



**New York State Office of the State Comptroller**  
Thomas P. DiNapoli

Division of State Government Accountability

# **Selected Employee Travel Expenses**

## **State University of New York at Stony Brook**



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# Executive Summary

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## Purpose

To determine whether the use of travel monies by selected government employees complied with rules and regulations and is free from fraud, waste, and abuse. The audit covers the period April 1, 2008 through March 31, 2011.

## Background

New York State's executive agencies spend between \$100 million and \$150 million each year on travel expenses. These expenses, which are discretionary and under the control of agency management, include car rentals, meals, lodging, transportation, fuel, and incidental costs such as airline baggage and travel agency fees. As part of a statewide initiative to determine whether the use of travel money by selected government employees was appropriate, we audited travel expenses for the highest-cost travelers in the State as well as other outliers. As a result of this analysis, we examined the travel costs of eight University employees whose expenses exceeded \$100,000 or had outliers in the area of train fare. In total, we examined \$1,313,845 in travel costs associated with these eight employees.

## Key Findings

- Most of the expenses we examined were appropriate. However, two employees had charges totaling \$2,529, that were either not for legitimate business purposes or lacked adequate assurance that the charge was solely for legitimate business purposes.

## Key Recommendations

- Determine the legitimacy of the \$1,629 in internet charges and take steps, as appropriate, to recoup the charges from the vendor or the employee.
- Maintain appropriate documentation for the use of rental vehicles to ensure that reimbursement is only made for State business use.

## Other Related Audits/Reports of Interest

[SUNY College at Cobleskill: Selected Employee Travel Expenses \(2012-S-143\)](#)

[SUNY College at Oneonta: Selected Employee Travel Expenses \(2012-S-145\)](#)

**State of New York  
Office of the State Comptroller**

**Division of State Government Accountability**

July 10, 2013

Samuel L. Stanley, Jr., MD  
President  
State University of New York at Stony Brook  
The Office of the President  
310 Administration Building  
Stony Brook, NY 11794

Dear President Stanley:

The Office of the State Comptroller is committed to helping State agencies, public authorities and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of the State University of New York at Stony Brook entitled: *Selected Employee Travel Expenses*. 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 II, Section 8, of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller  
Division of State Government Accountability*

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This report is also available on our website at: [www.osc.state.ny.us](http://www.osc.state.ny.us)

## Background

New York State's executive agencies spend between \$100 million and \$150 million each year on travel expenses. These expenses, which are discretionary and under the control of agency management, include car rentals, meals, lodging, transportation, fuel, and incidental costs such as airline baggage and travel agency fees.

The mission of the State University of New York at Stony Brook (University) is to provide comprehensive undergraduate, graduate, and professional education of the highest quality; to carry out research and intellectual endeavors of the highest international standards that advance knowledge and have immediate or long-range practical significance; to provide leadership for economic growth, technology, and culture for neighboring communities and the wider geographic region; to provide state-of-the-art innovative health care, while serving as a resource to a regional health care network and to the traditionally underserved; and to fulfill these objectives while celebrating diversity and positioning the University in the global community. The University spent \$13,342,264 on travel expenses from April 1, 2008 through March 31, 2011. Of that amount, \$8,308,289, or 62 percent, was for reimbursements to employees for travel expenses and direct payments to vendors, and the remaining \$5,033,975, or 38 percent, related to charges on State-issued travel cards.

The audit at the University is part of a statewide initiative to determine whether the use of travel monies by selected government employees complies with rules and regulations and is free from fraud, waste, and abuse. Auditors focused their audit efforts on the highest cost travelers in the State, each of whom incurred over \$100,000 in travel expenses during the three-year period, as well as on other outliers. As a result of this analysis, we examined the travel costs of eight University employees whose expenses exceeded \$100,000 or had outliers in the area of train fare. In total, we examined \$1,313,845 in travel costs associated with these eight employees.

The Office of the State Comptroller sets rules and regulations for payment of expenses employees incur while traveling on official State business. The Comptroller's Travel Manual (Travel Manual) helps agencies and employees understand and apply the State's travel rules and regulations, and provides instructions for reimbursing expenses. In general, when traveling on official State business, only actual, necessary and reasonable business expenses will be reimbursed.

According to the Travel Manual, agencies are responsible for ensuring:

- all authorized travel is in the best interest of the State,
- all charges are actual, reasonable and necessary,
- all expenses comply with travel rules and regulations,
- the most economical method of travel is used in the best interest of the State,
- compliance with Internal Revenue Service (IRS) regulations,
- the official station of each employee is designated in the best interest of the State,
- employees obtain appropriate approvals prior to traveling, and exceptions or waivers are justified and necessary, and
- adequate funds are available for travel.

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## Audit Findings and Recommendations

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We examined the travel costs of eight University employees whose expenses exceeded \$100,000 or had outliers in the area of train fare. Seven of the eight employees selected were athletic coaches who were responsible for team travel expenses associated with in-state and out-of-state sporting events, including transportation, meals and lodging. One other employee was responsible for international recruitment; expenses were associated with travel overseas (lodging, transportation, etc.) as part of these duties. In total, we examined \$1,313,845 in travel costs associated with these eight employees. Most of the travel expenses we examined were appropriate, including all of the \$1,102,673 incurred by six of the eight University employees we selected. However, the other two employees, whose travel costs totaled \$211,172, incurred \$2,529 of travel expenses that did not adhere to State travel rules and regulations. One charge of \$1,629 was for expenses that were not related to official business. Additionally, there was a charge for a month long vehicle rental totaling \$900; the use of the vehicle was not properly monitored and there is no assurance the vehicle was used solely for business purposes during the month.

### Expenses Incurred While Employee Was on Leave

Per the Comptroller's Travel Manual only actual, necessary and reasonable business expenses are eligible for reimbursement and improper or unauthorized charges may result in mandated reimbursement to the agency by the employee. We found charges to one employee's State credit card totaling \$1,629 for internet usage on four days when the employee was not working. The employee informed University staff the charges were not theirs and should not have been charged to their credit card. However, the expenses were never reimbursed to the University by the vendor or the employee. University staff could not explain why a credit was never made.

### Use of a Rental Vehicle for a Month

The Travel Manual states only actual, reasonable and necessary expenses are reimbursable. When a rental vehicle is needed, it should be used only for State business. State employees will not be reimbursed for personal car mileage when using a rental vehicle. A University coach rented a vehicle for a month to use it for recruiting. The month long rental cost \$900. Officials explained the vehicle was rented for a month rather than on a day-by-day basis because the rate was cheaper. However, the University coach did not, and the University did not require him to, maintain records to account for the vehicle's use. As a result, we can't verify if the \$900 reimbursement for the rental vehicle was appropriate (i.e. the vehicle was only used for recruiting and not for personal use).

### Recommendations

1. Determine the legitimacy of the \$1,629 in internet charges and take steps, as appropriate, to recoup the charges from the vendor or the employee.

2. Maintain appropriate documentation for the use of rental vehicles to ensure that reimbursement is only made for State business use.

## Audit Scope and Methodology

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We audited selected travel expenses for eight University employees for the period April 1, 2008 to March 31, 2011. The objectives of our audit were to determine whether the use of travel monies by selected government employees complied with rules and regulations, and is free from fraud, waste, and abuse.

To accomplish our objectives, we analyzed travel expenses incurred by and on behalf of State employees for the three years ended March 31, 2011. Our analysis identified eight University employees whose expenses ranked among the highest in the State and with outliers in the areas of train fare. We examined these employees' travel expenses, including reimbursements and credit card charges.

As part of our examination, we obtained vouchers, receipts, and credit card statements for all selected transactions. We then verified that documentation supported the charges and showed the expenses incurred were for legitimate business purposes. We reviewed the University's internal policies and procedures and determined that the travel expenses selected for examination were approved and complied with this guidance, as well as with OSC procedures. We also became familiar with the internal controls related to travel, and assessed their adequacy related to the limited transactions we tested. Finally, we matched timesheet and travel records to ensure the travelers were working on days for which they requested travel reimbursement, and reviewed E-ZPass records, where applicable, to match against travel vouchers.

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 whom 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 functions do not affect our ability to conduct independent audits of program performance.

## Authority

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The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

## Reporting Requirements

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A draft copy of this report was provided to University officials for their review and comment. The University's response was considered in preparing this final report and is attached in its entirety to this report. University officials agreed with our recommendations and indicated they will implement them.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the President of the State University of New York at Stony Brook shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendation contained herein, and if the recommendation was not implemented, the reasons why.



## Contributors to This Report

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**John Buyce**, Audit Director  
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## Division of State Government Accountability

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### Vision

A team of accountability experts respected for providing information that decision makers value.

### Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

## Agency Comments



**Stony Brook University**

**Office of the President**

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June 26, 2013

Mr. John Buyce, Audit Director  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street, 11<sup>th</sup> Floor  
Albany, New York 12236-0001

Dear Mr. Buyce:

I enclose Stony Brook's response to your draft audit report entitled: Selected Employee Travel Expenses – State University of New York at Stony Brook (2012-S-102).

If you require additional information, please contact Mr. Douglas Panico of my staff at 631-632-6081.

Sincerely,

A handwritten signature in black ink, appearing to read "S. L. Stanley, Jr.".

Samuel L. Stanley, Jr., MD  
President

cc: Michael Abbott, SUNY System Administration  
Thomas Lukacs, Division of the Budget



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**Stony Brook University**  
**Response to Draft Audit Report 2012-S-102**  
**Selected Employee Travel Expenses**

**Expenses Incurred While Employee Was on Leave**

**Comment:** The charges discussed in this section were not authorized and the related services were not used by the cardholder. Whether the charges occurred on dates when the cardholder was not working does not change those facts.

**Use of a Rental Vehicle for a Month**

**Comment:** As indicated to the audit team, the vehicle was rented for a month because the Department determined it to be more cost effective than renting by the day.

**Recommendations**

1. Determine the legitimacy of the \$1,629 in internet charges and take steps, as appropriate, to recoup the charges from the vendor or the employee.

**Response:** The cardholder informed the University that she did not authorize these charges and did not use these services, so her card should not have been charged. The University Travel Office notified Citibank of the unauthorized charges, the card was canceled and a replacement card issued. Citibank was to send the cardholder an affidavit to be completed and returned to them concerning the disputed charges. We are unable to determine whether Citibank sent the affidavit or whether the cardholder completed and returned it. We agree that recovery of these charges should be sought; however we are advised that we can no longer dispute these charges through Citibank. Therefore, the University will seek recovery directly from the vendor.

2. Maintain appropriate documentation for the use of rental vehicles to ensure that reimbursement is only made for State business use.

**Response:** We agree that appropriate documentation should be maintained for the use of rental vehicles to ensure that reimbursements are made only for State business use.