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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

February 12, 2026

Marie Therese Dominguez, Esq.
Commissioner
Department of Transportation
50 Wolf Road
Albany, NY 12232

Re: Examination of Contract D038197

Dear Commissioner Dominguez:

Our Office examined payments the Department of Transportation (Department) made to WSP USA Inc. (WSP) for biennial bridge inspections in Region 8 under contract D038197.

The following report summarizes the results of our examination. Prior to issuing this final report, we shared a draft report with Department officials. The Department responded to the draft report, and we considered their response in this final report.

We would appreciate your response to this final report by March 12, 2026 indicating any actions planned to address the recommendations in this report.

Sincerely,

A handwritten signature in cursive script that reads "Holly Reilly".

Holly Reilly
Director of State Expenditures

Encl: Executive Summary
Audit Findings
Attachment A
Attachment B

cc: Christopher Herald

Executive Summary

I. Background:

The Department of Transportation (Department) entered into contract D038197 with WSP USA Inc. (WSP) for \$41 million to perform bridge inspections within Region 8 of New York State for the period January 11, 2022 through May 31, 2026. We examined a sample of expenses totaling \$7.6 million from the 11 vouchers totaling \$10.8 million the Department certified as appropriate and paid to WSP from October 1, 2022 through September 30, 2023.

II. Findings:

Based on the audit, the following problems were identified:

Unsupported Labor Hours: The Department approved for payment 1,890 labor hours totaling \$107,040 where the documentation did not support the amounts billed. For example, the Department approved invoice hours where: (i) the associated timecards did not include sign-offs by the employee and/or supervisor certifying the hours worked, (ii) the hours invoiced were not supported by timecards, and (iii) the hourly rates claimed exceeded the rates allowed by the contract at the time of invoice approval. This occurred because the Department's invoice review process did not identify these inappropriate payments.

Insurance Expenses: According to the contract, WSP is required to maintain Railroad Protective Liability Insurance at its own expense. Therefore, this insurance is not eligible for reimbursement. However, the Department paid three claims during our examination period for Railroad Protective Liability Insurance totaling \$16,659. This occurred because the Department representatives involved with approving these expenses did not have sufficient knowledge of the applicable contract terms, and as a result, the Department did not have the necessary controls in place to prevent the payment of these inappropriate insurance expenses. In addition, the explicit contract language pertaining to Railroad Protective Liability Insurance did not align with the Department's intent as communicated by the Department during the audit.

III. Recommendations:

We recommend the Department: review and update controls over the payment process to prevent the approval of inappropriate and unsupported expenses; review its contract terms to ensure they align with the Department's intent; establish additional controls as needed; provide appropriate training to staff; and recover improper payments identified by our audit. While this examination focused on expenditures pursuant to the Department's contract with WSP, it is important to note that the payments in the audit scope represent a small percentage of payments made by the

Department during the scope period. In 2023, the Department certified to the Comptroller's Office that \$9.8 billion in payments were just, true and correct. Given the significant dollar value the Department is responsible for, it should consider the recommendations outlined within this report for all payments it makes.

We provided the Department with preliminary audit findings for each of the findings above, and the Department provided its response. We also shared a draft report with Department officials, and the Department provided its response (Attachment A). We considered the Department's response to the preliminary audit findings and the draft report in preparing this final report. The Office of the State Comptroller's comments on the Department's response are included in Attachment B. In its response, the Department generally agreed with the Unsupported Labor Hours finding and stated that it continuously explores opportunities to improve its controls, and enhances existing controls or implements new controls as needed. The Department disagreed with the Insurance Expense finding, as it believes that all insurance costs should be reimbursable under the contract.

Audit Findings

I. Background:

The Bureau of State Expenditures (Bureau) carries out the Comptroller's responsibility to audit New York State payments pursuant to Article V, Section 1 of the State Constitution, as well as Article II, Section 8(1) and (7), and Article VII, Section 111 of the State Finance Law.

Meeting this constitutional and statutory responsibility requires the Bureau to audit on average more than 116,000 payments every business day, which the Bureau accomplishes using a risk-based approach. To illustrate the volume of payments, in 2023, the Bureau approved nearly 29 million payments and refunds worth more than \$186 billion and rejected more than 39,300 payments and refunds valued at nearly \$224.6 million primarily due to errors, improprieties or lack of documentation. In 2023, the Bureau approved 108,925 payments totaling \$9.8 billion submitted to us by the Department of Transportation (Department) and rejected 430 of the Department's payments totaling more than \$50.8 million.

As part of the daily auditing process, Bureau auditors examine supporting documentation; agency internal controls, including the agency review processes for certifying vouchers are just, true and correct; compliance with the Guide to Financial Operations (GFO); as well as other factors that are designed to prevent improper payments, fraud, waste and abuse. This daily audit process provides a lens into potential problems that warrant additional scrutiny. To this end, in addition to the daily review and audit of more than 116,000 payments, this process can and does result in the Bureau identifying factors that require them to undertake a more comprehensive audit. This is the case regarding the payments made by the Department to WSP USA Inc. (WSP).

II. Statement of the Comptroller's Authority to Conduct Audits:

The Bureau is responsible for carrying out the Comptroller's constitutional and statutory authority to audit New York State payments. As indicated above, this authority is set forth in Article V, Section 1 of the State Constitution, as well as Article II, Section 8(1) and (7), and Article VII, Section 111 of the State Finance Law. The Bureau carries out this responsibility by examining vouchers either on a pre- or post-payment basis that are submitted to OSC by NYS agencies in the Statewide Financial System (SFS). The Bureau plans and performs its audits by obtaining sufficient, appropriate evidence to determine whether payments are free from fraud, waste and abuse and comply with applicable laws, regulations and contracts. The pre-payment audit typically focuses on the review of a single voucher payment prior to being paid. The post-payment audit typically consists of examining a series of paid vouchers pursuant to a particular contract,

contractor, or grant program. Under this approach the payments have already been made; therefore, we generally provide recommendations to the agency to recover and prevent future, inappropriate payments.

III. Description of the Audit:

New York State (State) has approximately 17,607 highway bridges, of which 43% (7,571) are owned by the Department. The Department is responsible for ensuring all bridges that carry highway traffic in the 11 regions of the State are inspected in accordance with State and federal mandates. To carry out this mission, as of the date of this report, the Department has more than \$254.2 million in active contracts for biennial bridge inspections. In 2022, the Department spent more than \$70 million on biennial bridge inspections, with WSP receiving the highest dollar value of payments totaling \$14 million. The Bureau engaged in a more comprehensive audit of the Department's contract D038197 with WSP to perform bridge inspections within Region 8, which includes 13 cities, 75 villages and 107 towns in Westchester, Ulster, Rockland, Putnam, Orange, Dutchess, and Columbia counties. The contract and its current amendments total \$41 million for the period January 11, 2022 to May 31, 2026.

IV. Audit Scope:

The objective of the examination was to determine whether payments made to WSP were in accordance with the terms and conditions of the contract. We examined a sample of high-risk expenses totaling \$7.6 million claimed for reimbursement on the 11 vouchers totaling \$10.8 million the Department paid during the examination period October 1, 2022 through September 30, 2023. To accomplish our examination objective, Bureau auditors reviewed and analyzed the contract, vouchers and supporting documentation. In addition, we interviewed Department officials whose responsibilities include negotiating the contract, ensuring inspections were performed, verifying appropriateness of expenses on invoices and approving the vouchers for payment based on appropriate supporting documentation as prescribed in the Standards for Internal Control in New York State Government, the GFO and agency processes. We also performed substantive tests on expenses the Department paid during the examination period. Based on the results of these tests, our auditors do not have reasonable assurance that certain payments the Department made to WSP during the examination period were appropriate, which leads us to question whether expenses made outside of the examination period were appropriate as well.

V. Findings:

As of the date of this report, the Department has 24 active biennial bridge inspection contracts valued at more than \$254.2 million. While this examination focused on expenditures made pursuant to the Department's largest bridge inspection contract and its current amendments, which totaled \$41 million, the recommendations from this audit may help to ensure that payments

made pursuant to the remaining \$213.2 million in bridge inspection contracts do not result in inappropriate expenses similar to those outlined below. It is important to note that the findings from this audit represent a small percentage of payments examined. However, the Department should consider the recommendations outlined for all payments the Department makes.

Unsupported Labor Hours

As a point of background, the WSP contract and other criteria applicable to the Department's payments included the following provisions:

- According to Article 2, Item VIII and Appendix A of contract D038197, WSP is required to provide the Department with complete and accurate invoices, documents and other evidence directly pertinent to WSP's work to support the amounts billed.
- Pursuant to Title 2 of the New York Codes, Rules and Regulations Part 6, Sections 6.5 through 6.7 and the GFO, Chapter XII.4, agencies must: (i) ensure each claim for payment is supported by sufficient original source documentation and (ii) maintain adequate internal controls over the payment process to support the validity of the agency claim certification. Once the agency completes its review of the claim for payment and is satisfied with the information the vendor provided, the agency certifies to the Comptroller that the claim is just, true and correct and therefore appropriate to pay.
- The Standards for Internal Control in New York State Government identifies the five fundamental components for State agencies to develop and maintain their internal control systems: control environment, information and communication, risk assessment, control activities, and monitoring. The GFO further expands on this concept by providing guidance and best practices to agency representatives with various roles related to the accounts payable process.
- Contract Exhibits A and B outline the maximum allowable hourly rates for reimbursement for each job title.

We found weaknesses in the Department's invoice review process that led to inappropriate payments. First, the Department's invoice review process is not designed to ensure timecards include sign-offs by the vendor's employee and/or supervisor acknowledging the accuracy of hours claimed. Second, Department staff approved other labor expenses for payment when they did not have timecards to support the hours invoiced. Finally, Department staff approved labor expenses for payment where the hourly rates paid exceeded the maximum hourly rates allowed by the contract.

As a result, the Department paid WSP \$107,040 for inappropriate or potentially inappropriate labor costs (salaries and overhead). If the labor costs paid pursuant to the contract remained the same outside of the examination period, we estimate the Department may or would have paid WSP an additional \$362,152 for inappropriate or potentially inappropriate labor expenses.

In response to our preliminary findings, the Department acknowledged the timecards in question did not include signatures acknowledging the accuracy of the timecards, and subsequently obtained updated timecards from WSP that contained these signatures. The Department also provided timecards to support the hours invoiced and claimed these timecards were already on file but did not know why OSC auditors did not receive the timecards during the audit. However, for these two findings, the newly provided documentation was either obtained by the Department well after the time of invoice approval, or was not available to our auditors after three separate requests to the Department. Therefore, we cannot rely on this as appropriate evidence. In addition, the Department has recovered \$7,363 in overpayments for labor expenses that exceeded the maximum hourly rates allowed by the contract. In response to the preliminary findings, the Department stated it will not recover the remaining \$1,762 in hourly rate overpayments we identified because it retroactively approved an increase in the associated hourly rates.

We recommend the Department:

1. Review the Department's controls, and establish additional controls if necessary, to ensure payments approved by the Department comply with State requirements and the contract terms and conditions and are appropriately supported with sufficient documentation to ensure the payments are just, true and correct prior to being entered into SFS.
2. Provide relevant training to the Department staff responsible for reviewing and approving invoices, such as OSC training, to ensure only appropriate and supported expenses are approved for payment.
3. Review the labor expenses paid to WSP outside of the examination period to ensure these expenses are supported and recover any overpayments as necessary.

Insurance Expenses

As a point of background, several key provisions of the contract and other criteria require the following:

- The GFO, Chapter XI.11.F, outlines effective contract monitoring steps for agencies, including ensuring agency invoice reviewers gain an understanding of the contract terms and appendices to form the basis for effective monitoring of the contractor. This chapter also explains the contract terms should be clear and unambiguous.

- Exhibit E of the contract states that reimbursement will be limited to the costs which are or would be allowable under the federal cost principles referenced within the Exhibit.
- Per Article 9, Part B, Section 8 of the contract, “[t]he Consultant [WSP] shall **maintain at its own expense** railroad protective liability policy of insurance in the name of the affected railroad” (emphasis added). As such, it is clear from the explicit language of the contract term that Railroad Protective Liability Insurance costs incurred by WSP to carry out the work under the contract are maintained by the consultant. Additionally, although Exhibit E of the contract permits reimbursement of insurance costs, the contract does not require that the Department reimburse all insurance costs, where the express contract language requiring Railroad Protective Liability Insurance indicates otherwise.
- Article 9 of the contract also contains the following general insurance requirements: “[t]he Consultant [hereinafter, “WSP” or “Consultant”] **shall procure, at its own sole cost and expense**, and shall maintain in force at all times during the term of this contract including any extensions or renewals until satisfactory completion of all work under the contract, the policies of insurance covering all operations under the contract whether performed by it or its subconsultants as herein below set forth, written by companies authorized by the New York State Insurance Department to issue insurance in the State of New York and that have an A.M. Best Company rating of (A -) or better or approved by the Department” (Contract Article 9, at p. 7) (emphasis added). As such, it is clear that, under the general insurance requirements of the contract, the cost of insurance may be reimbursable in accordance with Exhibit E, unless there is explicit contract language in Article 9 requiring the consultant “maintain insurance at its own expense.”

In response to our preliminary audit findings, the Department contends that this finding is based on a false premise. The Department further states that while WSP must procure the insurance at its own cost (Contract Article 9), nothing in Article 9 prohibits the Department from reimbursing the Consultant’s costs in procuring insurance coverage. The Department cited Exhibit E to support their assertion, which states, “[a]ctual allowable overhead and direct reimbursable costs under this [contract] shall be determined in accordance with the following Federal Acquisition Regulations and New York State Policies” (Contract, Exhibit E, at p. 124). Exhibit E further states, “[r]eimbursement will be limited to the costs which are or would be allowable under federal costs principles, contained in 48 CFR 1-31 (Federal Acquisition Regulations [‘FAR’])” (Id.). The applicable FAR provisions provide that insurance costs are reimbursable costs (48 CFR § 31.205-19). The Department claims that because the contract is federally funded, the federal regulations apply, and all costs of the project including reimbursement of allowable costs, will be reimbursed to the State from the federal government. Therefore, according to the Department, since Railroad Protective Liability Insurance is required by the Department under the contract, they are

reimbursable under FAR.

However, we disagree with the Department's analysis and find that Railroad Protective Liability Insurance is not reimbursable under the contract terms. Notably, the Department's analysis does not address the nuance found in Article 9's express language between the different insurance requirements under the contract. The Article 9 language related to Railroad Protective Liability Insurance is clear, the Consultant shall **maintain at its own expense** (Contract Article 9(B)(8), at p. 12) (emphasis added). Further, Article 9 is consistent with Exhibit E. Exhibit E of the contract permits reimbursement of insurance costs but does not require that those costs be reimbursed. Therefore, under the plain language of the contract, WSP is required to **maintain at its own expense** Railroad Protective Liability Insurance. The requirement that the Department is responsible for Railroad Protective Liability Insurance is further clarified when comparing the contract language to Special Protective and Highway Liability Policy, which states "[t]he Consultant [WSP] **shall maintain** [the policy]" (Contract Article 9(B)(3), at p. 11) (emphasis added). As such, it is clear from the contract terms that Railroad Protective Liability Insurance costs incurred by WSP to carry out the work under the contract are not eligible for reimbursement.

We found that these overpayments occurred because the Department's Region 8 officials responsible for reviewing and approving WSP's invoices for payment lacked specific knowledge regarding the insurance costs allowable under the contract. In addition, the Department's Main Office official who was involved in negotiating the terms and conditions of the contract did not know if insurance expenses were eligible for reimbursement under the contract. Further, based on the Department's response to these findings, the Department does not acknowledge the contract language specific to Railroad Protective Liability Insurance compared to other insurance requirements of the contract in its interpretation of the allowable insurance expenses pursuant to this contract.

Because the Department did not have the necessary controls in place to prevent the payment of inappropriate insurance expenses, the Department inappropriately reimbursed WSP \$16,659 for Railroad Protective Liability Insurance during the examination period that is not eligible for reimbursement under the terms and conditions of the contract.

Based on our review of the Department's invoice review process, we concluded it is possible the Department made additional inappropriate reimbursements for Railroad Protective Liability Insurance expenses pursuant to this contract and outside of the examination period totaling up to \$2,025. It is also possible that the Department representatives approved inappropriate payments to other consultants performing bridge inspections in the other regions in the State.

We recommend the following to the Department:

1. Review the Department's contract terms to ensure they reflect the intent of the parties.

2. Develop controls to ensure staff reviewing and approving invoices for payment are aware of the contract terms and conditions, as well as the relevant GFO requirements, to prevent the approval and payment of inappropriate expenses under the contract.
3. Recover the \$16,659 in inappropriate Railroad Protective Liability Insurance expenses paid to WSP during the examination period.
4. Determine if additional inappropriate insurance reimbursements were made outside of the examination period under contract D038197 and recover any inappropriate reimbursements.
5. Determine if the Department reimbursed other inappropriate insurance expenses under other bridge inspection contracts and if so, recover inappropriate reimbursements.

In its response to our findings, the Department asserts that these recommendations are based on a false premise and therefore, they will not be actioned by the Department.

VI. Conclusion:

Given the critically important role that the Department has for ensuring the State's bridges are safe and the significant amount of funding that is provided for this purpose, it is important for the Department to ensure these recommendations are considered and implemented timely, before additional expenses under this or other bridge inspection contracts are entered into the SFS for payment. This will ensure that the voucher authorizers and approvers are in compliance with the SFS Terms of Service, which requires these voucher approvers to attest that "vouchers certified/approved by [them] and submitted to the Office of the State Comptroller are for claims that are just, true and correct and, therefore, appropriate to pay."



KATHY HOCHUL
Governor
MARIE THERESE DOMINGUEZ
Commissioner
ERIN JAEGER
Assistant Commissioner
Chief People Officer

November 6, 2025

Holly Reilly, Director of State Expenditures
Office of the State Comptroller
Bureau of State Expenditures
110 State Street - 10th Floor
Albany, NY 12236-0001

Re: Audit Draft Report: "Examination of Payments to WSP USA, Inc.", Issued October 7, 2025

Dear Ms. Reilly:

The New York State Department of Transportation (NYSDOT) has reviewed the Office of the State Comptroller's (OSC) Draft Report titled Examination of Payments to WSP USA, Inc. NYSDOT provides the following as responses to OSC's recommendations relevant to it.

NYSDOT Response to Recommendations:

Insurance Expenses

OSC Recommendation (1): Develop controls to ensure staff reviewing and approving invoices for payment are aware of the contract terms and conditions, as well as the relevant GFO requirements, to prevent the approval and payment of inappropriate expenses under the contract.

NYSDOT Response: As noted in NYSDOT's preliminary response dated February 20, 2025, the finding that the expenses subject to this recommendation were not eligible for reimbursement is erroneous. Accordingly, this recommendation is based upon a false premise and will not be actioned by NYSDOT.

Contract D038197 (the "Contract") is a federally funded contract covering Biennial and Interim Bridge Inspections in New York State Department of Transportation (NYSDOT) Regions 8 & 9 for 2022 - 2025. The proper interpretation of the Contract, shared by NYSDOT and the contracting community at large, allows for the reimbursement of certain insurance costs. Specifically, Article 9 must be read strictly and in acceptance of its plain textual meaning and also in harmony with the rest of the Contract. When doing so, there is no conflict.

Article 9 requires that the consultant must "procure, at its own sole cost and expense" the insurance set forth in article 9. (Emphasis added.) Article 9 also requires the consultant to maintain the required insurances. In other words, the consultant bears the responsibility - and associated costs - of obtaining and maintaining the required insurance. This clearly

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establishes the entity that must obtain the insurance; here, the consultant. This is in contrast with owner-controlled insurance, which under recently passed legislation NYSDOT was authorized to use. Under the owner-controlled insurance paradigm, the project owner (in this case NYSDOT) would procure the necessary insurances, not the consultant. Nothing in Article 9 makes the costs of the insurance non-reimbursable.

However, Article 3, which sets forth the documents forming the contract, expressly includes Exhibit E, which includes Federal Regulations. Exhibit E states that “[a]ctual allowable overhead and direct reimbursable costs under this [Contract] shall be determined in accordance with the following Federal Acquisition Regulations and New York State Policies.” Exhibit E also notes, under the heading of Federal Regulations, that Contract “[r]eimbursement will be limited to the costs which are or would be allowable under Federal costs principles, contained in 48 CFR 1-31 (Federal Acquisition Regulations).” Because the Contract is federally funded: (1) federal regulations apply; and (2) all costs of the project, including any reimbursements for allowable costs, will be reimbursed to the State from the Federal Government.

Similarly, Article 3 makes Exhibit B (Estimate of Direct Non-Salary Cost) part of the contract, including estimated reimbursements for special project insurance and railroad insurance.

Several FAR provisions contained in 48 CFR 1-31 are pertinent here. As an initial matter, 48 CFR 31.105, which covers engineering contracts such as the Contract, states that the cost principles set forth in 48 CFR subpart 31.2 apply, including with regard to reimbursable costs. The operative provision within subpart 31.2 is 31.205-19, which covers Insurance and Indemnification. Paragraph (d) of 31.205-19 states that “[p]urchased insurance costs are allowable” Similarly, and in more detail, paragraph (e)(1) of 31.205-19 states that the “[c]osts of insurance required or approved pursuant to the contract are allowable,” and paragraph (e)(2)(iv) specifically allows for “[c]osts of insurance for the risk of loss of Government property are allowable.”

Here, Special Project Insurance and Railroad Insurance are insurances required by NYSDOT under the contract, and thus are reimbursable under the FAR.

Reading the Contract as a whole, Article 9 requires the consultant to procure insurance, and federal regulations – the FAR – which are included in the Contract under Article 3, allow NYSDOT to reimburse the consultant for the costs. As noted above, Article 9 does not bar reimbursement, and thus Article 9 and the FAR are not contrary to the provisions of Articles 3 or 9, meaning there is no conflict of contract terms at play here.

Lastly, if NYSDOT did not reimburse for these insurance costs, consultants would include the costs in their bids. Accordingly, the reimbursements for insurance were not “extra” costs; the insurance costs would have been paid for by NYSDOT under either provision.

NYSDOT’s response of February 20, 2025 offered to meet and confer further on this issue, including NYSDOT’s General Counsel with a suggestion that OSC include lawyers of their own, but NYSDOT received no response to that offer.

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OSC Recommendation (2): Recover the \$16,659 in inappropriate Railroad Protective Liability Insurance expenses paid to WSP during the examination period.

***NYSDOT Response:** NYSDOT disagrees with this recommendation. As noted above, this recommendation is based upon a false premise. The \$16,659 was not inappropriate and therefore recovery will not be sought by NYSDOT.*

OSC Recommendation (3): Determine if additional inappropriate insurance reimbursements were made outside of the examination period under contract D038197 and recover any inappropriate reimbursements.

***NYSDOT Response:** NYSDOT disagrees with this recommendation. As noted above, this recommendation is based upon a false premise. NYSDOT has determined that the insurance reimbursements were not inappropriate and therefore there will be no recovery to seek.*

OSC Recommendation (4): Determine if the Department reimbursed other inappropriate insurance expenses under other bridge inspection contracts and if so, recover inappropriate reimbursements.

***NYSDOT Response:** As noted above, this recommendation is based upon a false premise and will not be actioned by NYSDOT.*

Unsupported Labor Hours

OSC Recommendation (1): Review the Department's controls, and establish additional controls, if necessary, to ensure payments approved by the Department comply with State requirements and the contract terms and conditions and are appropriately supported with sufficient documentation to ensure the payments are just, due and owing prior to being entered into SFS.

***NYSDOT Response:** NYSDOT continuously explores opportunities to improve its controls, and enhances existing controls or implements new controls as needed. NYSDOT will remind applicable staff of their obligation to obtain sufficient documentation for the payments they are responsible for.*

OSC Recommendation (2): Provide training to the Department staff responsible for reviewing and approving invoices, such as OSC training, to ensure only appropriate and supported expenses are approved for payment.

***NYSDOT Response:** NYSDOT already provides staff with a host of resources to assist them in their review and approval of expenses. This includes a Statewide Financial System (SFS) support site, virtual and in-person initial and refresher trainings and presentations, and sessions to assist staff with any questions and concerns. NYSDOT also leverages our partners' (e.g. SFS) training opportunities when available, and will notify employees when these opportunities arise.*

OSC Recommendation (3): Review the labor expenses paid to WSP outside of the examination period to ensure these expenses are supported. Recover any overpayments as necessary.

NYSDOT Response: *NYSDOT will take this recommendation under advisement as we will also need to consider the expected amount of recovery along with the costs associated with undertaking such a review.*

If you have any questions, please contact Chris Herald, Director of Internal Audit, at 518-457-1085.

Sincerely,

A handwritten signature in cursive script that reads "Erin Jaeger".

Erin Jaeger
Assistant Commissioner – Administrative Services Division
Chief People Officer

NYS Office of the State Comptroller's Comments on Auditee Response

OSC Comment 1: The applicable FAR provisions provide that insurance expenses are eligible for reimbursement. However, the language of Article 9 of the contract is clear. The Consultant shall **maintain at its own expense** Railroad Protective Liability Insurance. Therefore, the \$16,659 the Department paid was not allowable under the terms and conditions of the contract.