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COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK  
**OFFICE OF THE STATE COMPTROLLER**

May 1, 2026

Willow Baer  
Commissioner  
NYS Office for People With Developmental Disabilities  
44 Holland Avenue  
Albany, NY 12229

Re: Examination of OPWDD Procurement  
Card Expenses

Dear Commissioner Baer:

The Office of the State Comptroller is responsible for carrying out the Comptroller's constitutional authority to audit New York State payments. These audits are performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8(1) and (7), and Article VII, Section 111 of the State Finance Law. Our Office examined expenses paid for using the Office for People With Developmental Disabilities' (OPWDD) Procurement Cards during the period April 1, 2023 through June 30, 2023.

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

The results and recommendations outlined in this report represent a small percentage of payments made by OPWDD. Given the critically important role that OPWDD has in coordinating services for New Yorkers with developmental disabilities, OPWDD should consider the recommendations detailed in this report for all payments it makes. If you have any questions

about this report, please feel free to contact us. If you choose to provide a response, we would appreciate receiving it by June 1, 2026.

Sincerely,

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

Director of State Expenditures

Encl: Executive Summary  
Audit Findings  
Attachment A  
Attachment B

cc: Richard Cicero  
Anthony Dolan

## **Executive Summary**

### **I. Background:**

The Office for People With Developmental Disabilities (OPWDD) utilizes the Statewide JPMorgan Chase (JPMC) Procurement Cards (PCard) Statewide contract to pay for certain small dollar agency purchases. During calendar year 2023, OPWDD used its PCards to pay for nearly 236,000 transactions totaling \$80.2 million. We examined 58,754 PCard transactions totaling over \$19 million that OPWDD incurred during the period April 1, 2023 through June 30, 2023 to determine if the transactions within our scope were appropriate and in compliance with the laws, rules, regulations, and guidelines governing the purchasing using the Statewide PCard. This includes ensuring OPWDD timely reconciled PCard expenses, which ensures expenses are authorized and appropriate, allows for transparency in use of State funds, and ensures that OPWDD is afforded the opportunity to identify and dispute any unauthorized transactions.

### **II. Findings:**

Based on this audit, the following problems were identified:

**PCard Reconciliation:** We found that during the examination period, OPWDD cardholders did not reconcile 23,657 transactions (40.3% by count) totaling over \$7.4 million (38.2% by amount) within the required timeframe. Due to the lack of timely reconciliation, stakeholders including OPWDD, OSC, and the public, had no assurance expenses were appropriate and necessary to support the mission of OPWDD. In addition, the contract with JPMC allows agencies to dispute charges within a certain timeframe. Because OPWDD failed to reconcile expenses within this timeframe, they would not identify an inappropriate or unauthorized expense and therefore lost the ability to dispute these charges or allowed potentially inappropriate charges to go unreimbursed by cardholders. Further, the reconciliation process results in accurate account coding of these transactions. Therefore, OPWDD's failure to reconcile these transactions timely impacts the transparency into the type of goods or services purchased with State funds.

**Vehicle Violation Expenses:** During the scope of our examination, OPWDD did not seek reimbursement from its employees for 227 PCard payments totaling \$8,483 for 120 unique vehicle violations incurred by these employees when driving a State-owned vehicle. Two previous OSC audits identified a similar pattern and recommended corrective action to ensure this situation does not continue.

### III. Recommendations:

We recommend OPWDD review and revise its existing reconciliation policies and procedures and implement enhanced internal controls to ensure OPWDD employees perform timely and accurate reconciliations. We also recommend OPWDD identify and recover funds from OPWDD employees for the \$8,483 of vehicle violation expenses identified pursuant to this audit, as well as any vehicle violation expenses paid for prior to our examination's scope. We note that in August 2023, subsequent to the commencement of this examination, OPWDD implemented a new procedure aimed at recovering these expenses. We recommend OPWDD continue to enforce this new policy to recover funds paid on behalf of employees.

Bureau of State Expenditures  
New York State Office for People With Developmental Disabilities  
Procurement Card Expenses

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**I. Background:**

The Bureau of State Expenditures (Bureau) within the Office of the State Comptroller (OSC) has the 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 (SFL).

Meeting this constitutional and statutory responsibility requires the Bureau to audit on average more than 116,000 payments every business day. 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. Of this amount, the Office for People with Developmental Disabilities (OPWDD) accounted for nearly 108,000 payments totaling more than \$899 million of payments approved, and 475 payments totaling more than \$5.9 million rejected. OPWDD'S Procurement Card (PCard) spending in 2023 included nearly 236,000 transactions totaling more than \$80.2 million.

As part of the daily auditing process, Bureau auditors are examining (i) supporting documentation and agency internal controls over the payment process to ensure vouchers are just, true and correct before certifying in the Statewide Financial System (SFS); (ii) compliance with the New York State Guide for Financial Operations (GFO); and (iii) any additional 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 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 OPWDD's PCard transactions.

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

The Bureau carries out its constitutional and statutory authority to audit NYS payments by examining vouchers, either on a pre- or post-payment basis, that are certified to OSC by State agencies in 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 a single voucher at a time, while the post-payment audit approach typically consists of examining a series of vouchers pursuant to a particular contract, contractor, or grant program. Since the payments have already been made, in addition to recovering inappropriate payments, we generally provide recommendations to the agency to prevent future inappropriate payments in the same payment stream.

### **III. Description of the Audit:**

According to the OPWDD's website, OPWDD is responsible for coordinating services for New Yorkers with developmental disabilities, including intellectual disabilities, cerebral palsy, Down syndrome, autism spectrum disorders, Prader-Willi syndrome and other neurological impairments. OPWDD provides services either directly through Developmental Disabilities Services Offices (DDSO) or through a network of approximately 450 nonprofit service providing agencies.

To facilitate providing services, OPWDD uses the JPMorgan Chase (JPMC) PCard for small dollar goods and services, including various supplies, materials, and equipment maintenance and repairs.

In accordance with the GFO, Chapter XI-A.4, agencies are required to use PCards to purchase goods and services less than \$500 when a vendor accepts the PCard for payment. The PCard may also be used for purchases over \$500 when all other applicable policies, procedures and guidelines are followed. Online agencies (i.e., agencies that directly enter their payments into the SFS), such as OPWDD, are required to reconcile credit card charges within 30 days of payment of each month's credit card bill.

### **IV. Audit Scope:**

The objective of our examination was to determine if the PCard transactions within our scope period were appropriate and in compliance with the laws, rules, regulations, and guidelines governing the purchasing card program and State purchasing requirements. This audit is largely based on requirements outlined in Statewide laws, rules, regulations and guidance. Specifically, SFL Section 109 states the Comptroller may not make payment on a voucher until the agency certifies that it is "just, true and correct" and "the balance therein stated is actually due and owing." Accordingly, when agency staff (i.e. preparers, approvers) certifies a claim for payment in the SFS, they are certifying to the Comptroller that (i) the information entered is just, true and correct, and (ii) goods or services rendered or furnished are for use in the performance of the official functions and duties of the agency. Additional information and guidance on these requirements are set out in SFL Section 109, 2 NYCRR Section 6.3 and the GFO Chapter XII.4.B.

To accomplish our objective, we analyzed the PCard transactions, supporting documentation, and OPWDD's reconciliation processes and procedures. We also interviewed OPWDD management, as well as business office and DDSO staff responsible for procuring and paying for goods and services with a PCard. In addition, we reviewed the JPMC Contract Number PS69527, the GFO, the State of New York Commercial Program Procurement Card Guidelines for NYS Agencies and the Statewide and OPWDD Vehicle Use Policies. We then examined the reconciliation timeframes for the 58,754 PCard transactions totaling over \$19 million that OPWDD incurred during the period April 1, 2023 through June 30, 2023 and selected a sample from these transactions to substantively test compliance with requirements governing the purchasing card program and State purchasing requirements.

The nature of PCard transactions is unique compared to traditional voucher payments in the SFS because the PCard holder authorizes payment to the merchant directly without the internal controls afforded during traditional prepayment oversight by the agency business office or OSC. To compensate for this distinction in oversight and to ensure transparency in State purchasing, guidance in the GFO requires PCard holders to reconcile credit card charges within 30 days of the agency paying its JPMC statement balance. This ensures that cardholders' supervisors have the opportunity to review and approve these transactions, and that agencies have the opportunity to dispute any inappropriate expenses with JPMC, in accordance with the terms of the Statewide contract. The reconciliation process also ensures transparency in State purchasing by requiring the agency to identify the appropriate account code for the purchase, a vital component for the State's budgeting and financial statements. Agencies that use PCards should have policies and procedures in place and hold their employees accountable to the reconciliation requirements.

The Comptroller's publication, Standards for Internal Control in New York State Government, identifies five fundamental components of internal control for State agencies to develop and maintain in their system of internal controls: control environment, information and communication, risk assessment, control activities, and monitoring. The GFO, Chapter XII, further expands on this by providing guidance and best practices for agency representatives with various roles related to the accounts payable process.

## **V. Findings:**

While this examination focused on transactions made using OPWDD's PCards during a select time period, it is important to note that the PCard transactions in the audit scope represent a small percentage of all payments made by OPWDD. OPWDD should consider the recommendations outlined for the findings below, where applicable, for all payments it makes.

### **PCard Expense Reconciliation**

Under OGS contract PS69527, agencies have 30 days from the statement date to pay JPMC PCard charges and 60 days from the statement date to dispute any unauthorized or inappropriate PCard charges. If agencies fail to dispute unauthorized or inappropriate PCard charges within 60 days of the statement date, the agencies are liable for the charge.

In addition to the payment and dispute requirements, agencies must complete the reconciliation process within 30 days of paying the JPMC Pcard bill, which aligns with the same timeframe required to dispute charges (see GFO Section XII.6.Q). As part of the reconciliation process, agencies must verify the PCard charges were authorized and appropriately charged to State appropriations in accordance with State Laws. Therefore, it is crucial for agencies to complete the reconciliation process within the required 30 days of payment to ensure sufficient time to dispute inappropriate or unauthorized PCard charges.

To complete the PCard reconciliation process within the SFS, OPWDD's cardholders must verify transactions are appropriate, attach supporting documentation, select the appropriate account code for each transaction and submit transactions for review and approval through the agency's business office. Authorized officials other than the cardholder (e.g., the cardholder's supervisor) must review and approve each transaction along with the attached supporting documentation to ensure it is appropriate. The SFS then reclassifies expenses into the appropriate expense account codes, which identify the good or service purchased, and reconciles the PCard Clearing Account.

At the time of our examination, our analysis found OPWDD did not reconcile 23,657 transactions (40.3% by count) totaling over \$7.4 million (38.2% by amount) within the required timeframe. Of these 23,657 transactions that were not reconciled timely, 22,153 (93.6% by count) totaling \$7 million (94.9% by amount) were eventually reconciled. However, it took OPWDD an average of 105 days from the statement date, as opposed to the required 60 days from the statement date, to complete the reconciliation. The remaining 1,504 transactions (6.4% by count) totaling \$376,100 (5.1% by amount) remained unreconciled at the time of our testing. As of January 26, 2026, 88 Pcard transactions totaling over \$15,000 are still unreconciled.

Due to the lack of timely reconciliation, stakeholders, including OPWDD, OSC, and the public, had no assurance expenses were appropriate and conducive to the mission of OPWDD. In addition, by not reconciling PCard transactions timely, OPWDD lost the ability to dispute a charge, and failed to provide timely transparency into the type of goods or services purchased totaling \$7.4 million in unreconciled transactions, which impacts both financial reporting and analysis.

OPWDD's business office staff do not consistently meet the required timeframe to reconcile the reconciliation procedures may be ineffective. When our auditors interviewed the staff at the business offices responsible for reconciling PCard transactions, they stated PCard holders and/or their supervisors do not always provide the business office with the documentation required to reconcile PCard charges within the prescribed time periods.

We recommend OPWDD: (i) review and revise existing reconciliation procedures, (ii) implement enhanced internal controls to ensure business office staff can perform timely and accurate reconciliations and (iii) establish clear guidelines to ensure all required documentation is consistently provided to business office staff.

### **Vehicle Violation Expenses**

According to both the Statewide Vehicle Use Policy and the OPWDD Vehicle Use Policy, the driver of a State-owned vehicle is personally responsible for all vehicle violations, including parking, moving and toll violations. However, we found that during the scope of our examination, OPWDD did not seek recovery from the responsible employees for 227 PCard payments totaling \$8,483 for vehicle violations incurred by these employees when driving a State-owned vehicle. These payments represent 120 individual violations and 107 transactions related to service fees.

As a result, OPWDD spent State funds totaling \$8,483 for OPWDD employees' vehicle violations.

The issue of OPWDD's failure to recover vehicle violations from its employees was previously identified by other OSC audits. In report [2017-S-50 Oversight of Passenger Safety](#), issued by OSC's Division of State Government Accountability (SGA) in October 2018, auditors found OPWDD had not provided its DDSOs with guidance on how to address the payment and recovery of fines, penalties, and interest involving vehicle violations. As a result, fines were often not paid timely, with OPWDD continuing to incur penalties and interest. Furthermore, this report found that most of the \$200,000 in fines paid by OPWDD for vehicle violations incurred by its employees during the scope of that audit had not been recovered from the responsible drivers, leaving the State to bear the burden.

In a follow up to that report also by SGA entitled [Oversight of Passenger Safety Report 2020](#), issued July 28, 2020, auditors found that an additional 261 vehicle violations totaling \$14,275 in fines had been incurred by OPWDD since the issuance of the previous report. Of these, OPWDD recovered \$805.

At the time we initiated our examination on July 28, 2023, OPWDD's Vehicle Use Policy informed employees of their responsibilities related to the payment of vehicle violations incurred while operating a State-owned vehicle. However, despite having this policy in place, OPWDD told us they did not have a procedure to recover from employees the funds it paid on their behalf for vehicle violations.

In August 2023, subsequent to the commencement of this engagement, OPWDD issued a new policy titled the "Vehicle Ticket & Violation Procedures" for the recovery of vehicle violation expenses. OPWDD officials stated that as of August 2023 they are recovering funds from responsible drivers for vehicle violations in accordance with the Statewide Vehicle Use and OPWDD Vehicle Use Policies. OPWDD provided evidence they recovered fines for vehicle violation incurred subsequent to our scope period paid on behalf of employees after implementing the "Vehicle Ticket & Violation Procedures." However, OPWDD did not indicate or provide any evidence to suggest they recovered the \$8,483 in vehicle violation expenses cited in this report.

We recommend OPWDD identify and recover funds from OPWDD employees for vehicle violation expenses paid on their behalf prior to the implementation of the "Vehicle Ticket & Violation Procedures," including the \$8,483 cited in this report. We also recommend OPWDD continue to enforce OPWDD's "Vehicle Ticket & Violation Procedures" to recover funds paid on behalf of employees.

## **VI. Conclusion:**

Based on the results above, this examination found that OPWDD's reconciliation process lacked the necessary controls to ensure employees reconcile PCard expenses timely. As a result, out of 58,754

PCard transactions totaling over \$19 million that OPWDD incurred during the period April 1, 2023 through June 30, 2023, OPWDD failed to timely reconcile 23,657 transactions (40.3% by count) totaling over \$7.4 million (38.2% by amount). Because the contract with JPMC allows agencies to dispute charges within 60 days of the statement date, and OPWDD failed to reconcile transactions during that timeframe, OPWDD was not aware of any potentially inappropriate charges. Therefore, after the 60-day period, OPWDD no longer had the ability to dispute, leaving the State liable for any inappropriate expenses. In addition, for transactions that were not reconciled within 60 days of the statement date, OPWDD failed to provide timely transparency into the type of goods or services purchased.

Further, OPWDD spent \$8,483 of State funds for OPWDD employees who incurred vehicle violations when driving a State-owned vehicle without seeking reimbursement. This is despite two previous OSC audits that identified this same deficiency in controls.

The problems OSC identified related to OPWDD's internal controls in this area may extend to processes used for other payments certified by OPWDD. It is important for OPWDD to ensure these recommendations are considered and implemented timely, before additional expenses are incurred. This will ensure that the State funds are spent appropriately in compliance with laws and guidance.



**Office for People With  
Developmental Disabilities**

**KATHY HOCHUL**  
Governor

**WILLOW BAER**  
Commissioner

March 4, 2026

Holly Reilly  
Director, Bureau of State Expenditures  
Office of the State Comptroller  
110 State Street  
Albany, NY 12236

Dear Holly Reilly:

The Office for People With Developmental Disabilities has reviewed the Office of the State Comptroller's draft report regarding credit card charges entitled "Examination of OPWDD Procurement Card Expenses."

Please find attached our response to this draft report. Thank you for the opportunity to comment. We would also like to thank you and your team for your professionalism throughout this audit.

Sincerely,

A handwritten signature in black ink that reads "R. Cicero".

Richard Cicero, CPA CMA CFE  
Director, Office of Audit Services

Attachment

cc: Willow Baer, OPWDD Commissioner  
Anthony Dolan, CPA, OPWDD External Audit Liaison

## **Office for People With Developmental Disabilities Response to the Office of the State Comptroller's Draft Audit Report dated February 6, 2026, titled Examination of OPWDD Procurement Card Expenses**

This document is submitted by The New York State Office for People With Developmental Disabilities (OPWDD) in response to the Office of the State Comptroller's (OSC) draft report titled *Examination of OPWDD Procurement Card Expenses*. The OSC report focuses on two issues: 1) the timeliness of reconciling charges on procurement cards (i.e., credit cards), and 2) efforts by OPWDD to collect reimbursement from employees for traffic fines incurred while using state vehicles.

### **OSC Recommendations and OPWDD Responses**

**OSC RECOMMENDATION:** *"We recommend OPWDD review and revise its existing reconciliation policies and procedures and implement enhanced internal controls to ensure OPWDD employees perform timely and accurate reconciliations."*

**OPWDD RESPONSE:** OPWDD agrees that many credit card charges had not fully completed the reconciliation process within the timeframe set forth in the New York State Guide to Financial Operations. We are presently exploring ways to improve processing time.

**OSC RECOMMENDATION:** *"We also recommend OPWDD identify and recover funds from OPWDD employees for the \$8,483 of vehicle violation expenses identified pursuant to this audit, as well as any vehicle violation expenses paid for prior to our examination's scope."*

**OPWDD RESPONSE:** Since August of 2023, OPWDD implemented new procedures to recover fines from employees identified as committing violations. Although recovery of funds has been taking place from that time forward, it was determined it would not be practical or cost effective to pursue reimbursement of funds prior to the development of the new procedures.

**OSC RECOMMENDATION:** *"We recommend OPWDD continue to enforce this new policy to recover funds paid on behalf of employees."*

**OPWDD RESPONSE:** OPWDD is continuing to actively enforce its August 2023 policy to recoup fines from employees who incur vehicle traffic violations.

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## Additional OPWDD Comments on the OSC Report

OPWDD would like to provide clarification on certain statements made in the report which could be misconstrued without proper context. These include the following negative statements, which would just apply to delinquent reconciliations, however these issues would then be remedied at some point during completion of the reconciliation process.

- **On page 1 of the report, OSC states:** *“Due to the lack of timely reconciliation, stakeholders including OPWDD, OSC, and the public, had no assurance expenses were appropriate and necessary to support the mission of OPWDD.”*
- **On page 1 of the report, OSC states:** *“OPWDD’s failure to reconcile these transactions timely impacts the transparency into the type of goods or services purchased with State funds.”*
- **On page 6 of the report, OSC states:** *“Due to the lack of timely reconciliation, stakeholders, including OPWDD, OSC, and the public, had no assurance expenses were appropriate and conducive to the mission of OPWDD.”*

To reiterate, the above shortcomings are remedied during the reconciliation process, either upon the review and approval of the cardholders’ supervisor, or later when reconciliation staff in District Business Offices conduct an additional level of review to ensure transactions are appropriate. In the end, late reconciliations do not result in the above problems because they are resolved by the diligent reconciliation reviews conducted by OPWDD staff prior to their final signoff.

OPWDD concurs it may lose the ability to successfully file a dispute with the credit card company unless the charge is within 60 days of the statement date. However, other protections exist, including some protections which are contained in the *Procurement Card Guidelines for NYS Agencies* as follows: *“Employees will be responsible for reimbursing the State of New York for any charges incurred as a result of their misuse of the card. The employee may also be subject to other disciplinary action.”* Notwithstanding these potential mitigating factors, OPWDD agrees with the report’s overall conclusion that more timely reconciliation of charges is a goal worth pursuing.

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\* See NYS Office of the State Comptroller’s Comments

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

**OSC Comment 1:** We disagree with OPWDD's position that delinquent transactions are remedied at some point during the reconciliation process. When transactions are not reconciled within the required timeframe, stakeholders are unable to obtain a complete account of OPWDD's PCard spending. Further, by not reconciling timely, OPWDD lost its ability to dispute inappropriate expenses.

**OSC Comment 2:** We acknowledge protections such as employee reimbursement and/or discipline reactively address inappropriate Pcard payments. However, these do not guarantee that inappropriate transactions will be detected and disputed within the period required under the contract, and there is no guarantee of employee reimbursement as more time lapses from the original transaction date.