



NASSAU COUNTY COMPTROLLER

ELAINE PHILLIPS

240 Old Country Rd 2nd Fl., Mineola, NY 11501

P R E S S R E L E A S E

Media Contact: Wendy L. Goldstein
wgoldstein@nassaucountyny.gov
516.571.2478

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**Nassau County Comptroller’s Audit of Consumer Affairs
Reveals Mismanagement in 2019-2021 Led to Major Backlog in Applications
Current Administration Improves Operations and Dramatically Reduces Backlog**

MINEOLA, NY – The Nassau County Comptroller’s office has completed an audit of the Licensing Division of the Nassau County Department of Consumer Affairs. The audit was launched in 2022 in response to reports of backlogs of thousands of professional license applications during the previous administration.

The Licensing Division of Consumer Affairs is responsible for reviewing and approving applications for licenses for businesses such as landscapers, home improvement businesses laundromats, home appliance services, health club operators and more. At the time of the audit, there were approximately 6,400 active licenses, 95% of which were for home improvements.

While reviewing policies, procedures and metrics in Consumer Affairs from January 2019 to December 2022, auditors found that in December 2021, the Department had a backlog of more than 7,400 applications for licenses or renewals under review. Sampling revealed that 17 percent of applications sat for months before being entered into the system and 20 percent were never entered at all. Forty-three percent of applicants were not contacted by Consumer Affairs staff until more than three months after applying, and more than 200 of the applications were assigned a “temporary license status” when in fact no action had been taken on the applications.

In January 2022, John Capece was brought in as Commissioner of the Department of Consumer Affairs and charged with improving operations in the Department. In the first year of his administration, he reduced open applications from 7,420 to 1,962 by reversing policies instituted by the previous commissioner (2018-2021), implementing new procedures to better manage the application process, and making operational changes in response to the findings of the Comptroller’s auditors, who shared information with Commissioner Capece throughout the process.

Auditors also found that the Department had not been conducting criminal history fingerprint background checks on applicants for home improvement licenses, despite the Administrative Code requiring it. The Department attributed this to a flaw in the Code that required the background checks to be performed by the Nassau County Police Department, even though the NCPD is

prohibited by federal and state law from sharing the results of such checks. Because of this, Consumer Affairs did not send applicants to NCPD for fingerprinting.

The Department has submitted a draft amendment to the Administrative Code to the Nassau County Legislature which will allow the Department to conduct its own criminal history fingerprint background checks of applicants for home improvement licenses once it is approved. It is expected to come before the Legislature for a vote on December 18, 2023.

Other findings include that the Department did not issue refunds for denied applications as required by the Code; it was utilizing a database system that did not meet its operational needs, lacked internal controls, and contained erroneous, duplicate and unnecessary data. The Department also had suffered reductions in staff that may have impacted efficiencies.

The Department of Consumer Affairs is comprised of divisions including Complaints and Hearings, Information and Education, Investigation and Enforcement, Licensing, Retail, the Taxi and Limousine Commission, and Weights and Measures. This audit was focused on the Licensing Division due to its widespread impact on Nassau County businesses.

For a full list of businesses licensed by Consumer Affairs, see <https://www.nassaucountyny.gov/1563/Licensing-Registrations>.

About the Comptroller's Office

Comptroller Elaine Phillips is the independent protector of the taxpayers and residents of Nassau County. With a population of almost 1.4 million people and an annual budget of approximately \$4 billion, Nassau County relies on Comptroller Phillips and her dedicated staff to monitor Nassau's budget and financial operations. The audit function is among the top priorities of the Nassau County Comptroller's Office. Audits have the power to help County departments and non-profit agencies that do business with the County manage government resources efficiently and effectively. Through these audits, the Comptroller's Office provides accountability for the use of tax dollars. Each year, the Comptroller's Office also reviews thousands of contracts and reviews and approves approximately 100, 000 payments to more than 3,800 registered vendors and administers payroll and health benefits for the County's 8,000 employees, 12,000 retirees and their dependents for a total of 50,000 covered lives.

For more information about the audit, visit the Comptroller's Field Audit webpage at <https://www.nassaucountyny.gov/2377/Field-Audits>, call (516) 571-2386 or email nccomptroller@nassaucountyny.gov.

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