



ANDREW M. CUOMO  
GOVERNOR

DARRYL C. TOWNS  
COMMISSIONER/CEO

NEW YORK STATE  
DIVISION OF  
HOUSING &  
COMMUNITY  
RENEWAL

September 5, 2014

HOUSING  
TRUST FUND  
CORPORATION

The Honorable Andrew M. Cuomo  
Governor of the State of New York  
The Capitol  
Executive Chamber  
Albany, NY 12224

STATE OF  
NEW YORK  
MORTGAGE  
AGENCY

NEW YORK STATE  
HOUSING FINANCE  
AGENCY

Dear Governor Cuomo:

NEW YORK STATE  
AFFORDABLE  
HOUSING  
CORPORATION

Pursuant to Section 170 of the Executive Law, I write this letter in response to the Office of the State Comptroller's Report 2012-S-99, *Selected Employee Travel Expenses*, issued on June 5, 2014.

STATE OF  
NEW YORK  
MUNICIPAL  
BOND BANK  
AGENCY

Homes and Community Renewal (HCR) agreed to take specific corrective action to address the issues and concerns identified in the audit report. Below are the actions taken in response to the recommendations in the report:

TOBACCO  
SETTLEMENT  
FINANCING  
CORPORATION

### **General Statement**

New York State Homes and Community Renewal (HCR) travel guidelines have been established to ensure:

- compliance with policies set by OSC and NYS Finance Law
- that all approved travel is essential to the conduct of HCR business, and
- That all employee business travel is conducted in an efficient and fiscally prudent manner.

HCR's review of OSC Audit Report 2012-S-99 has carefully considered whether reimbursement has been provided only for actual allowed expenses. Following are responses to the recommendations in OSC Report 2012-S-99.

**Recommendation #1:**

Investigate the questionable travel expenses and wages identified in this report and pursue recovery if appropriate.

**HCR Response:**

**Payment of Toll Charges Potentially Not Incurred *Rent Specialist 1 - #1***

These findings cite potential excess reimbursement for the employee based on toll rate differences when making cash payment for tolls versus use of an E-Z Pass.

HCR travel policy on receipts currently follows OSC guidelines which do not require receipts for expenses less than \$75. As a result, when travel vouchers were submitted for the employee in question, there was no immediate means of determining whether the toll payment was made via cash or E-Z Pass.

***Rent Specialist 1 - #2***

Findings for this employee also focus on cost differentials between cash payment versus use of E-Z Pass on bridges and/or toll roads. A question is also raised as to whether on certain days, a route taken may have not required/incurred tolls even though charged on those days.

Although HCR has attempted to analyze OSC provided data detailing travel costs and voucher charges, we remain unable to determine how or if data provided ties out to amounts represented as overcharged or not incurred.

However, repeating HCR's above stated comment agrees that reimbursement should always be based on actual costs incurred and; HCR will also utilize any/all available means to ensure that travel vouchers are reviewed and approved accordingly.

**Payment of Personal Gasoline Charges**

In this section of the audit, gasoline charges for Rent Specialist 1 - #2 are represented as having been incurred after business travel had concluded and the rental car used for that purpose had been returned.

We did not determine that gasoline charges were for personal use and will not be pursuing recovery of any charges.

**Payment for Hours Potentially Not Worked**

This section of the audit report questions hours worked for an employee based on the time of day when rental cars were picked up for business travel. The report includes prior HCR comments that field inspectors often complete paperwork and reports from home prior to picking up rental cars. Among other reasons, this is partly due to the time when rental car agencies open for business, including providing for pickup of persons renting cars.

HCR maintains the position on this finding that the employee did begin work at the time indicated in standard/regular hours. However and as also noted in the report, in such cases where employees initiate the workday from home, HCR will further determine reasonable methods of documenting the employee's commencement of work.

**Recommendation #2**

Strengthen oversight of travel expenses to improve the Department's ability to guard against fraud, waste, and abuse, including improvement in:

- Verification of legitimacy of travel expenses, and
- Awareness of employee travel patterns, locations, and modes of travel.

**HCR Response:**

HCR acknowledges and agrees with the report recommendation that reimbursement should always be based on actual costs incurred. As reasonable supervisory review of travel vouchers plays a pivotal role in avoiding errors, omissions and overcharges, on a prospective basis for all cases involving toll charges, supervisory staff will ask travelers to clearly identify whether tolls were incurred via E-Z Pass or on a cash basis. For travel vouchers submitted, supervisory staff will conduct quality control samplings in which they will compare voucher charges against E-Z Pass and/or cash toll costs posted for all toll roads, bridges and tunnels by the respective Authorities.

Although HCR cannot formally require that employees maintain an E-Z Pass account, it has been recommended, as it can potentially reduce agency costs and can also serve as an effective record if/when charges are questioned.

Consideration of a revised receipts policy continues to be under review by HCR management.

**Recommendation #3**

Discontinue the practice of reimbursing employees for their commuting costs.

**HCR Response:**

The Division of Housing and Community Renewal (DHCR) will ensure that the official stations of our employees are reviewed and properly reflected. In addition DHCR will ensure that our managers are aware of the State Travel rules and we will work to enforce them. Employees will not be reimbursed for any expenses that would be deemed to be commuting costs.

**Recommendation #4**

Work with the Comptroller's Division of Payroll, Accounting and Revenue Services to take any necessary corrective action related to the potential taxable status of employees' commuting expenses and the one employee's personal use of the rental vehicle.

**HCR Response:**

The Agency continues to review the possibility of changing employees' official work station to their home office location. If the decision is to make the employees home office their official work station; supervisory staff will be provided training on current state travel rules, regulations and how to closely monitor field staff's travel status and commuting expenses. Supervisors will also communicate and reinforce that rental cars are to be used for business purposes only.


**Recommendation #5**

Formally assess time and attendance rules for field employees. Update and clarify such rules to ensure that field employees actually work the hours for which they are paid.

**HCR Response:**

Time and attendance rules are set and updated by the Department of Civil Service. Field employees follow the same rules as all other employees. We will reinforce to supervisors of field employees to ensure that timesheets are accurate and reflect the hours worked. The Office of Human Resources will reissue a memo regarding the Agency's overtime and work schedule adjustments, if necessary. It will remain the supervisor's responsibility to monitor the hours that his/her employee works.

Sincerely,



Darryl C. Towns  
Commissioner/CEO

cc: Honorable Thomas P. DiNapoli, State Comptroller  
Honorable Dean G. Skelos, NYS Senate Majority Leader  
Honorable Andrea Stewart-Cousins, NYS Senate Minority Leader  
Honorable John A. DeFrancisco, NYS Senate Chair, Finance Committee  
Honorable Liz Krueger, NYS Senate Ranking Minority Member of Finance Committee  
Honorable Sheldon Silver, NYS Assembly Speaker  
Honorable Joseph Morelle, NYS Majority Leader  
Honorable Brian M. Kolb, NYS Minority Leader  
Honorable Herman Farrell Jr., NYS Assembly Chair Ways and Means Committee