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December 2025

Allen Ruffles  
Otsego County Treasurer  
197 Main St.  
Cooperstown, NY 13326

Report Number: 2025-C&T-4

Dear Treasurer Ruffles:

County officials are responsible for safeguarding court and trust funds in their care. This responsibility includes establishing and maintaining an internal control structure to provide reasonable assurance that resources are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with court orders and/or statutory authorization and are properly recorded; appropriate reports are prepared; and appropriate corrective action is taken in response to examination findings.

Pursuant to the New York State Constitution, Article V, Section 1 and further authority granted to the State Comptroller by Articles 2 and 12 of the New York State, State Finance Law (SFL) and Section 42 of the New York State Executive Law, we examined certain records and reports for the County of Otsego's (County) court and trust funds for the period January 1, 2023 through July 31, 2025.

### **Background and Methodology**

Pursuant to a court order, certain assets may be provided to the court and then delivered to a county treasurer for safekeeping. Payments made pursuant to court orders commonly involve surplus money from foreclosures and contract disputes resulting in a mechanic's lien.<sup>1</sup> These actions are recorded in the county clerk's office when payments are deposited as required by court order. Additionally, in certain circumstances,<sup>2</sup> funds from estates are entrusted to the county treasurer for safekeeping by order of the county's surrogate's court. Together, the county treasurer, county clerk and surrogate's court must develop sound procedures and processes which, when implemented properly and consistently, provide a system of internal controls to account for and safeguard these funds.

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<sup>1</sup> Security interest in property filed to ensure payment for contracted services rendered on the property

<sup>2</sup> When the whereabouts of any person entitled to payment from the estate is unknown

Pursuant to SFL Section 184, a county treasurer is required to submit a report on an annual basis to the State Comptroller accounting for all money, securities and other properties deposited into a court and ordered into the county treasurer's custody. Pursuant to New York State Abandoned Property Law Section 600(1), money that has remained in the hands of the county treasurer for a period of three years, together with all accumulated interest, less the county treasurer's statutory fees, is deemed abandoned property. After public notice, the county treasurer should pay all abandoned property to the State Comptroller by the 10th of April of the next year.

Our objective was to determine whether County officials established appropriate controls to safeguard and account for court and trust funds. We examined records maintained by the County Treasurer (Treasurer), County Clerk and County Surrogate's Court. We interviewed County officials and reviewed relevant financial and court records. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS).

## **Results**

We reviewed the Treasurer's, County Clerk's and Surrogate's Court's processes, procedures and records for the receipt and management of court and trust funds as well as estates in the Treasurer's custody. The Treasurer, County Clerk and Surrogate's Court Clerk generally maintained appropriate records and properly reported court and trust funds. However, we identified \$74,150 from 15 actions that improperly remained in the Treasurer's custody that he should have turned over to the State Comptroller as abandoned property. As detailed in Appendix A, this abandoned property ranged from 112 to 5,591 days late as of July 31, 2025.

Before our review began, the Treasurer corresponded with the Otsego County Surrogate's Court and the State Comptroller in July 2025 for guidance on the appropriate handling of abandoned property. By the end of our review, the Treasurer told us he received the necessary guidance on the appropriate handling of abandoned property and was moving forward with paying the abandoned property to the State Comptroller.

## **Recommendation**

1. The Treasurer should ensure that all money deemed abandoned property is paid to the State Comptroller in a timely manner.

We would like to thank County officials and staff for the courtesies and cooperation that were extended to our auditors.

Sincerely,

Robin L. Lois, CPA  
Deputy Comptroller

cc: Jennifer Basile, County Clerk  
John F. Lambert, Surrogate's Court Judge  
Brian D. Burns, Surrogate's Court Judge  
Lisa Weite, Surrogate's Court Clerk  
Carol Jones, New York State Unified Court System, Chief Internal Auditor

**Appendix A: Schedule of Abandoned Property as of July 31, 2025**

<b>Date of Origination</b>	<b>Abandoned Property Due Date</b>	<b>Days Late</b>	<b>Amount</b>
April 5, 2006	April 10, 2010	5,591	\$1,109
December 22, 2006	April 10, 2010	5,591	2,106
January 11, 2007	April 10, 2011	5,226	318
August 5, 2008	April 10, 2012	4,860	1,649
December 21, 2009	April 10, 2013	4,495	5,505
September 3, 2010	April 10, 2014	4,130	17,337
January 4, 2011	April 10, 2015	3,765	2,296
January 4, 2011	April 10, 2015	3,765	2,296
January 6, 2014	April 10, 2018	2,669	4,453
May 14, 2014	April 10, 2018	2,669	2,004
May 14, 2014	April 10, 2018	2,669	1,003
June 5, 2014	April 10, 2018	2,669	3,285
July 3, 2014	April 10, 2018	2,669	4,666
February 20, 2019	April 10, 2023	843	14,087
December 15, 2021	April 10, 2025	112	12,036
<b>Total</b>			<b>\$74,150</b>