

**STATE OF NEW JERSEY
OFFICE OF THE STATE COMPTROLLER**

**ANNUAL REPORT
Fiscal Year 2010**

**IMPROVING THE EFFICIENCY, TRANSPARENCY
AND FISCAL ACCOUNTABILITY OF
NEW JERSEY GOVERNMENT**

**A. Matthew Boxer
COMPTROLLER**

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*Dear Governor Christie,
Members of the State Legislature,
and Residents of New Jersey:*

Our second full year of existence was a productive one for the Office of the State Comptroller.

The pursuit of our statutory mission to bring greater efficiency, transparency and fiscal accountability to all levels of New Jersey government took varied roads that required us to bring together the diverse skill sets employed by our office in order to confront a wide range of problems affecting the taxpayers of our state.

Our auditors dug deep into one city's water services contract to uncover millions of dollars in waste and expose potential health and safety risks for that city's residents.

Our attorneys zeroed in on the procurement of insurance in a suburban township and found the government there had overstepped its legal authority in order to award a contract to a high bidder it considered “family.”

We challenged expenses and reimbursements paid out by a division of state government and determined that tax dollars meant for the developmentally disabled were being squandered on unnecessary expenses and wasted on payments for services never actually rendered.

Our social scientists analyzed expenditures of federal stimulus dollars and found a state department ignoring federal guidance to the detriment of those participating in summer youth employment programs.

Our investigators followed up on a complaint about the policies of a fire district and provided a referral that led to a state ruling which definitively established that sick days cannot be used by public employees for personal business.

And our Audit Division provided a wide-ranging series of operational and financial fixes that now serve as a blueprint for restoring fiscal order to the government of a city that is relied upon as a leading economic generator for our state.

With every project our office takes on - regardless of the size or complexity - the mission remains the same. The Office of the State Comptroller acts to identify areas where public dollars are being wasted. We then seek to assist and educate public entities, or take other actions if necessary, so those entities will employ the most efficient fiscal practices going forward.

During fiscal year 2010 our audits identified tens of millions of dollars in cost savings.

In some instances the savings produced by our office were immediate, like in Atlantic City where our intervention led the city government to shelve a plan to pay more than \$530,000 in unnecessary early sick leave buyouts.

In other cases, like at the state's Division of Developmental Disabilities, the savings will be realized in the coming year as the division pursues reimbursement for inappropriate expenses uncovered by our auditors and, as with all of the entities we audit, implements a corrective action plan to meet all of the recommendations we set forth.

Similarly, in Camden, the city government responded to our audit findings by seeking to recover through litigation \$18.8 million from its water services provider.

Every report we produce serves as a road map to fiscal responsibility for not only the entity we audit but for all public entities in our state. Our reports have tackled a wide range of basic and complex fiscal issues and have detailed best practices in areas such as payroll and personnel, sick leave policies, grants management, third-party contract management, information technology, expense and reimbursement approvals, program oversight and performance measurement.

Our procurement team, for example, sent to more than 1,500 government entities a set of detailed procedures to follow to ensure contracts funded by public dollars are appropriately advertised, properly evaluated and transparently awarded.

Perhaps most importantly, the presence of our office at government entities throughout the state – at public institutions of higher education, independent authorities, municipal governments, county governments and boards of education – has put public officials in New Jersey on notice. Regardless of the size of the project or the type or location of the government entity at issue, we will act aggressively to protect the interests of New Jersey's taxpayers.

Highlights of our work are outlined in the pages that follow. Looking back at the past year, we are proud of what our office has accomplished and the role we have played in bringing greater fiscal responsibility to New Jersey government.

A. Matthew Boxer
State Comptroller

AUDIT DIVISION

The Audit Division of the Office of the State Comptroller (OSC) conducts audits and reviews the performance of the executive branch of state government, public institutions of higher education, independent state authorities, local governments and school districts.

During fiscal year (FY) 2010 our audits identified tens of millions of dollars in cost savings. Each of the audited entities is now implementing a corrective action plan to meet the recommendations set forth in our audit.

This section details some of the highlights of those audit reports. The reports can be viewed in their entirety on our website, www.nj.gov/comptroller.

Audit reports

Our audit of the **City of Atlantic City** made 40 recommendations that are now serving as a blueprint to bring greater fiscal responsibility to the city's government. The audit identified problems with payroll and personnel, grants management, information technology, mercantile licensing and the city's police department.

Among the specific findings, the audit determined that the city spends nearly half a million dollars a year on council aides it is not authorized to employ and who report having little to do on a daily basis. The audit also found the city is holding \$9 million in properties eligible for foreclosure and had not made progress in reducing the backlog, even though it paid a law firm to do just that. Examples of sick time abuse and contract mismanagement were also uncovered through the audit, exposing millions of dollars in waste.

Intervention by our auditors also led the city to shelve a plan to pay three police officers more than \$530,000 in unnecessary pre-retirement sick leave buyouts not required by any collective bargaining agreement. The audit also indentified \$8 million in unexpended bond proceeds dating back as far as 1998 and recommended that the city evaluate whether the funds should be transferred to other projects or the outstanding debt retired.

In the **City of Camden** our audit revealed that the city government wasted millions of taxpayer dollars by failing to properly manage its contract with a private vendor for water and wastewater services. As a result of the findings in the audit, the City is now seeking to recover \$18.8 million from that vendor.

Specifically, the audit found that an average of 45 percent of the city's water production goes unbilled or simply never reaches its destination, resulting in the city losing revenue exceeding \$1.5 million annually. The water loss - a combination of leakage, storage overflows, meter inaccuracies and errors in customer billing systems - far exceeded the 10 percent maximum in the city's contract with its water service provider as well as the acceptable range set forth by agencies that establish industry standards.

Among other examples of contract mismanagement, the audit also found the city paid its wastewater vendor \$2.2 million, including a 25.95 percent administrative fee, for increased costs associated with a proposed contract amendment that was never approved by the city.

The audit further found that the vendor's failure to perform certain obligations under its contract with the city has presented potential health and safety risks for city residents. In total, the audit included 23 recommendations for improving the city's contract management going forward, which the city has committed to adopt.

Our audit of contracting at the **Division of Developmental Disabilities** (DDD) within the state's Department of Human Services uncovered a wide range of problems that have led to higher costs and reduced services, including the payment of unnecessary and inappropriate expenses, payment for services never rendered, the renewal of contracts without a competitive process or adequate review, and the failure of some case managers to update assessments of the progress of clients with developmental disabilities.

The audit identified millions of dollars in savings that will be achieved through implementation of the audit's recommendations.

As part of the audit, OSC reviewed 10 adult day care programs funded by DDD and found the state agency wasted approximately \$1.4 million by paying for more individuals than were actually receiving services. The audit also uncovered approximately \$160,000 worth of inappropriate expenses paid by DDD to a provider whose chief executive officer is a former DDD director. The expenses included restaurant tabs in Spain and Atlantic City, portions of the cost of cruises to the Mediterranean and Caribbean, employee attendance for courses with titles such as "How to Stay Union Free" and a GPS navigation device for the CEO's vehicle.

In addition to cost concerns, the audit found that many of the DDD case managers charged with conducting visits to assess the needs of developmentally disabled clients were either not

completing the required quarterly reports or were simply copying the same reports from quarter to quarter.

DDD officials are now charged with taking a number of steps to address issues raised in the audit, including lowering caseloads for case managers, documenting contract modification reviews more thoroughly, eliminating vacant program slots and seeking reimbursements for the inappropriate expenses that were approved.

Our audit of the state's **Department of Labor and Workforce Development** found that contrary to federal guidance, state officials steered federal stimulus dollars for summer youth employment programs away from private sector employers and toward public and non-profit jobs. The private sector jobs, the audit found, would have offered a wider range of work experiences with the potential for continued employment after completion of the summer program.

The audit also found several missed opportunities and weaknesses in program oversight, ranging from flawed state guidance to miscalculated job totals. In addition, the audit found that the state's limited attempts to measure the performance of the employment program were inadequate. Basic but valuable information – such as cost per program participant and the number of youth participants obtaining unsubsidized employment after the program ended – was either not compiled or not determined in a consistent manner, making it difficult to tell whether program goals were met and what elements of the program should be continued for future summer employment experiences.

Follow-up reports

OSC obtains corrective action plans from each entity we audit to ensure implementation of our recommendations. OSC conducts on-site follow-up reviews to determine compliance with those corrective action plans. During FY 2010, we issued two such follow-up reports, concerning the **Governor's Council on Alcoholism & Drug Abuse** and the **Township of Washington** (Warren County), two government entities OSC previously audited. Of 25 recommendations OSC made in those two initial audit reports, 10 were fully implemented and 12 were partially implemented as of the time of our follow-up review. We could not determine the implementation status of the remaining three recommendations as no transactions related to those recommendations had occurred during the follow-up period. We will continue to monitor the steps being taken by these entities to ensure that all recommendations are fully implemented in an appropriate timeframe. In FY 2011, OSC will be issuing follow-up reports concerning other previous OSC audits as well.

Audits for the coming fiscal year

Pending OSC audit work ensures that FY 2011 will be as productive and significant for the office as FY 2010. Our staff is working throughout the state on a number of audits that are at various stages of completion. These include audits of:

- Contracting and financial management practices at Rutgers University;
- Cost savings opportunities at selected school districts;
- Residential community release programs administered by the state's Department of Corrections;
- Management of surplus computer equipment at the Department of the Treasury;

- Child care licensing and inspection at the Department of Children and Families and the Department of Human Services;
- The procurement and cost effectiveness of health benefit plans at various municipalities; and
- Operating practices at the Middlesex County Improvement Authority.

Collectively, these audits encompass the broad spectrum of audit coverage called for by OSC's enabling legislation.

Audit Division staff

At the heart of each of the audits that have been issued by our Audit Division is the OSC audit staff. The division is led by William P. Challice, whose previous 35 years of experience with the New York State Comptroller's Office included 20 years as audit director. Mr. Challice also is the current chair of the New York/New Jersey Intergovernmental Audit Forum. Numerous Audit Division staff members are Certified Public Accountants, and others possess additional certifications or professional designations such as Certified Government Financial Manager, Certified Internal Auditor, Certified Fraud Examiner and Certified Information Systems Auditor.

OSC's Audit Division also includes professionals with skills beyond those required for traditional audit work. For example, OSC's Planning and Analysis unit is a team of social science researchers who perform preliminary evaluations and make recommendations regarding the need for a potential audit. Upon engaging an audit, members of the Planning and Analysis unit may accompany the audit team into the field to collect, document and analyze data for the audit. The unit also produces non-audit research reports to shed light on specific policy issues. These reports have focused on salient topics in an attempt to help the state's elected officials develop legislative proposals to protect the state's tax dollars.

The Audit Division also includes information technology (IT) specialists. The primary role of OSC's IT Audit Group is to identify, implement and maintain OSC's IT infrastructure, including the Audit Division's electronic work paper software. The IT Audit Group is an important part of every audit we engage. IT support for these audits ranges from providing technical assistance to providing evaluations of information technology operations of the entity being audited. The IT Audit Group also assists in assessing risk and pre-planning work for upcoming audits and provides training to OSC staff in computer hardware, software and other IT-related audit topics. The IT Audit Group also assists OSC's Procurement Division in areas such as workflow reporting.

In addition, during FY 2010, the IT Audit Group began a stand-alone audit of the state's disposition of surplus computer equipment. That audit will be completed in the coming months.

The Audit Division is also assisted by the attorneys of OSC's Procurement Division. These attorneys work with the audit team and provide legal guidance concerning the many legal issues that arise during the course of an audit.

Investigative team

The Audit Division also works with OSC's investigative team in identifying potential audits of government entities. That investigative team, in turn, looks to a substantial extent to leads contributed by members of the public. As an advocate for New Jersey taxpayers, OSC relies on the public to bring to our attention allegations of waste of taxpayer dollars. Tips are received through a toll-free hotline, via e-mail and through the mail. Each tip is assigned to an investigator and reviewed to determine whether the allegations warrant further action. During FY 2010, OSC fielded 166 tips through the hotline, e-mail and

regular mail. Such tips from the public have led to full-scale audits that have been completed or are ongoing.

OSC investigators also review matters referred to our office from other agencies and from members of the State Legislature. Several of those matters have led to full-scale audits as well. Our investigative team, which includes several former federal law enforcement agents, then utilizes a variety of investigative tools to assess and document all relevant facts. A determination is then made as to whether a full-scale audit is warranted or whether the matter should be referred to another agency for action.

For example, a complaint from a public official led OSC investigators to conduct an inquiry of the sick leave policy at a **Woodbridge Fire District**. The district's policy allowed firefighters to use sick days to "conduct personal business." After a referral from OSC, the Civil Service Commission reviewed the policy and found it to be illegal. The commission then issued a ruling that made clear that sick days cannot be used by public employees for personal business.

OFFICE OF THE STATE COMPTROLLER

WASTE AND MISMANAGEMENT HOTLINE:

1-866-547-1121

comptrollertips@osc.state.nj.us

**Visit our website at
www.nj.gov/comptroller**

PROCUREMENT DIVISION

OSC's Procurement Division, staffed by attorneys specializing in public contract law, fulfills the office's statutory mandate to review procurements exceeding \$2 million. The division is led by Dorothy Donnelly, a former Assistant United States Attorney in the Civil Division of the District of New Jersey, who has litigated and counseled government agencies regarding contract matters for over 20 years.

As prescribed by statute, the Procurement Division prescreens the legality of the proposed vendor selection process for all government contracts exceeding \$10 million and has post-award oversight responsibilities for such contracts exceeding \$2 million. OSC's contracting review covers contracts awarded by municipalities, schools, colleges, and state authorities and departments, as well as other boards and commissions with contracting authority.

For contracts exceeding \$10 million, the Procurement Division works closely with government entities as they formulate specifications, intervening when necessary to achieve procurements that comply with all applicable laws, regulations and rules. Errors are corrected before the contract advertisement takes place. For contracts over \$2 million, the division reviews the fully advertised and awarded contract.

The review of contracts valued at more than \$10 million begins with judging the appropriateness of the vendor selection procedure proposed by the contracting unit. The reviewing attorney assesses, for example, whether the procurement requires a sealed bid or whether other competitive contracting procedures are appropriate. The reviewer further determines whether the government unit has followed all other statutes, rules and regulations applicable to the procurement. Additional questions asked include:

Has the governing body, department or authority approved the procurement? Are the specifications designed to ensure a competitive process? Is the method of advertisement appropriate?

For contracts exceeding \$10 million, the contracting unit must submit appropriate notification to OSC 30 days before advertising, bidding, negotiating or otherwise entering into a contract. On occasion, contracting units request flexibility in that time period. Accordingly, OSC has set forth a procedure through which government entities can seek a waiver of the 30-day time frame. OSC has worked closely with contracting units needing such a waiver to ensure that solicitations can be made in a timely manner.

All contracts exceeding \$2 million, including \$10 million contracts previously submitted for pre-approval, are examined post-award. The focus post-award remains on compliance with laws and regulations. In addition, a determination is made as to whether the award followed the contract award guidelines set forth in the solicitation. For example: Did the lowest bidder get the award in a sealed bid determination that permitted and then appropriately considered alternates? Did the governing body approve and certify the funding? Are the records submitted sufficient to justify the body's action? Is there any evidence of collusion or bid rigging?

To ensure that OSC's contract reviews create better contracting processes in both the short and long terms, the Procurement Division consults directly with contracting units during and following reviews. Depending upon the review and any deficiency noted, the Procurement Division might hold exit interviews, prepare a written determination or simply provide

oral advice to the contracting unit. In cases of serious deficiency, OSC may refer cases for audit or further civil or administrative action, such as actions to terminate or debar contractors or to recover monies expended. Criminal activity is referred to appropriate law enforcement authorities.

On occasion, circumstances may require more extensive OSC review of a contract, including the events leading up to contract execution. In these instances, OSC's Special Investigators may team up with Procurement Division attorneys to engage in further investigation.

In FY 2010, the Procurement Division received notice for 567 procurements exceeding \$2 million. OSC took action to correct the procurement process or noted contracting/award errors in 23% of these procurements. The division found a number of factors that contributed to errors by contracting units. For example, many public entities were challenged to meet deadlines and requirements concerning funding provided by the American Recovery and Reinvestment Act. The novelty and complexity of the many solar projects procured this past year also contributed to the error rate.

To address recurring problems in procurements, the division issued **Procurement Guidance** through its first newsletter, which OSC sent electronically to all contracting units in the state. This guidance noted specific problems commonly found in specifications included in local government and school district contracts and identified appropriate resolutions. The problems identified ranged from basic violations of statutory requirements to more complex issues. For example, one simple but recurring violation involved attempts to impose unlawful residency requirements upon bidders. A more complex problem area involved the procedure to determine whether a

bidder's response to a solicitation is "equal" to the requirements set forth in specifications.

In addition to the Procurement Guidance mentioned above, the Procurement Division also published a report entitled "**Best Practices for Awarding Service Contracts.**" This report addressed the award of government contracts for services and identified a series of practices that would strengthen the public contracting process. These best practices are designed to promote efficiency, transparency and accountability, encouraging entities with great discretion in contracting to utilize contracting procedures that are consistent with the public interest. We compiled these best practices through the study of multiple procurement models, including federal statutes and regulations, model procurement codes, and practices used in other states. We distilled these identified best practices into six general categories:

- Awarding contracts based on predetermined, merit-based criteria made known to vendors before proposals are submitted;
- Using a qualified evaluation committee to judge proposals;
- Using an evaluation process that is explainable to evaluators and competing vendors;
- Ensuring that the pool of contractors solicited is as expansive as possible;
- Drafting statements of work in clear and unambiguous terms; and
- Awarding contracts only after a documented scoring process.

The Procurement Division also teamed up with OSC's investigators in issuing a report related to the procurement of municipal insurance by the **Township of Parsippany-Troy Hills**. Our investigation and review found the Township Council had overstepped its legal authority in order to award a \$3.7 million municipal insurance contract to its preferred vendor rather than the low bidder that had

been recommended by the mayor. OSC issued the report, among other reasons, to provide guidance to all government units concerning the procurement of municipal insurance services.

OFFICE OF THE STATE COMPTROLLER

FY 2010 BY THE NUMBERS

40 – Recommendations provided by OSC to Atlantic City for improving its fiscal responsibility

45 – Percent of water production in the City of Camden that goes unbilled or never reaches its destination, according to an OSC audit

567 – Government contracts exceeding \$2 million reviewed and/or pre-screened by OSC's Procurement Division in FY 2010

1,500+ – Government entities receiving detailed contracting guidance from OSC

1.4 million – Dollars wasted by the Division of Developmental Disabilities when it paid for more individuals than were actually receiving services, according to an OSC audit

9 million – Value of approximately 218 properties in Atlantic City that were found by OSC to be eligible for foreclosure

18.8 million – Dollars the City of Camden is seeking to recover from its water services provider following an OSC audit

POLICIES AND PROCEDURES

As a relatively new office, a focus of our efforts at OSC has involved continuing to refine the policies and procedures that guide our audit and contract review processes. Below are descriptions of some of the policies and procedures we have put into effect.

Audit Manual

For professional audit organizations such as ours, it is essential that clearly defined policies be promulgated to provide guidance in audit situations and to ensure the quality and consistency of the audit work performed. To that end, we developed an Audit Manual to serve as the authoritative compilation of the professional auditing practices, policies, standards and requirements for OSC staff. The Audit Manual is a constantly evolving document and will undergo revision as standards are amended and other changes in the auditing profession occur.

Audit process brochure

Open communication concerning the audit process lets the auditee know up front what to expect. With that in mind, OSC has developed a brochure entitled *The Audit Process*, outlining the critical components of an audit from initiation to completion. This brochure is provided to the auditee prior to the start of an audit and is also posted on our website.

Risk/Priority evaluation

OSC's enabling legislation requires us to "establish objective criteria for undertaking performance and other reviews authorized by this act." To that end, OSC has developed a risk/priority evaluation that encompasses a number of risk factors, including: the entity's past performance, size of budget, whether the

program is a new one, management turnover, indications of fraud or abuse, and referrals or recommendations from other government agencies. OSC staff conducts research along these parameters and assesses risk associated with each applicable factor as high, medium or low, resulting in a determination of audit priority.

Quality control and peer review

Government Auditing Standards require audit organizations to establish an internal quality control system and to participate in an external quality control "peer review" program. The internal quality control system provides the organization with ongoing assurance that policies, procedures and standards are adequate and are being followed. The external quality control peer review, to be conducted once every three years, provides independent verification that the internal quality control system is in place and operating effectively and that the organization is conducting its work in accordance with appropriate standards. OSC has become a participating member in the National State Auditors Association peer review program.

Audit coordination

OSC's enabling legislation requires the State Comptroller to establish a system of coordination with other state entities responsible for conducting audits, investigations and reviews. This system serves to avoid duplication and fragmentation of efforts while optimizing the use of resources, promoting effective working relationships and avoiding the unnecessary expenditure of public funds. We have been working closely with both state and federal audit and law enforcement officials in this regard. We look

forward to continuing these efforts in the next fiscal year.

Training

Audits conducted by OSC comply with Generally Accepted Government Auditing Standards (GAGAS). Auditors performing work under GAGAS are required to maintain their professional competence through Continuing Professional Education (CPE) and complete, every 2 years, at least 80 hours of CPE, 24 of which must directly relate to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. OSC is recognized by the National Association of State Boards of Accountancy as a CPE sponsor. This year our staff has received formal training on topics such as fraud, governmental accounting, budgeting and financial reporting.

All staff in the Audit Division satisfied the biennial requirement of obtaining 80 CPE's for the last reporting period.

Promulgating regulations

In FY 2010, the Office of the State Comptroller promulgated new regulations to explain the organization and function of the office and the reporting requirements for government entities subject to its oversight. Those rules provide auditees with an understanding of the audit process and explain what documents and information government entities must provide to the Procurement Division if they enter into contracts valued at \$2 million or more. The new rules are aimed at providing government entities with a clear understanding of OSC's mission and processes.

Speaking engagements

In the past year, Comptroller Boxer has spoken at various conferences and events for a wide range of audiences across New Jersey, including the Citizens' Campaign Call to Service Summit, the New Jersey League of Municipalities Convention and annual conferences for the Government Finance Officers Association, the Rutgers University Center for Government Services and the Foundation for Open Government. These speaking engagements served as an opportunity to provide information about OSC's policies and procedures and to detail the lessons and best practices gleaned from various OSC audits and reports. The speaking engagements included extensive question and answer sessions that allowed for feedback from the public and, in some cases, generated tips for the office to pursue. Several members of OSC's senior staff from the Audit and Procurement Divisions were also featured speakers at conferences and seminars hosted by, for example, the Association of Government Accountants and the Mid-Atlantic Intergovernmental Audit Forum.



State Comptroller Matthew Boxer delivers the keynote address at a symposium sponsored by the New Jersey Foundation for Open Government.

NEW RESPONSIBILITIES

On June 29, 2010, at the conclusion of the fiscal year, Governor Chris Christie signed P.L. 2010, ch. 33, which transferred the functions, powers and duties of both the Office of the Inspector General and the Office of the Medicaid Inspector General to the Office of the State Comptroller. During the ensuing weeks, OSC incorporated these functions into the office by creating two new OSC divisions: an Investigations Division and a Medicaid Fraud Division.

The Investigations Division will detect and uncover misconduct, abuse and waste by investigating the mismanagement of public funds and the performance of government officers, employees and programs. The Medicaid Fraud Division detects, prevents and investigates waste, fraud and abuse in the Medicaid, New Jersey FamilyCare and Charity Care programs. The division also recovers improperly expended Medicaid funds, reviews the quality of care given to Medicaid recipients and excludes or terminates providers from the Medicaid program when necessary.

For FY 2011, we look forward to bringing our new collective resources to bear in a way that will maximize efficiency and effectiveness and allow for an increasingly robust and coordinated state oversight function.

Camden

HEADLINES

water oversight slammed

Millions lost, city seeks
\$28.9M from United Water

By **DEBORAH HIRSCH**
Courier-Post Staff

Sick time reform praised

Staff and wire reports

TRENTON

New Jersey's comptroller said his office will increase its scrutiny of sick time usage by public employees to make sure those days are not being used for personal business.

State comptroller to check A.C.'s books

State finds Parsippany council gave more costly
\$3.7 million insurance deal to political pals

WEDNESDAY, 02 DECEMBER 2009 20:42

*Town's contracts will now be scrutinized more closely by
New Jersey comptroller's office*

A report released Wednesday by the Office of the State Comptroller finds the Parsippany-Troy Hills Township Council overstepped its power in order to award an insurance contract to a high bidder it considered, according to one council member, "family."

Audit: Cash for disabled spent on cruises, hotels

BY SUSAN K. LIVIO
STATEHOUSE BUREAU

They ran up a \$2,700 restaurant tab at an Atlantic City casino, billed \$10,000 in hotels to attend nearby conferences and treated 108 people to two cruises at a cost exceeding \$100,000.

Though they spent like hedge-fund high rollers, the people responsible for this "inappropriate" spending actually worked for Allies Inc., a nonprofit group hired to take care of hundreds of people with developmental disabilities, according to an audit released yesterday by state Comptroller A. Matthew Boxer.

Agency is wasting your tax dollars
WHERE WE STAND: Division on Developmental Disabilities must adopt all of the comptroller's recommendations.

Editorial: Money down the drain

An audit that shows Camden's faulty water system is plagued by leaks, overflows, and mismanagement that has cost taxpayers millions of dollars raises new questions about state oversight of that city.

Report: N.J. summer-work program ignored U.S. rules

By Chelsea Conaboy

Inquirer Staff Writer

Last summer, 5,960 New Jersey teens and young adults landed jobs through a \$17.7 million stimulus program, but almost none found work in the private sector.

The state ignored a federal guideline by placing participants in public and nonprofit jobs only, state Comptroller Matthew Boxer said in an audit released Thursday.

That's significant, Boxer said, because private jobs are more likely to translate to longer-term employment.

State overpaid contractors, report says

By Jonathan Tamari

Inquirer Trenton Bureau

New Jersey overpaid 10 contractors who help care for the developmentally disabled in fiscal 2008, costing the state at least \$1.4 million, according to a report released yesterday by state Comptroller Matthew Boxer.

The overpayments were just one example of a general lack of oversight on contracts awarded by the state's Division of Developmental Disabilities, the audit found. With more than 200 such contractors statewide, the comptroller warned that wasteful spending actually could be far greater.

State comptroller says Parsippany-Troy Hills violated own bidding laws in awarding contract
By The Associated Press
December 02, 2009, 11:27AM

NJ Comptroller Warns Localities About Contracting Pitfalls

by KYW's David Madden

New Jersey's comptroller has put every governmental entity in the state on notice: they are being watched closely when it comes to how service contracts are awarded.

More than 1,500 notices have gone out to state, county, and municipal boards, councils, and commissions, urging them to adopt practices laid out by comptroller Matthew Boxer (right):

"We've got an unfavorable history here of public officials and vendors getting themselves into trouble with the law as a result of inappropriate practices in the area of government contracting."

August 15, 2009

Audit uncovers yet more abuse

Frivolous and wasteful expenses uncovered in a state audit of 10 of the 278 contractors doing work for the state Human Services Division on Developmental Disabilities is another clear indication that unchecked spending in government agencies remains rampant. The frittering away of taxpayer dollars, especially by agencies designed to care for the state's most vulnerable residents, is deplorable.