



**Joseph M. Centorino**, Inspector General

September 2, 2021

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

PROJECT: Roll-Off Permit Process Review  
OIG No. 21-17  
PERIOD: January 1, 2017 through July 31, 2020

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### Executive Summary

This review was initiated to analyze the Roll-off permit process to identify possible improvements and increase compliance.

The systemic deficiencies identified in this report have made the City increasingly reliant on conducting roll-off fee audits to uncover these deficiencies. To date, contractors have cooperated, and recent audit assessments have been substantial.

As a result of unreported gross receipts identified through this process, recent assessments (including interest and penalties) have been levied in the amount of \$114,086.84 to Great Waste & Recycling LLC, and \$2,130.99 to Bicon Inc. d/b/a S&S National Waste. Both companies agreed with the assessments and remitted all monies due.

These listed assessment amounts do not include other fees identified by OIG audit staff that are owed by these contractors for delinquent business tax receipts, outstanding Code Compliance violations, prior audit assessments, additional roll-off permit fees due related to months not in the designated audit period, etc. Furthermore, the OIG Sanitation Tax Auditor is presently working on several other roll-off fee revenue audits that are expected to have significant assessments.

The OIG has also become aware of the existence of several previously unknown contractors performing roll-off services within Miami Beach. They were only noticed due to the implementation of several recommendations listed in this report, and through the OIG Sanitation Tax Auditor's May and June 2021 site visits to Miami Beach properties that were issued Building permits. These contractors' noncompliance has provided an unfair advantage to these companies over the other registered firms, as they are less regulated and can offer lower prices and/or realize higher profit margins, due to their avoidance of required business tax receipts and monthly roll-off permit fees.

The implementation of the recommendations listed in this report will help lessen this advantage by identifying non-complying contractors more quickly and subjecting them sooner to the City Code's enforcement provisions, as well as insuring that the City receives the appropriate fees and roll-off revenues to which it is entitled.

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This review was initiated to analyze the Roll-off permit process to identify possible improvements and increase compliance. The Office of the Inspector General (OIG) Sanitation Tax Auditor soon realized that this process was closely intertwined with portions of the Building Department's permitting process as well as to the Finance Department's Business Tax Receipts and Accounts Receivable processes. Therefore, the scope of the review was expanded to include an overview of those pertinent areas, where applicable.

### **Authorized Roll-Off Companies and Monthly Reporting Process Summary**

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

The City's licensing and permitting system, EnerGov, listed six roll-off contractors on January 20, 2021 with their 2020/21 fiscal year business tax receipts (BTRs) in "active" status and another seven contractors in "pending" status. "Pending" status means that the BTR is not yet valid or active and is missing needed documentation and/or payment in full. The number of roll-off contractors 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. For comparative purposes only, there were 194 roll-off contractors registered with Miami-Dade County.

City Code Section 90-192 provides that franchise waste and roll-off contractors are required to obtain annual BTRs or may be subject to enforcement procedures and penalties. Meanwhile, the City of Miami Beach's website states, *"The Code Compliance Department is dedicated to protecting the public health, safety, and welfare, improving the quality of life for our City's residents, business owners and visitors through education and the consistent and equitable application of the City's Code of Laws and Ordinances."* It is the responsibility of the Finance

Department's Licensing Section to notify the Code Compliance Department that these seven roll-off contractors still have their BTRs in "pending" status to help obtain compliance, or that they are subject to the stated enforcement procedures and penalties.

Authorized roll-off contractors are required to abide by provisions outlined in the City Code, which include the remittance of roll-off permit fees, calculated by multiplying the City Commission approved rate by the contractor's total applicable Miami Beach gross receipts. 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. Any unpaid fees that are not timely received are subject to penalties of 10% per month up to a maximum of 50%, plus interest of 1% per month.

City Code Section 90-278(4) requires that monthly reports, accompanied by payment of any owed fees, are to be submitted to the City's Finance Department by all authorized contractors at the end of the month after the month in which the gross receipts were generated. For example, the report and any associated roll-off fees owed for January 2021 are due by February 28, 2021.

When the roll-off contractor has annual gross receipts reported to the City over \$200,000.00, it is required to deliver to the City's Finance Department a statement of annual gross receipts generated from accounts in the City for the preceding fiscal year, certified by an independent Certified Public Accountant. These statements of annual gross receipts are to be furnished within 60 days following the close of the roll-off contractor's fiscal year pursuant to City Code Section 90-278(4).

### Roll-Off Permit Process Overview

A. Roll-Off Permit Process

According to a January 14, 2021 email received from the Sanitation Division, the roll-off permit process for the hauler permits can be summarized as follows:



1. Applicant (Licensee) submits the request via email to "sanitationrequests@miamibeachfl.gov".
2. Sanitation Office Staff reviews to make sure application is complete.
3. Sanitation staff enters the application in EnerGov.
  - a. On the inspection screen it is placed in pending status (Code Compliance assigns & schedules their own inspections)
4. If Code Compliance approves it, Sanitation then issues the permit to the hauler.
5. If Code Compliance denies a permit, necessary corrections must be made before reinspection.

OIG's review determined that Roll-off permits do not contain a stated expiration date and remain open indefinitely, unlike Building Permits which are closed when the project's CO or CC is issued.

Another interesting point is that, unlike a Building Permit, there is no charge for a customer (typically either the property owner or the hired building contractor) to obtain a Roll-off permit, which may diminish its value and apparent importance to the customer. Furthermore, the Code Compliance Department issues violations containing a \$100 fee to any identified customers using a roll-off that did not previously obtain a Roll-off permit for that location.

### **Testing Performed and Results Obtained**

OIG staff met with members of the Miami-Dade County Solid Waste Department, who closely monitor the direct correlation between Building and Roll-off permits. They claimed that this leading indicator helps them ensure that Roll-off permits are issued when needed, and that the roll-off contractors include these locations in their monthly filings and remittances.

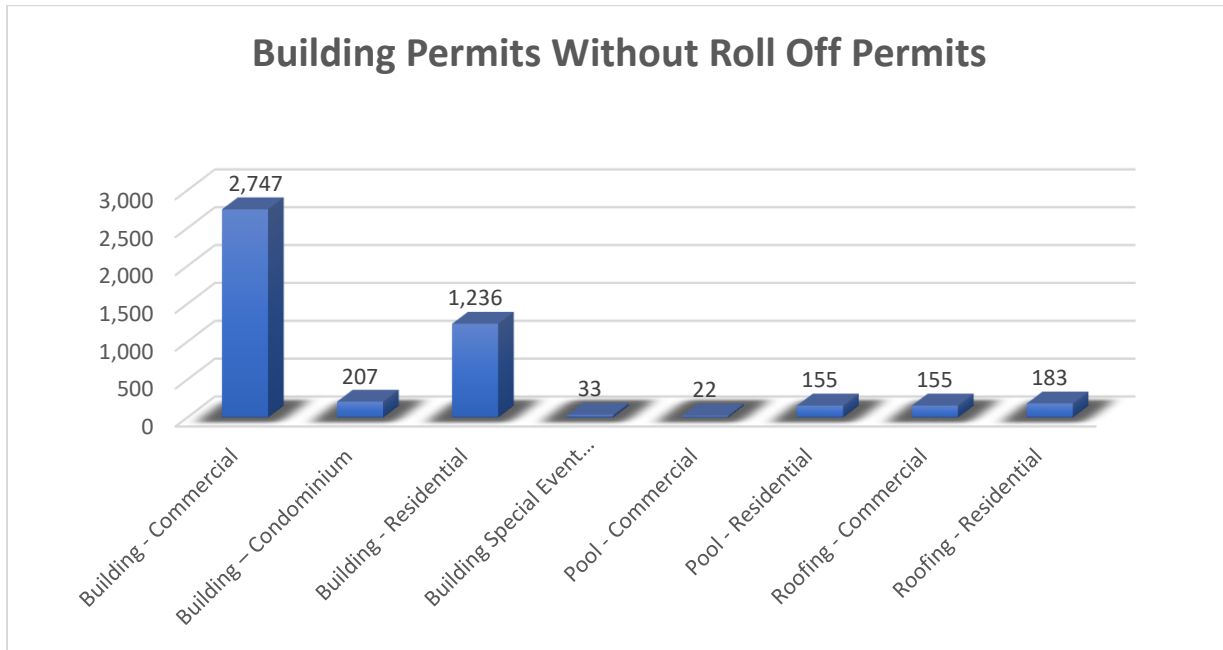
OIG's testing determined that the data entered in the City's EnerGov system, the City's licensing and permits system, pertaining to Building and Roll-off permits are not linked and are typically entered separately by different personnel. This practice increases the risk that required Building and/or Roll-off permits may not be obtained by contractors, thereby resulting in less regulation and lost revenues to the City. It also places more emphasis on ensuring that Finance Department Licensing Section personnel timely notify the Code Compliance Department to issue violations for noncompliance.

The Building Department Deputy Director stated in an August 13, 2020 phone conversation with the OIG Sanitation Tax Auditor, that the following eight Building permits have a direct relationship with roll-off services (i.e., tied to a construction site): (1) building commercial, (2) building condominium, (3) building residential, (4) building special events, (5) pool commercial, (6) pool residential, (7) roofing commercial and (8) roofing residential. Since Building permits issued for each of these eight categories most likely require the usage of a roll-off container to dispose of the debris, Roll-off permits should be simultaneously issued in many instances for these projects.

The OIG Sanitation Tax Auditor requested and received a Building Permits Report generated by the City's Information Technology Department containing all the corresponding Building permits issued for the 55-month period of January 1, 2016 through July 31, 2020. Similarly, a Roll-Off Permits Report for the same period was also generated and provided, so that data from the two reports could be compared. Hence, it was noted that the Building Permits Report contained 8,618 transactions while the Roll-off Permits Report contained only 1,372 transactions. As each transaction is identified by address in the City's EnerGov system, it was calculated that the Building Permits Report contained a total of 1,349 addresses and the Roll-Off Permits Report contained 746 addresses. The difference between the number of transactions and addresses is attributable to the fact that more than one Building and/or Roll-off permit may be issued to each address.

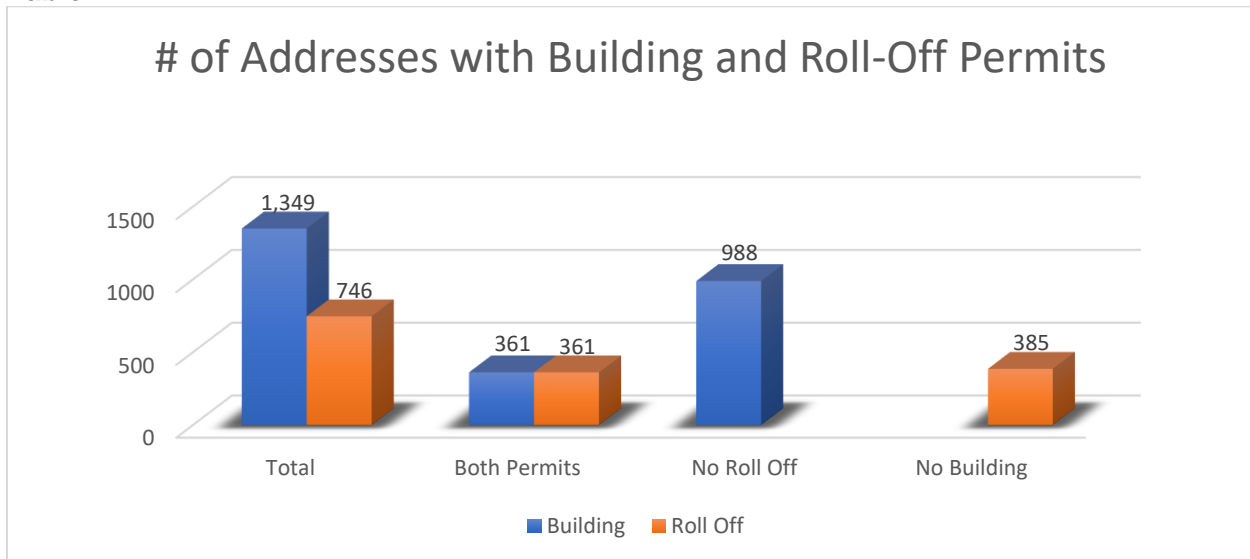
A further analysis of the two reports found that 361 addresses were listed on both reports, representing 26.76% of the Building Permits Report's addresses (361/1,349). Consequently, it was concluded that the remaining 988 (1,349 – 361) addresses or 73.24% did not have a Roll-off permit issued. These 988 addresses were related to 4,738 Building permit transactions, and its corresponding distribution among the eight categories is shown in Table 1 below.

**Table 1**



From the 746 addresses included in the Roll-Off Permits Report, 385 (51.61%) did not have a corresponding Building permit issued (see Table 2 below). This high percentage is troubling because the Building Department’s permitting process regulates construction to ensure that it is performed in accordance with Florida Building Code standards.

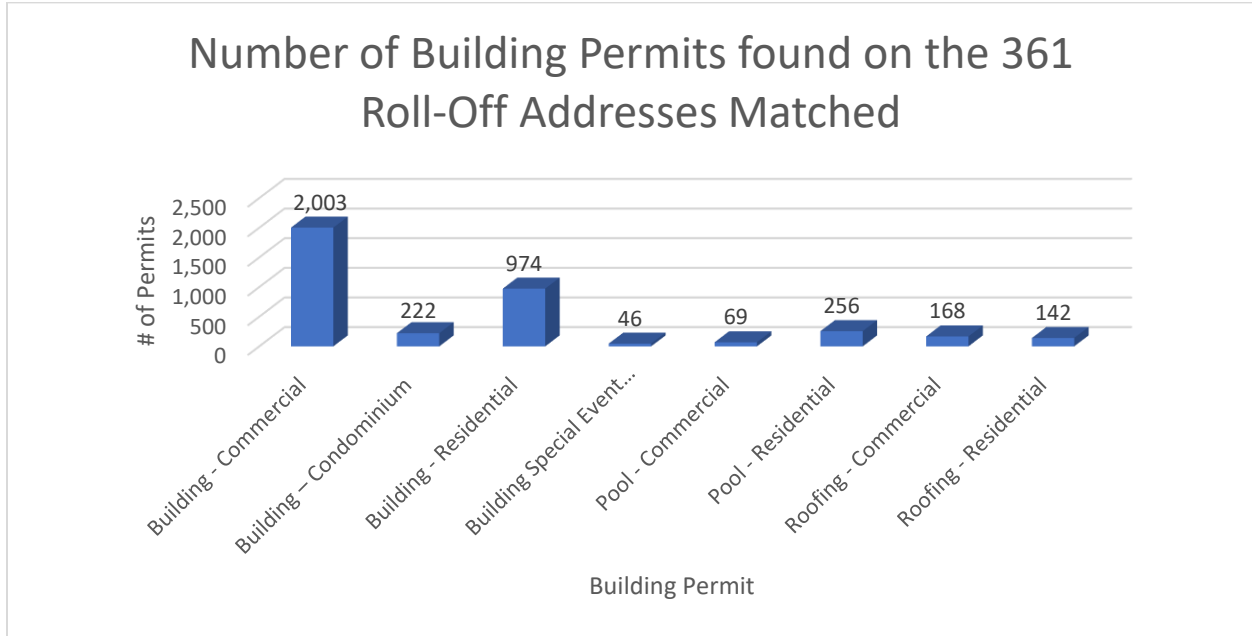
**Table 2**



The 361 addresses issued both Building and Roll-off permits were related to 3,880 Building Department transactions (see Table 3 below) in support of the Deputy Building Director’s assertion that there is a direct relationship between the identified eight Building permits and roll-off services (i.e., tied to a construction site). Therefore, OIG’s analysis supports the assertion that

these eight Building permits are frequently a good leading indicator of roll-off activity within the City and can be used proactively to help detect unreported roll-off activity.

**Table 3**



Furthermore, it was determined that at least seven roll-off permits were issued to companies and/or general contractors without a valid BTR authorizing the performance of roll-off activities within the City’s boundaries (see Table 4 below). It was subsequently concluded after meeting with Sanitation Division personnel, that the “Applicant” and “Contractor” names were entered into the incorrect fields and that the associated contractors were compliant. Although the OIG realizes that input errors may occur, it is important that they are minimized to facilitate effective data analytics.

**Table 4**

PERMIT NUMBER	ISSUED DATE	PERMIT MAIN ADDRESS	COMPANY/CONTRACTOR NAME
PWD0117-0544	1/6/2017	800 77TH ST MIAMI BEACH FL - 331412209	CARIVON CONSTRUCTION CO
PWD1116-0455	11/10/2016	204 W DILIDO DR MIAMI BEACH FL -331391168	CHANIN CONSTRUCTION
PWD1218-1793	12/17/2018	100 S POINTE DR MIAMI BEACH FL -331390000	Continuum on South Beach Master Association, Inc.
PWD0518-1455	5/23/2018	3175 PRAIRIE AVE MIAMI BEACH FL -331403426	JOSE F PRIETO
PWD0119-1804	1/7/2019	4300 ALTON RD MIAMI BEACH FL -331402800	KIM THAYER
PWD0616-0099	6/14/2016	2201 COLLINS AVE MIAMI BEACH FL -331391717	MEGATREND INC- CGC1513585
PWD0616-0100	6/16/2016	3747 PRAIRIE AVE MIAMI BEACH FL -331403436	RAMMAR CONSTRUCTION COMPANY CGC031506

A Roll-Off Violations Report by case number was received from the City’s Information Technology Department containing 86 violations issued by the Code Compliance Department during the 55-

month period of January 1, 2016 through July 31, 2020. Of these, 81 violations were related to overflowing roll-off containers, while the remaining five were for not obtaining the required permits (see Table 5 below).

**Table 5**

Period	Overflowing Containers Violations	No Roll-Off Permit Violations	Total Roll-Off Violations	Roll-Off Fines Issued
01/01/16 – 12/31/16	10	0	10	\$900
01/01/17 – 12/31/17	21	1	22	\$4,400
01/01/18 – 12/31/18	12	0	12	\$2,550
01/01/19 – 12/31/19	32	4	36	\$14,850
01/01/20 – 07/31/20	6	0	6	\$1,700
<b>Total</b>	<b>81</b>	<b>5</b>	<b>86</b>	<b>\$24,400</b>

In addition, three of the five addresses issued violations for not obtaining the required Roll-off permits by the Code Compliance Department (see Table 6 below), were also found to have not obtained Building permits.

**Table 6**

DATE	CODE CASE MAIN ADDRESS	CODE CASE NUMBER	COMPANY NAME
12/5/2019	5765 LA GORCE DR MIAMI BEACH FL -	SV2019-12395	5765 La Gorce Drive, LLC- C/o HINSHAW & CULBERTSON LLP
3/2/2019	1220 9 ST MIAMI BEACH FL -331395560	SV2019-07982	TIMS LAND ACQUISITION CORP % TIMOTHY WILCOX
11/28/2017	1211 Euclid	SV2017-04348	J & M Scaffolds of Florida, Inc. c/o Guerra, Rene L.

Roll-off contractors are required to remit a percentage of their total monthly gross receipts to the Finance Department in accordance with the City Code. The City Commission sets the applicable percentage rate, which was 18% through September 2019 before being increased to 20% for the remainder of the audit period. These contractors' payments are to be supported by the Roll-Off Fee Returns, showing the calculations in arriving at the payment amounts, as well as providing a detailed listing of the Miami Beach locations serviced.

Finance Department staff's primary emphasis is on checking the accuracy of the Roll-Off Fee Return's calculations and depositing the payments received. It has been found in prior audits of these roll-off contractors, that a detailed listing of Miami Beach locations serviced may be missing. This omission complicates the auditing process as the missing information must be requested from the roll-off contractor during the audit field work phase, since it is essential in verifying the accuracy of the roll-off contractor's filings and must be reconciled with the customer data in all positive confirmation letters returned to the OIG.

OIG staff used the following methodology to estimate that the City's Sanitation Division did not collect a total of \$163,256.00 in roll-off fees (excluding interest and penalties) during the January 1, 2016 through July 31, 2020 reviewed period, that it may have been entitled to receive.



- Recent audits of two roll-off companies, Bicon Inc. d/b/a S&S National Waste and Ojito Waste Systems Inc., determined that their average monthly invoice was \$481.42 and \$567.33, respectively.
- Similarly, each company's average monthly billing frequency by location was calculated to be 3.39 and 1.95 times per month.
- Given these results, a conservative approach was used whereby it was assumed that the average monthly invoice equaled \$450.00 and that the average monthly billing frequency by location is two.
- As previously stated, OIG staff determined that there was a total of 988 addresses that did not obtain a Roll-off permit. For simplicity, it was assumed that the identified deficiencies occurred evenly throughout the period or 17.96 times per month (988 addresses/55 months = 17.96).

After applying the City Commission approved roll-off fee percentage rates in effect at the time, OIG staff estimated that the City's Sanitation Division did not receive revenues of \$163,256.00 owed during the 55-month period reviewed or approximately \$2,968.00 per month (excluding interest and penalties).

In addition to roll-off violations, the Code Compliance Department also issues other Sanitation violations including illegal dumping, illegal disposal, garbage service, bio-hazardous, creation of a health hazard or nuisance, etc. It was determined that a total of 9,858 Sanitation violations by case number (including roll-off violations) were issued between January 1, 2017 through July 31, 2020 as shown below in Table 7:

**Table 7**

Period *	# of Sanitation Violations by case number	Sanitation Fines Levied
01/01/17 – 12/31/17	3,039	\$342,600
01/01/18 – 12/31/18	2,710	\$292,562
01/01/19 – 12/31/19	3,371	\$260,500
01/01/20 – 07/31/20	738	\$96,500
<b>Total</b>	<b>9,858</b>	<b>\$992,162</b>

\* Because OIG staff could not easily obtain the 2016 calendar year labor costs, which would have required access to the City's prior Eden system's data, it was excluded from analysis.

The Sanitation Division contributed the following revenues to the Code Compliance Department to help offset the associated estimated labor costs (see Table 8):

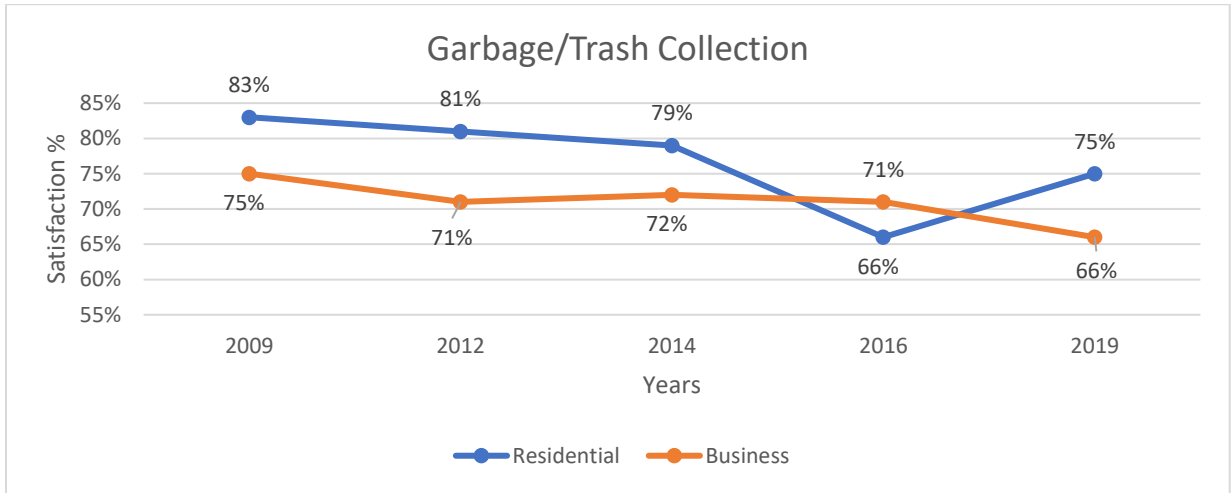
**Table 8**

Sanitation Funds (Calendar Year) *	2017	2018	2019	2020	Total
Code Compliance - Salaries, health costs & fringe benefits	\$110,890	\$246,568	\$245,584	\$106,409	<b>\$709,451</b>
Code Compliance employees totally or partially paid by Sanitation	3	4	4	2	

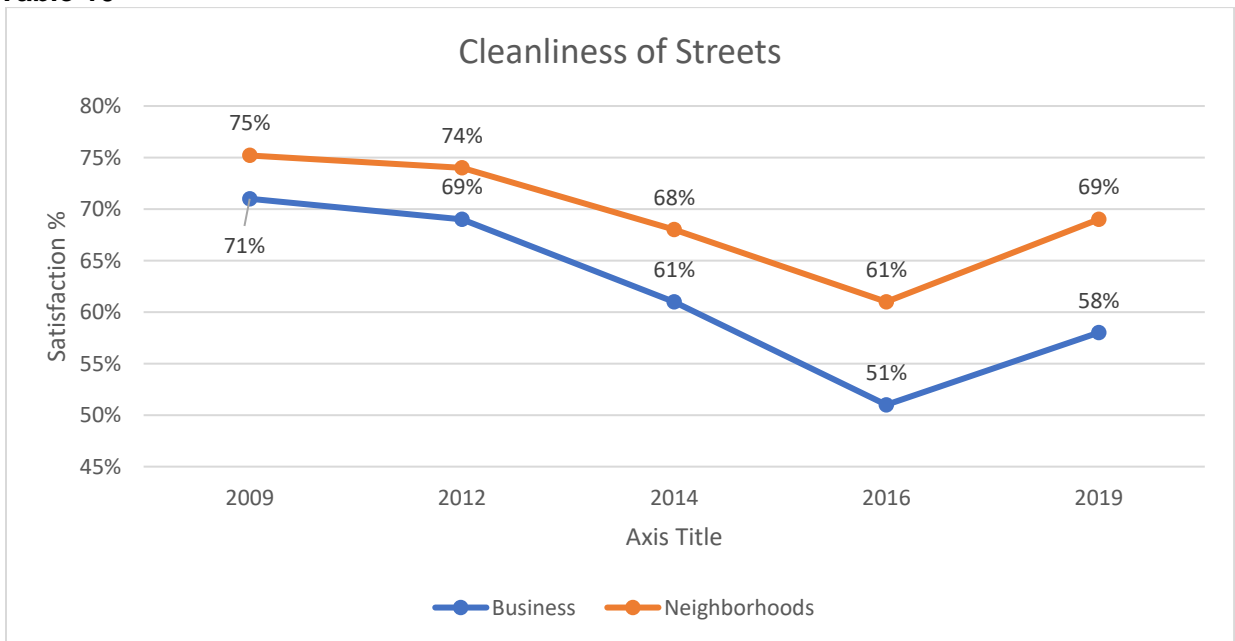
\* Payroll data was queried for all salaries paid between 1/1/2017 through 7/31/2020 to Code Compliance Department employees in which Organizational Code 43500310 (Sanitation Personal S Public W) was used. Fringe benefits were also determined and added accordingly.

The estimated Sanitation Division’s payroll contributions of \$709,451 are less than the \$992,162 in fines levied by the Code Compliance Department (if all or most of the fines levied are paid). However, improvements should be considered in enforcement as only five violations were issued for failure to obtain roll-off permits during the tested period when it appears that as many as 993 (998 – 5) other addresses may have needed to be similarly cited. OIG staff also reviewed the last five Citizen and Business Surveys related to garbage/trash collection and cleanliness of streets performance measures where it was found that there is an overall decrease in residential and business owners’ satisfaction since 2009 (OIG’s established baseline), despite an uptick in satisfaction for three out of four measurements between 2016 and 2019 (see Tables 9 and 10 below).

**Table 9**



**Table 10**



Increased enforcement efforts of Sanitation related issues by the Finance and Building Departments and its timely reporting to the Code Compliance Department would most likely result in additional roll-off violations being issued, and improved ratings in the City of Miami Beach Citizen and Business surveys. (<https://www.miamibeachfl.gov/city-hall/city-manager/mission-vision-and-values/strategic-planning/community-survey/>).

### **Additional Observations**

1. OIG staff encountered unexpected differences in comparing the permit addresses listed in the different reports due to inconsistencies in entering the data, which complicated the reconciliation process. The areas of the permits highlighted in Table 11 below show examples of the lack of data entry standardization:

**Table 11**

PERMIT NUMBER	PERMIT TYPE	PERMIT WORKCLASS	PERMIT MAIN ADDRESS
PWD0320-2374	Roll-Off	Private	100 21 ST MIAMI BEACH FL -331391701
BC1703525	Building - Commercial	Alteration (w/o Phased)	100 21ST ST MIAMI BEACH FL -331391701
BCR2000272	Building – Condominium	Online Flooring	100 LINCOLN RD Miami Beach FL 33139
PWD0516-0048	Roll-Off	Private	100 LINCOLN RD MIAMI BEACH FL -331392013
BC1705997	Building - Commercial	Alteration (w/o Phased)	100 S POINTE DR MIAMI BEACH FL -331390000
PWD1218-1793	Roll-Off	Private	100 S POINTE DR MIAMI BEACH FL -331397364
PWD0319-1920	Roll-Off	Private	100 INTE DR MIAMI BEACH FL -331390000

2. Roll-off contractors are currently submitting monthly reports and the corresponding roll-off permit fees at their own discretion. Consequently, the contractors may not file during several month(s) and the City does not know if it is because no roll-off services were performed on Miami Beach during that period or if it was an oversight, intentional or otherwise.
3. Any roll-off contractor with annual gross receipts reported to the City over \$200,000.00 is required to deliver to the City's Finance Department a statement of annual gross receipts generated from accounts in the City for the preceding fiscal year, certified by an independent Certified Public Accountant. These statements of annual gross receipts are to be furnished within 60 days following the close of the roll-off contractor's fiscal year pursuant to City Code Section 90-278(4). Although these statements are a valuable control document when the OIG Sanitation Tax Auditor is performing his analysis, they may not be obtained by contractors or furnished to the Finance Department, where their submittal is typically not monitored. Lastly, the City Code is relatively silent on the enforceability of this provision and how to address non-compliance by contractors.
4. The Sanitation Department Business Manager told the OIG Sanitation Tax Auditor that a customer's Roll-off permit application should be reviewed within twenty-four hours. It was noted that a roll-off contractor, G7 Holdings, Inc., submitted twenty-one (21) Roll-off permit applications online through the Miami Beach Citizen Self Service (CSS) portal on May 22,

2021. However, the Sanitation Division had not processed these permit requests as of June 4, 2021. When questioned, Sanitation Division personnel verbally stated that they were unaware of the need to monitor the CSS regarding Roll-off permit application requests. The status of one of these permits is shown below in Table 12 concerning 15 E San Marino Dr, Miami Beach, FL, 33139-1101.

**Table 12**

The screenshot shows the Miami Beach Citizen Self Service website interface. At the top, there is a navigation bar with links for Home, Apply, Fee Estimator, Pay Invoices, Search, Calendar, and Login/Sign Up. Below the navigation bar, the page title is "Public Information". A search bar contains the text "Permit" and "for PWD0521-2791". To the right of the search bar are buttons for "Search", "Advanced", "Reset", and "Export". Below the search bar, it says "Found 1 result". There are dropdown menus for "Sort" (set to "Permit Number") and "Ascending". Below the search results, there are several fields: "Permit Number" (PWD0521-2791), "Applied Date" (05/22/2021), "Type" (Private Property Roll-Off Permit Application), "Issued Date", "Project Name", "Expiration Date", "Status" (Initial), "Finalized Date", "Main Parcel" (0232320030460), "Address" (15 E E SAN MARINO DR Miami Beach FL 33139-1101), and "Description" (NO INSPECTION REQUIRED BY COMPLIANCE since our Dump Trailer have State of Florida issued license plate). At the bottom, there is a pagination control showing "Results per page" (10) and "1 - 1 of 1".

## Recommendations

- Contractors should be charged for obtaining Roll-off permits to at least cover the associated direct costs. In addition, Roll-off permits should contain a stated expiration date and not remain open indefinitely until the project's Certificate of Occupancy (CO) or Certificate of Completion (CC) is issued.
- Information Technology Department staff should develop a monthly report that automatically compares the Building Permits Report with the Roll-Off Permits Report data so that any identified differences can be promptly investigated by the OIG Sanitation Tax Auditor and/or other designated City staff.
- Building and Roll-off permits should not be issued to companies or individuals without a valid "active" City of Miami Beach BTR.
- The City Code should be revised to require roll-off contractors to timely submit returns every month, even if they did not operate within Miami Beach during that period. If they do not comply, they should be notified electronically, and penalties should be levied where appropriate. This practice should help improve compliance by preventing inadvertent filing omissions.
- Designated City staff should more actively monitor the need for applicable roll-off contractors to timely submit statements of annual gross receipts pursuant to City Code

Section 90-278(4). Furthermore, the City Code should be amended to establish penalties, etc. for non-compliance.

- The Building Department's online permit application should include two questions to determine if a roll-off will be used on the project and the name of the roll-off contractor selected. This information will be confirmed by the OIG Sanitation Tax Auditor and then used to verify that they are included in the appropriate roll-off contractor's monthly reporting and remittances.
- Standardization should be implemented across City departments on how addresses and contractors' names are to be entered into the EnerGov system to prevent duplication and decentralization of data. This identified deficiency would most likely also apply to all other City used software.
- The Information Technology Department should work with City staff to automate the monthly filings of the Sanitation franchise waste and roll-off contractors and require the submittal of both the Roll-Off Fee Return and the detailed listing of Miami Beach addresses serviced. In the interim, the Finance Department should ensure that the proper supporting documentation is present and then follow up with the contractors on any missing information.
- Finance Department's Licensing Section provides the Code Business Tax Receipt Report to the Code Compliance Department, which is a useful tool to determine the status of a customer's business tax receipt. However, the report does not provide specific leads or generate a proactive list of business tax receipts for issuance of violations. Although it is a good source of data, it should generate a list of companies that are operating without a business tax receipt. For example, it could be programmed to indicate which contractors' business tax receipts have remained in pending status for longer than a designated period (1 month, 3 months, etc.) and should be investigated to determine whether a violation is warranted. The Code Business Tax Receipt Report also does not address those occasions where companies have never registered with the City of Miami Beach or that are filing monthly roll-off fee returns in the Munis system without a business tax receipt.
- Designated Sanitation Division personnel should routinely review the CSS to determine if any Roll-off permit applications were received. If so, they should be reviewed timely with the results communicated to the customer in accordance with the documented criteria established by division management.

## Status Update

As this review's fieldwork was being concluded, the OIG held a January 26, 2021 Microsoft Teams meeting with applicable City staff to discuss the identified findings and the optimal corrective actions to implement. Over the past several months, the following revisions have already been implemented:

- With the assistance of the Information Technology and Building Departments, the Building Department permitting process now contains questions whether a roll-off container will be used at the job site and which company will be supplying it. The OIG Sanitation Tax Auditor will utilize this information to verify that the contractor is including that location in its submitted monthly reports and roll-off permit fee remittances.
- Efforts have been focused on having roll-off contractors obtain all delinquent annual BTRs and to remit any associated costs. For example, the number with active valid BTRs has

increased from six in January 2021 to thirteen as of May 27, 2021, and the number in compliance is expected to further increase.

In addition, recently completed roll-off contractors' revenue audits have identified significant unreported and/or delinquently reported gross receipts resulting in assessments (including interest and penalties) being levied of \$114,086.84 to Great Waste & Recycling LLC, and \$2,130.99 to Bicon Inc. d/b/a S&S National Waste, with other significant assessments forthcoming.

Furthermore, the OIG Sanitation Tax Auditor started conducting field visits to Miami Beach addresses issued Building permits in May 2021 to determine if roll-offs are also present. In doing so, he became aware of other non-registered companies that perform roll-off services within the City and are not reporting monthly gross receipts and remitting roll-off permit fees. Audits of many of these contractors have been started. Also, the Code Compliance Department was notified and subsequently issued several warranted violations. A separate report listing the deficiencies noted from these field visits and their status will be issued.

City Code Section 90-278(8) states, *"Identification of equipment. All equipment utilized to collect and transport solid waste in the city must be conspicuously marked on both sides of the automotive unit with the name of the hauler, tare weight and cubic yard capacity. Identification information must also be marked on all trailer and container units. All marking must be in letter and numerals at least two inches in height."* Upon receipt of the OIG's initial March 24, 2021 email and after verifying with the City Attorney's Office, the Code Compliance Department created a new violation code in the EnerGov system and began issuing applicable citations for any identified non-conforming roll-off containers.

## **Summary**

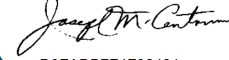
The magnitude of these recent assessments and other roll-off fee revenue audits nearing completion, as well as the number of identified contractors not obtaining valid business tax receipts and required permits, is alarming. The current process contains few safeguards to proactively obtain compliance with stated City Code sections other than conducting periodic audits, which is a lengthy process requiring the contractor to provide the necessary documentation.

Consequently, the OIG believes in the need to make systemic changes to help identify non-compliance sooner. We recommend a more proactive approach by the City to strongly consider adopting the recommendations included throughout this report to help identify noncompliant contractors more quickly. The better sharing and reconciliation of interdepartmental communication via software and data, the improved usage of technology through the automation of contractor's filing and remittances and the generating of various system reports, the streamlining of processes and removal of redundancies, are some of the recommended steps to make the City less dependent on documentation furnished by contractors and to increase compliance and City revenues.

Meetings were held and correspondence exchanged throughout the audit process with the listed auditees, to discuss the identified findings and to obtain workable recommendations. The OIG incorporated any feedback and recommended revisions received into this final report. When the

auditees were given the final opportunity to include any desired management responses in this report, none were received. Finally, we would like to personally thank all pertinent Building, Sanitation, Finance, Code Compliance and Information Technology staff for their cooperation and assistance.

Approved by:



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Joseph Centorino, Inspector General

9/2/2021 | 2:35 PM EDT

Date

Reviewed by:



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Mark Coolidge, Chief Auditor

9/2/2021 | 12:46 PM EDT

Date

DocuSigned by:



9E50E412B55E49B...  
Norman Blaiotta, Deputy Chief Auditor

9/2/2021 | 12:58 PM EDT

Date

Completed by:



6A6D7DD889ED407...  
Juan Ospina, Sanitation Tax Auditor

9/2/2021 | 1:00 PM EDT

Date

cc: Alina Tejeda Hudak, City Manager  
Eric Carpenter, Deputy City Manager  
Bradford Kaine, Sanitation Division Director  
Ana Salgueiro, Building Department Director  
Hernan Cardeno, Code Compliance Department Director  
John Woodruff, Chief Financial Officer

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