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**New York State Office of the State Comptroller**  
Thomas P. DiNapoli

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Division of State Government Accountability

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# **Selected Employee Travel Expenses**

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## **State University of New York at Albany**

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Report 2012-S-74

May 2014

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## Executive Summary

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### Purpose

To determine whether the use of travel monies by selected government employees complied with rules and regulations and is free from fraud, waste and abuse.

### Background

New York State's executive agencies spend between \$100 million and \$150 million each year on travel expenses. These expenses, which are discretionary and under the control of agency management, include car rentals, meals, lodging, transportation, fuel, and incidental costs such as airline baggage and travel agency fees. As part of a statewide audit initiative to determine whether the use of travel money by selected government employees was appropriate, we audited travel expenses for the highest-cost travelers in the State. These travelers incurred over \$100,000 in travel expenses during our three-year audit period and/or exhibited unusual travel characteristics. We examined a total of \$1.7 million in travel expenses for 10 University at Albany employees. Of the 10 employees, nine had travel expenses that exceeded \$100,000 and one individual had unusual travel characteristics in the area of fuel costs.

### Key Findings

- Expenses for nine of the 10 University employees selected for review were appropriate.
- For a track coach, however, University officials did not enforce Office of State Comptroller and University guidelines limiting travel advance amounts and requiring unspent balances to be returned on a timely basis. The track coach routinely overestimated the amount of advance funds needed for athletic events. As a result, at one point he had over \$87,000 in outstanding advances. Also, the coach consistently returned unused advance funds more than 2 months later than required by the University. In fact, University officials allowed this coach to pay back his travel advances in installments – similar to the payback of a loan.
- The track coach may have violated the Public Officers Law by employing his daughter as a volunteer coach and using State funds to pay for her travel with him and the team to local and national track events.

### Key Recommendations

- Monitor cash advances to ensure compliance with established State and University travel guidelines and procedures and to safeguard assets from fraud, waste and abuse.
- Establish written guidelines for the hiring and supervision of volunteer coaches to decrease the possibility of, or appearance of, any impropriety.
- Ensure all University employees are aware of their responsibilities under the Public Officers Law.

### Other Related Audits/Reports of Interest

[SUNY College at Cobleskill: Selected Employee Travel Expenses \(2012-S-143\)](#)

[SUNY College at Oneonta: Selected Employee Travel Expenses \(2012-S-145\)](#)

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**State of New York  
Office of the State Comptroller**

**Division of State Government Accountability**

May 7, 2014

Dr. Robert J. Jones  
President  
SUNY at Albany  
University Hall 302  
1400 Washington Avenue  
Albany, NY 12222

Dear President Jones:

The Office of the State Comptroller is committed to helping State agencies, public authorities and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of the University at Albany entitled *Selected Employee Travel Expenses*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller  
Division of State Government Accountability*

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This report is also available on our website at: [www.osc.state.ny.us](http://www.osc.state.ny.us)

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## Background

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New York State's executive agencies spend between \$100 million and \$150 million each year on travel expenses incurred by State employees in the course of performing their duties. These expenses, which are discretionary and under the control of agency management, include car rentals, meals, lodging, transportation, fuel, and incidental costs such as airline baggage and travel agency fees.

The mission of the University at Albany (University) is to be nationally recognized for excellence as a community-engaged research university where faculty and staff, students, alumni, and partners from communities of diverse types, interests and locations, from local to global, collaborate strategically to advance human and community potential and well-being; improve social, educational and scientific progress; strengthen the economy through scientific and technological innovation and new business growth; improve public policies and practices; promote social justice and cultural diversity; and inspire creative expression and understanding of the human condition. The University spent about \$11.6 million on travel expenses from April 1, 2008 through March 31, 2011. Of that amount, \$6,180,547 (53 percent) was for reimbursements to employees for travel expenses and direct payments to vendors, and the remaining \$5,452,677 (47 percent) related to charges on State-issued travel cards.

This audit at the University is part of a statewide initiative to determine whether the use of travel monies by selected government employees complies with rules and regulations and is free from fraud, waste and abuse. We focused our audit efforts on the highest-cost travelers in the State, each of whom incurred over \$100,000 in travel expenses during the three-year period ended March 31, 2011, and we considered other factors as well. As a result of this analysis, we examined the travel costs of 10 University employees that totaled \$1.7 million. We selected these employees because nine had travel expenses that exceeded \$100,000 and one individual had risks identified in the area of fuel costs. Nine of the 10 employees selected were athletic coaches who were responsible for team travel expenses associated with in-state and out-of-state sporting events, including transportation, meals and lodging. The other employee was responsible for admissions recruitment expenses associated with travel (lodging, transportation, etc.) as part of these duties.

The Office of the State Comptroller (OSC) sets rules and regulations for payment of expenses employees incur while traveling on official State business. The Comptroller's Travel Manual helps agencies and employees understand and apply the State's travel rules and regulations, and provides instructions for reimbursing expenses. In general, when traveling on official State business, only actual, necessary and reasonable business expenses will be reimbursed.

According to the Travel Manual, agencies are responsible for ensuring:

- all authorized travel is in the best interest of the State,
- all charges are actual, reasonable and necessary,
- all expenses comply with travel rules and regulations,
- the most economical method of travel is used in the best interest of the State,
- compliance with Internal Revenue Service (IRS) regulations,
- the official station of each employee is designated in the best interest of the State,
- employees obtain appropriate approvals prior to traveling, and exceptions or waivers are justified and necessary, and
- adequate funds are available for travel.

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## Audit Findings and Recommendations

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The travel expenses for nine of the 10 University employees selected were appropriate. However, University officials did not enforce OSC and University guidelines limiting travel advance amounts and requiring them to be repaid on a timely basis for one athletic coach reviewed. As a result, a track coach abused the University's cash advance system. This coach routinely overestimated the amount of funds needed for each athletic event. As a result, at one point he had over \$87,000 in outstanding advance funds. Also, the coach consistently returned unused travel advance monies an average of 2.2 months past the one week required by the University. In fact, University officials allowed this coach to pay back his travel advances in installments – similar to the payback of a loan.

Additionally, the track coach may have violated provisions of the Public Officers Law when he hired his daughter as a volunteer coach for his team and used State funds to pay for her travel with him and the team locally and nationally.

### Administration of Cash Advances

The Travel Manual states that agencies should encourage use of the corporate travel card, and they are expected to provide each traveler with a card. This enables travelers to charge travel expenses directly to the State and to avoid the need for advance payment to the traveler. When the use of a travel card is not appropriate, agencies can issue a travel advance to the traveler to pay expenses while on official State business. Agencies must have procedures to ensure timely accounting of travel advances, including timely submission of travel vouchers.

The amount of the advance should be limited to a reasonable estimate of the traveler's expected business expenses. If necessary, an agency can recover advances through deductions from the traveler's salary or other monies due him or her. The University's instructions for completion and processing of travel advances state "If money is owed back on an advance....it should be paid back within one week of return from trip. If delinquency occurs....travel advances will start to be handed out on a one in, one out basis if delinquency is an ongoing issue."

We reviewed supporting documentation for a judgmental sample of transactions for all 10 University employees in our sample and noted problems with certain cash advances made to a University track coach. Therefore, we reviewed all 60 travel advances, totaling \$275,564, made to this coach during our audit period. We determined that the coach routinely overestimated the amount of funds needed for events. In fact, 24 (40 percent) of the 60 cash advances exceeded the amounts actually needed by at least 40 percent. For example, in one instance an advance was requested for \$12,600. However, only \$2,359 (19 percent) was actually used. During our audit period, the coach generally over-estimated the number of people who would be traveling, thereby increasing the amount of the advance he requested.

During the track season, the coach's outstanding advances averaged \$39,268. The outstanding advances sometimes exceeded \$50,000 and at one point totaled \$87,286. Frequently, the



University advanced funds to the coach before he paid back unused funds from a prior trip. Further, the coach consistently returned unused travel advances late. In fact, the coach took 2.2 months (on average) to return excess advance balances to the University. This was significantly longer than the University's policy requiring repayment within one week of return from a trip.

We also determined that University officials allowed the coach to pay back his travel advance in installments - similar to the payment of a loan. We question the need and the propriety of allowing travel advances to be paid back this way. Travel advances are for specific events and should be reconciled promptly upon their completion. Therefore, the unused advance balances should be returned within one week of return from a trip and not be kept and allowed to be paid back in installments like a loan.

In May 2008, University officials took actions when the University's accounting department determined that the coach had large sums of outstanding advances. At that time, the accounting department suspended the coach's credit card use and denied requests for new advances until prior advances were reconciled. Shortly thereafter, the advances were reconciled and the coach's credit card use and advance privileges were reinstated. However, by April 2009 the outstanding advances had again peaked and continued throughout our audit period without further action from University officials. Continuous monitoring of these advances and possibly further sanctions are needed to safeguard the cash advances from abuse.

After meeting with the athletics and accounting departments, we found there is only one full-time staff responsible for monitoring all advances for all coaches. Officials explained that, in the past, there had been an additional full-time staff hired to monitor these advances. However, due to budget constraints, this position was scaled back. Officials stated they will be re-filling the position to monitor and account for the advances in this department.

## Potential Violation of the Public Officers Law

We found the same coach may have violated several provisions of Subdivision 3 of Article 4, Section 74, of the Public Officers Law, which states that no officer or employee of a State agency should:

- (d) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others.
- (f) not by his conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.
- (h) endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.

This track coach selected his daughter as a volunteer coach for his team, and had the University pay for her travel to meets locally and nationally. There is an appearance of favoritism and impropriety with the selection and paid travel of his daughter. Volunteers are utilized to perform similar duties as paid coaches. They attend local meets and practices as well as travel with the



team. Volunteers are not assigned a State credit card. Therefore, their travel expenses are not separately identified but instead are generally included with the team's travel expenses. Thus, we could not identify how much in total was paid for the coach's daughter to travel with the team as a volunteer coach. We found evidence she, at a minimum, traveled with her father and the team to Texas, Massachusetts, Oregon, North Carolina, and Puerto Rico. We question the appropriateness of allowing an official to select and supervise family members, whether this volunteer was given preferential treatment over other potential candidates, and whether travel expenses were incurred in the best interest of the State.

The University does not have written guidelines governing the selection of volunteer coaches or specifying the qualifications a volunteer must have. Also, the University does not have a nepotism policy. We recognize the need and value of hiring volunteer coaches, and ultimately, the head coach (in this case, the volunteer's father) was responsible for selecting volunteers for the track team. However, the head coach was also responsible for ensuring that he complied with the aforementioned provisions of the Public Officers Law. Further, the coach did not obtain an official opinion from the Joint Commission on Public Ethics (JCOPE), the State entity that adjudicates matters relating to the State's ethics law, regarding the selection of his daughter as a volunteer coach, and having the University pay her travel costs for local and national track meets.

## Recommendations

1. Monitor cash advances to ensure compliance with established State and University travel guidelines and procedures and to safeguard assets from fraud, waste and abuse. These changes may include but are not limited to:
  - Increasing monitoring over the issuance and reconciliation of cash advances; and
  - Utilizing available sanctions to enforce adherence to prescribed guidelines.
2. Establish written guidelines for the selection of volunteer coaches to eliminate any actual or appearance of impropriety and nepotism.
3. Ensure all University employees are aware of their responsibilities under the Public Officers Law.

## Audit Scope and Methodology

The objective of our audit was to determine whether the use of travel monies by selected government employees complied with rules and regulations, and is free from fraud, waste and abuse. We audited selected travel expenses for 10 University employees for the period April 1, 2008 to March 31, 2011.

To accomplish our objectives, we focused audit efforts on travelers who incurred over \$100,000 in travel expenses during the audit period and/or exhibited unusual travel characteristics. Based on our initial analysis, we examined the travel costs of 10 University employees whose expenses

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totaled over \$1.7 million. Nine of these employees incurred over \$100,000 in travel expenses and one employee had unusual characteristics in the area of fuel costs.

As part of our examination, we obtained vouchers, receipts, and credit card statements for all selected transactions. We then verified that documentation supported the charges and showed the expenses incurred were for legitimate business purposes. We reviewed the University's internal policies and procedures and determined that the travel expenses selected for examination were approved and complied with this guidance as well as with OSC procedures. We also became familiar with the internal controls related to travel, and assessed their adequacy related to the limited transactions we tested. We matched time sheet and travel records to ensure the travelers were working on days for which they requested travel reimbursement, and reviewed E-ZPass records, where applicable, to match against travel vouchers.

Due to the nature of storage of records by the University, we were unable to obtain all supporting documentation for each voucher. Therefore, we took a judgmental sample of selected travel vouchers to determine that documentation was maintained and sufficient to support expenses. We were satisfied with the documentation provided and did not find that our scope was impaired. Lastly, we also reviewed controls over airfare separately.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members (some of whom have minority voting rights) to certain boards, commissions and public authorities. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

## Authority

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The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

## Reporting Requirements

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We provided a draft copy of this report to University officials for their review and formal comment. We considered the University's response in preparing this final report and attached it in its entirety

to the end of the report. University officials generally agreed with our recommendations and stated the actions they intend to take to implement them. Our rejoinders to certain University comments are included in the report's State Comptroller's Comments.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the President of the State University at Albany shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendation contained herein, and if the recommendation was not implemented, the reasons why.

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## Contributors to This Report

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## Division of State Government Accountability

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### Vision

A team of accountability experts respected for providing information that decision makers value.

### Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

# Agency Comments



Office of the President

January 29, 2014

John Buyce  
 Audit Director  
 Office of the State Controller  
 110 State Street, 11<sup>th</sup> Floor  
 Albany, NY 12236

Dear Mr. Buyce:

Please accept this letter in response to the draft audit findings for OSC Audit Report 2012-S-74 entitled Selected Employee Travel Expenses State University at Albany issued to the University at Albany on December 30, 2013. The draft audit findings in this audit report focused solely on the University at Albany Track and Field program. I have addressed each of the OSC findings and recommendations below.

OSC Finding: For a track coach, however, University officials did not enforce Office of State Comptroller and University guidelines limiting travel advance amounts and requiring unspent balances to be returned on a timely basis. The track coach routinely overestimated the amount of advance funds needed for athletic events. As a result, at one point he had over \$87,000 in outstanding advances. Also, the coach consistently returned unused advance funds more than 2 months later than required by the University. In fact, University officials allowed this coach to pay back his travel advances in installments – similar to the payback of a loan.

OSC Recommendation: Monitor cash advances to ensure compliance with established State and University travel guidelines and procedures and to safeguard assets from fraud, waste and abuse. These changes may include but are not limited to:

- Increasing monitoring over the issuance and reconciliation of cash advances; and
- Utilizing available sanctions to enforce adherence to prescribed guidelines.

University Response: The University agrees that there has been a problem in the past with the timely reconciliation of travel advances and timely refund of travel advances for the Track and Field program. This is an issue that the campus takes very seriously, has been monitoring and has taken steps to improve. For much of the period of the audit, the Track and Field program was not staffed sufficiently to assist the Head Coach with completing timely travel advance reconciliations, especially in season. This situation has since been addressed by the addition of the position of Director of Operations to the Track and Field program. The addition of this position has helped remedy the problem of late travel advance reconciliations and advance returns. The University will continue to monitor this issue within both the Athletics and Finance and Business Divisions and will take the necessary steps to insure the problem does not recur.

With regard to the potential overestimating of travel advances for the Track and Field program, steps have also been taken to remedy the situation. The overestimation is the result of the fact that the Head Coach prepared his estimated rosters for each Track and Field meet or event at the beginning of each season based on his overall roster of athletes. However, actual participation in each meet or event is often dependent on each athlete meeting qualifying track or field standards prior to the meet or event. As a result of the qualifying requirements and in-season injuries to athletes, the roster of athletes actually able to attend a meet or event often is

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somewhat lower than the roster of potential participants that was prepared at the beginning of the season. It has become clear to the University that the Division of Athletics must review the roster of participants for each meet or event during the season on an event by event basis and adjust the roster, and thus travel advance issued accordingly to reflect the lower number of actual meet or event participants. The Division of Athletics has already taken this step and the Division of Finance and Business within the University will monitor the success of this additional review in reducing the over estimation of travel advances.

OSC Finding: The track coach may have violated the Public Officers Law by employing his daughter as a volunteer coach and using State funds to pay for her travel with him and the team to local and national track events.

OSC Recommendation: Establish written guidelines for the hiring and supervision of volunteer coaches to decrease the possibility of, or appearance of, any impropriety. Ensure all University employees are aware of their responsibilities under the Public Officers Law.

University Response: The volunteer coach in questions was one of three unpaid volunteer assistant coaches for the University Track and Field program during the timeframe of the audit. The use of multiple unpaid volunteer coaches for NCAA Division I Track and Field programs is common practice. Often, these volunteer coaches are previous track or field athletes at the same school as their knowledge of the program and current athletes is invaluable. Prior to her appointment as a volunteer coach, the coach in question in this audit was a highly decorated track and field athlete for the University at Albany and as such was eminently qualified for the volunteer coach position. Subsequent to her term as a volunteer coach for the University at Albany, this individual was hired as an Assistant Track and Field Coach at another university, thus demonstrating her coaching credentials. Finally, during her tenure at the University at Albany, the volunteer coach in question would have reported to the paid Assistant Coach in her area of track and field expertise and not directly to the Head Coach.

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Comment

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As to the travel expenses for the volunteer coach in question, in adherence with proper internal controls, the University at Albany does not issue University travel cards to any volunteers, whether they be athletics coaches or volunteers elsewhere on campus. The OSC finding also insinuates that the volunteer coach in question only traveled with the team to out of state meets, but does not mention the fact that this individual worked at daily practices with the student athletes, was present for all University at Albany sponsored meets and held the same duties as any other volunteer or paid coach with the program. It should also be noted that when the Track and Field team is in travel status, especially on overnight trips, it is mandatory for all coaches, including volunteer coaches, to travel with the team for athlete supervision reasons. Finally, it is important to note that while in travel status the volunteer coaches dine with the student athletes and share a hotel room with another volunteer coach in order to reduce expenses.

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Comment

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The University is completely confident that the hiring of the volunteer coach in question and the subsequent required travel expenses associated with that appointment is routine practice in collegiate track and field programs, in no way violated any provisions of Public Officer Law section 74, Code of Ethics, was completely in the best interests of the state, both financially and programmatically and that neither the volunteer coach nor head coach gained any personal advantage from this appointment.

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Comment

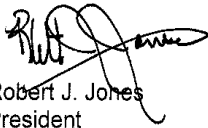
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However, the University does agree with the Office of the State Comptroller that written guidelines and further documentation regarding the hiring of volunteer coaches would be appropriate to insure full disclosure and the avoidance of an appearance of any impropriety.

The University will work with the Division of Athletics to develop such guidelines and documentation.

This concludes the University's responses to the draft OSC Audit Report 2012-S-74. The University wishes to thank the Office of the State Controller for its professionalism during the course of the field work for this audit. We are available at your convenience to answer any questions you might have regarding the University responses contained in this letter or any other aspect of the audit. You may contact Kevin Wilcox at [kwilcox@albany.edu](mailto:kwilcox@albany.edu) or 518-956-8120.

Sincerely,



Robert J. Jones  
President

CC: Kevin Wilcox  
David Mason  
James Walser  
Dr. Lee McElroy  
Richard Coe  
Michelle DiDonna  
Matthew Roche



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## State Comptroller's Comments

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1. Based on the University's comments, we deleted language from our report which indicated that the Head Coach directly supervised the Volunteer Coach.
2. We did not state explicitly or otherwise imply that volunteer coaches should be given travel cards. Rather, because volunteer coaches do not have travel cards, their travel costs are bundled with those of other staff, and therefore, such costs could not be discretely identified.
3. In fact, our report states that volunteer coaches "attend local meets and practices as well as travel with the team."