



**Office for People With  
Developmental Disabilities**

**ANDREW M. CUOMO**  
Governor

**KERRY A. DELANEY**  
Acting Commissioner

***Transmitted Via Email***

March 9, 2017

The Honorable Thomas P. DiNapoli  
Office of the New York State Comptroller  
110 State Street  
Albany, NY 12236

Re: OSC Audit Report No. 2013-S-60

Dear Comptroller DiNapoli:

In accordance with New York State Executive Law §170, attached is the Office for People With Developmental Disabilities' comments on the Office of the State Comptroller's Final Audit Report (2013-S-60) *Office for People With Developmental Disabilities/Association for Neurologically Impaired Brain Injured Children, Inc.: Compliance With the Consolidated Fiscal Reporting and Claiming Manual.*

Sincerely,

A handwritten signature in cursive script, appearing to read "Helene DeSanto".

Helene DeSanto  
Acting Executive Deputy Commissioner

Attachment

**OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES RESPONSE TO THE  
OFFICE OF THE STATE COMPTROLLER'S FINAL AUDIT REPORT (2013-S-60)  
"COMPLIANCE WITH THE CONSOLIDATED FISCAL REPORTING AND CLAIMING  
MANUAL: OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES & THE  
ASSOCIATION FOR NEUROLOGICALLY IMPAIRED BRAIN INJURED CHILDREN,  
INC."**

The New York State Office for People With Developmental Disabilities ("OPWDD") submits the below in response to the Office of the State Comptroller's ("OSC") final audit report (2013-S-60) entitled, "Compliance with the Consolidated Fiscal Reporting and Claiming Manual." In that audit, OSC reviewed Consolidated Fiscal Reports ("CFR") submitted to OPWDD by the voluntary agency The Association for Neurologically Impaired Brain Injured Children, Inc. ("ANIBIC"). CFRs are used by voluntary agencies to claim reimbursements from the State. OSC evaluated ANIBIC's CFRs for compliance with the Consolidated Fiscal Reporting and Claiming Manual, which sets forth the requirements and guidance for those reports. This audit primarily addressed the three fiscal years ended June 30, 2013. However, in certain instances OSC examined matters dating back to July 1, 2008 and extending through January 26, 2015.

**OSC's Recommendation to OPWDD:**

"Review the recommended disallowances identified in our audit and adjust ANIBIC's CFRs and reimbursements accordingly. Also, recover overpayments as appropriate."

OSC recommended the following disallowances for amounts claimed on ANIBIC's CFRs: (1) \$208,063 in utility, maintenance, and repair costs that OSC found should have been allocated to another entity, Oakland Jewish Center, which leases property from ANIBIC; (2) \$276,500 for lobbying costs; (3) \$48,802 for contract payments that were not supported by adequate documentation; (4) \$34,927 in legal fees; (5) \$29,646 in vehicle expenses and commuting costs for the Executive Director; (6) \$12,305 for an apartment lease executed at less than arm's length; (7) \$9,877 in improper credit card charges; and (8) \$2,000 in other miscellaneous ineligible costs.

**OPWDD Response:**

At the outset, OPWDD notes that OSC has not presently supplied enough information to permit OPWDD to assess whether the disallowances noted in the report are relevant to the reimbursement calculation. Not every CFR filing impacts reimbursement because a particular year's CFR may not be used to calculate the base rate of reimbursement. Most rates use a particular year's CFR to set a base rate, and then adjust rates in subsequent years according to set trend factors. The CFRs filed in subsequent years are only used for data collection purposes, until a new base year is set and a new base rate is calculated. As such, OPWDD requests that OSC clarify which CFRs are impacted by each recommended disallowance so OPWDD may determine whether a particular CFR was used in a rate calculation.

That said, to the extent that disallowances are relevant to a base-year CFR, OPWDD will continue to work with OSC on the disallowances identified in the report and will recover overpayments and adjust reimbursements as appropriate. Please note that even if ANIBIC

inappropriately included costs on a relevant CFR, or reported in the wrong section of a relevant CFR, that does not automatically require a recovery or adjustment. This is because a correction or recoupment of ANIBIC's reimbursement will depend on revisions to the CFR, and disallowed amounts may not result in a dollar-for-dollar reduction in reimbursement based on the rate calculation formula. OPWDD will need to review more detailed information on what costs were disallowed and where they were reported on the CFR.

If you have any questions or concerns, please do not hesitate to contact Mary E. Peck, Director of the Office of Internal Control, directly at 518-486-6455 or [Mary.E.Peck@opwdd.ny.gov](mailto:Mary.E.Peck@opwdd.ny.gov).