



GEORGE MARAGOS

Nassau County Comptroller



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PRESS RELEASE

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March 22, 2017

Maragos: Legal Aid Society Found to Have Serious Financial Control Deficiencies

Mineola, NY- Nassau County Comptroller George Maragos released an audit of the Legal Aid Society of Nassau County's ("Legal Aid") compliance with a County contract of approximately \$6 million annually to provide representation to indigent defendants. The audit covered four years, January 1, 2012 to December 31, 2015. During this period Legal Aid defended over 50,000 cases assigned by the Courts, or over 12,000 cases per year. However, Legal Aid's financial controls need to be improved to avoid potential fraud of taxpayer funds. Although certain monies were not appropriately authorized, no funds were misspent and no misappropriations were uncovered. The disbursements of \$444,305 without proper authorizations and the inappropriate payment of \$227,662 of expenses from Petty Cash are serious control deficiencies and highlight the lack of checks and balances. Legal Aid has accepted the Comptroller's audit recommendations and has already begun to implement them.

"The County Legal Aid Society provides valuable community services in defending the indigent," Comptroller Maragos said. "I'm satisfied that Legal Aid has accepted our findings and recommendations and agreed to institute changes in their financial management to address the fiscal and operational concerns raised in the audit report."

The audit revealed a number of operational and financial control issues with Legal Aid, including:

- Failed to properly authorize cash disbursements of \$444,305, improperly paid operating expenses totaling \$227,662 from the Petty Cash bank account and expenses of \$4,696 were found to be misclassified in the accounting records. However, no monies were found to have been misspent,
- Did not have adequate standard cash controls and segregation of duties designed to prevent or detect possible errors or irregularities, including bank reconciliations details not being retained, stale dated checks not being investigated, voided checks were not documented, and some checks were issued out of sequence,
- Failed to maintain clear records of employees' use of leave time, allowed use of vacation time before it was earned, and did not maintain a comprehensive personnel manual as required by New York State Attorney General guidelines for non-profits,
- Failed to remit rebates and refunds totaling \$38,296 to the County but did use these rebates for operations and documented expenses.

For a copy of the report please connect with Nassau County Comptroller Maragos online:

<http://www.nassaucountyny.gov/agencies/Comptroller/index.html>

