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October 30, 2008

Mr. Anthony Acquaviva, Comptroller
New York Health Care, Inc.
1850 McDonald Avenue
Brooklyn, NY 11223

Re: Limited Audit of New York Health Care, Inc. Compliance with the Nassau County
Living Wage Law

Dear Mr. Acquaviva:

A limited compliance audit was performed of Contract # CQSS08000010 between New York Health Care, Inc. ("NYHC") and Nassau County. The objective of this audit was to determine whether NYHC was in compliance with the Nassau County Living Wage Law (the "Law") and the related Rules. The period of review was calendar year 2007, the term of the contract. To accomplish our objective, we reviewed NYHC's pertinent books and records and interviewed personnel.

Based on our limited audit, our findings and recommendations are as follows:

Audit Findings:

NYHC did not comply with the Law's requirement for compensated days off for its covered employees or inform them of their entitlements. The Law mandates that employers shall provide employees "no fewer than twelve paid days off per year for sick leave, vacation or personal necessity at the employee's request. Full-time employees shall accrue such leave at a rate of one day per month of full-time employment. Part-time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full-time employees. Any employee shall be eligible to begin using accrued leave six months following his or her start date of employment, or consistent with company policy, whichever is sooner."¹

¹ "Nassau County Living Wage Law," Nassau Co. Misc. Laws, Title 57, § 3 (2007). The Law and the related Rules can be found on the Comptroller's website, at <http://www.nassaucountyny.gov/agencies/Comptroller/LivingWage/index.html>.

NYHC's policy did not meet the Law's requirement that it provide 12 days of compensated days off per year for full-time employees, accruing at a rate of one day per month. Instead, NYHC's policy provided for only five days of vacation per year, 20 hours of which was to be paid every six months if 750 hours were worked in that six-month period.

In addition, the policy was deficient because it did not:

- include reference to part-time employees entitlements to compensated days off; and
- note that employees were eligible to begin utilizing time off after six months of employment.

When we advised NYHC of the Law's requirements and of its non-compliance, NYHC prepared a revised computation of its liability for accrued time off. We reviewed the revised calculation and advised NYHC that they had omitted certain eligible hours. NYHC provided another iteration of the schedule showing that it owed employees \$6,173.95 for 2007. A review of this revised schedule showed that the liability NYHC calculated complied with the law for those employees included on the schedule; however the schedule was incomplete because it did not include two employees who were owed a total of \$176.00.

Audit Recommendations:

NYHC should:

- promulgate policies and procedures regarding compensated days off that are in conformity with the Law;
- provide covered employees with a copy of the policy so that they are aware of benefits under the Law;
- revise its liability calculation to include the two additional employees;
- inform each employee as to the amount of leave time that they have earned in 2007, but have not taken;
- compensate employees for the leave days owed, either through paid time off or additional cash compensation, and
- provide documentation to the Comptroller's Office, such as a payroll register, to evidence that employees were properly paid for the leave time owed.

Response from NYHC:

We have once again reviewed our calculations of our liability for accrued compensation time. We have found that we were deficient in our calculations of two employees who are entitled to a total gross compensation of \$190.71. We have issued the appropriate checks to these individuals this past week. I have attached copies of those checks and a copy of our letter that accompanied them. This now concludes our check of 2007 hours and all employees have been properly compensated.

We have added an addendum to our normal company policy regarding accrued compensation time to our employees to comply with the Nassau Living Wage Law. Attached is a copy of the policy. We have also posted the attached copy of the Living Wage Notice in our Nassau Office.

Auditor's Follow-up Response:

We concur with the corrective actions taken by NYHC.²

Sincerely,



Aline Khatchadourian
Deputy Comptroller for Audit and Special Projects

Attachment

² Our calculation of compensation owed the two employees is based on the law's requirement of 12 compensated days per year for full time employees. While the law requires employers to grant a minimum of 1.846 hours of compensated leave per 40 hour workweek, NYHC grants employees 2 hours.

Week #	Week Ending	Contract	A i d e	Hours Worked	Subject Hours	Vacation Hours	Vacation Dollars	Already Paid	Additional Due
10	03/02/07	Title 20		15.00	-	-	-	-	-
11	03/09/07	Title 20		30.00	30.00	1.50	-	-	-
14	03/30/07	Title 20		18.00	-	-	-	-	-
15	04/06/07	Title 20		15.00	-	-	-	-	-
16	04/13/07	Title 20		15.00	-	-	-	-	-
17	04/20/07	Title 19		37.25	37.25	1.86	-	-	-
18	04/27/07	Title 20		27.00	27.00	1.35	-	-	-
19	05/04/07	Title 19		38.00	38.00	1.90	-	-	-
20	05/11/07	Title 20		15.00	-	-	-	-	-
21	05/18/07	Title 19		38.00	38.00	1.90	-	-	-
22	05/25/07	Title 20		15.00	-	-	-	-	-
23	06/01/07	Title 20		15.00	-	-	-	-	-
24	06/08/07	Title 20		15.00	-	-	-	-	-
26	06/22/07	Title 20		18.00	-	-	-	-	-
27	06/29/07	Title 19		7.25	-	-	-	-	-
28	07/06/07	Title 20		15.00	-	-	-	-	-
30	07/20/07	Title 20		15.00	-	-	-	-	-
31	07/27/07	Title 19		7.75	-	-	-	-	-
32	08/03/07	Title 20		27.00	27.00	1.35	-	-	-
34	08/17/07	Title 20		15.00	-	-	-	-	-
35	08/24/07	Title 19		22.00	22.00	1.10	-	-	-
36	08/31/07	Title 20		21.00	21.00	1.05	-	-	-
38	09/14/07	Title 20		30.00	30.00	1.50	-	-	-
39	09/21/07	Title 19		35.50	35.50	1.78	-	-	-
40	09/28/07	Title 20		15.00	-	-	-	-	-
41	10/05/07	Title 19		19.75	-	-	-	-	-
42	10/12/07	Title 19		18.00	-	-	-	-	-
43	10/19/07	Title 19		22.25	22.25	1.11	-	-	-
44	10/26/07	Title 20		15.00	-	-	-	-	-
45	11/02/07	Title 20		15.00	-	-	-	-	-
46	11/09/07	Title 20		15.00	-	-	-	-	-
48	11/23/07	Title 20		15.00	-	-	-	-	-
49	11/30/07	Title 19		8.00	-	-	-	-	-
51	12/14/07	Title 19		8.00	-	-	-	-	-
				657.75	328.00	16.40	180.40	-	180.40

10	03/02/07	Title 19	32.00	32.00	1.60				
12	03/16/07	Title 19	30.00	30.00	1.50				
14	03/30/07	Title 19	38.00	38.00	1.90				
15	04/06/07	Title 19	14.00	-	-				
17	04/20/07	Title 20	6.00	-	-				
29	07/13/07	Title 20	12.00	-	-				
33	08/10/07	Title 20	6.00	-	-				
11	09/14/07	Title 20	3.00	-	-				
13	10/05/07	Title 20	12.00	-	-				
12	10/12/07	Title 20	24.00	24.00	1.20				
19	11/30/07	Title 20	6.00	-	-				
16	12/07/07	Title 20	3.00	-	-				
18	12/14/07	Title 20	18.00	-	-				
					6.20				
					204.00	68.20	143.00	-	-

10	03/02/07	Title 20	21.00	21.00	1.05				
12	03/16/07	Title 20	31.00	31.00	1.55				
44	03/16/07	Title 20	10.50	-	-				
13	03/23/07	Title 20	31.50	31.50	1.58				
16	04/13/07	Title 20	-	-	-				
46	04/13/07	Title 20	-	-	-				
17	04/20/07	Title 20	21.00	21.00	1.05				
21	05/18/07	Title 20	21.00	21.00	1.05				
23	06/01/07	Title 20	21.00	21.00	1.05				
25	06/15/07	Title 20	21.00	21.00	1.05				
27	06/29/07	Title 20	21.00	21.00	1.05				
29	07/13/07	Title 20	21.00	21.00	1.05				
31	07/27/07	Title 20	21.00	21.00	1.05				
34	08/17/07	Title 20	21.00	21.00	1.05				
36	08/31/07	Title 20	7.00	-	-				
38	09/14/07	Title 20	10.50	-	-				
39	09/21/07	Title 20	10.50	-	-				
19	10/05/07	Title 20	41.75	40.00	2.00				
48	10/05/07	Title 20	-	-	-				
43	10/19/07	Title 20	20.25	20.25	1.01				
45	11/02/07	Title 20	10.50	-	-				
49	11/30/07	Title 20	10.50	-	-				
51	12/14/07	Title 20	17.50	-	-				
					390.50	171.46	161.15	10.31	-
								190.71	

NEW YORK HEALTH CARE INC.
 PAYROLL ACCOUNT
 1850 McDonald Avenue, Brooklyn NY 11223

North Fork Bank
 www.northforkbank.com

1-32
 210

CONTROL NUMBER	BRANCH	DEPARTMENT	I.D. NUMBER	FILE NO.	SOC. SEC. NO.	PAY DATE	NET PAY
[REDACTED]	01	02	[REDACTED]	[REDACTED]	[REDACTED]	101708	*151.21
PAY THIS AMOUNT							
\$151 DOLLARS AND .21 CENTS							

NOT VALID AFTER 180 DAYS

PAY
 TO THE
 ORDER
 OF

[REDACTED]



Joseph Seyd
 AUTHORIZED SIGNATURE

RUBBED IMAGE - DISAPPEARS WITH HEAT

SECURITY FEATURES INCLUDED. DETAILS ON BACK

SEE BACK FOR ARTIFICIAL WATERMARK

NEW YORK HEALTH CARE INC. - 1850 McDonald Avenue - Brooklyn, NY 11223

CONTROL NO.	PERIOD END	NAME		I.D. NO.	FILE NO.	RATE/SALARY	DEPT.	DEP	
[REDACTED]	101008	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	8.250	01	02	S00
DEPARTMENT	HOURS	RATE	EARNINGS	TYPE		DEDUCTIONS THIS PAY			
			180.40	RETRO					
THIS PAY	180.40	12.94	1.85	.00	13.80	.60	151.21		
YEAR TO DATE	GROSS 6637.03	FEDERAL 451.60	STATE 52.05	CITY	FICA 507.70	DIS-SUI	NET THIS PAY		

NEW YORK HEALTH CARE INC.
 PAYROLL ACCOUNT
 1850 McDonald Avenue, Brooklyn NY 11223

North Fork Bank
 www.northforkbank.com

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 210

CONTROL NUMBER	BRANCH	DEPARTMENT	I.D. NUMBER	FILE NO.	SOC. SEC. NO.	PAY DATE	NET PAY
[REDACTED]	01	01	[REDACTED]	[REDACTED]	[REDACTED]	101708	*****
PAY THIS AMOUNT							
DIRECT DEPOSIT DIRECT DEPOSIT							

NOT VALID AFTER 180 DAYS

PAY
 TO THE
 ORDER
 OF

[REDACTED]



[Signature]
 AUTHORIZED SIGNATURE

VOID VOID VOID VOID

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SECURITY FEATURES INCLUDED. DETAILS ON BACK



SEE BACK FOR ARTIFICIAL WATERMARK

NEW YORK HEALTH CARE INC. - 1850 McDonald Avenue - Brooklyn, NY 11223

CONTROL NO.	PERIOD END	NAME			I.D. NO.	FILE NO.	RATE/SALARY	DEPT.	DEP	
[REDACTED]	101008	[REDACTED]			[REDACTED]	[REDACTED]	8.250	01	01	M02
DEPARTMENT	HOURS	RATE	EARNINGS	TYPE	DEDUCTIONS THIS PAY					
			10.31	RETRO						
THIS PAY	10.31	.00	.00	.00	.79	.05	9.47			
YEAR TO DATE	4531.76				346.54		NET THIS PAY			



Corporate Office
1850 McDonald Avenue • Brooklyn, New York 11223
(718) 375-6700 • Fax: (718) 375-1555

Dear Employee:

An audit of our payroll records for the year 2007 indicated an under payment of accrued vacation time in accordance with the Nassau County living wage law.

Enclosed please find a check for the additional compensation due you for the year 2007.

The Payroll Department
New York Health Care, Inc.



Joint Commission

OFFICES IN: BROOKLYN • NASSAU • WESTCHESTER • ROCKLAND • ORANGE



Corporate Office
1850 McDonald Avenue • Brooklyn, New York 11223
(718) 375-6700 • Fax: (718) 375-1555

Policy:

Compensated time off for individuals who provide services to clients under the Living Wage Law

Procedure:

All employees that provide services under the Nassau Living Wage contract will be paid at the rate established by the contract

Employees will be provided with no fewer than twelve paid days off per year for sick leave, vacation, or personal necessity at the employee's request.

Full-Time employees shall accrue such leave at the rate of one day per month of full time employment.

Part-Time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full time employees.

An employee shall be eligible to begin to using accrued leave six months following his or her start date, or consistent with the company policy, whichever is sooner.

Full-Time and Part-Time employees will be compensated for leave days owed either through paid time off or additional cash compensation.



Joint Commission

OFFICES IN: BROOKLYN • NASSAU • WESTCHESTER • ROCKLAND • ORANGE



Howard S. Weitzman
Nassau County Comptroller
Living Wage Unit



IMPORTANT NOTICE FOR WORKERS

The Nassau County Living Wage
is
\$12.05 per hour
or
\$10.50 with health benefits

(Rate Effective August 1, 2008 through July 31, 2009)

Employees who work 20 hours or more per week are entitled to receive a maximum of 12 paid days off per year, including paid holidays

If you work for a County contractor or lessee, the Living Wage Law may apply to you. If you have any questions about your eligibility, or if you believe your employer is not complying with the Law, please contact:

**Office of the Nassau County Comptroller
Living Wage Unit at (516)571-3668**

You may also visit our website at www.nassaucountyny.gov/comptroller and click on Living Wage for more information or to obtain a complaint form

Complaints will remain confidential

Exceptions:

The Law **DOES NOT** apply to the following:

- Contracts for child-care services, pre-school services and early intervention services
- Contracts where services are incidental to the delivery of products, equipment or commodities
- Inter-governmental contracts and financial assistance contracts for industrial development bonds, community development block grant loans and enterprise-zone incentives
- Contracts for less than \$25,000
- Employees under 18 years of age who are claimed as dependents for federal tax purposes and who are working as an after-school or summer employee
- Trainees in a bona fide training program
- Disabled employees covered by a current sub-minimum wage certificate issued to the employer by the United States Department of Labor or if he/she would be covered by such a certificate but for the fact that the employer is paying a wage equal to or higher than the minimum wage.

LW-5 (07/08)