



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

**Department of the Treasury
Division of Revenue and Enterprise Services
Commercial Information Services Bureau**

July 1, 2012 to October 15, 2014

**Stephen M. Eells
State Auditor**

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Enclosed is our report on the audit of the Department of the Treasury, Division of Revenue and Enterprise Services, Commercial Information Services Bureau for the period of July 1, 2012 to October 15, 2014. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, appearing to read "Stephen M. Eells".

Stephen M. Eells
State Auditor
December 30, 2014

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Scope

We have completed an audit of the Department of the Treasury, Division of Revenue and Enterprise Services, Commercial Information Services Bureau (formerly known as Commercial Recording) for the period July 1, 2012 to October 15, 2014. Our audit included financial activities accounted for in the state's General Fund.

The prime responsibility of the Commercial Information Services Bureau is to provide essential services to the public and legal communities such as the registration, filing, and processing of business documents for corporations, associations, and non-profit organizations as required by state law or other governing regulations. The bureau is also responsible for awarding Notary Public commissions and providing apostilles and certifications for notarized documents, registering a trade or service mark, processing Uniform Commercial Code statements, and processing and awarding Small Business Enterprise or Minority/Women-Owned Business Enterprise certificates. In addition, the bureau provides official copies of these records to the public upon request. Revenues for the bureau were \$62.2 million and \$59.3 million in fiscal years 2013 and 2014, respectively, of which the major component was corporate filings.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the bureau's programs, were reasonable, and were recorded properly in the accounting systems.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied legislation, the administrative code, circular letters promulgated by the Department of the Treasury, and policies of the bureau. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our testing of financial transactions. We also read the budget messages, reviewed financial trends, and interviewed bureau personnel to obtain an understanding of the programs and the internal controls.

A nonstatistical sampling approach was used. Our samples were designed to provide conclusions on our audit objectives as well as internal controls and compliance. Sample populations were sorted and transactions were judgmentally or randomly selected for testing.

Conclusions

We found the financial transactions were related to the bureau's programs, were reasonable, and were recorded properly in the accounting systems. In making these determinations we noted computer programming errors, internal control weaknesses, and matters of non-compliance meriting management's attention.

System Program Error

Due to a system program error, companies whose business charter has been revoked or suspended are continuing to transact business with the state.

The legislative intent for a Business Registration Certificate (BRC) is to improve taxpayer compliance which results in increased tax revenue collections. We found a recurring issue where a business in a revoked or suspended status within the bureau's ORACLE Corporate Subsystem, had an active corporate status in the New Jersey Division of Taxation's Generic Tax System (GENTS). The corporate status in both computer systems should be in agreement. The state's business portal allows state agencies and the public to verify the registration status of a business and allows the user to generate a printable version of the BRC. In the portal, GENTS is the primary source for the corporate status.

As of September 1, 2001 all companies doing business with any state government agency or authority either through direct purchases, waivers or contract awards, as well as unincorporated construction contractors performing work in New Jersey are required to have an active BRC. As of March 24, 2014, there were 911,500 businesses and/or non-profit organizations in ORACLE whose corporate status was either revoked or in a suspended status. Utilizing this database, we compared this information with the New Jersey Comprehensive Financial System. We identified 1,760 businesses and/or non-profit organizations that received \$274 million for payment of goods or services for the period July 1, 2007 through March 24, 2014, after their business charter had been suspended by the bureau. Another comparison run against a database from the state's Management Acquisition Control System - Enhanced determined 34 companies had been awarded a total of 91 state contracts while their corporate status in ORACLE was revoked or suspended. As a point of clarification, with the exception of the 34 companies, we did not test for, and thus did not find, evidence that the 1,760 businesses and non-profit organizations receiving the \$274 million in statewide payments were in revoked status at the time of contract award. N.J.S.A. 52:32-44 requires companies to have valid business registration with the State of New Jersey prior to award of a contract and we saw no evidence that the Department of the Treasury did not have proper procedures in place to ensure compliance. Additionally, while non-profit organizations are required to have business registrations with the state, they are exempt from the proof of registration law.

Recommendation

We recommend the bureau correct the system program error between the bureau's ORACLE Corporate Subsystem and the New Jersey Division of Taxation's Generic Tax System. This action is needed to ensure that all state government purchasing units are in compliance with government regulations.



Safeguarding of Credit Card Information

The bureau should ensure that credit card information is properly safeguarded.

Nearly 20,000 customer names, addresses, credit card numbers, expiration dates, and the occasional security code information is received at the bureau annually for manual processing. This sensitive information is not secured after the payment is processed. Although it remains in a restricted employee area requiring card access, it is held in open bins or in open filing cabinets in high traffic areas, and on individual employees' desks. The credit card information remains part of the official record which eventually is archived and stored off-site at another state location or with a state contract vendor. Anyone visiting or provided access to the bureau's office area for maintenance or cleaning services or any bureau employee could easily access this information, increasing the risk of potential theft and possible fraudulent charges accruing on a customers' credit card. When we brought this matter to management's attention, the bureau immediately instituted a new policy redacting this information, leaving only the last four digits of the credit card to assist employees when a customer calls to inquire about a charge on their billing statement.

Recommendation

We recommend the bureau continue to redact credit card information and/or require the public to submit payment information on a separate page of the document to allow for its removal once the transaction has been fully processed.



Notary Public Commissions

Criminal background checks are not required for Notary Public applicants.

As of October 6, 2014, the bureau had 121,750 active Notary Public commissions. Notaries Public are called to perform many valuable services for New Jersey's business, legal, and financial communities. A Notary Public is an official of integrity, appointed by state government, to serve the public as an impartial witness in performing a variety of official fraud-deterrent acts related to the signing of important documents. A Notary Public's duty is to screen the signers of important documents, such as property deeds, contracts, wills, prenuptial agreements, adoption papers, divorce decrees and powers of attorney, for their true identity, their willingness to sign without duress or intimidation, and their awareness of the contents of the document or transaction. Notaries Public are duty-bound not to act in situations where they have a personal interest. The State Treasurer appoints a Notary Public for a period of five years and may renew the appointment in five-year increments.

The bureau relies on the Notary Public applicant to self-report their criminal history. Only when applicants who affirm that they have been convicted of a crime on their initial or renewal Notary Public application are the applications forwarded to the Deputy Attorney General (DAG) for further review. We randomly sampled 300 active Notary Public commissions to determine if any had failed to report a criminal conviction and found 5 that did not. Consequently, none of these had a DAG review authorizing their Notary Public commissions. Additionally, we reviewed all 90 cases referred to the DAG since 2011 who were either denied a Notary Public commission by the DAG or whose application was not processed due to their failure to provide additional information regarding their criminal history. We found ten currently hold active Notary Public commissions. Per the bureau's records, one of the ten is under lifetime supervision.

N.J.S.A. 52:7-20 states, "No person shall be appointed or reappointed a notary public if he has been convicted under the laws of this State of an offense involving dishonesty, or of a crime of the second degree or above." The aforementioned 15 individuals may have been improperly approved as Notaries Public.

Recommendation

We recommend the bureau perform some level of criminal background checks for all Notary Public applicants to protect the public's interest. In addition, we recommend the bureau review the cases of the 15 individuals disclosed in our finding and determine if they are eligible to be a Notary Public.



Small Business Enterprises

The bureau does not verify eligibility of businesses awarded the Small Business Enterprise designation.

In order to be eligible for the Small Business Enterprise (SBE) designation, a business must satisfy all of the following criteria:

- independently owned and operated,
- registered to do business in the state and have its principal place of business in New Jersey,
- have 100 or fewer full-time employees, and
- have gross revenues that do not exceed \$12 million or the applicable federal revenue standards established at 13 CFR 121.201, whichever is higher.

A business seeking the SBE designation can immediately generate and print an SBE certificate after filing their application on-line and paying the appropriate fee. As of September 30, 2014, there were 3,604 active Small Business Enterprises, 1,512 had filed on-line and the remaining 2,092 had filed paper applications with additional supporting documentation. As of October 2013 all filings are electronic. SBE certificates are valid for a three-year period and annually businesses are required to file an on-line verification confirming that their business still meets all the required criteria.

Our testing of 1,355 SBE businesses that filed on-line determined that 115 (8%) of the businesses would likely have been rejected or suspended, pending receipt of additional documentation under the former manual review process. Our analysis of the information contained in the bureau's SBE database revealed 47 businesses failed to provide the number of full-time employees, 55 businesses' primary phone numbers had out-of-state area codes, 8 businesses selected an Industry Classification code which did not agree with their business description, and 5 either had exceptions for multiple attributes or the number of full-time employees exceeded 100.

On-line filing for this designation has been available since October 2012 and was fully implemented one year later. The bureau's SBE computer system lacks edits to prevent the generation of the SBE certificate when applicants have failed to provide all required information. In addition, except for manually verifying that each applicant has a New Jersey Business Registration Certificate post-issuance of the SBE certificate, the bureau no longer requires the submission of supporting documentation nor does the bureau confirm the accuracy of self-reported information through either database interfaces or follow-up audit procedures.

The SBE unit supervisor spends one to two days a month confirming the existence of Business Registration Certificates (BRC) for all the businesses that established an SBE account on-line and verifying that the information on the BRC agrees with the data keyed by the applicant. The supervisor performs this task on all the newly established accounts, even those who have not fully completed the SBE application or paid the appropriate fee which only then would a certificate be generated. The review of those not receiving certificates is inefficient.

One of the benefits of this designation is the state's small business set-aside program which was established with the goal of awarding 25 percent of state contracting and purchase order dollars to small businesses and Minority/Women-Owned businesses. Unfortunately, we were unable to evaluate the effectiveness of this program since this information is no longer tracked, even though the state's administrative code requires the submission of an annual report summarizing contract awards associated with Small Business Enterprises or Minority/Women-Owned businesses to the State Treasurer annually.

Recommendation

We recommend the bureau provide the SBE certificates to approved businesses only after their on-line application has been verified to ensure that all businesses meet the required eligibility criteria. In addition, we recommend the bureau seek guidance to identify which governmental

agencies are responsible for tracking and compiling data regarding contracting and purchase order dollars awarded to small businesses and use this information to evaluate the effectiveness of the Small Business Enterprise program and the state's goal to annually award 25 percent of its contracting dollars to small, minority, and women-owned businesses.



Standing Certificates

The validation process for a standing certificate should identify the business entity's legal status as of the date of issuance.

Standing certificates attest to the legal status of business entities such as corporations and limited liability companies operating in New Jersey. These certificates are certified under the seal of the State Treasurer and serve as legal documents. The certificate provides evidence that the business is registered and authorized to transact business and is in full compliance with all applicable provisions of the laws of the state.

Interested parties attempting to validate a business entity's legal status on-line will only be provided with a confirmation number, company name, and date of the certificate issuance. However, certificates may be issued in a revoked status for which the intended party will not be aware. The number of Standing Certificates generated in fiscal year 2013 and 2014 was 58,260 and 62,480, respectively.

Recommendation

We recommend the bureau clearly identify the business' legal status in their on-line validation information of the standing certificate as of the date of issuance.



Business Entity Listings

Business entity listings contained inaccurate information, lacked code descriptions, and the process was not user-friendly.

During fiscal year 2014 the public purchased 4,300 business entity lists from the Division of Revenue and Enterprise Services' website. These lists can be utilized by the public to identify businesses having a similar name, their corporate officers, their registered agent, and the businesses current legal status. Our sample of 133 businesses found the annual report data contained in the business entity lists were inaccurate 74 percent of the time. A majority of the inaccurate annual report data pertained to businesses that were in an inactive status (revoked, suspended, or dissolved) at the time of purchase.

We also found the lists lacked a legend for the various codes included in the database and this information was not available on the bureau's website. In addition, we found the process of reviewing on-line purchases in the shopping cart lacked adequate descriptions when a name search was utilized and when downloading multiple searches that utilized the same name. The customer needed to be aware of the need to rename the files otherwise the previous file with the same name was overwritten. Finally, when downloading the business entity listings created by a name search, the file extension name was not included as part of the file name. There was no explanation in the portal as to what format the download was and what program would open the file.

We determined that the inaccuracies pertaining to the annual report data was due to a programming error. The bureau has a state contractor to maintain this area of the bureau's website and is responsible for processing the payments and delivering the requested information to the customer.

Recommendation

We recommend the bureau direct the state contract vendor to adjust their programming to ensure that the annual report data provided in these business entity downloads is accurate and that the downloads contain a legend for codes included in the database. At a minimum, this information should be available on the bureau's website. In addition, the bureau should ensure each business entity listing purchased is accurate and includes a common recognizable file extension for database or spreadsheet computer programs.

We also recommend the bureau periodically check the accuracy of the databases being supplied by the state contract vendor and evaluate the ease of acquiring this information through the website.



Inactive Depository Account Balances

Inactive depository account balances are not being escheated to the State Treasury.

The bureau allows customers to establish in-house depository accounts for three separate service groups including corporate filing, notary services, and Uniform Commercial Code filings. In addition, customers can establish one on-line depository account which can be used for all three services. Customers are required to maintain a minimum balance in each account which must be replenished when their balance falls below the minimum in order to process their work requests. These depository account balances are recorded in the state's General Fund as unearned revenue.

The bureau has not escheated \$403,000 in customer depository accounts that have been inactive for more than a year to the State Treasury as required by state regulations. As of September 10, 2014, the bureau had a total of 1,826 customer depository accounts (940 closed and 886 open) of which 1,493 have been inactive for more than a year.

Recommendation

We recommend the bureau contact the affected customers with inactive depository accounts via a certified letter notifying them that their account balances will be escheated to the State Treasury unless the bureau is instructed otherwise. In addition, the bureau should establish an annual process to contact customers with inactive accounts (over one year) and escheat the funds of those that are unresponsive.



Computer System Failures

Computer system failures led to lost productivity, revenue losses, and increased overtime costs.

In February and March of 2014, the bureau encountered 16 days where their ORACLE computer system failed or was running slow which impeded the staff's availability to process work requests. This ultimately contributed to lost revenues for expedited services, and prompted overtime costs to clear the backlog created by these system failures. The availability of data and system operations is essential and although the implicit losses (e.g. lost sales) are difficult to measure, we were able to determine that 40 employees remained idle for 50 hours due to these computer issues. This inactivity created a backlog which necessitated overtime costing the bureau an additional \$15,000 in salary costs.

Although these problems were reported to two information technology service groups, we found that the bureau's management did not maintain records documenting the increased frequency of these issues or the corrective actions being taken by each group. Bureau management did not receive an explanation from the two information technology service groups regarding these system failures until October 15, 2014.

Recommendation

We recommend the bureau be more diligent in tracking computer system issues and pursuing corrective actions to limit future system interruptions.





State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE
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CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

ANDREW P. SIDAMON-ERISTOFF
State Treasurer

December 23, 2014

Mr. John J. Termyna
Assistant State Auditor
Office of Legislative Services
Office of the State Auditor
125 South Warren Street
PO Box 067
Trenton, NJ 08625-0067

Dear Mr. Termyna:

On behalf of Treasurer Sidamon-Eristoff, we would like to thank you for providing us with an opportunity to respond to the Office of Legislative Services' audit report on the Division's commercial recording operations. We appreciated the professionalism of your staff throughout the audit process and believe that the effort yielded constructive information that we can use to improve the program.

Our response is attached, with each section corresponding to the items and recommendations found on pages 3-9 of the audit team's report. Feel free to contact us if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "James J. Fruscione".

James J. Fruscione
Director

c:
Andrew Sidamon-Eristoff, State Treasurer
Peter Lowicki, Acting Deputy Director
Robert Benco, Chief of Operations

**RESPONSE TO THE OFFICE OF LEGISLATIVE SERVICES' AUDIT REPORT
ON THE COMMERCIAL RECORDING BUREAU**

Submitted by:
Division of Revenue and Enterprise Services
Department of the Treasury
12/23/2014

System Program Error, Contracts Awarded/Payments Made to Revoked Companies

DORES has reviewed the audit report and is taking steps to address the conclusions. While there is no evidence of structural issues with Treasury's systems or controls, we are investigating the cases to determine whether programming adjustments are needed and will direct the Office of Information Technology to take corrective actions if necessary.

It is important to amplify that the \$274 million is not an indicative measure of non-compliance with the proof of registration requirement. Proof of registration is part of the contract award process. Generally, it is not part of payment processing operations.

With regard to the MACS-E cases, only 34 business entities surfaced out of a match universe of about one million over a nearly seven-year period. Our expectation is that case-specific issues are involved, which may or may not require follow up. In this instance, there is no need to investigate non-profits because they are not subject to the proof of registration requirement. Based on analysis to date, payments to exempt non-profits represent about 90% of the payment amount associated with the MACS-E cases.

Relative to the balance of the 1,760 cases OLS cited, only 344 revoked businesses may require action with regard to the status of their accounts on the registration computer system. Because this number is a fraction of a percent of the match population, our expectation is that case-specific issues are involved. The raw dollar amount of payments associated with the 344 potential follow-up cases is about \$17 million – or approximately 6 percent – of the \$274 million reported.

In addition to the responses above, DORES would like to provide the following clarifications:

- The Department has controls in place to intercept and offset payments intended for businesses that have outstanding tax liabilities that the Division of Taxation has been unable to collect. These controls apply irrespective of the registration status of the businesses.
- The revocation actions referenced by the audit team relate to non-compliance with business annual reporting requirements only – a public information filing process. They do not signify that the businesses have been voided for non-compliance with the State's tax laws. Revoked contractors are permitted by law to reinstate at any time and, thereby, regain valid registration status. Further, again by operation of law, reinstatements validate actions that occur between the time of revocation and reinstatement. There are over 400 contractors in the OLS data set that have filed for reinstatement.
- The bulk of the activity reviewed by the audit team – 1,726 of the 1,760 cases cited – involves agency procurement activities that are outside of the Department's control.

DORES and the Division of Purchase and Property have been proactively working to ensure that the State's ability to enforce the proof of registration law is strengthened. Both Divisions are collaborating on a new state-wide procurement system called NJSTART that is scheduled for launch in early 2015. It will replace the legacy batch update processing that OLS investigated.

The new system will execute real-time checks on registration status and further strengthen the State's ability to prevent businesses lacking valid status from receiving State government contracts which, as OLS correctly notes, is the true underlying intention of the law.

Safeguarding of Credit Card Information

The Division acknowledges OLS's finding and thanks the audit team for enabling registry staff to strengthen their daily security practices.

Notary Public Commissioning Process

DORES appreciates OLS's diligence in conducting this review and recognizes that the audit team raises issues worthy of discussion. The Division welcomes the opportunity to consider measures that improve the quality of notarial commissions in New Jersey.

In connection with the findings, the Division offers the following to help guide planning and decision-making regarding possible improvements in this area:

- By way of background, it was not operationally feasible to recheck applications for the condition cited because the Division had used a paper-based system until June of this year. Reliance on paper-based systems is most likely the reason that the vast majority of states still use self-attestation for notary public commissioning purposes.
- In June, the Division implemented a fully automated, web-based system, which provides the foundation for the on-line background checks and re-check functionality suggested by the audit team. However, the Division is not in a position to proceed unilaterally with these changes until key legal and policy questions are answered. Therefore, the Division will pose the questions below to the appropriate legal advisors and budget authorities to obtain guidance on how to proceed.
 - Does the Division have the authority to conduct background checks? The statute is silent on this matter, but it is not clear that this silence can be interpreted as permissive.
 - Is the Division empowered to require applicants to provide Social Security numbers? Background checks require precision (a one-to-one mapping to the applicant's identity). Arguably, one could use name, address and date of birth for matching purposes going forward, but this composite approach would be fairly easy for fraudsters to circumvent. At the same time, it may yield false positives and ensnare honest applicants in rejection loops. If background checks are permitted, the Division strongly recommends the use of Social Security numbers for applicant matching purposes.
 - If the Division is permitted to conduct background checks and – assuming online services can be employed – who will bear the cost? Revenue from the notary application fee (\$25/each) is allocated to the General Fund, so the costs associated with background checks would be an added expense. The Division estimates that the combined cost for a high-quality online check and the overhead associated with customer service in support of the process will be between \$25 and \$60 per

application. This amounts to a total added expense of about \$750,000 to \$1.8 million per year. As a result, the Division sees two approaches:

- Cover the costs in the State budget by appropriating between \$750,000 and \$1.8 million per year; or
- Have the applicant bear the cost. This approach will require a change to the statutory fee schedule. It is also important to note that the fee increase will have a direct impact (impose a direct cost) on individual applicants or the businesses and organizations that subsidize notaries public.

**There will be system development costs associated with implementing the online check – perhaps \$100,000 to \$200,000. These costs can be covered via an appropriation or be amortized and recouped through increased application fees.

Small Business Enterprises

Regarding comments on the Small Business Set-Aside Program, the Department of the Treasury recognizes and understands the State Auditor's recommendations about reporting on overall program results and providing program information to the State Treasurer. However, DORES is not responsible for contract awards or contract reporting. DORES' role is limited to processing applications for the small business enterprise (SBE) designation.

From the larger set-aside program perspective, the Department maintains information on SBE set-aside activity and continues its capacity to track this important metric. The Department looks forward to the implementation of the new state-wide procurement system in calendar year 2015. Ultimately, the new system will enable the Department to aggregate procurement data across agency lines and improve State government's capacity to report on the set-aside program.

As for application processing, DORES reviewed the cases OLS highlighted and found that all of the businesses provided the correct information through the new online system in accordance with the required edit routines. Thus, they were granted the SBE designation correctly, in accordance with the applicable business rules. In some cases, it appears the batch processes used to update the legacy database linked to the new online system did not pass along all the data values. So, the fields in question merely appeared to have been left blank by the applicants, when in fact, they were properly filled in. While this is not a problem with respect to the completeness or accuracy of the original applications involved, the Division agrees strongly that for record-keeping purposes, the legacy database should reflect the correct application information as captured by the online system. The Division will ask the Office of Information Technology (OIT) to investigate and correct the legacy system updating problem.

Concerning edit criteria in general, two points of clarification are in order. First, under the paper-based system for Small Business Enterprises, applicants were not, and never have been, required to submit attachments and proofs in the first instance. DORES could request follow-up documentation, if indicated, and this is still the case under the online system. Second, there may be some confusion regarding applications for women- and minority-owned business certifications. This is still a paper-based process and is not connected with the online system.

Relative to bolstering the existing online edit checks, current regulations do not set forth limitations on what contractors may enter in the fields cited by OLS. So, it may not be legally viable or operationally sound to delay the issuance of certificates as recommended. Nonetheless, DORES will confer with the appropriate authorities to determine whether additional edit logic is needed and report on the results of the discussions in early 2015.

Finally, DORES concurs that the business registration check should be automated and will direct its processing partner to make the required change during calendar year 2015.

Standing Certificate Verification

DORES has no objection to adding the recommended information – provided it is clearly understood that the status information will be as of the date of issuance of the certificate and not current status. Our staff will ask the Office of Information Technology to add the information.

Business Entity Listings

DORES acknowledges OLS's recommendations and will direct that the error be corrected as soon as possible. The Division also will work to ensure that the web site involved provides a better explanation of the content the list service produces and an appropriate disclaimer clarifying that the lists are purely informational and cannot be taken as certified output.

Inactive Depository Account Balances

DORES acknowledges OLS's recommendations and will work with the Unclaimed Property Administration to effectuate the transfer of the account information as soon as possible. In the interim, as per long-standing practice, businesses seeking to recoup the advances may request and receive a revenue refund check.

Computer Downtime and Overtime

The Division offers the following as points of clarification:

- There was no material revenue loss. By administrative rule, the Division can continue to collect expedited fees if there is computer downtime. Other filing and information access fees were collected in due course;
- The downtime resulted from the transfer of the registry service computers from a dangerously suboptimal enclosure in the State's Mill Hill complex to a well-appointed computer room located in an office complex on West State Street. The Mill Hill complex is now decommissioned;
- While the downtime was clearly undesirable, it is important to note that the registry service computers would have been exposed to catastrophic failure due to the risks associated with the Mill Hill enclosure. Electrical, water and general environmental problems were endemic at the site. From a long-term perspective, the transfer was sorely needed;

- During the downtime period, the Division assigned manual tasks to employees who could not use the registry database;
- To avoid negative impacts on the business community, the Division worked overtime to ensure that registry database entries delayed by the computer downtime were current as soon as possible; and
- The Division accommodated the overtime expense through its base budget. There was no need for supplemental funding.