



THOMAS P. DiNAPOLI
COMPTROLLER

OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

ROBIN L. LOIS, CPA
DEPUTY COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 402-4892

August 2024

Karin Hablow
Commissioner of Finance, Westchester County
148 Martine Ave, 7th Floor
White Plains, NY, 10601

Report Number: 2024-C&T-3

Dear Commissioner Hablow:

Westchester County (County) officials are responsible for safeguarding court and trust funds in their care. This responsibility includes establishing and maintaining an internal control structure to provide reasonable assurance that resources are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with court orders and/or statutory authorization and are properly recorded, appropriate reports are prepared, and appropriate corrective action is taken in response to examination findings.

Pursuant to the New York State Constitution, Article V, Section 1 and further authority granted to the State Comptroller by Articles 2 and 12 of New York State Finance Law and Section 42 of New York Executive Law, we examined certain records and reports for the County's court and trust funds for the period January 1, 2022 through February 29, 2024.

Background and Methodology

Pursuant to a court order, certain assets may be provided to the court and then delivered to the Commissioner of Finance (Commissioner) for safekeeping. Payments made pursuant to court orders commonly involve surplus money from foreclosures and contract disputes resulting in a mechanic's lien.¹ These actions are recorded in the County Clerk's office when payments are deposited as required by court order. Additionally, in certain circumstances,² funds from estates are entrusted to the Commissioner for safekeeping by order of the Surrogate's Court. Together, the Commissioner, County Clerk and Surrogate's Court must develop sound procedures and processes which, when implemented properly and consistently, provide a system of internal controls to account for and safeguard these funds.

¹ Security interest in property filed to ensure payment for contracted services rendered on the property.

² When the whereabouts of any person entitled to payment from the estate is unknown.

Our objective was to determine whether County officials have established appropriate controls to safeguard and account for court and trust funds. We examined records maintained by the Commissioner, County Clerk and Surrogate’s Court. We interviewed County officials and reviewed relevant financial and court records. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS).

Results

Pursuant to Finance Law Section 184, the Commissioner is required to submit a report on an annual basis to the Office of the State Comptroller accounting for all money, securities and other properties deposited into a court and ordered into the Commissioner’s custody.

We reviewed the Commissioner’s, County Clerk’s and Surrogate’s Court’s processes, procedures and records for the receipt and management of court and trust funds as well as estates in the Commissioner’s custody. We found that the Commissioner generally established adequate procedures, maintained appropriate records, and properly reported court and trust funds. However, we identified \$203,279 that improperly remained in the Commissioner’s custody that should have been turned over to the State Comptroller as abandoned property.

Pursuant to New York State Abandoned Property Law Section 600, money that has remained in the hands of the Commissioner for a period of three years, together with all accumulated interest, less the Commissioner’s statutory fees, is deemed abandoned property. The Commissioner should, after public notice, pay all such abandoned property to the State Comptroller by the tenth of April of the next year. We identified three actions that were not properly turned over to the State Comptroller (Figure 1).

Figure 1: Schedule of Abandoned Property			
Date of Origination	Abandoned Property Due Date	Title of Action	Amount
9/17/12	4/10/16	Alexander Raveneau, an infant by his mother and natural guardian, Angela L. Michael & Angel L. Michael vs TJX Co, Inc d/b/a TJ Maxx	\$254
11/17/14	4/10/18	Elijah Raheem Johnson, an infant & natural guardian, Sharesse Janeene Rucker vs 160-162 Willow St Corp et al	\$1,009
9/18/19	4/10/23	In the Matter of Final Account of Christopher Cuomo, Westchester County Public Administrator of the Estate of Joseph J. Barbera	\$202,016
Total			\$203,279

The Director of Fiscal Operations determined that the last activity on the account with the largest amount was due to interest earnings and not activity by the beneficiary and therefore should have been turned over to the State Comptroller. The other two amounts were not turned over to the State Comptroller due to a misunderstanding related to the last date of activity on the account.

We also reviewed the County Clerk's and Surrogate's Court records and determined that they were up to date and complete and noted no material discrepancies. We would like to thank County officials and staff for the courtesies and cooperation that were extended to our auditors.

Recommendation

The Commissioner should:

1. Ensure that all money deemed abandoned property is paid to the State Comptroller in a timely manner, as required.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller

cc: George Latimer, County Executive
Timothy C. Idoni, County Clerk
Hon. Brandon R. Sall, Surrogate's Court Judge
Hon. Hon. Helen M. Blackwood, Surrogate's Court Judge
Daniel R. Johnson, New York State Unified Court System, Chief Internal Auditor