

**Nassau County  
Office of the  
Inspector General**



**2024  
ANNUAL REPORT**

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This report is available on our website <https://www.nassaucountyny.gov/4747/Inspector-General>

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# *Welcome to the sixth Annual Report of the Nassau County Office of the Inspector General*

## **Introduction – The Inspector General Concept**

*“ . . . IGs have a simple charge: they need to make sure government is working well and in the way it is intended.”<sup>1</sup>*

The basic concept underlying an Inspector General (IG) office is that government, a large institution dedicated to serving the public, should build into itself an independent oversight mechanism for ongoing monitoring, evaluation and, when needed, correction. IG offices are designed to be objective and impartial entities, free of partisan loyalties and influence, to fulfill that function.

This is not a novel or untested concept; rather, it is well established and as old as our nation, beginning with the appointment in 1777 of an Inspector General for the Continental Army during the Revolutionary War. While the Inspector General concept arose in the military, where the IG typically focuses on such things as discipline, efficiency, combat readiness, and accountability for property, civilian IGs are typically focused on preventing and detecting fraud, waste of funds, abuse of office and corruption, as well as promoting effectiveness, economy and transparency in governmental organizations.

Today’s IGs are a proven success in fostering good governance, preventing and detecting wrongdoing and waste, and promoting accountability and integrity. Since the establishment of the first federal civilian IGs in the 1970s,<sup>2</sup> many states, counties and cities across the nation have instituted their own Office of Inspector General (OIG) in recognition of the important and unique value they bring. While many OIGs have now been in existence for decades, it is also common for new ones to be created, as occurred about six years ago here in Nassau County. Even in the relatively brief time since the formation of Nassau County’s OIG, new OIGs have been established in places such as the state of Connecticut, the city of Atlanta, Georgia, Baltimore County, Maryland, and the New York/New Jersey Gateway Development

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<sup>1</sup> Quoted from a Brookings Institution federal governance study entitled *Political appointees as barriers to government efficiency and effectiveness: A case study of inspectors general*; Center for Effective Public Management at Brookings, April 2016.

<sup>2</sup> The Federal government created its first civilian IG offices in the 1970s (excepting the Central Intelligence Agency IG created in 1952). At about the same time, in 1978, the City of New York established its own IG program, having an Inspector General’s office for each municipal department, significantly amplifying a municipal oversight structure tracing back to 1873.

Commission. There are today over 165 state and local OIGs in the United States, in addition to over 70 OIGs covering virtually all federal agencies.<sup>3</sup> These offices collectively form a community of practice that has developed professional principles and standards, promulgated by the Association of Inspectors General (AIG), and, at the federal government level, the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

OIGs, properly established and maintained, can provide independent, objective oversight of government operations, by conducting investigations, audits and reviews, and providing recommendations where warranted. OIGs foster good government in many ways, e.g.:

- **Restoration of Public Trust.** It is well known that a corruption or ethics scandal erodes public faith in its government officials. The establishment of a credible and robust OIG as a permanent part of the government is a concrete statement of values and acts as a pillar of reform. Indeed, when an OIG maintains ongoing independent oversight of vulnerable governmental operations it can both help shift the culture of the municipality and restore public trust.
- **Promoting Public Accountability.** Accountability is essential to maintaining public trust. While the vast majority of government officials and employees are honest and honorable persons, an OIG serves as a necessary safeguard to ensure that all public servants are indeed working in the public interest. The presence of an OIG serves to encourage government to work effectively, transparently, and with integrity. Conversely, it discourages those who might engage in corruption, nepotism, conflicts of interest or otherwise abuse their positions or violate public trust.
- **Deterring Fraud.** A key OIG role is fraud prevention. Fraud is often committed as a “crime of opportunity;” i.e., when there are perceived weaknesses in internal controls, a person might seize the opportunity to engage in fraudulent conduct without fear of detection. An active, committed OIG increases the likelihood that fraud will be discovered, and thus fewer people will risk detection.<sup>4</sup>

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<sup>3</sup> In a 2015 letter, former United States Senator John Glenn (R-OH) said this about the passage of the law creating Federal OIGs some three dozen years earlier: “The Inspector General Act has stood the test of time. The billions of dollars recovered for the government and the increased efficiency and effectiveness of government programs and operations are a testament to the Act’s continued success.”

<sup>4</sup> A person’s willingness to engage in fraud or corrupt behavior may also be associated with their ability to rationalize their conduct; therefore, a strong and unambiguous code of ethics, for employees and for vendors, is a companion cornerstone of deterrence.

- Providing Economic and Operational Benefits. The existence of an OIG can provide many positive benefits, such as contributing to cost savings and increased effectiveness. For example, the deterrent effect of a robust IG office can result in significant (albeit sometimes difficult to quantify) savings,<sup>5</sup> such as preventing attempts at fraudulent billing or the delivery of substandard goods or services. An OIG’s sustained focus on business integrity and transparent contracting processes can help “level the playing field” for law-abiding vendors, providing incentive for increased competition and better pricing for the government. Additionally, the economy of government operations can be enhanced by implementing OIG recommendations for reducing waste or improving efficiency or effectiveness. Moreover, some OIG activities may result in cost avoidance, e.g., detecting and thus ending, fraud schemes; stopping financial losses (“stopping the bleeding”), and may in some instances even lead to monetary recoveries.<sup>6</sup>
- Providing a Trusted Resource and Objective Resolutions. People need an independent, trusted entity to whom they can bring sensitive concerns. Government organizations also need a trusted process, free of political or partisan considerations, for reviewing allegations of wrongdoing. An OIG provides a credible mechanism for receiving, reviewing, and resolving allegations. Not only can the OIG objectively vet allegations and determine the facts, but having an impartial, non-partisan, professional office conduct the inquiry lessens claims of a biased outcome or inadequate investigation.

Inspector General offices bring to their work a combination of disciplines, tools, and focus that is unique in the area of governmental oversight. An OIG utilizes approaches – both reactive and preventative – from the realms of auditing, investigations, compliance reviews, program evaluations, and management analyses. No other oversight structure so comprehensively blends these fields together.

Traditional audit organizations typically conduct audits applying generally accepted auditing standards to assure that auditee organizations operate in compliance with established criteria;

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<sup>5</sup> The Brookings Institution has noted with respect to federal OIGs’ return-on-investment (ROI) “that ROI does not encapsulate all of the non-monetary benefits IG’s bring to government in the form of deterrence, efficiency, improved practice or legislative oversight . . . but are ultimately too difficult to measure accurately . . .” *Political appointees as barriers to government efficiency and effectiveness: A case study of inspectors general*. Center for Effective Public Management at Brookings, April 2016.

<sup>6</sup> A Brookings Institution study of federal OIGs commented that, “The reality, when it comes to OIGs, is that many are a great investment for government.” *Sometimes cutting budgets raise deficits; The curious case of inspectors’ general return on investment*. Center for Effective Public Management at Brookings, April 2015.

e.g., ascertain whether financial statements contain significant misstatements, verify that funds are being spent and accounted for properly, assess strength of internal controls, or determine whether programs are operating correctly and effectively. Traditional investigative organizations typically have a targeted, forensic focus on detecting and exposing dishonesty and/or misconduct, with investigations sometimes based on specific allegations or particular suspicions of wrongdoing.

Often, OIG audit work pertains less to accounting matters than to performance assessment and management analysis. The common audit role of an OIG, in the context of the contracting/procurement process, differs from entities whose role is to approve claims for payment or review as to form. Rather, the OIG may be focused on such things as the prevention and detection of fraud, assessing compliance with controls, verifying that records match reality, confirming receipt of deliverables, and gauging effectiveness and transparency of procedures. The OIG's evaluative function positions it to suggest systemic improvements and advocate for the use of best practices.

With respect to investigations, the OIG's multifaceted function goes beyond the traditional role of law enforcement investigators. OIGs are distinguishable from purely law enforcement agencies as the latter cannot serve as ongoing monitors or evaluators of the municipality's daily operations. They are not able to continuously explore, identify, and address systemic issues within government agencies. The City of Chicago's former Inspector General, Joseph Ferguson, previously a prosecutor, has noted:

. . . the prosecutor is seldom positioned or equipped to drive the structural or programmatic changes that I saw were necessary to prevent future wrongdoing. What drew me to the Inspector General function was the pairing of investigative enforcement tools that address individual misconduct with audit and compliance tools that can address the systemic issues that permit wrongdoing to occur.<sup>7</sup>

In the course of their investigative work, OIGs are routinely alert to, and examine, structural or systemic matters that go beyond the individual events at issue. They look at, for example, the adequacy of management controls, adherence to policy, and the effectiveness and transparency of programs and procedures. In short, OIGs endeavor to identify the vulnerabilities in the system that allowed the issue to occur in the first place.

Traditional law enforcement agencies investigate specific events or situations, where their role is largely limited to pursuing criminal conduct, typically reactively (i.e., after-the-fact). OIGs however, typically conduct both criminal *and* noncriminal investigations. Impartial, objective investigations of non-criminal misconduct or irregularities are important to the proper functioning of, and public confidence in, government. In addition to their inherent

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<sup>7</sup> Quoted in Profiles in Public Integrity, Center for the Advancement of Public Integrity, Columbia Law School.

significance, non-criminal inquiries may also lead to the discovery of larger issues that might otherwise not be detected and addressed. Further, OIGs conduct both reactive and proactive inquiries, and the latter can uncover unknown or unreported issues.

Finally, external law enforcement agencies often lack the body of institutional knowledge that a dedicated oversight office builds over time. A mature OIG can bring to bear detailed understanding of organizational structures and history, roles, processes, and records systems.

The combined mission of an independent, non-partisan investigative and general oversight agency enables an OIG to serve the government in a much more effective way than if either part of this mission stood alone.



## **About the Nassau County OIG**

### **Mandate and Mission**

Nassau's OIG has a broad statutory mandate under the County Charter to prevent and detect fraud, waste, abuse and illegality impacting the County government or its funds. The mission of the OIG is to foster and promote integrity, accountability, effectiveness, and efficiency in the administration of programs and operations of Nassau County government, with special emphasis on the County's contracting and procurement processes.

Nassau County's OIG accomplishes its mission through investigations, audits, reviews, and other activities designed to detect and prevent fraud, waste, abuse and illegal acts, and enhance County government operations.

Some examples of the matters that the OIG may look at are:

- Purchasing, bidding, or contracting irregularities.
- Fraud by contractors/vendors or others receiving County funds.
- False filings by entities seeking to do business with the County.
- Conflicts-of-interest or other ethics violations.
- Bribes, gratuities, or kickbacks involving County employees or officials.

- Theft of Nassau County funds or resources.
- Significant waste of County money or inefficiency.
- Adequacy of, and compliance with, controls and policies.
- Effectiveness and transparency of governmental processes.
- Compliance with laws.
- Serious employee misconduct.
- Whistleblower reprisal.

The OIG is committed to fulfilling its mandate and accomplishing its mission by cultivating and safeguarding a transparent, honest, and accountable County government, and an environment in which the County's goods and services are acquired without fraud and in the public interest.

## **Founding Statute**

The statutory purpose of the OIG is set out in Section 185 of the Nassau County Charter, entitled "Office Created and Established and Purpose of the Office." It provides:

There is hereby established an independent office of the Inspector General which is created in order to provide increased accountability and oversight of County operations, to detect and prevent waste, fraud, abuse and illegal acts in programs administered or financed by the County, particularly the County's contracting and procurement processes, to promote transparency, efficiency and integrity in the County contracting and procurement process, and to assist in increasing economy, efficiency, and effectiveness in the administration of the County government. The Inspector General shall initiate, conduct, supervise, and coordinate investigations, audits, reviews and examinations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct and other abuses by elected and appointed County officials, officers, employees, agencies, departments, commissions, boards, offices and all other instrumentalities of the County as well as County vendors, contractors, and lower tier subcontractors, and other parties doing business with the County and/or receiving County funds. The aforementioned shall not be applicable to the County Legislature and the Office of Legislative Budget Review. The Inspector General shall head the Office of the Inspector General. The organization and administration of the Office of the Inspector General shall operate independently



in such manner so as to assure that no interference or influence external to the Office of the Inspector General compromises or undermines the integrity, independence, fairness and objectivity of the Inspector General in fulfilling the statutory duties of the office or deters the Inspector General from zealously performing such duties.

Additionally, the Charter reflects the non-partisan nature of the OIG. The Inspector General, who is neither an elected nor political official, is required by Charter provision to comply with the restrictions on political activity applicable to judges in the Rules of the Chief Administrative Judge of New York State.<sup>8</sup>

## **Authority, Powers and Functions**

To accomplish its mission the County Charter<sup>9</sup> provides the OIG a set of authorities and powers, including in part:

- Authority to investigate, review, examine and audit past, present and proposed programs, activities, contracts, expenditures, transactions, and projects that are administered, overseen and/or funded in whole or in part by the County, including all aspects of the procurement process, including reviewing proposed contracts to be presented to the County Legislature for approval.
- Authority to recommend remedial actions.
- Authority to receive and investigate complaints.
- Authority to review vendor/contractor databases, filings, and financial disclosure forms.
- Authority to obtain full and immediate access to all County documents and records, and to issue directives requiring their production.
- Authority to receive the full cooperation of the County Executive, all appointed County officials, officers and employees, vendors, contractors, subcontractors, and other parties doing business with the County or receiving County funds, including submitting to interviews, providing sworn statements, and providing documents and records. The Charter also

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<sup>8</sup> Nassau County Charter § 187 (19).

<sup>9</sup> See especially Nassau County Charter § 187.

provides a criminal penalty for any person who knowingly interferes in, obstructs, or impedes an Inspector General investigation, audit, review or examination.

- Authority to subpoena witnesses and to issue subpoenas compelling the production of documents and other information.
- Requirement that the Inspector General be notified as part of the “approval path” of proposed contracts presented to the County Legislature for approval.
- Requirement for OIG to be notified in writing prior to meetings of procurement selection committees, and authority to attend such meetings.
- Requirement that the County Executive promptly notify the Inspector General of possible mismanagement of a contract constituting misuse or loss exceeding \$5,000 in public funds, as well as fraud, theft, bribery or other violations of law which may fall within the Inspector General’s jurisdiction.
- Authority to hire its own staff.

The Charter also imposes various operational requirements on the OIG. These include:

- Establish a hotline to receive complaints from both anonymous and identified persons.
- Develop outreach strategies to inform government officials and employees and the public of the authority and responsibilities of the OIG. These include developing an OIG webpage linked to the County’s website and posting information in common areas of County facilities.
- Establish internal policies and conduct its work in accordance with generally accepted government standards and, where applicable, the Principles and Standards for Offices of the Inspector General (also known as the Green Book), published by the Association of Inspectors General.
- Notifying appropriate law enforcement agencies of suspected possible criminal violations of state, federal, or local law.
- Following prescribed procedures for the issuance of certain finalized reports.
- Issuing an annual report (this document).



## **IG Independence**

### *Framework for Independence*

The County Charter established in 2017 a detailed framework to provide the Inspector General with the fundamental tool of independence, notably including a fixed term of office of four years, and the authority to exercise any of the powers granted under the Charter on his or her own initiative.<sup>10</sup>

Section 189 of the County Charter requires the County Legislature to have a committee<sup>11</sup> for the purpose of maintaining general supervision of and liaison with the OIG. Section 189 also provides that the Inspector General shall meet periodically with representatives of the Legislature to review prior activities and discuss plans and objectives.

The Inspector General is not, however, subject to supervision or control by the County Executive. Section 185 of the Charter provides that the OIG shall operate independently such that no interference or influence compromises or undermines the integrity, independence, fairness and objectivity of the Inspector General or deters the Inspector General from zealously performing his or her duties.

The OIG may at times receive requests from members of the Legislature or other officials to explore particular concerns. The OIG independently assesses such requests in light of its mission and mandate, to determine whether it is appropriate for the office to undertake such inquiry.<sup>12</sup> The OIG also independently decides the manner, scope and extent of the activities it elects to pursue. In all instances, the OIG conducts its work objectively and impartially, without regard to partisan political considerations.

## **Term of Office**

The Inspector General is by County Charter appointed to a term of office by super-majority vote (at least 13 members) of the County Legislature and removable only for cause by super-majority vote. This is important because the ability of OIG to be an effective and credible oversight body is closely tied to having an Inspector General with a fixed term of office

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<sup>10</sup> Nassau County Charter § 187 (8).

<sup>11</sup> By law, the membership of the committee consists of the Presiding Officer, the Minority Leader, the chairman of the Finance Committee, and one member each appointed by the Presiding Officer and Minority Leader, respectively.

<sup>12</sup> The Inspector General's authority to conduct investigations, audits, reviews, and examinations does not apply to the Legislature.

and operational autonomy.

AIG's Principles and Standards provides that, to establish and maintain the independence of Inspectors General, they should be appointed to a fixed term of office. Moreover, "... AIG believes that the minimum term should be five years and recommends a longer period of seven years to provide stability in the function."<sup>13</sup> Section 189 of the County Charter provides Nassau's Inspector General with a fixed term of office but of four years.

As of this writing, the Inspector General is in holdover status, meaning that she is still serving, but her original four-year term of office ended without reappointment by the Legislature. During 2023, the now-former Presiding Officer of the Legislature advised the Inspector General that a vote on her reappointment would be left to the new Legislature taking office in January 2024. The year 2024 passed, however, with no vote taken or scheduled regarding the Inspector General's tenure. At this writing in March 2025, the Inspector General has not received information as to whether or when she might be reappointed, and it is unknown how long holdover status will continue.

While the Inspector General remains committed to her mandated mission, having an OIG headed by a person serving with an uncertain future is contrary to the carefully delineated framework for independence established by Charter; a structure created to promote the exercise of independent judgment, as well as public confidence in, and the optimal functioning of, the OIG. It is earnestly hoped that with bipartisan support the foundation of an IG serving under a fixed term will soon be restored to the OIG.



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<sup>13</sup> Commentary in Model Legislation, Association of Inspectors General website. Also, the model legislation language preceding the commentary provides that: "*The Inspector General is appointed for a term of five years, which may be renewed at the discretion of the appointing authority.*" Many Inspectors General do indeed serve terms of five years or more.

## Our History

Impetus for the creation of Nassau’s OIG might be traced to July 2015, when the Nassau County District Attorney’s Office (DAO) produced its *Special Report on the Nassau County Contracting Process*, documenting significant fraud and corruption vulnerabilities, as well as inefficiencies, in the County’s procurement process at that time. The report also detailed several recommendations for reform. One of the key recommendations in the DAO report was the creation of an independent Office of the Inspector General for Nassau County, envisioned as follows:

The Legislature should modify the County Charter to eliminate the position of Commissioner of Investigations due to its history of ineffectiveness,<sup>14</sup> and replace it with an independent and adequately-staffed County Inspector General . . . The Inspector General should be afforded broad investigative authority over executive departments and the procurement process, tasked with the comprehensive vetting of county contractors, and directed to refer possible criminal conduct to the appropriate agency for prosecution.

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Apart from the duties currently assigned to the Commissioner of Investigations, a new County Inspector General should periodically evaluate each department’s recordkeeping and procedure; respond to in-house tips of fraud, waste, and abuse; receive regularized reports of activity from the decentralized selection committees in the various County departments; provide secondary review of vendor performance[,] warehouse screening documentation, and evaluate personal and financial relationships.

The Nassau County Office of the Inspector General (OIG) came into operation in January 2019, becoming the first county-wide OIG in New York State.<sup>15</sup> The Office was established by County legislation enacted on a bi-partisan basis in December 2017.<sup>16</sup> The legislation

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<sup>14</sup> The Commissioner of Investigations was an at-will appointee of the County Executive, with no fixed term or minimum qualifications under the Charter, and not requiring confirmation by the County Legislature. Unlike the IG, the Commissioner’s objectives were not well-defined in the Charter (simply to make examinations “as he or she may deem to be for the best interest of the county”) and the Commissioner was not mandated to follow professional standards. As noted above, in 2017 the County Charter was amended to create an Inspector General who was independent of the County Executive. However, notwithstanding the District Attorney’s explicit recommendation to abolish the Commissioner of Investigations, that position was not eliminated from the Charter. While the post of Commissioner has remained vacant since the Inspector General’s appointment, at this writing the law authorizing a Commissioner remains in the Charter.

<sup>15</sup> Monroe County has had an OIG-like Office of Public Integrity since 2016, and Erie County has had a Medicaid Inspector General since 2012.

<sup>16</sup> Nassau County Charter, Article I-C (Sections 185 – 196).

provided, in part, a fixed term, minimum qualification standards, and enumerated powers and responsibilities, for the Inspector General.

Following a nationwide search in 2018 for Inspector General candidates, Jodi Franzese, then a Senior Inspector General in New York City and former prosecutor in Suffolk County, was selected by a bi-partisan committee. Her appointment was confirmed by unanimous vote of the County Legislature in December 2018, and she took office as the County's first Inspector General on January 3, 2019. The Inspector General thereafter hired OIG's staff members, making the office a fully operational reality.

As noted earlier, the lineage of the Inspector General concept goes back well before 2015. At its inception, the Nassau County OIG thus became part of an established, robust nationwide OIG community, with delineated professional standards, including those developed under the auspices of the AIG<sup>17</sup> and, at the federal level, the CIGIE.

Over the following years, as this report illustrates, OIG developed and grew from concept to full operation. During 2024, OIG in part initiated 134 contract reviews, issued 96 contract review statements, and attended 63 project progress meetings and sealed-bid openings for four contracts. OIG also monitored 83 meetings of vendor evaluation or technical review committees.

## **Staffing**

The most crucial resource of an OIG is its staff. OIG is comprised of persons in the following positions:

- Inspector General
- Deputy Inspector General / General Counsel
- Assistant Inspectors General
- Investigative Counsel
- Oversight Specialists

In an independent, stand-alone oversight organization of relatively modest size it is essential that it be comprised of persons collectively equipped with the variety of knowledge, skills and expertise that its multifaceted function requires. OIG staff members were carefully selected and are well qualified and credentialed to fulfill the many aspects of the OIG's mission. The

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<sup>17</sup> Principles and Standards for Offices of Inspector General ("Green Book"), promulgated by the Association of Inspectors General.

OIG's 2024 team consisted of career professionals whose prior positions and experience reflect a range of pertinent disciplines and relevant skills: investigators, auditors, attorneys/prosecutors, federal agents, deputy inspector general and senior inspector general. The staff previously worked for a variety of respected governmental institutions including:

- New York City Department of Investigation
- Suffolk County District Attorney's Office
- New York County District Attorney's Office
- Federal Bureau of Investigation
- U.S. Department of Transportation, Office of Inspector General
- Metropolitan Transportation Authority, Office of the Inspector General
- New York City School Construction Authority, Office of the Inspector General
- Yonkers Office of the Inspector General
- Westchester County Attorney's Office

Several persons are members of the Association of Inspectors General and/or the Association of Certified Fraud Examiners. OIG's team has completed a wide variety of specialized training, and attained advanced degrees and professional certifications, including:

- Certified Inspector General (CIG)
- Certified Inspector General Auditor (CIGA)
- Certified Inspector General Investigator (CIGI)
- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Certified [Asset] Protection Professional (CPP)
- Certified New York Code Enforcement Officer
- Admission to New York Bar
- Master's Degree

## **Complaints**

Good government is everyone's business. The OIG relies in part on concerned County employees, officials, vendors, and members of the public – including the readers of this report – to provide us with information regarding possible fraud, waste, abuse, corruption,

and misconduct related to County agencies, projects, programs, contracts, activities, transactions, funds, or vendors. The OIG is responsible for receiving – and investigating as warranted – complaints, and may also proactively conduct audits, investigations and other reviews, as it deems appropriate.

In our first year, 2019, the newly created OIG received more than 55 complaints, tips and other contacts, including allegations of misconduct, fraud and other improprieties. Over time, as public awareness of the OIG grew, the number of contacts it received likewise grew. OIG was contacted over 200 times during 2024.

The OIG receives complaints and tips from members of the public, County employees, officials, and vendors via a variety of means including OIG’s website, email, letter, telephone Hotline, and walk-in. OIG established these varied means of contact in recognition of the potentially sensitive nature of some of these communications and that the most convenient way of contacting the office may differ by individual need.

Complaints may allege fraud, corruption, waste of funds, abuse of position, or raise other concerns. All complaints and tips received by the OIG are carefully reviewed to determine the appropriate disposition of each. Among other considerations, OIG evaluates each complaint or tip to determine whether it falls within OIG’s jurisdiction and gauges its investigative viability. For example, a very vague anonymous complaint might not provide an adequate basis for further inquiry. Given the OIG’s need to manage its resources effectively, each complaint is also assessed in terms of its potential magnitude or significance, from individual and/or programmatic standpoints.

Some complaints may result in the initiation of a preliminary inquiry or a full investigation, audit, or other review by OIG. The Inspector General may close some complaints based on initial assessment or after a preliminary inquiry fails to substantiate the allegations or finds no viable issues to pursue. In some instances, the Inspector General may refer the matter to the appropriate County department or other public agency for its appropriate action.

The OIG forwards complaints to other organizations if its evaluation or preliminary inquiry reveals that the issues raised fall outside OIG’s jurisdiction or would be more appropriately handled by another entity. During 2024, OIG accordingly referred over 50 matters to other entities.

Additionally, when OIG receives a contact about a matter for which OIG does not provide oversight (e.g., federal, state, city, town, or village-level issues), it often provides assistance by trying to help the complainant find a more appropriate entity to contact about their concern. OIG staff did so on over 60 occasions during 2024.





Examples of County-related issues that should be reported to the OIG are:

- Contractor and vendor fraud (including the submission of inflated or false claims for payment, incomplete or substandard work, or failure to provide deliverables specified by the County).
- Purchasing or bidding irregularities.
- Construction-related fraud on public works projects.
- Employee misconduct, conflicts-of-interest, or corruption.
- Offer, payment, or acceptance of bribes or gratuities, or solicitation of kickbacks.
- Theft or misappropriation of County property, revenue, or other resources.
- Significant waste of County money or inefficiency.
- False documentation, certifications, licenses, qualifications.
- Whistleblower reprisal.
- Any other activity suggesting wrongdoing or impropriety involving Nassau County projects, programs, operations, grants, funds, revenue, employees, officials, contractors, vendors, or anyone who receives County money.

For more information about making complaints, please see the Frequently Asked Questions section in the Appendix following the body of this report.



## Whistleblower Protection

Nassau County's employees and officers are protected by law, as summarized below, against retaliatory personnel action for reporting to the Inspector General (or other specified entities) allegations of improper government action by a County officer, employee, or agent that violates a federal, state, or local law, rule, or regulation.

New York State Civil Service Law, Section 75-b, entitled *Retaliatory Action by Public Employers*, provides, in part, that:

A public employer shall not dismiss or take other disciplinary or other adverse personnel action<sup>18</sup> against a public employee regarding the employee's employment because the employee discloses to a governmental body<sup>19</sup> information:

(i) regarding a violation of a law, rule or regulation which violation creates and presents a substantial and specific danger to the public health or safety; or

(ii) which the employee reasonably believes to be true and reasonably believes constitutes an improper governmental action. "Improper governmental action" shall mean any action by a public employer or employee, or an agent of such employer or employee, which is undertaken in the performance of such agent's official duties, whether or not such action is within the scope of his employment, and which is in violation of any federal, state or local law, rule or regulation.<sup>20</sup>

Nassau County has additional whistleblower provisions, in section 22-4.4 of the County's Administrative Code, entitled *Retaliatory action prohibited* (commonly known as the

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<sup>18</sup> "Personnel action" under Section 75-b means "an action affecting compensation, appointment, promotion, transfer, assignment, reinstatement or evaluation of performance."

<sup>19</sup> For purposes of Section 75-b, "Governmental body" means "(I) an officer, employee, agency, department, division, bureau, board, commission, council, authority or other body of a public employer, (ii) employee, committee, member, or commission of the legislative branch of government, (iii) a representative, member or employee of a legislative body of a county, town, village or any other political subdivision or civil division of the state, (iv) a law enforcement agency or any member or employee of a law enforcement agency, or (v) the judiciary or any employee of the judiciary." See Section 75-b for additional pertinent definitions.

<sup>20</sup> There are also certain whistleblower protections for employees in the private sector, under New York Labor Law, Section 740, entitled *Retaliatory action by employers; prohibition*. The protections of Section 740 were significantly broadened in 2022.

County Whistleblower Law). It provides, in part, that:

4. Use of authority or influence prohibited.
  - (a) A government official may not, directly or indirectly, use or attempt to use his or her official authority or influence to intimidate, threaten, coerce, command, influence or attempt to intimidate, threaten, coerce, command or influence any individual in order to interfere with such individual's right to disclose information relative to improper government action.
  - (b) Use of official authority or influence shall include:
    - (i) Promising to confer any benefit (such as compensation, grant, contract, license or ruling) or effecting or threatening to effect any reprisal (such as deprivation of any compensation, grant, contract, license or ruling); or
    - (ii) Taking, directing others to take, recommending, processing or approving any personnel action. For purposes of this section, "personnel action" shall mean those actions set forth in paragraph (d) of subdivision (1) of section seventy-five-b of the New York Civil Service Law.

The Administrative Code was amended in 2019 in part to add the Nassau County Inspector General, for purposes of whistleblower protection, to the list of government officials to whom allegations of improper government actions may be reported. That section now provides in part that a County employee who has information about a government action which he or she reasonably believes to be true and reasonably believes constitutes an improper government action, may disclose such information to a supervisor, a Nassau County government official listed in the Code – including the Inspector General, or to a governmental body as defined in New York State Civil Service Law Section 75-b.<sup>21</sup>

The 2019 amendment of the County Whistleblower Law also removed the general requirement that the County employee must first report the alleged improper action to his or her supervisor or department head, in order to preserve the right to pursue a retaliation claim under Section 75-b of the State Civil Service Law.

County employees who reasonably believe they have been subject to retaliation for disclosing improper governmental action may bring a civil action in a court of competent jurisdiction within one year of the alleged retaliation.

Additionally, Section 196 of the County Charter provides a *criminal* penalty for retaliating,

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<sup>21</sup> See Nassau County Administrative Code, Section 22-4.4, subdivision 3 (a). Subdivisions 3 (b) and (c) require that certain actions be taken by County officials who receive such information.

or attempting to retaliate, against any person for assisting, communicating or cooperating with the Inspector General. Section 196 states:

Any person who:

1. retaliates against, punishes, threatens, harasses, or penalizes, or attempts to retaliate against, punish, threaten, harass, or penalize any person for assisting, communicating or cooperating with the Inspector General; or
2. knowingly interferes, obstructs, impedes or attempts to interfere, obstruct or impede in any investigation, audit, review or examination conducted by the Inspector General, shall be guilty of an unclassified misdemeanor and subject to imprisonment for a term of no longer than one year and a fine of no more than ten thousand dollars, in addition to any other penalty provided by law. Any potential violation of this section shall be referred to the District Attorney for investigation and prosecution.



## Duty to Report Corruption and Fraud

As stated in our prior annual reports, OIG believes that key methods for preventing and exposing serious acts of wrongdoing involve not only *protecting* but also affirmatively *encouraging* whistleblowers in the County government, the people who may know about problems. OIG believes this approach is foundational to a comprehensive system for the prevention and detection of conduct that is antithetical to good government. The concept is not novel; it has long existed in other jurisdictions, including both the State and City of New York.

The means of encouraging whistleblowers should include sending a clear message that, for public servants, “looking the other way” is not acceptable behavior in Nassau; that silence is not an option. OIG believes that each County public servant should have an explicit legal duty to report conduct involving corrupt, fraudulent or other unlawful activity affecting the County.

Indeed, the State of New York has adopted that principle, via a law imposing such affirmative duty on State employees and officers in the agencies under the jurisdiction of the State OIG. New York’s statute, codified at Executive Law § 55(1), provides:

Responsibilities of covered agencies, state officers and employees.

1. Every state officer or employee in a covered agency shall report promptly to the state inspector general any information concerning corruption, fraud, criminal activity, conflicts of interest or abuse by another state officer or employee relating to his or her office or employment, or by a person having business dealings with a covered agency relating to those dealings. The knowing failure of any officer or employee to so report shall be cause for removal from office or employment or other appropriate penalty. Any officer or employee who acts pursuant to this subdivision by reporting to the state inspector general improper governmental action as defined in section seventy-five-b of the civil service law shall not be subject to dismissal, discipline or other adverse personnel action.<sup>22</sup>

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<sup>22</sup> This provision is not unique to New York State. For example, the City of Chicago has a similar statutory requirement for its public servants:

**Duty to report corrupt or unlawful activity.** Every city employee or official shall report, directly and without undue delay, to the inspector general, any and all information concerning conduct which such employee or official knows or should reasonably know to involve corrupt or other unlawful activity (a) by another city employee or official which concerns such employee’s or official’s employment or office, or (ii) by any person dealing with the city which concerns the person’s dealings with the city. Any employee or official who knowingly fails to report a corrupt

In addition to bringing wrongdoing out of the shadows, such provisions normalize and reduce the stigma of reporting it and conveys the seriousness with which government regards such conduct.

Unlike employees and officers of the State of New York, employees and officers of Nassau County (other than the County Executive) are not generally obligated by law to affirmatively report to the Inspector General their knowledge of corruption, fraud, criminal activity, conflicts of interest or abuse. This is so even though the County's public servants are provided the same protection afforded their State counterparts under the Civil Service law, as well as the additional provisions of the County's whistleblower law and Charter section 196, cited above.

Although the County Charter does require the County Executive to promptly notify the Inspector General of possible fraud, theft, bribery, contract mismanagement and other matters,<sup>23</sup> the crucial obligation of individual County employees to likewise report such matters to the Inspector General largely exists not as law but in the form of a 2019 guidance memorandum (from the now-former Deputy County Executive for Compliance). The Countywide Procurement and Compliance Policy additionally provides that those public employees and elected officials "having responsibility for contracting procurement" shall "report waste, fraud, abuse and corruption and unethical practices" to the Inspector General. Finally, an executive order (issued by the now-prior County Executive) further requires that any individual who becomes aware of a violation of the "Zero Tolerance" prohibited gifts policy report it to the IG's hotline. While these are significant measures, the scope of each is narrow, and in OIG's view they do not provide the gravity or permanence of a statutory mandate, let alone cite a penalty for noncompliance.

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or unlawful activity as required in this section shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined.

Municipal Code § 2-156-018.

<sup>23</sup> Nassau County Charter § 187 (5) provides in part that:

The County Executive shall promptly notify the Inspector General of possible mismanagement of a contract constituting misuse or loss exceeding \$5,000 in public funds, fraud, theft, bribery, or other violations of law which appears to fall within the jurisdiction of the Inspector General, and may notify the Inspector General of any other conduct which may fall within the Inspector Generals (sic) jurisdiction.

Pursuant to this provision and a supplemental directive issued by the Inspector General in accordance with § 187 (5), in 2019 the Deputy County Executive for Compliance issued a guidance memorandum to County employees that they must (likewise) report such matters to the Inspector General. While clearly an appropriate and positive measure complying with § 187 (5) and the IG's directive, this structure lacks the force of a law and so has neither the permanence nor gravity of a statute, particularly one having a stated penalty for non-compliance.

The only other affirmative duty under law to report wrongdoing to the Inspector General is a limited one appearing in the County whistleblower law. It provides in sum that any county government official *receiving information from* a county employee concerning improper government action *shall review it*, and:

*if* such review indicates an apparent improper government action, take appropriate corrective measures *and where appropriate, refer such information* to the appropriate investigative authority . . . [emphases added]<sup>24</sup>

OIG believes that the responsibility of a county official receiving information concerning improper government action should be *to promptly notify* the Inspector General or other appropriate investigative authority of the information.

OIG accordingly suggests that Nassau County would benefit from updating and strengthening its reporting requirements; codifying its expectations into a law placing an affirmative duty on the County's public servants to report information concerning fraud and corruption.<sup>25</sup> New York State law provides a model worthy of consideration.



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<sup>24</sup> Nassau County Administrative Code § 22-4.4 (3)(b). The Inspector General is included among the appropriate investigative authorities in a non-exhaustive list following that text.

<sup>25</sup> In adopting such law, it would also be important to ensure that whistleblower protection is broad enough to match the scope of all the information required to be reported, as it might extend beyond "improper government action," e.g., fraud committed by vendors. It would also be essential to ensure that all County public servants are made aware of their disclosure obligations.

## Investigations

The OIG conducts investigations into the conduct of County functions, transactions, contracts, programs, vendors, officials, employees, and departments. OIG investigations may concern potential violations of law or policies, or other possible irregularities. Unlike audits, which are typically conducted of operations or programs, and are usually general or systemic in nature, investigations are often more specific inquiries into particular actions, events or allegations or concerns of wrongdoing or deficiency, e.g., fraud, corruption, misconduct, waste, or abuse.

Investigations arise from a variety of sources. Some investigations are initiated based upon complaints or tips, or stem from other OIG activities, while others may arise on a proactive basis as determined by the OIG based on inherent risks or other factors. The OIG may also receive referrals or requests for investigation from the Legislature, the Board of Ethics, the County Executive, the Comptroller, or other officials. Some investigations may be conducted jointly with other agencies.

Irrespective of origin, OIG independently determines what and how it will investigate, and conducts its work objectively and impartially. The objective of all OIG investigations is to gather facts, to seek the truth.

The Charter requires that investigations conducted by Nassau's OIG comply with the Principles and Standards published by the Association of Inspectors General (AIG) (also known as the Green Book).

Investigations may be conducted through a variety of activities. The duration of a given investigation may depend on a variety of factors, including the nature of the subject matter, the number of interviews to be conducted, and the types and quantity of documents that must be obtained and analyzed.

### *Investigative Outcomes*

OIG investigations can result, where warranted (e.g., where there is sufficient evidence of wrongdoing or noncompliance), in criminal or non-criminal referrals or recommendations for possible remedial action, administrative sanctions, civil enforcement, criminal charges, or a combination of such outcomes. Investigations leading to administrative sanctions may involve violations of County codes, rules, policies or procedures, and/or waste, abuse or misconduct. Investigations of allegations of administrative misconduct might result in any of the following status determinations by OIG:



- **Substantiated.** The allegations are sustained/validated. There is sufficient evidence to justify a reasonable conclusion that the actions in question occurred and that there were violations of law, policy, rule, or contract.
- **Partially Substantiated.** There is sufficient evidence to justify a reasonable conclusion that (1) a portion but not all of the allegations occurred, or (2) the alleged actions did occur but not to the extent alleged.
- **Unsubstantiated.** The allegations are not proven. There is insufficient evidence to conclusively prove or disprove the allegations.
- **Unfounded.** There is sufficient evidence to justify a reasonable conclusion that (1) the alleged actions did not occur, or (2) that there were no identified violations of law, policy, rule, or contract.

It should be noted that even when OIG determines allegations to be substantiated, it cannot impose sanctions, take disciplinary or remedial actions, or commence prosecutions. OIG can only provide information and recommendations to the organizations that are authorized to do so, the decision-makers.

Pursuant to the County Charter, where OIG suspects a possible criminal violation of law, OIG will notify appropriate law enforcement officials. OIG does not publicly report on ongoing investigations.

OIG issues reports and makes recommendations to the Legislators, County Executive, or other officials as appropriate.



## **Audits**

OIGs may conduct performance audits, also known as program audits, and financial audits. A performance audit focuses on programs, organizations, or activities, in terms of such things as their effectiveness, economy, transparency, and internal controls/risk management. A financial audit may look at the use of funds for programs and operations, e.g., to examine the costs involved and how the money was spent and accounted for. Topic areas selected for audit can arise from a variety of bases, including risk factors, allegations, referrals, and as follow-up to, or spin-off from, other OIG work.

Audits typically have four phases: preliminary audit survey, fieldwork/audit verification, draft report preparation, and final report preparation/issuance. OIG audit reports may recommend

corrective measures or improvements. Audit reports containing findings and recommendations will typically be directed in draft form to the County Executive or other appropriate management officials for response and provided in final form to the Legislature and other officials as appropriate.

## **Reviews**

OIG conducts various types of reviews where a full audit or investigation is inappropriate or unnecessary and which may facilitate more immediate and timely feedback to decisionmakers. Review types include, but are not limited to, screening of proposed vendor contract awards and revenue agreements, inspections as to whether operations/programs are following established policies, procedures and guidelines, and evaluations of internal controls, the use of County funds, or the effectiveness of operations/programs in meeting goals and objectives.

When OIG staff completes a review project, the Inspector General may issue a letter, memorandum, or report to appropriate officials describing observations/findings and/or providing recommendations for remedial action, reforms to prevent future problems, or steps to improve effectiveness, accountability or transparency.



# Procurement/Contracting Oversight Activities

## *Background*

Procurement, for purposes of this report, may be defined as the process by which goods and services are selected and acquired by the County for the benefit of the public. This includes the use of formal contracts as well as the issuance of purchase orders. As the County's procurement activities involve the expenditure of public funds, it is important that contracting/purchasing always reflects the best interests of the County. The County's processes and practices should be transparent and guided by considerations of competition, quality, value and price, and, of course, compliance with law.

## *OIG Oversight Activities*

The majority of OIG's 2024 oversight work was in the area of contracting/procurement. While the Nassau County OIG shares the general oversight responsibilities common to most OIGs in the nation – to detect and prevent waste, fraud, abuse and illegal acts; to promote transparency, efficiency and integrity – the County Charter places particular emphasis on the OIG pursuing those responsibilities within the specific context of the County's contracting and procurement processes. To accomplish those ends, the OIG's oversight of the County's procurement/contracting activities may take a wide number of forms, including but not limited to:

- Reviewing proposed or awarded contracts/purchases/grants, e.g., for compliance, transparency, and justification of the award.
- Examining vendors' declarations in their Business History and Principal Questionnaire forms for accuracy, completeness, and information of concern, including matters potentially impacting business integrity.
- Providing Contract Review Statements and Contract Review Reports to the County Legislature, for items submitted by the Administration for approval.
- Reviewing employee financial disclosure statements, contractor political contributions, and lobbying disclosures.
- Reviewing processes followed, e.g., for efficiency, effectiveness, compliance, and transparency.
- Observing the conduct of vendor selection (evaluation) committee meetings.
- Reviewing records of decision-making, e.g., for transparency and sufficiency.

- Reviewing invoices and payment applications.
- Reviewing contract specifications and change order requests.
- Reviewing vendor evaluations.
- Monitoring ongoing projects.
- Conducting site visits at locations where a vendor is performing or has performed services.
- Examining deliverables to verify specifications have been met and correct quantities have been provided.
- Reviewing materials-testing results/certifications.
- Reviewing reports of integrity monitors and regulatory agency records relative to vendors or prospective vendors.
- Notifying the Administration and/or Legislature of the discovery of potentially adverse information about current or prospective vendors.
- Conducting investigations, audits, preliminary inquiries, and other reviews as deemed appropriate.

## **Screening of Proposed Contract Awards**

During 2024, OIG, as part of its oversight role, screened all proposed contracts and amendments prior to their approval by the Legislature. OIG independently selected 134 of these for further scrutiny and provided to the Legislature 96 Contract Review Statements conveying the results of particular reviews. OIG also monitored 83 meetings of vendor evaluation or technical review committees, and attended sealed-bid openings for four contracts.

### *Review of Vendor Disclosures*

OIG reviews, on an oversight basis, proposed contracts and the entities (vendors) proposed to be awarded contracts. The standard for contract award under County procurement policy is in part whether the vendor is “responsible.” A responsible vendor is one which has the capability in all respects to fully perform the contract requirements and the business integrity to justify the award of public tax dollars. In furtherance of the County’s responsibility determination process, prospective vendors are required to submit to the Administration disclosure documents, including a Business History Form (company

questionnaire) (BHF), and the principals of the vendor organizations must each submit an individual Principal Questionnaire Form (PQF).

While it is the operational responsibility of the County's procuring departments to review and assess vendor disclosures, OIG independently examines and evaluates the disclosures, and may also perform additional checks as it deems advisable in screening for potential issues.<sup>26</sup> The OIG is thereby able to provide information to assist in the County's selection of appropriate, responsible vendors; entities which will be receiving public funds.

As indicated by the examples in the listing below, it was not uncommon for OIG's activities during 2024 to detect potential matters of concern; matters that apparently had not been identified in the course of the procuring departments' review. In such instances, OIG apprised the Administration and/or the Legislature accordingly. These concerns included apparent omissions and/or discrepancies within vendors' BHFs and/or individual PQFs, or OIG's discovery of potentially adverse information. For example, proposed vendors apparently did not disclose:

- One or more principals of the company. (4 instances)
- A principal being the owner/officer of another business entity. (53 instances)
- Affiliation or sharing space with another entity. (10 instances)
- Political contributions. (9 instances)
- Investigation by the New York State Public Service Commission related to damage to a pipeline. (2 instances)
- A federal investigation which resulted in a settlement of over \$300,000.

OIG also identified the following concerns:

- Affiliate of proposed vendor had outstanding New York State tax warrant(s). (5 instances)
- Inspection by the Occupational Safety and Health Administration (OSHA) of proposed vendor or affiliate resulting in violation(s). (17 instances)

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<sup>26</sup> While OIG reviews proposed contracts and their disclosure forms on an oversight basis, the County's operational determination of vendor responsibility resides with the Administration.

- Affiliated entity/entities of proposed vendor was debarred by the Workers Compensation Board. (4 instances)
- Proposed vendor's liability insurance coverage was expired. (5 instances)
- Proposed vendor's Workers Compensation insurance coverage was expired. (3 instances)
- Proposed vendor entered into a settlement of \$8 million in relation to a breach of client data.

OIG brought the foregoing matters to the attention of the Administration and/or the Legislature for its information and appropriate action. In one instance, OIG issued contract review statements concerning a proposed vendor whose submittals, in OIG's assessment, raised questions about its responsibility, including the extent of its experience and capacity.<sup>27</sup> Additionally, in 12 instances OIG alerted the Administration and/or the Legislature to missing documents or explanations, required by County policy, in the Legislative packages submitted.

## **Improvement of Vendor Disclosure Forms - Outstanding Recommendations**

OIG has extensive experience in reviewing vendor disclosures and background information. As previously reported, OIG had conducted a detailed examination of the adequacy and effectiveness County's existing BHF and PQF forms, and of certain draft revisions thereof.<sup>28</sup> In OIG's assessment, the existing questionnaires, especially the BHF, fail to encompass a number of important items; additionally, the clarity and precision of some of the forms' questions need improvement to be fully effective. During 2019 and 2021 OIG accordingly provided the Chief Procurement and Compliance Officer with its recommended revisions of those forms.

OIG's recommendations were intended to enhance and clarify the questions posed to vendors, improve the instructions identifying the persons who are required to file, and better capture the full range of information relevant to the County's responsibility determinations. Recommendations included modification of the wording of some questions and the addition of certain pertinent questions.

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<sup>27</sup> In that matter, OIG also subsequently responded to Legislators' questions during a meeting of the Rules Committee.

<sup>28</sup> OIG's examination included draft revisions then under consideration by the Administration.

For example, unlike the existing BHF, OIG's recommended version explicitly inquired as to whether prospective vendors:

- were debarred, suspended, or disqualified by other governmental entities.
- had received unsatisfactory performance ratings from other governmental entities.
- had defaulted on government contracts.
- had been required to retain the services of an integrity monitor.

Not only is this sort of information routinely elicited by other major government entities, but in OIG's assessment it is prudent and best practice for the County to likewise be made aware of and explore any such adverse information about vendors it is considering doing business with.<sup>29</sup>

As of this writing however, the Administration has not implemented any of the modifications that OIG recommended.<sup>30</sup> OIG deems the existing disclosure forms to be significantly less effective than the proposed revisions for thorough vendor vetting and thus protection of the County's interests. OIG believes it remains in the County's best interest to enhance the vendor disclosure forms as recommended.

## **Procurement/Contracting Monitoring**

### *General Observations*

As we first related in our inaugural annual report, the District Attorney's 2015 *Special Report on the Nassau County Contracting Process* described "serious systemic deficiencies that require the immediate attention of the County Executive and Legislature

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<sup>29</sup> While the existing PQF does address a portion of the additional information, e.g., debarment, it is unfortunately phrased only in the very limited contexts of the declarant *individually* and the declarant's affiliation with entities *other than* the actual vendor seeking to do business with Nassau County. One department, DPW, does have an additional vendor disclosure form, titled Qualification Statement, that in part addresses a portion of such information, but to OIG's understanding it is neither a Countywide form, nor in any event does it address the full range of additional information that the recommended revised BHF and PQF would.

<sup>30</sup> The Administration's own draft revisions also have not been implemented.

to protect taxpayers and prevent future scandal”<sup>31</sup> and noted in part that “One of the greatest vulnerabilities of the County is its predominately decentralized procurement process.”

The County still operates with a significant extent of decentralization. The Department of Shared Services, Office of Purchasing has central responsibility for procuring goods and certain non-personal services for County agencies. However, procurements for “personal services”<sup>32</sup> are conducted within the departments requiring those services, each having its own Department Chief Contracting Officer (DCCO), rather than being centrally managed by a single procurement office. Each DCCO is accountable for all the department's procurement activities and acts as the department's primary liaison to the Chief Procurement and Compliance Officer. The individual procuring departments are each responsible for, among other things, pre-procurement planning and scheduling, drafting specifications, and overseeing and evaluating contractor performance.<sup>33</sup>

However, the County also has made important improvements since the state of affairs detailed in the District Attorney's report of a decade ago. These include creation of the position of Chief Procurement Officer,<sup>34</sup> staffed by an experienced procurement professional, in part to establish and ensure compliance with uniform procurement policies and standardized procedures,<sup>35</sup> as well as the issuance of a Countywide Procurement and Compliance Policy (updated periodically), a series of supplemental policy enhancements, and the adoption of the Vendor Code of Ethics. The Vendor Code, as well as a number of the policy enhancements, were recommended by OIG.

Moreover, for the last six years OIG has been providing independent oversight of the County's contracting/procurement processes, via a range of activities as described in this report. The County Charter authorizes the OIG to review any aspect of those processes.

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<sup>31</sup> The report's executive summary also commented in part that: “Nassau's porous contracting process is the product of no one administration or political party, but instead the result of years of neglect, ineffectual surface-level reforms, and a regrettable failure to learn from past failings.”

<sup>32</sup> Personal services are defined as services provided by independent contractors that require the consistent exercise of judgment or specialized skills. See, Countywide Procurement and Compliance Policy.

<sup>33</sup> See, Countywide Procurement and Compliance Policy.

<sup>34</sup> Now retitled as the Chief Procurement and Compliance Officer (CPCO).

<sup>35</sup> The Chief Procurement and Compliance Officer also provides monthly conference call updates, as well as annual in-person training, to County employees having procurement or contract administration related responsibilities.



## **Selection Committee Oversight**

Per County policy, before a Request for Proposals (RFP) is issued, the department seeking to procure services must establish a selection committee to develop and apply criteria that will ensure that vendor proposals are evaluated objectively, fairly, equally and uniformly, and that the County selects the “best value” solution<sup>36</sup> from among the submitted proposals. Selection committees, also known as evaluation committees, are typically composed of at least three voting members, each with significant knowledge of the services to be procured. The County Charter provides that OIG is to be notified in advance of selection committee meetings.

OIG’s monitoring of procurement-related activity during 2024 included attending 67 selection committee meetings.<sup>37</sup>

## **Capital Project Oversight**

### **Family and Matrimonial Courthouse Project**

Among the matters that OIG monitored during 2024 was the Phase Two construction of the Family and Matrimonial Courthouse (Family Court), one of the largest ongoing capital projects of the County’s Department of Public Works (DPW).

#### *Project Background*

This project is the conversion of a 239,000 square foot County-owned office building in Garden City, formerly used by the Department of Social Services, into a 255,000 square foot court complex. The completed Family Court will consist of 23 courtrooms and hearing rooms and the Matrimonial Center and Integrated Domestic Violence Court will consist of 13 courtrooms and hearing rooms. The facility will include a sally port, holding facilities, judicial chambers, auxiliary offices, and interview rooms. The Family Court will be part of a complex which will also include a Family Justice Center (FJC), a project awarded under a separate contract, with construction commencing in 2025. The FJC will occupy part of the first floor and basement.

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<sup>36</sup> “Best value” refers to the most advantageous combination of price, quality, and other relevant factors, such as the contractor’s qualifications and proposed approach.

<sup>37</sup> OIG attends selection committee meetings for monitoring purposes but does not participate in committee voting, which is an operational role of the Administration.

A general contractor was awarded an \$85.6 million contract for Phase Two, receiving the notice-to-proceed in April 2021.<sup>38</sup> Phase Two includes a complete interior fit-out and new architectural, structural, HVAC, mechanical, electrical, and plumbing work, as well as vertical transportation, and fire protection and security systems. Phase Two work also includes site improvements, such as new sidewalks, curbs, paving, drainage, and landscaping.

### *Project Monitoring*

OIG has been monitoring the project since its inception. OIG's activities during 2024 included attendance at all bi-weekly project progress meetings, and all bi-weekly "hot topics" meetings conducted by the construction management firm overseeing the work; 37 meetings in total. In addition to DPW and the contractor, the meetings are attended by representatives of the New York State Office of Court Administration and the Nassau County Courts, with appearances by representatives of the County's Fire Marshal's Office and Information Technology department.

During progress meetings, OIG staff posed questions and sought clarifications regarding construction issues and overall project management. OIG's queries included those pertaining to fire safety inspections, building code compliance, signage requirements and compliance, occupancy requirements, and methods to meet truncated timelines for occupancy. These queries resulted in discussions addressing compliance with Fire Marshal requirements, the delivery of delayed utility equipment, and the identification and addressing of signage deficiencies.

Unannounced site visits by OIG personnel resulted in observation of site security deficiencies. OIG brought these to the attention of DPW, which implemented corrective security measures to protect the building and those working in it.

### *Project Cost and Schedule*

There have been several time extensions during the project. The original contract completion date was October 15, 2022. Phase Two's work, however, remained ongoing throughout 2023 and 2024.

The Family Court project continued during 2024 to face schedule and cost overruns. Although a formal opening ceremony took place on October 2, 2024, at this writing the

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<sup>38</sup> The preceding Phase One involved work on the building core and shell, including interior demolition asbestos abatement, façade reconstruction, structural modifications, roof replacement, and drainage improvements.

building continues to be unoccupied. As of the construction management firm's December 31, 2024 progress report, the Family Court was 95% complete, with an anticipated project completion date of July 3, 2025, and DPW had approved over \$44.5 million in change orders to the original \$85.6 million contract.<sup>39 40</sup>

OIG will continue to monitor this project, as well as the FJC once it gets underway.

## **Second Precinct Police Station House Replacement Project**

OIG's capital construction monitoring activities during 2024 also included another major DPW project, the replacement of the fire-damaged Police Department's Second Precinct station house.

### *Project Background*

The Police Department's Second Precinct serves Bayville, East Norwich, Hicksville, Jericho, Lattingtown, Locust Valley, Oyster Bay, Plainview, Syosset, Westbury, and Woodbury. On November 26, 2022, a fire severely damaged the Second Precinct's station house, located at 7700 Jericho Turnpike in Woodbury. The building was deemed unsalvageable, and the County Executive declared an emergency to expedite the construction of a replacement station house.<sup>41</sup>

The project includes demolition of the damaged building and construction of a new station house, as well as repair of the existing garage, replacement of the underground fuel storage tanks, and site improvements. The replacement building is at the same address as the original structure.

### *Status*

Following a competitive bidding process, in August 2023 a construction contractor was awarded a contract with a base value of just under \$26.1 million. The Notice to Proceed was issued on August 23, 2023. The planned contract duration was 450 calendar days, with a completion date of November 15, 2024. Following abatement work, demolition and construction began in November 2023.

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<sup>39</sup> Information from Monthly Project Progress Report 44, January 8, 2025.

<sup>40</sup> As of the more recent Monthly Progress Report 46 of February 28, 2025, the Family Court project was 96% complete, with a projected completion date of August 4, 2025, 1,024 calendar days later than the original project completion date.

<sup>41</sup> In the interim, Second Precinct personnel are operating out of temporary facilities.

OIG’s monitoring activities relating to the project during 2024 included attending all 26 bi-weekly project progress meetings. During these meetings, OIG staff posed questions and sought clarifications regarding construction issues and overall project management.

As of December 2024, the project had incurred delays totaling 128 days. Final completion is now anticipated to be May 15, 2025.<sup>42</sup>

OIG will continue to monitor this project through its final completion.

## **Task Order Award Oversight**

While the Department of Public Works (DPW) awards contracts for specific projects, it also awards “on-call” contracts. An on-call contract is a master agreement in which a consultant firm is retained to provide DPW with professional services in a given technical category, such as design services or construction management, on an as-needed basis. Commonly, there are multiple firms holding on-call contracts within a given category (e.g., engineering services, construction management, or inspection). On-call contracts are typically of long duration and involve significant amounts of money.

Task orders for specific scopes of work are subsequently issued to firms that have been awarded on-call contracts. Task orders are awarded to these firms via a “mini-bid” competitive selection process, where only firms already holding an “on call” contract in the appropriate category can bid. While the on-call contracts are subject to Legislative approval, the ensuing task order awards issued under those contracts do not come before the Legislature for approval.

The mini-bid selection process entails the use of technical review committee (TRC) meetings. A technical review committee is a group of DPW personnel, sometimes assisted by consultant staff, that reviews the technical and cost proposals received for a given task order and selects, on a “best value” basis, the proposing firm(s) which will be assigned the task order.

In December 2021, the now-former Presiding Officer of the Legislature requested that DPW’s Commissioner notify OIG of and give it access to future TRC meetings, to monitor the task order award process. This was done and OIG expanded its oversight activities to include observing TRC meetings, similar to its attendance at selection committee meetings. During 2024, OIG attended 16 TRC meetings.

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<sup>42</sup> Information from Monthly Project Progress Report 15, January 10, 2025.

## Other Activities

In addition to the various other activities described in this report, OIG during 2024 attended all Departmental Chief Contracting Officer teleconferences on procurement issues, the District Attorney's Annual Labor Conference, a countywide procurement policy training session at which OIG provided a segment of the training, and a meeting of the interagency County Procurement Policy Monitoring and Assessment Committee. OIG additionally met with the Chief Procurement and Compliance Officer monthly to discuss various procurement matters, conducted a site visit of a facility operated by a licensee, and as OIG's mission includes oversight of boards and commissions, OIG staff also attended meetings of the Board of Ethics and the Civil Service Commission.



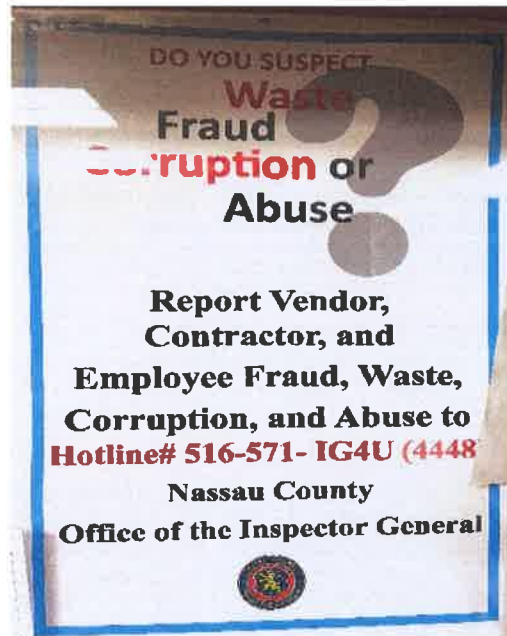
## Stakeholder Training & Outreach

In October 2024, the Deputy Inspector General gave a live presentation, pertaining to fraud awareness, and improper contacts during procurements, to 48 County employees attending annual procurement training. OIG information cards were also distributed to attendees. OIG has similarly provided fraud-related training to County employees each year.



OIG's presentation at the procurement training session in October.

Year-round, OIG maintains a website with information about fraud, the OIG and the matters falling within its jurisdiction, and the means of contacting OIG. Additionally, OIG's posters are on display at various County locations.



An OIG poster in a display case in the lobby of the County's offices at 240 Old Country Road.



## Join the Team; Be an Agent of Positive Change

Corruption and fraud have a profound effect on the efficiency and effectiveness of government; on how it serves its people. Corruption can result in the misallocation of limited resources, encourage wasteful and reckless spending of public funds, and adversely affect law-abiding businesses and employees. Fraud can result in your, the taxpayer's, hard-earned money being stolen.

Each bribe, each false document submitted, each collusive bid, each kickback, each conflict of interest, chips away at the integrity and public trust that are essential to good government.

Fighting corruption and fraud, ensuring a level playing field, and maintaining strong ethics in government, are important responsibilities – responsibilities which are shared by all of us in Nassau County. Successfully fighting fraud and tackling corruption is a team effort. We encourage you to be part of the team; to help us by sending OIG your complaints, concerns, and suggestions.



***... Other offenses violate one law while corruption strikes at the foundation of all law. . . . If we fail to do all that in us lies to stamp out corruption we cannot escape our share of responsibility for the guilt.***

**Nassau County resident, President Theodore Roosevelt, 1903.**

## APPENDIX

- ◆ OIG CONTACT INFORMATION
- ◆ OIG POSTER
- ◆ FREQUENTLY ASKED QUESTIONS ABOUT COMPLAINTS





Nassau County OIG  
1 West Street  
Mineola, NY 11501

Main

(516) 571-1470

Hotline

(516) 571-IG4U

[Inspectorgeneral@nassaucountyny.gov](mailto:Inspectorgeneral@nassaucountyny.gov)

[www.nassaucountyny.gov/4747/Inspector-General](http://www.nassaucountyny.gov/4747/Inspector-General)

**DO YOU SUSPECT**

**Fraud Waste  
Corruption or  
Abuse**

**Report Vendor,  
Contractor, and  
Employee Fraud, Waste,  
Corruption, and Abuse to**

**Hotline# 516-571- IG4U (4448)**

**Nassau County  
Office of the Inspector General**



## **Frequently Asked Questions about Complaints**

### **You Can Be Part of the Solution**

Good government is everyone's business. Anyone can help fight fraud, waste, abuse, and corruption in our County by reporting suspicious activity.

If you have a complaint or concerns involving a Nassau County agency, its employees, contracts, projects, or programs – or about any individual or entity that does business, or is seeking to do business, with the County – tell us about it. Your call, email, or letter could be the one that saves the County millions of dollars or helps put an end to abusive or wasteful practices.

#### **Q: Who may file a complaint with the OIG?**

A: Anyone, including Nassau County employees, companies that do business with the County, and members of the public.

#### **Q: What kind of complaints does the OIG investigate?**

A: Fraud, theft, waste of funds, abuse of resources or position, bribery, corruption, conflicts-of-interest, gifts from vendors, whistleblower reprisal, and serious misconduct or mismanagement affecting or involving County operations, programs, projects, contracts, or funds. OIG does not investigate routine personnel issues, such as grievances.

#### **Q: Does the OIG investigate individuals or companies that conduct business with the County?**

A: Yes. The OIG may investigate any individual or entity that either is doing business with Nassau County, receives funds from the County, or which, through the submission of a bid, proposal or application, expresses interest in doing business with the County.

#### **Q: How do I file a complaint with the OIG?**

A: A complaint can be registered with the OIG in several ways: via the online complaint form, email, fax, surface mail, in-person, or telephone:

- **Telephone Hotline: (516) 571-IG4U  
(516) 571-4448**
- **Email: [InspectorGeneral@nassaucountyny.gov](mailto:InspectorGeneral@nassaucountyny.gov)**
- **Fax number: (516) 571-0029**
- **Surface Mail address:  
Nassau County Office of the Inspector General  
1 West Street, Room 341  
Mineola, NY 11501**

**Q: Can I request that my identity be kept confidential?**

A: Yes. If you request confidentiality, we will not reveal your identity without your permission, unless required by law. You should also be aware that there are provisions of law that, under appropriate circumstances, protect employees from retaliation. If you believe that making a report to the OIG will place you at risk of retaliation, you should inform us of that as well.

**Q: Do I have to identify myself if I make a complaint to the OIG?**

A: No. You can remain anonymous in submitting an allegation to us. Note, however, that your information will be most useful if we have a way to contact you if follow-up questions are necessary. Information that is too vague or cannot be supported can result in closing your complaint without remedial action. If you remain anonymous, we also will not be able to acknowledge receipt of your complaint or later advise you if the matter is in open or closed status.

**Q: What information should I include in my complaint?**

A: Please provide as much information as you can. Information that is too vague or cannot be supported can result in closing your complaint without remedial action. Therefore, we encourage you to give us at least one way to contact you should we have questions or need more information. In any event, please be as specific as possible in explaining the nature and details of your complaint. You may use the following list as a guide to the information to include:

- If a project or contract is involved, identify it.
- When and where did the event happen? Give dates, times; location; facility; work unit, etc.
- Who engaged in the misconduct? Who else was involved?
- What exactly did he/she/they do?
- How do you know what you are reporting? Did you witness it? Hear about it from someone else?
- What proof exists to support or confirm your complaint?
- Who else witnessed it? Who else is aware of the wrongdoing?
- Who else has further information? What is their contact information?
- How was the fraud accomplished? How was the scheme concealed?
- How many times has it happened? How long has this situation existed?
- Who else have you reported this matter to? When? What action was taken?

The above list is only a guide; you may wish to include other/additional information.

**Q: What should I do if I acquire more information after I have submitted a complaint?**

A: Any additional information you acquire after making your report to the OIG should be reported to us in a follow-up telephone call, email or letter.

**Q: What do the terms fraud, waste, abuse, and mismanagement mean?**

A:

**Fraud** is the misrepresentation of a material fact in order to obtain a payment or benefit. Put another way, fraud is wrongful or criminal deception intended to result in financial or personal gain.

**Waste** is negligent, needless, careless or extravagant expenditure of County funds, incurring of expenses, or the misuse of County resources or property. Waste may result from improper or deficient practices, systems, controls, or decisions.

**Abuse** is the intentional wrongful or improper use of County resources, which can include the excessive or improper use of a person's County position, in a manner contrary to its rightful or legally intended use.

**Mismanagement** as used here, is when management action – or inaction – could adversely impact the County's operations, programs, projects, or funds or grossly deviates from the standard of care or competence that a reasonable person would follow.

**Q: What is an example of a conflict-of-interest?**

A: An example would be a County contracting or oversight official who has an undisclosed financial interest in a contractor, vendor or consultant, resulting in an improper contract award or inflated costs to the County.

**Q: What is an example of fraud?**

A: Fraud can take many forms. One example is where a supplier (vendor) misrepresents how much material was provided, or the type or quality of the goods provided and billed, to the County. Fraud can include submitting false claims, making false statements, concealing material information, unauthorized disclosure of confidential information relating to procurement matters, and the offer, payment, or acceptance of bribes.

**Q: What is an example of waste?**

A: Waste can include extravagant, careless, or needless expenditure of County funds. An example would be causing County funds to be used to purchase replacement parts for old equipment that is being scrapped.

**Q: What is an example of misconduct?**

A: Examples include a County official or employee improperly using County resources for unauthorized purposes, or disseminating confidential information without proper authority to do so.

**Q: What is an example of abuse?**

A: Examples include a County official or employee improperly using his or her position in order to benefit the interests of a family member, such as inducing the County to hire that person, or to award a contract to the family member's business.