



John A. Carey
Inspector General

**OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**



Inspector General
Accredited

“Enhancing Public Trust in Government”

Investigative Report

2019-0006

**Safeguard Document
Destruction**

March 30, 2020



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INVESTIGATIVE REPORT 2019-0006

DATE ISSUED: MARCH 30, 2020



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SAFEGUARD DOCUMENT DESTRUCTION

SUMMARY

WHAT WE DID

In July 2018, an employee of the Palm Beach County Office of Inspector General (OIG) observed that the shredding/destruction services provider for Palm Beach County (County), Safeguard Document Destruction (SDD), provided the OIG with a Customer Information Sheet listing the weight of the OIG's document shredding without actually weighing the documents. SDD then invoiced the OIG using the weight in pounds noted on the Customer Information Sheet.

Based upon the observations made by the OIG employee, the OIG initiated an investigation of the following allegation:

Allegation (1): SDD invoiced the County for shredding/destruction services without properly weighing the documents as provided by SDD's shredding/destruction services contract with the County.

Our investigation included a review of the County's contract with SDD (Contract) and the Request for Quotation solicitation file for SDD; inspection of all County department SDD invoices/Customer Information Sheets from August, 2017 through August, 2019; a review of the

SDD's Security Operation Policies and Procedures Manual; and interviews of SDD's President Frank Vitarelli, five SDD drivers, and OIG and County staff.

WHAT WE FOUND

Allegation (1) is supported. Safeguard Document Destruction invoiced the County for shredding/destruction services without properly weighing the documents in compliance with contractual requirements.

WHAT WE RECOMMEND

We make several recommendations that could assist the County and SDD in ensuring that the County departments are properly billed for shredding/destruction services:

1. The County provide all employees responsible for managing the document shredding/destruction contract with contractual terms relevant to their contract management responsibilities.
2. SDD ensure that its employees understand the contractual terms related to their job duties.

BACKGROUND

Safeguard Document Destruction (SDD) is a records management company that has provided document destruction and on-site and off-site document shredding for the past 17 years. SDD, which has offices in Millstone Township, New Jersey and Fort Lauderdale, Florida, is owned by brothers Joseph and Frank Vitarelli. SDD's customers include government entities, medical facilities, and financial institutions. The company's service areas include New Jersey, New York, Connecticut, Pennsylvania, Delaware, Maryland, Washington D.C., Virginia, and Florida. The Fort Lauderdale office operates with eight drivers and five trucks.



In June 2017, SDD entered into a twelve-month contract with the option of four additional twelve-month renewal periods, with Palm Beach County (County) to perform document shredding/destruction services. Nineteen departments, including the OIG, utilized the contract with SDD.

The Contract provided that SDD's responsibilities included the following:

- Provide, at no additional cost to the County, locked, secured containers with holding capacity for shredding/destruction services,
- Shred documents on-site and remove the shredded/residual materials for recycling purposes,
- Remove and/or empty containers that are full of shredded/residual material using vendor's on-site mobile destruction service vehicle(s),
- Upon completed destruction of material, provide a weight ticket and Certificate of Destruction for County record purposes.
- If necessary, the successful bidder shall be accompanied by a County representative.

The Contract further provided,

SCALES

The successful quoter **shall use a certified scale to weigh the material to be shredded**. Additionally, the successful quoter shall use certified scales to measure the weight of the **shredded material to be billed at the per pound (lb) rate offered on the response page**.

■ ■ ■ ■ ■

PAYMENT

Payment is based on the unit price(s) provided on the response page. Payment shall be issued ONLY upon the County's satisfaction and acceptance of services rendered.No additional compensation shall be offered or paid. [Emphasis added]

SDD offered the following quote for shredding/destruction services on the RFQ response page:

Safeguard

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DOCUMENT DESTRUCTION

6278 N. Federal Highway, Suite 859

Fort Lauderdale, Florida 33308

RESPONSE PAGE

RFQ #555437/KM

SHREDDING/DESTRUCTION SERVICES, PAPER, TERM CONTRACT

ITEM NO.	DESCRIPTION	UNIT	UNIT PRICE	WEIGHT FACTOR	FACTORED RATE
1.	ON-SITE SHREDDING/DESTRUCTION SERVICES, UNDER 200 LBS, SAME VISIT (PURGE) AS SPECIFIED HEREIN	LB	\$ 0.06	X .05 =	\$.003
2.	ON-SITE SHREDDING/DESTRUCTION SERVICES, OVER 200 LBS, SAME VISIT (PURGE) AS SPECIFIED HEREIN	LB	\$ 0.06	X .83 =	\$.0498
3.	SCHEDULED ON-SITE SERVICE, PER VISIT, PER STOP (FIRST CONTAINER) AS SPECIFIED HEREIN	EA	\$ 12.20	X .01 =	\$.122
4.	SCHEDULED ON-SITE SERVICE, PER VISIT, PER STOP (ADDITIONAL CONTAINERS) AS SPECIFIED HEREIN	EA	\$ 3.85	X .11 =	\$.4235
TOTAL FACTORED RATE:					\$.5983

All unit prices bid should be within two (2) decimal points. If vendor's pricing exceeds two (2) decimal points, Purchasing reserves the right to round up or down accordingly.

All unit prices bid should be within two (2) decimal points. If vendor's pricing exceeds two (2) decimal points, Purchasing reserves the right to round up or down accordingly.

In July, 2018, an OIG employee observed that SDD employees provided the OIG with a Customer Information Sheet listing the weight of the OIG's document shredding/destruction even though the SDD employee had not actually weighed the documents. We compared the weight listed on the Customer Information Sheet against the invoices SDD submitted to the OIG for payment, and observed that non-weighed amounts listed on the Customer Information Sheet were submitted for payment.

As a result of the OIG employee's observations, our office commenced an investigation into SDD's adherence to contract terms relating to billing for document shredding/destruction.

During the course of the investigation, the OIG contacted five other County departments to inquire about SDD's process for retrieving and invoicing for document shredding/destruction and interviewed SDD employees with knowledge of SDD's process for document shredding/destruction.

ALLEGATIONS AND FINDINGS

Allegation (1):

SDD invoiced the County for shredding/destruction services without properly weighing the shredded documents as provided in the Contract.

Governing Directives:

Shredding/Destruction Services, Paper, Term Contract RFQ #555437/KM

Finding:

The allegation is **supported**.

Interview of OIG Investigator Cynthia Suriel

The OIG interviewed Investigator Cynthia Suriel on December 16, 2019. At the time that this investigation commenced, OIG Investigator Cynthia Suriel served as the OIG Intake Specialist. Investigator Suriel's desk was located near an OIG office entrance. One of her duties was to escort SDD employees around the OIG office to retrieve documents from the locked, secured containers provided by SDD pursuant to the Contract. On July 5, 2018 and July 18, 2018, SDD picked up OIG documents for shredding. Investigator Suriel noticed that on July 5, 2018, the SDD consoles¹ located in the OIG office filled SDD's toter² almost to the top.

Conversely, Investigator Suriel noticed that on July 18, 2018, the consoles were not as full and the toter was not filled to the top. However, the SDD employee provided her with a Customer Information Sheet that listed the weight of the document shredding/destruction in pounds that exceeded the weight noted on the Customer Information Sheet provided to her on July 5. On both days, she observed the SDD employees record the weight of the document shredding/destruction on the Customer Information Sheet provided to her without actually weighing the documents. The SDD employees provided her with the Customer Information Sheet with the document weight noted before taking the documents to the SDD truck to be weighed and shredded.

OIG Comparative Weighing Procedures

Commencing in June 2019, as part of the investigation, OIG Director of Investigations (DOI) Stuart Robinson began using a standard scale to weigh in pounds the paper placed in the three OIG locked, secured containers prior to SDD's arrival to retrieve documents for shredding/destruction. The OIG acknowledges that its scale was not tested and certified by the National Institute of Standards and Technology - Division of Weights and Measures. However, the OIG used the same scale to weigh the document shredding/destruction as a consistent basis of comparison³ to SDD's measurements. The OIG used approximate weights for the purposes of this investigation.

¹Numerous SDD employees used the term "consoles" to describe the smaller, stationary shreddable document receptacles. Ms. Suriel used the term "bin" interchangeably with console.

² Numerous SDD employees used the term "totter" to describe the larger rolling bin that collected the contents of the smaller stationary consoles for transport to the SDD truck.

³ The OIG used the following methodology to record its measurement of the weight of the documents:

OIG Director of Investigations Stuart Robinson first recorded his weight on the scale. He then recorded his weight while holding all three console bags. DOI Robinson's weight was subtracted from his weight while holding the three console bags.

Each of the three consoles in the OIG has an open slot which contains a canvas bag for documents passed through the slot. In order to ensure that no OIG employees placed any paper in the containers after DOI Robinson weighed the contents, an office-wide email was sent to advise OIG employees not to place any documents into the consoles until further notice. Additionally, the OIG ensured that only Investigator Suriel and SDD had access to a key to the locked, secured containers. Investigator Suriel would unlock the containers to allow DOI Robinson to retrieve the contents for weighing. Investigator Suriel would monitor DOI Robinson's weighing of the contents. Following the weighing, the items would be returned to the locked, secured containers until they were removed by SDD. No additional items were placed in the locked, secured containers between the times that DOI Robinson weighed them and when SDD picked them up.



When the SDD drivers arrive to pick up documents to be shredded, they unlock each console and place its contents into a large toter.

The June 5, 2019 SDD Customer Information Sheet for OIG

Consistent with SDD's conduct in 2018, the SDD employee that retrieved the OIG shredding/destruction material on June 5, 2019⁴, provided Investigator Suriel with a Customer Information Sheet listing the weight of the documents in pounds before the SDD employee took the documents to the SDD truck for weighing and shredding. The Customer Information Sheet presented to Investigator Suriel noted a weight of 120 pounds. Investigator Suriel accepted and signed the document to note that she had observed SDD retrieve the documents.

⁴ The SDD Customer Information Sheet had an inaccurate "Bill To" entry. It was, in fact, billed to the OIG.

SDD SafeGuard DOCUMENT DESTRUCTION

SafeGuard Document Destruction Florida
6278 North Federal Highway, Suite 559
Fort Lauderdale, FL 33308
Phone: 954-999-7970 Fax: 877-301-5900
www.safeguarddd.com

Customer Information Sheet PO # 54058

Date: 6/5/2019
Service Center:
OFFICE OF IG / DO# 270122017000000005206
AIRPORT CTR 1 / 3 CONSOLES
100 AUSTRALIAN AVE 4TH FL
WEST PALM BEACH, FL 33406
DEBBIE BROOKS 561-233-2350

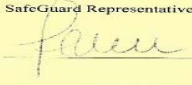
Bill To:
PALM TRAN CONNECTION
3201 ELECTRONICS WAY
WEST PALM BEACH, FLORIDA 33407


Contact Name & Number:

Description	Qty
1 - CONSOLE	3
2 - TOWER	
3 - BOXES / BAGS	
4 - POUNDS	120 lbs
5 - MEDIA BOX	
6 - PALLETS	
7 - HARD DRIVES	

Special Instructions:

Certificate of Destruction: SafeGuard Document Destruction, hereby certifies that all material received for confidential destruction throughout the preceding schedule of service was confidentially handled and completely destroyed beyond recognition.

SafeGuard Representative: 

Customer Signature: 

"Shredding Today for a Secure Tomorrow" ®

The June 5, 2019 SDD Payment Invoice for the OIG

Subsequently, SDD submitted an invoice for payment to the OIG for shredding/destruction of 120 pounds of material.


SafeGuard
 DOCUMENT DESTRUCTION

 6278 North Federal Highway, Suite 559
 Fort Lauderdale, FL 33308
Invoice

Date	Invoice #
6/5/2019	18698

Bill To PALM BEACH COUNTY FINANCE DEPT. PO BOX 4036 WEST PALM BEACH, FL 33402

Service Ctr OFFICE OF IG / DO# 270122017000000005206 AIRPORT CTR 1 / 3 CONSOLES 100 AUSTRALIAN AVE 4TH FL WEST PALM BEACH, FL 33406 DEBBIE BROOKS 561-233-2350

			P.O. Number		EIN #		Terms		
			54058		04-3784124		Due on receipt		
Service Date		Item Code	Frequency	Quantity		Rate		Amount	
6/5/2019		1 CONTAINER		1		12.20		12.20	
		2 CONTAINER +		2		3.85		7.70	
		POUND		120		0.06		7.20	
Phone #		Fax #	Web Site		Sales Tax (0.0%)				\$0.00
954-999-7970		877-301-5900	www.safeguarddd.com		Total				\$27.10

"SHREDDING TODAY FOR A SECURE TOMORROW" ®

The following chart details the difference in pounds between the estimate that was reported on the OIG Customer Information Sheet by SDD drivers and the invoices submitted for payment and the weight the OIG recorded on four occasions:

Comparison of SDD Weights and OIG Weights⁵

Date Weighed by OIG	Date of SDD Pickup	Weight noted on the SDD Customer Information Sheet	Weight noted on the SDD Invoice	OIG Weight (approximate)	Approximate Difference between OIG and SDD Weight
10/01/2018	10/03/2018	50 pounds	50 pounds	62 pounds	-12 pounds
11/01/2018	11/07/2018	130 pounds	130 pounds	32.9 pounds	97.1 pounds
05/29/2019	06/05/2019	120 pounds	120 pounds	39.5 pounds	80.5 pounds
08/01/2019	08/14/2019	200 pounds	200 pounds	124.5 pounds	75.5 pounds
08/07/2019 ⁶	08/14/2019	215 pounds	215 pounds	86.2 pounds	128.8 pounds

OIG Review of SDD Documents

The OIG requested and examined documents from SDD, including copies of all invoices and Customer Information Sheets for the period from August 2017 through October 2019, the names and contact information for all SDD employees working on County contracts, driver route assignments, SDD employee procedures/policy manuals, and the Contract that SDD has with the County.

The OIG reviewed the Safeguard Document Destruction Security Operational Policies and Procedures Manual ("Manual"). The Manual was last updated on January 4, 2019 and no copies of a prior version were given to the OIG.

The Manual stated:

SDD OPERATIONAL PROCEDURES FOR MOBILE ONSITE SERVICE

- Recurring Customer supplied with predetermined number of security consoles or security totes
- A bonded and uniformed SDD representative arrives at customer location on prescheduled time and date
- Stages mobile shred unit at agreed location on customer premises
- Performs collection of security consoles by emptying bagged documents into a secured, locked 65 or 96 gallon wheeled tote or performs collections of security totes

⁵ The October 2018 pickup was the only instance in which SDD under-charged the County. The estimated weight on the Customer Information Sheet always matched the weight on the invoice.

⁶ Risk Management documents weighed by the OIG.

- Toter is filled to capacity locked and wheeled to mobile shred unit
- Mobile shred unit is activated for shredding
- Mobile shred unit is equipped with monitor and two viewing cameras for witnessing destruction
- Customer receives service order which states the following:
 - ❖ Date, Start and completion time
 - ❖ Customer information Service and Billing
 - ❖ Service type and quantity
 - ❖ Certified Certificate of Destruction

The OIG examined other County departments which utilized SDD's shredding services through this Contract.

Interview of County Risk Management Administrative Secretary Alexandra Smith

Ms. Smith is the County Risk Management employee who escorts SDD employees and processes Risk Management's SDD invoices. Risk Management has four SDD consoles. Approximately every six weeks, SDD collects Risk Management documents for shredding.

Ms. Smith told the OIG that typically after collecting documents for shredding, the SDD employee hands Ms. Smith a Customer Information Sheet with the weight that is to be shredded. She has never seen an SDD employee weigh the documents before giving her this Customer Information Sheet. On one occasion, she questioned an unidentified SDD driver about the process of writing the weight on the Customer Information Sheet before weighing the documents. Ms. Smith told the OIG that the employee replied, "I've been doing this for so long that I can just tell how much it weighs."

Ms. Smith provided all of Risk Management's paid 2019 SDD invoices to the OIG. All invoiced weights matched the weight SDD entered onto the Customer Information Sheet given to Ms. Smith when SDD collected documents to be shredded. A review of those invoices showed the document weights invoiced ranged from 255 pounds to 400 pounds.

OIG Weighing Procedure for Risk Management

On August 7, 2018, the OIG weighed the paper to be shredded in the four SDD consoles within Risk Management. The weight of the four consoles was approximately 86.2 pounds. SDD drivers arrived on August 14, 2019, and gave Ms. Smith a Customer Information Sheet listing the weight for those same documents measured as 215 pounds; a difference of approximately 128.8 pounds between the OIG's weighing of Risk Management's documents to be shredded and the weight SDD invoiced Risk Management.

Interviews with other County Departments

The OIG inquired with additional County departments, to include the Medical Examiner's Office, Public Safety, Libraries, and Planning, Zoning & Building, about their shredding procedures with SDD. An employee from the Medical Examiner's office reported witnessing SDD weighing the documents to be destroyed prior to providing the Customer Information Sheet to the Medical Examiner's Office.

Public Safety and Libraries reported that most of the documents for shredding are kept in boxes. SDD does not weigh the boxes; it charges per box. However, if documents to be shredded were not in boxes, SDD always weighed the documents before providing the Customer Information Sheet to Public Safety and Libraries.

Planning, Zoning, & Building told the OIG that they often kept its shredding in boxes. However, the department submitted Customer Information Sheets to the OIG indicating the word "pounds" circled with a written number. On some occasions, SDD provided the PZ&B employee with a Customer Information Sheet with a weight before SDD left the building to weigh documents. Planning, Zoning, & Building Lead Clerk Teresa Rouse told the OIG that she approached an (unidentified) SDD employee to ask why they were writing a weight on the Customer Information Sheet without knowing how much the documents weighed. She felt the quoted weight was higher by a couple of hundred pounds than what was typically quoted. The SDD employee had only made one trip to the truck and had a full bin in front of him when he handed her the sheet to sign with a number written on it. She remembers his answer as "well that's what the weight is."

A review of the invoices submitted to the OIG from the other County Departments showed that they matched the weight recorded on the SDD Customer Information Sheets.

Interview of SDD President Frank Vitarelli

Frank Vitarelli is the President of SDD. He told the OIG that SDD drivers are trained on the job while riding in a truck with another employee. For the first couple of days they are the passenger and after that, they are required to learn how to drive the truck, get used to the routes, and learn the mechanics of how to shred the paper on the truck. Each driver receives a manual, but Mr. Vitarelli could not remember whether it states the procedures the drivers must follow.

The drivers work in pairs and take turns driving. Mr. Vitarelli stated that he prepares the routes for the drivers and likes to "keep them guessing" on where they are going to go each day. The schedules are given to the drivers each morning, or at the end of their workday for the next day. Their schedules show the locations on a particular day. The drivers generally start between 6am-7am and usually finish their routes around 3pm. The drivers do not fill out a timesheet; however, Mr. Vitarelli keeps track of them through a Global Positioning System (GPS) installed on each truck. If the drivers finish their routes early, they are permitted to leave and still get paid for an eight-hour day. The amount of

pickups the drivers have vary from day to day, but Mr. Vitarelli tries to give each team the same amount of stops. All of his drivers have been working for him for over two years.

All SDD trucks are equipped with Shred-Tech equipment to shred paper onsite. They also contain a camera and monitors to observe documents being shredded. According to Mr. Vitarelli, the drivers never manually enter weight information.

Mr. Vitarelli stated that when drivers arrive at a location, they then enter the location and fill the toter with the paper from the consoles that SDD provides. They then bring that toter to the truck, retrieve the portable scale from the truck, and weigh the toter. If the weight is not a whole number, the drivers are instructed to round under or over to the nearest pound. They then write the weight on the Customer Information Sheet and have a representative from the pickup location sign it. Mr. Vitarelli stated that the customer should be following the drivers to the truck when they remove the documents from the location to observe that the documents are being shredded and to verify their weight. Mr. Vitarelli believes that this is written in the contract with Palm Beach County. In addition, Mr. Vitarelli does "spot checks" at least twice a month by personally making sure that his drivers are "doing what they're supposed to be doing". Mr. Vitarelli stated that he has not recently done spot checks at a Palm Beach County site.

The drivers submit all Customer Information Sheets to Mr. Vitarelli. The sheets are then given to SDD Administrative Assistant Fadella Lares, who handles all of the company's billing. Each customer is billed based on the weights reported on the drivers' Customer Information Sheets and the amount of consoles/toters each customer has. Billing invoices are sent to Palm Beach County via email.

According to Mr. Vitarelli, the contract between SDD and Palm Beach County states that there is a minimum service charge of 200 pounds; however, he does not bill for 200 pounds.⁷ Anything over the 200 pounds is billed at six cents per pound. He stated SDD bills only for the amount on the Customer Information Sheet, even if that billed weight is under 200 pounds. Because of this, Mr. Vitarelli contended that he is "losing money" that he could be billing for. He told the OIG that he has Ms. Lares do this to save time. In addition, Mr. Vitarelli stated that SDD drivers are not aware of the specific terms of each contract, and are instructed to weigh all shredded documents.

The drivers that are assigned to the Palm Beach County route are Johnny Lami and Schubert Adrien. All Palm Beach County Departments are on different pick-up schedules. Some have pick-ups monthly while others have pick-ups bi-weekly, so they often do pick-ups from the same location for different departments on different days.

Mr. Vitarelli could not understand why the drivers were not weighing the paper for Palm Beach County departments before filling out Customer Information Sheets other than out of "pure laziness" or to finish their day earlier. Since the drivers are paid for eight hours regardless of when their day is finished, there would be an incentive for them to finish their routes early.

⁷ A review of the contract between the County and SDD does not indicate a 200 pound minimum charge.

Interview of SDD Driver Johnny Lami

Mr. Lami began his employment with SDD in August 2017. He stated that his training consisted of riding with another driver for one week. Mr. Lami also received a policy and procedures manual upon hire.

Mr. Lami generally works alone, but he usually pairs up with someone on the bigger jobs and for long distances. He does not have a partner that he works with on a regular basis. His routes rotate from week to week. Mr. Vitarelli notifies the drivers a day prior what their route will be for the next day. Their Customer Information Sheets list the customer names and addresses and what the drivers are to pick up at that location. They also indicate if the documents at each location are to be weighed and whether they have a bi-weekly or monthly pick-up schedule. If the location requires the documents to be weighed, the word "pounds" is circled on the Customer Information Sheet.

Mr. Lami stated that SDD drivers start their day at the SDD offices in Fort Lauderdale. Generally, the same drivers use the same trucks daily. Each truck contains a GPS unit so that Mr. Vitarelli knows where they are at all times. Upon arrival at each pick-up location, the driver looks at the Customer Information Sheet to see if they are to weigh the documents or not. The driver brings a toter inside to unload the paper to be shredded if the location has consoles. He believes it is up to the customer to decide whether to follow the drivers downstairs to watch the documents being shredded. If the location requires that documents be weighed, the toter is placed on a portable scale that each truck has onboard. The driver then records the weight of the documents onto the Customer Information Sheet, and the toter is brought into the truck for the documents to be shredded. The shredding process is controlled by buttons on the side of the truck and there is a camera inside of the truck. A copy of the Customer Information Sheet is then given to the customer. Mr. Lami has no knowledge about SDD's billing procedures. Mr. Lami stated that he determines if the scale is working properly by zeroing out the scale and then weighing himself on the scale to see if it registers the correct weight. If the scale needs to be serviced, the drivers contact Mr. Vitarelli for the repair.

At the end of their workday, the drivers return to the SDD offices in Fort Lauderdale to submit the completed Customer Information Sheets for the day to Mr. Vitarelli and receive the work orders for the next day. Drivers are paid by the hour and can go home as soon as their pick-ups are completed and the trucks are returned to the SDD offices.

Early in the interview, Mr. Lami told the OIG that he always weighs the documents at a location if the word "pounds" is circled on the Customer Information Sheet. He said he has never been told by anyone not to weigh it when "pounds" is circled.

Later in the interview, OIG Investigators re-queried Mr. Lami as to whether he weighs documents every time when required. Mr. Lami then admitted that at times he filled out Customer Information Sheets with estimated weights and without actual weights from the scale. He said he did this when he first started working for SDD because the Customer Information Sheets did not have the word "pounds" circled at that time to indicate that he

had to weigh the paperwork. Mr. Lami stated that the prior secretary for SDD was careless at times and she failed to circle the word “pounds” on some Customer Information Sheets. Mr. Lami said this only happened for the first month he worked for SDD, and after a month the problem was corrected.

Mr. Lami was then told that the OIG’s office weighed its shredded documents on several occasions before SDD picked them up to determine if there was a discrepancy between the SDD billed weight and the OIG estimated weight for the same documents. Mr. Lami stated that our number would be different because we weighed the documents in the console bags and not in the toter. Mr. Lami explained that the 96 gallon toter by itself weighs anywhere from 40-50 pounds while the 64 gallon toter weighs 30-40 pounds. Mr. Lami said that he was told by a co-worker driver from the beginning of his employment at SDD that the procedure is to include the weight of the toter in the total amount of weight being charged to the customer.

When he was given the example of one instance where the discrepancy between the OIG’s estimated weight and SDD’s weight was 97.1 pounds, Mr. Lami stated that he has been doing the job a long time and can tell how much the paper weighs.

Mr. Lami was given a second example from August 1, 2019, when the OIG weighed its documents to be shredded at 124.5 pounds and the Customer Information Sheet reported 200 pounds. Mr. Lami then admitted that he came to the OIG’s office, estimated the weight of the documents, and proceeded to go back to his truck and not weigh the documents before shredding it on several occasions. Mr. Lami said he did so because he was trying to move his day along faster. Mr. Lami added that he has 30 to 40 pick-ups on some days and the quicker he can go from stop to stop, the quicker he can get back to the office and go home.

Mr. Lami stated that he weighed his shredding pick-ups for all other SDD customers.

Interview of SDD Driver Schubert Adrien

Mr. Adrien told the OIG that he has been an employee of SDD for eleven months. When Mr. Adrien started with SDD, he received a procedures manual. Mr. Adrien also received on the job training for three to four weeks from Mr. Lami, with whom Mr. Adrien currently completes the majority of his routes. When Mr. Lami and Mr. Adrien are working together, each of them takes turns with the driving and the weighing of the shredded documents.

Mr. Adrien and Mr. Lami do not follow the same routes on a daily basis. On Wednesdays they usually pick-up paper from Palm Beach County. Mr. Adrien and Mr. Lami are not the only two drivers who pick-up from Palm Beach County. Mr. Adrien gets paid by the hour; however, if he finishes his routes before his eight-hour shift he still gets paid for eight hours.

The drivers start their day at the Fort Lauderdale office where the trucks are located. Mr. Vitarelli lets his drivers know ahead of time what routes they will be completing the

following day. When the drivers arrive for work in the morning, they receive printed instructions with customers' information for that day.

In Palm Beach County Mr. Adrien stated that some customers witness the weighing and shredding of the paper and some do not. Mr. Adrien only weighs shredded documents if the contract requires it. The drivers know the differences between contracts by looking at the specifics on the Customer Information Sheet. If the word "pound" is circled, the drivers must weigh the paper at that location. When the customers have consoles, the Customer Information Sheet specifies how many consoles are to be emptied from that location. Mr. Adrien does not know what happens with billing after he picks up the paper.

All the trucks have a scale in them except the box truck. Once Mr. Adrien puts the bin on the scale, he writes whatever amount that shows on the scale which is a total of the weight of the paper plus the bin that contains the paper. Mr. Adrien has not been told to subtract the weight of the bin from his total by anyone, and the customer is billed based on the total the drivers write on the Customer Information Sheet. All of the SDD drivers include the weight of the bin in the total amount given to the customer.

Mr. Adrien does not know the type of scale SDD uses. Mr. Adrien described the scale as bigger than the typical "bathroom scale". It has "four screw like items" at the bottom of it that the driver can adjust for it to be "leveled" on the ground. This prevents a fluctuation in the weight of the bin. Mr. Adrien was unsure as to whether or not the scale gets inspected regularly for accuracy.

Mr. Adrien stated that he always weighs the paper for the customers that require it to be weighed as per their contractual agreement with SDD. As the new guy, Mr. Adrien is always trying to do the right thing so if he has been told to weigh the paper, he does it. Over the last few months, Mr. Adrien has noticed that even though Mr. Lami always tells Mr. Adrien to use the scale and weigh the paper because someone can be watching, Mr. Lami does not always weigh the paper. Mr. Lami has told Mr. Adrien that if he notices that he is not doing what he is supposed to it is because Mr. Lami knows the job really well, and he has been doing it for a long time. Mr. Lami also stated to Mr. Adrien that things have gotten strict the past couple of months; and that if Mr. Adrien sees the word "Pound" is circled on the Customer Information Sheet, Mr. Adrien should definitely weigh the paper at that location.

Mr. Adrien stated that Mr. Lami does not always weigh the paper for customers in Palm Beach County. When Mr. Lami notices that no one from the building comes to watch him weigh the paper, Mr. Lami guesses the weight, and he gets the customer to sign the Customer Information Sheet. However, Mr. Lami has never told Mr. Adrien not to weigh the paper, regardless if someone is watching or not.

On one occasion, Mr. Adrien said he asked Mr. Lami, "why do you tell me to weigh the paper and you don't always weigh them?" Mr. Lami told Mr. Adrien it is because he knows his job. Mr. Adrien believes that nobody has ever instructed Mr. Lami not to weigh the paper.

As the new guy Mr. Adrien stated he was not going to be the guy who nitpicks everything, especially when Mr. Adrien was being trained by that person. The way Mr. Adrien sees it, he does whatever the person who is training him tells him to do. A year from now, if Mr. Adrien is training a new guy, he is not expecting that person to question what he tells him to do. Other than Mr. Lami, Mr. Adrien has not noticed any other drivers who do not weigh the paper when they are required to.

When Mr. Adrien comes to Palm Beach County, it is always with Mr. Lami. However, it has been a while since he did a trip to Palm Beach County with Mr. Lami. As far as Mr. Adrien knows, he is unsure of what Mr. Lami does when he is not around. Mr. Adrien does not know the true motive behind Mr. Lami's decision to not weigh the paper. In Mr. Adrien's opinion, Mr. Lami chooses to not weigh the paper because he is in a rush. By the time Mr. Lami takes the scale out of the truck, to make sure it is "leveled" on the ground, weighs the paper, and returns back inside with the Customer Information Sheet, Mr. Adrien thinks Mr. Lami could have already been at another location.

Mr. Adrien chose not to bring the subject of Mr. Lami not weighing the papers up to Mr. Vitarelli because the only time he and Mr. Vitarelli communicate is when Mr. Vitarelli is letting him know about his routes and anytime Mr. Adrien needs a day off. Mr. Adrien is also a new employee, and he is not trying to change anything nor make anyone feel like he is trying to take their position. Mr. Adrien does not want to be viewed as a snitch. If he starts telling on people, then maybe others will start lying about the things Mr. Adrien is doing to get him fired. He is unsure if Mr. Vitarelli knows that Mr. Lami is not weighing the paper.

Interviews of Other SDD Drivers

The OIG interviewed three additional SDD South Florida drivers. Without exception, they each stated that they never estimated the weight of shredded documents. They also each stated that when the SDD Customer Information sheet had the word "Pounds" circled, they always weighed the shredded documents and accurately reported the results for invoiced billing. All of the drivers who were interviewed stated that they were all trained to include the weight of the toter when recording the total weight for each customer.

Post October 1, 2019 Observations

On October 2, 2019, the day after the OIG visited the SDD offices and directed Mr. Vitarelli not to tell his drivers that the company was under an investigation for failure to weigh paperwork, Mr. Lami, came to the OIG offices for document shredding and pick-up. On that occasion, Mr. Lami did not hand the OIG the Customer Information Sheet at the beginning of the process; instead, he emptied all of the consoles and went to the truck to shred the documents. He was observed removing the scale from the truck and attempting to weigh the documents in the toter. He was observed having difficulties trying to balance the toter on the scale.

Subsequently after that pick-up and after all of the drivers were interviewed regarding them failing to weigh the paperwork prior to providing a Customer Information Sheet, Mr. Lami continued to be observed attempting to weigh the OIG's shredding documents on the scale and handing the Customer Information Sheet to an OIG employee after the paper was weighed and shredded.

Ms. Smith from Risk Management contacted the OIG and stated that she observed SDD employees weighing the paperwork and that the weight was more consistent with what it should be for their office.

SDD Update

On November 14, 2019, after the OIG conducted the interviews of the SDD drivers, Mr. Vitarelli informed the OIG that he was in the process of selling SDD to Iron Mountain Shredding. On November 19, 2019, our office received a phone call from a representative at Iron Mountain who informed us that they will be providing shredding services as of December 2, 2019. However, SDD-labeled trucks and equipment continue to be the service providers as of the date of this report.

OIG Conclusion

On at least four occasions, SDD drivers provided OIG staff with a Customer Information Sheet noting the weight of document shredding/destruction without actually weighing the documents. In each case, SDD invoiced the OIG for costs based upon the weight in pounds on the Customer Information Sheet. This practice was inconsistent with the Contract terms.

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank Risk Management, the Medical Examiner's office, Libraries, Public Safety, Planning, Zoning, & Building, and the Safeguard Document Destruction staff for their cooperation during this investigation.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends that:

1. The County provide all employees responsible for managing the document shredding/destruction contract with contractual terms relevant to their contract management responsibilities.
2. SDD ensure that its employees understand the contractual terms related to their job duties.

RESPONSE FROM SAFEGUARD DOCUMENT DESTRUCTION

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, SDD was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. Their written response is attached to this report.

RESPONSE FROM PALM BEACH COUNTY

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the County was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. The response from Palm Beach County Director, Purchasing Kathy Scarlett is attached to this report.

This Investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.

ATTACHMENT 1
SAFEGUARD DOCUMENT DESTRUCTION RESPONSE

March 20, 2020

Office of the Inspector General

PO Box 16568

West Palm Beach, FL. 33416

Attn: Stuart A. Robinson

RE: OIG Case #: 2019-0006

Dear Mr. Robinson,

We write in response to your March 10, 2020 letter providing SDD with the Office of the Inspector General's Draft Investigative Report. We have now had the opportunity to review the letter and the Draft Investigative Report, and submit herein a written response.

The Draft Investigative Report provides for a single allegation stating that "SDD invoiced the County for shredding/destruction services without properly weighing the documents as provided by SDD's shredding/destruction services contract with the County." We understand that the Office of the Inspector General's investigation supports this sole allegation. SDD is unfortunately in a position that it cannot dispute the findings. Upon obtaining the Palm Beach County contract, SDD explained to its employees servicing Palm Beach County that they must weigh documents and properly report that weight on the customer information sheet. Although SDD goes to great lengths to train its employees and provide crucial terms of all contractual obligations, it appears that at least one employee did not follow the proper procedures. SDD did not have any knowledge of any employee failing to abide by contractual requirements.

The Draft Investigative Report provides for two recommendations to assist the County and SDD in ensuring that the County departments are properly billed for shredding/destruction services. We respond to each in turn.

First, as to the recommendation that "[t]he County provide all employees responsible for managing the document shredding/destruction contract with contractual terms relevant to their contract management responsibilities," SDD concurs. SDD believes that this would benefit both Palm Beach County and SDD employees to ensure that all involved in the shredding services are knowledgeable of the contractual terms.

Second, as to the recommendation that "SDD ensure that its employees understand the contractual terms related to their job duties," SDD concurs. SDD has already taken corrective actions to complete this recommendation. Since receiving the Draft Investigative Report, SDD has re-trained and reiterated to all employees who service Palm Beach County the strict requirement to properly weigh documents and record the weight. SDD employees who service Palm Beach County should now understand the contractual terms between SDD and Palm Beach County and abide by them. SDD employees have been advised that their failure to abide by the contractual terms will result in counseling and possible termination.

Thank you for the opportunity to respond to the Draft Investigative Report. Should you require further information or clarification, please feel free to reach out.

Sincerely,

Frank Vitarelli

Frank Vitarelli

ATTACHMENT 2 MANAGEMENT RESPONSE

Hi Stu,

I am still at the EOC; however, I had an opportunity to review the Office of Inspector General's ("OIG") Investigative Report 2019-0006 Safeguard Document Destruction. The Investigate Report was extremely thorough in setting forth Safeguard Document Destruction's ("SDD") contract violation and the OIG recommendations. The Purchasing Department concurs with those recommendations and will follow same.

As to your recommendations:

1. I have asked my IT staff to explore the possibility of once again attaching a copy of the contract to the corresponding contract document in Advantage. Until that time (and if it is not possible to attach a contract in Advantage), my staff will email a copy of every countywide contract to every User Department utilizing same. A memo will also be sent to all User Departments utilizing this contract to remind them of important contract terms and conditions.
2. It is my understanding that the transfer of the obligations and responsibilities of the County's contract with Safeguard Document Destruction ("SDD") to Iron Mountain Shredding has not yet occurred. That being said, the Buyer and Purchasing Manager will contact SDD regarding the contract violation. If the violation continues, we will initiate a solicitation for a new contract/vendor and terminate SSD's contract.

Please let me know if you would like a formal response or if this email is sufficient. Thanks so much for your due diligence. It's very much appreciated.

Kathy