Memorandum

MIAMI-DADE COUNTY

Date: June 30, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

Agenda Item No. 8(A)(1)(D)

From: George M. Burgess
County Manager

Subject: Acceptance of $408,753.38 from JMG Systems, Inc., d/b/a/ Sereca Security Corporation in full payment of all Percentage Permit Fees owed under its Permits with the Aviation Department, and Approval of a Release from all further claims for payment of such Permit Fees

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RECOMMENDATION

It is recommended that the Board approve the attached resolution accepting the sum of $408,735.38 paid by JMG Systems, Inc., d/b/a/ Sereca Security Corporation ("Sereca") in full payment of all Percentage Permit Fees resulting from the Office of the Inspector General's audits as being owed under Permit No. PC-000853 and Permit No. PC-002438 issued by the Aviation Department, and approving a Release of Sereca from all further claims by the County for payment of Percentage Permit Fees that arise from the Inspector General's audits performed under such Permits.

SCOPE

This item pertains to two permits issued at Miami International Airport ("MIA"), which is located within District Six, Rebeca Sosa.

FISCAL IMPACT

This is a revenue-producing item, involving the acknowledgment of receipt of payment by Sereca in the amount of $408,753.38 for Percentage Permit Fees due under Sereca's permits at MIA.

TRACK RECORD/PROJECT MONITOR

This matter has been under the supervision of Anne Syrcle Lee, the Assistant Director for Finance at the Aviation Department.

BACKGROUND

In 2002, the Aviation Department issued Permit No. PC-000853 to Sereca to enable Sereca to provide security services to aviation tenants at MIA. In 2004, the Aviation Department issued Permit No. PC-002438 as a successor permit to Permit No. PC-000853. On February 13, 2007, the Office of the Inspector General ("OIG") issued an audit report reflecting that, for the fiscal year ending in 2005, Sereca had underreported its gross revenues, which in turn cause an underpayment of $209,114.81 to the Aviation Department. The State Attorney's Office also commenced an investigation which ran simultaneously with the Aviation Department's and the OIG's investigations.

Sereca claimed that the underreporting was done in error and that it did not intend to underreport gross revenues. Sereca stated that a large part of the underreporting related to security services provided by Sereca personnel in portions of tenants' buildings that were on the landside area of the Airport and not subject to the same federal security requirements applicable to buildings fronting on the airside portion of the airport, and Sereca in good faith did not understand that it was required to include revenues from those landside security services in its reports. Sereca also claimed that a software problem caused some of the underreporting to occur.

On July 3, 2007, the Aviation Department sent Sereca a letter advising them of its underpayments for the years 2002, 2003 and 2005, and requesting information for gross revenues of Sereca for the years 2004, 2006, and 2007. The letter concluded by advising Sereca that the Permit was being terminated as of August 7, 2007, which was later extended to August 20, 2007 so as to avoid serious adverse consequences to the tenants at MIA who were customers of Sereca.

During this period, the Aviation Department continued to work close with Sereca and the OIG's office to determine the extent of underreporting that may have occurred for the years 2002 through 2007. Sereca cooperated fully in this determination, based upon the insistence of the OIG, the Aviation Department, and the State Attorney's Office that this matter be fully resolved.

As a result of all the investigation and work of both the Aviation Department and the OIG, including the audits that were provided by Sereca's accountants, it was determined that Sereca should have paid Percentage Permit Fees in the following amounts, in addition to what Sereca actually paid:

Additional Permit Fees of 7% that should have been paid:

2002	$ 42,670.07
2003	$ 25,695.01
2004	$ 15,475.34
2005	$209,114.81
2006	$112,879.34
2007	$ 2,900.81
Total:	$408,735.38

Sereca, which is no longer doing business at MIA, has paid the foregoing amounts in full. Sereca cooperated with the Aviation Department and the State Attorney's Office in the determination of the extent of underreported gross revenues for the years in question. The Aviation Department is willing to accept the amount paid by Sereca in the sum of $408,753.38 as constituting full payment of all Percentage Permit Fees owing to MDAD under the collective investigation effort.

Sereca's full cooperation during the investigation of this matter allowed that the Aviation Department to collect from Sereca voluntarily amounts that the Aviation Department may not have been entitled to recover in court because of the five-year statute of limitations. Accordingly, the Aviation Department recommends that the County accept the sum of $408,753.38 from Sereca and approve the County's execution of the attached Release of Claim.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: June 30, 2009

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(A)(1)(D)

Please note any items checked.

_____ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

_____ 6 weeks required between first reading and public hearing

_____ 4 weeks notification to municipal officials required prior to public hearing

_____ Decreases revenues or increases expenditures without balancing budget

_____ Budget required

_____ Statement of fiscal impact required

_____ Bid waiver requiring County Mayor's written recommendation

_____ Ordinance creating a new board requires detailed County Manager's report for public hearing

_____ Housekeeping item (no policy decision required)

_____ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(1)(D)
6-30-09

RESOLUTION NO. _____

RESOLUTION RELATING TO MIAMI INTERNATIONAL AIRPORT; ACKNOWLEDGING RECEIPT OF $408,753.38 FROM JMG SYSTEMS, INC., D/B/A/ SERECA SECURITY CORPORATION ("SERECA") IN FULL PAYMENT OF ALL PERCENTAGE PERMIT FEES OWED UNDER SERECA'S SECURITY SERVICE PERMITS ISSUED BY THE AVIATION DEPARTMENT; AUTHORIZING THE MAYOR OR DESIGNEE TO EXECUTE A RELEASE UNDER WHICH THE COUNTY RELEASES SERECA FROM ANY FURTHER CLAIMS TO PERCENTAGE PERMIT FEES OWED UNDER SUCH PERMITS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board acknowledges the receipt of $408,753.38 paid to the Aviation Department by JMG systems, Inc., d/b/a/ Sereca Security Corporation ("Sereca"), in full payment of all percentage permit fees owed by Sereca under its security service permits issued to Sereca by the Aviation Department; authorizes the Mayor or designee to execute a release in substantially the form attached hereto under which the County releases Sereca from any further claims to percentage permit fees owed under such permits; and authorizes the Mayor or designee to execute any other documents, upon review of the County Attorney, to bring this matter to a full conclusion.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

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Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 30th day of June, 2009. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. TPA

Thomas P. Abbott

RELEASE OF CLAIMS

FOR AND IN CONSIDERATION OF THE SUM OF FOUR HUNDRED EIGHT THOUSAND SEVEN HUNDRED FIFTY THREE DOLLARS & 38/100 ($408,753.38), which Miami-Dade County ("County") through its Aviation Department acknowledges has been received by the Aviation Department from JMG Systems, Inc., d/b/a/ Sereca Security Corporation ("Sereca") for Percentage Permit Fee obligations owed and arising under Permit No. PC-000853 and Permit No. PC-002438 issued to Sereca by the Aviation Department (collectively, the "Permits"), Miami-Dade County hereby remises, releases, and forever discharges Sereca from and against all claims and causes of action the County has or may have against Sereca for Percentage Fee Payments arising under such Permits.

This Release has been executed on behalf of the County this ____ day of _____, 2009.

_____
County Manager

STATE OF FLORIDA) ss
COUNTY OF MIAMI-DADE) ss

BEFORE ME the undersigned authority, personally appeared _____, who, after first being duly sworn under oath by me, deposes and says that he/she has read the foregoing Release and that the Release has been duly authorized by the Board of County Commissioners to be executed for and on behalf of Miami-Dade County.

SWORN TO AND SUBSCRIBED before me this _____day of _____, 2009.

_____
NOTARY PUBLIC

_____
(Print, Type or Stamp Commissioned Name of Notary Public)

My Commission Expires:

Personally Known _____or
Produced Identification_____ Type of identification:

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