



New York City Comptroller  
**Scott M. Stringer**

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## **COMPTROLLER STRINGER AUDIT REVEALS CITY AGENCY CAN'T ACCURATELY TRACK REAL ESTATE HOLDINGS**

*Department of Citywide Administrative Services  
doesn't know how much property it manages,  
where vacancies exist and how to maximize the  
value of its space*

**(New York, NY)** –The Department of Citywide Administrative Services (DCAS) can't produce an accurate list of the office space it administers, or identify vacancies in the more than 19 million square feet of office space it manages, New York City Comptroller Scott M. Stringer found in a new [audit](#) released today. This lack of oversight means that New York City taxpayers could be on the hook for unnecessary payments to property owners.

“With space at such a premium, New Yorkers know you’ve got to account for every square inch of property in this City. It’s inconceivable that we can’t accurately identify exactly what space we own and lease, but that’s exactly what we discovered in our DCAS audit – and it’s an unconscionable failure,” Comptroller Stringer said. “When the City’s chief property manager doesn’t have a good grasp of the property it manages, it’s a red flag for taxpayers.”

DCAS is responsible for providing City agencies with the resources and support they need to provide the best possible services to the public, and City government offices occupy more than 19 million square feet of space. This includes 12.5 million square feet leased for \$365 million per year, and 6.5 million square feet of City-owned space which costs \$70 million annually to operate and maintain.

The Comptroller's audit examined the agency's management of 51 City-owned buildings and two privately owned buildings which contain over 11.9 million square feet of space, during the time period spanning FY 2012 and 2013. Auditors sought to determine whether DCAS adequately accounts for and manages the City's office space inventory.

The audit found oversights and lapses in management, including:

- **DCAS did not have an accurate inventory list of available office space:** The square footage cited in condominium declarations for four City-owned buildings was four times that of the square footage of the same spaces cited in DCAS's sources for square footage inventory. When asked about this significant discrepancy, DCAS questioned the type of square footage that was measured in the condominium declarations, although DCAS employees had signed two of them;
- **DCAS did not consistently follow protocols for space request evaluations:** The audit reviewed eight of 38 space requests, of which six requests did not undergo the complete 13-step process required of City agencies to request space. Seven of the eight requests had no evidence that an adequate review of available City office space was conducted. Furthermore, three of the five requests that required a market analysis had no documentation showing that they had been completed;
- **Lack of adequate controls to ensure no unnecessary costs are incurred:** DCAS did not properly track or account for vacated office space. The Department of Health and Mental Hygiene (DOHMH), leased a new space at 2 Gotham in Long Island City for personnel, although they did not vacate their previous space at 125 Worth Street in Manhattan, as expected. Staff from other DOHMH locations were relocated to the space at 125 Worth Street. However, there was no space request processed by DCAS for this relocation. As a result, there is a risk that the City may be incurring unnecessary costs for leasing space that is not fully utilized.

"DCAS is guilty of management failures across the board, but the ultimate losers here are taxpayers. I am pleased that the agency agreed to most of our recommendations and is already making changes to its procedures." Stringer said.

The audit made the following recommendations:

- DCAS should ensure that its real estate database and hard copy space tracking system are regularly reconciled and updated so that an accurate and reliable inventory listing of office space and vacant space is established and maintained;
- DCAS should ensure that information entered in its real estate database and on the hard copy space tracking system such as square footage is accurate;
- DCAS should document the reasons for any decision not to follow specific protocols in the office space request process; and

- DCAS should contact the City's Financial Information Services Agency (FISA) for advice and make the necessary changes to the accounting records in FMS pertaining to the vendor in question so that a corrected 1099 can be issued.

To see the audit report, please click [here](#).

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