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Audit of Town of Hempstead Animal Shelter Identifies Numerous Financial Issues, Lack of Transparency, and Lax Fiscal Controls

MINEOLA, NY – Nassau County Comptroller Jack Schnirman today released the results of an audit into the finances of the Town of Hempstead Animal Shelter that found the department didn't track taxpayer and donated dollars, frequently overspent on personnel, and did not properly monitor spending.

“We found serious financial issues with how taxpayer funds, fees, and donations were collected, tracked, and spent,” Schnirman said. “As I said when we launched this audit, our office doesn't have veterinarians or animal experts. What we do have is a team of financial professionals who spent thousands of hours combing through hundreds of documents and put together the financial report that we are releasing today.”

“There's a lot of passion about the animal shelter – and for good reason, people care about their pets; they care about animals. It's who we are as Long Islanders,” Schnirman said. “Our job was to look at the numbers and let the facts speak for themselves. I want to thank Supervisor Laura Gillen for inviting our team to do this audit last year and the entire Town Board for making sure we got a detailed response. I hope the Town takes our recommendations seriously and gets to work as soon as possible.”

Auditors were prevented by a court order and a refusal from Town of Hempstead officials to cooperate with several requests for information on how more than \$3 million annually in personnel costs was spent.

“Independent investigations are crucial for government to be held accountable,” Schnirman said. “It is our hope that Town officials review this lack of transparency as it will prevent them from enacting real reform.”

Auditors were able to uncover a serious lack of transparency and major financial problems with a “charitable entity” the Shelter used to accept and spend donations. Donations were mixed with taxpayer dollars, fees, and other various sources of funds.

“There was no real accounting of how donated money was spent compared to tax dollars,” Schnirman said. “Our auditors had to create a ledger from scratch to see how the donated money was moving around.”

The audit also found that overtime and compensatory time were not being calculated based on the employees’ collective bargaining agreement. The Town Animal Shelter utilizes a biometric sign in/sign out machine that tracks by handprint, but even with that technology timesheet work was being done by hand.

Staff were also found to waive or discount fees without proper authorization or documentation on a case-by-case basis.

In one instance, auditors found three invoices that were billed to a Town employee’s private business address instead of the Shelter’s address and contained two pricing columns—high and low. In one instance the low price was paid and in two others the high price was paid.

“Your taxpayer dollars, and dollars you may have been convinced to donate weren’t being protected. The lack of financial data we were being provided became such an issue that our team had to create a budget-to-spending comparison from scratch,” Schnirman said. “Every wasted dollar that goes to a high bidder, or to unearned overtime, or to someone holding a job they aren’t qualified for, or to legal fees, is money that would have been better spent on the animals.”

Schnirman also took the unprecedented step of including numerous tips the Office of the Nassau County Comptroller received on its Report It, Reform It tip line as a guide for future areas of interest the Town should investigate.

Recommendations outlined in the audit include:

- The Town should immediately undertake its own operational audit of the Shelter with subject matter experts, including a detailed internal review of matters related to staffing, purchasing and the care of animals at the Shelter;
- Establish a registered 501(c)(3) charity to provide transparency and accountability with donated funds;
- Adhere to the Town’s collective bargaining agreement;
- Develop policies and procedures for fee waivers and discounts rather than operate on a case-by-case basis;
- Require purchase orders be completed before purchasing goods and services from vendors;
- More carefully review overtime slips to document acceptable overtime work;
- Follow the Town’s procurement policy to promote increased competition amongst vendors to obtain quality services at the lowest price with consistent terms.

In its response to the audit, the Town thanked the Comptroller's Office for making resources available to conduct the financial review and noted that the findings provide an opportunity for the Town to take a broader look at the processes and make changes which strengthen internal controls.

As is standard practice for all audits, the findings will be forwarded to the Nassau County District Attorney's Office. Under a new policy implemented by Schnirman, the Comptroller's Office will conduct an official follow-up review in six months to determine if the recommendations in the audit are being followed.

A copy of the audit can be found online [here](#).