



New York State Comptroller  
**THOMAS P. DiNAPOLI**

# **2023–2024**

# **Annual Report on Audits**

# **of State Agencies and**

# **Public Authorities**

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January 2025

# Message from the Comptroller

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January 2025

One of the chief responsibilities of my office is to audit State agencies, public authorities, and public programs to ensure that the public's money is protected. The audits conducted by my staff in the Division of State Government Accountability help establish whether our tax dollars are being spent effectively and whether government officials are doing all they can to eliminate waste and prevent and detect fraud. This, in turn, helps promote transparency and accountability in New York State government, which benefits each and every one of us.

State government officials are the stewards of the State's assets and the public's trust. Our audits keep New Yorkers informed on how well agencies and authorities are living up to that responsibility, and sound a call to action when needed. This annual report summarizes the results of the State government audits my staff conducted for the 2023-24 reporting year. This office remains committed to helping officials manage government resources efficiently and to protecting taxpayer assets. I hope that New York public officials and citizens will find this report useful and informative.

Thomas P. DiNapoli  
State Comptroller



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# About the Annual Report

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As required by law, this annual report summarizes the results of all the State agency and public authority audit reports issued by the Office of the State Comptroller from October 1, 2023 through September 30, 2024. It does not include audits of New York City agencies, local governments, or other entities, as these are not included in the statutory requirements. The audit summaries in this report are divided into nine areas: Health and Human Services; Education; Transportation; Government Support; Criminal Justice and Judicial Administration; Economic Development and Housing; Other State Agencies and Public Authorities; Multi-Agency; and Special Reports. An accompanying volume lists, by State agency or public authority, the audit reports issued during the preceding five-year period — October 1, 2018 through September 30, 2023.

To obtain any of the audits cited in this report, visit [osc.ny.gov](https://osc.ny.gov) or contact the State Comptroller's Press Office at (518) 474-4015.

# Introduction

The New York State Constitution designates the State Comptroller as the State's Auditor. Within the Office of the State Comptroller (OSC), the Office of State and Local Government Accountability (SLGA) is the primary office that carries out the State Comptroller's functions as State Auditor. The Division of State Government Accountability (SGA) is a component of SLGA and conducts audits of New York State and New York City agencies and public authorities.

Audits of New York City agencies, while not included in this report, are accessible at [www.osc.ny.gov/state-agencies/audits/by-agency](http://www.osc.ny.gov/state-agencies/audits/by-agency).

SGA employs more than 250 professional auditors, many of whom hold advanced degrees and professional certifications in the auditing field, including Certified Internal Auditors, Certified Fraud Examiners, Certified Information Systems Auditors, and Certified Public Accountants.

SGA also employs staff with other professional expertise, including in health, computer science, data analytics, and the social sciences. OSC is dedicated to protecting the public interest and promoting government accountability.

## Fiscal Impact

For the reporting year 2023-24 (October 1, 2023 through September 30, 2024), SGA issued 69 reports addressing the operations of State agencies and public authorities. Auditors identified over \$110 million in actual cost savings at these agencies and authorities. These savings have already been achieved, or will be achieved, with the implementation of audit recommendations. Auditors also identified nearly \$840 million in potential savings. In these cases, more action is usually required to realize the savings (e.g., legislative action or agency follow-up investigations with vendors to determine exact amounts).

The following table provides an overall summary of the fiscal impact associated with certain findings from the reports issued in reporting year 2023-24. Auditors estimate that if the agencies and authorities implement the recommendations contained in these reports, they could realize substantial monetary benefits, potentially more than \$2.3 billion (which includes non-recoverable overpayments that, once corrective actions are taken, can be avoided in the future).

### Audit Cost Savings for Reporting Year 2023-24

Fiscal Category	Actual	Potential	Totals
Cost Recovery	\$110,701,494	\$833,376,195	\$944,077,689
Cost Avoidance	–	6,285,565	6,285,565
Revenue Enhancement	–	–	–
<b>Subtotals</b>	<b>\$110,701,494</b>	<b>\$839,661,760</b>	<b>\$950,363,254</b>
Non-Recoverable Overpayments & Questionable Transactions			<b>1,394,807,148</b>
<b>Total Fiscal Impact</b>			<b>\$2,345,170,402</b>

## Agency Accountability

According to Section 170 of the Executive Law, when a State entity is audited by the State Comptroller, the executive of that entity must report to the Governor, the State Comptroller, and the leaders of the Legislature and the legislative fiscal committees, advising them on steps taken to implement the State Comptroller’s recommendations and, where any particular recommendations were not implemented, explaining the reasons why. (Section 170 is not applicable to audits of New York City agencies.) The State Comptroller also performs follow-ups to assess auditees’ progress in implementing prior audit recommendations.

In reporting year 2023-24, SGA issued 34 follow-ups, reviewing progress on a total of 151 recommendations. Of these recommendations, 110 (73%) have been fully or partially implemented, as detailed in the following table. See the [Appendix](#) for a complete list of audit recommendations and their implementation status at the time of follow-up.

Agency	Total Number of Follow-Ups	Status of Recommendations		
		Total	Implemented	Percentage
<b>Health and Human Services</b>				
Department of Health	12	55	32	58%
Office of Addiction Services and Supports	1	3	3*	100%
Office of Children and Family Services	1	3	3	100%
Office of Mental Health	2	7	6	86%
Office of Temporary and Disability Assistance	2	10	6	60%
<b>Education</b>				
City University of New York	1	7	5	71%
State Education Department	1	3	3	100%
<b>Transportation</b>				
Metropolitan Transportation Authority	1	12	6	50%
<b>Government Support</b>				
Department of Civil Service	1	4	4	100%
Office of General Services	1	4	4	100%
<b>Criminal Justice and Judicial Administration</b>				
Department of Corrections and Community Supervision	1	7	6	86%
<b>Economic Development and Housing</b>				
Empire State Development	2	5	5*	100%
Homes and Community Renewal	1	2	2	100%
<b>Other State Agencies and Public Authorities</b>				
Department of Agriculture and Markets	1	2	2	100%
Department of Environmental Conservation	2	4	4	100%
Department of Labor	3	15	14	93%
New York Racing Association	1	8	5	63%
<b>Totals</b>	<b>34</b>	<b>151</b>	<b>110</b>	<b>73%</b>

\*Includes one recommendation that was found to be no longer applicable at follow-up.

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## Audits of Special Significance

### Fiscal

- **Medicaid Program.** Medicaid is a federal, State, and locally funded government program that provides a wide range of medical services to those who are economically disadvantaged and/or have special health care needs. Twelve Medicaid reports were issued during the period and, collectively, they identified more than \$942 million in actual and potential cost savings, including about \$50.3 million in improper payments by managed care organizations for drugs from manufacturers that did not have a national drug rebate agreement. These audits also identified nearly \$1.4 billion in questionable and non-recoverable payments, including about \$702.9 million in payments related to providers not enrolled in the Medicaid program.

### Transportation/Metropolitan Transportation Authority

- **Long Island Rail Road (LIRR): Mitigation for Extreme Weather Conditions and Flooding (2022-S-6).** The LIRR, which serves about 200,000 customers every weekday, is the primary means of transit from Long Island to New York City. With climate change, it is projected that the metropolitan region and the MTA service area will be exposed to more extreme precipitation events, coastal storms and storm surges, flooding, and, in the longer term, rising sea levels. The LIRR needs to be prepared to minimize delays and disruptions. The audit found the LIRR delayed a critical weather-related systemwide risk assessment of its infrastructure for over a decade and failed to complete several resiliency projects on-time following Superstorm Sandy in 2012. The LIRR is also not regularly updating its extreme weather plans, which are meant to guide employees in how to safely maintain service during severe weather, increasing the risk of train delays and service disruptions.
- **New York City Transit: Selected Aspects of Safety and Security in Subway Facilities (2022-S-20).** The MTA needs to do a better job of maintaining its security and safety equipment, including closed-circuit televisions (CCTVs) in the subway system, to avoid unexpected failures. The MTA has taken steps to secure subway facilities, including train yards, with 30 different projects to install CCTVs and other electronic security systems that it considered a priority. The projects were part of the MTA's 2010–2014 and 2015–2019 capital programs. However, nine of the 30 projects either were delayed or started late. As of May 2023, six of the 30 projects were completed after taking two to four years. Among other findings, Transit did not always perform the required preventive maintenance on its safety and security equipment and did not ensure that equipment defects were addressed within required time frames.

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## Vulnerable Populations

- **Office of Addiction Services and Supports (OASAS): Addiction Support Services During Emergencies (2021-S-35).** Given the vulnerability of the client population that relies on OASAS-certified programs for needed services, providers' emergency readiness is essential to help ensure continuity of services during critical situations, such as fires or evacuations. However, the audit found that some addiction treatment programs may not be adequately prepared in an emergency to prevent gaps in care, which could compromise patient progress or safety. OASAS must improve its oversight and monitoring of nearly 400 certified providers that offer vital programs to thousands of New Yorkers battling substance use disorders or gambling addiction.
- **Office of Children and Family Services (OCFS): Oversight of Juvenile Justice Facilities (2022-S-13).** OCFS is responsible for the operation and oversight of nine State-run residential juvenile justice facilities for court-placed youth including three secure facilities. Youth who enter juvenile justice facilities often have a history of physical health challenges and are far more likely to have mental health problems. Admission assessments and screenings, including physical and mental health assessments, and timely services are key to their treatment. However, the audit found some admission assessments and screenings were either not done or not done within the required time frames, creating a risk of missed or delayed opportunities to provide care for physical health or mental health issues youth may have when admitted to the juvenile justice facilities. In addition, OCFS did not ensure that direct care staff were current with the training to be authorized to restrain youth or that reviews of restraint incidents to determine whether the event was handled properly were not always complete or thoroughly documented.
- **Department of Labor (DOL): Labor Investigations in New York City (2022-S-17).** As evidenced by news reports and recent research, New York Labor Laws designed to protect workers are particularly at risk of employer violation during times of economic challenges. Most at risk are child workers (younger than age 18). DOL's oversight and monitoring of labor complaints is critical to ensure that all workers in New York State, including the most vulnerable, are being protected as the Laws allow and that their rights and wages are safeguarded. The audit found that DOL does not provide oversight of or adequate resources to ensure that claims involving New York City employers are processed accurately and efficiently and that the caseload of investigations is being effectively managed. Similar to a prior audit (Report [2019-S-46](#)) issued in March 2021, auditors found significant delays in investigation activities that, in turn, diminish the efficiency of case resolution and restitution for workers. These delays further lessen the likelihood that employers are held accountable, and in the meantime they are able to reoffend.

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## Health

- **Department of Health: Maternal Health (2022-S-25)**. Despite efforts to stem the rising rates of maternal deaths and pregnancy-related health conditions in New York State, data shows maternal mortality has increased in recent years, from an average of 18.1 per 100,000 live births in 2016–2018 to 19.3 in 2018–2020. These deaths are significant not only because, in most cases, the causes are preventable and treatable but also for the racial divide that exists within those numbers: for New York State, in 2020, the mortality rate for White women was 11.2 deaths per 100,000 live births compared with 54.7 deaths per 100,000 live births for Black women. This enormous emergent need, along with a persistent underinvestment in public health over the last decade, has weakened DOH’s efficiency and effectiveness on behalf of the State’s maternal health initiative.
- **Office of Mental Health: Oversight of Kendra’s Law (2022-S-43)**. Kendra’s Law created a statutory framework for court-ordered Assisted Outpatient Treatment (AOT) to ensure that individuals with severe mental illness and a history of hospitalizations or violence participate in community-based services appropriate to their needs. The audit found that OMH needs to improve its monitoring and oversight to better ensure that existing and potential AOT recipients receive their court-ordered treatment. Specific areas identified for improvement include the length of AOT investigations and related information-sharing, initiation of AOT services, the quality of information about significant events and how that information is shared, as well as lapsing AOT orders.

## Language/Equal Access to Services

- **State Education Department (SED): English Language Learners (ELL) Programs (2022-S-30)**. ELL enrollments are on the rise in New York, with the number of ELL students outside of New York City increasing 8% from 2019-20 to 2022-23. According to the U.S. Department of Education, there is a well-documented achievement gap between students learning the English language and their English-proficient peers, as demonstrated through lower test scores and lower graduation rates. Ensuring that ELLs—students who, by reason of foreign birth or ancestry, speak or understand a language other than English, speak or understand little or no English, and require support to become proficient in English—receive appropriate support to improve English proficiency can result in better academic outcomes and engagement in their communities. The audit found that SED needs to improve its oversight and work to remove barriers, such as lack of program availability for all required languages and grade levels or lack of certified teachers, to ensure school districts are providing the services to which ELLs are entitled.

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- **Department of Motor Vehicles (DMV): Language Access Services (2022-S-38).** To assist Limited English Proficiency (LEP) individuals and provide equal access to government programs and services, State agencies, such as DMV, that provide direct public services are required to translate vital documents into the 12 most common non-English languages in the State based on U.S. Census data and to provide interpretation services. The audit found that DMV needs to do more to ensure that no one is denied equal access to programs and services because of how well they speak English. Among other issues, although DMV has created a Language Access Plan outlining procedures to assist LEP individuals, State and county DMV offices were not following certain provisions, including using the DMV-contracted vendor, Language Line, for interpretation services. DMV also does not analyze publicly available data to determine language translation needs throughout the State.

## Environment and Energy

- **Public Service Commission (PSC)/New York State Energy Research and Development Authority (NYSERDA): Climate Act Goals – Planning, Procurements, and Progress Tracking (2022-S-4).** While PSC and NYSERDA have taken considerable steps in planning for New York State’s transition to renewable energy, they must take stronger action to meet the state’s ambitious clean energy goals. The audit found deficiencies in PSC’s planning, monitoring, and assessment of risks and challenges that could impact the state’s implementation of its Climate Leadership and Community Protection Act’s targets, which seek 70% renewably sourced electricity by 2030 and net-zero emissions by 2040.
- **Office of Renewable Energy Siting (ORES): Application Review and Site Permitting for Major Renewable Energy Projects (2023-S-52).** ORES was created to streamline and expedite the siting of renewable energy projects to help achieve the clean energy goals of the ambitious Climate Leadership and Community Protection Act (Climate Act). However, the audit found that renewable energy projects have been taking more than three years to receive siting permits due to application delays, often due to missing or insufficient documentation. ORES’s site permit planning does not factor in all aspects of the process and thus does not provide a realistic accounting for time. An accurate understanding of how long projects take from the start until generation of energy would help decision-makers more effectively determine if they will meet or make any necessary adjustments to meet required Climate Act timelines.

# Audit Summaries

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## Health and Human Services

### Department of Health (DOH)

*DOH promotes and protects the health of New Yorkers through prevention, science, and the assurance of quality health care delivery, and administers a wide range of public health programs, including the State's Medicaid Program.*

#### **Audits of the Medicaid Program**

The New York State Medicaid program is a federal, State, and local government-funded program that provides a wide range of medical services to individuals who are economically disadvantaged and/or have special health care needs. The Medicaid Program pays health providers through the fee-for-service (FFS) method or through managed care. Under FFS, DOH makes Medicaid payments directly to health care providers for services rendered to Medicaid recipients. Under managed care, DOH pays managed care organizations (MCOs) a monthly premium payment for each Medicaid recipient enrolled in the MCOs. The MCOs are then responsible for ensuring recipients have access to a comprehensive range of health services. The MCOs make payments to health care providers for the services rendered to recipients and are required to submit encounter claims to inform DOH about each medical service or drug provided. DOH's eMedNY computer system processes Medicaid FFS claims submitted by providers for services rendered to Medicaid-eligible recipients, and it generates payments to reimburse providers for their claims. Many of the State's Medicaid recipients are also enrolled in Medicare (referred to as "dual-eligibles") or other third-party health insurance (TPHI). In these cases, Medicare or TPHI is the primary payer for items and services, and Medicaid is the secondary payer. The Office of the Medicaid Inspector General (OMIG) is an independent office that works with DOH to prevent and detect fraudulent, abusive, and wasteful practices and recover improper Medicaid payments. DOH also developed NY State of Health (NYSOH), the online marketplace where individuals can apply for and enroll in Medicaid and health insurance plans such as the Essential Plan, which provides coverage to lower-income people who may not qualify for Medicaid. For the 2023-24 reporting year, OSC issued 12 Medicaid program reports.

#### **Managed Care Payments to Unenrolled Providers (2021-S-6)**

**Objective:** Determine whether Medicaid MCOs violated federal and State regulations by making payments to unenrolled providers.

**Audit Period:** January 2018–June 2022

The 21st Century Cures Act (Act) and additional federal guidance mandated that, with certain exceptions, managed care in-network providers enroll as participating providers in the Medicaid program by January 1, 2018. The screening and provider enrollment process allows a level of assurance regarding a provider's validity to provide Medicaid services. Auditors found DOH does not monitor MCOs' encounter claims, which detail member health care services and payments to providers, to identify inappropriate managed care payments

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to providers who are not enrolled in Medicaid. Further, although DOH developed system controls and error reports to assist MCOs in their compliance with the Act (such as notification of providers who are not enrolled), the audit found weaknesses in these controls. These problems led to over \$1.5 billion in improper and questionable payments, including \$9.6 million paid to providers who were excluded from or otherwise ineligible for the Medicaid program.

**Key Recommendations:**

- Review the \$1.5 billion in Medicaid MCO payments to unenrolled in-network providers and providers who were denied Medicaid enrollment, and take appropriate corrective steps.
- Enhance monitoring over MCO compliance with the Act.
- Review the \$9.6 million in Medicaid MCO payments to unenrolled providers who were excluded from receiving Medicaid payments or who should be further reviewed by DOH due to past misconduct, and recover payments where appropriate.

**Claims Processing Activity October 1, 2022 Through March 31, 2023 (2022-S-36)**

**Objective:** Determine whether DOH's eMedNY system reasonably ensured that Medicaid claims were submitted by approved providers, were processed in accordance with Medicaid requirements, and resulted in correct payments to the providers.

**Audit Period:** October 2022–March 2023, and certain claims going back to June 2022

The audit identified over \$20.6 million in improper Medicaid payments. Among them were payments of \$12.2 million for managed care premiums on behalf of Medicaid recipients who had other concurrent comprehensive TPHI; \$5.6 million for claims billed with incorrect information pertaining to other health insurance coverage that recipients had, or where Medicaid was incorrectly designated as the primary payer; \$1.3 million for newborn birth and maternity claims that contained inaccurate information, such as the newborn's birth weight; and \$1.2 million for pharmacy, practitioner, inpatient, managed care capitation, and clinic claims that did not comply with Medicaid policies. As a result of the audit, about \$7.4 million of the improper payments identified was recovered. Auditors also identified three Medicaid providers who were charged with or found guilty of crimes that violated laws or regulations governing certain health care programs. DOH removed two of the providers from the Medicaid program; the remaining provider was still under review.

**Key Recommendations:**

- Auditors made six recommendations to DOH to recover the remaining inappropriate Medicaid payments and improve claims processing controls.

**Improper Payments for Drugs Without a Federal Drug Rebate Agreement (2022-S-40)**

**Objective:** Determine whether Medicaid inappropriately paid for drugs from manufacturers that did not enter into a national drug rebate agreement (NDRA).

**Audit Period:** January 2017–March 2023

The Medicaid Drug Rebate Program (MDRP) requires drug manufacturers to enter into an NDRA with the U.S. Department of Health and Human Services in exchange for state Medicaid coverage of most of the manufacturers' drugs. Manufacturers then pay states

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rebates on those drugs for which Medicaid payments were made. Auditors found that DOH's inadequate oversight of Medicaid managed care payments for drugs—including a flawed managed care capitation rate adjustment methodology—resulted in nearly \$50.3 million in improper MCO payments for drugs from manufacturers without NDRA's.

**Key Recommendations:**

- Review the \$50.3 million in managed care encounter claim payments for drugs from manufacturers without an NDRA, and determine the appropriate course of action to maximize recoveries.
- Review the capitation rate adjustment process to ensure all applicable drug encounter claims from manufacturers without an NDRA are incorporated.

**Claims Processing Activity April 1, 2023 Through September 30, 2023 (2023-S-9)**

**Objective:** Determine whether DOH's eMedNY system reasonably ensured that Medicaid claims were submitted by approved providers, were processed in accordance with Medicaid requirements, and resulted in correct payments to the providers.

**Audit Period:** April 2023–September 2023, and certain claims going back to January 2022

The audit identified about \$13.5 million in improper Medicaid payments, including \$9.3 million for managed care premiums on behalf of Medicaid recipients who had other concurrent comprehensive TPHI; \$2.4 million for FFS inpatient claims that should have been paid by managed care; nearly \$1 million for newborn birth and maternity claims that contained inaccurate information, such as the newborn's birth weight; and nearly \$600,000 for claims that did not comply with Medicaid policies. As a result of the audit, more than \$2.8 million was subsequently recovered. Auditors also identified 12 Medicaid providers who were charged with or found guilty of crimes that violated laws or regulations governing certain health care programs or who were otherwise barred from participating in the Medicaid program. DOH removed 10 from the Medicaid program; two were referred to the New York State Attorney General's Office.

**Key Recommendations:**

- Auditors made eight recommendations to DOH to recover the remaining inappropriate Medicaid payments and improve claims processing controls.

**Improper Medicaid Payments to Hospitals for Outpatient Services Billed as Inpatient Services for Recipients Enrolled in Managed Care (2023-S-23)**

**Objective:** Determine whether Medicaid made improper payments to hospitals for outpatient services that were erroneously billed as inpatient services for recipients enrolled in managed care.

**Audit Period:** July 2019–June 2023

MCOs reimburse hospitals for outpatient care (i.e., where a patient receives care in a hospital without being admitted as an inpatient) and inpatient care (generally, where the admitting practitioner expects a hospital stay of at least two midnights) on behalf of managed care enrollees. Inpatient Medicaid claims involving a patient stay of less than 24 hours ("short-stay") are at high risk for improper payments because they may have been

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incorrectly classified as inpatient instead of outpatient. For a sample of 33 reported short-stay admissions totaling \$773,492 (of a risk population of 61,171 claims totaling \$684.5 million), seven (21%) claims totaling \$83,568 were improperly billed as inpatient instead of outpatient, all with patient stays of 10 or fewer hours. DOH did not conduct reviews of reported short-stay inpatient admissions or provide guidance to MCOs and hospitals to assist them with determining whether a short-stay claim should be billed as inpatient or outpatient. Auditors also identified additional payments totaling \$67,940 that were improper for other reasons.

**Key Recommendations:**

- Develop and provide guidance to hospitals and MCOs to assist them in determining if a service should be billed as an inpatient or outpatient claim, including when patients leave the hospital against medical advice.
- Review the sampled payments that auditors determined were inappropriately billed and recover overpayments. Develop a risk-based approach to review the remaining 61,138 reported admissions that had payments totaling \$683.8 million, giving particular focus to shorter patient stays (e.g., patient stays of 10 or fewer hours), to identify improper payments and make recoveries, as appropriate.
- Develop an ongoing process to identify and review the appropriateness of high-risk, short-stay inpatient claims, such as those identified in the audit.

**Follow-Up Reports**

**Improper Payments for Services Related to Ordering, Prescribing, Referring, or Attending (OPRA) Providers No Longer Participating in the Medicaid Program (2023-F-24)**

**Objective:** Determine the extent of implementation of the six recommendations from Report 2019-S-72, which assessed whether DOH made improper payments for claims in violation of federal and State requirements related to OPRA providers who were no longer participating in the Medicaid program.

**Initial Audit Key Findings:** Flaws in DOH's eMedNY claims processing system resulted in Medicaid making \$965 million in payments for 2.3 million OPRA services by physicians and professionals who were no longer actively enrolled in Medicaid on the service date.

**Follow-Up Finding:** Less than 1% of the \$965 million had been recovered, and DOH did not enhance system controls to more timely identify non-enrolled OPRA providers and deny related claims.

**Recommendation Status:** 1 implemented, 5 not implemented

**Improper Managed Care Payments for Misclassified Patient Discharges (2023-F-26)**

**Objective:** Determine the extent of implementation of the five recommendations from Report 2021-S-8, which assessed whether MCOs made inappropriate payments to hospitals that failed to properly report correct patient discharge codes on inpatient claims.

**Initial Audit Key Findings:** On their claims to MCOs for enrollees' inpatient stays, hospitals use certain codes to indicate whether the patient was discharged home or transferred to

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another hospital. These codes are important because reimbursement methodologies for transfers and discharges are different, and may result in lower payments for transfers. The initial audit identified 2,808 managed care inpatient claims, totaling \$32.3 million, for Medicaid recipients who were reported as discharged from a hospital but then admitted to a different hospital within the same day or the following day (which often meets the definition of a transfer) are at high risk of overpayment if they are incorrectly coded as discharges. For a judgmental sample of 166 claims totaling \$2,474,162, auditors determined 47 claims were incorrectly coded as discharges instead of transfers, resulting in overpayments totaling \$323,531.

**Follow-Up Finding:** None of the overpaid or high-risk claims identified in the initial audit had been reviewed. In addition, DOH has not taken steps to ensure MCOs develop processes to identify and recover Medicaid managed care overpayments, nor has it made enhancements to the Medicaid Data Warehouse to allow for a more thorough review of claims submitted by MCOs.

**Recommendation Status:** 5 not implemented

### **Recovering Managed Care Overpayments for Pharmacy Services on Behalf of Recipients With Third-Party Health Insurance (2023-F-27)**

**Objective:** Determine the extent of implementation of the six recommendations from Report 2020-S-39, which assessed whether Medicaid overpayments for pharmacy services on behalf of managed care recipients who had TPHI were appropriately recovered.

**Initial Audit Key Findings:** OMIG contracts with Health Management Systems, Inc. (HMS) to identify and recover Medicaid payments for services that should have been paid for by a recipient's TPHI. The audit found that HMS had not billed TPHI carriers for the recovery of about \$292 million in pharmacy claims that MCOs paid as the primary insurance for recipients with TPHI drug coverage.

**Follow-Up Finding:** OMIG and HMS had taken some corrective steps to improve the third-party recovery process, which resulted in additional recoveries to the State, as well as steps to improve transparency into HMS' processes and results. However, DOH and OMIG did not take action on most of the Medicaid managed care pharmacy payments identified.

**Recommendation Status:** 3 partially implemented, 3 not implemented

### **Oversight of Managed Long-Term Care (MLTC) Member Eligibility (2023-F-29)**

**Objective:** Determine the extent of implementation of the four recommendations from Report 2020-S-52, which assessed whether DOH made improper MLTC premium payments on behalf of ineligible enrollees.

**Initial Audit Key Findings:** The audit identified \$701 million in improper Medicaid MLTC premium payments on behalf of 52,397 recipients who were no longer eligible for MLTC. Additionally, auditors determined Medicaid paid \$2.8 billion in MLTC premium payments on behalf of 51,947 recipients who received a limited number of community-based long-term care services, and DOH did not have a process to monitor that enrollees were properly assessed or had access to the care they needed.

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**Follow-Up Finding:** Less than 5% of the \$701 million in improper Medicaid MLTC payments had been recovered. Further, DOH needs to develop a process to identify and monitor ineligible enrollees between assessments.

**Recommendation Status:** 1 implemented, 2 partially implemented, 1 not implemented

### **Excessive Premium Payments for Dual-Eligible Recipients Enrolled in Mainstream Managed Care (MMC) and Health and Recovery Plans (HARP) (2023-F-39)**

**Objective:** Determine the extent of implementation of the four recommendations from Report 2021-S-37, which assessed whether Medicaid overpaid MMC and HARP premiums on behalf of dual-eligible individuals.

**Initial Audit Key Findings:** DOH paid over \$190.6 million on behalf of dual-eligible Medicaid-Medicare recipients who were ineligible for the Integrated Benefits for Dually Eligible Enrollees Program (IB-Dual). The excessive premium payments occurred because DOH chose not to restart disenrollment of dual-eligibles from managed care as allowed by federal regulations after pausing disenrollments due to the COVID-19 public health emergency. Additionally, over \$3.5 million was paid on behalf of dual-eligible recipients who appeared eligible for IB-Dual but were not enrolled in a timely manner.

**Follow-Up Finding:** DOH made adjustments to reduce MMC and HARP premiums to account for the presence of dual-eligibles enrolled in MMC and HARP plans. Additionally, in December 2023, DOH began disenrolling dual-eligible recipients from MMC and HARP as part of the COVID-19 public health emergency unwind process.

**Recommendation Status:** 2 implemented, 2 partially implemented

### **Improper Overlapping Medicaid and Essential Plan Enrollments (2023-F-40)**

**Objective:** Determine the extent of implementation of the three recommendations from Report 2020-S-66, which assessed whether Medicaid and Essential Plan enrollments determined by NYSOH were accurately reflected in eMedNY when individuals transitioned between the Medicaid and Essential Plan programs and to identify overpayments resulting from inaccurate enrollments.

**Initial Audit Key Findings:** NYSOH and eMedNY processing weaknesses resulted in overlapping enrollments in Medicaid and the Essential Plan. During periods of duplicative enrollments, auditors identified \$36.5 million in Medicaid payments and \$16.2 million in Essential Plan payments on behalf of 4,422 recipients with the same Social Security number; and additional payments totaling \$3.8 million by Medicaid and \$2.2 million by the Essential Plan on behalf of 603 recipients who had other matching demographic data when Social Security numbers were not available. DOH did not have a process to detect and correct these improper duplicative enrollments, nor did it have a process to recover improper payments caused by the overlapping enrollments.

**Follow-Up Finding:** While DOH established periodic reconciliations of certain enrollment overlaps, these reconciliations are only designed to detect one of three causes of overlaps identified in the original audit. Also, DOH corrected overlapping Medicaid and Essential Plan

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enrollment periods for only seven of the 5,025 recipients identified in the initial audit and was unable to determine what, if any, recoveries had taken place.

**Recommendation Status:** 2 partially implemented, 1 not implemented

### **Improper Payments for Brand Name Drugs (2024-F-9)**

**Objective:** Determine the extent of implementation of the three recommendations from Report 2020-S-62, which assessed whether Medicaid made improper payments for brand name drugs.

**Initial Audit Key Findings:** The audit found \$2,114,813 in Medicaid overpayments for brand name prescription drugs where generic drugs were available or where higher brand name drug prices were used for drugs that appeared to be generic drugs.

**Follow-Up Finding:** DOH instituted a system enhancement that identified certain drugs as generic. However, the system enhancement did not apply to all generic drugs approved by the U.S. Food and Drug Administration. Since the initial audit, Medicaid paid an additional \$6.3 million for drugs that appear to be generic but were paid using brand name drug pricing methods. Also, OMIG made minimal progress in reviewing and recovering any improper payments identified.

**Recommendation Status:** 1 partially implemented, 2 not implemented

## **Other Audits of DOH Oversight**

### **Maternal Health (2022-S-25)**

**Objectives:** Determine whether DOH implemented recommendations with the goal of reducing maternal mortality and morbidity in New York State, and whether it was effectively monitoring related actions and outcomes to ensure rates of maternal mortality and morbidity were improving.

**Audit Period:** January 2018–December 2023

With rates of maternal mortality and morbidity on the rise, along with persistent racial disparities, in 2018, the State launched a comprehensive initiative to identify strategies for changing the landscape of maternal health. The initiative resulted in 28 recommendations addressing issues such as improved access to health care, improved health care coverage, medical procedure protocols, risk screening, and racial bias training. The recommendations required a collaboration between both public and private entities, with DOH being a main player in the majority of the recommendations. While DOH made progress in addressing the recommendations, New York State's rates have not decreased since 2018 and maternal mortality has actually increased, as have racial disparities. Further, DOH does not collect severe morbidity data and has no analytic strategy to evaluate it, thus limiting its ability to drive change.

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### **Key Recommendation:**

- Evaluate progress and impact on maternal health to assess the effectiveness of the programs aimed at improving maternal health outcomes. This should include, but not be limited to: developing objectives, as appropriate, and implementing monitoring and evaluation processes to assess the effectiveness of programs and projects aimed at maternal health outcomes; identifying and analyzing severe morbidity data and developing a strategy to address risks; and increasing outreach and collaboration efforts with birthing hospitals and other involved entities (such as providers and applicable agencies) to maximize participation in efforts to decrease maternal mortalities and morbidities.

### ***Follow-Up Reports***

#### **Use, Collection, and Reporting of Infection Control Data (2023-F-13)**

**Objective:** Determine the extent of implementation of the five recommendations (four to DOH and one to the Governor) from Report 2020-S-55, which assessed whether DOH was collecting necessary data to make informed decisions and promote strong infection prevention and control policies, and whether the data collected, including data reported to the public, was accurate and reliable.

**Initial Audit Key Findings:** Instead of providing accurate, reliable information during the COVID-19 public health emergency, DOH conformed its presentation to the previous Executive's narrative, often in a manner that misled the public. Also, persistent underinvestment in public health over the last decade may have limited DOH's ability to prepare and respond to the pandemic in the most effective way. Further, despite the substantial amount of different but related data that DOH collected, it did not cooperatively use the various data sources at its disposal to promote strong infection control practices, and did not routinely analyze the data broadly to detect interfacility outbreaks, geographic trends, and emerging infectious diseases or to shape its infection control practices and policies and its oversight of facilities.

**Recommendation Status:** to DOH – 1 implemented, 1 partially implemented, 2 not implemented; to the Governor – 1 partially implemented

#### **Patient Safety Center (PSC) Activities and Handling of Revenues (2023-F-16)**

**Objective:** Determine the extent of implementation of the four recommendations from Report 2019-S-15, which assessed whether DOH was meeting the goals and objectives of the PSC and collecting and utilizing designated revenue for that purpose.

**Initial Audit Key Findings:** The PSC was established for the purpose of maximizing patient safety, reducing medical errors, and improving overall quality of health care through data reporting, collection, analysis, and dissemination as well as improving public access to health care information. While DOH had generally met the primary objectives of the PSC regarding data reporting, collection, and analysis as well as the dissemination of health care information, auditors found a lack of formal guidance governing certain enforcement and record-keeping practices. Additionally, DOH needed to improve its oversight of PSC revenues and related activities to ensure that the PSC account receives all revenue due.

**Recommendation Status:** 4 implemented

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## Oversight of Registration, Licensing, and Inspection of Radioactive Materials (RAM) Facilities and Radiation Equipment Facilities (2023-F-28)

**Objective:** Determine the extent of implementation of the four recommendations from Report 2019-S-64, which assessed whether DOH was ensuring that the registration, licensing, and inspection of RAM facilities and radiation equipment facilities were completed as required.

**Initial Audit Key Findings:** While DOH completed 94% of RAM facility and radiation equipment facility inspections on time, 44% of those inspection times included a buffer and they were actually completed beyond the established one- to five-year inspection time frames. Of the 259 RAM facility inspections that needed the buffer to be considered inspected on time, 86 (33%) showed that, at the time of inspection, facilities were not in compliance with established standards. For 33 of the 86 inspections (38%), the facility was found to be not in compliance during the prior inspection. Additionally, of the 2,720 radiation equipment facility inspections that needed the buffer to be considered inspected on time, 249 (9%) showed the facilities were, at the time of inspection, not in compliance with established standards. For 55 of those 249 inspections (22%), the facility was found not in compliance during its prior inspection as well. DOH also did not complete all license actions within its one-year benchmark.

**Recommendation Status:** 1 implemented, 1 partially implemented, 2 not implemented

## Oversight of the Early Intervention Program (2024-F-3)

**Objective:** Determine the extent of implementation of the five recommendations from Report 2021-S-25, which assessed whether DOH was effectively administering the Early Intervention Program (Program) in compliance with all applicable laws and regulations and ensuring equitable and timely access to services for children across the State.

**Initial Audit Key Findings:** Many children who could benefit from the Program weren't receiving services, and children who were receiving services weren't always getting them in a timely manner. The audit also identified disparities across the State in the referral and inclusion of children into the Program as well as in the availability of providers and access to Program services. Equity was also an issue, with White children generally being referred at a younger age and Black children being less likely to receive services within the prescribed time frame.

**Recommendation Status:** 1 implemented, 4 partially implemented

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## Management of Indoor Air Quality for Individuals With Asthma (2024-F-4)

**Objective:** Determine the extent of implementation of the six recommendations from Report 2020-S-59, which assessed whether DOH effectively identified poor housing conditions for residents with asthma and worked with local health departments (LHDs) to ensure home visits were prioritized.

**Initial Audit Key Findings:** While DOH, through its contracts with LHDs, identified poor indoor environmental conditions that impact residents with asthma, it needed to improve its oversight and monitoring of LHDs to ensure that individuals identified with asthma in targeted areas continued to receive appropriate assistance.

**Recommendation Status:** 4 partially implemented, 2 not implemented

## Office of Addiction Services and Supports (OASAS)

*OASAS oversees one of the nation's largest substance use disorder systems of care. Its approximately 1,700 prevention, treatment, and recovery programs serve over 730,000 individuals each year, including inpatient and residential services for about 8,000.*

## Addiction Support Services During Emergencies (2021-S-35)

**Objective:** Determine whether OASAS offered adequate guidance to providers to help ensure they were able to deliver addiction support services during emergency situations.

**Audit Period:** January 2019–November 2022

Although OASAS provides guidance (including Local Service Bulletins) to help providers ensure they're able to deliver addiction support services during emergency situations, such as fires or evacuations, it should improve on the extent and clarity of this guidance, improve its monitoring to better ensure that provider Emergency Preparedness Plans (Plans) are revised when warranted and include strategies to manage and mitigate prolonged disruptions in service to prevent the related loss of progress and momentum, and do more to gain assurance that certain tools that providers use, such as the eFINDS system (which allows real-time tracking of people being cared for in facilities) and waiting lists, are in place and suitable to use for managing services to their clients.

### Key Recommendations:

- Review and revise the Local Service Bulletins, site review instruments, and any other guidance, as considered necessary, to incorporate provisions that address providers' plans to manage and mitigate prolonged disruptions in service and clearly describe the responsibilities of both providers and OASAS personnel related to Plans, eFINDS readiness, and waiting list requirements.
- Implement a risk-based method to review Plans subsequent to the initial certification and verify provider access to eFINDS, including verification that assignments to key roles are current.
- Improve the use of waiting list information submitted by providers to better support OASAS' decision-making and oversight.

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## Follow-Up Report

### Oversight of Chemical Dependence Residential Services (2023-F-17)

**Objective:** Determine the extent of implementation of the three recommendations from Report 2020-S-49, which assessed whether OASAS properly monitored residential services to ensure conditions were safe and secure for patients.

**Initial Audit Key Findings:** OASAS was not adequately monitoring the Community Residential and Supportive Living programs, increasing risks to the safety and security of program conditions and services and the vulnerable populations served. Specifically, OASAS was not meeting the recertification review requirements, and many residential programs continued to operate under expired operating certificates. OASAS was not always conducting appropriate follow-up of programs to verify that deficiencies identified during on-site inspections of facility conditions and records had been addressed.

**Recommendation Status:** 2 implemented, 1 no longer applicable

## Office of Children and Family Services (OCFS)

*OCFS is charged with promoting the safety, permanency, and well-being of children, youth, families, and vulnerable populations in New York State. Its responsibilities encompass a wide range of social services programs, including foster care and adoption and child and vulnerable adult protective services. Through its Division of Juvenile Justice and Opportunities for Youth (DJJOY), OCFS is responsible for the operation and oversight of nine State-run residential juvenile justice facilities—three secure facilities, five limited secure facilities, and one non-secure facility—that serve court-placed youth. OCFS programs are administered by 58 local departments of social services (LDSSs) throughout the State.*

### Oversight of Juvenile Justice Facilities (2022-S-13)

**Objective:** Determine whether OCFS adequately operated juvenile justice facilities for court-placed youth to ensure the facilities meet State standards and regulations for the health and safety of juveniles and staff.

**Audit Period:** October 2018–August 2023

OCFS is responsible for ensuring that DJJOY facilities: operate in good condition and in compliance with established policies and procedures, conduct regular fire safety inspections, have an emergency plan, maintain sanitary conditions, and provide health screenings upon admission. OCFS must also ensure that facility staff are properly trained and that, when incidents (e.g., assault, possession of contraband, self-harm) occur, facilities log and report them as required. The audit found OCFS did not ensure that: certain admission assessments and screenings, including health-related assessments, were completed and documented as required; direct care staff were current with training to be authorized to restrain youth; or investigations of incidents were complete or thoroughly documented.

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### **Key Recommendation:**

- Review current administrative procedures and training curriculum and, where practicable, implement changes to enable staff to, at a minimum: complete admission assessments and screenings on time, meet training requirements, and complete restraint incident review and record-keeping requirements.

### **Follow-Up Report**

#### **Oversight of Child Protective Services (2024-F-6)**

**Objective:** Determine the extent of implementation of the three recommendations from Report 2021-S-17, which assessed whether OCFS effectively oversaw LDSSs' investigation of reports of alleged child abuse or maltreatment, and ensured compliance with relevant laws, regulations, and procedures to promote the safety and well-being of affected children and families.

**Initial Audit Key Findings:** The prevalence of certain issues across multiple LDSSs indicated problems that should be addressed statewide rather than on a case-by-case basis; however, OCFS had not developed a plan on how to do so. Further, closure codes for calls that do not result in a report (non-report calls) could more accurately reflect the nature of closure and why the call did not result in a report. Additionally, the length of time OCFS maintained call recordings from the Statewide Central Register of Child Abuse and Maltreatment may have limited its ability to retroactively investigate whether non-report calls were properly handled.

**Recommendation Status:** 1 implemented, 2 partially implemented

### **Office of Mental Health**

*(OMH)*

*OMH operates psychiatric centers across the State and regulates, certifies, and oversees more than 4,500 programs operated by local governments and non-profit agencies that assist New Yorkers with their mental health needs. OMH also administers several employment programs that help people develop the skills they need to attain and sustain competitive, integrated employment.*

#### **Controls Over the Empire State Supportive Housing Initiative (ESSHI) (2022-S-22)**

**Objectives:** Determine whether controls over ESSHI were sufficient to ensure the needs of high-risk target populations were being met, and whether providers delivered the services that were required in their contracts with State agencies.

**Audit Period:** July 2017–March 2023

ESSHI is part of the Executive's comprehensive plan for affordable and supportive housing to ensure all New Yorkers have access to safe and secure housing. OMH's Supportive Housing Guidelines (Guidelines) provide a framework of OMH's expectations for providers operating a supportive housing program, including the provision of services. Auditors found significant

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deficiencies in OMH’s oversight of the ESSHI program, including insufficient monitoring of its Guidelines and contract requirements, provider performance, and conditions at some housing units, posing risks to the safety and well-being of residents.

**Key Recommendations:**

- Increase the frequency of provider monitoring visits to ensure ESSHI units are adequately maintained, provider performance is acceptable, and Guidelines are met.
- Develop and implement a process that ensures provider contracts have objectives and performance measures that are attainable, measurable, and reportable prior to awarding contracts.
- Develop and issue policies and procedures to field offices related to monitoring and reviewing work plans to ensure providers comply with contract requirements.

**Oversight of Kendra’s Law (2022-S-43)**

**Objective:** Determine whether OMH was effectively monitoring Assisted Outpatient Treatment (AOT) to provide reasonable assurance that existing and potential AOT recipients received their court-ordered treatment.

**Audit Period:** April 2019–September 2023

Kendra’s Law (Law) created a statutory framework for court-ordered AOT for individuals with severe mental illness. AOT implementation is a joint responsibility among OMH, its five regional Field Offices, and local mental health authorities in 57 counties and New York City (local government units or LGUs). Under the Law, LGUs must “timely” investigate a referred person’s circumstances to determine if the individual meets AOT criteria. However, the Law doesn’t define “timely,” and OMH has not developed guidance for determining whether investigations are timely. Auditors found that OMH needs to improve its oversight to better ensure that existing and potential AOT recipients receive their court-ordered treatment. Auditors identified instances where LGUs didn’t investigate AOT referrals “timely.” Further, OMH doesn’t receive information that would allow it to proactively identify delays in the onset of treatment. Auditors also identified problems with the completeness and usefulness of information about significant events and its communication among the parties involved with AOT services.

**Key Recommendations:**

- Develop guidance to define “timely” that LGUs and Field Offices can use as a benchmark for completing investigations.
- Evaluate the feasibility of collecting data about the time to connect AOT recipients with their initial services.
- Review and—where considered necessary—clarify existing guidance about significant event reporting to improve the ability to capture and appropriately share the desired information; and the completeness, accuracy, and comparability of the information reported.
- Improve assurance that LGUs take appropriate action to ensure that AOT orders that are due to expire and should be renewed continue without lapses in treatment and monitoring.

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## Follow-Up Reports

### Maximizing Incentives for Individuals With Disabilities (2023-F-33)

**Objective:** Determine the extent of implementation of the four recommendations from Report 2021-S-26, which assessed whether OMH ensured that State agencies and employment service providers were taking full advantage of the New York Employment Service System (NYESS) and the Ticket to Work program (TTW) to promote and place individuals with a disability in competitive employment.

**Initial Audit Key Findings:** Despite it being a key resource for improving competitive employment opportunities and outcomes for all individuals with disabilities who desire services and support, NYESS was not widely used by State agencies and employment service providers. OMH had not developed written policies and procedures related to NYESS or TTW and did not monitor provider affiliates and their efforts to ensure that customers were provided services identified in their individual work plans, services provided were properly entered into NYESS, and progress toward achieving goals was tracked. Further, NYESS data was not effectively monitored or verified to ensure its completeness, accuracy, and validity.

**Recommendation Status:** 4 implemented

### Reporting of Community-Based Services Under the Transformation Reinvestment Plan (2024-F-5)

**Objective:** Determine the extent of implementation of the three recommendations from Report 2021-S-15, which assessed whether OMH provided adequate reporting of community-based service reinvestment funds under the Transformation Reinvestment Plan.

**Initial Audit Key Findings:** OMH's Transformation Reinvestment Plan entailed reducing capacity at its inpatient facilities and reinvesting funds realized through the closure of inpatient State beds into expanded community-based settings. OMH reports monthly on where funds are reinvested geographically and for what services. A key piece of data reported, "New Individual Served" (NIS), helps demonstrate the expansion of services with the reinvested funds. The audit identified inconsistencies with how the NIS data is collected that could impact the accuracy of the information reported. While OMH had developed processes to report on the funds reinvested under the Plan, auditors identified areas for improvement to ensure more accurate reporting.

**Recommendation Status:** 1 implemented, 1 partially implemented, 1 not implemented

## Office of Temporary and Disability Assistance (OTDA)

*OTDA administers programs that provide housing, financial, and other forms of assistance to eligible low-income New Yorkers, including the Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). OTDA provides support to local departments of social services (LDSSs)—comprising the New York City Department of Homeless Services and 57 county offices throughout the rest of the State—in the operation of these programs.*

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### Controls Over the Empire State Supportive Housing Initiative (ESSHI) (2022-S-34)

**Objectives:** Determine whether OTDA's controls over ESSHI were sufficient to ensure high-risk target populations' needs were met, and whether providers delivered the services as required in their contracts with OTDA.

**Audit Period:** January 2017–June 2023

ESSHI is part of the Executive's comprehensive plan for affordable and supportive housing to ensure all New Yorkers have access to safe and secure housing. OTDA contracts with providers to offer supportive housing and related services under ESSHI. Auditors found significant deficiencies in OTDA's oversight of the ESSHI program, including insufficient monitoring of contract requirements, inadequate conditions at some housing units, and inadequate case management for support services.

#### Key Recommendations:

- Develop and implement policies and procedures to ensure the ESSHI program achieves its goals, including addressing case management expectations.
- Increase the frequency of provider monitoring visits to ensure the ESSHI program achieves its goals.
- Revise and update monitoring visit procedures to ensure providers comply with contract requirements and/or applicable policies and procedures.
- Develop and implement a process to aggregate and track resident turnover and length-of-stay data from providers to measure the effectiveness of the program.
- Review ESSHI contracts prior to award to ensure performance measures and requirements are reasonable and consistent throughout the program.

### National Directory of New Hires Data Security (2023-S-43)

**Objective:** Determine if OTDA met federal requirements for securing National Directory of New Hires data.

**Audit Period:** March 2020–January 2024

As part of managing the SNAP and TANF programs, OTDA obtains National Directory of New Hires (Directory) data provided by the Office of Child Support Enforcement, a subdivision of the U.S. Department of Health and Human Services, and must comply with the security requirements established by these entities. At the request of OTDA officials, auditors performed an independent security assessment of the Directory system security controls at OTDA. Auditors found that OTDA is fully compliant with 31 of the 32 requirements; the remaining requirement was found to be not applicable due to current practices at OTDA.

#### Key Recommendation:

- Continue to maintain a system of controls that ensures compliance with federal requirements for securing Directory data.

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## ***Follow-Up Reports***

### **Reimbursement of Homeless Shelter Providers – Westhab Inc.’s Coachman Family Center (2024-F-1)**

**Objective:** Determine the extent of implementation of the six recommendations from Report 2020-S-56, which assessed whether OTDA adequately monitored and properly approved reimbursement of claims by homeless shelter providers, such as Westhab Inc.’s Coachman Family Center.

**Initial Audit Key Findings:** OTDA was not adequately monitoring and properly approving reimbursements for Westhab’s homeless shelter program. OTDA did not establish an effective budget review process for shelter budgets, which could result in costs exceeding approved levels or in the allocation of money year after year that historically had not been expended and could have been used elsewhere. Auditors identified \$1,304,695 in reported costs for Coachman that were improperly reimbursed.

**Recommendation Status:** 2 implemented, 1 partially implemented, 3 not implemented

### **Reimbursement of Homeless Shelter Providers – Rescue Mission Alliance of Syracuse (2024-F-2)**

**Objective:** Determine the extent of implementation of the four recommendations from Report 2021-S-34, which assessed whether OTDA adequately monitored and appropriately reimbursed claims for homeless shelter providers, such as Rescue Mission Alliance of Syracuse.

**Initial Audit Key Findings:** Beyond reviewing and approving shelter budgets, OTDA did not take any action to ensure that shelters’ actual costs claimed for reimbursement complied with the approved budget, State laws and regulations, or OTDA’s own policies. Auditors identified \$26,123 in costs claimed by Rescue Mission Alliance of Syracuse that were improperly reimbursed.

**Recommendation Status:** 2 implemented, 1 partially implemented, 1 not implemented

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## Education

### City University of New York (CUNY)

*CUNY, the nation's largest urban public university, comprises 11 senior colleges; seven community colleges; and seven graduate, honors, and professional schools located throughout New York City's five boroughs. As of fall 2022, approximately 226,000 students were enrolled at CUNY's 25 campuses.*

#### **Follow-Up Report**

##### **Course Offerings (2023-F-7)**

**Objective:** Determine the extent of implementation of the seven recommendations from Report 2019-S-19, which assessed whether CUNY was effectively matching course offerings to student demand.

**Initial Audit Key Findings:** CUNY was not effectively matching course offerings to student demand; was not comprehensively tracking students' use of financial aid or monitoring their graduation rates; and did not formally survey students to consider their feedback when preparing course schedules. In addition, students reported that advisors did not provide beneficial academic guidance, which caused their graduation to be delayed.

**Recommendation Status:** 2 implemented, 3 partially implemented, 2 not implemented

### State Education Department (SED)

*SED is responsible for the oversight of more than 700 school districts, with 2.5 million students in pre-kindergarten through 12th-grade programs. SED is also responsible for the licensing and monitoring of non-degree-granting proprietary schools, which provide training in a broad range of disciplines such as business, computer/information technology, and English as a Second Language.*

#### **Preschool Special Education Program Audits**

**Objective:** Determine if costs reported by special education program providers on their Consolidated Fiscal Reports (CFRs) were reasonable, necessary, directly related to the special education program, and sufficiently documented pursuant to SED's Reimbursable Cost Manual (RCM) and Consolidated Fiscal Reporting and Claiming Manual (CFR Manual). Private special education providers must be approved by SED to deliver special education services, such as Special Education Itinerant Teacher, Special Class, and Special Class in an Integrated Setting programs, to children in New York. SED annually develops rates for these programs based on actual personal service and other than personal service costs reported to SED on annual CFRs. These rates are used to reimburse providers for eligible costs,

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which must comply with comprehensive instructions and guidelines set forth in SED's CFR Manual and RCM. Chapter 545 of the Laws of 2013 requires the State Comptroller to audit the expenses reported to SED by every program provider of special education services for preschool children with a disability, subject to the funding made available by the Legislature for such purpose. In the 2023-24 reporting year, OSC issued six such reports, as detailed below. For these providers, auditors identified a total of more than \$2.3 million in reported costs that were ineligible for reimbursement. Generally, auditors recommended that, in each case, SED review the disallowances identified and make the necessary adjustments to the costs reported on the provider's CFRs and to the provider's tuition reimbursement rates, as warranted, and remind providers of the pertinent SED requirements that relate to the deficiencies identified; and that the provider ensure that costs reported on annual CFRs fully comply with SED's requirements, and communicate with SED to obtain clarification, as needed.

**Positive Beginnings, Inc. (2022-S-45)**

Audit Scope: expenses claimed for fiscal year ended June 30, 2020, and certain expenses claimed for two fiscal years ended June 30, 2019

Amount of reimbursable costs reported: approximately \$32.1 million

Amount identified as ineligible for reimbursement: \$663,830

**Handicapped Children's Association of Southern New York, Inc. (2022-S-49)**

Audit Scope: expenses claimed on 2017 and 2018 CFRs for fiscal year ended June 30, 2018

Amount of reimbursable costs reported: over \$1.9 million

Amount identified as ineligible for reimbursement: \$66,009

**NYSARC, Inc. – Rockland County Chapter (2022-S-50)**

Audit Scope: expenses reported on 2020 and 2021 CFRs for fiscal year ended June 30, 2021

Amount of reimbursable costs reported: approximately \$2.3 million

Amount identified as ineligible for reimbursement: \$189,182

**UCP of Niagara County dba Empower (2023-S-3)**

Audit Scope: expenses claimed for three fiscal years ended June 30, 2020

Amount of reimbursable costs reported: over \$6.6 million

Amount identified as ineligible for reimbursement: \$1,141,685

**Liberty Resources, Inc. (2023-S-22)**

Audit Scope: expenses reported on CFRs for two fiscal years ended June 30, 2021

Amount of reimbursable costs reported: over \$5.54 million

Amount identified as ineligible for reimbursement: \$38,336

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### **Small Wonder Preschool, Inc. (2023-S-36)**

Audit Scope: expenses claimed on CFR for fiscal year ended June 30, 2021 and certain expenses claimed on CFRs for the two fiscal years ended June 30, 2020

Amount of reimbursable costs reported: approximately \$5.9 million

Amount identified as ineligible for reimbursement: \$264,701

### **Other Audits of SED Oversight**

#### **English Language Learners Programs (2022-S-30)**

**Objective:** Determine whether SED adequately oversaw whether school districts were providing services to English Language Learners as required.

**Audit Period:** July 2019–November 2023

Under Part 154 of the Regulations of the Commissioner of Education (Part 154), school districts must ensure that English Language Learners (ELLs)—students who, by reason of foreign birth or ancestry, speak or understand a language other than English, speak or understand little or no English, and require support to become proficient in English—receive appropriate support to improve English proficiency, which can result in better academic outcomes and engagement in their communities. Districts are required to provide English as a New Language services to all eligible ELLs and are required to make Bilingual Education programs available in all home languages spoken by 20 or more ELLs of the same grade and home language districtwide. Auditors found that SED needs to improve its oversight and work to remove barriers to ensure school districts are providing the services to which ELLs are entitled. According to SED data, ELL enrollments have risen, putting some students at risk of not receiving instruction at the same academic level as their English-proficient peers and underperforming academically or not graduating from high school.

#### **Key Recommendations:**

- Enhance monitoring activities and guidance to ensure school districts comply with Part 154, provide required services, and retain necessary documentation.
- Continue to work with the Board of Regents to increase the number of certified instructors.
- Reinforce waiver requirements for schools not offering Bilingual Education programs for all applicable home languages and grade levels.
- Work with school districts to help them to obtain and retain required documentation regarding ELL identification and provision of services.
- Resume Building Reviews at school districts in order to monitor compliance with Part 154 in a way that doesn't rely on self-reported information.
- Work with school districts to improve the reliability of program and participation data.
- Provide guidance to school districts to enable efficient sharing of information.

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## ***Follow-Up Report***

### **Privacy and Security of Student Data (2024-F-11)**

**Objective:** Determine the extent of implementation of the three recommendations from Report 2021-S-29, which assessed whether SED consistently followed all laws and regulations regarding the safety and privacy of students' data and was monitoring New York State school districts to ensure they were complying with the legislation and regulations that govern data privacy and security.

**Initial Audit Key Findings:** SED did not fully comply with its policies related to information security and data privacy, including completing the data classification for all types of information that it creates, collects, processes, or stores, some of which contain students' personally identifiable information. Nor did SED provide sufficient oversight of school districts to ensure compliance with key requirements of Part 121 of the Regulations of the Commissioner of Education, such as security policies, incident reporting, and the Parents' Bill of Rights.

**Recommendation Status:** 2 implemented, 1 partially implemented

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## Transportation

### Metropolitan Transportation Authority (MTA)

*The MTA is a public benefit corporation, overseen by a 23-member Board of Directors (Board), providing transportation services in and around the New York City metropolitan area. The MTA has six agencies: New York City Transit (Transit), which operates bus and subway service; MTA Bus Company (MTA Bus), which provides bus services in the Bronx, Brooklyn, and Queens; the Long Island Rail Road (LIRR) commuter railroad; Metro-North Railroad; Triborough Bridge and Tunnel Authority, which operates seven toll bridges and two tunnels that interconnect parts of New York City; and MTA Construction and Development.*

### Long Island Rail Road: Mitigation for Extreme Weather Conditions and Flooding (2022-S-6)

**Objectives:** Determine whether the LIRR performed a systemwide risk assessment to identify potential risks to its system from extreme weather conditions and flooding and developed plans to mitigate their effects; and whether the LIRR tested and updated the plans and inspected/maintained the equipment to ensure they can be deployed when needed.

**Audit Period:** April 2009–January 2023

The LIRR's Operating Plan for Winter Storms and Other Contingencies (WSOP) includes standard operating procedures for winter for each involved department, including required actions before, during, and after all levels of snowstorms, and their responsibilities for heat, high winds, heavy rains, and washouts. The LIRR did not perform a systemwide assessment of its transportation facilities to identify weather-related risks. Auditors found the Transportation, Engineering, and Maintenance of Equipment departments either were not in compliance or could not support their compliance with the WSOP requirements, including having the required equipment (e.g., portable generators, chainsaws, backhoe and front loaders, light towers) on hand and the time frame for procuring winter operation materials and rental equipment. Further, four Superstorm Sandy capital projects designed to mitigate potential damage from weather were not completed on time, including one project that was delayed more than five years.

#### Key Recommendations:

- Ensure that the systemwide risk assessment of the LIRR is completed on schedule and documented.
- Ensure that the LIRR operation departments comply with seasonal (winter) preparation guidance.
- Ensure all equipment is maintained, inspected, and tested regularly in a timely manner and documented.
- Review and revise the WSOP, where appropriate, to ensure uniformity between the agency's guidelines and department practices.
- Ensure that all projects include provisions for working with internal and external agencies to expedite the project's completion.

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## Transit: Selected Aspects of Safety and Security in Subway Facilities (2022-S-20)

**Objectives:** Determine whether Transit took steps to implement safety and security in all its subway facilities, and whether safety and security equipment, such as cameras, help point intercoms, and customer assistance intercoms, were maintained (working and tested).

**Audit Period:** September 2019–March 2023

Transit has taken steps to implement security in its subway facilities, including 30 projects to install closed-circuit television systems and other electronic systems in critical areas. However, auditors found that four of the 30 projects were delayed because no contractors from MTA's Small Business Mentoring Program (SBMP) were available to perform the work, and Transit did not then assign the work to other contractors. Another five projects were not started within the time frames outlined in the MTA's Capital Programs, instead starting up to seven years after the 2010–2014 Capital Program or one year after the 2015–2019 Capital Program. Further, Transit does not ensure that its safety and security equipment receives required preventive maintenance (PM) or that completed PM is properly documented. Auditors also found issues regarding Transit's monitoring of alarm events, particularly access to restricted areas, that potentially posed security and other risks. In addition, security equipment malfunctions are not always addressed in a timely manner.

### Key Recommendations:

- Revisit the list of SBMP contractors available to perform the work to ensure it is sufficient to meet the needs of the MTA Capital Program and address the risk to the system. If the contractor pool is not sufficient, develop an alternative plan to complete the capital projects.
- Document reasons PMs were not completed.
- Develop written policies and procedures for PMs that address how often PMs should be performed and how to document maintenance status and reasons (e.g., complete, incomplete, or not completed).
- Review outstanding tickets daily to assess why they remained open longer than the established response time and what corrective actions are required to decrease the time.
- Ensure compliance with the requirement that employees use their access card to enter and exit tunnels.
- Prioritize the repair of equipment malfunctions.

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## ***Follow-Up Report***

### **Long Island Rail Road: Rolling Stock Programs Department – Selected Aspects of the M9 Rail Car Project Management (2023-F-10)**

**Objective:** Determine the extent of implementation of the 12 recommendations from Report 2020-S-50, which assessed whether LIRR’s Rolling Stock Programs Department managed the M9 contract so that the contractor delivered the cars on time, within the required scope and quality, and within budget.

**Initial Audit Key Findings:** LIRR’s M9 car contractor was behind schedule on delivering the base order of 92 cars by almost three years and over budget by \$8.9 million. LIRR also did not assess or collect liquidated damages of \$5.5 million from the contractor for delays as of September 2020. In addition, LIRR accepted rail cars with deficiencies under a Conditional Acceptance contract clause and the deficiencies went uncorrected for more than six months. Further, LIRR did not ensure that the contractor conducted all the required software Failure Mode Effect and Criticality Analyses, which could result in conditions that affect rail car operations. Also, LIRR failed to send written notifications to the contractor about the less-than-satisfactory performance.

**Recommendation Status:** 3 implemented, 3 partially implemented, 6 not implemented

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## Government Support

### Department of Civil Service

(Civil Service)

*Civil Service is the principal human resources provider for the Executive Branch of State Government, serving approximately 150,000 employees. It also administers the New York State Health Insurance Program (NYSHIP), which covers more than 1.1 million current and retired State and local government employees and their family members. NYSHIP's primary health insurance program is the Empire Plan, which costs the State and local governments about \$12.4 billion each year. Civil Service contracts with several companies to administer different coverage components, including (through September 30, 2024) EmblemHealth Plan, Inc. (Emblem) to process and pay claims for services on behalf of the New York State Dental Insurance Plan (Dental Program); Anthem Blue Cross (Anthem) to administer the Hospital Program of the Empire Plan; and Beacon Health Options (now Carelon) to process mental health and substance use disorder claims for the plan. Many enrollees or their dependents may be covered by more than one insurance plan. In these cases, insurance carriers conduct a Coordination of Benefits (COB) to determine which plan is the primary payer, which generally pays the majority of the claim, and which plan pays remaining expenses (secondary payer).*

#### **EmblemHealth Plan, Inc.: Overpayments for Services Requiring Coordination of Benefits (2022-S-27)**

**Objective:** Determine whether Emblem overpaid dental claims for members covered by two subscriber plans under the Dental Program.

**Audit Period:** January 2018–October 2022

In circumstances where spouses or domestic partners receive benefits under the Dental Program through their respective employers, each person is entitled to separate coverage (referred to as subscriber plans). In these cases, Emblem is both the primary and the secondary payer. During the audit period, Emblem processed and paid approximately \$252 million in claims for covered services. Of this, approximately \$4.5 million required COB processing associated with two Dental Program subscriber plans. Auditors identified \$492,061 in overpayments for services processed with COB for the audit period because Emblem failed to correctly coordinate benefits with each member's other subscriber plan.

#### **Key Recommendations:**

- Review the \$492,061 in COB overpayments identified and make recoveries, as warranted.
- Review controls and take corrective action to address issues causing overpayment of COB services, including lack of COB information and processor error.
- Develop an ongoing process to identify and review the appropriateness of COB claims and recover any overpayments.

#### **Anthem Blue Cross: Coordination of Benefits With Medicare (2023-S-30)**

**Objective:** Determine whether Anthem coordinated benefits to properly pay claims for NYSHIP Empire Plan members with Medicare coverage.

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**Audit Period:** January 2020–June 2023

The audit found that Anthem improperly paid 241 claims totaling \$5,259,416 because proper COB did not occur. While Anthem has processes in place designed to identify and deny claims submitted to Anthem that should have been submitted to Medicare first, Anthem’s eligibility system was not always updated in a timely manner with members’ Medicare-related information. Additionally, weaknesses in Anthem’s and Civil Service’s reconciliation of member enrollment data prevented opportunities for recovery.

**Key Recommendations:**

- Review the \$5,259,416 in claims identified as improperly paid and recover overpayments, as warranted.
- Work with Civil Service to enhance the current eligibility data reconciliation process to include reconciliation of members’ Medicare eligibility and enrollment status, including retirement dates, held harmless status, and Medicare-primacy dates.

**Follow-Up Report**

**New York State Health Insurance Program: Payments by Beacon Health Options for Mental Health and Substance Abuse Services for Ineligible Members (2023-F-30)**

**Objective:** Determine the extent of implementation of the four recommendations from Report 2021-S-18, which assessed whether Beacon Health Options (now Carelon) paid mental health and substance abuse claims for Empire Plan members who were not eligible for coverage.

**Initial Audit Key Findings:** The audit identified \$3.21 million in overpayments for services, which resulted primarily from retroactive disenrollments.

**Follow-Up Finding:** Carelon recovered nearly \$726,000 of the \$3.21 million in overpaid claims. Civil Service and Carelon also implemented quarterly reconciliations of eligibility information between their data systems to help ensure claims are paid only for eligible members.

**Recommendation Status:** 3 implemented, 1 partially implemented

**Office of General Services**

(OGS)

*OGS is responsible for providing essential support services for the operations of State government, including architectural, engineering, and construction management services; building management, energy saving operations, and maintenance services; and the administration of centralized procurement contracts for goods, services, and technology.*

**Capital Asset Management (2022-S-32)**

**Objective:** Determine whether OGS was adequately overseeing selected State agencies and related entities to ensure that they have proper inventory controls in place to safeguard assets and that they are properly reporting capital assets.

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**Audit Period:** April 2020–May 2023

Capital assets include land, buildings, construction in progress, infrastructure, equipment, library books, artwork, and intangible assets. To improve management of these assets, the State established the Statewide Financial System Asset Management Module (SFS AM). Within OGS, the Bureau of Capital Assets (BCA) monitors and coordinates SFS AM capital asset inputs, assisting agencies in the management and maintenance of their asset data in SFS AM, and distributing reports. Auditors found BCA was not adequately overseeing capital assets reported by State agencies to ensure that these agencies were properly and promptly reporting capital assets. Auditors identified assets that went unreported in SFS AM, including forklifts, a ticket booth, garages, and dump trucks, and noted that capital assets had incorrect or missing data in SFS AM, such as the description, location, cost, or other key pieces of information required to locate, identify, or report on an asset.

**Key Recommendations:**

- Augment existing processes by including more effective methods to ensure agencies that are required to report capital assets to OGS are properly doing so.
- Develop and implement procedures to provide continued support, such as detailed risk-based guidance and trainings, to ensure agencies are aware that capital asset data needs to be accurate, complete, and updated timely.
- Take proactive action to identify capital asset data inaccuracies reported in SFS AM by enhancing internal processes such as data analysis.

**Follow-Up Report**

**Monitoring of Construction Management (2023-F-44)**

**Objective:** Determine the extent of implementation of the four recommendations from Report 2020-S-42, which assessed whether OGS was adequately monitoring construction management contracts to ensure they met the terms and requirements, and if the oversight and administrations costs associated with carrying out this function were supported and related.

**Initial Audit Key Findings:** OGS had generally taken steps to adequately monitor construction management contracts to ensure that the terms and requirements were met and that costs were supported and related. However, auditors identified areas for improvement, namely regarding contractors' compliance with minority- and women-owned business enterprise (WMBE) goals. Of the five projects audited, three used a State-certified women-owned business enterprise (WBE) and claimed credits toward each of their contracts' MWBE goals. However, the WBE subcontracted out all its approved services to a non-MWBE independent contractor. The WBE did not provide a commercially useful function and the \$207,316 payment should not have been claimed as credits toward the MWBE goals. In addition, auditors determined that one construction management consultant's bid proposal, for a contract valued at \$1.8 million, did not meet the Request for Proposals criteria, but this was not reflected in OGS' evaluation and scoring.

**Recommendation Status:** 3 implemented, 1 partially implemented

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## Criminal Justice and Judicial Administration

### Department of Corrections and Community Supervision (DOCCS)

*DOCCS is responsible for the confinement and rehabilitation of approximately 31,000 individuals under custody held at 44 State facilities and the supervision of over 27,000 parolees throughout seven regional offices statewide.*

#### **Follow-Up Report**

#### **Oversight of Transportation Services and Expenses (2023-F-37)**

**Objective:** Determine the extent of implementation of the seven recommendations from Report 2021-S-1, which assessed whether DOCCS established adequate controls to effectively monitor and ensure accountability over transportation expenses and transportation services.

**Initial Audit Key Findings:** DOCCS did not establish adequate controls to effectively monitor and ensure accountability over transportation expenses and conducted little to no monitoring of payments made through its contractor or its in-house maintenance expenses. Additionally, DOCCS could improve controls and oversight of fuel usage.

**Recommendation Status:** 2 implemented, 4 partially implemented, 1 not implemented

### Division of Criminal Justice Services (DCJS)

*DCJS is responsible for law enforcement training; collection and analysis of statewide crime data; maintenance of criminal history information and fingerprint files; funding and oversight of probation and community correction programs; and administration of federal and state criminal justice funds.*

#### **Motor Vehicle Theft and Insurance Fraud Prevention Program (2022-M-2)**

**Objective:** Determine whether DCJS complied with Article 36-A of the State Executive Law for revenues received by and expenditures made from the Motor Vehicle Theft and Insurance Fraud Prevention Fund and from any other source for purposes of the Motor Vehicle Theft and Insurance Fraud Prevention Demonstration Program.

**Audit Period:** January 2018–December 2021

Motor vehicle theft and insurance fraud has a substantial impact on motor vehicle insurance rates in the State. The Motor Vehicle Theft and Insurance Fraud (MVTIF) Prevention Demonstration Program (Program) is intended to prevent, deter, and reduce the incidence of these crimes by developing and providing funding for programs that support specialized law enforcement units and prosecutors. Gaps in Program governance hindered DCJS' ability to conduct business and contributed to continued reliance on extending contract award amounts

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based on non-current crime statistics. Auditors also identified costs that lacked adequate support or were incorrectly charged to the Program.

**Key Recommendations:**

- Take steps to ensure compliance with governance-related requirements under Article 36-A by: requesting appointment of Board members to meet the Law’s number and composition requirements; convening at least the four required Board meetings each year; and issuing the MVTIF Annual Report annually by February 15.
- Issue a Request for Proposals, in accordance with the Plan and with MVTIF Board approval, that results in awarding funding to entities in the counties that—using the most recent available data—have the highest incidence of motor vehicle theft and insurance fraud.
- Enhance assurance that grantee claims for reimbursement are for expenses that are Program-related, accurate, supported by time and effort tracking systems required under the contract, and appropriately approved.

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## Economic Development and Housing

### Empire State Development (ESD)

*ESD promotes the State's economy, encourages business investment and job creation, and supports local economies through the efficient use of loans, grants, tax credits, real estate development, marketing, and other forms of assistance.*

#### Real Property Portfolio (2022-S-14)

**Objectives:** Determine whether ESD fully and accurately accounted for and reported on its real property holdings and the need to either hold or dispose of properties, and if ESD disposed of real property in a manner beneficial to the State.

**Audit Period:** April 2019–June 2023

To ensure transparency and accountability, under the Public Authorities Law, ESD is required to maintain adequate inventory controls and accountability systems for all property under its control, periodically inventory property to determine properties that can be disposed of, and at least annually report a list of all real property that was disposed of during the reporting period along with the name of the purchaser. However, despite annually certifying to the Office of the State Comptroller that an accurate list was maintained and published, ESD was unable to provide auditors with a complete report. After the audit was engaged, ESD created and published its real property portfolio report, which included incomplete iterations of its property list. Inaccuracies and incomplete data occurred because ESD did not establish strong processes or procedures to obtain and ensure the reliability of the information it maintains on its real property portfolio. As of June 2023, ESD reported it owned 130 properties, 71 (55%) of which were vacant, including three former correctional facilities located in or near New York City that had potential for use in developing additional housing. For an additional 28 (39%) of the 71 vacant properties, only one had definitive development plans. Further, ESD disposed of 10 properties below fair market value, including seven properties that, as part of the State's Buffalo Billion initiative, were purchased for a total price of \$1.36 million and sold for \$3.

#### Key Recommendations:

- Develop and implement processes and procedures to ensure ESD's real property portfolio is accurate and required reporting and publishing requirements are met.
- Periodically assess vacant properties and identify solutions that maximize the economic benefits to the surrounding localities and the State, which may include, but not be limited to, collaboration with other State entities to align solutions with the State's goals.
- Establish and implement policies directing ESD and subsidiary management to provide sufficiently detailed information for proposed transfers, especially those below fair market value.

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## **Follow-Up Reports**

### **Project Tracking Systems and Economic Assistance Program Evaluations (2023-F-23)**

**Objective:** Determine the extent of implementation of the two recommendations from Report 2019-S-48, which assessed whether ESD maintained adequate information systems for the collection of relevant data to effectively manage and report on the economic assistance programs it administers and ensured programs meet desired outcomes.

**Initial Audit Key Findings:** ESD is statutorily required to report on its economic assistance programs as well as perform periodic program evaluations to assess the effectiveness of certain programs. Auditors found that, among other issues, ESD generally did not evaluate its economic assistance programs to ensure they were meeting their intended goals and furthering ESD's mission.

**Recommendation Status:** 2 partially implemented

### **New NY Broadband Program (2024-F-10)**

**Objective:** Determine the extent of implementation of the three recommendations from Report 2020-S-19, which assessed whether ESD effectively monitored and managed the New NY Broadband Program and whether the Program had achieved its overall goals.

**Initial Audit Key Findings:** The Program was designed to ensure that every New Yorker had access to high-speed broadband. It included \$500 million in State funds and secured additional private and federal matching investments of \$235 million, bringing the total investment to \$735 million. While the Program was effectively monitored and managed, it did not achieve its overall goal of providing statewide broadband availability, with ESD reporting that, as of March 2021, more than 14,000 households were unserved or underserved. While ESD asserted that 98.95% of the State had broadband availability, the audit found this figure to be overstated. Also, 31% of the connected households were using satellite technology, which has a maximum download speed of 25 megabits per second.

**Recommendation Status:** 1 implemented, 1 partially implemented, 1 no longer applicable

## **Homes and Community Renewal (HCR)**

*HCR is the State's affordable housing agency, with a mission to build, preserve, and protect affordable housing and increase homeownership throughout New York State. HCR is composed of several different offices and agencies, including: the Division of Housing and Community Renewal (DHCR), which oversees Mitchell-Lama developments; the Housing Trust Fund Corporation, through which HCR receives funding from the U.S. Department of Housing and Urban Development (HUD); and the Office of Rent Administration (ORA), which administers the State's rent laws and regulations related to both owners and tenants.*

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## **Division of Housing and Community Renewal: Physical and Financial Conditions at Selected Mitchell-Lama Developments Located Outside New York City (2022-S-46)**

**Objectives:** Determine whether residents of Mitchell-Lama developments, which are supervised by DHCR, are provided safe and clean living conditions, and whether funds are properly accounted for and used for intended purposes. This audit was based on a sample of five developments: Barker Terrace (Westchester), Executive House (Albany), Seneca Towers (Monroe), Sunnyside Manor (Westchester), and Tompkins Terrace (Dutchess).

**Audit Period:** January 2019–December 2022

Mitchell-Lama development owners, or their managing agents, are responsible for providing safe and habitable housing for residents and maintaining the financial and physical integrity of the development. For the five sampled developments, auditors found that DHCR did not provide sufficient oversight to ensure they were being properly managed and that any fiscal and physical deficiencies were being identified and promptly remediated. For example, at all five developments, auditors found evidence of misspent funds, uncollected commercial rents, and conflict-of-interest transactions. At two of the developments, auditors found hazardous conditions, such as water damage/mold, loose and rusty railings on stairways, and cracked walkways, that had gone uncorrected for years.

### **Key Recommendations:**

- Improve monitoring of financial conditions at the sampled developments, including but not limited to: reviewing expenditures, including all bonus payments and petty cash and reimbursements transactions, and enforcing compliance with Regulations related to the accounting for and proper use of the developments' funds; taking appropriate action, including recouping funds for transactions that are inappropriate or unusual; and enforcing compliance with Regulations related to conflict-of-interest transactions and to the responsibilities of the Board, and systematically reviewing Board meeting minutes to identify non-compliance with Regulations and acting when necessary.
- Improve oversight of physical conditions at sampled developments by ensuring immediate corrective action is taken when unsafe conditions are identified, and document dates of correction.

## **Division of Housing and Community Renewal: Physical and Financial Conditions at Selected Mitchell-Lama Developments Located Outside New York City – Sunnyside Manor: Unauthorized Bank Account (2024-S-12)**

**Objectives:** Determine whether residents of Mitchell-Lama developments supervised by DHCR are provided safe and clean living conditions, and whether funds are properly accounted for and used for intended purposes.

**Audit Period:** January 2019–December 2022

Auditors found that Sunnyside Manor's Board held a checking account, separate from the development's operating accounting—with a balance of \$14,888 as of March 31, 2022—that included deposits of community room rental income. In addition to these deposits, auditors identified transactions, totaling \$51,048, paid from Sunnyside Manor's operating account to the Board-held account. Bank statements for the Board-held account showed numerous

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questionable debit card transactions, including Amazon purchases (e.g., vitamins shipped to an Arizona address, a treadmill mat, a cooking apron, toys) totaling \$2,512 and restaurant payments totaling \$1,723, including a single payment of \$1,149 at one restaurant. This Board-held account was not included on Sunnyside Manor's general ledger and audited financial statements, and had received limited oversight by DHCR.

**Key Recommendations:**

- Review the Board-held bank account at Sunnyside Manor for compliance with Regulations, and take appropriate action, including recouping funds, for transactions that are inappropriate or unusual.
- Periodically review Sunnyside Manor's rent receipts and miscellaneous operating income, including community room rental income.
- Issue guidance to all Mitchell-Lama developments related to the use of Board-held accounts and remind them of the Regulations for opening bank accounts and depositing rental income.

**Follow-Up Report**

**Housing Trust Fund Corporation: Internal Controls Over and Maximization of Federal Funding for Community Development Block Grant (CDBG) & HOME Investment Partnerships Programs (2023-F-42)**

**Objective:** Determine the extent of implementation of the two recommendations from Report 2021-S-10, which assessed whether HCR had established and maintained adequate internal controls to oversee and monitor the federally funded CDBG and HOME programs to ensure they met requirements, and obtained federal reimbursements on time and in a manner that recovered all eligible costs.

**Initial Audit Key Findings:** HCR could improve the timely release of federal funds, especially with regard to CDBG COVID-19 relief aid. More than two years after the start of the pandemic, HCR had only obligated about \$98 million of the \$127 million in such funding and expended less than \$5 million. HCR could also improve its internal controls over the administration of the CDBG program as auditors found issues with HCR's monitoring of three (totaling \$2 million) of eight grants (totaling \$5 million) reviewed. Auditors also identified potential vulnerabilities in the handling of confidential information.

**Recommendation Status:** 2 implemented

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## Other State Agencies and Public Authorities

### Department of Agriculture and Markets

(Ag&Mkts)

*Ag&Mkts promotes New York State agriculture and its high-quality and diverse products; fosters agricultural environmental stewardship; and safeguards the State's food supply, land, and livestock to ensure the viability and growth of New York's agriculture industries. Among other programs, Ag&Mkts is responsible for overseeing the State's programs to protect pollinator populations, which are critically important to the health of New York State's environment and agricultural economy.*

#### **Follow-Up Report**

##### **Protection of Managed Pollinators (Honey Bees) (2023-F-43)**

**Objective:** Determine the extent of implementation of the two recommendations from Report 2021-S-40, which assessed whether Ag&Mkts was adequately monitoring the health of honey bee pollinators to prevent and mitigate harmful effects to their populations.

**Initial Audit Key Findings:** Ag&Mkts had established sufficient processes to meet its responsibility to certify nucs and queens for sale and to meet the needs of beekeepers requiring certificates to ship honey bees out of State. It was able to conduct all the required inspections requested for the sale of nucs and queens as well as all those requested for transport. Ag&Mkts also had procedures in place for addressing the highly contagious and destructive American foulbrood found during inspections—a disease for which the law allows no tolerance. However, Ag&Mkts did not have reasonable assurance that it had identified the full population of active apiaries in the State. The audit also found opportunities for Ag&Mkts to strengthen actions to combat disease and parasitic organisms within colonies and improve efforts to ensure honey bees entering the State are healthy and free from disease.

**Recommendation Status:** 2 implemented

### Department of Environmental Conservation

(DEC)

*As the State's environmental regulatory agency, DEC's mission is to conserve, improve, and protect New York's natural resources and environment and to prevent, abate, and control water, land, and air pollution.*

#### **Follow-Up Reports**

##### **Oversight of New York State Forest Tax Programs (2023-F-18)**

**Objective:** Determine the extent of implementation of the two recommendations from Report 2020-S-51, which assessed whether DEC was adequately monitoring the 480 and 480a private forest programs to ensure forest land is appropriately enrolled and landowners

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are adhering to requirements to assist in the protection of the environmental benefits of the State's forest resources.

**Initial Audit Key Findings:** Monitoring and enforcement weaknesses in DEC's oversight of the 480a tax-incentive program undermined its ability to ensure that forest lands enrolled in the program continue to be protected and enhanced as a major economic and environmental resource and that only eligible properties receive tax exemptions. While there are gaps in the law regarding oversight responsibility under the prior 480 Program, for the 795 properties spanning 260,669 acres, landowners had been benefiting from local tax reductions for over 45 years but the properties were largely unmonitored by DEC or the localities.

**Recommendation Status:** 2 partially implemented

### **Oversight and Enforcement of the Rechargeable Battery Law (2023-F-35)**

**Objective:** Determine the extent of implementation of the two recommendations from Report 2021-S-19, which assessed whether DEC adequately monitored and enforced compliance with the Rechargeable Battery Law to promote the proper disposal of lithium-ion and other types of rechargeable batteries.

**Initial Audit Key Findings:** New York's Rechargeable Battery Law was enacted to reduce rechargeable batteries' negative impact on the environment and established requirements for manufacturers, retailers, and consumers. DEC was not effectively monitoring manufacturer or retailer compliance with the law, nor had it issued fines or penalties. DEC also had not submitted the required biennial reports—on the number of rechargeable batteries received and recycled—to the Executive and Legislature.

**Recommendation Status:** 1 implemented, 1 partially implemented

## **Department of Financial Services (DFS)**

*As New York State's financial services regulator, DFS is responsible for ensuring the safety and soundness of the State's financial services industry and promoting the elimination of fraud, abuse, and unethical conduct within financial institutions licensed to operate in the State. DFS supervises and regulates the activities of nearly 3,000 financial institutions with assets totaling more than \$9.1 trillion as of December 31, 2022, including 21 virtual currency licensees (BitLicensees) with assets totaling more than \$175 billion.*

### **Virtual Currency Licensing (2022-S-18)**

**Objective:** Determine whether DFS provided adequate oversight of the applications for, and the supervision and examination of, virtual currency licensees to ensure compliance with New York Codes, Rules and Regulations Title 23, Part 200 (Part 200).

**Audit Period:** July 2018–July 2023

Auditors found limited assurance that DFS was adequately performing its oversight responsibilities related to the application for and supervision of BitLicenses in the State, creating the risk that licenses could be granted to applicants whose financial stability has

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not been thoroughly verified or that, once licensed, businesses may not maintain financial or cybersecurity standards.

**Key Recommendations:**

- Continue to take steps to ensure that all BitLicense applications are complete and comply with Part 200 requirements, any issues are addressed prior to approval, and decisions and actions taken on applications are documented.
- Continue to develop and implement procedures and tools to collect and analyze required information to ensure the safety and soundness of BitLicensee operations.
- Continue to develop and implement policies and procedures to ensure safety and soundness examinations are conducted in a timely manner.
- Establish formal policies and procedures for the examination follow-up process to ensure issues are addressed promptly.

**Department of Labor**

*(DOL)*

*DOL enforces New York Labor Laws (Laws) and promotes education about the protections they offer to workers, the unemployed, and job seekers. Its mission is to protect workers, assist the unemployed, and connect job seekers to jobs.*

**Labor Investigations in New York City (2022-S-17)**

**Objective:** Determine whether DOL is adequately conducting labor violation investigations in New York City.

**Audit Period:** January 2019–March 2023

DOL’s Division of Labor Standards (Division) is responsible for receiving and investigating labor complaints (claims) and has the authority to assess penalties and fines if employers are found to be in violation of the Laws. The Division’s Central Intake Unit processes complaints for the Division statewide and its Labor Standards’ Field Investigator’s Manual (Manual) provides guidance for investigators conducting wage-related investigations, including target completion dates. The audit determined that weaknesses in DOL’s oversight of labor investigations in New York City resulted in significant delays in investigation activities, which, in turn, diminished the efficiency of case resolution and restitution for workers and lessened the likelihood that employers would be held accountable. Claims classified as “Pending” or “Incomplete” remained open for lengthy periods—in some cases over a year—delaying the start of investigations. Auditors determined delays were most likely attributable to the lack of a dedicated Central Intake staff to handle the heavily manual process. Further, for 56 of the 87 child labor cases assessed (64%), the three-month target completion timeline was not met; 36 cases took more than a year to complete or were still in active investigation. Moreover, auditors found DOL had no process to identify which child labor cases involved hazardous employment, which require a more stringent one-week time frame for investigation completion. Auditors also found investigations of wage-related cases (non-child labor) were not completed in the targeted one-year time frame 80% of the time.

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### **Key Recommendations:**

- Establish a mechanism to ensure claims are reviewed promptly and labeled accurately, and explore whether a dedicated Central Intake Unit might have a role in achieving this.
- Develop guidelines to identify child labor cases involving instances of hazardous employment.
- Develop target completion time frames for all child labor and wage-related case investigations and ensure they are being followed.
- Provide additional oversight and monitoring, including revising the Manual with updated policies and procedures; ensure cases are reassigned in a timely manner upon an investigator's departure; and collaborate with the New York City Department of Education on child labor-related issues.

### ***Follow-Up Reports***

#### **Selected Wage Investigation Procedures (2023-F-19)**

**Objective:** Determine the implementation status of the four recommendations from Report 2019-S-46, which assessed whether DOL was following its wage investigation procedures, including conducting outreach to claimants about case status and recovered wages.

**Initial Audit Key Findings:** For 69 of the 150 cases sampled (46%), investigators did not make first contact with the employer within 60 days of the case being created in DOL's Worker Protection Management System (WPM), as recommended in DOL's procedures. For 13 cases, more than 360 days passed before first contact occurred. For 24 cases, there were no documented investigative activities in WPM for significant periods of time. For nine of 56 cases that were indicated as closed and paid in WPM, auditors were unable to determine whether claimants had received their recovered wages.

**Recommendation Status:** 4 implemented

#### **Overlap, Duplication, Gaps, and/or Fragmentation of Workforce Development (WFD) Programs and Services (2023-F-36)**

**Objective:** Determine the implementation status of the five recommendations from Report 2020-S-45, which assessed what WFD programs and services State agencies and public authorities offer, who they serve, and what their eligibility requirements are; and whether there is overlap, duplication, gaps, and/or fragmentation among these programs and services.

**Initial Audit Key Findings:** The audit identified 519 WFD programs and services—covering a wide range of areas such as training, transportation assistance, and child care services—that are offered by 22 State agencies and public authorities. Despite the number and variety of these services, weaknesses in the WFD System rendered DOL inadequately positioned to address the State's workforce needs.

**Recommendation Status:** 4 implemented, 1 partially implemented

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## Controls and Management of the Unemployment Insurance (UI) System (2023-F-41)

**Objective:** Determine the extent of implementation of the six recommendations from Report 2021-S-3, which assessed whether DOL took appropriate steps to oversee and manage the UI system and to comply with selected portions of the New York State Information Security Policy and Standards.

**Initial Audit Key Findings:** The audit found deficiencies with DOL's oversight and management of its UI system. Chief among them, during the pandemic, when faced with the high demand for UI benefits and the need to process claims quickly, DOL resorted to stop-gap measures to compensate for system limitations, which resulted in misclassification of claims as State instead of federal liabilities, overpayment of claims, and supplemental spending to maintain the outdated UI system infrastructure while the new system was in development. The audit also found that DOL did not take some fundamental, critical steps to secure its UI system and data.

**Recommendation Status:** 2 implemented, 3 partially implemented, 1 not implemented

## Department of Motor Vehicles (DMV)

*DMV is responsible for issuing secure identity documents, delivering essential motor vehicle and driver-related services, and administering motor vehicle laws enacted to promote safety and protect consumers.*

## Language Access Services (2022-S-38)

**Objective:** Determine if DMV was adequately serving the needs of individuals with Limited English Proficiency (LEP), including complying with Executive Order 26.1 and New York State Executive Law Chapter 18, Article 10, Section 202-A (laws).

**Audit Period:** October 2020–April 2023

The laws, enacted to ensure LEP individuals have equal access to government programs and services, required Executive agencies that provide direct public services, such as DMV, to translate vital documents into the 12 most common non-English languages in the State based on U.S. Census data and to provide interpretation services. The audit found that certain of DMV's Language Access Plan (Plan) provisions, including the use of Language Line, its contracted vendor for interpretation services, were not being followed at State and County DMVs, the latter of which account for over 75% of the total customer-facing DMV offices. Further, DMV does not analyze publicly available data to help inform language needs throughout the State. In addition, Language Line was not meeting the expectation of 24-hour/365-day on-demand over-the-phone interpretation services for all languages and dialects outlined in DMV's Request for Quote.

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### Key Recommendations:

- Develop procedures to verify that all State DMVs are complying with the requirements of the Plan.
- Increase collaboration efforts with County DMVs to provide equal access and consistent services to LEP individuals throughout the State.
- Collect and analyze available language statistics, and collaborate with County DMVs to develop a method to track complete and accurate statistics of non-English languages they serve throughout the State.
- Develop procedures to ensure that Request for Quote expectations for interpretation services are being met.

### Assessable Expenses of Administering the Motor Vehicle Financial Security Act and the Motor Vehicle Safety Responsibility Act for the State Fiscal Year Ended March 31, 2023 (2023-M-1)

**Objective:** Ascertain the total expenses incurred in administering the Motor Vehicle Financial Security Act and the Motor Vehicle Safety Responsibility Act (collectively, Acts).

**Audit Period:** April 1, 2022–March 31, 2023

Auditors performed certain procedures, which were agreed to by DMV, to ascertain the expenses incurred in administering the Acts for the State Fiscal Year ended March 31, 2023. Expenses to administer the Acts for the State Fiscal Year totaled \$25.5 million.

**Key Recommendations:** None

### Hudson River-Black River Regulating District (HRBRRD)

*HRBRRD constructs, maintains, and operates reservoirs in the upper Hudson River and Black River watershed, including the Sacandaga, Indian, Black, Moose, and Beaver rivers, for the purpose of regulating the flow of streams or rivers when required by public welfare, including public health and safety.*

### Security Over Critical Systems (2023-S-24)

**Objective:** Determine whether security over the HRBRRD's critical systems was sufficient to minimize the various risks associated with unauthorized access to systems and data.

**Audit Period:** June 2023–October 2023

Overall, HRBRRD demonstrated effort and timeliness in addressing security issues as they arose. Further, HRBRRD generally took appropriate steps to secure processes and systems used to accept credit card payments. However, there were areas where it could improve to better meet Payment Card Industry Data Security Standards (PCI DSS) requirements, including documenting certain policies and procedures.

### Key Recommendation:

- Develop relevant policies and procedures as required for PCI DSS.

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## New York Racing Association

(NYRA)

*NYRA, organized in 1955, is a not-for-profit corporation that holds the exclusive franchise rights to operate New York State's three major thoroughbred racetracks: Aqueduct Racetrack, Belmont Park, and Saratoga Race Course.*

### **Follow-Up Report**

#### **Purchasing and Procurement Practices (2023-F-31)**

**Objective:** Determine the extent of implementation of the eight recommendations from Report 2020-S-67, which assessed whether NYRA procured goods and services competitively and in accordance with policies and procedures.

**Initial Audit Key Findings:** NYRA made a significant number of purchases without competitive bidding, instead using Bid Exception Memos to purchase goods and services totaling \$30.5 million, which allowed NYRA to circumvent the bidding process, with limited documentation as to why it was circumventing the bidding process that would otherwise have been required. Additionally, there were weaknesses in NYRA's purchasing system and processes, a lack of segregation of duties, and a lack of risk assessment and analysis.

**Recommendation Status:** 3 implemented, 2 partially implemented, 3 not implemented

## Office of Renewable Energy Siting

(ORES)

*Created in 2020, ORES is responsible for streamlining and expediting the siting of major renewable energy projects and associated transmission facilities to help achieve the State's clean energy and climate goals under the Climate Leadership and Community Protection Act (Climate Act), while maintaining the State's strong environmental and public participation standards.*

#### **Application Review and Site Permitting for Major Renewable Energy Projects**

(2023-S-52)

**Objective:** Determine whether ORES is fulfilling its obligations under State law to issue siting permits for major renewable energy projects within the required time frames.

**Audit Period:** April 2020–July 2023

ORES was intended, in part, to reduce the time to site major renewable energy projects and bring them online faster in support of the Climate Act's ambitious goals and timeline. However, while the overall time between application and final siting permit has improved since the creation of ORES, the process has taken significantly longer than originally envisioned because certain aspects of the process were not considered. A realistic accounting of the total time it can take to site major renewable energy projects would provide important information needed to plan for the overall success for the Climate Act and its goals for New Yorkers. For the 15 projects reviewed, neither the time to issue a notice of incomplete

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application and for the applicant to respond nor the time prior to an application's transfer to ORES was taken into consideration. For the 14 projects that received final siting permits, it took an average of 1,094 days to deem the application complete and, overall, an average of 1,333 days from the initial application date to the date the final siting permit was issued.

**Key Recommendation:**

- Track the number of days from receipt of the initial application to final permit issuance to provide the actual number of days it can take to issue a final siting permit.

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## Multi-Agency

### Public Service Commission and New York State Energy Research and Development Authority

*The Public Service Commission (PSC) regulates electric, gas, steam, telecommunications/cable, and private water utilities in New York.*

*The New York State Energy Research and Development Authority (NYSERDA) works to promote energy efficiency, renewable energy, and emissions reduction across New York's economy and energy system.*

#### Climate Act Goals – Planning, Procurements, and Progress Tracking (2022-S-4)

**Objectives:** Determine if PSC and NYSERDA adequately planned to achieve the Climate Leadership and Community Protection Act (Climate Act) goals, followed proper procurement practices for projects designed to reach the goals, and appropriately tracked and monitored progress toward meeting those goals.

**Audit Period:** January 2016–October 2023 for PSC; January 2016–November 2021 for NYSERDA

The Climate Act builds on the 2015 New York State Energy Plan and the Clean Energy Standard (CES) designed to fight climate change, reduce air pollution, and ensure a diverse and reliable low-carbon energy supply. The Climate Act requires that a minimum of 70% of statewide electric generation secured by load-serving entities (entities subject to PSC jurisdiction that secure energy to serve the State's end-use customers) be generated by renewable energy systems by 2030, and by 2040, the statewide electrical demand system must be zero emissions. NYSERDA works along with PSC to achieve CES and PSC-implemented Climate Act goals, and PSC Orders provide NYSERDA with the authority to solicit production of renewable energy related to the Climate Act and CES. While PSC and NYSERDA had taken considerable steps to plan for the transition to renewable energy in accordance with the Climate Act and CES, their plans did not comprise all essential components, including assessing risks to meeting goals and projecting costs. Specifically, PSC was using outdated data, and at times, incorrect calculations, for planning purposes. PSC had not started to address all current and emerging issues—more electric vehicles, canceled contracted large-scale renewable projects—that will likely increase electricity demand significantly and lower projected generation. Additionally, some estimates indicated that the cost of implementing and meeting Climate Act goals will be between \$280 and \$340 billion. However, PSC did not provide a formal estimate of these costs, nor did it identify funding sources to cover those costs, leaving New York ratepayers as the primary source of funding for the transition to renewable energy. Further, PSC did not establish a formal backup plan if Climate Act goals are found to be unachievable. PSC management's proposal to suspend the requirements of the Climate Act in this situation and instead rely on fossil fuels undermines the rationale of the quick transition to renewable energy to protect New Yorkers and the environment from the harmful effects of climate change.

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**Key Recommendations:**

- Begin the required comprehensive review of the Climate Act, including assessment of progress toward the goals, distribution of systems by load and size, and annual funding commitments and expenditures.
- Continuously analyze the existing and emerging risks and known issues to ensure they are evaluated and addressed to minimize impact on the State's ability to meet Climate Act goals.
- Conduct a detailed analysis of cost estimates to transition to renewable energy sources and meet Climate Act goals. Periodically update and report the results of the analysis to the public.
- Assess the extent to which ratepayers can reasonably assume the responsibility for covering Climate Act implementation costs. Identify potential alternative funding sources.

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## Special Reports

### Vulnerable Populations

#### Protecting Our Elderly Population: Select Elder Care Program Audits (2021–2023)

New York State has the fourth-largest population of older adults in the United States, with over 3.3 million New Yorkers age 65 and older (about 17% of the population). There are approximately 90,000 New Yorkers residing in long-term care facilities and hundreds of thousands receiving home care. To help ensure the rights, quality of life, and care of older New Yorkers, certain State and New York City agencies and public authorities (hereafter, collectively referred to as Entities) are responsible for overseeing the provision of protections, programs, and services (PPS) in accordance with applicable laws and regulations.

#### Examples of such PPS include:

- The right to be free from mental and physical abuse and physical and chemical restraints in certain medical facilities.
- Protection of adults with mental or physical impairments who are unable to manage their own resources, carry out the activities of daily living, or protect themselves from abuse, neglect, financial exploitation, or other harm.
- The requirement that any instances of physical abuse, mistreatment, neglect, or misappropriation of resident property by either a Certified Nurse Aide or other unlicensed individual be reported to the nursing home Nurse Aide Registry.
- Assistance for older adult homeowners related to the cost of addressing emergencies and code violations that pose a threat to their health and safety or affect the livability of their homes.

Since 2014, audit efforts by SGA have included a focus on programs that provide PPS for New York's older adult population. During this period, SGA conducted 60 audits of the performance of government organizations, programs, activities, or functions that related to elder care, and issued 312 recommendations—or calls to action—to correct the causes and improve existing conditions or operations. SGA also completed 37 follow-ups, designed specifically to assess the extent to which the Entities implemented 176 recommendations made in the initial audits. Of these 176 recommendations, 146 (83%) have been implemented. This report details 13 select audits where the objectives, findings, and recommendations related, in whole or in part, to the manner in which Entities oversee the provision of services to New York's older adult population. These audits cumulatively identified 76 recommendations for improvement. Also included are seven follow-ups that revisited the Entity to assess the extent of implementation of the recommendations included in the initial audit report. These 13 audits and the seven follow-ups demonstrate where OSC's audit work highlighted the importance of protecting the State's older population and ensuring that the services and programs they need are being delivered appropriately and in a timely manner.

# Appendix – Status of Recommendations

The following list presents, for each auditee, the initial audit’s recommendations and implementation status at the time of follow-up, and a link to the reports detailing auditees’ progress in implementing the recommendations.

Recommendations	Status
<b>Health and Human Services</b>	
<b>Department of Health</b>	
<a href="#">Medicaid Program: Improper Payments for Services Related to Ordering, Prescribing, Referring, or Attending Providers No Longer Participating in the Medicaid Program</a>	
Review the \$965 million in payments to providers for Medicaid services that did not meet federal and State OPRA regulations—particularly payments for services with an OPRA provider excluded from participating in the Medicaid program—and determine an appropriate course of action, including determining if any recoveries should be made.	Not Implemented
Review the \$10.3 million payments to providers for Medicaid services where the attending provider on institutional claims was not affiliated with the billing facility, as required, and determine an appropriate course of action, including determining if any recoveries should be made.	Not Implemented
Improve controls to more timely identify OPRA providers with an inactive status to prevent the types of improper Medicaid payments we identified after the enhancements to eMedNY edits were made in February 2018.	Not Implemented
Update and issue guidance clarifying OPRA billing requirements to providers, such as nursing home and home health, who have not yet received these communications.	Not Implemented
Ensure providers who should be excluded from the Medicaid program are added to the provider sanction table in a timely manner.	Not Implemented
Formally remind facilities not to delete affiliations with providers in eMedNY who are no longer affiliated with the facility in order to maintain a record of the affiliation.	Implemented
<a href="#">Medicaid Program: Improper Managed Care Payments for Misclassified Patient Discharges</a>	
Review the \$323,531 in overpayments associated with the 47 inpatient claims improperly coded as discharges and recover as appropriate.	Not Implemented
Review the remaining 2,642 high-risk claims totaling \$29.8 million and recover overpayments as appropriate. Ensure prompt attention is given to those providers that received the highest amounts of payments and claims when the second admission was on the same day.	Not Implemented
Review the 13 inpatient claims totaling \$101,447 where outpatient services were provided. Recover any overpayments as well as the remaining \$55,234 in GME payments associated with the outpatient claims.	Not Implemented
Ensure MCOs develop processes to identify and recover Medicaid managed care overpayments for inpatient claims that have a high risk of miscoded patient status codes like those identified by this audit.	Not Implemented
Enhance the MDW’s ability to obtain more complete data for encounter inpatient claims, including admission hour and discharge hour, to allow for a more thorough review of the claims submitted by the MCOs and correct the derived LOS field.	Not Implemented
<a href="#">Medicaid Program: Recovering Managed Care Overpayments for Pharmacy Services on Behalf of Recipients With Third-Party Health Insurance</a>	
Review the \$292 million in Medicaid payments for pharmacy services on behalf of recipients with third-party health insurance drug coverage we identified and ensure overpayments are appropriately recovered, prioritizing encounter claims that are approaching the three-year window for recovery.	Partially Implemented
Assess the recoverability of pharmacy encounter claims that were billed to third-party health insurance carriers but did not result in a recovery (due to carrier denial or non-response) and ensure all necessary follow-up actions are taken to obtain appropriate recoveries.	Not Implemented
Assess the third-party liability recovery process for managed care pharmacy services to identify all factors that led to exclusions from third-party health insurance carrier billings, and ensure corrective actions are taken where appropriate.	Partially Implemented

Implement ongoing monitoring of the entire third-party health insurance recovery process for managed care pharmacy services to ensure all appropriate recoveries are made within the required time frames, including monitoring of pharmacy encounter claims that are not billed to third-party health insurance carriers and pharmacy encounter claims that are billed to third-party health insurance carriers but do not result in a recovery.	Partially Implemented
Ensure MCOs are made aware of all eMedNY third-party health insurance policies with drug coverage, and take corrective actions where appropriate.	Not Implemented
Engage other stakeholders to assess the feasibility and benefits of increasing the recovery window for initiating Medicaid third-party liability recoveries beyond the current statutory maximum of three years.	Not Implemented
<b>Medicaid Program: Oversight of Managed Long-Term Care Member Eligibility</b>	
Review the \$701 million in improper premium payments identified in this report and recover, as appropriate.	Partially Implemented
Develop a process to ensure timely MLTC disenrollment of members who are no longer eligible due to the reasons listed below; such a process should include the Department's identification of these members and monitoring whether they are removed timely from MLTC: <ul style="list-style-type: none"> <li>• Not in receipt of any CBLTC services</li> <li>• Deceased</li> <li>• In an inpatient setting for more than 45 days</li> <li>• Not Medicaid eligible or an eligibility status incompatible with MLTC</li> <li>• Residing in an ALP facility</li> <li>• Not eligible based on assessments</li> </ul>	Partially Implemented
Reassess the process of allowing 90 days to elapse before involuntarily disenrolling members. Evaluate the feasibility of processing such disenrollments retroactively to allow for premium recoveries.	Implemented
Monitor MLTC enrollees to ensure they are properly assessed and are receiving the appropriate level of care. Take appropriate action for members who are determined to be ineligible for MLTC or who are not receiving needed CBLTC services.	Not Implemented
<b>Medicaid Program: Excessive Premium Payments for Dual-Eligible Recipients Enrolled in Mainstream Managed Care and Health and Recovery Plans</b>	
Disenroll dual-eligible recipients from their MMC or HARP plan who are ineligible for IB-Dual and provide them with FFS coverage, as appropriate.	Partially Implemented
Review the \$190.6 million in excessive premium payments and make recoveries, as appropriate.	Implemented
Review the \$3.5 million in excessive premium payments and make recoveries, as appropriate.	Implemented
Ensure that all dual-eligible recipients who meet IB-Dual enrollment requirements and who do not opt out are enrolled timely. For those recipients who opt out, disenroll them from their MMC or HARP plan and provide them with FFS coverage, as appropriate.	Partially Implemented
<b>Medicaid Program: Improper Overlapping Medicaid and Essential Plan Enrollments</b>	
Review and correct the identified Medicaid and Essential Plan enrollment overlaps and recover overpayments, as warranted, prioritizing payments made to the same insurer for the same recipient in the same month.	Not Implemented
Review controls and take corrective actions to address issues that caused improper Medicaid and Essential Plan enrollment overlaps, including but not limited to: <ul style="list-style-type: none"> <li>• eMedNY and NYSOH Force Closure processing weaknesses;</li> <li>• NYSOH assignment of multiple account numbers and/or Health Benefit IDs to the same individual; and</li> <li>• NYSOH and eMedNY 834 transaction processing that yield unintended results.</li> </ul>	Partially Implemented
Develop and implement periodic reconciliations between the Medicaid and Essential Plan programs to detect duplicative enrollments and take corrective actions, including recovery of improper payments.	Partially Implemented

Medicaid Program: Improper Payments for Brand Name Drugs	
Review the FFS claims identified for brand name drugs that had generics available and recover the \$739,446 in overpayments, as appropriate; and, as necessary, take corrective actions to prevent incorrect payments from recurring.	Not Implemented
Review the DOH policy that caused “same label name” drugs to be paid using brand name drug pricing methods and ensure corrective actions are taken where appropriate.	Partially Implemented
Review the 21 Epclusa encounter claims identified and ensure overpayments are recovered, as appropriate.	Not Implemented
Use, Collection, and Reporting of Infection Control Data	
Develop and implement policies, procedures, or processes to: <ul style="list-style-type: none"> <li>Expand use of infection control data, including but not limited to NORA, HERDS, and nursing home survey data, to identify patterns, trends, areas of concerns, or non-compliance, and use this information as the basis for policy recommendations for infection control practices and for executing nursing home surveys, as necessary;</li> <li>Improve quality of publicly reported data;</li> <li>Strengthen communication and coordination with localities on collection, reporting, and use of infection control-related data; and</li> <li>Collect supplemental data through additional sources, such as the ICAR tool, and incorporate its use with current data sets.</li> </ul>	Partially Implemented
Provide guidance to facilities on how to submit information into NORA and maintain support for data submitted on HERDS surveys to improve data quality, consistency, and accountability.	Not Implemented
Develop and implement processes to improve controls over additions and deletions from CMS' database and determine if publicly reported nursing home survey data is reliable.	Not Implemented
Evaluate and request resources as necessary to establish a foundation to adequately address public health emergencies in furtherance of the Department's mission.	Implemented
Assess and document the adequacy of the internal control environment at the Department and the Executive Chamber, and take necessary steps to ensure the control environment is adequate, including cooperation with authorized State oversight inquiries, communication with localities, and external reporting.	Partially Implemented
Patient Safety Center Activities and Handling of Revenues	
Develop procedures to ensure Revenue is informed of all Order codes that are applicable to the PSC account, both currently and as new codes develop.	Implemented
Take steps to enhance accountability over PSC account activities. At a minimum, this should include: <ul style="list-style-type: none"> <li>Finalizing and processing outstanding reclassifications to the PSC account for the eight newly identified Order codes.</li> <li>Implementing a process to improve the tracking of expected revenues and improve the process to disburse revenues to the appropriate account.</li> <li>Developing procedures to track payments and enforce Orders when respondents fail to pay according to an Order's terms.</li> <li>Improving communication between Legal and Revenue regarding Order payment plan terms and improving enforcement efforts when payment plan terms have been violated.</li> </ul>	Implemented
Develop formalized policies and procedures documenting the basis for approving Order terms including fine amounts, payment plans, and referrals to licensing authorities.	Implemented
Institute a process whereby the Nurse Aide Registry is formally notified about Orders that contain qualified findings of sufficient and credible evidence of patient rights violations, and enhance the tracking and accountability efforts for those individuals who have a history of repeat patient rights incidents.	Implemented

### Oversight of Registration, Licensing, and Inspection of Radioactive Materials Facilities and Radiation Equipment Facilities

Ensure that all required inspections are completed on time.	Not Implemented
Assess buffer use and the feasibility of reducing reliance on the buffer, especially for facilities that have had past inspections showing non-compliance with established standards.	Not Implemented
Continue to work toward reducing the backlog of pending licensing actions and ensure that future licensing actions are completed within their established benchmark.	Partially Implemented
Formalize the written policies and procedures necessary to support the Department's operations and that address changes to regulations, and ensure policy changes, such as changes to inspection schedules, are documented.	Implemented

### Oversight of the Early Intervention Program

Take steps to identify and understand the reasons why some children are not benefiting from the services they are entitled to and why services are not always provided on time. Based on the results, develop and implement strategies to improve participation and timely provision of Program services.	Partially Implemented
Develop and include more specific goals, tasks, and/or objectives on future municipal workplans related to Child Find's public awareness and outreach.	Partially Implemented
Take steps to better understand disparities in access to Program services, including those identified in the Department's August 2021 report on race and ethnicity as well as those commonly known by municipal officials, and develop an action plan to improve equitable access to Program services.	Implemented
Routinely verify the accuracy of the provider directory to ensure families have access to provider information that is accurate and useful.	Partially Implemented
Work with the EI-HUB contractor to expedite the release of the new system as soon as practicable. Ensure that municipalities are properly prepared to use EI-HUB and that all essential functionality is operational before NYEIS is decommissioned. Continue to coordinate with counties after implementation to ensure EI-HUB functionality meets their needs.	Partially Implemented

### Management of Indoor Air Quality for Individuals With Asthma

Improve oversight of program performance, such as developing policies and procedures, and assess whether LHD services are provided in the target areas identified.	Partially Implemented
Collect missing LHD annual reports, cost-benefit analyses, and quarterly reports, where feasible, and ensure all reports are collected going forward.	Partially Implemented
Ensure that LHDs are performing the minimum number of revisits per their HNP contracts.	Not Implemented
Ensure all LHDs are conducting the one-year asthma follow-up visits per their HNP contract and are accurately reporting the visits using the E-Form system.	Partially Implemented
Update the Asthma Dashboard annually, according to Department policy, and use this data to assess the impact of the HNP on the asthma burden in the State.	Partially Implemented
Develop an evaluation to determine the overall effectiveness of the HNP and performance of LHDs.	Not Implemented

### Office of Addiction Services and Supports

#### Oversight of Chemical Dependence Residential Services

Perform recertification reviews for all programs that are overdue.	Implemented
Implement an effective monitoring system to ensure that all recertification reviews are performed timely.	No Longer Applicable
Implement procedures to ensure that OASAS staff conduct appropriate follow-up of programs with deficiencies identified during recertification reviews.	Implemented

<b>Office of Children and Family Services</b>	
<b>Oversight of Child Protective Services</b>	
Establish procedures to more accurately reflect the nature of the calls determined to be non-reports and the reason why the call did not result in a report; this may include, but not be limited to, adjusting the retention period for the call recording and updating closure codes.	Implemented
Evaluate and address deficiencies found in PQIs and child fatality reviews on a statewide basis across all LDSSs.	Partially Implemented
Work with LDSS staff to improve investigation file documentation, including ensuring case notes are sufficiently detailed and entered timely.	Partially Implemented
<b>Office of Mental Health</b>	
<b>Maximizing Incentives for Individuals With Disabilities</b>	
Take steps to increase utilization of NYESS such as: <ul style="list-style-type: none"> <li>• Better informing State agencies about NYESS' capabilities and benefits, so agency officials may educate their employment service providers about NYESS; and</li> <li>• Collaborating with State agencies and employment service providers to assess their needs.</li> </ul>	Implemented
Ensure TTW provider affiliates have the knowledge and resources available to use NYESS to monitor the TTW program, including periodic refresher trainings on generating reports.	Implemented
Develop written policies and procedures related to NYESS and the monitoring and administration of the TTW program.	Implemented
Monitor and verify data entered in NYESS to ensure its completeness, accuracy, and validity.	Implemented
<b>Reporting of Community-Based Services Under the Transformation Reinvestment Plan</b>	
Issue updated guidance to providers and State facilities on how to identify and count a NIS.	Implemented
Provide guidance or notes on the monthly reports indicating which services and counties report quarterly versus monthly and the associated impact to provide better context to readers of the reports.	Partially Implemented
Include information on the monthly reports to clearly show progress toward achieving targets in the 11 reinvestment areas for the Plan.	Not Implemented
<b>Office of Temporary and Disability Assistance</b>	
<b>Reimbursement of Homeless Shelter Providers – Westhab Inc.'s Coachman Family Center</b>	
Review and recover, as appropriate, the identified overpayments totaling \$1,304,695, including: \$751,273 in personal service costs, \$509,920 in overstated depreciation from WCDSS, \$40,162 in indirect costs, and \$3,340 in OTPS costs from Westhab.	Partially Implemented
Conduct a formal risk assessment regarding homeless funding and take steps to mitigate the risks identified.	Not Implemented
Establish additional monitoring controls and improve oversight to ensure that Westhab claims only actual expenses and that those expenses are allowable, allocable, reasonable, supported, and consistent with the Uniform Guidance, Fiscal Manual, and contract.	Implemented
Implement measures for cost savings such as monitoring and capturing actual costs reimbursed to shelter providers and include this in the budget approval process to ensure appropriate reimbursement of the program and future funding.	Not Implemented
Implement a budget process that is timely so that intended spending controls are meaningful and effective.	Not Implemented
Issue guidance and provide support, such as training, to Local Districts on reimbursable shelter costs to ensure costs are allowable and compliant with relevant regulations and guidelines.	Implemented
<b>Reimbursement of Homeless Shelter Providers – Rescue Mission Alliance of Syracuse</b>	
Review and recover, as appropriate, the \$22,277 in personal service costs and \$3,846 in OTPS costs improperly reimbursed to Rescue Mission.	Partially Implemented

Establish a system of monitoring controls to improve oversight of Local Districts' reimbursement to providers to ensure that expenses are allowable, allocable, reasonable, and consistent with approved budgeted costs and the contract.	Implemented
Ensure that the OCDSS is appropriately approving reimbursed expenses submitted by providers.	Not Implemented
Issue guidance and provide support to Local Districts on reimbursable shelter costs to ensure costs are allowable, allocated appropriately, and compliant with relevant regulations and guidelines.	Implemented

### Education

<b>City University of New York</b>	
<b>Course Offerings</b>	
Ensure that CUNY students have opportunities to register for elective courses and courses required for their programs of study.	Partially Implemented
Require that department officials responsible for scheduling courses formally survey students in their respective departments about required and elective courses.	Not Implemented
Make CUNY officials responsible for scheduling cognizant of the CUNY Student Experience Surveys and require action plans to address student concerns.	Not Implemented
Explore offering more online, hybrid, weekend, and off-hour courses as well as the use of overtaillies to address student needs, where feasible.	Implemented
Improve communication between students and department advisors and ensure advisors' hours are varied enough to meet student needs.	Implemented
Improve advisor training to keep them up to date on degree requirements.	Partially Implemented
Track students' progress toward graduation and their financial aid eligibility. Provide appropriate and timely academic advisement to those students while alerting them of the danger of exhausting their financial aid eligibility.	Partially Implemented
<b>State Education Department</b>	
<b>Privacy and Security of Student Data</b>	
Develop and implement controls to monitor school districts' compliance with Part 121.	Implemented
Continue to work on completing a full data and asset classification of all current Department systems and data.	Implemented
Implement the recommendations detailed in the preliminary report to strengthen technical controls over the selected systems reviewed.	Partially Implemented

### Transportation

<b>Metropolitan Transportation Authority</b>	
<b>Long Island Rail Road: Rolling Stock Programs Department – Selected Aspects of the M9 Rail Car Project Management</b>	
Account for the MTA Capital Program funds as originally budgeted.	Not Implemented
Require the contractor fix the issues detected in testing at the Pueblo or contractor's facility before cars are delivered to the LIRR.	Not Implemented
Notify the contractor that LIRR will not pay for increased costs related to directives for work not completed to contract specifications as well as increased consultant costs and LIRR's administrative and oversight costs.	Not Implemented
Cap remuneration for rail car procurement contracts with contractual disagreements by only allowing a limited time to correct deficiencies in conditionally accepted cars.	Not Implemented
Create a formal procedure to periodically assess and collect the liquidated damages.	Partially Implemented

Prioritize the correction of all outstanding items on CA cars so that they can be finally accepted.	Not Implemented
Work with the contractor to establish a schedule for developing proposed resolution of the open items, obtaining any necessary approvals, and making the repairs that allows the issues to be resolved by an agreed-upon future date.	Not Implemented
Ensure that the contractor tests the PTC equipment after installation.	Implemented
Ensure the contractor conducts all required software system FMECAs, including the ATC software FMECA, and make the document available to Rolling Stock officials.	Partially Implemented
Prepare a hazard database to identify all software and hardware systems.	Partially Implemented
Notify the contractor using the Performance Improvement Letters, as required by the Guidelines.	Implemented
Ensure that the ACE evaluator role is assigned to a Project Manager or above.	Implemented

### Government Support

<b>Department of Civil Service</b>	
<a href="#">New York State Health Insurance Program – Payments by Beacon Health Options for Mental Health and Substance Abuse Services for Ineligible Members</a>	
Review the \$3.21 million in ineligible payments and ensure appropriate recoveries are made.	Partially Implemented
Take steps to ensure all recoverable claims are identified and pursued for recovery to the fullest extent practicable.	Implemented
Take steps to ensure eligibility information is complete, accurate, and up to date, including but not limited to continuing to perform periodic reconciliations and improving the reconciliation process.	Implemented
Continue to take steps to ensure HBAs are properly informed of their responsibilities (including the importance of the timeliness and accuracy of coverage updates) and continue to monitor whether HBAs are up to date on relevant training.	Implemented
<b>Office of General Services</b>	
<a href="#">Monitoring of Construction Management</a>	
Continue efforts to revise the RFP templates and requirements to ensure all information required to validate proposal submissions is obtained.	Implemented
Verify the accuracy of the information in the proposals submitted to the Office.	Implemented
Develop and implement a process to ensure that MWBE subconsultant payments claimed to meet MWBE participation goals are for MWBE work that has served a commercially useful function.	Implemented
Ensure the amounts claimed on MWBE compliance reports reflect the actual payments made to MWBE subconsultants.	Partially Implemented

### Criminal Justice and Judicial Administration

<b>Department of Corrections and Community Supervision</b>	
<a href="#">Oversight of Transportation Services and Expenses</a>	
Implement Department-wide procedures to monitor the Contractor's performance regarding repair and maintenance costs.	Partially Implemented
Ensure that maintenance documentation is kept in accordance with the Department's standards.	Partially Implemented
Develop and implement a process to ensure maintenance costs are reasonable and in compliance with Department and State procurement requirements.	Implemented
Ensure that the Department employees use the most cost-effective method for fuel purchases, when practical.	Partially Implemented

Take steps to improve the accessibility, usability, accuracy, and completeness of Fuelmaster data by the Department.	Not Implemented
Ensure LENS notifications are communicated to all correctional facilities and all appropriate personnel within the Department.	Implemented
Monitor correctional facilities' vehicle logs and inmate transportation logs to ensure records are complete and accurate and in accordance with Department procedures.	Partially Implemented

### Economic Development and Housing

Empire State Development	
Project Tracking Systems and Economic Assistance Program Evaluations	
Conduct and document periodic program evaluations of economic assistance programs to assess performance and ensure programs are meeting desired outcomes.	Partially Implemented
Identify additional economic assistance programs that would benefit from migration to Dynamics.	Partially Implemented
New NY Broadband Program	
Work with ISPs to complete outstanding projects as soon as practical.	Partially Implemented
Include a disclaimer when reporting the percentage of broadband availability in the State that it is based on FCC data that has known limitations.	No Longer Applicable
Ensure that future State-funded projects are based on accurate broadband availability data and utilize technologies that provide high-speed and reliable Internet that meets users' needs.	Implemented
Homes and Community Renewal	
Housing Trust Fund Corporation: Internal Controls Over and Maximization of Federal Funding for Community Development Block Grant & HOME Investment Partnerships Programs	
Work with LPAs to ensure the timely obligation and spending of CDBG-CV and HOME-ARP funded projects. This may include but not be limited to: <ul style="list-style-type: none"> <li>Improving communication with LPAs regarding, and/or adjusting flexibility of, performance completion requirements.</li> <li>Identifying and reducing delays in releasing funds to LPAs for work completed.</li> </ul>	Implemented
Improve internal controls over the administration of the CDBG, including: <ul style="list-style-type: none"> <li>Developing methods to better monitor Subrecipients and Contractors used by LPAs to administer CDBG grants.</li> <li>Helping LPAs to reduce the use of local funds to cover project costs before reimbursement from the State, where practicable.</li> <li>Correcting weaknesses in controls over confidential information.</li> </ul>	Implemented

### Other State Agencies and Public Authorities

Department of Agriculture and Markets	
Protection of Managed Pollinators (Honey Bees)	
Improve the Department's registration and apiary inspection efforts, which may include but not be limited to: <ul style="list-style-type: none"> <li>Increasing efforts to identify and register active apiaries;</li> <li>Incorporating identification of additional diseases, insects, and parasites that may be contributing to colony losses in the State;</li> <li>Officially establishing and publishing tolerance levels for diseases or parasitic organisms and following up on treatment recommendations;</li> <li>Considering the use of alternative testing methods that will help preserve honey bee populations; and</li> <li>Expanding risk assessment criteria for targeting inspection activities.</li> </ul>	Implemented
Develop additional procedures to ensure honey bee shipments into the State are certified disease- and parasite-free, and if warranted, consider reinspection upon entering the State.	Implemented

<b>Department of Environmental Conservation</b>	
<b>Oversight of New York State Forest Tax Programs</b>	
Improve communication and partnerships with local assessors to ensure that properties are appropriately enrolled, eligible, and benefiting from the 480a and 480 Programs; and that management plans are followed, adequate records are maintained, enforcements are applied when violations occur, penalties are satisfied, and other administrative changes the Department deems necessary to improve the 480a and 480 Programs are made.	Partially Implemented
Develop and maintain a centralized statewide database to improve oversight and administration of statewide forest tax programs, including compliance with management plans, work schedules, and annual commitments.	Partially Implemented
<b>Oversight and Enforcement of the Rechargeable Battery Law</b>	
Develop and implement processes and procedures to monitor and enforce, as well as promote, compliance with the Law. This may include but not to be limited to leveraging data and information received from C2R.	Implemented
Prepare and submit the biennial reports to the Executive and the Legislature, as required by the Law.	Partially Implemented
<b>Department of Labor</b>	
<b>Selected Wage Investigation Procedures</b>	
Pursue appropriate actions to ensure investigators make initial contact with employers within 60 days of case docketing and fully document their actions in WPM. If appropriate, establish additional benchmarks that align with the expected complexity and duration of the initial investigatory phase.	Implemented
Make efforts to identify the reasons for, and reduce, gaps in the investigation process.	Implemented
Identify and implement methods to better document and verify payments to claimants, especially in Direct Pay cases.	Implemented
Take steps to identify differences among District Office personnel's understanding of required wage investigation actions and related documentation—including final reports—and communicate clarifying information as needed.	Implemented
<b>Overlap, Duplication, Gaps, and/or Fragmentation of Workforce Development Programs and Services</b>	
Promptly request replacement for SWIB members no longer willing and/or able to serve to assist in reconstituting a functioning SWIB in line with WIOA requirements.	Partially Implemented
Take appropriate action to obtain approval of the 2020 Plan and successive Plans.	Implemented
As soon as is feasible, update the Catalogue of Funding to reflect current information about programs, eligibility, and funding; thereafter, update it on an annual basis.	Implemented
Pursue strategies to develop an integrated WFD data system.	Implemented
Take steps to address actual and potential overlap, duplication, gaps, and/or fragmentation among WFD programs and services.	Implemented
<b>Controls and Management of the Unemployment Insurance System</b>	
Continue the development of the replacement UI system and ensure its timely implementation.	Partially Implemented
Take steps, including collecting and analyzing data related to the identity verification process, to ensure the correct balance between fraudulent identity detection and a streamlined process for those in need of UI benefits.	Implemented
Follow up on the questionable claims identified by our audit to ensure adjustments have been made so they are paid from the proper funding source and overpayments are recovered, as warranted.	Not implemented
Develop and implement a process to include specific language access information in the UI system to provide the Department with appropriate, current, complete, accurate, accessible, and timely information on LEP individuals.	Partially Implemented

<p>Ensure the current and new UI system and data comply with provisions of the Security Policy, the Classification, Authentication, Encryption, and Logging Standards, as well as the Change Management Process and Policy by:</p> <ul style="list-style-type: none"> <li>• Performing a data classification for the systems and data related to the UI process.</li> <li>• Ensuring encryption has been employed where necessary on the UI system.</li> <li>• Reviewing and modifying as necessary the procedures for granting system access.</li> <li>• Separating duties for administrators of UI applications or implementing appropriate compensating controls.</li> <li>• Establishing a formal log monitoring and review process to support operations, maintain awareness of security events, and verify compliance.</li> <li>• Ensuring changes to the UI system are fully documented.</li> </ul>	Partially Implemented
<p>Improve the timeliness of cooperation with authorized State oversight inquiries to ensure transparent and accountable agency operations.</p>	Implemented
<p><b>New York Racing Association</b></p>	
<p>Purchasing and Procurement Practices</p>	
<p>Strengthen the integrity of the purchasing and procurement process by updating the Manual and obtaining FOB approval, and adhere to the approved policy when procuring goods and services.</p>	Not Implemented
<p>Ensure the updated Manual includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• A requirement for the submission of detailed justification and supporting documentation for the use of all BEMs.</li> <li>• A consistent methodology on how to determine which vendors should be selected as approved vendors, and a process for monitoring purchases under \$1,000 to ensure they are made from approved vendors.</li> <li>• The establishment of proper segregation of duties, methods to encourage competition, and requirements to ensure optimal pricing.</li> <li>• Criteria, such as dollar thresholds, to determine when a comprehensive agreement is necessary.</li> </ul>	Not Implemented
<p>Monitor purchases and analyze historical purchasing data to identify categories of items that, in the aggregate, are budgeted for greater than \$50,000 and obtain competitive bids.</p>	Partially Implemented
<p>Ensure departments are purchasing from the approved vendor list for purchases under \$1,000.</p>	Implemented
<p>Conduct periodic risk assessments of procurement operations to identify vulnerabilities and take action to address, as necessary.</p>	Not Implemented
<p>Conduct periodic audits of NYRA's purchase and procurement process.</p>	Implemented
<p>Develop formal credit card and petty cash policies and disseminate to appropriate departments.</p>	Implemented
<p>Establish proper internal controls to safeguard assets.</p>	Partially Implemented

## Contact

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