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**OFFICE OF THE
NEW YORK STATE COMPTROLLER**

**DIVISION OF STATE
GOVERNMENT ACCOUNTABILITY**

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**DEPARTMENT OF
HOUSING PRESERVATION
AND DEVELOPMENT**

RECYCLING PROGRAM

Report 2008-N-12

AUDIT OBJECTIVE

The objective of our audit was to determine whether the New York City Department of Housing Preservation and Development (HPD) is operating a recycling program that complies with Title 16 of the Rules of the City of New York.

AUDIT RESULTS - SUMMARY

HPD is required to establish a recycling program in accordance with Title 16 of the Rules of the City of New York (Title 16). Although HPD was generally in compliance with the recycling requirements of Title 16, we found that at two of HPD's smaller offices in buildings owned by New York City (NYC) and operated by the NYC Department of Citywide Administrative Services (DCAS), staff had just begun to recycle metal and plastic.

Under Title 16, HPD is also required to establish an implementation plan for its recycling program. Among other things, the plan should detail how HPD will ensure that the recycling program is adequately monitored and include steps for identifying recycling coordinators. However, since HPD did not establish a plan it has not identified, the required recycling coordinators. Therefore, there is less assurance that the recycling program is being adequately monitored.

Our audit report contains four recommendations directed toward improving HPD's compliance with Title 16. HPD officials agreed with our recommendations.

This report, dated April 23, 2009, is available on our website at: <http://www.osc.state.ny.us>. Add or update your mailing list address by contacting us at: (518) 474-3271 or Office of the State Comptroller

Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236

BACKGROUND

NYC has a long history of requiring the reduction and recycling of solid waste materials. In 1989, NYC established its Solid Waste Recycling Program through amendments of its administrative code and its rules and regulations. NYC has also issued various laws throughout the years to deal with specific recycling areas, such as Local Law 87 of 1992 which regulates private carter collected waste. In addition, the Department of Sanitation (DOS) has issued Title 16 which includes rules that requires NYC agencies to develop and implement a recycling program. NYC continues to pass laws and regulations concerning recycling and environmentally friendly purchases.

HPD, with its headquarters in NYC, employs about 3,500 employees in 15 offices. These offices are located in 6 privately owned buildings, 4 HPD operated buildings, and 5 DCAS operated buildings. The majority of HPD employees, about 2,680, are stationed at the headquarters at 100 Gold Street in Manhattan which is operated by HPD. The remaining employees work in various regional or shared office spaces throughout NYC. DCAS is responsible for the recycling programs at the buildings operated by DCAS.

AUDIT FINDINGS AND RECOMMENDATIONS

Recycling Program

HPD is required to establish a recycling program in accordance with Title 16 Section 1-09 (d) of the Rules of New York, and in accordance with all applicable local laws. According to Title 16, HPD is required to

recycle metal cans, metal items, aluminum foil, aluminum foil products, glass containers and plastic bottles and jugs and beverage cartons (collectively referred to as designated recyclable metal, glass and plastic); newspaper, magazines, corrugated cardboard, high grade office paper, catalogs, phone books, and mixed paper (collectively referred to as designated recyclable paper) and bulk waste.

We visited five HPD locations to observe the recycling process and to determine whether HPD was complying with all applicable rules and regulations identified in Title 16. At three of these locations, including HPD's main office where about two-thirds of HPD's employees work, HPD was generally in compliance with the recycling rules and regulations. At the other two locations, where HPD occupies space in buildings operated by DCAS, we were advised by HPD staff that they had been recycling mixed paper for a few years, but the recycling of metal and plastic had just begun.

Under Title 16, HPD is also required to establish an implementation plan for the recycling program. This plan should include the following information:

- The location of facilities or offices within the agency and whether each facility or office receives DOS curbside or mechanized collection service, private carter collection service, provides its own collection service or receives a combination of collection services.
- The name, title and telephone number of each recycling coordinator.

- A survey of the type of solid waste generated at each facility or office listed.
- The number of employees at each location, identified as either full time or part time.

In lieu of identifying the number of full or part-time employees at each location, agencies may, with DOS approval, develop and submit other criteria for estimating the amount of waste generated at a facility.

For offices that receive DOS collection service, implementation plans, in addition to the above, should include the location of the central collection area or other areas required under Title 16. HPD is also required to appoint a facility recycling coordinator and if these facilities occupy more than one floor or functional area, a recycling coordinator for each floor or functional area. Each agency/institution regardless of the type of collection services is required to submit a plan to the DOS for approval within three months of the effective date of this section of law and should update the plan, within a reasonable time, if there are any significant changes.

Since HPD has not filed an implementation plan with DOS or implemented other provisions required by the plan, such as appointing recycling coordinators, HPD cannot be classified as fully compliant with the law. It does not indicate whether each facility receives DOS curbside or mechanized collection service, private carter collection services or receives a combination of collection services. Also, HPD designates one individual on a part-time basis as its recycling coordinator. The recycling coordinator is responsible for overseeing HPD's entire recycling program. Since HPD has offices at many locations it has not met the requirement that it appoint a recycling

coordinator for each floor or functional area. As such, HPD can not ensure that it adequately monitors the recycling program.

HPD does not perform any surveys to identify the type of waste generated at each facility. As a result, HPD officials do not know what is being recycled or how much recycling is produced by the agency. Although HPD provided us with a list of the number of employees at each HPD location, the listing does not indicate whether employees are full or part-time. HPD also does not have other criteria for estimating the amount of waste generated.

In addition to the requirements mentioned above, for locations within agencies that receive private carter service, Title 16 also requires that the implementation plan indicate the name of the private carter and whether recyclable materials will be source separated or separated after collection. Since HPD does not have an implementation plan or other documents that indicate the names of the private carters, or whether recyclable materials will be source separated or separated after collection, it is not in compliance with these provisions of Title 16.

Recommendations

1. Establish and implement a recycling program that complies with applicable NYC laws, codes, rules and regulations.
2. Provide DOS with an implementation plan and update the plan as necessary.
3. Designate a recycling coordinator for each location and when HPD occupies more than one floor in a building, designate a coordinator for each floor.
4. Monitor each location's compliance with HPD's recycling program requirements.

AUDIT SCOPE AND METHODOLOGY

We audited HPD's recycling program for the period April 1, 2006 through November 30, 2008, to determine whether HPD operates a recycling program that is in compliance with Title 16. To accomplish our audit objectives, we reviewed relevant NYC recycling, laws, rules and regulations. We met with HPD officials and reviewed supporting documentation to obtain an understanding of HPD's recycling program. We visited five HPD locations, including the main office, to assess the recycling activities at these sites.

We conducted our performance audit in accordance with generally accepted government auditing standards. 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 addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of who have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these management functions do not affect our ability to conduct independent audits of program performance.

AUTHORITY

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III of the General Municipal Law.

REPORTING REQUIREMENTS

A copy of this report, in draft, was provided to HPD officials for their review and comment. Their comments were considered in preparing this final report and are included as Appendix A. HPD officials agreed with the recommendations in this report and indicated that they have been implemented.

Within 90 days of the final release of this report, the Commissioner of the Department of Housing Preservation and Development to report to the State Comptroller advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented the reasons why.

CONTRIBUTORS TO THE REPORT

Major contributors to this report were Ken Shulman, Dennis Buckley, Harry Maher, Danielle Marciano and Brenda Maynard.

APPENDIX A - AUDITEE RESPONSE



RAFAEL E. CESTERO
Commissioner

Office of the Commissioner
100 Gold Street
New York, N.Y. 10038

March 31, 2009

Mr. Steven E. Sossei, Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street - 11th Floor
Albany, New York 12236

**Re: Audit of the Recycling Program at HPD
Audit Number: 2008-N-12**

Dear Mr. Sossei:

The following represents the Department of Housing Preservation and Development's response to the recommendations contained in your audit of the Recycling Program at HPD.

If you have any additional questions, please call Deputy Commissioner Bernard Schwarz at (212) 863-6610.

Thank you.

Sincerely,

Rafael E. Cestero

AUDIT RESPONSE
NEW YORK STATE COMPTROLLERS AUDIT
NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
RECYCLING PROGRAM
REPORT 2008-N-12

Finding	Recommendation 1. HPD should establish and implement a recycling program that complies with applicable NYC laws, codes, rules, and regulations.	Response 1. HPD has established and implemented policies and procedures to ensure compliance with NYC codes, rules and regulations regarding recycling program
	Recommendation 2. HPD should provide DOS with an implementation plan and update the plan as necessary.	Response 2. HPD provided DOS with an implementation plan as of March 2009
	Recommendation 3. HPD should designate a recycling coordinator for each location and when HPD occupies more than 1 floor in a building, designate a coordinator for each floor.	Response 3. HPD has designated recycling coordinators as of March 2009
	Recommendation 4. HPD should monitor each location's compliance with HPD's recycling program requirements.	Response 4. HPD recycling coordinators are responsible to monitor each location's compliance as required. If HPD receives new laws or regulations, all recycling coordinators will be notified.

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