

THOMAS P. DiNAPOLI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

April 28, 2015

Eric Madoff
Executive Director
New York State Insurance Fund
199 Church Street
New York, NY 10007

Re: Report 2014-0004

Dear Mr. Madoff:

Our Office completed an examination¹ in which we matched the New York State Insurance Fund (NYSIF) File of outstanding vendor premiums to the Statewide Financial System (SFS) Vendor File. The objective of this examination was to determine the amount of payments in the SFS that were available to offset outstanding NYSIF premiums.

NYSIF provided us with 31,110 Tax Identification Numbers (TINs) of vendors and the value of their outstanding premiums as of September 9, 2014. We matched these TINs to the SFS Vendor File and identified 769 matches. Based on payments the State made to these vendors since April 1, 2012, and the amount of each overdue premium, NYSIF may have been able to collect up to \$10.6 million.

We met with representatives from your Counsel, Treasury, and Collections Offices and urged them to work with our Office to develop a continuous process to recover outstanding vendor premiums. The NYSIF representatives were receptive to this collaboration, and we look forward to working with you and your staff to develop a process to recover millions of dollars in unpaid premiums. We will contact your staff to discuss next steps.

¹We performed our examination in accordance with the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution, as well as Article II, Section 8, and Article VII, Section 111 of the State Finance Law.

We thank the management and staff of NYSIF for the courtesies and cooperation extended to our auditors. If we can provide you with any other information, please contact me at 518-402-4104.

Sincerely,

A handwritten signature in black ink, reading "Bernard J. McHugh". The signature is written in a cursive, flowing style.

Bernard J. McHugh
Director of State Expenditures

cc: Ken Shulman, Director of Internal Audit
Shirley Stark, Deputy Executive Director
Michael Miliano, Acting General Attorney