



New York City Comptroller
John C. Liu

NEWS RELEASE

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**ONE YEAR AFTER SANDY, COMPTROLLER’S OFFICE
WORKS TO ENSURE THAT CITY AGENCIES
PROPERLY ACCOUNT FOR FEDERALLY
REIMBURSABLE EXPENDITURES**

NEW YORK, N.Y. – Since the day Superstorm Sandy struck, City Comptroller John Liu’s office has been working to ensure that the two billion dollars spent by City agencies on Sandy recovery, nearly one billion of which came from FEMA funds, are properly accounted for, and that documentation for FEMA is properly prepared.

“Experience from other disaster-stricken areas, such as New Orleans after Hurricane Katrina, has shown that federal audits resulted in the government reclaiming huge sums years later because local government did not properly document contracts and expenditures. City agencies must do their homework upfront now so we don’t lose millions down the road!” Comptroller Liu said.

In the immediate aftermath of Superstorm Sandy, our first priority was to facilitate emergency contracts for City agencies in order to expedite delivery of food, supplies and clean-up services. Comptroller Liu toured the stricken area for several days following the hurricane.

Thereafter, work was undertaken in the bureaus of Accountancy, Audit, and Contracts:

Accountancy

We worked with the Office of Management and Budget to create a new coding system for this emergency that streamlined and expedited the accounting process. An immediate goal was to properly account for recovery spending through June 30, 2013, so that Fiscal Year 2013 could be properly closed out and FEMA reimbursements would not be forfeited.

Audit

We offered to help agencies review supporting documents related to FEMA payments and conducted agency training seminars clarifying how to record the damage caused by Sandy. We also hosted a webinar on common audit findings relating to FEMA grants with the Homeland

Security Inspector General for every county in the state affected by the storm, and provided CD-ROMs with the essential information offered in that webinar.

Contracts

We oversaw 183 Sandy-related emergency procurements. The contract review process was expedited so that the contract packages could be reviewed and registered as quickly as possible. At the same time, care was taken to make certain that no contractors or subcontractors were taking advantage of the emergency and that all were aware of and adhered to the City's prevailing wage laws.

We conducted risk assessments to help agencies identify improperly prepared contracts at risk of noncompliance. If expenditures are not properly documented and the contracts registered correctly, a clawback of federal funds could be the result of a disallowance by FEMA.

Comptroller Liu credited Deputy Comptroller for Accountancy Maria Tavares, Deputy Comptroller for Audit Tina Kim and Deputy Comptroller for Contracts Geneith Turnbull and their respective bureaus for their work above and beyond their ongoing responsibilities.

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