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**Comptroller Jack Schnirman Announces Release of Audit on
Nassau Parks Nonprofit Organization**

MINEOLA, NY – Nassau County Comptroller Jack Schnirman announced the release of an audit of Friends of Nassau County Recreation (Friends), a nonprofit organization created to support County parks and programs.

Friends, similar to many nonprofits around the country supporting public parks, partners with the County through a Memorandum of Agreement (MOA) to promote public appreciation of County parks and encourage their use for leisure and recreational purposes, as well as contribute to restoration, beautification, and the development of recreational and cultural programming. During the audit period, Friends averaged over \$1 million a year in revenues.

Auditors found multiple examples of fiscal mismanagement, a lack of fiscal oversight, the possible misuse of nonprofit charitable funds, and a lack of an effective organizational structure. A lack of accountability, coupled with a lack of discipline, allowed a well-intentioned organization to be used by former County officials to avoid internal controls and disguise questionable transactions, including the use of charitable funds for what may have been political purposes.

The audit found that Parks and/or previous County officials had too much influence over how Friends' funds were collected and spent. At times, Friends was directed to make questionable payments, such as to pay for Parks staff luncheons and parties. Friends' funds were used for many purposes, from legitimate purchases such as the emergency replacement of a park's stadium lights for night baseball games, to the inappropriate payment for a DJ at a party for Parks' employees.

The lines of differentiation between the public funds of the Parks Department and the charitable funds of the nonprofit Friends group were frequently blurred or unclear. Parks administrators at times independently determined which funds would be remitted to the County Treasurer and which would go to Friends. Fees collected by the Parks Department and remitted to the County Treasurer are part of the overall revenue collections of the County and may be used not only for Parks but also for other general County needs; funds diverted to Friends and then spent inappropriately indirectly shortchanged County taxpayers.

The audit, initiated in 2018, covered the prior two years, 2016 and 2017. Friends was previously audited in 2013 and was found to have board governance issues and lack proper cash controls. This new audit released by Schnirman found that many findings from the 2013 audit were not resolved and some were repeated.

“Looking back, it’s clear that Friends was managed in such a way that allowed the potential for corruption and improper use, effectively serving as an avenue for waste and akin to a slush fund for certain County officials,” said Nassau County Comptroller Jack Schnirman. “With residents still enduring COVID-19, we have a renewed sense of how critical Nassau County’s parks and open spaces are to our residents. Nassau County’s parks belong to all of us—not just the politically connected. I’m encouraged by the planned implementation of many of the recommendations from our audit and look forward to seeing steps taken so that Friends can be a model conservancy that serves its mission as well as the public.”

Findings from the audit, in addition to issues related to cash controls and board governance, showed an improper relationship between the nonprofit and the administration of the former County Executive. Basic internal controls were substantially lacking, such as the organization not having an annual budget and not holding any Board meetings.

Among the many findings, the audit found:

- Almost \$40,000 of Friends’ funds were improperly spent on staff and holiday parties, staff lunches, the purchase of bereavement flowers and bereavement catering for Parks’ employees or their family’s funerals. This included birthday parties; BBQ lunches for Parks’ staff; breakfast catering; and in one instance, backstage catering billed for 130 guests at the VIP tent at a Parks’ summer concert.
- A no-bid contract for a firm connected to a politician.
- Federal income tax documents that were not filed or filed incompletely for multiple years, and adequate financial statements were not maintained, possibly jeopardizing the group’s nonprofit status.

- Expenses paid by Friends for the wedding of a County vendor's daughter.
- Events and parties paid for by Friends which included alcohol were advertised regularly with prominent placement of the previous County Executive's name and photo on promotional flyers.

As is standard practice for all audits, the findings were forwarded to the Nassau County District Attorney's Office. The audit was also forwarded to the Office of the New York State Attorney General, whose Charities Bureau monitors nonprofit organizations.

The Parks Department & the Friends' Board agreed with the majority of the recommendations and ceased the questionable practices of using Friends funds for staff lunches, bereavement catering, and funeral flowers upon notification by our Auditors. Most importantly, Friends and the Parks Department have worked collaboratively to improve their overall operations by first creating a new Nassau Parks Conservancy and rebuilding the Board of Directors to include eight members, allowing Friends the ability to hold an Annual Meeting. The new Conservancy plans to hire a bookkeeper and CPA to help resolve multiple accounting related findings. This is critically important to implementing sound fiscal oversight in the organization.

Under a new policy implemented by Schnirman, the Comptroller's Office will conduct an official follow-up to ensure the recommendations in the audit are being followed.

"This audit highlights that there was a complete blurred line between Friends and Parks. Just imagine how much corruption, fraud, waste, and abuse could occur if every Department in the County had its own entity to fund whatever it wanted, with whichever vendor they choose, without the proper governmental oversight and controls," concluded Schnirman. "Having received the current administration's corrective action plan, I remain encouraged that this audit will ultimately serve as a catalyst for positive change through promoting reforms and the improvement of internal controls, so that this nonprofit agency supporting Nassau County Parks will move in the right direction."

The report summary, which includes information on the findings, recommendations, the previous audit, the response, and unanswered questions can be found [here](#). For more information, a copy of the full audit can be found [here](#).

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