



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

FROM: Charles Anderson, CPA
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name and title.

DATE: June 19, 2014

SUBJECT: Follow-up Report - Review of Unpaid Toll Violations of Miami-Dade County Fleet

The Review of Unpaid Toll Violations of Miami-Dade County Fleet was issued on July 31, 2012. We submit this follow-up report which contains observations on the current status of recommendations provided in the original report.

The County is in negotiations with Miami-Dade Expressway Authority (MDX) and the Florida Department of Transportation (FDOT) to reduce fines and penalties.

The Office of the Commission Auditor (OCA) requests that within 90 days, the Director of Internal Services Department (ISD), report its findings and subsequent actions taken on this matter. Further, the OCA requests to be provided with documents relating to any settlement(s) with MDX and FDOT regarding the fees owed for delinquent Sun Pass violations.

We thank the staff of ISD, and all departments participating in our survey for their cooperation and input throughout the follow-up process, as well as Sun Pass, MDX, and FDOT employees.

Please let us know if you need further information.

c: Honorable Carlos Gimenez, Mayor
Edward Marquez, Deputy Mayor/Finance Director
R. A. Cuevas, Jr., County Attorney
Mary T. Cagle, Inspector General
Lester Sola, Director, Internal Services Department
Cathy Jackson, Director, Audit and Management Services
Ray Baker, Chief, Policy and Legislation
Neil R. Singh, Audit Manager

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MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS

OFFICE OF THE COMMISSION AUDITOR

**REVIEW OF UNPAID TOLL VIOLATIONS OF
MIAMI-DADE COUNTY FLEET
(FOLLOW-UP)**

Project Number 12-103311

June 19, 2014

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I. OBJECTIVE AND SCOPE

The policies and procedures of the Office of the Commission Auditor (OCA) require that we perform follow-up activities within one year from the time of a final report¹ to report on prior audit recommendations (see Attachment I). The scope of our follow-up review encompasses the period from August 2012 through August 2013.

II. BACKGROUND

Per the collection agency, Linebarger Goggan Blair & Sampson, LLP (LGBS), the amount of unpaid toll violations on record as of February 21, 2013, including administrative fees, penalties and fines owed by the Miami-Dade County (County) Fleet, totaled to \$2,152,283².

- From the issuance of OCA's report on July 31, 2012 through April 3, 2013³, Miami Expressway Authority (MDX) issued 2,855 violations totaling \$566,201 (includes tolls, administrative fees, penalties and fines) on 1,930 vehicles owned by the County.
- From the issuance of OCA report on July 31, 2012 through April 3, 2013⁴, Florida Department of Transportation (FDOT) issued 392 violations totaling approximately \$65,080 (includes tolls, administrative fees, penalties and fines) on 234 vehicles.
- As of August 21, 2013, there were 69 P-Cards linked to Sun Pass transponders in the County. Toll charges billed to these P-Cards amounted to \$1.5 million from September 30, 2012 through August 21, 2013. See Table I for departments incurring the most toll charges.

Table I
Departments with the Highest Number of Toll Fees Paid by P-Cards
From September 30, 2012 through August 21, 2013

| Departments | Toll Charges |
|-----------------------------------|---------------------|
| Public Works and Waste Management | \$ 640,857 |
| Miami-Dade Transit | 260,000 |
| Miami-Dade Police Department | 193,698 |
| Miami-Dade Water and Sewer | 185,588 |
| Other Departments | <u>227,237</u> |
| Total | \$ 1,507,380 |

¹ Prior report "Review of Unpaid Toll Violations" was not an audit, but due to the importance of the deficiencies found, we performed a follow-up review on management's actions.

² As per LGBS, the cases are in a "Stop Work Status" which means the collection agency is not working on collecting fees from the County. This collection company holds approximately 99% of the unpaid toll violations incurred by the County fleet. This report was received on August 1, 2013 at the request of OCA, but only includes toll violations as of February 21, 2013 (offense date).

³ As per information received from the Clerk of the Court on August 1, 2013, due to negotiations between the parties, (County, FDOT and MDX), very few violations were received after April 3, 2013.

⁴ *ibid*

III. SUMMARY RESULTS

1. According to the County Attorney, negotiations between the County and MDX are in the final stages with a resolution expected in calendar year 2014. The County is awaiting updated violation amounts from MDX which they had expected by the end of April 2014. After the updated information is received, the County Attorney will seek approval of a settlement from the BCC then proceed with executing the agreement. FDOT is waiting to see how the procedural aspects of the County executing the agreement with MDX will function before trying to negotiate a similar agreement with the County.
2. Department directors are enforcing the County Mayor's directive requiring Sun Pass transponders in County vehicles. Currently, most of Miami-Dade fleet vehicles do have mini Sun Pass transponders installed, as verified by an OCA survey and documentation provided by departments detailing Sun Pass fleet vehicles registrations. Departments, divisions, and units, coordinated the implementation of pre-paid accounts linked to P-cards, through the Finance Department, that are set to replenish account balances as necessary.
3. Even though transponders were added to the County vehicles and linked to P-Cards, the County continued to incur violations. OCA reviewed a sample of 107 vehicles subject to toll violations from August 1, 2012 to April 3, 2013⁵. The sample included 60 toll violations issued by MDX, and 47 violations issued by FDOT. This review disclosed that 87 of the 107 vehicles (81%) had a valid Sun Pass transponder at the time of the violation⁶.

OCA tested an additional sample of 46 vehicles subject to toll violations issued by MDX. This sample disclosed the following:

- Three vehicles (6.5%) had been retired from the County fleet prior to the toll violation issue date, and as a result had their tags mutilated prior to the reported violation date⁷.
- Thirty-five vehicles, (76%), cited for toll violations had active Sun Pass transponders installed prior to the violation issue date.

Explanations given for the toll violations of vehicles with a valid mini Sun Pass transponder was largely attributed to:

- Improper entry of license plate numbers into the Sun Pass User Screen by Sun Pass account holders (County departments). Older license plates that are solely numeric in nature require that a special prefix "COUN" or "COUNT" be added to the license plate number when entering the plate into the Sun Pass User Screen.
- Connectivity issues between the electronic toll readers and vehicle transponders at certain times. In cases where a County vehicle frequently uses the same toll road

⁵ *ibid*

⁶ Sun Pass information was provided by individual departments, OCA did not audit the information submitted by these departments.

⁷ Per the County's Fixed Asset System database, the vehicle tags were mutilated and vehicles were sold or donated.

and suddenly incurs a single toll violation, this could indicate that the electronic toll reader may not have recognized the appropriate signal from the transponder.

4. FDOT and MDX have issued toll violations to Miami Dade Fire Department (MDFR) and Miami Dade Police Department (MDPD) trailers pulled by marked vehicles. As per Florida Statute 338.155, a “person operating a fire vehicle when on official business or a rescue vehicle when on official business is exempt from toll payment, whether the vehicle is marked or unmarked”. This Statute also references police vehicles and states “any law enforcement officer operating a marked official vehicle is exempt from toll payment”. However, these two departments have “non-revenue” accounts that have been established for emergency vehicles and both MDX and FDOT are flexible in reversing these violations.
5. An OCA survey completed by 19 transportation coordinators disclosed that only four out of 4,887 (less than 1%) vehicles did not have assigned Sun Pass transponders⁸.
6. Ninety percent, or 17 out of 19 departments surveyed have an individual in charge of reviewing toll violations on a monthly basis⁹.
7. From October 28, 2010 through February 21, 2013, 28 red light violations with fees and late charges totaling \$8,188 have been charged to County vehicles. As per the County Manager’s March 31, 2009 memorandum, red light violations are the responsibility of the driver/employee. Effective February 2013, the Internal Services Department (ISD) is ensuring that all departments receive both a hard copy and an email of the red light violations as soon as they are received by ISD. However; department directors have not enforced payments against County employees resulting from these violations. See Table II below for a summary of red light violations.

Table II
Red Light Violations
From October 28, 2010 through February 21, 2013

| Departments | No. of Red Light Violations |
|---------------------------------------|-----------------------------|
| Miami-Dade Transit | 9 |
| Miami-Dade Water and Sewer Department | 5 |
| Public Works & Waste Management | 5 |
| Other Departments | 8 |
| Vehicle not Found in County Database | <u>1</u> |
| Total(s) | <u>28</u> |

IV. OPPORTUNITIES FOR IMPROVEMENT

State law requires that toll invoices, toll violations and red light violations be sent to the registered owner of the vehicle, which is ISD. In order to facilitate a faster follow-up to the departments, ISD should meet with FDOT and MDX to review the feasibility of forwarding a list of County owned vehicles, by tag number and department assignment. This would ensure that invoices/violations are addressed to their specific department

⁸ The number of vehicles is based on survey responses provided as of August 2013.

⁹ *ibid*

transportation coordinator instead of submitting the violations to the ISD Materials Management Unit or to the Finance Department for later redistribution to specific departments or units.

We suggest that the County:

- Perform an accurate and timely analysis of the monthly toll violations notices received, and match these to the related vehicle to verify the presence of installed transponders and related P-Cards.
- Follow-up with MDX and FDOT in cases where the County vehicle shows a working transponder.
- Implement a reliable tracking mechanism to ensure drivers incurring red light violations are held responsible for their actions.

V. CONCLUSION

OCA commends County management for the progress made regarding the adoption of Sun Pass transponders by the County's fleet following OCA's report on July 31, 2012, and the prospect of a prompt resolution/settlement with MDX. The potential settlement would cover unpaid violations from July 1, 2004 through September 30, 2013, and was scheduled to be finalized in the first quarter of the 2014 calendar year. Upon resolution of the County's outstanding toll violations with MDX, the County Attorney will begin negotiating with FDOT.

The additional mitigating measures established, such as P-Cards linked to Sun Pass accounts; automatic replenishment of P-cards; increased P-Cards credit limits to accommodate increased use of toll roads and resolving plate prefix data entry issues, have resulted in a lower number of toll violations. See Table III for a recent comparison.

Table III
FDOT County Toll Violations: Period Comparison

| Period | No. of Violations | Amount Due |
|-------------------------------|-------------------|------------|
| August 2012 thru October 2012 | 265 | \$43,994 |
| August 2013 thru October 2013 | 28 | \$4,659 |

Even though these measures have bolstered the internal controls and reduced the occurrence of toll violations, it is important to enforce payment of red light violations by the employees responsible, since a potential settlement¹⁰ would exclude red light violations.

¹⁰ Memorandum dated June 20, 2012, from the Assistant County Attorney to the Commission Auditor.

Attachment I
Current Status of Prior Audit Recommendations

| Prior Recommendations | Current Status of Prior Recommendations |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Recommendation 1.1</i> | <i>Partially Implemented</i> |
| To address the current outstanding amounts owed, the County should open a negotiation process with the parties involved in the unpaid toll violation process to reduce the amount of money to be paid. | The County started negotiations with MDX and FDOT during calendar 2012. Negotiations between the County and MDX are in the final stages with final resolution expected in calendar year 2014. Negotiations with FDOT should commence once a settlement with MDX is reached. |
| <i>Recommendation 1.2</i> | <i>Implemented</i> |
| Set up a TOLL-BY-PLATE pre-paid account by providing the County vehicle's license plate number and/or assign transponders to each department to be placed in County vehicles at time of use to avoid unpaid tolls, and set these to refill automatically using P-cards assigned to department directors. | Departments, divisions, and units, had coordinated the implementation of pre-paid accounts linked to P-cards, through the Finance Department. |
| <i>Recommendation 1.3</i> | <i>Not Yet Implemented</i> |
| Department directors should enforce the County Manager's memorandum dated March 31, 2009, regarding Traffic Violations and County Vehicles | County employees that have incurred red light violations have still not reimbursed the County as required by the County Manager's memorandum. |

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