



NEWS

From the Office of the New York State Inspector General
Joseph Fisch

Contact: Kate Gurnett
(518) 474-1010
kate.gurnett@ig.state.ny.us

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Stimulus Oversight Panel Releases First Quarterly Report *Watchdogs Launch 12 Investigations, 16 Site Audits Statewide*

New York's Stimulus Oversight Panel's first Quarterly Report to Governor David A. Paterson, released today, details its oversight to date of \$31 billion in federal funds earmarked for New York under the American Recovery and Reinvestment Act of 2009 (ARRA). The report describes some of the 12 investigations, 16 site audits and anti-fraud trainings now underway and discusses its work with the 22 state agencies receiving state funding.

Created to ensure that ARRA funds are spent in a transparent and accountable manner, the panel is chaired by New York State Inspector General Joseph Fisch and includes state Division of Human Rights Commissioner Galen Kirkland, state Medicaid Inspector General James Sheehan and Metropolitan Transportation Authority (MTA) Inspector General Barry Kluger. The panel also coordinates oversight of ARRA funds with federal and state law enforcement agencies such as the Federal Bureau of Investigation and the U.S. Government Accountability Office.

Specifically, investigators are currently reviewing the state Division of Housing and Community Renewal (DHCR), which was allotted \$394 million in weatherization grants and has a history of vulnerability to fraud. Community groups dispersing weatherization money are being audited from St. Lawrence to Kings counties. Other programs under review include the federal Community Services Block Grants and the Workforce Investment Act Program.

Civil rights compliance checks have begun at more than a dozen state agencies, and a computer data base is being created to "red flag" potential discrimination. Fraud-detection training is ongoing for 330 MTA employees, as are surprise site inspections of transportation stimulus projects. In addition, 266 vendors receiving ARRA funds for Medicaid will be double-checked for eligibility, and vulnerabilities to abuse.

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