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**Nassau County Comptroller Jack Schnirman Releases Living Wage Audit That Uncovered Potential Diversion of More Than \$375,000 in County Funds**

*Calls to Comptroller's Office Living Wage Hotline was impetus for audit*

**MINEOLA, NY** – Today, Nassau County Comptroller Jack Schnirman released an audit of an emergency shelter provider that uncovered the improper diversion of more than \$375,000 in Nassau County payments to another corporation. This Living Wage audit was initiated as a result of a call received through the Comptroller's Bilingual Living Wage Hotline (516-571-WAGE).

“My office's Bilingual Living Wage Hotline provides a resource for employees to speak out against County vendors who are avoiding the law,” said **Nassau County Comptroller Jack Schnirman**. “This audit was launched due to multiple calls from a former shelter employee, and during their review, the auditors uncovered that hundreds of thousands of dollars of county payments were improperly diverted to another corporation.”

The audit, released at the most recent meeting of the Comptroller's Living Wage Advisory Board, has been referred to law enforcement. The name of the organization has been removed from the report pending the conclusion of the investigation.

The review of the shelter provider cited in the audit, revealed the potential diversion of \$387,425 in checks made payable to the shelter provider by the County to another corporation and spent on personal expenditures, such as airline tickets; casino hotel accommodations; retail outlet shopping; streaming services; and liquor, restaurant and food delivery charges. In addition, thousands of dollars were used to pay for mobile phones, credit card payments, and utility bills for relatives of the shelter provider's CEO. Furthermore, \$2,400 was paid for utility bills of another emergency shelter provider, operated by the CEO. An additional \$4,000 was paid to stores which may not have been related to shelter expenses.

The contractor was also noted to be in violation of the County's Living Wage Law and its Memorandum of Understanding (MOU) with the County by not maintaining and retaining accurate payroll records and lacking supporting documentation to verify adequate staffing levels. Overall, compliance with the Living Wage Law could not be verified, as the contractor lacked payroll or Paid

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Time Off records. In addition, employees were paid in cash without withholding payroll taxes, a violation of Federal law.

“Our audit team continues to aggressively review employers potentially avoiding living wage requirements as a vital component of the Comptroller’s Office,” Schnirman concluded. “We will continue to demand accountability from employers, work with the administration to enforce the Law on the books to protect the rights of workers and collaborate with law enforcement so that no business takes advantage of the County.”

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