

# ANNUAL IG REPORT



2020



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# From the Inspector General



2020 was a challenging year not only for our state, but for our nation and across the globe. However, I am heartened by the fact that New Yorkers are served every day by dedicated and professional employees who espouse public service. The hard-working individuals of the Offices of the New York State Inspector General exemplify this commitment.

Our office has worked tirelessly this past year to preserve public integrity, prevent fraud and abuse of taxpayer resources, and ensure that our fellow State workers at executive agencies and authorities operate with integrity and in compliance with all laws and regulations.

In 2020, the Inspector General's Office was tasked with a mission-critical job in our state's ongoing fight against COVID-19. We have undertaken a comprehensive effort to augment existing controls to ensure that all purchased, allocated and donated assets, such as personal protective equipment (PPE), ventilators and other medical equipment, are received, logged, shipped and delivered to their intended destinations. Our expert auditors and investigators have been working with other state agencies to vet vendors, oversee shipments and ensure the security and efficiency of the supply chain. These specific missions are integral to keeping New Yorkers safe in the ongoing fight against COVID-19.

We continue to assist agencies in finding ways to better serve the public. Through our review, audit and investigative functions, we have made hundreds of recommendations to help State agencies and authorities operate more responsibly and transparently. The taxpayers of the State of New York deserve nothing less.

As we move into 2021, the Offices of the State Inspector General will continue to work on behalf of all New Yorkers to ensure that our state government operates efficiently and with the utmost integrity.

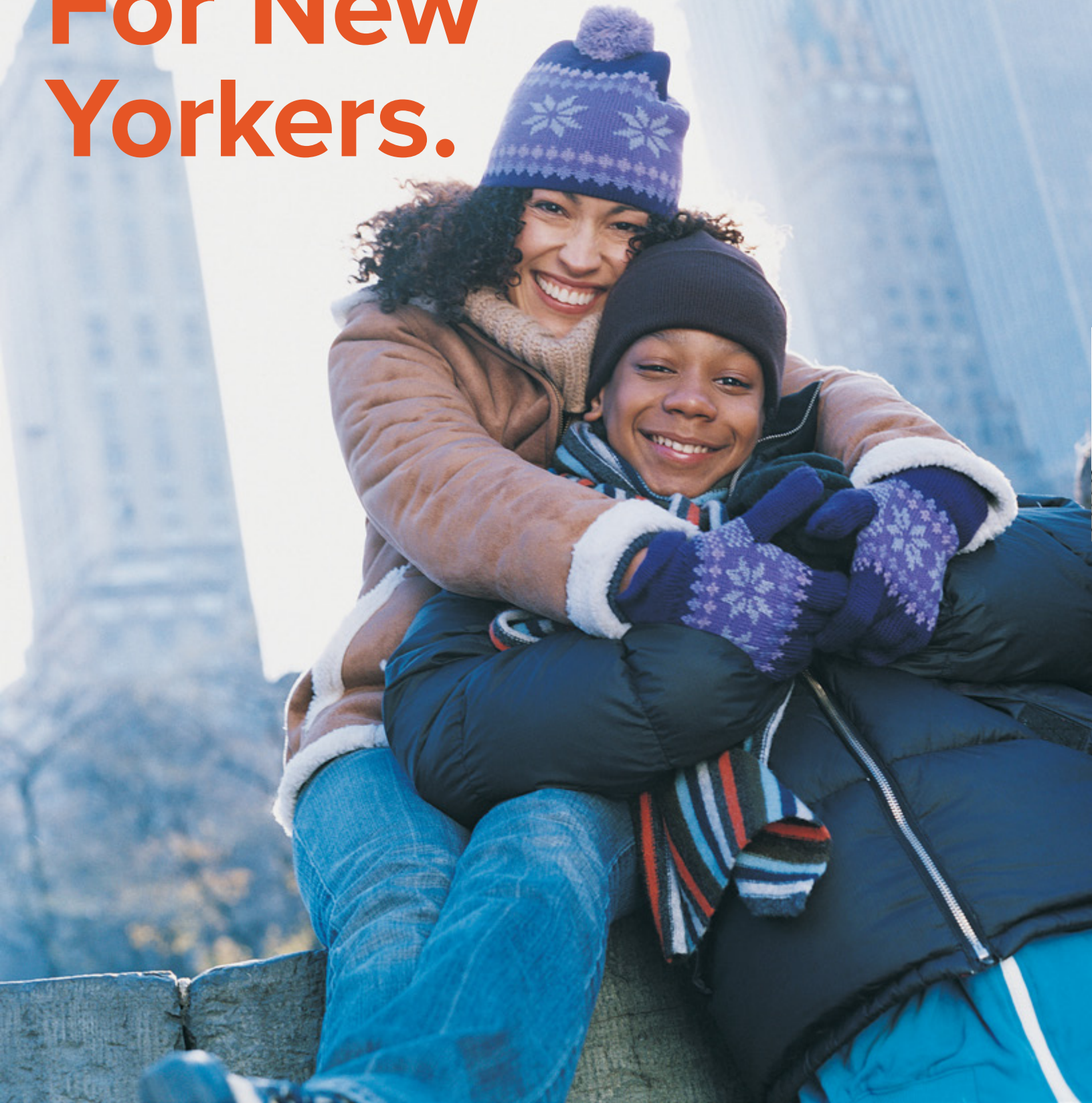
Sincerely,

A handwritten signature in cursive script that reads "Letizia Tagliafierro".

Letizia Tagliafierro  
NYS Inspector General



# What We Do For New Yorkers.



## JURISDICTION

Under New York State Executive Law Article 4-A, the Inspector General has jurisdiction over all executive branch agencies, departments, divisions, officers, boards, and over most public authorities and public benefit corporations.

The Inspector General's functions and responsibilities include receiving and investigating complaints concerning allegations of:

- Corruption
- Fraud
- Criminal activity
- Conflicts of interest
- Abuse

The Inspector General also reviews the policies and procedures of covered agencies regarding the prevention of these types of misconduct.

The Inspector General's responsibilities include oversight of the State agencies involved in prominent infrastructure projects as well as the contractors working on those projects, including:

- Governor Mario M. Cuomo Bridge
- Jacob Javits Convention Center expansion
- Moynihan Train Hall



## CASE MANAGEMENT UNIT

The Inspector General's Case Management Unit (CMU) is responsible for receiving and processing complaints and allegations made to the Offices of the Inspector General (OIG). Complaints may be submitted by anyone via:

- Online Complaint Forms
  - General Complaint Form
  - COVID-19 Complaint Form
- Phone: 1-800-367-4448
- Fax: 518-486-3745
- Mail: Empire State Plaza, Agency Building 2, 16th Floor, Albany, New York 12223

The CMU fields all complaints and then reviews and processes each to determine jurisdiction. Each complaint is logged in to a centralized database and then addressed and/or investigated by investigative and legal staff. The CMU also refers matters to other agencies as appropriate and supports the investigative work of the entire office.

All case-related information is treated as confidential information.



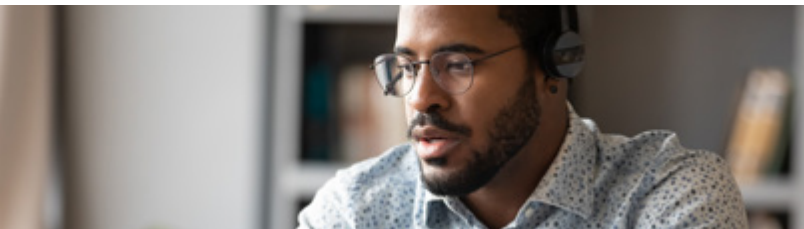
## REFERRALS

The Inspector General also refers matters to other entities as appropriate. If a specific matter falls outside of the OIG's jurisdiction (i.e. a federal or local government agency), the CMU will advise the complainant of such and make recommendation for the proper entity to review their matter.

Some complaints received by the Inspector General are ultimately determined to be best handled by the executive agency or authority in question and are therefore referred to those entities. The OIG tracks and monitors each referral to ensure that the agency/authority responds in an appropriate manner.

## TRAINING

The Inspector General provides training for State agencies and other organizations including the New York Prosecutors Training Institute and the District Attorney's Association of New York, related to the OIG's authority and State employees' obligation to report fraud, conflicts of interest, criminal activity, and abuse.



Beyond the OIG, the Office of the Workers Compensation Fraud Inspector General (WCFIG) conducts trainings about its mission and workers' compensation fraud for State employees and various stakeholders in the workers' compensation system, including the National Insurance Crime Bureau, the New York Alliance Against Insurance Fraud, and the New York State Association of Self-Insured Counties.

Similarly, Office of the Welfare Inspector General (OWIG) trains local social services districts about building and presenting cases to prosecutors and participates in trainings conducted by the New York Welfare Fraud Investigator's Association.

*Beyond the State Inspector General's statutory jurisdiction over executive agencies and related entities, the Offices of the New York State Inspector General encompasses two other distinct offices that protect taxpayer funds, ensure public assistance programs are employed responsibly and provide access to important safeguards for workers across the State:*

*The Office of the Welfare Inspector General (OWIG), as established by §74 of New York State Executive Law, is tasked with maintaining the integrity of New York State's public assistance programs.*

*OWIG is responsible for conducting investigations of fraud, abuse or illegal acts perpetrated within local social services districts and by beneficiaries of public assistance services. Additionally, OWIG is charged with recommending policies relating to the prevention and detection of fraud and abuse and monitoring the implementation of those recommendations.*

*In addition to its extensive fraud investigations, OWIG's early detection efforts help curtail the payment of unearned benefits which yield significant savings to New York State. OWIG also conducts proactive initiatives aimed at the early detection and prevention of fraud, and partners with federal, state, and local law enforcement, and with local social services districts, to investigate and prosecute fraudulent schemes.*

*OWIG continues to raise awareness of public assistance fraud, educate stakeholders, and generate increased detection and reporting of fraud. OWIG participates in several public assistance fraud task forces, whose members include social services and law enforcement personnel, as well as corporate entities. The Welfare Inspector General frequently provides public training to stakeholders regarding investigative techniques and ethical considerations in public assistance fraud investigations.*

*To learn more about OWIG's accomplishments, read the Office of the Welfare Inspector General's Annual Report.*

*The Office of the Workers' Compensation Fraud Inspector General (WCFIG), as established by §136 of the New York State Workers' Compensation Law, is responsible for investigating violations of the laws and regulations pertaining to the operation of the workers' compensation system.*

*WCFIG's investigations into violations of workers' compensations laws, rules and regulations may include the analysis of materials such as claim files and medical records, as well as taking of testimony from employers, attorneys, employees, health care providers, and insurance carriers. These investigations result in prosecutions throughout the State, as well as recovery of payments derived from fraudulent activities. Through its investigations and audits, the Workers' Compensation Fraud Inspector General's efforts to identify, investigate and prevent workers' compensation fraud focuses on reducing costs to the workers' compensation system.*

*Additionally, the Workers' Compensation Fraud Inspector General provides investigatory oversight of the State's Paid Family Leave program. Signed into law in 2016 by Governor Andrew M. Cuomo, the New York State Paid Family Leave program is the most comprehensive family leave program in the nation. The New York State Paid Family Leave program provides New Yorkers with job-protected paid leave to care for newborn children and loved ones with serious health conditions, or to help families of active duty military personnel.*

*To learn more about WCFIG's accomplishments, read the Office of the Workers' Compensation Fraud Inspector General's Annual Report.*

## PARTNERSHIPS

The OIG has long-standing partnerships with numerous law enforcement agencies across the state, including district attorneys, police departments, the New York State Police, the Federal Bureau of Investigation and more.



With regard to the infrastructure and integrity monitoring, the Inspector General coordinates with the appropriate oversight agencies, whether it be the U.S. Department of Transportation, the New York State Department of Transportation, Empire State Development, the New York State Thruway Authority, the Port Authority of New York and New Jersey or other relevant agencies.

# 2020

## By The Numbers.

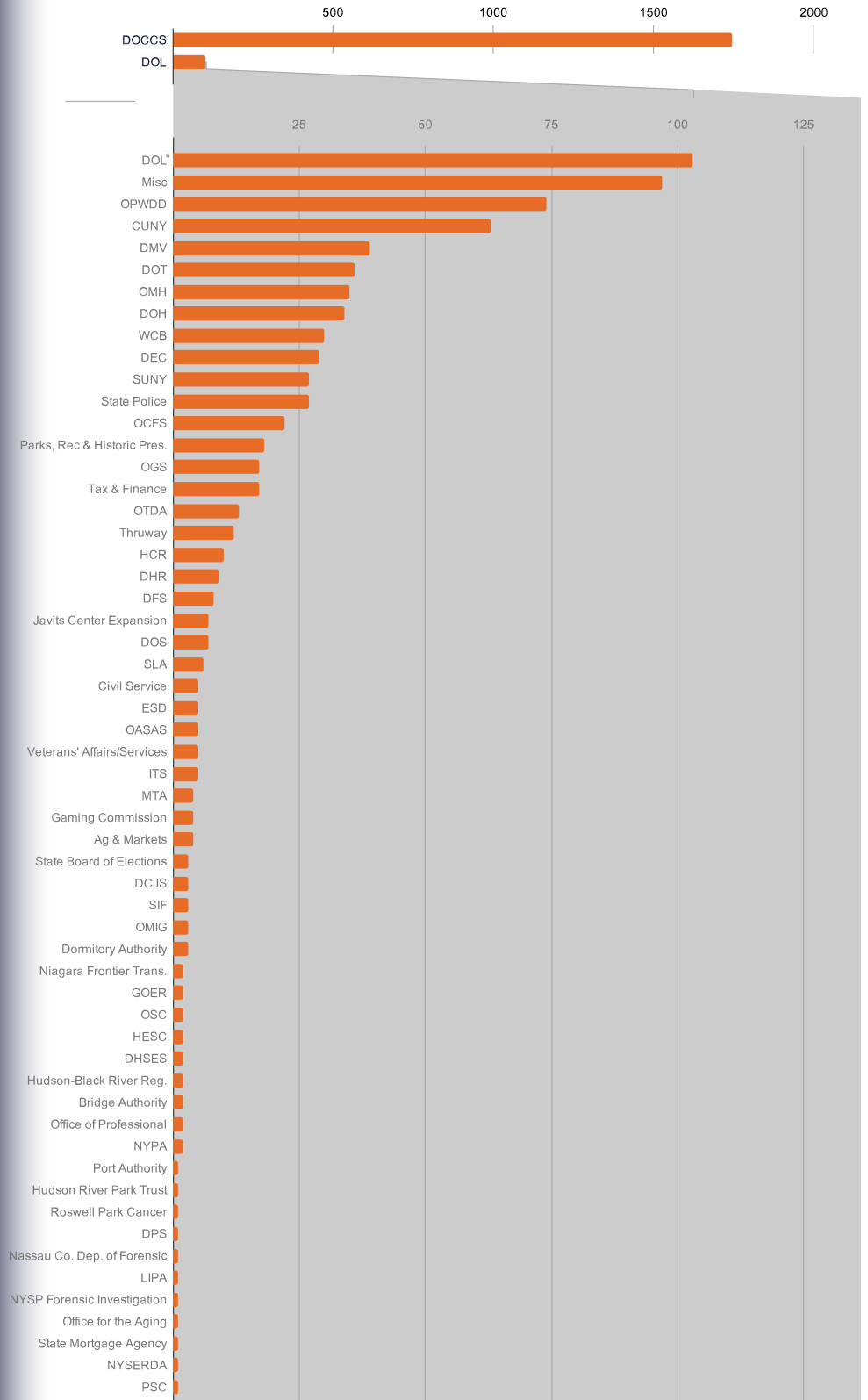




## COMPLAINTS BY STATUS

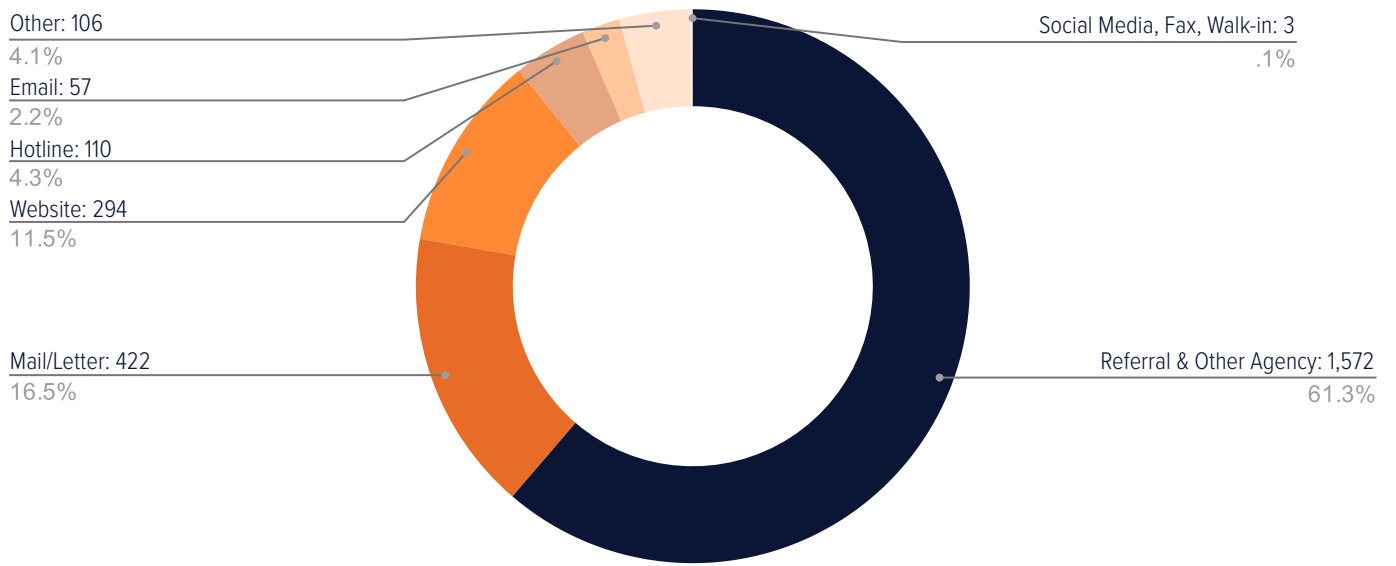


## COMPLAINTS BY AGENCY



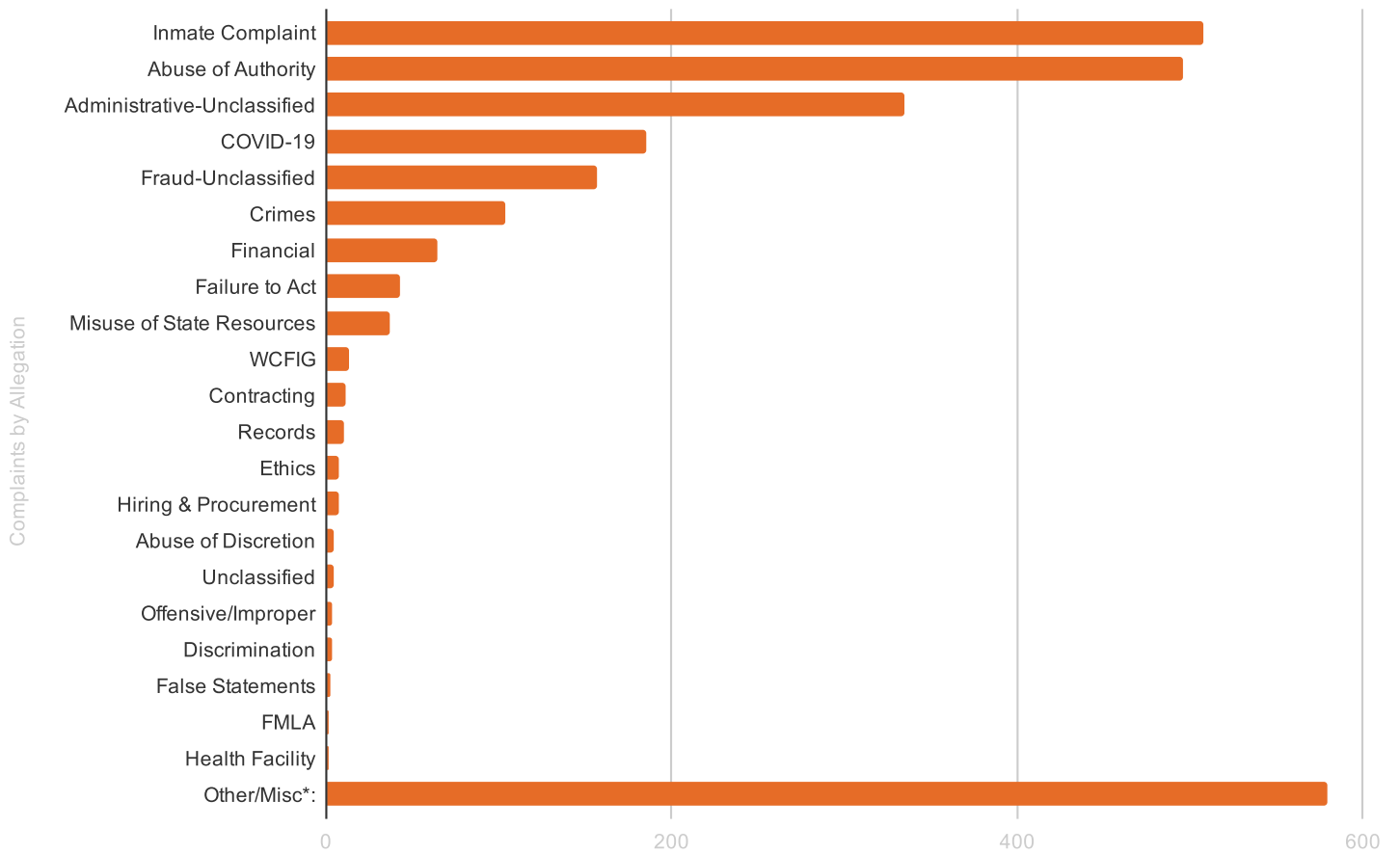
\*DOL experienced a high number of complaints in 2020 due to COVID-related unemployment insurance issues.

### COMPLAINTS BY SUBMISSION METHOD





### COMPLAINTS BY ALLEGATION



*\*Additions/follow up to existing complaints, matters to denote/monitor, etc.*



# Getting Results:

Investigative Highlights.



## MISCONDUCT, LAX DISCIPLINE & FAILED OVERSIGHT OF NYS POLICE MEMBERS OF DRUG ENFORCEMENT TASK FORCE

Inspector General Tagliaferro issued the findings of her office's investigation of a New York State Police probe into overtime abuse and vehicle misuse by its members of the New York Drug Enforcement Task Force (DETF). The Inspector General's investigation found that the State Police probe lacked transparency, led to inadequate disciplinary action for personnel, and allowed members who engaged in misconduct to retire "in good standing" without being held accountable.

A State Police review and subsequent investigation by the Inspector General of the DETF stemmed from a February 18, 2018 vehicular accident in Upstate New York involving a State Police senior investigator assigned to the DETF. The State Police reviewed the senior investigator's work assignments, location of activities, and use of a DETF-assigned vehicle while off duty. Ultimately, the State Police found that the senior investigator abused overtime, misused a State vehicle and directed subordinates to falsify time records.



The State Police then expanded its probe to review the activities of all members assigned to the DETF, finding that certain members falsely claimed overtime. In addition, some members improperly used their assigned vehicles while off-duty and conducted surveillance contrary to State Police rules. Ultimately, the State Police internal investigation found that 12 members of the DETF warranted discipline.

However, the Inspector General found that the State Police failed to adequately discipline the members. Specifically:

- Four members retired before discipline could be issued.
- Eight DETF members were served with disciplinary "offers" in May 2019 which were accepted and included 3-5 days of suspension and/or the loss of 2-4 days of accrued annual leave. Of these eight members, four retired from the State Police and received "retirement in good standing" identification cards.

The State Police has since undergone changes in leadership, made staffing changes to the DETF and implemented significant protocols. Of note, the State Police now participates in monthly meetings with the Inspector General to review and confer on certain personnel complaints and other matters mandating reporting under Executive Law 4-A.

The Inspector General recommended additional measures to further enhance accountability and increase transparency:

- The State Police Manual should reference Executive Law Article 4-A and its prompt reporting requirement to refer matters to the Inspector General, and all State Police members should be trained on this update.
- The State Police should also immediately refer all Level 3 and 4 personnel complaints to the Inspector General for review.



On June 12, 2020, Governor Andrew M. Cuomo signed into law the “Say Their Name” Reform Agenda package, repealing New York Civil Rights Law section 50-a, which had long been utilized to conceal from the public the complaint and disciplinary histories of law enforcement. This reform package increases transparency into the disciplinary process by allowing oversight agencies to review potential misconduct and make recommendations for improvements, which benefit the organization and the public.

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***“My office’s investigation uncovered a lack of controls among the State Police members of this important task force, creating an environment ripe for abuse with insufficient accountability and oversight. The State Police has implemented significant reforms in the wake of this investigation, but there is more work that must be done to ensure that the Drug Enforcement Task Force members are properly supervised.”***

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## BRIDGE AUTHORITY SHIRKED FIDUCIARY DUTY IN APPROVING FORMER EXEC DIRECTOR’S EXCESSIVE SEVERANCE PACKAGE

Inspector General Tagliaferro released the findings of her office’s investigation into the New York State Bridge Authority and the details of a lucrative severance package for former Executive Director Joseph Ruggiero.

The Inspector General found that the Bridge Authority’s former Board of Commissioners approved Ruggiero to receive a total of \$92,846.58 in paid leave accruals and severance without fully considering and questioning the actual terms of his employment agreement and what is required under State law. The severance – \$58,600.37 for 720 hours – was calculated contrary to the terms of Ruggiero’s employment agreement.



After Ruggiero resigned as the Bridge Authority’s executive director, he continued his employment at his same salary as an executive assistant, purportedly to foster a transition of leadership to a new acting executive director. In reality, the investigation found he did not make himself available to the new acting executive director during the transition and took leave during the period.

Additionally, the move allowed him to formally commence his candidacy for county executive while not running afoul of a provision of State law that bars any State agency leader from running for elected office.

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***“The Bridge Authority’s former leadership failed to act in the authority’s best interest when it blindly rubber-stamped a lucrative severance package for the former executive director without doing its job. The Bridge Authority must ensure its new commissioners fully understand their roles and responsibilities. New Yorkers depend on State authority leaders to exercise fiscal prudence and competence at all times.”***

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## UNSUPERVISED AND UNACCOUNTABLE RANGERS IN DEC FOREST PROTECTION DIVISION

Inspector General Tagliafierro announced that her office found a pattern of supervisory shortcomings at the State Department of Environmental Conservation's (DEC) Division of Forest Protection that enabled a forest ranger to engage in widespread misconduct, including having inappropriate sexual encounters while on duty, stealing DEC gym equipment for use in his commercial gym, and purportedly commuting 170 miles each way to a supervisory job.



The investigation found that Charles Richardson, a DEC Division of Forest Protection Forest Ranger 1, engaged in inappropriate sexual encounters while on duty on at least two occasions and, as a part-time police officer in Boonville (Oneida County), worked for the police department during his DEC working hours.

Richardson, while working as the head physical training instructor of DEC's training academy in Pulaski, ordered the construction of 15 wooden "jump boxes" and purchased various gym equipment for use at the academy. The Inspector General's investigation found that several of the boxes ended up at his private gym.

Richardson repeatedly failed to timely submit required biweekly reports and annual arrest and ticketing reports. Other than being counseled for his late timesheets in 2017, no other disciplinary action was taken.

After receiving a promotion, Richardson purportedly commuted from his Region 6 home to his Region 8 office – an approximately 170-mile/three-hour commute each way – for each shift. He stated he performed his supervisory duties over the phone and was rarely physically present in Region 8 while on duty.

The Inspector General's investigation found that Richardson's misconduct was facilitated by systemic deficiencies in supervision in the Division of Forest Protection.

DEC has commenced disciplinary action against Richardson in response to the Inspector General's findings. In addition, DEC implemented several operational and personnel changes to address issues raised in the investigation.

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***“The Division of Forest Protection’s rangers are tasked with protecting New York’s invaluable natural resources – a job that demands accountability and effective leadership. My office found instead systemic failures including unsupervised and undisciplined rangers conducting personal business on the taxpayers’ dime. The Division has since enacted significant reforms to ensure that those tasked with protecting our forests are continually held accountable for performing that role with integrity.”***

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## OMH PLANT SUPERINTENDENT WASTED \$121K IN TAXPAYER FUNDS BY GROSSLY OVERPAYING FOR MATERIALS THAT WERE NEVER USED

Inspector General Tagliaferro announced her office's investigation into OMH's Greater Binghamton Health Center (GBHC) found that Plant Superintendent Jeffrey Flansburg wasted \$121,000 in taxpayer funds by grossly overpaying for materials for a duct-cleaning project, taking steps to conceal the purchases, and then never using the products.



Flansburg used a State credit card to purchase materials from vendors – Florida-based Green Earth Supply and its subsidiaries (GES) – at exorbitantly inflated prices while disregarding New York State procurement requirements. To conceal the purchases, Flansburg had the vendor bill the credit card in installments so as not to exceed the card's discretionary purchasing limit. He also made questionable entries in OMH's project management system, claiming the completion of work on the project when, in fact, no work on the project was being conducted. In fact, the products he purchased sat in a garage on the edge of GBHC's campus.

The investigation found that Flansburg grossly overpaid by at least \$68,828.50 – more than 100 percent – for materials.

Based on the Inspector General's findings, OMH is taking disciplinary action against Flansburg. In addition, Inspector General Tagliaferro made several recommendations for greater controls, which OMH agreed to implement.

Flansburg has been suspended without pay from OMH. The findings were provided to the Joint Commission on Public Ethics (JCOPE) for possible violations of New York State Public Officers Law and the Lobbying Act, as well as to the Office of the State Comptroller and the Office of General Services (OGS).

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***“Mr. Flansburg wasted \$121,000 in taxpayer dollars on products that were neither used nor needed. Beyond that, he grossly overpaid nearly \$70,000 for the materials. These are serious, egregious abuses of the public's trust, and OMH must make sure they never happen again.”***

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## FORMER SUNY EMPIRE STATE COLLEGE FACILITIES DIRECTOR ARRESTED AND CHARGED FOR SPENDING \$31K IN TAXPAYER FUNDS ON PERSONAL PURCHASES

Inspector General Tagliaferro announced the arrest of the former director of facilities at State University of New York (SUNY) Empire State College on felony charges for spending more than \$31,000 in taxpayer funds on 171 unauthorized purchases over the course of three-and-a-half years.



The Inspector General’s investigation found that Erik K. “Rick” Reimann used a taxpayer-funded SUNY Empire State College credit card to fraudulently charge \$31,685 for unauthorized and personal items between January 2016 and August 2019. To conceal the illegal purchases, Reimann forged or altered receipts and statements to make it appear as if they were for legitimate projects at the college.

The 171 unauthorized purchases, ranging from \$10.44 for a pool scoop to \$2,550 for a high-end air purifier and filter, included guitar amplifier parts, pool accessories, truck and jeep parts, grilling accessories, power tools, Seiko watches, ski gloves, camping supplies, all-season tires and multiple electrical parts, tools, kitchen appliances and accessories.

Reimann was able to continue his scheme undetected for so long due to lax oversight at the facilities department. Specifically, Reimann’s direct supervisor failed to adequately monitor his actions.

A new administration that took leadership of SUNY Empire State College in July 2019 quickly discovered the misconduct as part of a thorough operational review and referred the matter to the Inspector General. Reimann, his direct supervisor, and others have since been terminated from Empire State College.



## PILGRIM PSYCH CENTER ASSOCIATE DIRECTOR OF OPERATIONS ARRESTED FOR DEFRAUDING EMPIRE PLAN OF MORE THAN \$132K BY SUBMITTING FALSE CLAIMS UNDER WIFE'S NAME\*

Inspector General Tagliafierro announced the arrest of Joseph Gottesman, the associate director of operations at Pilgrim Psychiatric Center, an Office of Mental Health (OMH) facility, who allegedly obtained more than \$132,000 from the Empire Plan/UnitedHealthcare insurance company by submitting hundreds of false claims under his wife's name for services that were never provided.



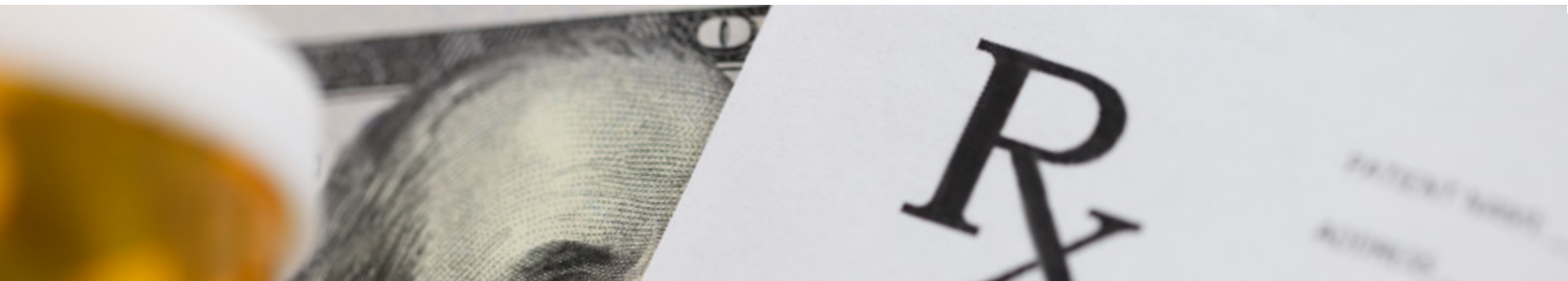
The Inspector General's investigation determined Gottesman fabricated 448 claims by stealing the identity of at least six different out-of-network medical providers. By submitting claims for non-participating providers, the reimbursement checks were sent directly to Gottesman. Between December 2016 and May 2019, the Gottesmans received \$132,514 for services never delivered.

The investigation determined that there were several occasions when Gottesman's wife was not even in New York State on dates for which claims were submitted.

Gottesman is currently on administrative leave.

## OTDA EMPLOYEE ARRESTED FOR \$11,867 SICK LEAVE FRAUD\*

Inspector General Tagliafierro announced the arrest of a New York State Office of Temporary and Disability Assistance (OTDA) employee who allegedly submitted 13 forged doctor's notes over the course of six months to obtain 75 days of paid sick leave – totaling \$11,867.74.



Jacob R. Weaver, a Contract Management Specialist 2, allegedly used the forged notes to take off most of the summer and December 2019, plus well into January 2020 – all while receiving paid sick leave to which he was not entitled. During this period, Weaver used six days of accrued leave at full pay, and then used 75 days of sick leave at half-pay.

In addition to facing criminal charges, Weaver is no longer in state service.

## DOT ASSISTANT ENGINEER USED FAKE RV PARK RECEIPTS TO OBTAIN THOUSANDS IN TRAVEL REIMBURSEMENT

Inspector General Tagliaferro announced the guilty plea of a New York State Department of Transportation (DOT) assistant engineer who created false receipts from an RV park on his work computer and submitted them in order to obtain reimbursement for travel he did not take, totaling \$3,445.56 in taxpayer funds.

Kenneth Leisenring, an assistant engineer in charge of Region 2 (Utica), oversaw multiple DOT projects, including bridge rehabilitation, debris removal, and roundabout construction in and around Mayfield in Fulton County.



The Inspector General’s investigation found that Leisenring rented a space at an RV park in April 2019, paying a total of \$3,800 via a personal credit card. However, Leisenring submitted additional receipts purported to be from the facility to DOT on six dates in June, July and August 2019. In fact, all six receipts were fraudulent. The owner of the park told the Inspector General’s Office that the fake receipts appeared to be “cut and pasted from our old website,” and that he did not recognize the signatures on the documents.

In addition to pleading guilty to charges, Leisenring paid full restitution and has since retired from State service.

*\* The defendants in these matters are presumed innocent until and unless proven guilty in a court of law.*


# COVID-19

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**New York State's  
Unprecedented &  
Unparalleled  
Response.**







New York State's ongoing response to the COVID-19 pandemic has been unprecedented and unparalleled. On a scale not seen since World War II, the public sector, with partnerships and donations from the private sector, mobilized to effectively respond to the international crisis.

In 2020, the State dramatically transformed its infrastructure and operations within days. New York State government prepared for and accommodated the purchase, acquisition, receipt, transport, storage and delivery of life-saving equipment. The State also established and augmented critical health care facilities and testing sites. With multiple agencies engaged and deployed dedicated oversight to ensure the integrity and accountability of the pandemic response was vital.

The Offices of the New York State Inspector General (OIG) promptly answered the call. In total, the Inspector General deployed investigators and other staff to warehouses and facilities across the State to monitor the response, identify and correct logistics problems, and ensure that taxpayer-funded assets were being appropriately managed and tracked. Utilizing attorneys, auditors and investigators, the Inspector General conducted real-time monitoring of critical assets and life-saving equipment by reviewing State procurement and tracking of purchased, donated, and loaned materials. The Inspector General also tracked materials received from the federal government. Through these efforts, OIG staff were vital in protecting State assets against fraud, criminal activity, and abuse during the pandemic.

## CHALLENGES

The oversight of such a large-scale endeavor required OIG to engage in a 24/7 operation and make quick, frequent reassessments to overcome numerous challenges to fulfill its mission and protect the state and the public. Some of these challenges of the mission included:



- Adapting to the warehouse landscape as physical locations, personnel, and inventories constantly changed.
- Managing the diverse types of inventory requiring different processing and deployment (ventilators vs. PPE) received by each warehouse.
- Unifying the processing, quality control and tracking practices at each warehouse.
- Deploying personnel from various agencies to warehouses, some of whom had limited experience in asset tracking and/or warehouse management. Many State employees served non-traditional roles, as did OIG staff, in order to respond to the crisis.
- Ensuring clear communication across and within partner agencies.
- Addressing social distancing measures, which limited movement within warehouses.
- Managing worker turnover and fluid shift changes at warehouses as personnel became ill and others had to be quarantined.
- Reconciling shipping records that contained varying levels of detail by different vendors.
- Handling unscheduled shipments that would sometimes arrive at warehouses, making it more difficult without lead time to ensure proper accounting for the order and to address space issues.
- Managing limited warehouse space, which led to overstocking at certain facilities and made access to inventory difficult.

As outlined below, OIG, along with the other involved agencies, embraced these challenges and responded to the call to service with vigor and pride.

## INVENTORY MANAGEMENT

Efficiently and effectively managing the vast amount of supplies and equipment flooding the State – including life-saving ventilators and personal protective equipment (PPE) – is critical. To help ensure the integrity of this process, the Inspector General improved inventory receiving and distribution procedures, including:

- Establishing an asset tracking protocol for critical assets and durable goods in partnership with the Division of Homeland Security and Emergency Services (DHSES), the Office of General Services (OGS) and the Department of Health (DOH).
- Advocating for a single database to record inventory. Multiple agencies maintained separate databases with different parameters. Ultimately, inventory tracking was integrated into the State Division of Budget's financial database, which unified recordkeeping.
- Identifying and correcting asset inventory quantities to ensure the State received what it paid for and had accurate counts of critical assets needed for its COVID response.
- The Inspector General acted as a liaison between FEMA and the Army National Guard to facilitate confirmation of items delivered to Guard-managed warehouses.
- Conducting routine inspections and site visits to verify receipt of orders and products.



### EXAMPLES

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- The Inspector General recognized that in some instances, parts and accessories to various ventilators were not shipped with the actual ventilators, nor were they stored at the same location. This created a vulnerability where ventilators could have been shipped without their corresponding accessories, rendering them unusable. The Inspector General facilitated the movement of these parts and accessories to a central distribution location, where they were matched with their corresponding ventilators so that the life-saving equipment would be fully hospital-ready before deployment.
  - The Inspector General ensured that important medical equipment was logged and classified correctly to reduce the risk of shipment and inventory errors. For example, the Inspector General found that initially a BiPAP-type machine was identified as a ventilator for inventory purposes. Similarly, the Inspector General discovered the initial identification of CPAP machines as BiPAPs, which were later tracked separately.
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## QUALITY CONTROL OF MEDICAL EQUIPMENT AND PPE

The Inspector General was instrumental in ensuring that medical equipment and PPE was functional as promised and met requisite quality requirements for its intended use. The Inspector General helped partner agencies develop procedures to address issues. Specifically, the Inspector General:

- Worked to streamline the process to inspect PPE and ensure its quality and conformance with what was ordered, which led to consistent inspections at warehouses.
- Was instrumental in obtaining FDA review of substandard PPE, as well as helping the State in recovering refunds from vendors for substandard product.

## TRACKING OF PURCHASES

The Inspector General conducted routine and continuous analyses of State COVID purchasing, focusing on high-risk orders including:

- Prepaid orders from vendors across the globe
- Purchases from foreign suppliers
- Wire transfer payments
- Purchases of high-dollar durable items, including ventilators, X-ray machines and BiPAPs



These analyses were then compared with delivery tracking reports and the State's financial database to ensure vendors paid by the State delivered the ordered products. The Inspector General's field teams also independently verified inventories of the high-dollar durable assets.

Through these analyses, the Inspector General:

- Identified variances between and helped reconcile reported inventory and the actual quantity of products on-site.
- Worked with warehouse site management to address such discrepancies, which were often due to data entry errors and duplicate reporting of serial numbers and asset tags.
- Worked with partner agencies to identify and flag vendors who had been prepaid for products that had not been received or had their orders canceled.



## INVENTORY SECURITY

The Inspector General identified and elevated concerns regarding warehouse security for correction, thereby helping to continue to safeguard critical assets.

- The Inspector General’s on-site staff assisted in ensuring the security and integrity of warehouses and supply stockpiles across the State, including mandating that all required personnel have adequate security credentials.
- OIG, along with the New York State Police and other law enforcement entities, conducted security assessments at proposed and existing warehouses to ensure protection of inventory.
- The Inspector General established relationships with local law enforcement in areas where warehouses were located to enhance security oversight.
- The Inspector General immediately reported structural deficiencies at warehouses to the proper entities so that repairs could be made to mitigate damage to assets.

Notably, investigators from the Office of the Metropolitan Transportation Authority (MTA) Inspector General were instrumental in this effort and partnered with OIG to provide necessary security measures at warehouses across the state.



### EXAMPLES

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- The Inspector General prevented unauthorized persons from entering DOH’s secure MERC warehouse. The individuals claimed they were representatives of a vendor planning to deliver ventilators – but no such delivery was expected. The Inspector General then attempted to identify the individuals. The Inspector General’s inquiry appears to have thwarted a vendor’s attempt to deceptively deliver on an order that had already been disputed and cancelled by the State.
  - A truck driver was involved in a minor accident at one of the warehouses, resulting in damage to a loading dock garage door, which left the facility vulnerable. Because of the Inspector General’s outreach to the local police department, law enforcement provided security at the location during the overnight hours while the garage door was repaired and secured.
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## DONATION VERIFICATION

In addition to stationing investigators at warehouses with state-procured assets, OIG staff were also assigned to monitor donated goods. The Inspector General:

- Tracked significant donations to ensure receipt.
- Coordinated efforts with the FBI to donate federally seized goods.
- Coordinated a site visit by the FBI's Cyber Security Squad to examine ventilators donated by a foreign nation. After a vulnerability was identified, the specific ventilators were not used and ultimately returned.
- Identified non-medical donated goods and suggested these items could be packaged as gifts to frontline medical staff. Arrangements were subsequently made with the non-profit Afya Foundation to donate these packages.



## PHARMACEUTICAL LOGISTICS

The Inspector General oversaw activity at the two locations designated to receive Federal distributions of pharmaceuticals.

- The Inspector General established a procedure with the assigned state agency whereby agency personnel were on-site at their pharmacy to conduct inventory of pharmaceuticals when they arrived. Agency personnel – at the direction of the Inspector General – also verified the subsequent transfer and receipt of those pharmaceuticals.
- The Inspector General coordinated with the officials at a second facility for all incoming shipments of pharmaceuticals and subsequent dispensing. The Inspector General tracked the movement of medications from both facilities.

## ONGOING INVESTIGATIONS

The Inspector General documented, photographed and seized substandard inventory for laboratory testing. The Inspector General's photographs of the seized inventory were used to refute a vendor's representations. Another set of seized material from the same vendor was recalled by the FDA.

The Inspector General found a shipment of substandard masks with little identifying information at a warehouse. The Inspector General's staff identified the supplier, seized the inventory, and sent a sample to a lab for testing. Results confirmed DOH's analysis that the masks were non-conforming and could not be distributed to the public.

## FIELDING COVID-RELATED COMPLAINTS

Since the beginning of the pandemic, New Yorkers have used the Inspector General's toll-free hotline and website to report concerns about failures to comply with the Governor's executive orders related to the State's COVID response. The Inspector General takes these complaints seriously and thanks the public for their ongoing vigilance.

The Inspector General also works with partner agencies to address complaints, including coordinating with DOL regarding unemployment insurance fraud complaints.



## MONITORING ARRIVING PASSENGERS AT AIRPORTS

The Inspector General deployed 10 auditors and investigators to work with other agencies in a statewide effort to interface with arriving airline passengers. OIG staff collected travel paperwork, engaged with passengers, and identified emerging issues.

## OTHER STATEWIDE INITIATIVES

In addition to participating on the State DOH call center detail, OIG staff worked with the State Department of Labor (DOL) to investigate unemployment insurance claims and on DOL enforcement teams to investigate violations of the Governor's Executive Orders related to mask-wearing and social distancing.



# Ensuring Integrity of NYS's MWBE Program.



The Inspector General is reviewing New York State's Minority and Women's Business Enterprise (MWBE) program established pursuant to Executive Law 15-A. Specifically, OIG is reviewing the process for certifying MWBE entities, the administration of the program by various state agencies and the compliance practices employed to ensure meaningful participation by legitimate MWBE entities. The review is intended to identify issues within the program and propose best practices.

As issues with MWBEs are discovered, the OIG also refers the matter to the appropriate oversight entity, including Empire State Development, for further administrative review.

# Monitoring Major Infrastructure Projects.



The Inspector General is actively involved in oversight and investigative activities at major infrastructure projects, including the Governor Mario M. Cuomo Bridge, the Jacob Javits Convention Center expansion, the Moynihan Train Hall and more. These projects, administered by the NYS Department of Transportation, the Thruway Authority, OGS, Empire State Development, and others, constitute a \$150 billion five-year infrastructure plan.

The Inspector General provides procurement and contract management monitoring and investigates allegations of fraud and abuse. The Inspector General has also served as a subject matter expert relative to design/build procurements ensuring appropriate integrity monitoring procedures.

A major component of the Inspector General's oversight of infrastructure projects is to review prevailing wage processes and safety and certification procedures in partnership with the NYS Department of Labor. Such collaborative practices include reviewing payroll data for prevailing wage violations and certification falsification and conducting random audits of crane operator licenses and Occupational Safety and Health Administration certifications.

## OF NOTE IN 2020:

- Construction workers in the New York City area are now required to have 30 hours of training, an increase from the 10 hours required prior to December 2019. The Inspector General has continued to monitor compliance with this new requirement on the respective projects to combat the presence of fraudulent cards on state job sites.
- The Inspector General continued to assist the Moynihan Train Hall's integrity monitor as the project reached its final stages before opening at the end of 2020.



# Pre-Auditing Responsibilities.

The Inspector General's Office is engaging with the Office of the New York State Comptroller to assist in reviewing select contracts with businesses and organizations seeking to work with the state. This additional level of oversight in the procurement process further enhances taxpayer protection and ensures accountability between the public and private sectors.







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***Online Complaint Form***  
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