New York State Comptroller
THOMAS P. DiNAPOLI

Division of Criminal Justice Services

Motor Vehicle Theft and Insurance Fraud Prevention Program

November 2026 | Report 2025-M-2
Prepared by the Division of State Government Accountability

Audit Highlights

Objective

To determine whether the Division of Criminal Justice Services (DCJS) has 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 New York Motor Vehicle Theft and Insurance Fraud Prevention Demonstration Program. Our audit covers the period from January 1, 2022 through December 31, 2024.

About the Program

Motor Vehicle Theft and Insurance Fraud (MVTIF) have an adverse effect on motor vehicle insurance rates in New York State. The New York MVTIF Prevention Demonstration Program (Program), as established in 1994 in the State Executive Law under Article 36-A (Law), is intended to provide an integrated means 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.

To fund Program operations, insurance companies collect the MVTIF Prevention Fee (Fee), enacted in 1992 and currently $10 annually, which is reflected in motor vehicle insurance policy premiums for vehicles registered in the State. In accordance with provisions of the State Insurance Law, the MVTIF Prevention Fund (Fund) receives the first $4.7 million from these Fees, with the remaining amount paid to the State Police Motor Vehicle Law Enforcement Account.

Provisions of the Law require the Program to be administered by a 12-member New York Motor Vehicle Theft and Insurance Fraud Prevention Board (Board), with the Division of Criminal Justice Services (DCJS) as administrator and the DCJS Commissioner or their designee serving as Board Chair. Under the Law, the Board must meet a minimum of four times per year, and a majority of Board members is needed to reach a quorum for the purpose of transacting business at meetings. DCJS must annually, by February 15, submit to the Executive and other State officials a report (Annual Report) on the Board's activities; the activities of grant recipients; the results achieved by grant recipients in improving the detection, prevention, or reduction of MVTIF; and the impact these efforts may have on motor vehicle insurance rates.

Further, the Law requires that the Board develop and recommend to the DCJS Commissioner a Plan of Operation (Plan) that includes a regional analysis of the incidence of MVTIF and related activities. In allocating Program funds, DCJS—with the Board's recommendation—must, to the greatest extent possible, consider the geographic incidence of MVTIF, so that localities with the greatest incidence are targeted for the purpose of this Program. The Plan must include:

- An assessment of the scope of the problem of MVTIF, including a regional analysis of the incidence of MVTIF and related activities;
- An analysis of various methods of combating the problem; and
- The development of a Request for Proposals (RFP) process, consistent with the Plan, for applications from provider agencies to receive grants from the Fund.

Provider agencies that are eligible to participate are any locality, governmental agency, or not-for-profit organization that provides one or more programs or driver safety activities in accordance with the Plan. Of the $4.7 million annually allocated to the Fund for the 3 calendar years 2022–2024, DCJS awarded 28 grantees a total of $3.749 million annually in Program grants, totaling about $11.2 million. These grants funded training programs and the personal service costs of specialized law enforcement units and district attorneys' offices that work to combat MVTIF. As was the case in our previous audit, the $3.749 million comprised:

- $3,194,487 to 22 grantees, such as city and county police departments and county district attorneys' offices in 12 of the 14 counties with the highest average incidence of MVTIF;
- $448,673 to four New York City fire and law enforcement units for specialized staff dedicated to addressing MVTIF; and
- $105,840 to two not-for-profit agencies—the New York Anti-Car Theft & Fraud Association, Inc., and the New York Prosecutors Training Institute, Inc.—to provide statewide training.

In each of the 3 calendar years covered by our audit, there were also budget bills that authorized transfers of at least $1.1 million in Program funds to the State's General Fund. During the 3 years, there was one transfer to the General Fund: a $1.1 million transfer in 2022. In addition to grant expenditures and the transfer to the General Fund, DCJS officials annually charged a portion of their staff salaries to the Program. The fund balance on December 31, 2024 was nearly $9.6 million. Data about motor vehicle theft and suspected incidents of motor vehicle insurance fraud is provided to DCJS by county law enforcement agencies and DFS, respectively, and is used in the Annual Reports.

Key Findings

Similar to the results of our previous audit (2022-M-2), we again identified gaps in the Board's compliance with key governance provisions of the Law. These gaps hindered DCJS' ability to conduct Program business and contributed to its continued reliance on extending contract award amounts that were decided based on crime statistics from nearly a decade ago. We also identified areas for improvement in grantee participation in the Program, DCJS oversight of grant payments, and communication with grantees.

Specifically:

- The Board didn't have the 12 members required by the Law during the audit and lacked a quorum for conducting business in both 2022 and 2024. There were also no Board meetings for any of the 3 years covered by our audit. As a result, no actions, such as issuing a new RFP for MVTIF awards or updating the Plan (last revised in 2021), were taken by the Board during the period.
- Each of the three Annual Reports for the period 2022–2024 was issued late—the most recent one was due in February 2025 and issued in December 2025.
- Most grantees (21 of 28) claimed only some of their award funds for the 3 calendar years 2022 through 2024, and one didn't claim any of its award. This may indicate that grantees perceive the benefit of participating in the Program as less than its cost and could deter future participation.
- Of the $324,214 in claimed costs we reviewed for two grantees, we identified inadequately supported or excess charges to the Program totaling $168,841 (52%), as follows:
    - $162,124 in personal service costs that weren't supported by a time recording system, as required;
    - 17 of 42 overtime requests, totaling $6,449, that were approved by persons of the same or lesser level than the person who worked the overtime; and
    - $268 in overtime that the grantee submitted for reimbursement in error and that DCJS paid without identifying the error.
- DCJS applied a monetary penalty to one grantee as liquidated damages for not meeting the contract Minority and Women-owned Business Enterprise goals, which could have been avoided with adequate communication.

Key Recommendations

- Improve compliance with Article 36-A's governance requirements or, as considered necessary, continue to pursue legislative remedies to alter these requirements related to:
    - Number and composition of Board members;
    - Number of Board meetings per year; and
    - Issuing Annual Reports by February 15.
- Take steps to identify and address barriers to grantee participation in the Program.
- Improve monitoring of grantees' documentation for claimed costs to provide increased assurance that claims for reimbursement are for costs that are accurate and appropriately approved.

- Improve communication with grantees to ensure that DCJS staff are appropriately applying grant contract terms and effectively communicating options to grantees, such as requesting waivers or goal modifications, where relevant.

Office of the New York State Comptroller
Division of State Government Accountability

November 18, 2026

Rossana Rosado
Commissioner
Division of Criminal Justice Services
Alfred E. Smith State Office Building
80 South Swan Street
Albany, NY 12210

Dear Commissioner Rosado:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Motor Vehicle Theft and Insurance Fraud Prevention Program For the 3 Calendar Years Ended December 31, 2024.* The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

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Glossary of Terms

Term	Description	Identifier
DCJS	Division of Criminal Justice Services	*Auditee*
Annual Report	Motor Vehicle Theft and Insurance Fraud Annual Report	*Key Term*
Board	Motor Vehicle Theft and Insurance Fraud Prevention Board	*Key Term*
DFS	Department of Financial Services	*Agency*
Fee	Motor Vehicle Theft and Insurance Fraud Prevention Fee	*Key Term*
Fund	Motor Vehicle Theft and Insurance Fraud Prevention Fund	*Key Term*
Law	State Executive Law, Article 36-A	*Law*
MVTIF	Motor Vehicle Theft and Insurance Fraud	*Key Term*
MWBE	Minority and Women-owned Business Enterprise	*Key Term*
Plan	Plan of Operation	*Key Term*
Program	New York Motor Vehicle Theft and Insurance Fraud Prevention Demonstration Program	*Key Term*
RFP	Request for Proposals	*Key Term*

Background

Motor Vehicle Theft and Insurance Fraud (MVTIF) have an adverse impact on motor vehicle insurance rates in New York State. The New York MVTIF Prevention Demonstration Program (Program), as established in 1994 in the State Executive Law under Article 36-A (Law), is intended to provide an integrated means to prevent, deter, and reduce the incidence of MVTIF by developing and providing funding for programs that support specialized law enforcement units and prosecutors.

The Motor Vehicle Theft and Insurance Fraud Prevention Fee (Fee), enacted in 1992, is reflected in the cost of motor vehicle insurance policies and is collected by insurance companies when customers pay insurance premiums for vehicles registered in the State. The Fee was initially set at $1 per year per registered vehicle and has increased twice to the current $10. Insurance companies remit the Fee monthly to the Department of Financial Services (DFS), which in turn submits it for deposit into a fund designated for disbursement to the Division of Criminal Justice Services (DCJS) and the Division of State Police. In accordance with provisions of the State Insurance Law, the MVTIF Prevention Fund (Fund) receives the first $4.7 million from these Fees to support Program operations. The remaining amount is paid to the State Police Motor Vehicle Law Enforcement Account.

Provisions of the Law require the Program to be administered by a 12-member Motor Vehicle Theft and Insurance Fraud Prevention Board (Board), with DCJS as administrator and the DCJS Commissioner or their designee serving as Board Chair. Board members are appointed by the Executive and represent auto insurance consumers, auto insurance companies, law enforcement agencies, and the judicial system. Under the Law, the Board must meet a minimum of four times per year. A majority of Board members is needed to reach a quorum for the purpose of transacting business at meetings. In addition, DCJS must annually, by February 15, submit to the Executive and other State officials a report (Annual Report) on the Board's activities; the activities of grant recipients; the results achieved by grant recipients in improving the detection, prevention, or reduction of MVTIF; and the impact these efforts may have on motor vehicle insurance rates.

Further, the Law requires that the Board develop and recommend to the DCJS Commissioner a Plan of Operation (Plan) that includes a regional analysis of the incidence of MVTIF and related activities. In addition, in allocating Program funds, DCJS—with the Board's recommendation—must, to the greatest extent possible, consider the geographic incidence of MVTIF, so that localities with the greatest incidence are targeted for the purpose of this Program. The Plan must include:

- An assessment of the scope of the problem of MVTIF, including a regional analysis of the incidence of MVTIF and related activities;
- An analysis of various methods of combating the problem; and

- The development of a Request for Proposals (RFP) process, consistent with the Plan, for applications from provider agencies to receive grants from the Fund.

Provider agencies that are eligible to participate are any locality, governmental agency, or not-for-profit organization that provides one or more programs or driver safety activities in accordance with the Plan. Of the $4.7 million annually allocated to the Fund for the 3 calendar years 2022–2024, DCJS awarded 28 grantees a total of $3.749 million annually (see Exhibit) in Program grants, totaling about $11.2 million. These grants funded training programs and the personal service costs of specialized law enforcement units and district attorneys' offices that work to combat MVTIF. As was the case in our previous audit, the $3.749 million comprised:

- $3,194,487 to 22 grantees, such as city and county police departments and county district attorneys' offices in 12 of the 14 counties with the highest average incidence of MVTIF;
- $448,673 to four New York City fire and law enforcement units for specialized staff dedicated to addressing MVTIF; and
- $105,840 to two not-for-profit agencies—the New York Anti-Car Theft & Fraud Association, Inc., and the New York Prosecutors Training Institute, Inc.—to provide statewide training.

During the 3 years, there was also one transfer to the General Fund: a $1.1 million transfer in 2022, about 11% of the $9.8 million expended on grantee claims for reimbursement, and 8% of the $14.1 million allocated to the Fund for the period. In addition to grant expenditures and the transfer to the General Fund, DCJS officials annually charged a portion of their staff salaries to the Program. Table 1 presents Fund activity for the 3 calendar years 2022–2024. The fund balance on December 31, 2024 was nearly $9.6 million.

Table 1

MVTIF Prevention Fund Activity

Calendar Year	2022	2023	2024	Total
Beginning Balance	$5,811,423	$5,728,746	$7,249,394	$5,811,423
Budget Allocation	$4,700,000	$4,700,000	$4,700,000	$14,100,000
Interest Earned	$73,967	$333,869	$453,232	$861,068
Grant Expenditures	-$3,625,252	-$3,420,715	-$2,778,932	-$9,824,899
DCJS Administration	-$131,392	-$92,506	-$51,850	-$275,748
Transfers to General Fund	-$1,100,000	$0	$0	-$1,100,000
Ending Balance	**$5,728,746**	**$7,249,394**	**$9,571,844**	**$9,571,844**

Note: The 2022 Beginning Balance differs from the 2021 Ending Balance (as shown in audit report 2022-M-2) by $1 due to rounding.

Data about motor vehicle theft and suspected incidents of motor vehicle insurance fraud is provided to DCJS by county law enforcement agencies and DFS, respectively, and is used in the Annual Reports. According to DCJS, it considered only entities within the 14 New York counties with the highest average incidence of MVTIF as eligible for Program grants. Table 2 presents the combined motor vehicle theft and suspected fraud occurrences for the 14 highest-incidence counties for calendar years 2022 through 2024, as reported in DCJS' 2022–2024 Annual Reports.

Table 2

MVTIF Incidence and % Change, 2022–2024

County	Annual Grant Award Amount 2022–2024	2022 Combined Incidence of Theft & Fraud	2023 Combined Incidence of Theft & Fraud	% Change 2022–23	2024 Combined Incidence of Theft & Fraud	% Change 2023–24
Kings	$250,873	14,030	19,002	35%	19,528	3%
Queens	$560,625	10,496	13,573	29%	15,052	11%
New York	$263,445	4,257	3,956	-7%	3,641	-8%
Bronx	$329,991	8,664	9,192	6%	8,683	-6%
Nassau	$260,169	4,409	4,337	-2%	3,792	-13%
Suffolk	$406,766	2,544	2,611	3%	2,252	-14%
Erie	$248,184	2,891	5,860	103%	4,132	-29%
Monroe	$173,020	2,274	6,987	207%	4,033	-42%
Westchester	$400,377	1,230	1,509	23%	1,101	-27%
Onondaga	$0	1,061	1,594	50%	1,704	7%
Richmond	$50,144	1,091	1,567	44%	1,334	-15%
Albany	$98,050	994	778	-22%	529	-32%
Niagara	$152,843	360	342	-5%	288	-16%
Orange	$0	347	336	-3%	629	87%
Total	**$3,194,487**	**54,648**	**71,644**	**31%**	**66,698**	**-7%**

As shown above, the combined incidence of MVTIF among the 14 counties fluctuated each year. The greatest fluctuations occurred in Monroe County, which had the largest increase—over 200%—occurring between 2022 and 2023 and the greatest decrease—over 40%—between 2023 and 2024. In its 2023 MVTIF Annual Report, DCJS expressly emphasized the increase in reported motor vehicle thefts in the State, citing a 43% increase from 2022. The report stated that

2022 was the first year with a significant increase in motor vehicle theft since the inception of the program in 1994, exceeding the national average.

Audit Findings and Recommendations

Similar to the results of our previous audit, we again identified gaps in the Board's compliance with key governance provisions of the Law, particularly with respect to maintaining the required number of Board members and holding meetings that would, if a quorum were present, allow Program business to be done in line with the Law's intent, which is to prevent, deter, and reduce the incidence of MVTIF. These gaps hindered DCJS' ability to conduct Program business and contributed to its continued reliance on extending contract award amounts that were decided based on crime statistics from nearly a decade ago. Annual Reports for each of the 3 calendar years covered by our audit were also several months late. In addition, there was less than full Program participation: most of the 28 grantees claimed only some of their award funds, and one didn't claim any of its award funds for the 3-year period. We also found that some personal service costs in our sample weren't adequately supported by grantee records or appropriately approved, and DCJS reimbursed a grantee for a small amount that the grantee submitted in error. Finally, DCJS applied a monetary penalty to one grantee as liquidated damages for not meeting the contract Minority and Women-owned Business Enterprise (MWBE) goals, which could have been avoided with adequate communication. We make five recommendations to address these areas.

Program Governance

We found that the gaps in Program governance that we identified in our previous audit report, which covered the 4 calendar years 2018–2021, persisted throughout this 3-year audit period and continued to hinder DCJS' ability to conduct Program business and to best advance its intent, which is to prevent, deter, and reduce the incidence of MVTIF. These conditions contributed to DCJS's continued reliance on extending contract award amounts through 2024 (and again through 2025) that were decided using crime statistics from 2014–2016 that DCJS used in generating its 2017 RFP. In addition, each of the three Annual Reports covered by our audit period—2022, 2023, and 2024—was issued later than the statutory deadline.

Board Members, Board Meetings, and the Need for a New RFP

Under the Law, a majority of Board members is needed to reach a quorum for the purpose of transacting business at Board meetings. However, the Board didn't have the 12 members required by the Law during the audit and lacked a quorum for conducting business in both 2022 and 2024. DCJS officials said there was a brief 4-month period in 2023 in which they had seven Board members, and therefore a quorum; however, it wasn't enough time to prepare action items for the Board. In addition, there were no Board meetings for any of the 3 years covered by our audit. As a result, no actions, such as issuing a new RFP for MVTIF awards or updating the Plan (last revised in 2021), were taken by the Board during any of the 3 years ended December 31, 2024.

The last Program RFP that DCJS issued was in 2017, using the combined theft and suspected insurance fraud data from the years 2014 through 2016 to determine the counties with the greatest incidence of MVTIF to target for the purposes of allocating Program funds, in accordance with the Law. The RFP identified 14 of the 62 counties in the state as having the highest average combined incidence of MVTIF that were therefore eligible to apply for 2018 Program funds. Twelve of the 14 counties applied for and were awarded contracts in 2018 (Onondaga and Orange counties did not). DCJS then extended the 2018 contracts through successive annual 1-year renewals through calendar year 2024 (and subsequently through 2025). Consequently, awards from 2018 through 2024, and continuing through 2025, have been based on crime data from about a decade ago.

We note that each year from 2022 through 2024, the 14 counties with the highest combined incidence of MVTIF were the same as those identified as eligible for grants in the 2017 RFP. Notably, both Onondaga and Orange counties had a more than 100% increase in combined incidence from the 2014–2016 average to 2024, as shown in Table 3. It's not known whether entities in these two counties, or other counties, such as those with large increases in incidence, may have later applied if an RFP had been issued subsequent to 2017 that considered more recent changes in MVTIF. An RFP that was informed by more recent crime data might have resulted in a different alignment of resources, such as a different number and/or composition of eligible grant recipients.

Table 3
Eight Counties With an Increase of 100% or More in MVTIF Incidence from 2014–2016

County	Annual Grant Award Amount	Combined Average Incidence 2014-2016	Combined Incidence 2024	% Change
Monroe	$173,020	1,223	4,033	230%
Kings	$250,873	6,877	19,528	184%
Onondaga	$0	601	1,704	184%
Queens	$560,625	5,510	15,052	173%
Richmond	$50,144	511	1,334	161%
Erie	$248,184	1,616	4,132	156%
Bronx	$329,991	3,857	8,683	125%
Orange	$0	306	629	106%

Due to the continued gaps in Program governance and DCJS' prolonged reliance on renewing existing MVTIF grant awards that are based on outdated crime data, the MVTIF funds aren't being used in an intentional and well-planned way. DCJS officials said that they continue to

explore more efficient and effective means of recruiting qualified Board members, which will allow the Board to achieve a quorum and to conduct Program business, such as issuing a new RFP, and cited recruitment as being a challenge. They also said that changes to statutory language are the result of legislative action and Executive approval, and that they'll continue to pursue statutory amendments that will allow greater flexibility in administering Program funds.

MVTIF Annual Reports

Finally, none of the Board's Annual Reports were issued by February 15, as required under the Law. The 2024 report, due in February 2025, was issued in December 2025, and the 2023 and 2022 reports were issued in October 2024 and August 2023, respectively. DCJS officials explained that it's impossible to meet the February deadline because the necessary MVTIF crime statistics that are part of the Annual Report content aren't available in time to meet it. They're seeking a legislative change to revise the reporting deadline to September 15.

Grantee Participation and Use of Program Funds

We found that most grantees claimed only some of their award funds for the 3 calendar years 2022 through 2024, and one didn't claim any of its award funds. This may indicate that grantees perceive the benefit of participating in the Program as less than its cost and could deter future participation. For the 3-year period, $1.1 million of the $11.2 million in MVTIF grant funds—about 10%—wasn't claimed by the grantees to whom they were awarded as of January 14, 2026, as shown in Table 4.

Table 4

MVTIF Grant Award Claim Status as of January 2026

Calendar Year	Amount Awarded	Amount Claimed	Amount Unclaimed	% Claimed	% Unclaimed
2022	$3,749,000	$3,350,703	$398,297	89%	11%
2023	$3,749,000	$3,255,376	$493,624	87%	13%
2024	$3,749,000	$3,506,473	$242,527	94%	6%
Total	**$11,247,000**	**$10,112,552**	**$1,134,448**	**90%**	**10%**

Of the 28 grantees that were awarded funds during this period:

- 21 (75%) claimed a partial amount of MVTIF grant funds;
- 6 (21%) claimed all MVTIF grant funds; and
- 1 (4%) didn't claim any of its MVTIF grant funds.

Grantees cited different reasons for reduced participation in the Program or their rejection of the grant award. For example, officials for the grantee that claimed none of its award during the period said that the last MVTIF grant they applied for ended on December 31, 2020, and they haven't applied since. They cited the administrative burden associated with the grants as outweighing the relatively modest funding amounts, as well as competing priorities. Two other grantees didn't claim any grant funds awarded for calendar year 2023, despite their continuing involvement in Program-related activities. Officials from one grantee said they were in a transition period in which they were working with DCJS in part to address prior DCJS findings that they needed to create a time recording system, which was implemented in 2024. Officials from the second grantee attributed their lack of participation in 2023 to a change in the bureau in charge of administering the Program.

Reduced grantee participation in the Program results in funds not being used for the Program purpose, and that are at risk for being swept to the General Fund and used for other purposes. In addition, reduced participation may indicate that grantees perceive the cost of doing so outweighs the benefits, deterring future participation. In response to our observations, DCJS officials said they are willing to explore the reasons contributing to the reduction in grantee participation and work with grantees to find a solution that encourages future participation.

Oversight of Grant Expenditures

Similar to the results of our previous audit, we found that DCJS' monitoring of grantee-claimed costs could be improved to better assure that they're accurate and supported by a contractually required time recording system. We identified some personal service costs in our sample that weren't adequately supported by the grantee's time recording system or appropriately approved, and some costs that a grantee claimed in error and that DCJS paid.

The terms of DCJS' 2017 MVTIF RFP, which continued to be the basis for the awards for calendar years 2022–2024, defined the expenses eligible for reimbursement, such as personal services, training, equipment, and travel. According to the "Time and Effort Reporting" provisions of the MVTIF grant contracts, each grantee must maintain a time recording system (e.g., time sheets or computerized workload distribution reports) that shows the time that staff devoted to the grant project and that can be verified during a DCJS review. If the grantee uses time sheets, the contracts also require them to be signed by the person who did the work and approved by a higher-level supervisor. Applying these standards to overtime approvals would result in a process in which overtime, when needed, is approved by a person other than, and in a supervisory position to, the person working the overtime.

To request reimbursement for Program-related personal service costs, grantees must include an itemization of those costs with their claim for reimbursement. The itemization includes the employee name and position, period worked, time worked and rate of pay, and the amount to be charged to the grant. According to DCJS officials, they haven't historically required grantees to submit other information, such as payroll registers, to support personal service costs.

We found that the costs claimed on 23 vouchers we reviewed for a sample of five of 28 grantees were allowed under the contract and agreed with the limited documentation submitted to DCJS

with the vouchers, such as payroll itemizations. The claimed costs totaled $622,263, about 6.2% of the $10,112,552 expended during the 3-year period ending December 31, 2024. However, when we visited two of the five grantees, the source documentation for the personal services costs claimed for 2022 and 2024 (neither grantee submitted claims for costs for 2023)—which DCJS doesn't generally obtain with grantee claims—showed that some costs weren't supported by a time recording system and other costs were submitted in error and subsequently paid by DCJS without it detecting the error. In total, we reviewed support for $324,214 in claimed costs during these visits, and identified inadequately supported or excess charges to the Program totaling $168,841 (52%) as follows:

- $162,124 in personal service costs for which the grantee didn't have a time recording system, as required;
- 17 of 42 overtime requests that lacked supervisory approval and totaled $6,449, including 16 that were authorized by a person of the same rank as the person who requested the overtime and one request that was authorized by a person of a lower rank; and
- $268 in overtime (of $13,510 claimed) that was incorrectly charged to the Program for one staff, including $134 that the grantee attributed to a reporting error and $134 that was submitted as 4 hours of overtime but that, according to payroll records, should have been 2 hours. In this case, the grantee submitted the charges to DCJS in error, and DCJS reimbursed the grantee without identifying the error.

We also reviewed the personal services charges that DCJS charged to the Program for the 3 calendar years 2022 through 2024, which totaled $275,748, for reasonableness and found them to be reasonable.

In response to our preliminary observations, DCJS officials stated that they're taking steps to develop a more robust review process to ensure expenses are accurate and appropriately approved and that they're in the process of requesting resources to enhance their efforts. They also acknowledged the importance of ensuring grantees understand the contract requirements and said they will remind them about the Time and Effort Reporting clause and recommend they assess their internal controls to make improvements where possible.

Other Matters

DCJS applied a monetary penalty to one grantee as liquidated damages for not meeting the contract MWBE goals, which could have been avoided with adequate communication. MVTIF grantee contract language requires that the contractor (grantee) document good faith efforts to provide meaningful participation by MWBEs as subcontractors or suppliers in performance of the contract. If, despite these good faith efforts, the contractor is unable to comply with the MWBE goals, it may submit a Request for Waiver to DCJS, documenting its efforts, for DCJS' evaluation and written notice of acceptance or denial of the Request for Waiver.

Contract language also states that DCJS may withhold payment for liquidated damages and/or provide for other appropriate remedies if the grantee is found to have willfully and intentionally failed to comply with the contract's MWBE goals. According to DCJS officials, typically, if a

grantee doesn't have MWBE purchases to report or additional costs that could help it meet its goals, they'll email the grantee to explain the option to submit a Request for Waiver or an adjustment of the goal. This could result in the grantee meeting some or all of its goal.

In this case, the grantee's contract award for 2024 totaled $250,873, and the related budget summary document included $2,000 in non-personal service expenses that were subject to a DCJS-established MWBE goal of 30%: $1,000 for Operational Equipment and $1,000 for Program Supplies. As such, the MWBE goal totaled $600 ($2,000 x 30%). This grantee claimed only some of its grant award for the 2024 contract year. Of the $250,873 award, the grantee claimed $121,882 for the grant year, less than half of the award, on personnel and travel costs. The grantee's final claim for payment for 2024 showed that it reported $0 purchases in the categories subject to the MWBE goal. We met with a representative from this grantee, who said they didn't need to make purchases in either of those categories during the contract year.

DCJS records indicated that DCJS staff contacted the grantee by email to determine whether there were any MWBE-related expenditures to report. In response, the grantee instructed DCJS to proceed with a $600 MWBE reduction to the claim amount and DCJS did so, withholding the $600 as liquidated damages. However, there was no evidence that the grantee willfully and intentionally failed to comply with the MWBE goals or that it was aware of the option to request a waiver or an adjustment to the goal, nor did DCJS offer the opportunity for the grantee to submit a Request for Waiver. Given these conditions, we concluded that DCJS didn't follow its stated practices and that liquidated damages weren't warranted. DCJS officials acknowledged that they didn't communicate with the grantee about the potential for a waiver or adjustment of the goal, and said that going forward, they'll strive to effectively communicate with grantees to avoid confusion and errors.

Recommendations

1. Improve compliance with Article 36-A's governance requirements or, as considered necessary, continue to pursue legislative remedies to alter these requirements related to:
    - Number and composition of Board members;
    - Number of Board meetings per year; and
    - Issuing Annual Reports by February 15.
2. Take steps to identify and address barriers to grantee participation in the Program.
3. Improve monitoring of grantees' documentation for claimed costs to provide increased assurance that claims for reimbursement are for costs that are accurate and appropriately approved.

4. Communicate information to grantees about appropriate internal control procedures, including information about the contractual requirement to support personal service costs with an adequate time recording system.
5. Improve communication with grantees to ensure that DCJS staff are appropriately applying grant contract terms and effectively communicating options to grantees, such as requesting waivers or goal modifications, where relevant.

Audit Objective, Scope, and Methodology

The objective of our audit was to determine whether the Division of Criminal Justice Services has 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 New York Motor Vehicle Theft and Insurance Fraud Prevention Demonstration Program. Our audit covers the period January 1, 2022 through December 31, 2024.

To accomplish our objective and assess related internal controls, we reviewed laws, DCJS policies and procedures, grantee contracts, claims for reimbursement, and MVTIF Annual Reports. We also met with and interviewed DCJS officials to gain an understanding of their role in awarding grants, monitoring payments to grantees, and accounting for Program funds. We analyzed the MVTIF grant award claim status, and we also analyzed New York MVTIF crime data, using the statistics as reported in DCJS' MVTIF RFP issued in 2017 and DCJS' MVTIF Annual Reports for calendar years 2022, 2023, and 2024. We also reviewed DCJS administrative costs that were charged to the Program—all of which were for personal service costs—for reasonableness.

We used a non-statistical sampling approach to provide conclusions on our audit objective and to test internal controls and compliance. We selected only judgmental samples. Because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations. Our samples, which are discussed in the body of our report, were as follows:

- A judgmental sample of five of the 28 grantees to determine if the costs they claimed for reimbursement were Program-related, allowed under the contract, and agreed with information the grantee submitted to DCJS with its claim. In selecting the grantees, we considered the award amount, year(s) for which the grantee claimed Program costs and the amount claimed, information from the Annual Reports, and grantee location.
- A judgmental sample of two of the above five grantees to visit, based on grantee type and amount of awards claimed, which resulted in a sample of one law enforcement agency and one district attorney's office. During our site visits, we interviewed grantees and examined source documentation for their Program-related claims, including reviewing their time recording systems.

We obtained data from the Statewide Financial System, which is reviewed by KPMG during its annual audit of the State's Annual Comprehensive Financial Report. Based on KPMG's work, we have determined that the data from this system is sufficiently reliable for the purposes of this report.

Statutory Requirements

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. These duties could be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our professional judgment, these duties do not affect our ability to conduct this independent performance audit of DCJS' compliance with Article 36-A of the State Executive Law for revenues received by and expenditures made from the Fund and from any other source for purposes of the Program.

Reporting Requirements

We provided a draft copy of this report to DCJS officials for their review and formal written response. We considered their response in preparing this final report and have included it in its entirety at the end of the report. In their response, DCJS officials generally agreed with our recommendations and described actions that are ongoing or are planned to address some of them.

Within 180 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Division of Criminal Justice Services shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Exhibit

MVTIF Program Grantees and Annual Award Amounts, Calendar Years 2022–2024

	Grantee County or Grantee Type	Grantee	Annual Award Amount by County or Grantee Type
1	Albany	Albany County District Attorney	$65,050
2	Albany	Albany City Police Department	$33,000
	Albany County Total		**$98,050**
3	**Bronx**	Bronx County District Attorney	**$329,991**
4	Erie	Buffalo City Police Department	$106,884
5	Erie	Erie County District Attorney	$104,758
6	Erie	Cheektowaga Town Police Department	$36,542
	Erie County Total		**$248,184**
7	**Kings**	Kings County District Attorney	**$250,873**
8	Monroe	Monroe County District Attorney	$87,000
9	Monroe	Monroe County Sheriff's Office	$36,500
10	Monroe	Rochester City Police Department	$49,520
	Monroe County Total		**$173,020**
11	Nassau	Nassau County District Attorney	$114,300
12	Nassau	Nassau County Police Department	$145,869
	Nassau County Total		**$260,169**
13	**New York**	New York County District Attorney	**$263,445**
14	Niagara	Niagara County District Attorney	$109,443
15	Niagara	Niagara Falls City Police Department	$23,400
16	Niagara	Niagara County Sheriff's Department	$20,000
	Niagara County Total		**$152,843**
17	**Queens**	Queens County District Attorney	**$560,625**
18	**Richmond**	Richmond County District Attorney	**$50,144**
19	Suffolk	Suffolk County District Attorney	$283,210
20	Suffolk	Suffolk County Police Department	$123,556
	Suffolk County Total		**$406,766**

	Grantee County or Grantee Type	Grantee	Annual Award Amount by County or Grantee Type
21	Westchester	Westchester County District Attorney	$277,963
22	Westchester	Yonkers City Police Department	$122,414
	Westchester County Total		**$400,377**
	Subtotal County-Specific Grantees		**$3,194,487**
23	NYC Fire or Law Enforcement Unit	New York City Police Department (NYPD)—Auto Larceny Fraud Investigation Unit	$24,873
24	NYC Fire or Law Enforcement Unit	Fire Department of New York City	$124,800
25	NYC Fire or Law Enforcement Unit	NYPD—Auto Crime Division	$199,000
26	NYC Fire or Law Enforcement Unit	NYPD—Fraudulent Collision Investigation Squad	$100,000
	Subtotal NYC Fire or Law Enforcement Unit		**$448,673**
27	Not-for-Profit (Statewide)	New York Anti-Car Theft and Fraud Association, Inc.	$65,100
28	Not-for-Profit (Statewide)	New York Prosecutors Training Institute, Inc.	$40,740
	Subtotal Not-for-Profit (Statewide) Grantees		**$105,840**
	Total		**$3,749,000**

DCJS Response



Division of Criminal Justice Services

KATHY HOCHUL
Governor

ROSSANA ROSADO
Commissioner

September 11, 2026

Heather Pratt, CFE
Audit Director
Office of State Comptroller
Division of State Government Accountability
110 State Street- 11th Floor
Albany, NY 12236-0001

Re: Audit Draft Report– 2025-M-2, Issued August 12, 2026

Dear Director Pratt:

Thank you for the opportunity to respond to the draft report detailing the findings and recommendations related to the Office of the State Comptroller's (OSC) audit of the Division of Criminal Justice Services (Division) administration and oversight of the Motor Vehicle Theft and Insurance Fraud Prevention (MVTIF) Program.

For ease of review, we have listed OSC's recommendations followed by our responses:

Improve compliance with Article 36-or, as considered necessary, continue to pursue legislative remedies to alter these requirements related to:

- ***Number and composition of Board members;***
- ***Number of Board meetings per year; and***
- ***Issuing Annual Reports by February 15.***

While seeking to maintain compliance with the current law, DCJS has also developed legislative amendments that may help modernize and streamline the MVTIF program. Specifically regarding the OSC recommendations:

- Recruitment for the Board positions has been a challenge and DCJS continues to explore ways to recruit qualified Board members.
- While DCJS acknowledges that board meetings would ideally be held annually, for

the Board to take action to update the Plan of Operation and/or issue a competitive solicitation, there must be a quorum. DCJS did not have a quorum in 2022 or 2024. In 2023, there was a brief quorum during an approximate four-month period, but this was not sufficient time to prepare action items for the Board. DCJS is seeking to recruit board members and establish at least four meetings per calendar year.

- DCJS acknowledges that the legislative mandate requires the Annual Report to be issued by February 15th of each year, however, it is not possible. The necessary crime statistics on motor vehicle theft and insurance fraud are not yet available to meet this reporting date requirement. DCJS will continue to do its best to provide this report as timely as possible and to explore the possibility of revising such reporting date through legislative amendment.

Take steps to identify and address barriers to grantee participation in the Program.

DCJS is willing to explore what may be contributing to the reduction in participation by grantees, and work with those grantees that find the process burdensome to try and find a solution that encourages future participation. DCJS would also note that select grantees have received significant increases in other sources of state funding in recent years related to public safety and crime reduction (e.g., aid to prosecution).

Improve monitoring of claimed costs to provide increased assurance that claims for reimbursement are for costs that are accurate and appropriately approved.

DCJS agrees with this recommendation and is working to obtain the resources necessary to implement this level of monitoring.

Improve communication with grantees to ensure that DCJS staff are appropriately applying grant contract terms and effectively communicating options to grantees, such as requesting waivers or goal modifications, where relevant.

DCJS is committed to effectively communicating with grantees, so they understand their options for complying with contract terms, including requesting waivers or goal modifications.

Finally, DCJS is involved in Governor Kathy Hochul's multi-agency effort to reduce motor vehicle theft and the organized insurance fraud, which drive up costs for New York drivers. In 2023, Governor Hochul launched the Comprehensive Auto-Theft Reduction Strategy (CARS), a five-point plan under which DCJS provided supplemental funding in counties most affected by the increase in motor vehicle thefts, the State Police increased patrols in high-theft areas, and the State created a vehicle theft prevention website to help New Yorkers protect themselves. Following CARS, reported vehicle thefts statewide fell by 15 percent from 2024 to 2025.

Building on that work, the Governor's 2026 *State of the State* set out a whole-of-government approach to auto insurance fraud, which had grown sharply. Insurers reported 43,811 suspected motor vehicle insurance fraud incidents to the Department of Financial Services (DFS) Insurance Frauds Bureau in 2025, up 80 percent from 2020. The Governor's plan supports new appointments to the MVTIF Board, which is underway as noted above, and also directs several State agencies to take a more proactive and coordinated approach to enforcement. In 2026, the State Legislature acted on the Governor's call to address rising auto insurance costs by, among other components, combatting fraud, limiting payouts to bad actors, and prioritizing consumers' concerns. Through the first quarter of 2026, reported vehicle thefts have fallen 12 percent from the same time in 2025.

Please contact Panika Mahajan at (518) 457-7503 if you have any questions.

Sincerely,



Rossana Rosado
Commissioner

Cc: Joseph Popcun, Executive Deputy Commissioner
Sharif Kabir, Senior Deputy Commissioner for Strategy & External Affairs
Katie Anderson, Senior Deputy Commissioner for Finance & Administration
Cillian Flavin, Deputy Commissioner, Office of Program Development & Funding
John Clements, Director, Office of Budget and Finance
Andrea Hersimtschuk, Chief Risk Officer
Panika Mahajan, Director, Office of Audit Services and Compliance

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