

# AUDIT REPORT



CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF FINANCIAL AUDIT  
**WILLIAM C. THOMPSON, JR., COMPTROLLER**

## **Follow-Up Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs**

*FS09-124F*

*September 21, 2009*



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.  
COMPTROLLER

**To the Citizens of the City of New York**

Ladies and Gentlemen:

In accordance with the responsibilities of the Comptroller contained in Chapter 5, §93, of the New York City Charter, my office performed a follow-up audit to determine whether the Departments of Health and Mental Hygiene (DoHMH) and Consumer Affairs (DCA) implemented the 11 recommendations made in a previous audit on the licensing and oversight of the carriage-horse industry.

The Carriage-Horse industry is composed of individuals and business that provide the service of horse-drawn carriage rides in and around Central Park. DoHMH and DCA are the key agencies responsible for overseeing and licensing the horses, carriage-horse drivers, carriages, and stables. We audit programs of the City agencies such as this as a means of ensuring that they comply with applicable statutes and operate in the best interest of the public.

The results of our follow-up audit, which are presented in this report, have been discussed with DoHMH and DCA officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov) or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in black ink, appearing to read "William C. Thompson, Jr.", written over a horizontal line.

William C. Thompson, Jr.

WCT/fh

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*Table of Contents*

**AUDIT REPORT IN BRIEF ..... 1**

    Audit Findings and Conclusions..... 1

    Audit Recommendations..... 2

**INTRODUCTION..... 3**

    Background..... 3

    Objectives ..... 4

    Scope and Methodology ..... 4

    Discussion of Audit Results..... 7

**RESULTS OF FOLLOW-UP AUDIT ..... 8**

    New Issues ..... 14

        Unlicensed Horses May Be Working after Licenses Have Expired ..... 14

        DoHMH Does Not Use the Stable Inspection Form..... 14

        DoHMH Does Not Maintain an Accurate List of Horse Licenses ..... 15

**RECOMMENDATIONS..... 16**

**APPENDIX**

**ADDENDUM I** Response of Department of Health and Mental Hygiene

**ADDENDUM II** Response of Department of Consumer Affairs

*The City of New York  
Office of the Comptroller  
Bureau of Financial Audit  
Support Services Audit Division*

**Follow-up Audit Report on the  
Licensing and Oversight of the Carriage-Horse Industry  
By the Departments of Health and Mental Hygiene  
And Consumer Affairs**

**FS09-124F**

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**AUDIT REPORT IN BRIEF**

This follow-up determined whether the Department of Health and Mental Hygiene (DoHMH) and the Department of Consumer Affairs (DCA) have implemented the 11 recommendations contained in the previous audit, *Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs* (Audit No. MH07-092A, issued June 27, 2007).

The previous audit determined that in general, DoHMH and DCA had adequate controls over the licensing and oversight of carriage-horses, drivers, carriages, and stables, and complied with applicable rules and regulations of the City of New York concerning the carriage-horses, drivers, owners, and stables. However, the audit found that DoHMH had not established an Advisory Board called for by the City's Administrative Code and that DCA did not conduct required carriage inspections. Additionally, we found that both DoHMH and DCA relied on the American Society for the Prevention of Cruelty to Animals (ASPCA) to perform inspections of the stables and of horses, drivers, and carriages in the field.

**Audit Findings and Conclusions**

The current follow-up audit disclosed that of the 11 recommendations made in the previous audit, DoHMH and DCA have implemented seven. One recommendation was partially implemented, two recommendations were not implemented, and one recommendation is not applicable.

During this current audit, we noted several new issues not cited in the previous audit: DCA processes renewals of horse licenses after the licenses have expired, DoHMH inspectors do not use stable inspection form VPHS 100 to record stable inspections, and DoHMH does not maintain an accurate list of horse licenses.

## **Audit Recommendations**

To address the issues from the previous audit that still exist, we recommend that:

1. DoHMH establish additional criteria that can be used in conjunction with tag numbers to help ensure the correct identification of the carriage-horses.
2. DCA officials comply with the Administrative Code and the Rules of the City of New York by conducting the required carriage inspections or by entering into a formal agreement with an organization to perform all required carriage inspections.
3. DoHMH should implement the recommendations made by the Advisory Board.

To address the new issues identified in this audit, we recommend that:

4. DCA and DoHMH officials should comply with the Administrative Code and ensure that all working horses are healthy and currently licensed.
5. DoHMH require inspectors to use form VPHS 100 when inspecting horse stables.
6. DoHMH require inspectors to examine horses against a current license inventory to ensure that inspections properly monitor the conditions of all working horses. The inventory list should be periodically provided to outside organizations, such as the ASPCA, that assist in the oversight of the carriage-horse industry.

## INTRODUCTION

### **Background**

The New York City carriage-horse industry is regulated by the New York City Administrative Code Titles 17 and 20 and the Rules of the City of New York Titles 6 and 24. The Department of Health and Mental Hygiene (DoHMH) and the Department of Consumer Affairs (DCA) are the key agencies responsible for overseeing and licensing the horses, carriage-horse drivers, carriages, and stables. During Fiscal Year 2008, there were approximately 203 licensed horses, 283 licensed drivers, and 68 licensed carriages that provided horse-drawn carriage rides to the public.

The horses are monitored by the office of Veterinary Public Health Services (VPHS) at DoHMH. VPHS is responsible for reviewing and approving each carriage-horse Certificate of Health (COH), signed by a New York State-licensed veterinarian, stating that the horse is able to work. For new horse licenses, VPHS ensures that the description of the horse provided on the COH matches that on the license application. After approval, DCA issues the horse license. Each year prior to the expiration of the horse licenses, horse owners must renew them by providing a current COH to VPHS. The current DoHMH regulations require that horse stables be inspected by VPHS no fewer than four times per fiscal year and horses at work be inspected with a target of four field inspections per fiscal year. The regulations also prohibit carriage-horses from working when the temperature reaches 18 degrees Fahrenheit and below or 90 degrees Fahrenheit and above.

Drivers who operate horse-drawn carriages are licensed by DCA. These licenses are renewed biennially on even-numbered years. As part of the licensing process, drivers are required to pass exams, offered by VPHS, consisting of written and practical sections. Additionally, every driver must complete a five-day apprenticeship with a licensed horse-carriage driver.

Horse-drawn carriages are licensed by DCA. The number of licenses has been limited to 68. According to the New York City Administrative Code, carriage license plates must be affixed to the rear axle of every licensed carriage. In addition, DCA is required to inspect every horse-drawn carriage at least once every four months.

When they are not working, horses are housed in one of five stables on the west side of Manhattan between 37th and 52nd Streets. The stables are required to have stalls with sufficient bedding of straw, shavings, or other suitable materials that are changed as often as necessary to maintain a clean and dry environment. Owners must provide the horses with adequate food, water, heating, and ventilation. The Administrative Code and the Rules of the City of New York authorize DoHMH to inspect the carriage-horse stables.

While DoHMH and DCA have regulatory responsibilities, the American Society for the Prevention of Cruelty to Animals (ASPCA) monitors the carriage horse industry and inspects stables based on the ASPCA's authority under Article 26 of the Agriculture and Markets Law and Title 17 of the Administrative Code. The ASPCA regularly performs inspections of carriage

horses at both the stables and in the field to observe their condition. During their observations of the carriage-horses in the field, the ASPCA inspectors also note any issues they observe with regard to the carriages and the licenses of the drivers. Additionally, the ASPCA inspects stables to ensure that their conditions comply with established regulations and issues notices of violations accordingly.

The previous audit determined that in general, DoHMH and DCA had adequate controls over the licensing and oversight of carriage-horses, drivers, carriages, and stables, and complied with applicable rules and regulations of the City of New York concerning the carriage-horses, drivers, owners, and stables.

### **Objectives**

To determine whether DoHMH and DCA have implemented the 11 recommendations contained in the previous audit, *Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs* (Audit No. MH07-092A, issued June 27, 2007).

### **Scope and Methodology**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope period of this follow-up audit was January 1, 2007, through June 3, 2009. To meet our objectives, we discussed licensing and oversight with the VPHS Deputy Director, the licensed veterinarian, the DoHMH Director of Licensing, and the DCA Deputy Commissioner of Operations, Assistant Commissioner of Enforcement, and Deputy Director of Licensing Operations. For additional background material, we interviewed the ASPCA Vice President for Humane Law Enforcement, Director of Equine Veterinary, Senior Manager of Government Relations and Special Investigators.

Our review included the applicable rules and regulations of the carriage-horse industry as specified in Administrative Code Title 17 (§17-326–§17-334.1) and Title 20 (§20-372–§20-384), Rules of the City of New York Title 24 (Chapter 4, §4-01–§4-07). Additionally, we reviewed the following relevant sources of information:

- VPHS, DCA, ASPCA, and Stable Owners' Web sites,
- DCA Licensing Division Organization Chart,

- The prior audit report issued by the Comptroller's Office, *Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs* (Audit No. MH07-092A, issued June 27, 2007),
- DoHMH and DCA Audit Implementation Plan (AIP) dated December 3, 2007, and
- Current events of the New York City Carriage-Horse Industry, including a City Hall Council Hearing for proposed Int. 0653-2007A and 0658-2007A on January 30, 2009.

We conducted seven unannounced field observations between January 3, 2009, and May 8, 2009, to determine whether only licensed drivers and carriages were operating. The observations took place at the hack lines (areas where the horses line up to pick up passengers) adjacent to Central Park at different times of day. At the hack lines we determined whether all carriages were licensed, license plates were affixed to carriages, and all inspection cards were present and current. We also matched every license observed to the list given to us by DCA.

To ensure that horses were not working on days when the temperature fell 18 degrees Fahrenheit and below, we visited the hack lines on January 15, 2009, a day when the temperature was 18 degrees Fahrenheit. Additionally, the hack lines were visited on January 16 and 17, 2009. To assess the controls DoHMH had over ensuring compliance with this regulation, we requested information regarding notification to drivers when suspensions occur based on weather conditions. In addition, we requested information from the ASPCA regarding the monitoring of this regulation.

### **Horses**

DoHMH provided us with a list generated on February 24, 2009, from DCA's New York City Agencies Management Information System (CAMIS), indicating that there were 203 licensed carriage horses. To evaluate the reliability of data, we selected a judgmental sample of 27 licenses based on the license renewal expiration date. There were 3 licenses that expired on February 28, 2009, 19 on March 31, 2009, and 5 on June 30, 2009. We matched several fields, including the CAMIS number, horse tag number, DoHMH license number, and horse-owner name and address, to the corresponding data in the DoHMH hardcopy files. To assess consistency, we also matched the sample to the applicable hardcopy files received in the prior audit.

In addition, at VPHS, we reviewed the sample of carriage-horse files to determine whether:

- The files contained the original COH for calendar year 2007 and 2008 along with a copy of the VPHS horse-license application.
- The veterinarian who completed and signed the COH was currently licensed according to the New York State Education Department's Office of the Professions Web site.



- The COH issued each year described the same horse, including the horse's name, horse breed and color, appropriate age, sex, and tag number.
- All COHs had proper approval from VPHS.
- 22 files contained the approved COHs for 2009 for the 22 horses with licenses expiring as of March 31, 2009.
- January 2009 inspection reports matched the licensed horse plate numbers on the generated list of current licensed horses on file.

### **Carriage-Horse Drivers**

A CAMIS-generated list of 283 licensed drivers was provided on February 5, 2009, by DCA. To evaluate the reliability of data on this list, we compared the license numbers of drivers we observed in the field against the CAMIS list of driver's license numbers to ascertain whether all drivers were operating legally.

To assess DCA's controls over driver licensing, we requested a sample of DCA driver files, and matched the file to the list of carriage owners to determine whether the drivers found on both lists had completed the Carriage-horse Operators Course. Additionally, we requested information for two drivers with the same name to verify that one individual did not have two license numbers.

### **Carriages**

We received the CAMIS-generated list of 68 carriage licenses on February 6, 2009, from DCA. To evaluate the reliability of the data and DCA access controls, we matched several fields, such as the CAMIS number, DCA license number, DCA plate number, owner's name and address, to the hardcopy files for 30 randomly selected carriage licenses. In addition, we compared the carriage licenses observed in the field against the list to check whether all carriages observed had current licenses.

### **Stables**

On March 11, 2009, DoHMH provided us with a list of five carriage-horse stables. To evaluate the reliability of data on the listing, we matched several fields, such as the CAMIS number, DoHMH license number, stable's address and phone number, to the corresponding information provided during the prior audit.

To determine the conditions of the stables and whether they comply with the applicable regulations, we asked to accompany an inspector during the inspector's next visit to the stables. On March 21, 2009, an auditor accompanied the inspector to the stable located on 52nd street. With the inspector we observed whether there was sufficient food, water, bedding, and ventilation, and whether every stall was clean and large enough for the horses to lie down. In

addition, the auditor continued independently to observe the additional four stables used to house the horses. On May 8, 2009, we also reviewed the log book records at one of the stables to check all required information was documented in the log book.

On May 29, 2009, and June 1, 2009, the auditors visited each of the five stables to determine whether the size of the horse stalls met the requirements as set forth in the Administrative Code §17-330 (c) and Title 24, Chapter 4 §4-03 (f).

### **Violations and Inspections**

To determine whether the violations issued to drivers and horse owners were handled by the appropriate agencies, we reviewed listings and/or copies of violations from January 1, 2007, through December 31, 2008. Of the 90 violations listed by DCA, we matched several fields, including the violation number, violation type, and violator name to the listing received from the ASPCA and determined if any violation given by the ASPCA differed in information. Moreover, to evaluate the reliability of data generated, we determined whether all violations issued by the ASPCA were included in the list generated by CAMIS.

To assess DCA's controls over monitoring of regulations, we examined the list of violations to determine whether any driver committed three violations within a 12-month period or five violations within a 24-month period. If so, we checked to see whether the driver should be subject to a license suspension according to the New York City Administrative Code.

To assess both DCA and DoHMH controls over the monitoring of regulations, we reviewed the inspection and violation documentation. We examined it to determine whether both agencies performed the minimum number of inspections, as required in the Administrative Code. Additionally, we determined whether any formal agreements had been entered into by DoHMH or DCA with any organization for monitoring of the industry.

Regarding DCA's inspections of each horse-drawn carriage during the most recent four-month period, we reviewed the listing of all inspections performed from January 1, 2007, to June 30, 2007. The date of the first inspection was April 7, 2007, and the last was on June 13, 2007. We examined this period of time to determine whether any horse-drawn carriage experienced a lapse in inspections.

### **Discussion of Audit Results**

The matters covered in this report were discussed with DoHMH and DCA officials during and at the conclusion of this audit. A preliminary draft report was sent to DoHMH and DCA officials and was discussed at an exit conference held on July 14, 2009. We submitted a draft report to DoHMH and DCA officials with a request for comments on August 4, 2009. We received a written response from DCA officials on August 18, 2009, and from DoHMH officials on August 19, 2009. In their response, DCA officials disagreed with one of the two recommendations addressed to them. In their response, DoHMH officials agreed with two recommendations and disagreed with three recommendations addressed to them. The full text of the responses from DCA and DoHMH are included as addendum to this report.

## RESULTS OF FOLLOW-UP AUDIT

The current follow-up audit disclosed that of the 11 recommendations made in the previous audit, DoHMH and DCA have implemented seven recommendations. One recommendation was partially implemented, two recommendations were not implemented, and one recommendation is not applicable.

Our review of DoHMH policies verified that they established the Advisory Board, as required in the Administrative Code. DoHMH stated that it has received the recommendations submitted by the Advisory Board and is currently reviewing them. However, to date, none of the recommendations have been implemented. DoHMH has also established procedures for conducting field and stable inspections. Our observations verified that the stables and horses appeared to be adequately maintained. DoHMH has also updated their horse licensing and COH forms to reflect issues noted in the previous audit. DCA provided the valid affidavits for drivers noted in the previous audit, and inspection cards were found for all drivers observed in the field.

In addition, we found that the horse stalls in all five stables exceeded the size requirement (4' x 9') set forth in the City's Administrative Code. Moreover, many stalls met the recommended size (8' x 8' or 7' x 10') put forth by the Advisory Board in its recommendations to the Commissioner of DoHMH. In its recommendations, the Advisory Board stated, "Stable owners should begin phasing in [the larger box stall], but would have a period of 2 years to completely convert to box stalls."

DoHMH did not establish additional criteria to help ensure the identity of carriage horses. DCA continues to be noncompliant with the Administrative Code and the Rules of the City of New York that require they conduct carriage inspections at least once every four months.

During this current audit, we noted several new issues not cited in the previous audit: DCA processes horse license renewal after the licenses have expired. DoHMH inspectors do not use a detailed stable inspection form (VPHS 100) to record stable inspections.

### **Previous Finding:** "DoHMH Failed to Establish the Required Advisory Board"

Title 17 of the Administrative Code requires that the DoHMH Commissioner set up an Advisory Board consisting of five members—two members who are rental horse owners operating in the City, two members from the public-at-large, and one veterinarian. The previous audit found that the Advisory Board that should be advising DoHMH on specific rules for promoting the health, safety, and well being of the horses, was never established.

***Previous Recommendation #1:*** "Establish the required Advisory Board, as set forth in the Administrative Code. Once established, DoHMH and the Advisory Board should promulgate clear regulations to promote the health, safety, and well-being of the carriage-horses."

***Previous DoHMH Response:*** "We recognize that a carriage horse advisory board should be established and will establish such a board."

**Current Status: PARTIALLY IMPLEMENTED**

DoHMH has provided evidence to support the creation of the Advisory Board. The Advisory Board consists of five current members with varying qualifications as required in the Administrative Code. The Board met for the first time November 29, 2007, and regularly thereafter.<sup>1</sup> On February 3, 2009, fifteen months after the Board first met, the Board sent its recommendations to the Commissioner of DoHMH to improve the industry. However, as of March 1, 2009, almost 2 years after our audit was issued, DoHMH had not yet implemented the Advisory Board recommendations, which are necessary to ensure the health and well being of the drivers, horses and the public. DoHMH stated that it has received the recommendations submitted by the Advisory Board and is currently reviewing them. Therefore, we consider this recommendation to be only partially implemented.

***Previous Recommendation #2:*** “Establish written guidelines that include how often a veterinarian should inspect the stables as well as how often the horses should be evaluated in the field.”

***Previous DoHMH Response:*** “We agree that our current practices of at least four annual inspections of the carriage horse stables should be established as a policy. We intend to prepare written guidelines that will indicate the minimal number of annual inspections of stables; clarify the responsibilities of the veterinarian with regard to visual observation of horses during stable inspections, and actions to be taken if the observation indicates a problem; and incorporate a methodology for periodically observing carriage horses while they are at work.”

**Current Status: IMPLEMENTED**

In June 2008, one year after the audit, DoHMH established written procedures for conducting field and stable inspections by a veterinarian or sanitarian. VPHS is required to perform horse stable inspections no less than four times per fiscal year and perform field inspections with a target of four times a year. These procedures also include a standard form to use during inspections. We consider the recommendation to be implemented.

***Previous Recommendation #3:*** “Determine how oversight for the monitoring of the established guidelines will be accomplished in the future. Should the determination be that an organization other than DOHMH, such as the ASPCA, is to be responsible, then a competitive contract for such services should be considered.”

***Previous DoHMH Response:*** “We intend to produce clear guidelines for our own inspectional program that will include both stable and ‘field’ inspections. We do not intend to hold another organization responsible for this. It should be noted that in New York State, only police officers, constables, and the ASPCA, not local departments of

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<sup>1</sup> The specific dates in 2008 were January 31, March 13, May 15, June 11, September 25, November 13, and December 4. In 2009, the dates were January 22, January 27 (conference call), and January 28 (conference call).

health, may enforce the State humane law. . . . Since the ASPCA is authorized by State humane laws with direct oversight responsibilities, and does perform some activities related to carriage horses, we intend to reach out to them concerning how best to share information regarding issues related to the treatment of carriage horses.”

**Current Status:** IMPLEMENTED

DoHMH decided not to use an independent organization for monitoring. Instead, DoHMH established guidelines for its inspection program in June 2008. We, therefore, consider this recommendation to be implemented.

**Previous Finding:** “A horse was listed as a gelding (male) on the Certificate of Health submitted for calendar year 2006 and was listed as a mare (female) the previous year.”

According to Title 17 of the Administrative Code, horses must be examined annually by a qualified veterinarian and approved to perform the work of a carriage-horse. Since the horses are not present, DoHMH veterinarians should carefully review and compare the information from one year to the next. The previous audit found that a horse listed on the Certificate of Health as a gelding one year was listed as a mare the preceding year.

***Previous Recommendation #4:*** “Investigate the circumstances related to the horse listed on the Certificate of Health as a gelding one year and a mare the following year.”

***DoHMH Response:*** “We have investigated this issue and have noted that the form needs to be revised. We contacted the stable where the horse in question was lodged when in the City and were informed that the owner moved the horse to his farm. We were also informed that the owner was out of the country, which prevents us from following up at this time. We have flagged this file for follow-up should the owner wish to renew the license, and have prepared and sent a letter to the owner concerning this issue.”

**Current Status:** IMPLEMENTED

The agency provided documentation to show that an investigation was conducted. The horse license was not renewed. Our review of 27 COHs found no further instances of a horse being listed with a different gender in varying years. Our review also found that the agency updated its standard COH and Horse License Renewal forms. We, therefore, consider this recommendation to be implemented.

***Previous Recommendation #5:*** “Establish additional criteria that can be used in conjunction with tag numbers to help ensure the identity of the carriage-horses.”

***DoHMH Response:*** “We will take the auditors’ suggestion into consideration, and will contact several other cities to determine what methodology they use to help ensure the identity of carriage horses.”

**Current Status: NOT IMPLEMENTED**

The agency continues to use horse brands on the hoof as well as horse license tags on bridle. However, our review found no evidence of change in its current horse identification methods. Therefore, we consider this recommendation not implemented.

After the exit conference, DoHMH indicated that it is currently reviewing for possible implementation the Advisory Board recommendation to replace hoof branding with microchips.

**Previous Finding: “DCA Renews Licenses Prior to VPHS Approval”**

The previous audit noted that 6 of the 143 COHs that required license renewals be approved at VPHS had notations on the back that stated that the certificates were received from DCA.

***Previous Recommendation #6:*** “DCA should return to owners any renewal applications for horse licenses and original Certificates of Health that have bypassed prior DoHMH approval for the owners to submit to DoHMH.”

***DCA Response:*** “DCA has reviewed all relevant license renewal files, and it appears the six instances cited in the report were isolated cases which stemmed from a miscommunication with the DoHMH. The Original Certificates of Health have been returned to DoHMH. The Deputy Director of DCA’s Licensing Division has issued an updated directive to all Licensing staff clearly outlining that they should not accept for processing any horse license renewals received directly from licensees.”

**Current Status: IMPLEMENTED**

We reviewed a sample of 22 horse licenses whose expiration date was March 31, 2009, and requested the approval confirmations. We did not find any licenses renewed by DCA prior to VPHS approval. For the 22 horse licenses, we received documentation that confirmed that 3 horses were retired, 1 was sold, and 8 had their licenses renewed. As of June 3, 2009, DCA has not received a COH renewal approval from DoHMH for the remaining 10 horses. We, therefore, consider this recommendation to be implemented.

**Previous Finding: “DCA Improperly Issued Two Carriage-Horse Driver’s Licenses”**

The previous audit identified two drivers who showed auditors a valid DCA-issued driver’s license in December 2006 but were not listed in the electronic files received from DCA on January 2, 2007. The auditors obtained the two drivers’ files from DCA. Neither of the drivers had a valid affidavit stating that the drivers had completed the required apprenticeship with a licensed driver and should not have been issued a license.

***Previous Recommendation #7:*** “DCA should ensure that all required information is received and reviewed before issuing a carriage-horse driver’s license.”

***DCA Response:*** DCA did not directly respond to the recommendation and stated, “There are 293 licensed carriage-horse drivers and at the time the audit was conducted, DCA was aware that the two drivers noted in the report had improperly signed affidavits on file. In fact, DCA had already directed them to submit the properly signed affidavits to DCA, and had also placed the licensees’ files on ‘alert’ status. The affidavits were subsequently received and the driver’s files are presently up-to-date. Copies of the affidavits were delivered to the City Comptroller’s office subsequent to the exit conference as noted in the draft report.”

**Current Status:** IMPLEMENTED

DCA provided valid affidavits that confirmed the required apprenticeship for the two drivers mentioned in the previous audit. Additionally, we reviewed a sample of drivers and found no instance of drivers not having taken the required Carriage-horse Operators course. We consider this recommendation to be implemented.

**Previous Finding:** “DCA Is Not Performing Required Horse-Drawn Carriage Inspections”

“DCA inspectors are not performing the required number of inspections on all horse-drawn carriages. According to the Administrative Code, DCA is required to inspect all horse-drawn carriages at least once every four months. These inspections are supposed to be recorded on an inspection card displayed in a mounted frame in the carriage.”

***Previous Recommendation #8:*** “Immediately inspect all horse-drawn carriages that have not been inspected during the most recent four-month period to ensure that they are licensed, safe, and that the horses, drivers, and public are not at risk.”

***DCA Response:*** DCA agreed stating, “DCA’s Manhattan Enforcement Squad previously conducted 25 comprehensive carriage horse inspections during April 2007 at and around the hack lines at Central Park. DCA will have completed the remaining comprehensive inspections of licensed horse-drawn carriages at their respective stables within a few weeks of this response.”

**Current Status:** IMPLEMENTED

We reviewed the list of all inspections performed from April 7, 2007, to June 30, 2007, and found that DCA performed inspections for this period. We, therefore, consider this recommendation to be implemented.

***Previous Recommendation #9:*** “Comply with the Administrative Code and the Rules of the City of New York by conducting the required carriage inspections or by entering into a formal agreement with an organization that requires it to perform all required carriage inspections.”

***Previous DCA Response:*** “As discussed in the audit, horse carriages rarely present consumer concerns. . . . As such, DCA has proposed to modify the Administrative Code

to reduce the number of annual inspections to once yearly in order to more accurately reflect both the relevant risks and the countervailing resource demands of the Department. Nonetheless, as noted above, DCA's Manhattan Enforcement Squad will be completing inspections for any remaining licensed horse drawn carriages within just a few weeks of this Response. DCA's Enforcement Squad inspection strategy for the upcoming Fiscal Year will ensure that all inspections required by the Administrative Code and the Rules of the City of New York are completed."

**Current Status:** NOT IMPLEMENTED

Based on our review of all inspections, we found that DCA did not perform the required inspections at least once every four months as required by the Administrative Code. Additionally, DCA did not amend regulations to reduce the number of inspections performed, and did not enter into a formal agreement with an outside organization to perform all required carriage inspections. We therefore consider this recommendation not implemented.

***Previous Recommendation #10:*** "Issue inspection cards to all carriage owners and require that they be mounted on the carriages so that all inspections are publicly documented."

***Previous DCA Response:*** "In April 2007, DCA mailed letters with inspection cards to the owners of each of the 68 medallion carriages with instructions detailing where the inspection cards should be mounted on the carriages. . . . DCA inspectors will verify that inspection cards are properly mounted on licensed carriages and will sign and date them upon the completion of a satisfactory inspection. Inspectors will provide and ensure the immediate mounting of inspection cards for any carriages found not to have them. Future inspections that disclose missing inspection cards will result in the issuance of a violation."

**Current Status:** IMPLEMENTED

During our observation of the hack lines, all carriages had publicly displayed the inspection cards. Because we found no instance of missing inspection cards, we consider this recommendation to be implemented.

***Previous Recommendation #11:*** "Investigate the carriage which bears plate #1303 to determine why it was operating."

***Previous DCA Response:*** DCA agreed but stated, "As a result of our extensive investigation into this license plate and the absence of any credible documentation, DCA has concluded that license plate 1303 does not exist. DCA performed an extensive investigation into a carriage which the plate 1303, about which auditors noted. . . . They specifically looked at the logs for December 7, 2006 and December 26, 2006 as these were the days the auditors said they observed license plate # 1303.



“On December 7, 2006, driver F. Flood signed out of the stable at 9:30 am and signed in at 5:19 pm. The license plate on the carriage was noted to be 1133. Again, on December 26, 2006, the same driver signed out at 9:30 am and in at 5:12 pm. As was noted on December 7, 2006, the license number on the carriage was 1133.”

**Current Status:** NOT APPLICABLE

During our observation of the hack lines and our reviews of the current carriage-horse listing generated by CAMIS and field inspection reports from DoHMH and DCA, we found no mention of carriage plate #1303. Based on investigation by DCA and documentation, we consider this recommendation as not applicable.

**New Issues**

**Unlicensed Horses May Be Working after Licenses Have Expired**

Each year prior to the expiration, horse owners must renew their horse licenses by providing a current COH to VPHS. VPHS is responsible for reviewing and approving each COH stating that the horse is able to work. After VPHS approval, this information is forwarded to DCA where the horse license is issued. New York City Administrative Code §17-327(b) states: “A license shall be issued for a term of one year from the date of issuance thereof and shall be renewed prior to the expiration of such term.” We found that the current process allows horse license renewals to be accepted after the license has expired, thereby violating the Administrative Code.

We examined documentation received from VPHS and DCA on the status of 22 horse licenses that expired by March 31, 2009. As of April 2, 2009, the licenses had not been renewed. Therefore, the 22 licenses were considered expired. DoHMH provided information on April 8, 2009, stating that three horses were retired and one horse was sold. On June 3, 2009, DCA provided information stating that eight horses had their licenses renewed. However, DCA did not receive any further renewal information from DoHMH for the remaining 10 horses. Since the process does not enforce a timely license-renewal process, we cannot be certain if horses presently working have a current license and are fit to work.

At the exit conference, DoHMH stated that it issues notices of violations in the field when it identifies horses whose licenses were expired. DoHMH provided documentation for only 1 of the 10 horses for which it had issued a notice of violation.

**DoHMH Does Not Use the Stable Inspection Form**

DoHMH has procedures and guidelines for performing inspections of horse stables. One step in the procedures suggests that an inspector complete stable inspection form VPHS 100 (see Appendix I). This form allows the inspector to record specific observations that include: inspection of horse licenses, condition of the stable, stable temperature, food quality, inspection of log books, and treatment of horses. However, DoHMH does not require the use of this form, and inspectors generally do not use it. Instead, DoHMH inspectors report only violations on the

148E Inspection Report, which is the Notice of Violation form. While the inspector has an opportunity to describe the violations found at a stable on Form 148E, that form does not include all the items defined on VPHS 100. We believe that if inspectors used the VPHS 100 form, the information would be beneficial in documenting the condition of the horses and stables. The form would also provide DoHMH a complete, detailed description of the inspection, thereby improving the reliability of the stable inspection process.

### **DoHMH Does Not Maintain an Accurate List of Horse Licenses**

To determine whether DoHMH maintains accurate records, we reviewed DoHMH stable and field inspections conducted from January 2008 to February 1, 2009. We compared the horses inspected to the horse license numbers listed on a report generated by DCA on February 24, 2009, and provided to us by DoHMH. We found that four horse licenses (#2745, #3209, #3222, and #3235) had inspection reports completed at Central Park on January 24, 2009, and that a stable inspection report dated January 15, 2009, had been completed for horse license #3012. Although these horses were inspected by DoHMH inspectors, their license numbers were not included on the list of horse licenses generated on February 24, 2009. DoHMH officials did not provide an explanation for these five horse license numbers not being listed on the report. However, DoHMH officials did state that the health certificate for four of these horses was approved by VPHS in January 2009, the prior month, and the health certificate for one horse had been approved in November 2008 but VPHS had mistakenly sent it to the horse owner instead of sending the approved certificate to DCA.

By not maintaining an updated listing of horse license numbers, inspectors and outside organizations do not have an accurate and current list of licensed horses when they conduct their field visits and cannot ensure that all horses that are licensed will be inspected.

## RECOMMENDATIONS

To address the issues from the previous audit that still exist, we recommend that:

1. DoHMH establish additional criteria that can be used in conjunction with tag numbers to help ensure the correct identification of the carriage-horses.

**DoHMH Response:** “We disagree with the auditors’ assessment for the following reasons:

- In the response to the initial audit report, DoHMH said that it ‘...will contact several other cities to determine what methodology they use to help ensure the identity of carriage horses.’ DoHMH contacted several other cities to determine their methodology to help ensure the identity of the horse and recommended alternatives to the current practice of branding horses’ hooves. Alternatives were presented to the Advisory Board which included the use of microchips.
- The Advisory Board recommendation is to use micro-chipping to identify horses and to eliminate the branding of the hooves as an identification method. Currently, the Administrative Code requires the branding of the hooves.
- DoHMH is required under the Administrative Code to use this method for identification of carriage horses until the Code is changed.”

**Auditor Comment:** Although the Administrative Code may still require the hooves of carriage horses to be branded, it does not preclude the DoHMH from establishing additional criteria for identification of carriage-horses nor does it preclude DoHMH from soliciting the appropriate changes to the Administrative Code. The Advisory Board (the Board) voted unanimously for the use of microchips as the identification method for carriage horses. The Board’s final recommendations were formally presented to the Commissioner in February 2009, and as of August 19, 2009, the date of DoHMH’s response, the Commissioner has yet to propose any changes made by the Board, specifically those in the horse identification methods permitted by DoHMH. We believe that it is essential for DoHMH to promote changes for the good health and well-being of the carriage horses. DoHMH should permit the use of microchips if that is the additional identification method to be adopted while it is soliciting changes to the Administrative Code.

2. DCA officials comply with the Administrative Code and the Rules of the City of New York by conducting the required carriage inspections or by entering into a formal agreement with an organization to perform all required carriage inspections.

**DCA Response:** “As discussed throughout the audit and at the exit conference, DCA has consistently performed every horse-drawn carriage inspection in accordance with the Administrative Code for well over a year. There was a small period of time in the late 2007/early 2008 where, during the implementation of revised enforcement standards, inspections were delayed temporarily; however, DCA established and continues to maintain measures to ensure the inspections continue to occur as required.”

**Auditor Comment:** We reviewed the horse-drawn inspections for all 68 carriages from January 1, 2007, to February 1, 2009. We found that DCA did not perform the required inspections at least once every four months for 27 horse-drawn carriages as required by the Administrative Code.

3. DoHMH should implement the recommendations made by the Advisory Board.

**DoHMH Response:** “We disagree with the auditor's assessment that the recommendation is partially implemented rather than fully implemented. As noted above, the Advisory Board was established and DoHMH is reviewing its recommendations, which were presented to the Commissioner in February 2009. For those recommendations deemed appropriate, DOHMH will determine the best way to implement them recognizing that some of the Advisory Board's recommendations require changes in the Administrative Code.

**Auditor Comment:** The Board's final recommendations culminated a process that formally began when the Board had its initial meeting in November 2007. These recommendations were presented to the Commissioner in February 2009. However, six months later DoHMH is still in the process of “reviewing” the Board's recommendations. As an example, one such recommendation from the Board dealt with the “Water & Sanitation” improvements that addressed the issues of obtaining drinking water for the horses and correcting inadequate drainage that were noted in our previous report and from complaints received by this office. To effect appropriate change, DoHMH must act appropriately and quickly. It is astonishing that DoHMH is only now— 2 years after our audit—at the initial reviewing stage of processing recommendations that are intended to improve the health, safety, and well being of the horses.

To address the new issues identified in this audit, we recommend that:

4. DCA and DoHMH officials should comply with the Administrative Code and ensure that all working horses are healthy and currently licensed.

**DoHMH Response:** “We strongly disagree with the auditors' assessment that DOHMH does not adhere to the Administrative Code. The ‘follow-up’ draft report states ‘. . . the current process allows horse license renewals to be accepted after the license has expired thereby violating the Administrative Code.’ We are aware that some horse licenses are not renewed prior to the date of expiration. We disagree with the auditors' interpretation that renewing a license after its expiration date is a violation of the Administrative Code, for the following reasons:

- While the Administrative Code, Section 17-327(b) does require that a license shall be issued for a term of one year from the date of issuance thereof and shall be renewed prior to the expiration of such term, the Code does not preclude renewal after the expiration date.

- The renewal of a horse carriage license has to be submitted timely; however, there is no sanction in either the Administrative Code or the Department's rules that penalize the owner for a license application not submitted timely. The only sanction is issuance of a notice of violation for not having a currently valid license for working carriage horses.
- When renewing a license after expiration date, DOHMH requires the carriage horse owner to pay all applicable fees due from the date of expiration of the prior license and submit a current Certificate of Health for the horse whose license is being renewed. This process ensures that the Department has continuity in monitoring carriage horses, and maintains control over the issuance of tags and licenses limiting the potential misuse of previously issued tags and licenses.
- To ensure that only healthy horses fit for work are granted a license DOHMH requires every application for a new horse license or renewal of license to include a Certificate of Health certified by the owner's veterinarian, who must be licensed to practice in NYS. Furthermore, licenses are approved for issuance only after the horse's Certificate of Health is approved by the DOHMH veterinarian.
- To manage the risk of unlicensed carriage horses DOHMH has a process in place for issuing a notice of violation and has issued such violations in the past. During the exit conference on July 14, 2009, DOHMH provided the auditors with a list of 12 horse owners that were issued violations for working without a current license.”

**Auditor Comment:** We find DoHMH’s response to our audit assessment regarding the timely renewal of horse licenses preposterous. Under DoHMH’s current interpretation and implementation of the Administrative Code, horses that have not been certified as fit to work may in fact be working after their licenses expire. This practice not only jeopardizes the health and safety of the horses in question, but also that of the public as well. What DoHMH fails to mention in its response is the timeliness of the owner’s renewal of the expired license. Under the current practice, outlined by DoHMH in its response, a horse owner could renew a license many months after it expired, during which an unsound horse could be working as a carriage horse for a period of that time. DoHMH should develop a process to ensure that the regulations of the Administrative Code are followed by renewing horse licenses prior to their expiration. Although DoHMH issues notices of violations in the field when it identifies horses whose licenses have expired, it penalized only 1 of 10 owners whose horses we identified had expired licenses. Therefore, DoHMH’s current renewal practices do not guarantee that horses are currently licensed and are fit to work.

**DCA Response:** “DCA issues a horse license only after receiving the proper approval from DoHMH. As stated on page 3 of the audit report itself, After [DoHMH] approval, DCA issues the horse license.” DCA does not have the jurisdiction to determine whether a horse is healthy nor whether it qualifies for a DoHMH horse license.

“DoHMH notified the Comptroller’s Office, in writing, of the reasons why horse licenses may be renewed after the expiration date. This practice is necessary to maintain the integrity of the unique horse tag numbers from being issued to the same horse (which would occur if a new license were required). Carriage horse owners are still required to pay for the license periods from the date of expiration. Therefore, DCA will continue to process horse licenses as directed by DoHMH.”

**Auditor Comment:** Although DCA does not issue the COH, DCA still needs to ensure that all required documents are submitted for each renewal, including a current COH. The current process allows DoHMH to accept horse license renewals after the license has expired. DoHMH and DCA should amend their process to comply with the Administrative Code to ensure all the renewals are processed prior to the expiration date and all horses are currently licensed.

5. DoHMH require inspectors to use form VPHS 100 when inspecting horse stables.

**DoHMH Response:** DoHMH agreed stating, “The VPHS 100 form has been used by inspectors since it was initiated. However, the forms were not retained as part of the inspection report package. We will retain the document in the future and it will be part of the inspection report package.”

6. DoHMH require inspectors to examine horses against a current license inventory to ensure that inspections properly monitor the conditions of all working horses. The inventory list should be periodically provided to outside organizations, such as the ASPCA, that assist in the oversight of the carriage-horse industry.

**DoHMH Response:** DoHMH agreed stating, “DoHMH will make sure that carriage horse license approvals are forwarded to DCA and entered into CAMIS in a timely fashion. DoHMH recognizes the importance of having an accurate list of licensed horses and will implement policies and procedures to provide for timely processing of horse licenses and improve data integrity.”

## Stable Inspection Form

DATE: \_\_\_\_\_

STABLE: \_\_\_\_\_ TYPE: carriage riding private

ADDRESS: \_\_\_\_\_ PERMIT: \_\_\_\_\_

A1. All rental horses licensed? Y \_\_\_\_\_ N \_\_\_\_\_

2. All rental horses properly I.D. hoof and halter? Y \_\_\_\_\_ N \_\_\_\_\_

3. All horse license certificates available? Y \_\_\_\_\_ N \_\_\_\_\_

Comments: \_\_\_\_\_

B1. Stall Sizes ok? Y \_\_\_ N \_\_\_ Bedding 3" Clean? Y \_\_\_ N \_\_\_ Hazards? Y \_\_\_ N \_\_\_

2. Heating (above 35F)? Y \_\_\_ N \_\_\_ Ventilation? Y \_\_\_ N \_\_\_

3. Food Quality-hay OK? Y \_\_\_ N \_\_\_ Grain OK? Y \_\_\_ N \_\_\_ Storage OK? Y \_\_\_ N \_\_\_

4. Water available in all stalls? Y \_\_\_ N \_\_\_ Buckets Clean? Y \_\_\_ N \_\_\_

5. Mineralized salt in all stalls? Y \_\_\_ N \_\_\_ Salt in reach? Y \_\_\_ N \_\_\_

6. Shoeing and feet OK? Y \_\_\_ N \_\_\_

7. Horses being treated: \_\_\_\_\_

8. Rental Horse exam certificates Available? Y \_\_\_ N \_\_\_ Current? Y \_\_\_ N \_\_\_

9. Follow-up on restricted horses: \_\_\_\_\_

Comments: \_\_\_\_\_

C1. Daily log books available for all rental horses? Y \_\_\_ N \_\_\_

2. Log books complete? Y \_\_\_ N \_\_\_ Accurate? Y \_\_\_ N \_\_\_

3. Time clock operating/accurate? Y \_\_\_ N \_\_\_ Time Cards Stamped? Y \_\_\_ N \_\_\_

- D1. Walls Clean? Y \_\_\_ N \_\_\_ Holes in the walls? Y \_\_\_ N \_\_\_ Hazards? Y \_\_\_ N \_\_\_
2. Ceiling Clean? Y \_\_\_ N \_\_\_ Holes in ceiling? Y \_\_\_ N \_\_\_ Leaks in ceiling? Y \_\_\_ N \_\_\_
3. Floors Clean? Y \_\_\_ N \_\_\_ Holes in floor? Y \_\_\_ N \_\_\_ Uneven? Y \_\_\_ N \_\_\_  
Hazards? Y \_\_\_ N \_\_\_ Drains Clean? Y \_\_\_ N \_\_\_ Standing Water? Y \_\_\_ N \_\_\_  
Waterproof? Y \_\_\_ N \_\_\_
4. Exterior Doors rodent proof? Y \_\_\_ N \_\_\_ Rotted or Rusted? Y \_\_\_ N \_\_\_
5. Interior Doors rodent proof? Y \_\_\_ N \_\_\_
6. Windows clean? Y \_\_\_ N \_\_\_ Windows Broken? Y \_\_\_ N \_\_\_
7. Lighting adequate for safety? Y \_\_\_ N \_\_\_ Adequate for work? Y \_\_\_ N \_\_\_
8. Open wire boxes? Y \_\_\_ N \_\_\_ Exposed wiring? Y \_\_\_ N \_\_\_ Spider wiring? Y \_\_\_ N \_\_\_
9. Tack room clean? Y \_\_\_ N \_\_\_ Vermin? Y \_\_\_ N \_\_\_ Harborage? Y \_\_\_ N \_\_\_
10. Stored hay and bedding dry? Y \_\_\_ N \_\_\_ Material off floor? Y \_\_\_ N \_\_\_
11. Manure properly stored? Y \_\_\_ N \_\_\_ System adequate for barn? Y \_\_\_ N \_\_\_
12. Washroom/toilets clean? Y \_\_\_ N \_\_\_ Odor free? Y \_\_\_ N \_\_\_ Vermin? Y \_\_\_ N \_\_\_
13. Fire Hazards? Y \_\_\_ N \_\_\_ Adequate/charged extinguishers? Y \_\_\_ N \_\_\_

Comments:

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Date: \_\_\_\_\_ Arrival Time: \_\_\_\_\_ Departure Time: \_\_\_\_\_

Inspector: \_\_\_\_\_ Shield: \_\_\_\_\_ Form 148E: \_\_\_\_\_

Signature of person in charge:

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Form VPHS 100 9/2007





NEW YORK CITY DEPARTMENT OF  
HEALTH AND MENTAL HYGIENE  
Thomas Farley, MD, MPH  
*Commissioner*

Jessica Leighton, PhD, MPH  
Deputy Commissioner

Environmental Health  
125 Worth Street, Rm 616  
New York, NY 10013  
212 788-4646 tel

August 19, 2009

John Graham, Deputy Comptroller  
Audits, Accountancy & Contracts  
Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

Re: Draft Follow-up Report on the  
Licensing and Oversight of the  
Carriage-Horse Industry by the  
Departments of Health and Mental  
Hygiene and Consumer Affairs  
FS09-124F

Dear Mr. Graham:

We have reviewed the draft Follow-up Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs (FS09-124F). The objective of the follow-up audit was to determine whether DOHMH and DCA implemented the eleven recommendations included in the initial audit report (MH07-092A).

We are pleased that your auditors recognized our progress and acknowledged in the follow-up report that DOHMH had fully implemented the following three of the five recommendations applicable to our Agency:

- DOHMH established written procedures for conducting field and stable inspections (prior recommendation #2)
- DOHMH established guidelines for its inspection program (prior recommendation #3)
- DOHMH updated its standard Certificate of Health and Horse License Renewal forms (prior recommendation #4)

We consider the other two recommendations of which one is assessed "Partially Implemented" and the other "Not Implemented" to be implemented according to our response in the initial audit report as further explained below.

In the initial audit report, the auditors recommended that an Advisory Board be established and clear regulations be promulgated (prior recommendation #1). This

recommendation is assessed “Partially Implemented” rather than fully implemented. The Advisory Board was established, as required by the Administrative Code, Title 17, subchapter 3, § 17-331, and DOHMH is reviewing its recommendations. For those recommendations deemed appropriate, DOHMH will determine the best way to implement them recognizing that some of the Advisory Board’s recommendations require changes in the Administrative Code.

In the initial audit report, the auditors also recommended DOHMH “establish additional criteria that can be used in conjunction with tag numbers to help ensure the identity of the carriage-horses” (prior recommendation #5). DOHMH has taken the steps stated in the response to the initial audit report. We have “...contact(ed) other cities to determine what methodology they use to help ensure the identity of carriage horses” and presented findings to the Advisory Board, including the use of microchips, which the Advisory Board recommends. This change in methodology is currently being considered by DOHMH and would require a change in the Administrative Code, Title 17, subchapter 3, § 17-328 (a).

The “follow-up” draft report includes three new issues and recommendations. One of the three new issues states “. . . *the current process allows horse license renewals to be accepted after the license has expired thereby violating the Administrative Code.*” We are aware that some horse licenses are not renewed prior to the date of expiration.

We disagree with the auditors’ interpretation that renewing a license after its expiration date is a violation of the Administrative Code. The renewal has to be submitted timely; however, there is no sanction in either the Administrative Code or DOHMH’s requirements for a renewal that is not submitted timely. We are not authorized to fine the owner, except where we see the horse being worked without a currently valid license. There is no penalty or premium authorized in the amount of the renewal, if not submitted timely. The only sanction is issuance of a notice of violation for not having a currently valid license for working carriage horses.

When owners renew after the horse license expiration date, DOHMH requires the carriage horse owner to pay all applicable fees due from the date of expiration of the prior license and submit a current Certificate of Health for the horse whose license is being renewed. This process ensures that the Department has continuity in monitoring carriage horses, and maintains control over the issuance of tags and licenses.

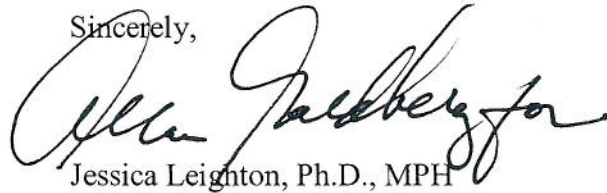
We concur with the auditors’ recommendation that DOHMH should “. . .ensure that all working horses are healthy...” (new recommendation #4) and we require every application for a new horse license or renewal of license to include a Certificate of Health certified by the owner’s veterinarian, who must be licensed to practice in NYS. Furthermore, a license will not be approved for issuance if the horse’s Certificate of Health is not approved by DOHMH’s veterinarian.

To manage the risk of unlicensed carriage horses, the Department has a process in place for issuing a notice of violation and has issued such violations in the past, which we brought to the attention of the auditors.

Attached to this letter are more detailed comments on the audit report and the response to each recommendation.

We appreciate the courtesy and professionalism of your staff in the performance of this audit. If you have any questions or need further information, please contact Thomas Hardiman, Director, Internal and External Audits, at (212) 219-5285.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessica Leighton". The signature is fluid and cursive, with a large initial "J" and "L".

Jessica Leighton, Ph.D., MPH  
Deputy Commissioner

cc:

Thomas Farley, MD, MPH  
Andrew S. Rein  
Allan Goldberg  
Edgar Butts, Ph.D., M.B.A.  
Sara Packman

**DOHMH Response to the Draft Follow-up Report  
on the Licensing and Oversight of the Carriage-Horse Industry  
by the Departments of Health and Mental Hygiene  
FS-09-124F  
August 19, 2009**

We are pleased that the auditors recognized our progress and acknowledged in the follow-up report that DOHMH fully implemented three of the five recommendations applicable to our Agency. The auditors verified that DOHMH: a) established written procedures for conducting field and stable inspections (prior recommendation #2), b) established guidelines for its inspection program (prior recommendation #3), and c) updated its standard Certificate of Health and Horse License Renewal forms (prior recommendation #4).

We consider the other two recommendations of which one is assessed “Partially Implemented” and the other “Not Implemented” to be implemented according to our response in the initial audit report as further explained below:

**Previous Recommendation 1:**

*Establish the required Advisory Board, as set forth in the Administrative Code. Once established, DOHMH and the Advisory Board should promulgate clear regulations to promote the health, safety, and well being of the carriage horses.*

**Auditor’s Assessment:**

Partially Implemented

**Follow-up Audit Recommendation 3:**

DOHMH should implement the recommendations made by the Advisory Board.

**DOHMH RESPONSE:**

We disagree with the auditor’s assessment that the recommendation is partially implemented rather than fully implemented. As noted above, the Advisory Board was established and DOHMH is reviewing its recommendations, which were presented to the Commissioner in February 2009. For those recommendations deemed appropriate, DOHMH will determine the best way to implement them recognizing that some of the Advisory Board’s recommendations require changes in the Administrative Code.

**Previous Recommendation 5**

*Establish criteria that can be used in conjunction with tag numbers to help ensure the identity of carriage-horses.*

**Auditor’s Assessment:**

Not Implemented

**Follow-up Recommendation 1:**

DOHMH should establish additional criteria that can be used in conjunction with tag numbers to help ensure the correct identification of carriage horses.

**DOHMH RESPONSE:**

The auditors stated that: “The agency continues to use horse brands on the hoof as well as horse license tags on bridle. However, our review found no evidence of change in its current horse identification methods. Therefore we consider this recommendation not implemented.” We disagree with the auditors’ assessment for the following reasons:

- In the response to the initial audit report, DOHMH said that it “...will contact several other cities to determine what methodology they use to help ensure the identity of carriage horses.” DOHMH contacted several other cities to determine their methodology to help ensure the identity of the horse and recommended alternatives to the current practice of branding horses’ hooves. Alternatives were presented to the Advisory Board which included the use of microchips.
- The Advisory Board recommendation is to use micro-chipping to identify horses and to eliminate the branding of the hooves as an identification method. Currently, the Administrative Code requires the branding of the hooves.
- DOHMH is required under the Administrative Code to use this method for identification of carriage horses until the Code is changed.

Concerning the “New Issues” presented by the auditors, the auditors make three recommendations:

**Follow-up Recommendation 4:**

DCA and DOHMH officials should comply with the Administrative Code and ensure that all working horses are healthy and currently licensed.

**DOHMH RESPONSE:**

We strongly disagree with the auditors’ assessment that DOHMH does not adhere to the Administrative Code. The “follow-up” draft report states “. . . the current process allows horse license renewals to be accepted after the license has expired thereby violating the Administrative Code.” We are aware that some horse licenses are not renewed prior to the date of expiration. We disagree with the auditors’ interpretation that renewing a license after its expiration date is a violation of the Administrative Code, for the following reasons:

- While the Administrative Code, Section 17-327(b) does require that a license shall be issued for a term of one year from the date of issuance thereof and shall be renewed prior to the expiration of such term, the Code does not preclude renewal after the expiration date.
- The renewal of a horse carriage license has to be submitted timely; however, there is no sanction in either the Administrative Code or the Department’s rules that penalize the

owner for a license application not submitted timely. The only sanction is issuance of a notice of violation for not having a currently valid license for working carriage horses.

- When renewing a license after expiration date, DOHMH requires the carriage horse owner to pay all applicable fees due from the date of expiration of the prior license and submit a current Certificate of Health for the horse whose license is being renewed. This process ensures that the Department has continuity in monitoring carriage horses, and maintains control over the issuance of tags and licenses limiting the potential misuse of previously issued tags and licenses.
- To ensure that only healthy horses fit for work are granted a license DOHMH requires every application for a new horse license or renewal of license to include a Certificate of Health certified by the owner's veterinarian, who must be licensed to practice in NYS. Furthermore, licenses are approved for issuance only after the horse's Certificate of Health is approved by the DOHMH veterinarian.
- To manage the risk of unlicensed carriage horses DOHMH has a process in place for issuing a notice of violation and has issued such violations in the past. During the exit conference on July 14, 2009, DOHMH provided the auditors with a list of 12 horse owners that were issued violations for working without a current license.

**Update on the Status of 22 Horses Reviewed:**

In the audit report, the auditors indicate that they examined the documentation on the status of 22 horse licenses scheduled to expire by March 31, 2009 and as of April 2, 2009 were not renewed. The following is the licensing status of the 22 horses:

- Twelve horses are currently licensed. Two of these horses were found by DOHMH working without a current license earlier in the year and their owners were issued notices of violation (2918, and 2411). The owners of those two horses subsequently applied for and received a license renewal.
- Eight horses were reported as "Out of Business" based on owners' correspondence or DOHMH inquiries, which includes retired or sold horses.
- One owner's Certificate of Health was rejected (3058) by DOHMH, and to date, there has been no working activity noted for that horse.
- One owner has failed to respond to DOHMH (2920) inquiries, and no working activities have been noted for that horse.

**Follow-up Recommendation 5:**

DOHMH require inspectors to use form VPHS 100 when inspecting horse stables.

**DOHMH RESPONSE:**

The VPHS 100 form has been used by inspectors since it was initiated. However, the forms were not retained as part of the inspection report package. We will retain the document in the future and it will be part of the inspection report package.

**Follow-up Recommendation 6:**

DOHMH require inspectors to examine horses against a current license inventory to ensure that inspectors properly monitor the conditions of all working horses. The inventory list should be

periodically provided to outside organization, such as the ASPCA, that assist in the oversight of the carriage horse industry.

**DOHMH RESPONSE:**

In the draft report, the auditors noted that some horses were not on the CAMIS list of licensed horses. We agree that an accurate current license inventory list should be maintained. While DOHMH maintains a list of carriage horses that have an approved Certificate of Health, the list of licensed carriage horses is generated from CAMIS, which is only updated after DOHMH has provided approval for the horses' Certificate of Health for DCA to proceed with processing. DOHMH will make sure that carriage horse license approvals are forwarded to DCA and entered into CAMIS in a timely fashion. DOHMH recognizes the importance of having an accurate list of licensed horses and will implement policies and procedures to provide for timely processing of horse licenses and improve data integrity.

DOHMH has provided ASPCA with lists of currently licensed horses from DCA in the past. DOHMH will continue to provide the list to assist ASPCA with their inspection process and provide it on a quarterly basis.

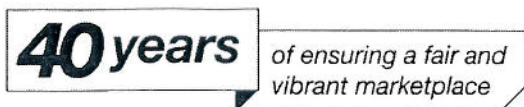
**Further clarification on five horses cited in the report**

The audit report states that: "DOHMH officials did not provide an explanation why these five horses' license numbers were not listed on the report." The five horses were identified as working with expired licenses by DOHMH inspector. However, the owners were in the process of renewing their horses' licenses and the horses' Certificates of Health (COH) in question were approved in January 2009. The owner of the fifth horse failed to complete the renewal process and was subsequently issued a Notice of Violation when DOHMH found the horse working with an expired license.

As indicated above, there are occasionally delays in the renewal process; therefore, DOHMH will not issue a violation to a horse owner that filed for a renewal with an acceptable COH because of delays in the renewal process. Since we are aware of the potential for delays, DOHMH inspectors will check to see if an acceptable COH has been submitted for a horse. If an acceptable COH has been submitted and approved by DOHMH, then no violation would be issued. If the owner had not submitted an acceptable COH or fails to respond to requests for additional information, then a violation is issued based on the inspector's observation.

**Correction:**

DOHMH inspectors do not examine horses. They observe horses and based on the observation, they can determine whether the horse appears to have a health issue that requires follow-up by the owner's veterinarian. They also inspect the stables to ensure that conditions in the stable are acceptable.



Jonathan Mintz  
Commissioner

August 18, 2009

42 Broadway  
8th Floor  
New York, NY 10004

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Dear Mr. Graham,

[nyc.gov/consumers](http://nyc.gov/consumers)

The Department of Consumer Affairs (DCA) appreciates the opportunity to respond to the August 5, 2009, ***Draft Follow-Up Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs – FS09-124F.***

At DCA we constantly work to protect consumers and facilitate fair business practices. Specifically, we note that during the course of the follow-up audit the auditors determined that: 1) all sampled and observed horse drawn carriage drivers were operating legally; 2) all sampled and observed horse drawn carriages possessed current licenses; 3) DCA is properly monitoring horse drawn carriage driver regulations according to the New York City Administrative Code; and 4) DCA's internal controls present no issues.

We are pleased that the follow-up audit found that DCA has implemented four out of five applicable recommendations from the previous audit. Furthermore, we believe that in fact all recommendations have been implemented, as the agency has conducted all required horse drawn carriage inspections for over a year, and has measures in place to ensure that the required inspections continue. More detailed comments on the report and the recommendations are attached.

Finally, we appreciate the courtesy and professionalism of your staff in the performance of this audit. If you have any questions or need further information, please contact Stephanie Hertz, Director of Audit, at (212) 487-9678.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Mintz".

Jonathan Mintz  
Commissioner

cc: George Davis III, MOO  
Stephanie Hertz, DCA  
George Pape, DCA  
Alba Pico, DCA  
Marla Tepper, DCA



**Response to Draft Follow-Up Audit on the Licensing and Oversight of the  
Carriage-Horse Industry by the Departments of Health and Mental Hygiene and  
Consumer Affairs  
FS09-124F  
August 6, 2009**

**Recommendation #2:** The New York City Comptroller's Office (Comptroller's Office) recommends that, "DCA officials comply with the Administrative Code and the Rules of the City of New York by conducting the required carriage inspections or by entering into a formal agreement with an organization that requires it to perform all required carriage inspections."

**DCA Response:** As discussed throughout the audit and at the exit conference, DCA has consistently performed every horse-drawn carriage inspection in accordance with the Administrative Code for well over a year. There was a small period of time in late 2007/early 2008 where, during the implementation of revised enforcement standards, inspections were delayed temporarily; however, DCA established and continues to maintain measures to ensure the inspections continue to occur as required.

Furthermore, the Comptroller's Office states in the Scope and Methodology section, under the heading, "Violations and Inspections," that, "Regarding DCA's inspections of each horse-drawn carriage during the most recent four-month period, we reviewed the listing of all inspections performed from January 1, 2007 to June 30, 2007." However, the most recent four-month period within the scope of the audit is actually November 1, 2008, through February 28, 2009, and the Comptroller's Office was provided with documentation showing that since June 2008, all necessary horse-drawn carriage inspections have been performed. DCA also offered, in writing, to provide the Comptroller's Office with additional data showing that all inspections were also conducted in the latest inspection period which ended on June 30, 2009. Therefore, the current status of this recommendation is "implemented."

**Recommendation #4:** "DCA and DOHMH officials should comply with the Administrative Code and ensure that all working horses are healthy and currently licensed."

**DCA Response:** DCA issues a horse license only after receiving the proper approval from DOHMH. As stated on page 3 of the audit report itself, "After [DOHMH] approval, DCA issues the horse license." DCA does not have the jurisdiction to determine whether a horse is healthy nor whether it qualifies for a DOHMH horse license.

DOHMH notified the Comptroller's Office, in writing, of the reasons why horse licenses may be renewed after the expiration date. This practice is necessary to maintain the integrity of the unique horse tag number that is assigned to each horse upon licensing, thereby preventing numerous horse tag numbers from being issued to the same horse (which would occur if a new license were required). Carriage horse owners are still required to pay for the license periods from the date of expiration. Therefore, DCA will continue to process horse licenses as directed by DOHMH.