



The City of New York
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DOI ANNOUNCES INITIATIVE TO STRENGTHEN ANTI-FRAUD TRAINING AT NYC'S SOCIAL SERVICE AGENCIES
--This Project Stems from a DOI Investigation Exposing a Half-Million-Dollar Theft from a City-Funded Nonprofit --

Mark G. Peters, Commissioner of the New York City Department of Investigation ("DOI"), announced today that DOI is strengthening anti-fraud training for more than six dozen auditors at the City's social service agencies through a two-hour workshop that will help auditors better spot and act on potential fraud and compliance issues involving City-funded nonprofits. Over the coming months, DOI will conduct these trainings at agencies that oversee \$3.8 billion in City-funded nonprofit human services' contracts, specifically the City Department for the Aging ("DFTA"), City Administration for Children's Services ("ACS"), City Department of Health and Mental Hygiene ("DOHMH"), City Department of Social Services, which is comprised of the City Human Resources Administration ("HRA") and the City Department of Homeless Services ("DHS), and the City Department of Youth and Community Development ("DYCD"). The trainings will include how compliance can be tested and confirmed, weaknesses and red flags can be identified, relevant records can be chosen for review, and indicia of fraud can be spotted, such as altered and falsified invoices, missing payroll checks and other documentation, and weak internal controls.

DOI Commissioner Mark G. Peters said, "This comprehensive anti-fraud training will provide essential tools to professionals safeguarding billions of dollars in taxpayer funds. These frontline auditors know the nonprofits they do business with better than anyone and are likely the first to see evidence of potential fraud. This proactive approach will ensure everyone is on the same page: Each and every one of us can be the answer to stopping corruption and fraud. I commend DFTA, in particular Commissioner Donna Corrado, for acting on DOI's recommendations."

DOI decided to establish this systemic initiative following its 2016 investigation that exposed a half-million-dollar theft from a City-funded nonprofit that served senior citizens in upper Manhattan, and led to the conviction and incarceration of that nonprofit's executive and spouse. DOI documented its findings in a [report](#) that revealed the City agency overseeing the nonprofit, DFTA, did not have adequate auditing resources to successfully monitor and review the numerous nonprofits with which it contracted. As a result, DOI recommended that DFTA strengthen its auditing protocols and hire additional staff. DFTA agreed to DOI's findings and recommendations in that 2016 report and successfully requested and received additional auditor positions. DFTA has since enhanced its auditing operations, including through conducting more targeted and thorough audits.

As the City's Inspector General, when DOI makes recommendations in one case, it looks Citywide to see if there are other agencies where these reforms would be useful. DOI saw that the recommendation for training at DFTA would be helpful at other human services agencies and reached out to provide the training to ACS, DOHMH, HRA, DHS and DYCD. Each of these agencies has agreed to have their auditors participate in the training.

DOI's first training workshop is taking place today, May 30th, at DFTA, with subsequent trainings scheduled throughout the summer at the other social service agencies as a means towards ensuring audit staff

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across the City can identify red flags for fraud and abuse during the course of their audits. DOI will provide refresher courses on an as needed basis.

This initiative is an expansion of the specialized anti-corruption training that DOI has conducted since 2010 for City Council-funded nonprofit organizations, presenting at a special session during the [Capacity Building Training for Council-Funded Community Partners](#), hosted by the Mayor's Office of Contract Services and funded by the City Council. This training also resulted from DOI investigations. Nonprofit organizations must complete the Capacity Building Training to be eligible for more than \$10,000 in City Council funding. The Capacity Building Training for Council-Funded Community Partners was designed to provide nonprofit executive staff and board members with tips and tools for effective implementation of best practices and legal requirements. The full-day curriculum includes legal compliance and governance, internal controls, nonprofit accounting, and managing city contracts, in addition to the DOI anti-corruption session. DOI has trained over 5,000 attendees through these in-person sessions and through the online curriculum.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

**DOI's press releases can also be found at twitter.com/NYC_DOI
Bribery and Corruption are a Trap. Don't Get Caught Up. Report It at 212-3-NYC-DOI.**