



AUDIT AT A GLANCE

Management Practices of the New York County Public Administrator

What questions did the audit look at?

- ▶ Did the New York County Public Administrator's Office (NYCPA) adequately identify, account for, and safeguard decedents' assets?

Why does it matter for New Yorkers?

Every borough has a Public Administrator who is responsible for administering the estates of people who die intestate. In certain cases, when a person without a will dies, or if no heir is willing or able to administer the estate, the Public Administrator steps in. These officials have a fiduciary responsibility to estates that require them to conduct thorough investigations to identify, account for, and safeguard all assets (real and personal property), pay outstanding debts and taxes, maintain documentation to support estate activities, and distribute estate proceeds to heirs. NYCPA serves this role in New York County (Manhattan).

The audit found several deficiencies in NYCPA's processes. Namely, NYCPA did not: (1) identify and claim assets for several sampled estates; (2) consistently maintain adequate records regarding the disposal and liquidation of assets; and (3) ensure that transactions were consistently documented. NYCPA also did not comply with both State and City Comptrollers' reporting requirements.

The audit found that many estates remained open for more than two years. Out of 4,702 active estates, 2,005 (43%) were identified as "unassigned," meaning that NYCPA allowed these estates to remain in bureaucratic limbo for years after receiving notification of decedents' death. The auditors also found that NYCPA's poor recordkeeping practices meant that the agency was often unable to fulfill the auditors' requests for records in a prompt manner, with documents arriving months after the initial requests.

These deficiencies put the assets of decedents at risk of loss, depreciation, and theft. As of June 2023, these gross assets totaled approximately \$119 million. This is a sizable sum, and NYCPA has a fiduciary duty to carefully manage the estates of decedents with care and attention.

What changes did the agency commit to make following the audit?

- ▶ NYCPA chose not to directly address any of the audit's recommendations.
- ▶ Based on its comments regarding the audit's findings, it appears that NYCPA agreed to: (1) continue to follow the newly implemented practice of securing personal property in tamper-proof clear plastic bags; and (2) investigate three unclaimed accounts identified by the auditors and pursue collections where possible.

AUDIT FINDINGS



NYCPA did not identify and claim assets for several estates.



NYCPA did not maintain adequate records regarding the disposal of property and liquidation of assets.



NYCPA did not ensure that transactions were consistently documented.



NYCPA did not comply with State and City Comptrollers' reporting requirements.



NYCPA allowed estates to remain open for more than two years.



43% of active estates remained unassigned.



Audit Recommendations		Agency Response
1	Strengthen its oversight over investigators' searches of decedents' premises to ensure that investigators consistently document their searches on the Investigator's Reports and Decedent's Inventory Records.	DID NOT DIRECTLY ADDRESS
2	Establish target timeframes for (1) conducting initial searches of decedents' premises and (2) appraising personal property that is collected and not on hold.	DID NOT DIRECTLY ADDRESS BUT ARGUMENT SUGGESTS DISAGREEMENT
3	Ensure that it continues to follow the newly implemented practice of securing personal property in tamper-proof clear plastic bags with evident seals.	DID NOT DIRECTLY ADDRESS BUT ARGUMENT SUGGESTS AGREEMENT
4	Ensure that it uses CompuTrust to timely record inventory transactions for each estate pertaining to real estate and personal property as required by the Public Administrator Guidelines and that it adequately itemizes decedents' personal property.	DID NOT DIRECTLY ADDRESS
5	Establish controls to ensure that when assets at a financial institution are identified the agency promptly: (1) contacts the financial institution to obtain the account balance; (2) collects any account funds from the financial institution; and (3) persists in these efforts until all identified amounts have been collected and credited to estate accounts.	DID NOT DIRECTLY ADDRESS
6	Ensure that it routinely checks the Office of the State Comptroller (OSC) website for open cases to identify potential estate assets and pursue collection where possible.	DID NOT DIRECTLY ADDRESS
7	Investigate three unclaimed accounts identified by the auditors and pursue collections where possible and ensure that appropriate documentation of unclaimed funds appears in estate files.	DID NOT DIRECTLY ADDRESS BUT ARGUMENT SUGGESTS AGREEMENT
8	Maintain up-to-date inventory lists of stocks and bonds collected from decedents' estates, liquidate them and deposit the funds in the decedents' estate accounts in a timely manner. Inventory lists should be updated to reflect the current status of stocks and bonds that are inactive or for which there are living beneficiaries.	DID NOT DIRECTLY ADDRESS BUT ARGUMENT SUGGESTS DISAGREEMENT
9	Ensure that all documents are maintained within the estate file to support various stages of its estate administration process, including the initial search and subsequent visit to a decedent's premise, collection of a decedent's assets, sale of real estate property and co-ops, disbursements to pay decedent's creditors, and any issues or delays impacting the timely resolution of estates. For real properties and co-ops not sold for an extended period, there should be documentation in the file explaining sale delays.	DID NOT DIRECTLY ADDRESS BUT ARGUMENT SUGGESTS PARTIAL AGREEMENT
10	Ensure that estate cases are closed in a timely manner with reasons for delays clearly documented in the estate files.	DID NOT DIRECTLY ADDRESS BUT ARGUMENT SUGGESTS DISAGREEMENT
11	Investigate the unassigned cases identified by the auditors to determine whether they should be administered by NYCPA or closed, and their statuses updated accordingly.	DID NOT RESPOND
12	Ensure that payments are adequately supported and that accountings and close-out memos (where applicable) are prepared and maintained in the decedents' estate files.	DID NOT RESPOND
13	Report information concerning its open and closed cases to applicable oversight authorities as required.	DID NOT RESPOND

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