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Office of the Inspector General
Miami-Dade County

Memorandum

To: The Honorable Alex Penelas, Mayor

The Honorable Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

From: Christopher Mazzella,
Inspector General

Date: March 16, 2004

Re: Arrest of Waste Tire Hauler Caught Cheating County Truck Scales at the Department of Solid Waste Resource Recovery Facility

Attached is a news release relating to the joint investigation between the Office of the Inspector General and the Miami-Dade State Attorney's Office code named "Operation Get the Lead Out." The County's Department of Solid Waste Management provided invaluable assistance in this matter.

Two weeks ago, the OIG received information regarding a scheme to defraud Miami-Dade County by waste tire truck haulers who weighted their trucks with lead in order to cheat the County truck scales and avoid paying dumping fees. During the last twelve months alone there was an approximate loss to the County of \$375,000. Also a victim in this scheme is Montenay-Dade, Ltd., the company on contract with the County to operate the Resource Recovery Facility, located at 6990 N.W. 97 Avenue., where the waste tires are dumped and shredded.

Arrested Saturday, March 13, 2004, and charged with Grand Theft, Organized Fraud and Cheating was Juan Novoa-Mergorejo, age 35, of Hialeah. The joint sting operation resulted in the discovery of two false gas tanks filled with lead attached to the truck Novoa-Mergorejo drove into the Resource Recovery Facility last Saturday. A second truck has been located and seized. The investigation continues and additional arrests are expected.

cc: Mr. George Burgess, County Manager
Mr. Andrew Wilfork, Director, Department of Solid Waste Management
Ms. Robert Ginsburg, County Attorney

Clerk of the Board (Copy Filed)



News Release

WASTE TIRE HAULER ARRESTED ON CHARGES OF CHEATING THE COUNTY

The Office of the Inspector General (OIG) and the Miami-Dade County State Attorney's Office (SAO) announced the arrest on Saturday, March 13th, 2004, of Juan Novoa-Mergorejo in connection with a joint investigation code named "Operation Get the Lead Out."

Earlier this month, the OIG received information regarding a scheme to defraud Miami-Dade County by truck haulers who had devised a method to cheat the County truck scales and avoid paying dumping fees. Also a victim in this scheme is Montenay-Dade, Ltd., the company on contract with the County to operate the Resource Recovery Facility, located at 6990 N.W. 97 Avenue, where the tires are dumped and shredded.

Arrested Saturday and charged with Grand Theft, Organized Fraud and Cheating was Juan Novoa-Mergorejo, age 35, of Hialeah. The joint investigation involving the OIG and investigators of the SAO revealed that certain truck owners involved in this scheme obtained County permits as "waste tire haulers" in 2000. The County requires persons engaged in the business of transporting waste tires to obtain a permit that must be renewed yearly. Each permit is tied to a specific truck. Upon application for the permit, the County weighs the truck empty. The weight of an empty truck is defined as the "tare weight". The tare weight is kept in the County computer system and subtracted from the weight of a loaded truck each time it enters the facility to dispose of the tires. This calculation measures the weight of waste tires being dumped at the facility. The County then assesses a dumping fee of \$75.00 per ton. Miami-Dade County has contracted with Montenay-Dade, Ltd. to shred the waste tires for further disposal at County landfills. The County pays Montenay-Dade, Ltd., based on the recorded amount of waste tires delivered by waste tire haulers.

The scheme as described in a search warrant affidavit filed by a Special Agent of the OIG consists of truck owners obtaining lead weights, which they hide inside their trucks. The County then weighs the empty, but illegally weighted trucks, and unknowingly records a "tare weight" approximately 1,500 to 2,000 pounds heavier than the actual tare weight. This purposeful misrepresentation allows the owners to dispose of 1,500 to 2,000 pounds of tires for free each time they take a load to the disposal site. Often, three or four truck loads of tires a day are delivered by the haulers and disposed of, thereby cheating the County of thousands of dollars in dumping fees.

As a result of the extra waste tires disposed of at the recovery facility, Montenay-Dade Ltd., shreds a greater volume of tires than the company is paid to shred. The investigation has, thus far, revealed a total loss of at least \$375,000 in County dumping fees during the past twelve months alone.

The OIG and SAO conducted a sting operation on Saturday, in search of the weighted trucks. Juan Novoa-Mergorejo was arrested when the execution of a search warrant on the truck he was driving revealed two fake 33-gallon gas tanks on the truck. Both tanks were filled with lead. These tanks were not connected to the engine and could not be used as a fuel source. The OIG and SAO located a second suspect truck on Monday, March 15, 2004. Inspector General Christopher Mazzella stated that the investigation is continuing and that additional arrests are expected.

Inspector General Mazzella noted that this scheme is a new twist on the aged old scam of manipulating weights and measures. In this case, the truck scale itself was not rigged but rather tricked by truck owners' and drivers' clever yet simple scheme of making their trucks heavier with lead weights.

The Inspector General also expressed his appreciation to the County's Solid Waste Management Department for their continued assistance in the investigation. For further information, contact the Inspector General's Office at (305) 375-1946 and/or the State Attorney's Office, c/o Ed Griffith, 1350 N.W. 12th Avenue, telephone number (305) 547-0532.

Media opportunity – Inspector General Christopher Mazzella will be available today until 4:00 p.m.