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June 2025

Jerome Moore, Chairperson
Members of the Board of Governors
North Amityville Fire Company, Inc.
601 North Broadway
North Amityville, NY 11701

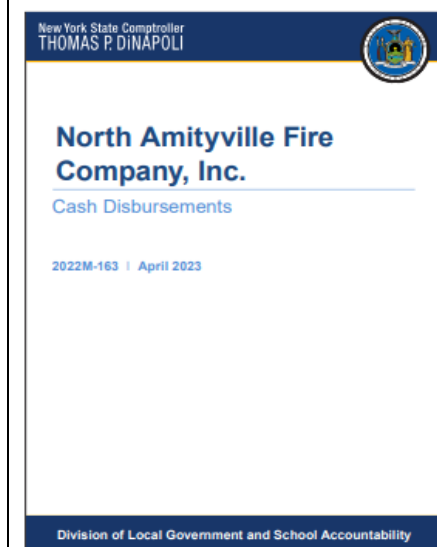
Report Number: 2022M-163-F

Dear Chairperson Moore and Members of the Board of Governors:

One of the Office of the State Comptroller's primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage fire company officials to reduce costs, improve service delivery and to account for and protect their company's assets. In accordance with these objectives, we conducted an audit of the North Amityville Fire Company, Inc. (Company) to ensure that cash disbursements were for appropriate Company purposes and supported. As a result of our audit, we issued a report, dated April 2023, identifying certain conditions and opportunities for Company management's review and consideration (Figure 1).

To further our policy of providing assistance to local governments, we revisited the Company on June 26, 2024, to review progress in implementing our recommendations. Our follow-up review was limited to payments made from the general fund, interviews with Company personnel and inspection of certain documents related to the issues identified in our report. During the period May 1, 2023 through May 31, 2024, the Company made 900 payments to vendors. Ten of these payments

Figure 1: North Amityville Fire Company, Inc. 2022 OSC Audit Report



<https://www.osc.ny.gov/files/local-government/audits/2023/pdf/north-amityville-fire-company-2022-163.pdf>

were payments to individuals that provided services to the Company. The Company also made 36 payments to officials, members and employees of the Company. We reviewed the 36 payments made to officials, members and employees, all credit card payments made during the same period, and 39 of the 900 payments to vendors. Based on our limited procedures and contrasting our current findings with the prior audit's findings, Company officials have made significant progress in ensuring cash disbursements are supported and for Company business activities. However, Company officials can take further actions to strengthen the controls over the Company's disbursement processes. Of the 10 audit recommendations, four recommendations were fully implemented, and six recommendations were not implemented.

Recommendation 1 – Seek Recovery

The Board of Governors (Board) should consult with legal counsel to seek recovery of inappropriate payments identified in this report.

Status of Corrective Action: Fully Implemented

Observations/Findings: The Board consulted with the Company's attorney regarding the recovery of inappropriate payments identified in the report. The attorney told us that the Company will not pursue reimbursement from the former officials who benefitted from inappropriate payments during the audit because they are doubtful these individuals would have the funds to repay the Company.

Recommendation 2 – Complete and Accurate Records

The Board should maintain a complete and accurate record of all cash disbursements paid by the Company.

Status of Corrective Action: Not Implemented

Observations/Findings: We reviewed the Company's cash disbursement list for any payment made for a service or item that appeared to be similar to those reported on in the audit report. We reviewed documentation for 39 checks paid to 38 vendors, totaling \$116,547 from May 1, 2023 through May 31, 2024, and identified four checks totaling \$7,078 that had expenditures totaling \$5,899 that did not have complete supporting documentation such as itemized receipts to determine what goods or services were purchased. These vendors included a beverage store, a hardware store, a generator repair contractor and an online training software provider. Although the dollar amount of payments not adequately supported by complete records was considerably less than the dollar amount identified in the issued report (\$239,949 paid to company officials), as stated in the recommendation, the Board should maintain a complete and accurate record to ensure that all cash disbursements are paid correctly. The Executive Assistant informed us that invoices were misplaced, and in some cases, she paid the bill based upon a statement from the vendor.

Additionally, we reviewed documentation for 36 checks totaling \$11,104 which were paid to officials, members and employees and found that one of these checks did not have complete

supporting documentation to confirm that this was a valid payment that was calculated accurately. This check for \$542 was written in January 2024 and was documented as back pay for an Emergency Medical Technician employee. This was not processed through the normal payroll process which would be paid through an outside payroll company. Instead, the payment was made directly from the Company to the individual. The Executive Assistant informed us that the former Chairperson¹ instructed her to write the check to the employee because the Company forgot to pay the employee at his new pay rate. The Company provided us with documentation to show us that this employee's pay rate increased in December 2023, but there was no documentation provided to confirm how this payment was calculated.

Recommendation 3 – Receipts, Invoices and other Documentation

The Board should approve payments with sufficient support, such as receipts, invoices and other documentation, that properly document the purpose of the disbursement.

Status of Corrective Action: Not Implemented

Observations/Findings: As noted in Recommendation 2, four of the 39 checks reviewed totaling \$7,078 included \$5,899 in expenditures, and one check paid to an employee for \$542 that did not have complete and accurate records to ensure that the payment was valid. As stated previously, while the dollar amount of payments not adequately supported was significantly less than the amount in the issued report, the Board approved payments without sufficient support such as receipts, invoices and other relevant documentation to determine the purpose of the disbursement. The Executive Assistant informed us that invoices were misplaced, and in some cases, she paid the bill based upon a statement from the vendor. As mentioned in Recommendation 2, she indicated that the former Chairperson instructed that she prepare the back pay for the employee.

Recommendation 4 – Company Business Activities

The Board should ensure all disbursements are for Company business activities.

Status of Corrective Action: Not Implemented

Observations/Findings: We selected six checks totaling \$5,018 paid to vendors between May 1, 2023 and May 31, 2024 based on the description of the cash disbursements identified in the issued report. Five of the checks totaling \$4,175, paid to a tire repair company in October 2023, included three invoices totaling \$3,468 that did not have details regarding the vehicle being repaired to determine whether those expenses were Company related services. We also reviewed one check for the payment of two invoices totaling \$843 from a beverage store and found 18 items totaling \$492 which were for the purchase of alcohol. Although this is a vast reduction in alcohol purchased, as documented in the issued report, alcohol does not further Company purposes. The Executive Assistant informed us that the alcohol was purchased from the wrong account, and they had intended to purchase it from funds raised through fund drives. She also said that they did not

¹ The Chairperson presiding at the time of the audit was not the same as the Chairperson at the time of the report release. The current Chairperson took office in January 2025.

know they needed to ensure that the vehicle information was included on invoices when vehicles are serviced. However, the Board should have asked the Executive Assistant for the documentation and clarified the expectation that all disbursements are properly supported.

Recommendation 5 – Travel for Training and Conferences

The Board should ensure that only Company members travel for training and conferences.

Status of Corrective Action: Fully Implemented

Observations/Findings: We selected all credit card transactions and the 36 cash disbursements paid to officials, members and employees to identify any payments for travel to training and conferences from May 1, 2023 through May 31, 2024. We reviewed 153 transactions totaling \$78,070 and aside from one immaterial exception, which was resolved, all other travel-related expenses were incurred by members, employees or officials.

Recommendation 6 – Purchase of Alcohol, non-Company Vehicles, International Travel, Gift and Gratuity.

The Board should cease paying cash disbursements for goods and services that do not further the Company's purpose, including alcohol, non-Company vehicles, international travel, gifts and gratuities.

Status of Corrective Action: Not Implemented

Observations/Findings: We used our professional judgement to select claims paid between May 1, 2023 and May 31, 2024, to vendors based on the description of payments identified in the issued report. We also reviewed credit card statements paid for the same period. Our review did not disclose payments made for international travel, gifts or gratuities in the period reviewed.

However, as mentioned in Recommendation 4, the Company paid for vehicle services without sufficient information to determine whether those expenses were for Company related purposes and a purchase that included alcohol. Neither of these expenses further the Company's purpose.

Recommendation 7 – Credit Card Policy

The Board should adopt a credit card policy addressing credit card usage and the documentation necessary to support purchases by authorized users.

Status of Corrective Action: Not Implemented

Observations/Findings: The Company prepared a written credit card policy. The policy states that the credit card is to be used for approved official Company business and should follow the normal purchasing procedures of the Company. It also states that personal use is strictly prohibited and if personal charges are made and cannot be conveniently separated from appropriate charges, those charges must be reported and reimbursed immediately.

The policy also states that any purchase lacking an original receipt shall not be reimbursed unless acceptable proof is submitted, which may be no later than four days after use or return from a trip or visit. If the receipt is missing, a statement explaining the absence of documentation and confirmation that the charges were for business purposes is necessary.

The former Chairperson told us that the policy was adopted at a Company meeting. However, there is no evidence that the policy was adopted by the Board because the policy does not have an adoption date, and we were not provided with the minutes of the Board's meetings to confirm that it was adopted.

Recommendation 8 – Adequate Support and Necessary Transactions

The Board should ensure that all credit card transactions are adequately supported and necessary before approving payment.

Status of Corrective Action: Not Implemented

Observations/Findings: Company officials approved credit card payments that were not adequately supported. We reviewed 331 credit card payments totaling \$157,420 made between May 1, 2023 and May 31, 2024, to verify whether receipts, invoices, and other documentation were sufficient support for the charges, and whether receipts were itemized. We found 85 transactions totaling \$35,173 did not have receipts, while two transactions totaling \$5,775 did not have itemized receipts. In addition, we found that the Company made unnecessary payments of \$3,852 for sales tax on 89 transactions totaling \$41,102. The Company should discontinue the practice of paying unnecessary sales tax on purchases.

Additionally, the Company paid \$6,725 for 12 rooms at the hotel where the annual installation dinner was held in Woodbury, New York on July 29, 2023. Although the travel policy does not state the distance employees or Board members must live from an event to authorize overnight lodging, these charges were not necessary because the hotel is 11 miles from the Company fire house.

As shown in Figure 2, the \$6,725 payment included rooms for three Board members, three Chiefs, two Captains and the Executive Assistant who all stayed at the hotel for two nights. Additionally, the Business Manager and the Secretary to the Board each stayed one night and the Company paid for a hospitality room for one night. The former Chairperson said they booked two-night stays because they set up for the dinner including arranging centerpieces, candles, and other decorations. However, setting up a venue for a dinner does not require an overnight stay. Therefore, that was a waste of Company funds.

Figure 2: Hotel Rooms for Installation Dinner			
Attendees	Number of Nights	Number of Individuals/Room(s)	Cost
Board Members	2	3	\$2,054
Chiefs	2	3	1,854
Captains	2	2	1,236
Executive Assistant	2	1	618
Business Manager	1	1	309
Secretary to the Board	1	1	309
Hospitality Room	1	1	345
Total	11	12	\$6,725

Recommendation 9 – Maintain Accurate Records

The Chief should maintain an accurate account of all business transactions in the Chief's office.

Status of Corrective Action: Fully Implemented

Observations/Findings: We reviewed cash disbursement records from May 1, 2023 through May 31, 2024, and did not identify any payments made through the Chief's office. On July 18, 2024, the Executive Assistant to the Board told us that purchases are no longer made directly from the Chief's office and any purchase requested by the Chiefs follows the same Board guidelines as any other purchases and are processed through the business office.

Recommendation 10 – Chief's Annual Spending Limit

The Chief should refrain from spending Company funds in excess of \$500 per year, in accordance with the bylaws.

Status of Corrective Action: Fully Implemented

Observations/Findings: As noted in Recommendation 9 and through discussions with Company officials, and review of cash disbursements, we found that no purchase was made or paid directly from the Chief's office.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage Company officials to continue their efforts to fully implement our recommended improvements.

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Ira McCracken, Chief of Municipal Audits of our Hauppauge Regional Office at (631) 952-6534.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller