



**New York State  
Office of Homeland Security**

**DEPUTY DIRECTOR  
FRANK TABERT**

Date: December 16, 2008

Mr. Lorenzo Terry  
Director, EP Coordinator / Security and Safety Department  
New York Downtown Hospital  
170 William Street  
New York, NY 10038-2649

Re: Contract Number: C-163457  
Contract Period: 10/01/04 – 03/31/08

Dear Mr. Terry:

This letter is a follow up of the fiscal monitoring visit conducted on June 23, 2008 by Hepburn Williams. The purpose of this review was to obtain a reasonable assurance that New York Downtown Hospital administered federal funds in accordance with State and Federal requirements, including the terms and conditions contained in the above referenced contract.

We reviewed the relevant supporting documentation relating to this award for:

- a) compliance with the award agreement contract, budget and reporting requirements;
- b) maintenance of accurate and reliable accounting records; and
- c) compliance with allowable cost and expenditure documentation standards in accordance with applicable Federal, State and NYS OHS guidelines.

The review included such tests of the accounting and financial records as we considered necessary under the circumstances. Transactions for our review were specifically selected from Fiscal Cost Reports 10/01/2004 – 03/31/2008.

As a result of this fiscal monitoring visit, the following observation was made:

**Observation:** The FY05 Homeland Security Grant Program Guidelines require that the specific goals and objectives funded by this grant program be completed within the contract timeframe. During the time of the site visit, the card access system funded under the contract and installed in December 2007 was not operational. The explanation provided to NYS OHS was that the system had to be connected to the Fire Department of New York (FDNY). The inability of New York Downtown Hospital to utilize items purchased under the grant leads to noncompliance of the contract. Non-compliance with contract requirements can result in disallowances and can negatively impact future funding opportunities.

**Recommendation:** New York Downtown Hospital should establish a corrective action plan to implement utilization of the card access system. The action plan should be incorporated into the 30 day requested response.

**Response Requested:** This report is meant as a tool to assist New York Downtown Hospital in complying with the Federal, State and NYS OHS guidelines. We ask that you review the observation and recommendation and submit a written response, to the Fiscal Monitoring Unit no later than 30 days from the date of this letter, explaining the following:

1. The corrective actions taken or corrective action plans in relation to our recommendation(s);
2. Any reason(s) why these recommendations may not be feasible; and/or
3. Your disagreement with the observations made upon which the recommendations were based.

We appreciate the time you took to show and demonstrate to Mr. Williams the card access system. Should you have any questions or concerns regarding this report, please contact Hepburn Williams by either phone or email: (212) 867-1285 and [hwilliams@security.state.ny.us](mailto:hwilliams@security.state.ny.us) respectively.

Sincerely,



Terry Wilber  
Principal Auditor  
Fiscal Monitoring Unit

Cc: Federal Fiscal Unit, NYSOHS  
Contract Unit, NYSOHS