



STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
ALBANY, N.Y. 12232
WWW.DOT.NY.GOV

JOAN McDONALD
COMMISSIONER

ANDREW M. CUOMO
GOVERNOR

June 3, 2013

Carmen Maldonado, Audit Director
Office of the State Comptroller
Division of State Government Accountability
123 William St Fl 21
New York, New York 10038

**Subject: OSC Audit Report 2012-S-6 --
Collection of Lease and Permit Revenues**

Dear Ms. Maldonado:

As required by Section 170 of the Executive Law, the Department of Transportation (NYSDOT) offers the following 90-day update on actions taken to implement the audit's recommendations:

Recommendation 1: Provide the Regions with detailed permit billing information and guidance on which permit holders are delinquent and require follow-up action.

Draft Report Response: *This recommendation is agreed to and has been implemented. Monthly reports from the Accounting Bureau are currently being made available to the regions showing all invoices issued that month, Aged Accounts Receivables report listing the outstanding balance, and Customer Transaction History report giving details of the outstanding balance. The Office of Right of Way (OROW) has reminded the regional real estate groups of their responsibility in regards to NYSDOT collection efforts.*

90-day Status Update: This recommendation was implemented in January 2013.

Recommendation 2: Refer accounts to the Office of the Attorney General, as required.

Draft Report Response: *This recommendation is agreed to and will be implemented. NYSDOT program staff met with the Civil Recovery Unit of the Office of the Attorney General (AG) to streamline and put into action the collection of arrears. The AG's office assured NYSDOT that they would accept NYSDOT's delinquent accounts for collection. The OROW will work with the Accounting Bureau to identify the delinquent permit holders that should be referred to the AG's office for collection.*

90-day Status Update: On April 3, 2013, final demand letters were sent to nine delinquent accounts by certified mail. These accounts represented over \$800,000 of uncollected revenue. Since no payments have been received, these delinquent accounts are being forwarded to the AG's Civil Recovery Unit for collection.

Recommendation 3: Track and communicate account status to appropriate units and staff.

Draft Report Response: *This recommendation is agreed to and has been implemented. All Regional Property Managers receive reminders by e-mails that monthly billing, aging report, and detail transaction history information is available on the shared network drive. Additional information on permits, including non-billing account status, can be found in the OROW's Sesame Database.*

90-day Status Update: This recommendation was implemented in January 2013.

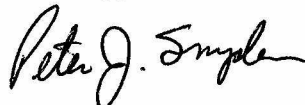
Recommendation 4: Remind the regional offices to report permit changes and cancellations to the main office more timely.

Draft Report Response: *This recommendation is agreed to and will be implemented by April 30, 2013. The OROW is preparing updates to its written procedures that will address the subject directly. These changes will include guidance on submission times for permit updates prior to the commencement of a new billing cycle.*

90-day Status Update: Instructions for the Right of Way (ROW) Form 427 "Notice of Regional Permit Transaction" were updated on May 1, 2013 to conform to current business practices and improve delivery of changes to the Revenue Unit. These updated instructions are available to all regional staff on the Department's internal website. The Regional Offices were notified of these changes by e-mail on May 17, 2013.

If you require any additional information, please contact Mike Fazioli, Director of Accounting Bureau, at 518-457-9767.

Sincerely,



Peter J. Snyder
Assistant Commissioner
Administrative Services Division

cc: Governor Andrew M. Cuomo
State Comptroller Thomas D. DiNapoli
Senator Dean G. Skelos
Senator Jeffrey D. Klein
Senator Andrea Stewart Cousins
Assemblyman Sheldon Silver
Assemblyman Joseph D. Morrelle
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Michael Novokowski, Division of the Budget