



RICHARD THOMAS
MAYOR

City Council
Comptroller Maureen Walker
City Hall
1 Roosevelt Square North
Mount Vernon, 11550

FILED
CITY CLERK
MOUNT VERNON, NY
2016 FEB 17 P 3:18

February 17, 2016

Re: “Check-gate” Report Letter – Payment Process Deficient, Immediate Action Urged to Strengthen Security and Upgrade Process

Dear Councilmembers and Comptroller Walker,

We have concluded our review of approximately 150 checks that the Department of Finance has repeatedly refused to accept back from the Mayor’s Office since January 26, 2016.

Over the past 14 business days, we examined each payment request to ensure the integrity of the expenditure. A key discovery from our quality control review process (QCRP) was that the City of Mount Vernon appears to purchase electricity from a third party energy provider and not solely from the New York State Power Authority (NYPA). By returning to NYPA sourced power as the only means of Mount Vernon’s energy, the city will more than likely reap a \$400,000 annual savings for the taxpayer. We are taking immediate action to obtain these necessary savings and have ordered the Law Department to review the contract between the city and the third party energy supplier.

With respect to the 150 checks, it is important to note that over 100 vendor checks have been ready for pick up since the first week of February, yet the Department of Finance has refused to pick up these signed and approved checks.

Regardless of political grandstanding, we vigilantly guarded the checks in our possession and established a process to log and review every payment request. Consistent with deficiencies found by New York State Comptroller Thomas DiNapoli following a “Payroll” audit of the Department of Finance, the QCRP found 102 errors and 36 checks remain unsigned as a result of various concerns raised. The deficiencies are categorized as follows:

CITY OF MOUNT VERNON, NEW YORK ♦ OFFICE OF THE MAYOR ♦ CITY HALL - ROOSEVELT SQUARE ♦
MOUNT VERNON, NEW YORK 10550 ♦ (914) 665-2300 ♦ WWW.CMVNY.COM

“The City of Hope”


No.	Deficiency Type	Description	Amount
1.	Voucher	Errors and missing data as per Department of Finance guidelines.	10
2.	Documentation	Insufficient information provided, including missing materials.	9
3.	Unsigned	Check not signed by Comptroller.	2
4.	Review	Material questions of substance and form.	64
5.	Other	Other concerns to be discussed.	17
TOTAL			102

Additionally, many of these checks have invoices dating back to January 2015. In fact, there was \$762,703.33 in outstanding purchase orders, with approximately 30 percent virtually 210 days past due. This office is alarmed that many vendors have had to wait over a year for the Comptroller to prepare checks to pay them for services rendered to the city and we fear Mount Vernon's reputation has suffered because of it.

Given the revelation from Comptroller Walker that check numbers still in her possession appear to have been duplicated and fraudulently cashed against city accounts, we are restating our commitment to strengthen the security of our payment process. This includes investing in training to better utilize the MUNIS system to increase transparency, efficiency, and streamline the electronic payment process.

With respect to the aforementioned vendor checks, this office has chosen to refrain from releasing specific details on them within this report in order to ensure privacy and security. We look forward to discussing our concerns with you further.

Respectfully,


Richard Thomas
Mayor, City of Mount Vernon

CC: Corporation Counsel
City Clerk 