copies of their VSRs, which contain the times that their vehicles were towed, so that they can accurately determine whether any storage fees charged

are appropriate. The tow companies should have the responsibility to fully explain any additional charges to the customer before they are billed and make payment.

Beach Towing's Response:

See Appendix B

**Finding #5: Sales Taxes Charged and Collected on Police Department Requested Tows Appear to be Inappropriate**

A review of the supporting documentation provided for Beach Towing's 178 sampled tows, occurring between October 9 and October 15, 2018, found that they were consistently charging 7% state sales tax on any amounts collected for administrative and/or storage fees. OIG staff did not analyze Beach Towing's monthly state sales tax returns to ensure that the correct amounts were remitted as this report focused only on public tows and any sales tax monies paid would also include any private tow taxable amounts, precluding a segregation of sales tax amounts charged on public tows.

However, a review of the State Statutes and ancillary documentation such as TAA – 103463<sup>4</sup> found that the administrative and/or storage fees are not taxable for vehicles lawfully impounded for legal reasons. In subsequent conversations with the City Attorney's Office, it appears that the Police Department requested tows are not subject to state sales tax based on the known information. Although the exact amount collected in state sales taxes is not known as the Police Department did not create and maintain monthly Excel spreadsheets like the Parking Department, a portion may have been unnecessarily charged and collected.

Recommendations:

Beach Towing should confirm with the State of Florida before taking any definitive action; however, OIG staff's position is that the 7% state sales tax should not be charged on administrative and/or storage fees for vehicles lawfully impounded for legal reasons (Police Department requested tows). If subsequently confirmed by Beach Towing with the State of Florida, they should discontinue charging and collecting sales tax on these tows, but until then all amounts collected should be timely and completely remitted.

Beach Towing's Response:

See Appendix B

**Finding #6: Deficiencies on the Required Insurance Coverage**

Section 4 of the Towing Permits specifies the required insurance coverage to be in full force and effect at all times throughout the term. A copy of Beach Towing's current insurance policy was requested and promptly received from the City's Parking Department. As it had not been previously reviewed by the City's Risk Management Division for sufficiency, OIG staff met with

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<sup>4</sup> <https://revenue.law.floridarevenue.com/LawLibraryDocuments/2011/09/TAA-103463>

that Division on January 31, 2019, which led to the following deficiencies being noted:

- Evidence was not provided to the City indicating that they had either obtained the required workers' compensation coverage or submitted a document stating that they have four or less employees and are not required to have this coverage.
- The City is not named as an additional insured in the "Description of Operations/ Locations/Vehicles" section.

Recommendations:

Beach Towing should always maintain the required insurance coverage in accordance with the Towing Permits. The coverage deficiencies listed above should be promptly corrected. Also, the Parking Department Director and/or the Police Chief should instruct their designated staff to periodically verify that Beach Towing maintains the required insurance coverage in accordance with the Towing Permits.

Beach Towing's Response:

See Appendix B

## **RECENT UPDATES**

As any identified deficiencies plus the Parking Department's Excel spreadsheets containing the total tow population during the audit period had been previously forwarded to the auditees and two exit conferences to discuss the audit findings had already been held during 2019, a third exit conference was not deemed necessary. Instead, the draft reports for both Tremont Towing and Beach Towing were emailed to their shared attorney, Rafael Andrade, on July 15, 2020 in which both companies were given 30 working days, or until August 27, 2020, to provide their management responses in compliance with to Section 2-256(h), City of Miami Beach Code.

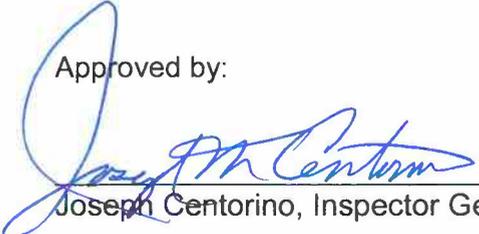
Mr. Andrade then requested OIG's supporting documentation related to findings 1, 2, and 3 in emails sent between the 18<sup>th</sup> and 20<sup>th</sup> of August. The OIG provided the requested information to the City Clerk's Office on August 24<sup>th</sup>. Mr. Andrade was notified via email on the same day that the eight CDs containing the requested information were available from the City Clerk's Office upon receipt of the payment of the cost of preparing the information. As of August 26<sup>th</sup>, the information still had not been retrieved from the City Clerk's Office, but the tow companies' attorney was requesting additional time until September 30<sup>th</sup>. The City's Inspector General agreed to extend the time to provide responses until September 7<sup>th</sup> at 5pm.

In regard to finding #2, Mr. Andrade not only requested the supporting information for the 60 randomly sampled Class B tows, but also for the remaining 399 Class B Beach Towing tows that were not tested by OIG staff, and as such, had not been addressed in any of the three draft towing reports. Nonetheless, OIG staff identified and submitted on September 7<sup>th</sup> all known information for these 399 Class B tows, including the impound numbers, to Mr. Andrade. As a courtesy, the City's Inspector General extended the deadline for responses to both tow reports to September 9<sup>th</sup> at 5pm.

Mr. Andrade requested an extension to at least September 16<sup>th</sup> to perform research and test these additional 399 Class B tows, which was declined by the Inspector General on September 8<sup>th</sup>. Mr. Andrade provided a response on September 9<sup>th</sup> for the Beach Towing audit in which he claimed

that the Inspector General failed to disclose to the City Commission that on or about December 4, 2019, he had referred the Beach Towing audit to the Miami-Dade State Attorney's Office (SAO) for criminal investigation, and that inasmuch as Beach Towing is under criminal investigation it would refrain from addressing the allegations until the SAO completes its investigation. The response is attached to the Beach Towing audit report. Mr. Andrade did not respond on behalf of Tremont Towing.

Approved by:

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

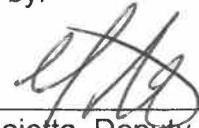
09/24/2020  
Date

Reviewed by:

  
\_\_\_\_\_  
Mark Coolidge, Chief Auditor

09/24/2020  
Date

Completed by:

  
\_\_\_\_\_  
Norman Blaiotta, Deputy Chief Auditor

09/24/2020  
Date

cc: Jimmy L. Morales, City Manager  
Eric Carpenter, Assistant City Manager  
Saul Frances, Parking Director  
Richard Clements, Police Chief  
John Woodruff, Chief Financial Officer  
Michael Smith, Human Resources Department Director

Beach Towing Services, Inc. - Towing Permit Compliance Audit - September 24, 2019

Appendix A. Tested vehicles for each tow class assigned and their corresponding impound numbers, make and model, gross vehicle weight ratings, etc. (Finding 1)

Green = Overcharged Class B Tows

Blue = Overcharged Class C Tows

Orange = Overcharged Class D Tows

# Tows Overcharged	# Tows Tested	Impounded Number	Impounded Date/Time	Impounded From Location	Vehicle Brand/Model	Vehicle Year	Vehicle Gross Weight Rating (GVWR) lbs.	Hookup Fee Charged	Tow Class Assigned (Based on Hookup Fee Charged)
	1	144337	03/26/18	800 MICHIGAN AVE, Miami Beach	Hummer H1	1992-2006	10,300	\$145	B
	2	128828	10/09/17	300 24TH ST, Miami Beach	Ford Transit 350	2016	10,360	\$145	B
	3	128798	10/09/17	9 ISLAND AVE, Miami Beach	Ford F350	2017	14,000	\$145	B
	4	138805	03/23/18	400 16TH ST BLK, Miami Beach	Kenworth T680	2015	52,350	\$200	D
1	5	129304	10/18/17	8300 HAWTHORNE AVE, Miami Beach	Ford Expedition Limited	2010	7,900	\$145	B
2	6	129378	10/19/17	100 LINCOLN RD, Miami Beach	Chevrolet Express 1500	2008	7,200	\$145	B
3	7	129441	10/20/17	1900 BAY RD, Miami Beach	Land Rover Range Rover	2017	6,945	\$145	B
4	8	129736	10/25/17	1600 WASHINGTON AVE, Miami Beach	Mercedes-Benz G550	2013	7,055	\$145	B
5	9	129952	10/29/17	1900 BAY RD, Miami Beach	Mercedes-Benz GL63 AMG	2014	7,165	\$145	B
6	10	130231	11/03/17	1600 ALTON RD, Miami Beach	Jeep Grand Cherokee Laredo	2017	6,500	\$145	B
7	11	130583	11/09/17	200 23RD ST, Miami Beach	Ford Transit 150	2015	8,600	\$145	B
8	12	131167	11/20/17	1400 14TH ST, Miami Beach	Ford F250	2003	8,800	\$145	B
9	13	131930	12/05/17	100 20TH ST, Miami Beach	Toyota Tundra 4 Door	2015	7,000	\$145	B
10	14	131938	12/05/17	300 23RD ST, Miami Beach	Ram 1500 SLT	2013	6,800	\$145	B
11	15	132418	12/12/17	1700 PURDY AVE, Miami Beach	Nissan NV 1500	2013	8,550	\$145	B
12	16	133030	12/22/17	1130 OCEAN DR, Miami Beach	RAM 1500	2017	6,900	\$145	B
13	17	133520	12/30/17	2100 WASHINGTON AVE, Miami Beach	Chrysler Pacifica Touring	2017	6,005	\$145	B
14	18	133849	01/04/18	1423 COLLINS AVE, Miami Beach	Chevrolet Silverado 1500	2015	7,600	\$145	B
15	19	133972	01/06/18	1800 BAY RD, Miami Beach	GMC Yukon	2017	7,500	\$145	B
16	20	134250	01/11/18	000 ISLAND AVE, Miami Beach	Land Rover Range Rover	2017	6,945	\$145	B
17	21	134372	01/13/18	1600 MICHIGAN AVE, Miami Beach	Jeep Grand Cherokee Limited	2015	6,500	\$145	B
18	22	134722	01/18/18	4600 COLLINS AVE, Miami Beach	Ford F150	2007	8,200	\$145	B
19	23	135143	01/25/18	1200 20TH ST, Miami Beach	Jeep Wrangler	Unknown	5,400	\$145	B
20	24	135893	02/07/18	1567 MERIDIAN AVE, Miami Beach	Chevrolet Silverado 1500	2007	6,800	\$145	B
21	25	135897	02/07/18	300 20TH ST, Miami Beach	Toyota Tacoma Preruner SR5	2007	5,450	\$145	B
22	26	136731	02/21/18	000 ISLAND AVE, Miami Beach	BMW X5	2014	6,063	\$145	B
23	27	136755	02/22/18	400 21ST ST, Miami Beach	GMC Yukon	2018	7,500	\$145	B
24	28	136926	02/24/18	200 11TH ST, Miami Beach	Nissan NV 1500	2015	8,550	\$145	B
25	29	137088	02/26/18	300 74TH ST, Miami Beach	Chevrolet Suburban 1500	2015	7,500	\$145	B
26	30	137541	03/06/18	000 WASHINGTON AVE	Ford Transit Connect XL	2012	5,005	\$145	B
27	31	137699	03/09/18	11 ISLAND AVE, Miami Beach	Ford F150 Lariat	2016	7,850	\$145	B
28	32	138566	03/19/18	1800 BAY RD, Miami Beach	Toyota Tundra	Unknown	7,200	\$145	B
29	33	138632	03/20/18	100 7TH ST, Miami Beach	Ford Transit 150 Cargo	2015	8,600	\$145	B
30	34	138636	03/20/18	1880 WEST AVE, Miami Beach	Land Rover Range Rover	2016	6,945	\$145	B
31	35	138640	03/20/18	5 ISLAND AVE, Miami Beach	Ford Transit 150 Cargo	2015	8,600	\$145	B
32	36	138776	03/22/18	1 WASHINGTON AVE, Miami Beach	Nissan NV 2500	2016	9,100	\$145	B
33	37	139170	03/26/18	100 18 ST, Miami Beach	Chevrolet Suburban 1500	2018	7,300	\$145	B
34	38	139338	03/28/18	000 WASHINGTON AVE, Miami Beach	Chevrolet Express 2500	2012	9,460	\$145	B
35	39	139983	04/06/18	700 WASHINGTON AVE, Miami Beach	Ford Transit 250	2017	9,000	\$145	B
36	40	140235	04/09/18	2600 COLLINS AVE, Miami Beach	Jeep Liberty Sport	2010	5,675	\$145	B
37	41	141594	05/03/18	1600 ALTON RD, Miami Beach	Chevrolet Suburban	2018	7,300	\$145	B
38	42	142043	05/11/18	100 7TH ST	Nissan NV 1500	2016	8,550	\$145	B
39	43	142424	05/18/18	944 COLLINS AVE, Miami Beach	GMC Yukon	2017	7,500	\$145	B
40	44	143419	06/03/18	1500 LENOX AVE, Miami Beach	Ford E150 Van	2008	8,600	\$145	B
41	45	144415	06/21/18	100 10TH ST, Miami Beach	Ford F150	Unknown	8,200	\$145	B
42	46	144421	06/21/18	300 23RD ST	Lincoln Navigator	2003	7,450	\$145	B

Beach Towing Services, Inc. - Towing Permit Compliance Audit - June 3, 2019

43	47	144855	06/29/18	1900 PURDY AVE	Ram 1500 Laramie Longhorn	2016	6,950	\$145	B
44	48	144867	06/29/18	100 20TH ST	Chevrolet Express 3500	2009	9,600	\$145	B
45	49	145133	07/02/18	1400 PENNSYLVANIA AVE, Miami Beach	Chevrolet Suburban 1500	2018	7,300	\$145	B
46	50	145297	07/05/18	200 JEFFERSON AVE, Miami Beach	Nissan Armada	2017	7,500	\$145	B
47	51	145544	07/08/18	1400 18TH ST	Chevrolet Suburban	2013	7,400	\$145	B
48	52	146534	07/23/18	0 WASHINGTON AVE	Ford E250 Van Econoline	2012	9,000	\$145	B
49	53	146965	07/31/18	1600 ALTON RD, Miami Beach	Cadillac Escalade Ultra	2009	7,300	\$145	B
50	54	147360	08/06/18	1100 WEST AVE, Miami Beach	Ford E250	2006	8,600	\$145	B
51	55	148072	08/18/18	300 24TH ST	Chevrolet Tahoe	2018	7,300	\$145	B
52	56	148106	08/18/18	1600 ALTON RD	Lexus GX 460	2017	6,600	\$145	B
53	57	148704	08/29/18	1000 OCEAN CT, Miami Beach	Chevrolet Suburban 1500	2018	7,300	\$145	B
54	58	149354	09/11/18	709 ALTON RD, Miami Beach	Ford E250	2006	8,600	\$145	B
55	59	149794	09/19/18	200 23RD ST	Ford Transit 250	2018	9,000	\$145	B
56	60	146339	07/21/18	1100 WEST AVE, Miami Beach	Chevrolet Express 1500	2012	7,600	\$175	C
57	61	128507	10/04/17	1900 PURDY AVE, Miami Beach	Dodge Sprinter 2500	2004	8,550	\$175	C
58	62	132958	12/21/17	1600 WASHINGTON AVE, Miami Beach	Mercedes Benz Sprinter 2500	2016	8,550	\$175	C
59	63	146557	07/24/18	200 72ND ST, Miami Beach	Dodge Sprinter 2500	2003	8,550	\$175	C
60	64	150276	09/27/18	2200 LIBERTY AVE, Miami Beach	Mercedes Benz Sprinter 2500	2015	8,550	\$175	C
61	65	151647	10/20/18	4500 COLLINS AVE	Mercedes Benz Sprinter 2500	2012	8,550	\$175	C
62	66	152222	10/31/18	100 10TH ST, Miami Beach	Dodge Sprinter 2500	2004	8,550	\$175	C
63	67	148668	08/28/18	1900 PURDY AV	Ford Transit 150	2015	8,600	\$175	C
64	68	133352	12/28/17	800 16TH ST, Miami Beach	Dodge 2500 Ram	2000	8,800	\$175	C
65	69	146212	07/19/18	1200 WEST AVE, Miami Beach	Ram ProMaster 2500	2015	8,900	\$175	C
66	70	149082	09/06/18	0 WASHINGTON AVE	Ram 2500 Promaster Van	2015	8,900	\$175	C
67	71	148842	09/01/18	49 COLLINS AVE	Ford Excursion	2000	8,900	\$175	C
68	72	139340	03/28/18	200 7TH ST, Miami Beach	Nissan Titan XD	2016	8,990	\$175	C
69	73	135312	01/27/18	700 WASHINGTON AVE, Miami Beach	Ford Transit 250	2016	9,000	\$175	C
70	74	145777	07/13/18	100 21ST ST, Miami Beach	Ford Transit 250	2017	9,000	\$175	C
71	75	146482	07/22/18	1600 ALTON RD, Miami Beach	Ford Excursion	2005	9,200	\$175	C
72	76	131519	11/27/17	000 WASHINGTON AVE, Miami Beach	Nissan NV 3500 S/SV	2012	9,500	\$175	C
73	77	138656	03/20/18	1833 BAY RD, Miami Beach	Chevrolet G10 Express	1997	9,500	\$175	C
74	78	130219	11/02/17	40 ISLAND AVE, Miami Beach	Ford Transit 350	2017	9,500	\$175	C
75	79	131022	11/18/17	2000 LIBERTY AVE, Miami Beach	Ford Transit 350	2016	9,500	\$175	C
76	80	131030	11/18/17	1300 WEST AVE, Miami Beach	Ford Transit 350	2015	9,500	\$175	C
77	81	131918	12/05/17	300 25TH ST, Miami Beach	Ford Transit 350	2016	9,500	\$175	C
78	82	133358	12/28/17	800 OCEAN DR BLK, Miami Beach	Ford Transit 350	2017	9,500	\$175	C
79	83	136056	02/10/18	1131 COLLINS AVE, Miami Beach	Ford Transit 350	2018	9,500	\$175	C
80	84	136695	02/20/18	100 20TH ST, Miami Beach	Ford Transit 350	2018	9,500	\$175	C
81	85	137511	03/05/18	1700 JAMES AVE, Miami Beach	Ford Transit 350	2017	9,500	\$175	C
82	86	139447	03/29/18	1034 PENNSYLVANIA AVE, Miami Beach	Ford Transit 350	2015	9,500	\$175	C
83	87	139607	03/31/18	100 LINCOLN RD, Miami Beach	Ford Transit 350	2016	9,500	\$175	C
84	88	139839	04/03/18	000 5TH ST, Miami Beach	Ford Transit 350	2018	9,500	\$175	C
85	89	140280	04/10/18	2100 PARK AVE, Miami Beach	Ford Transit 350	2015	9,500	\$175	C
86	90	141758	05/05/18	2100 PARK AVE, Miami Beach	Ford Transit 350	2018	9,500	\$175	C
87	91	142168	05/12/18	1400 PENNSYLVANIA AVE, Miami Beach	Ford Transit 350	2018	9,500	\$175	C
88	92	144343	06/20/18	1600 WASHINGTON AVE BLK, Miami Beach	Ford Transit 350	2017	9,500	\$175	C
89	93	149611	09/15/18	1100 COLLINS AVE, Miami Beach	Ford Transit 350	2017	9,500	\$175	C
90	94	151145	10/12/18	100 10TH ST, Miami Beach	Ford Transit 350	2018	9,500	\$175	C
91	95	152062	10/28/18	1520 COLLINS AVE, Miami Beach	Ford Transit 350	2015	9,500	\$175	C
92	96	139645	03/31/18	400 81ST ST, Miami Beach	Chevrolet Express 3500	2004	9,600	\$175	C

Beach Towing Services, Inc. - Towing Permit Compliance Audit - June 3, 2019

93	97	147434	08/07/18	1500 DREXEL AVE, Miami Beach	Chevrolet Express 3500	2005	9,600	\$175	C
94	98	144607	06/24/18	400 22ND ST	Chevrolet Express 3500	2013	9,660	\$175	C
95	99	150395	09/29/18	100 10TH ST, Miami Beach	Nissan NV 3500 S/SV	2012	9,900	\$175	C
96	100	130765	11/12/17	1900 BAY RD, Miami Beach	Dodge Sprinter 3500	2006	9,990	\$175	C
97	101	146676	07/26/18	200 16TH ST GARAGE, Miami Beach	Ford F250	2016	10,000	\$175	C
98	102	146246	07/20/18	2100 MIAMI BEACH DR, Miami Beach	Hummer H1	1992-2006	10,300	\$175	C
99	103	140934	04/21/18	100 39TH ST, Miami Beach	Chevrolet Express 3500	2018	10,384	\$175	C
100	104	142172	05/12/18	1400 EUCLID AVE, Miami Beach	Chevrolet Express 3500	2017	10,384	\$175	C
101	105	148844	09/01/18	200 9TH ST	Chevrolet Express 3500	2018	10,384	\$175	C
102	106	152099	10/28/18	1700 JAMES AVE	Chevrolet Express 3500	2018	10,384	\$175	C
103	107	144587	06/23/18	8036 HARDING AVE, Miami Beach	Dodge Ram 3500	2000	10,500	\$175	C
104	108	133772	01/01/18	36 ISLAND AVE, Miami Beach	Ford F350	1997	11,200	\$175	C
105	109	139784	04/02/18	000 WASHINGTON AVE LOT, Miami Beach	Dodge Ram 1500	2017	11,500	\$175	C
106	110	148060	08/17/18	1800 WEST AVE	Ram 1500 Promaster Van	2016	11,500	\$175	C
107	111	149569	09/15/18	1600 COLLINS AVE	Dodge Ram 1500	2017	11,500	\$175	C
108	112	145265	07/04/18	700 14TH ST, Miami Beach	GMC Savana 3500	2014	12,300	\$175	C
109	113	140888	04/21/18	700 WASHINGTON AVE, Miami Beach	Ford E350	2016	12,500	\$175	C
110	114	142953	05/26/18	900 6TH ST, Miami Beach	Ford E350	2014	12,500	\$175	C
111	115	144637	06/24/18	100 21ST ST	Ford E350	2013	12,500	\$175	C
112	116	143220	05/30/18	400 22ND ST, Miami Beach	Ford F350	2006	13,000	\$175	C
113	117	140009	04/06/18	100 20TH ST, Miami Beach	Chevrolet Silverado 3500	2016	13,025	\$175	C
114	118	132741	12/17/17	1900 BAY RD, Miami Beach	Ford F350	2017	14,000	\$175	C
115	119	150426	09/29/18	1800 WASHINGTON AVE, Miami Beach	Ford F350	2013	14,000	\$175	C
116	120	138890	03/23/18	900 EUCLID AVE, Miami Beach	Dodge Ram 3500	2017	14,000	\$175	C
117	121	144255	06/18/18	200 LINCOLN RD, Miami Beach	Mitsubishi Fuso	2008	14,000	\$175	C
118	122	137407	03/04/18	300 EUCLID AVE, Miami Beach	Ford E450	2007	14,050	\$175	C
119	123	138244	03/16/18	1300 18TH ST, Miami Beach	Ford E450	2002	14,050	\$175	C
120	124	141673	05/04/18	1 WASHINGTON AVE LOT, Miami Beach	Ford E350	2007	14,050	\$175	C
121	125	146860	07/29/18	1400 JEFFERSON AVE, Miami Beach	Ford E350	2007	14,050	\$175	C
122	126	135035	01/22/18	700 PENNSYLVANIA AVE, Miami Beach	Ford Van	2017	14,500	\$175	C
123	127	137771	03/10/18	1300 LINCOLN RD, Miami Beach	Ford E450	2017	14,500	\$175	C
124	128	139168	03/26/18	2500 PINE TREE DR, Miami Beach	Ford E450	2009	14,500	\$175	C
125	129	141244	04/27/18	1000 WEST AVE, Miami Beach	Ford E450	2015	14,500	\$175	C
126	130	142759	05/24/18	7715 HARDING AVE, Miami Beach	Ford E450	2009	14,500	\$175	C
127	131	143361	06/02/18	800 WASHINGTON AVE, Miami Beach	Ford E450	2017	14,500	\$175	C
128	132	143389	06/02/18	50 S SHORE DR, Miami Beach	Ford E450	2017	14,500	\$175	C
129	133	151349	10/15/18	100 10TH ST, Miami Beach	Dodge Grand Caravan GT	2017	6,050	\$219	D
130	134	149396	09/12/18	800 S POINTE DR	Mercedes-Benz Sprinter 2500	2011	8,550	\$200	D
131	135	128942	10/12/17	200 19TH ST BLK, Miami Beach	Ford E-350	2016	12,500	\$200	D
132	136	128511	10/04/17	1000 WEST AVE, Miami Beach	Isuzu NPR	2004	14,500	\$200	D
133	137	130197	11/02/17	1100 PENNSYLVANIA AVE, Miami Beach	Ford E-450	2017	14,500	\$200	D
134	138	130940	11/16/17	1200 20TH ST, Miami Beach	HINO 155	2018	14,500	\$300	D
135	139	140526	04/15/18	0 5TH ST, Miami Beach	Ford E-450	2011	14,500	\$200	D
136	140	137154	02/28/18	100 17TH ST, Miami Beach	Mitsubishi FUSO FH100	1995	17,995	\$200	D
137	141	143254	05/31/18	1400 BIARRITZ DR, Miami Beach	GMC C5500 C Series	2006	19,500	\$200	D
138	142	148580	08/27/18	100 31ST ST, Miami Beach	GMC C5500 C Series	2007	19,500	\$200	D

143	130549	11/08/17	4300 COLLINS AVE, Miami Beach	Ford F750	Unknown	unknown	\$200	D
144	135676	02/03/18	1500 ALTON RD, Miami Beach	Ford Transit	Unknown	unknown	\$145	B
145	142065	05/11/18	1800 PURDY AVE, Miami Beach	Trailer	2005	unknown	\$145	B
146	144593	06/23/18	1400 COLLINS AVE, Miami Beach	Lincoln Town Car Limousine	2000	unknown	\$175	C
147	133046	12/22/17	2900 ALTON RD, Miami Beach	Peterbilt	2012	unknown	\$300	D
148	150741	10/05/18	500 WEST AVE	Isuzu	Unknown	unknown	\$200	D

**Appendix B**

**Law Offices of Rafael E. Andrade, P.A.**

1688 Meridian Avenue  
7th Floor  
Miami Beach, Florida 33139

Telephone: 305.531.9511  
Facsimile: 305.673.5734

www.randradelaw.com  
ralph@randradelaw.com

**VIA EMAIL ONLY: JosephCentorino@miamibeachfl.gov**

September 9, 2020

Mr. Joseph Centorino  
Inspector General  
City of Miami Beach  
1130 Washington Avenue  
6th Floor  
Miami Beach, FL 33139

**Re: Beach Towing Services, Inc. – Towing Audit OIG No. 20-18**

Mr. Centorino:

I represent the interest of Beach Towing Services, Inc., concerning the above referenced audit dated July 15, 2020. This letter is in response to your invitation for my client to rebut the findings in the audit.

Your conduct has deprived my client of the opportunity to respond to the audit. You fail to disclose to the City Commission that on or about December 4, 2019 you referred the audit to the Miami-Dade State Attorney's Office (SAO) for criminal investigation (Exhibit A),<sup>1</sup> and that on New Year's Eve, you again contacted the SAO to induce them to take action (Exhibit B).<sup>2</sup> As a result, my client is currently the subject of a criminal investigation for the unfounded criminal conduct you allege in the audit. While my client would like to address the allegations, it must refrain from doing so until the SAO completes its investigation. It appears it would be in the best interest of all parties to not comment on the audit until the investigation is complete.

Sincerely,

/s/ Rafael E. Andrade

Rafael E. Andrade, Esq.

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<sup>1</sup> Exhibit A was obtained from the Miami-Dade State Attorney's Office pursuant to a Public Records Request. The email was partially redacted by the Miami-Dade State Attorney's Office.

<sup>2</sup> Exhibit B was obtained from the Miami-Dade State Attorney's Office pursuant to a Public Records Request. The email was partially redacted by the Miami-Dade State Attorney's Office.

# EXHIBIT A

**From:** Centorino, Joseph <JosephCentorino@miamibeachfl.gov>  
**Sent:** Wednesday, December 4, 2019 3:54 PM  
**To:** John Perikles  
**Cc:** Blaiotta, Norman  
**Subject:** FW: Beach Towing Draft Report  
**Attachments:** Beach Towing Services, Inc. Draft Audit Report 06-03-19 2.docx

Hi John,  
Glad to be able to catch up with you today. I have attached the audit report we discussed as well as the contact information for the auditor who authored it, Norman Blaiotta. He is prepared to speak with you in person or by phone, whenever that is convenient. Thanks for taking a look at this.  
Joe

## MIAMIBEACH

*Joseph M. Centorino*

Inspector General

Office of the Inspector General

1700 Convention Center Drive, Miami Beach, FL 33139

Tel. 305-673-7020/Fax 305-673-7519

[JosephCentorino@miamibeachfl.gov](mailto:JosephCentorino@miamibeachfl.gov)

**From:** Blaiotta, Norman <NormanBlaiotta@miamibeachfl.gov>  
**Sent:** Wednesday, December 4, 2019 3:44 PM  
**To:** Centorino, Joseph <JosephCentorino@miamibeachfl.gov>  
**Subject:** Beach Towing Draft Report

As per your request.

## MIAMIBEACH

**Norman Blaiotta CIA CFE MBA, Senior Auditor**

Office of the Inspector General

1700 Convention Center Drive, Miami Beach, FL 33139

Tel: 305-673-7000 ext. 26698 / Fax: 305-673-7519/ [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

*We are committed to providing excellent public service and safety to all who live, work and play in our vibrant, tropical, historic community.*

# EXHIBIT B

[REDACTED]

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**From:** Centorino, Joseph <JosephCentorino@miamibeachfl.gov>  
**Sent:** Tuesday, January 7, 2020 3:06 PM  
**To:** John Perikles  
**Cc:** Blaiotta, Norman  
**Subject:** RE: Towing audit

Thanks, John [REDACTED]

[REDACTED]

[REDACTED]

Joe

**MIAMIBEACH**

*Joseph M. Centorino*  
Inspector General  
Office of the Inspector General  
1130 Washington Ave., 6<sup>th</sup> Floor  
Miami Beach, FL 33139  
Tel. 305-673-7020  
[JosephCentorino@miamibeachfl.gov](mailto:JosephCentorino@miamibeachfl.gov)

---

**From:** John Perikles <JohnPerikles@MiamiSAO.com>  
**Sent:** Tuesday, January 7, 2020 2:23 PM  
**To:** Centorino, Joseph <JosephCentorino@miamibeachfl.gov>  
**Subject:** RE: Towing audit

[ THIS MESSAGE COMES FROM AN EXTERNAL EMAIL - USE CAUTION WHEN REPLYING AND OPENING LINKS OR ATTACHMENTS ]

[REDACTED]

I don't mind looking into this further, but would prefer to sit down with the investigators/auditors rather than do this by phone.

John

**From:** Centorino, Joseph <[JosephCentorino@miamibeachfl.gov](mailto:JosephCentorino@miamibeachfl.gov)>

**Sent:** Tuesday, December 31, 2019 2:25 PM

**To:** John Perikles <[JohnPerikles@MiamiSAO.com](mailto:JohnPerikles@MiamiSAO.com)>

**Subject:** Towing audit

Hi John,

Happy New Year!

Just checking in on the towing audit we sent you before the holiday, to find out if someone there has had the time to review it. I will be in the office this Thursday and Friday, if it would be convenient to talk. Otherwise, next week is fine. I expect there to be some developments in the City's review of this matter shortly.

Thanks.

Joe

**MIAMIBEACH**

*Joseph M. Centorino*

Inspector General

Office of the Inspector General

1130 Washington Ave., 6<sup>th</sup> Floor

Miami Beach, FL 33139

Tel. 305-673-7020

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