



NEW YORK CITY COMPTROLLER  
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# Audit Report on Estate Asset Identification and Management Practices of the Queens County Public Administrator's Office

**ME23-101A | December 31, 2024**





THE CITY OF NEW YORK  
**OFFICE OF THE COMPTROLLER**  
BRAD LANDER

December 31, 2024

To the Residents of the City of New York:

My office has audited the Queens County Public Administrator (QCPA) to determine whether it conducted proper research to identify decedents' assets and whether it accurately accounted for and properly safeguarded estate assets. The Office of the New York City Comptroller conducts audits of the Public Administrator offices to ensure that they identify, collect, and safeguard assets and comply with rules and regulations.

The audit found that QCPA generally adhered to regulations and its own internal procedures governing the administration of decedents' estates. However, the audit identified several weaknesses in the identification, collection, and safeguarding of decedents' assets.

Specifically, the audit found that QCPA did not consistently identify and collect estate assets as required and found deficiencies relating to storage of personal property and recordkeeping for transactions involving personal and real property. The audit also identified cases that remained in the initial status for years after QCPA received notifications of death. Lastly, the audit found that QCPA did not consistently and accurately report all of its closed estates to the City Comptroller's Office as required.

The results of the audit have been discussed with QCPA officials and their comments have been considered in preparing this report. QCPA's complete written response is attached to this report.

If you have any questions concerning this report, please email my Audit Bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,

Brad Lander  
New York City Comptroller

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# Audit Impact

## Summary of Findings

The audit found that QCPA generally adhered to regulations and its own internal procedures governing the administration of decedents' estates. However, the audit identified several weaknesses in the identification, collection, and safeguarding of decedents' assets.

Specifically, the audit found that QCPA did not consistently identify and collect estate assets as required and found deficiencies relating to storage of personal property and recordkeeping for transactions involving personal and real property. The audit also identified cases that remained in the initial status for years after receiving notification of death. Officials attributed this and many of the other deficiencies noted by auditors to staffing shortages. Lastly, the audit found that QCPA did not consistently and accurately report all of its closed estates to the City Comptroller's Office as required.

## Intended Benefits

The audit identified the need for QCPA to improve its processes to help ensure that it protects decedents' assets and fulfills its fiduciary obligations.



# Introduction

## Background

New York City has one Public Administrator (PA) in each county who is appointed by the judge or judges of the Surrogate's Court of their respective counties. The PAs are responsible for administering the estates of individuals who die: (1) intestate (without a will) and is survived by no known heirs or heirs closer than first cousins;<sup>1</sup> (2) with a will but no one has offered the will for probate (legal process involving the Surrogate's Court); or (3) with a will that has been offered for probate but the executor of the will becomes ill, dies, is convicted of a felony, or is otherwise disqualified, and no other person is available to administer the estate. QCPA administers such estates in Queens County.

QCPA is managed by a PA and a Deputy PA, and the PA is also authorized to hire other employees to work at QCPA. The official duties of the PA are governed principally by Article 11 of the New York State Surrogate's Court Procedure Act (SCPA), *Guidelines for the Operations of the Offices of the Public Administrators of New York State* (NYS PA Guidelines), and reporting requirements established by New York City Comptroller's Directives. In addition, QCPA has its own Operational Policies and Procedures Manual.

As the estate administrator, QCPA has a fiduciary duty to the estate that requires them to conduct thorough investigations to discover, account for, and safeguard all assets (real and personal property); pay decedents' debts and taxes; account for and maintain documentation to support estate activities and transactions; and distribute estate proceeds to decedents' heirs.

QCPA's operations are partially funded by the City of New York and partially funded by estate allowances. The City mainly funds the offices' salaries and other than personal services (e.g. supplies, some contracts, utilities). The amount of commissions and allowances for QCPA serving as administrator of an estate is fixed by statute (SCPA Sections 2307 and 1106). The commissions are calculated on a sliding scale based on the gross assets of the estate, starting at 5% of the first \$100,000 and going down to 2% of any assets over \$5 million. These commissions are supposed to be distributed to the City's general fund (Department of Finance). QCPA also receives 1% of the gross assets of the estates as an allowance, which is supposed to be maintained in a suspense account (separate bank account) and should be used for necessary expenses of the office that are not covered by City funds. The suspense account can also be used to loan money to the estates for various expenses (e.g., filing fees, death certificates, funeral, maintenance fees, utility bills, homeowner insurance fees) to be reimbursed when the estate assets are collected.

One critical component of QCPA's responsibility is to identify, collect, inventory, and manage or oversee the sale of real and personal property that belongs to the decedents' estates it administers. QCPA initiates a property search upon notification by hospitals, nursing homes,

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<sup>1</sup> In New York, individuals such as a surviving spouse, children, grandchildren, father or mother, brothers or sisters are considered heirs of an estate.

funeral homes, medical examiner's offices, or other sources, regarding a decedent with no known family or beneficiaries, or an executor who cannot or refuses to fulfill their obligations.<sup>2</sup>

QCPA assigns two investigators to visit the decedent's residence to identify and secure existing assets, including jewelry, cash, coins, and financial, personal, and legal documents (e.g., bank and brokerage account information, property deeds showing ownership of real property, proprietary leases showing ownership of shares in co-ops, certificates of title to vehicles, stocks and bonds, wills, utility and maintenance bills, personal identification, photo albums).

After the investigation is completed, the decedent's residence is sealed, and cash, jewelry, and other valuables are secured in a locked safe and/or box in the storage room. Items that cannot be transported for safekeeping are left in the decedent's home, and the Deputy PA, in consultation with the PA, will later determine whether there is anything of commercial value that can be sold in a closed-bid auction. Subsequent searches may be performed if necessary.

QCPA also searches the Office of the New York State Comptroller's (OSC) website for unclaimed funds and LexisNexis-Accurint to identify additional assets that might not have been discovered during the property searches. In addition, QCPA reviews any information from financial institutions identified during property searches (e.g., banks, pension systems, insurance companies, brokerage firms) and sends letters to them to determine whether those accounts are still active and if so, requests current balances be credited to the decedents' estate accounts.

Once assets of monetary value have been liquidated, the proceeds of the sales, as well as any cash collected from property searches or safety deposit boxes, are deposited in QCPA's "pooled" bank account and recorded in CompuTrust, QCPA's electronic case management software system. CompuTrust is used to process and maintain an accounting record of each estate's financial transactions and assets and to support and manage other aspects of estate administration. For each decedent estate case, supporting documentation for transactions recorded in CompuTrust is either maintained in QCPA's scanned files (DocXpress and Worldox scanning systems) and/or the paper files.

As of October 2, 2023, there were a total of 1,003 active decedent estate cases (i.e., all cases that were active) during the period from January 1, 2022 through June 30, 2023, and, as of July 24, 2023, there were a total of 1,665 closed decedent estate cases (i.e., all cases that were closed) during the period from January 1, 2022 through June 30, 2023. According to June 2023 bank account statements, QCPA was administering \$165,712,173 in gross assets for the decedents' estates.<sup>3</sup> QCPA employs 16 staff members, including non-City employees, the PA and the Deputy PA to administer the estates of decedents.

## Objectives

The objectives of this audit were to determine whether QCPA (1) conducted proper research to identify decedents' assets, and (2) accurately accounted for and properly safeguarded estate assets.

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<sup>2</sup> For estates with gross assets over \$50,000 (referred to as formal cases), QCPA is appointed as an administrator by the Surrogate's Court via a Letter of Administration. Estates with gross assets (1) less than \$500 and (2) \$500 to \$50,000 are referred to as informal cases which can be self-administered by QCPA via the 1115 Form.

<sup>3</sup> The 2023 bank statements were associated with QCPA's "pooled" checking account from one bank and various individual decedent money market accounts from another bank.



## Discussion of Audit Results with QCPA

The matters covered in this report were discussed with QCPA officials during and at the conclusion of this audit. An Exit Conference Summary (ECS) was sent to QCPA and discussed with QCPA officials at an Exit Conference held on December 3, 2024. On December 6, 2024, we submitted a Draft Report to QCPA with a request for written comments. We received a response from QCPA on December 19, 2024. In its response, QCPA agreed with three recommendations, partially agreed with three recommendations, and disagreed with the remaining six recommendations.

In its response, QCPA argues against matters discussed prior to the Exit Conference that were excluded from the ECS. In addition, they argue against matters raised in the ECS that were later removed from the Draft Report they responded to. In other words, QCPA addressed issues that were outdated and thus moot.

QCPA's written comments have been fully considered and, where relevant, changes and comments have been added to the report.

The full text of QCPA's response is included as an addendum to this report.

# Detailed Findings

The audit found that QCPA generally adhered to the State Surrogate's Court Procedure Act, the NYS PA Guidelines, and its own internal formal procedures in managing decedents' estates. However, the audit identified some deficiencies in the identification, collection, and safeguarding of decedents' assets.

Specifically, the audit found that QCPA did not always identify and collect estate assets as required, and did not consistently maintain adequate records regarding the collection and disposal of personal and real property. The audit also found deficiencies in QCPA's oversight of decedents' personal property, including inadequate safeguarding and appraisal of property.

The audit identified cases that remained open for over two years and estates that remained in the initial status for years after receiving notification of death. Officials attributed this and other deficiencies noted in this audit to staffing shortages, indicating that the office is not adequately staffed to address the numerous responsibilities of the PA. Lastly, the audit found that QCPA did not accurately report all of its closed estates to the City Comptroller's Office as required.

These and other issues are discussed in more detail below.

## QCPA Should Improve Its Processes for Searching, Collecting, and Safeguarding Decedents' Personal Property

The audit found that QCPA should improve its oversight over searching, identifying, and safeguarding personal property found at decedents' premises, to reduce the risk that some assets may not be identified and collected.

According to Section IV (Property Management) of the NYS PA Guidelines, the initial search of a residence, if feasible, should be conducted as soon as possible after QCPA has been notified of the decedent's death and determines that a search is appropriate. During this initial search, at least two QCPA investigators must be present, and the investigators endeavor to secure an independent witness (such as a landlord or building superintendent) to accompany them throughout the search.

The investigators should attempt to thoroughly search each residence and document the contents and condition by photograph or video recording. During (or immediately following) the search, investigators should then prepare a detailed Investigator's Report and, if feasible, an inventory of the contents observed at the residence. The report and inventory should be signed by the investigators and any witness.

The audit found that QCPA did not consistently follow these procedures. Specifically: (1) QCPA did not consistently document items found during searches; (2) QCPA allowed a month or more to pass after cases were received before it conducted searches; (3) QCPA did not adequately safeguard decedents' personal property; (4) QCPA allowed four months or more to pass before having personal property appraised; and (5) some inventory records had discrepancies. In addition, the audit suggests, among other things, that QCPA appraise coins that seem unique and valuable.

The following details the deficiencies identified by the auditors.

## Some Items Found During Searches Not Documented

The auditors compared the photographs uploaded by investigators to the narratives in the Residence Investigation Reports and found that, for each of the 12 estates reviewed, there were four or more photographed items that were not recorded in the Residence Investigation Reports, including paintings, appliances, furniture, and electronic devices (e.g., cellphones and laptops).<sup>4</sup>

<sup>5</sup>

For two estates, a cellphone and a laptop identified in the investigators' photographs were not only missing from the Residence Investigation Reports, but they were also not brought to the office to preserve confidentiality of information stored in the devices, as required. The PA stated that the cellphone was "probably sold" with the unit's contents and the laptop "remained in the apartment;" however, the PA was unable to provide any support for their assertions.

For one estate, approximately 13 laptops were identified in the photographs but only one was recorded on the Residence Investigation Report and brought to the office. The PA stated that an "assumption was made" that the remaining laptops "were assets for sale," and thus left in the apartment along with other contents that were open for bidding. However, the PA lacked evidence showing the disposition of these items.

Additionally, there was another estate for which a watch that was recorded on the Residence Investigation Report was missing from the investigators' photographs and was not brought to the office or included on the inventory list. The PA stated that the watch appears to have been misplaced.

## Some Searches Conducted Months After Receiving Notification of Death

The NYS PA Guidelines states that, if feasible, the initial search of a decedent's residence should be conducted as soon as possible after notification of the decedent's death. However, the audit found wide disparities in the length of time it took investigators to perform initial searches for 11 of the 12 estates, ranging from nine calendar days to 226 calendar days (over seven months) after receiving notification.<sup>6</sup>

For seven (64%) of the estates, the search was performed a month or longer after being notified of the decedent's deaths. For one estate, QCPA received notification about the decedent's death

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<sup>4</sup> Of the 50 sampled estates, the auditors identified Residence Investigation Reports for 17 sampled estates. However, for five estates, it was explained in the reports that initial searches of the decedents' premises were not conducted because prior to the visits the personal property in the residences were cleaned out (three estates) or the investigators only took pictures of the outside of the residences and subsequently the Deputy PA closed the reports (two estates). Thus, for purposes of their review, the auditors focused only on the 12 reports for which initial searches were conducted.

<sup>5</sup> In its response to the Draft Report, QCPA argued that the audit finding is inaccurate because there are photographs documenting every investigation. However, the audit found that the lack of documentation pertained to some photographed items that were not recorded in the Residence Investigation Reports as required according to QCPA's investigative procedures.

<sup>6</sup> For one of the 12 estates, the date that QCPA received notification of the decedent's death was after the date that the investigators conducted their initial search of the residence. The auditors determined that this was because the initial search had already been in process due to the decedent's wife who had died prior to the decedent. The auditors eliminated this estate from their analysis for calculating the timeliness of conducting initial searches.

on July 7, 2021, but did not conduct the initial search until February 18, 2022, over seven months later. The primary contributing factor for the variances is that QCPA has not established a time target for conducting initial searches. By not conducting a residence search as soon as possible, personal property is at increased risk of loss or theft.<sup>7</sup>

## Personal Property for One Estate Not Appraised for Four Months or Longer

Upon reviewing the inventory lists provided by QCPA from CompuTrust, auditors identified 15 entries associated with one decedent's estate for which 236 items of jewelry had not been appraised for at least four months after they were collected and stored by QCPA in inventory.<sup>8</sup>

According to QCPA's procedures, jewelry that is not on hold must be appraised before it can be sold.<sup>9</sup> QCPA even tries to ensure they appraise jewelry that is placed on hold and cannot be sold. However, QCPA has not established a time target for appraising the collected jewelry. As a result, much of the jewelry was not appraised for a considerable amount of time. For example, 18 rings had been collected by QCPA on September 14, 2021, and as of February 29, 2024 (almost two years and six months later), the personal property had still not been appraised.

The PA stated that 17 items of jewelry were in fact appraised, but the appraisal documents were never given to the receivable clerk, so the information was never entered in CompuTrust for inventory purposes to show the status of the items as being appraised and ready to be sold. Consequently, the inventory list did not include those items as being ready to be sold. The inventory was updated after the auditors brought the matter to the PA's attention. After sharing this finding with the PA, the remaining 219 items of jewelry which had been collected by QCPA in September 2021 were finally appraised on March 27, 2024—two-and-a-half years later.

The longer it takes to appraise decedents' personal property, the longer it takes to credit collected assets to the decedents' account(s). A lengthy appraisal process can also prolong the closing of those estates.

## Some Personal Property Not Adequately Secured

QCPA does not have adequate space to properly store and secure inventoried personal property (e.g., jewelry, foreign and rare coins, and electronic devices) collected by the investigators.

QCPA has a safe located in the storage room outside of the PA's office to store inventoried personal property. However, due to lack of space in the safe, the auditors found that inventoried personal property related to multiple estates was stored in cardboard storage boxes in the storage room, for which there are two entrances kept open during the day. There were also unsecured boxes pertaining to one estate outside of the storage room near the workspaces of the Deputy

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<sup>7</sup> In its response to the Draft Report, QCPA argued that the auditors did not provide the names of the cited estates. For many of the audit's findings, QCPA requested (and was provided) the supporting evidence. However, QCPA did not request supporting evidence for this finding.

<sup>8</sup> The calculation for the length of time is based on calendar days as of February 29, 2024 (the date QCPA provided its inventory lists).

<sup>9</sup> Items can be placed on hold for various reasons, including if the PA is aware of someone who has priority to administer the estate and has to wait for that person to be appointed, the PA is the administrator of the estate but family members have expressed interest in the item(s) and the PA plans to distribute them after kinship has been proven, or a will has been found and the PA has to determine if someone else will administer the estate.

PA and the Caseworker. In total, there were 157 decedents' estates that had inventoried personal property in 48 unsecured boxes.<sup>10</sup> Each box contained numerous tamper-proof clear plastic security bags with evident seals containing pre-printed inventory numbers to store a decedent's personal property (personal property security bags).<sup>11</sup>

Regarding the unsecured cardboard boxes outside the storage room, the auditors identified several items that were appraised with a significant value, including an "18k yellow gold & platinum [diamond] engagement ring" that was appraised at \$3,000. The PA identified no strategy for securing these items until they can be auctioned off.

## Auditors Identified Several Discrepancies Between Physical Observations and Inventory Records

The auditors selected 50 personal property security bags and compared the information on their labels with information recorded in QCPA's inventory lists and appraisal records, and found discrepancies in 10 (20%) instances.<sup>12 13</sup> In all cases the number of personal property items recorded was consistent with the appraisal records but not with the inventory list, suggesting either an error in recording or counting, or potentially missing items.

Specifically, for eight of the 10 bags, the inventory list reflected 15 fewer items compared to the bags and appraisal records. For two others, the inventory list reflected two more items compared to the bags and appraisal records. Overall, there was a total discrepancy of 17 items that were recorded in bags and appraisal records but not entered in the inventory.<sup>14</sup>

Failure to properly record items may result in the loss or misappropriation of decedents' personal property and may go undetected. For example, a watch was recorded on the inventory list but was not on either the security bag or appraisal record, suggesting that the watch may be missing.

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<sup>10</sup> The auditors reviewed the inventory lists provided by QCPA on February 29, 2024, to determine the number of decedents' estates. In addition, the auditors counted 20 boxes within the storage room and 28 boxes outside the storage room during their inventory observation on February 28, 2024.

<sup>11</sup> The personal property security bags were labeled with information such as the estate name, the type of personal property, the estate's CompuTrust identification number, and the description and quantity of each item.

<sup>12</sup> The auditors selected 25 personal property security bags from the boxes within and outside of QCPA's storage room and 25 bags from QCPA's inventory lists for a total of 50 sampled bags. The sample was both randomly and judgmentally selected, based on the dollar value.

<sup>13</sup> For two of the 50 sampled bags, the auditors performed limited inventory testing whereby they only verified that the information (e.g., description and quantity of items) listed on the front of the bags matched the inventoried items that they counted inside the bags. There were four other sampled bags that had a significant number of inventoried items inside them. Therefore, the auditors were unable to count the exact number of items in these bags and compare this number with the number listed on the front of the bags. For purposes of their analysis, the auditors did not eliminate these six bags as they were able to conduct most of the inventory testing for these bags.

<sup>14</sup> In its response to the Draft Report, QCPA argued that the auditors found discrepancies during their inventory observations and that QCPA located the jewelry bag in question which proved that all the jewelry was accounted for. Because this matter was resolved it was never included as a finding in either the ECS or the Draft Report, and accordingly, was not part of the 10 jewelry bags cited in this section. As a separate matter, QCPA's written response refers to their review of the discrepancies for only four of the 10 jewelry bags even though the auditors provided supporting information for all 10 bags in a spreadsheet provided to them. QCPA did not address their review of the discrepancies regarding the remaining six bags.

## QCPA Should Consider Appraising Coins that Seem Unique and Valuable

Although the NYS PA Guidelines does not require appraisals of personal property prior to being sold, QCPA's practice is to appraise jewelry. However, the agency does not appraise rare and foreign coins, even though they may be of significant value. The auditors reviewed QCPA's inventory list and determined that there were 103 bags of such coins (e.g., Greek, Canadian, and Ben Franklin half dollars) that were available to be sold that should be appraised to determine their value.<sup>15</sup>

For example, during an auction in November 2022, gold coins were sold on behalf of a decedent for \$54,250, which was a considerable amount. However, the auditors did not find evidence that QCPA appraised these coins to determine a fair market price. QCPA stated that they would consider appraising coins that seem unique and valuable if practical.

## Improvement Needed in the Identification, Collection, and Disposal of Decedents' Financial Assets

According to Section IV (Property Management) of the NYS PA Guidelines, "The PA shall take all steps necessary to assure that all personal property belonging to a decedent's estate is collected and credited to the decedent's estate." Initially, the auditors randomly selected 50 estate files for detailed testing and then judgmentally selected five additional estates to review, in order to assess the extent to which QCPA complied with this requirement.

The auditors' review of these files revealed instances in which QCPA failed to fully investigate or collect decedents' assets from established financial institutions and the Office of the New York State Comptroller (OSC), which tracks unclaimed funds.<sup>16</sup> In addition, the audit identified one stock for an estate that had not been liquidated in a timely manner.

These deficiencies are detailed below.

## QCPA Did Not Identify or Collect Four Assets with Values of At Least \$10,319 from Financial Institutions

Based on financial information in the scanned files for the 50 sampled estates, the auditors identified a population of 72 assets (associated with 18 estates) that presumably were held by financial institutions.

A review of the files for the 72 assets identified four assets (e.g., brokerage and bank accounts) associated with two estates that QCPA failed to collect from financial institutions. One of the assets totaling \$10,319 (associated with one estate) was held by a financial institution. This

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<sup>15</sup> The inventory list of rare and foreign coins was provided by QCPA on February 29, 2024.

<sup>16</sup> OSC website has a searchable public database of unclaimed funds from dormant accounts that organizations are required to report, such as forgotten savings accounts, paychecks, or stocks and bonds. QCPA can use the site to identify and claim funds on behalf of decedents.



information was provided to QCPA, but the agency failed to liquidate the funds and deposit them in the decedent's estate account.

Three assets belonging to another estate were identified by the auditors through bank statements in QCPA's possession. It does not appear that QCPA took the steps necessary to liquidate these funds, for example by sending official letters to financial institutions to determine whether the accounts were still active and if so, checking balances of such accounts, collecting associated funds, and depositing proceeds to ensure the decedent's estate account was credited. Based on the most recent bank statement found in the decedent's estate file, the auditors were able to determine that one of the three assets held a balance of \$36,796 as of April 2022. QCPA would need to contact the institution to determine the current balance of the account.<sup>17</sup>

## QCPA Did Not Identify Unclaimed Funds for Some Sampled Estates

The auditors' review of the OSC public website identified 13 unclaimed accounts belonging to eight of the 50 (16%) estate cases sampled, that QCPA did not identify or collect.<sup>18</sup> The dollar value of the unclaimed funds is not publicly reported on the OSC website. The amount can only be obtained after a claim has been filed by QCPA and OSC has verified the documentation supporting the claim.

According to QCPA, the caseworkers and receptionist are responsible for using an online claiming account with OSC (rather than the public OSC website) to search approximately four times throughout an estate's period of administration. However, this claiming account does not consistently report all unclaimed funds. The auditors identified funds reported on the OSC public website that were not reported on the OSC online claiming account.

Additionally, the auditors found no evidence in 11 of the 50 (22%) sampled decedent estate files that searches were conducted.<sup>19</sup> In one instance where a search was conducted and a claim was submitted to OSC in December 2021, the auditors found no evidence that QCPA pursued the collection of those funds.

Regarding the 13 unclaimed accounts identified by the auditors, the PA stated that they had been unaware of their existence. The auditors searched the OSC website and identified four of these using address information found in the sampled estate records. The other nine were found on the OSC website because they were linked to four addresses found in a Lexis-Nexis Accurint search by using decedents' Social Security numbers.

QCPA agreed to pursue collection for two of the unclaimed accounts. QCPA did not find these accounts when they searched the OSC online claiming account. However, these two accounts were found when the auditors searched the OSC public website. Accordingly, the PA stated that

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<sup>17</sup> In its response to the Draft Report, QCPA refers to estates associated with CompuTrust numbers 134103 and 128228 that are not among those included in this finding. However, the two estates the auditors refer to in this finding are associated with CompuTrust numbers 131844 and 132173. QCPA never indicated that it sought to review any supporting evidence relating to this finding, and provided no new information or evidence that would warrant modification of this finding.

<sup>18</sup> The eight estates consisted of two active and six closed estates. The number of unclaimed accounts reported by OSC for each estate ranged from one to four. For example, one estate had four unclaimed accounts reported.

<sup>19</sup> For four of the 11 estates, based on documentation in the files, the auditors could not verify the names of the decedents QCPA searched for.

they will be incorporating the use of the public website to search for unclaimed funds in their future practice.

QCPA stated they will not pursue collection for another two unclaimed accounts. In one case, QCPA was no longer responsible for administering the estate as a spouse was identified. In the other case, the PA explained that they are unable to provide proof required by the OSC showing that the decedent had a “nexus to the address [associated with the unclaimed account].” However, the auditors found in the scanned files a notarized Report of Death for the decedent that clearly shows the address associated with the unclaimed account. QCPA should consider using this document as proof to send to OSC to collect the funds from the unclaimed account. As of December 6, 2024, QCPA has not investigated the remaining nine accounts.<sup>20</sup>

## Subscription Withdrawals Totaling \$1,474 Continued After Decedent’s Death

For one estate, withdrawals from a decedent’s bank account totaling approximately \$1,474 continued eight months after their date of death.<sup>21</sup> These withdrawals were used to pay for the decedent’s various subscriptions (e.g., Disney+, Netflix, NYTimes). There was no evidence in the estate’s scanned files to show that QCPA recognized these withdrawals and obtained refunds before closing the decedent’s bank account and collecting the remaining balance.

In July 2022, the decedent’s bank account was closed, and the estate account in CompuTrust was credited with the funds from the bank account. However, the withdrawals totaling \$1,474 were not recouped.

## Sampled Stocks and Bonds Were Generally Liquidated, with One Exception

The NYS PA Guidelines states that the PA should take all steps necessary to ensure that all personal property belonging to a decedent’s estate is collected and credited.

The auditors reviewed three stocks and 150 bonds with an estimated total value of \$323,153 (associated with five estates). This review found that all but one stock, with an estimated value of \$72,584, were liquidated timely. This stock has been in inventory for four months, and the estate file had no evidence that QCPA attempted to determine its status and liquidate the asset.<sup>22</sup> In its response to the Draft Report, QCPA argued that the failure to provide documentation was the fault of the financial institution. However, QCPA provided no evidence that it had ever requested such documentation.

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<sup>20</sup> In its response to the Draft Report, QCPA discusses at length five (reduced to four accounts in the ECS) of the 13 unclaimed accounts without presenting any new information to counter the audit’s conclusions related to these accounts. Regarding the remaining nine accounts, it appears that QCPA has now investigated them and will pursue collection for some of them. The auditors find no basis to modify this finding.

<sup>21</sup> The auditors’ approximate calculation for the eight months was determined by adding the total recurring purchases for the months of December 2021, January 2022, and July 2022 (\$173, \$287, \$169) and then adding the lower of the amounts (\$169) for each of the remaining five months.

<sup>22</sup> The auditors reviewed the inventory list of stocks and bonds that QCPA provided on July 12, 2024, and selected five with the highest appraised dollar amounts. The auditors ensured that the five stocks selected were from different estates.

The values of stocks and bonds are subject to regular fluctuations and the status of companies is subject to change. Leaving such assets unliquidated potentially opens the estate to associated risk. The PA should ensure timely clarification of status, and liquidation.

Additionally, for another stock (with an estimated value of \$17,257), the auditors found that QCPA included it in its inventory list even though a living beneficiary had been identified almost five years ago. However, this results in an inaccurate list of assets that can be liquidated for inclusion in the decedent's estate accounts. After the meeting held on September 25, 2024, the PA instructed the accountant to reverse the inventory so that this could be corrected.

## QCPA Lacking Some Documentary Evidence Needed to Support Transactions

Section I of the NYS PA Guidelines clearly states that the "PA shall maintain a file [the estate file] for each estate containing all documents relating thereto, including but not limited to pleadings, tax returns, correspondence, financial statements, investigator's reports, police vouchers, appraisals, insurance documents, receipts, invoices, and proof of payment of estate disbursements." In other words, once QCPA identifies and collects a decedent's assets, the agency is required to maintain a comprehensive record of all transactions, complete with supporting documentation.

The audit found inconsistent recordkeeping, as detailed below.

## Bids and Related Documentation for Public Auction and Private Sales of Real Property and Co-ops Not Maintained in QCPA Files

The auditors selected a sample of 10 properties that were issued Letters of Administration and subsequently sold.<sup>23</sup> In one instance, QCPA sold the real estate property at a public auction for over \$1.3 million. However, the estate file lacked documentary evidence to support the results of the public auction, such as bid sheets containing the name of each bidder along with their contact information and bid amount.<sup>24</sup> According to the PA, "the auction sets the highest and best price" and thus no documentation was necessary because "the auction itself is enough." Nevertheless, without proper bid documentation, it can be difficult to identify any conflicts of interest and whether the appropriate bidder was in fact chosen.

In its response to the Draft Report, QCPA argued that the auditors never requested the information for the estate sold at a public auction and that the bids and related documentation is maintained in the "S Drive." This is an incorrect statement. Specifically, on June 25, 2024, the auditors requested all relevant documentation to support the sale of 10 sampled properties, including the property sold at public auction. The PA subsequently responded to the auditors'

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<sup>23</sup> There was a total of 229 properties managed by QCPA between the period of January 1, 2022 through February 29, 2024, that were either sold (136) or had not yet been sold (93). From the properties sold, the auditors selected a sample of 10.

<sup>24</sup> The highest bidder wins the ability to purchase the property.

inquiries in July 2024 but did not mention an “S Drive” or provide the requested information for the property sold at public auction. Consequently, the auditors find no basis to modify this finding.

Additionally, for the remaining nine decedents’ properties (eight real estate properties and one co-op) that were sold via “private sales” as opposed to public auction, the PA stated that the requested documents showing that the agency took adequate steps to ensure that they were sold at the highest and best prices available are maintained by the brokers and QCPA’s attorney. However, such documents (e.g., emails from brokers summarizing the offers from potential buyers) were not all maintained in the decedents’ estate files as required. For example, for two sampled property sales, the files were missing documentation to evidence multiple offers from potential buyers. It was not until after the auditors questioned QCPA about the supporting documentation on June 25, 2024, that the agency saved some private sale-related documents in the decedents’ estate files.

The auditors also identified 23 properties (16 real estate properties and seven co-ops) that were issued Letters of Administration between one to eight years ago, and, as of February 29, 2024, these properties had not been sold. However, there was no documentation in the decedents’ estate files or in CompuTrust explaining why the sales of these assets were delayed. In its response to the Draft Report, QCPA officials argued that they were given insufficient notice of this finding. However, QCPA was given notice of the finding in the ECS and ample opportunity to provide evidence in rebuttal. Since none was provided, the finding remains.

## Creditor Payments Were Generally Supported, with Some Exceptions

The audit examined the close-out process for 30 sampled estates and found that payments for most of the claims were adequately supported, except for payments reportedly made to creditors for two estates.

A review of 43 creditors’ claims totaling \$112,718 recorded as paid found that for four of them totaling \$4,175 (associated with two estates), the corresponding scanned estate files lacked adequate documentation to indicate that the claims were in fact paid. The claims included charges for credit cards, electricity, veterinarian, and pet grooming services. The auditors found that all four claims were listed on the accountings prepared for the estates.<sup>25</sup> However, none of the files contained evidence of checks issued (or proof of payment from the vendors) to support the payments of the claims recorded in CompuTrust. Additionally, one of the claims lacked an invoice from the vendor itemizing the charges. Thus, the auditors were unable to verify that these payments were in fact made, and if so, whether they were accurate.

In its response to the Draft Report, QCPA argued that evidence supporting payments might exist in paper files that the auditors never requested. However, prior to the Exit Conference, the auditors requested any supporting documentation that QCPA might have for the two cited estates. During the Exit Conference, QCPA officials were again advised to provide any evidence that they believe refuted any of the audit’s findings. None has been provided; in the absence of such evidence, the auditors have no basis to modify this finding.

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<sup>25</sup> An estate accounting includes a summary of assets and their value, a summary of debts, income earned by the estate, the value of the estate after expenditures, and the value of every distribution made.

# Deficiencies in QCPA's Closing and Reporting of Estates

The audit found that estates remained open for more than two years and that estates remained in the initial stage for years after QCPA received them. The audit also found that QCPA did not accurately report all its closed estates to the City Comptroller.

## Estates Remain Open for More than Two Years

The Surrogate's Court Procedure Act requires each PA to file a report every six months with the Surrogate's Court listing each estate that has not been fully distributed within two years. Therefore, the auditors used two years as a benchmark for determining whether cases were closed in a timely manner.

The auditors reviewed the CompuTrust Status Code History screen and calculated the length of time that the 50 sampled decedent estate cases had been opened or reopened and found that, as of October 2, 2023 (the latest status date listed on the active dataset), 10 of them (20%) were opened or re-opened for over two years.<sup>26</sup>

See Table I below for a frequency distribution of the number of years that these cases remained open.

**Table I: Lengths of Time Cases Remained Open**

Number of Years	Number of Estates	Percentage	Cumulative Percentage
Over 2 Years to 3 Years	7	70%	70%
Over 3 Years to 5 Years	2	20%	90%
Over 5 Years to 10 Years	1	10%	100%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>100%</b>

In one case, the estate was opened on April 1, 2014; as of October 2, 2023, the estate had been open for over nine years and six months. While there are notes in the comments section of CompuTrust, they do not clearly indicate why the estates have been open for so long. The auditors believe that for transparency, and as part of best practices, for each estate that has been open for over two years, QCPA should consider including in the comments section of the Decedent Profile screen a justification for the delay.<sup>27</sup>

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<sup>26</sup> A reopened estate is a case that was previously closed by QCPA and then subsequently re-opened due to additional assets found such as additional bank and brokerage accounts and royalties (payments made to owners of intellectual property such as musicians and authors for the right for someone else to use that property).

<sup>27</sup> In its response to the Draft Report, QCPA argued that the auditors did not review the comments section (under the personal information tab) of the Decedent Profile screen and misconstrues the nature of the finding contained in the report. The auditors reviewed all notes in the file and the report acknowledges that notes are contained in the comments section of CompuTrust. However, they do not clearly explain why cases remain open for such long periods of time. These explanations should be clearly included in CompuTrust for easy retrieval.

## Estates Remain in the Initial Status for Years

The audit found that out of 1,003 active decedent estates, there were 40 (4%) that were identified as “Reports of Death” in CompuTrust as of October 2, 2023 (the latest status date listed on the active dataset) for six months or longer.<sup>28 29</sup> According to the PA, the term “Reports of Death” is used when QCPA is initially notified about the death of a decedent. More information (e.g., assets and titles of those assets) is needed to determine whether to close or administer the estate; at that time, the status code is changed accordingly.

One of the 40 estates had been in the “Reports of Death” status for over one year and one month. The PA subsequently informed the auditors that the case was opened in CompuTrust with limited information. A note in the comments section in the system stated that QCPA received a report from an attorney and was waiting for an email with information to pursue this case. However, the case was ultimately closed in January 2024, as the information they were waiting for was never received. Delays in completing a search for assets and heirs causes further delays in administering and closing estates.

## Inaccurate Reporting to the City Comptroller’s Office

According to Article 11, §1109 of the New York State Surrogate’s Court Procedure Act and Comptroller’s Directive 28, *Reporting Requirements for Public Administrators*, PAs are required to file a monthly statement of estates that have been “closed or finally settled” with the Surrogate’s Court, the Mayor, and the City Comptroller’s Office.

The auditors randomly selected six months (January 2022, February 2022, March 2022, April 2023, May 2023, and June 2023) during the period covering January 2022 through June 2023 to determine whether all estates as per QCPA’s closed dataset were reported to the City Comptroller’s Office. According to the dataset, QCPA closed 590 estates during the sampled months, 316 (54%) of which were not included on the Comptroller’s Directive 28 Monthly Report of Closed/Settled Accounts, as required.

According to the PA, the office reported to the Comptroller’s Office only those estates that had “money” in their CompuTrust accounts prior to closing. However, based on the closed dataset, 81 of the 316 (26%) estates with “gross assets” were not reported. These 81 estates had “gross assets” totaling over \$3.8 million prior to closing. Additionally, for 24 of the 316 closed estates indicated in the closed dataset, it appeared that they might have been reported on the Monthly Report of Closed/Settled Accounts. However, since there were no unique identifiers in the reports such as a CompuTrust identification number, we were unable to determine whether these estates were in fact the same as those found in the reports.<sup>30</sup> For these 24 instances, we found various discrepancies between information reported in the closed dataset and information reflected in the reports, including estate account names, closing dates, and dollar amounts of the “gross assets”.

At the Exit Conference, QCPA argued that the 81 estates may have been reported in prior or subsequent periods (separate from what the dataset reflected) and cited examples of a number of these instances, for which the PA provided supporting documentation following the conference.

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<sup>28</sup> In its response to the Draft Report, QCPA incorrectly identifies the number of estates with this issue as 89. This was a preliminary figure in the ECS; based on feedback provided by QCPA officials at the Exit Conference, the number of estates cited in the audit was reduced to 40.

<sup>29</sup> The calculation for the length of time within this entire section is based on calendar days.

<sup>30</sup> The Draft Report stated, “Public Administrator identification number.”



Officials acknowledged that some of the estates may not have the correct closing dates in the reports to the Comptroller's Office. As mentioned above, during their review, auditors also identified instances in which the closing dates in reports did not reconcile with the closing dates entered in CompuTrust. Officials stated that these discrepancies were primarily due to data entry errors.<sup>31</sup>

Complete and accurate reporting to authorities on QCPA's activities ensures accountability and transparency.

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<sup>31</sup> In its response to the Draft Report, QCPA argues at length concerning issues that, following discussions with QCPA officials, were dropped from the report before QCPA filed its response. Regarding the 81 closed estates that auditors did not find included in the Monthly Reports of Closed/Settled Accounts, QCPA argues that the agency may have reported them in subsequent months. In addition, in its response to the Draft Report, QCPA attributed some of the closing date discrepancies to the fact that for technical reasons, they "close the monthly report before the end of the month." Neither argument has resulted in a change in the finding.

# Recommendations

To address the abovementioned findings, the auditors propose that QCPA should:

Improve its oversight over searching, collection, or safeguarding decedents' personal property:

1. Ensure that investigators consistently document their searches on the Residence Investigation Reports; take photographs of all personal property items inventoried on the reports; bring all electronic devices discovered during searches to the office for safeguarding potential confidential information; and consider reinstating a prior inventory checklist to aid the investigators during residence searches.

**QCPA Response:** QCPA partially agreed with this recommendation, stating that the investigators will be instructed to take additional photographs and carefully document the information in the Residence Investigation Reports.

**Auditor Comment:** QCPA did not address the part of the recommendation related to bringing all electronic devices to the office for safeguarding and considering the reinstatement of a prior inventory checklist to aid the investigators during searches. The auditors once again urge the implementation of this part of the recommendation to strengthen QCPA's safeguarding of assets.

2. Establish target timeframes for required initial searches of decedents' premises after notification of their deaths and the appraisal of personal property to ensure that estates are closed in a timely manner.

**QCPA Response:** QCPA disagreed with this recommendation, stating that they will not establish target time frames for searches as they are based on the needs of the individual estates. Regarding the appraisal of personal property, QCPA stated that they will be done "within our timeframe" and that they do not affect estates being closed in a timely manner.

**Auditor Comment:** The auditors stand by the recommendation. The absence of any formal deadline for conducting initial searches can increase the risk of loss or theft of personal property. Furthermore, the absence of any formal deadline for appraising personal property can prolong the crediting of collected assets to the decedents' account(s), and consequently, can prolong the closing of those estates.

3. Adequately secure personal property stored in the office and consider other options for safeguarding, such as adding locked cabinets in the storage room and reorganizing the use of that space.

**QCPA Response:** QCPA disagreed with this recommendation, stating that if the City provides more space, they will consider other options for the storage room.

**Auditor Comment:** The auditors again recommend adding locked cabinets and reorganizing the storage room. These measures would not require the City to provide more space.

4. Ensure complete and accurate inventory records by periodically comparing inventory information contained on the personal property security bags, inventory lists, and appraisal records.

**QCPA Response:** QCPA disagreed with this recommendation, stating that the audit only found one jewelry bag allegedly mislabeled among the jewelry bags reviewed and claimed that it keeps accurate inventory records.

**Auditor Comment:** QCPA's response does not explain why the number of items in 10 jewelry bags did not match the number of items in the inventory list. These discrepancies suggest either an error in recording or counting, or potentially missing items. Accordingly, the auditors question the accuracy of QCPA's inventory records and again recommend better controls in this area.

5. Consider appraising coins that seem unique and valuable.

**QCPA Response:** QCPA disagreed with this recommendation, stating that by sending coins straight to auction they are complying with the guidelines, as the auction itself determines the value. They further stated that they would consider conducting coin appraisals if the auditors were aware of a coin appraiser who would visit QCPA and charge a reasonable fee.

**Auditor Comment:** The auditors stand by the recommendation. QCPA should obtain evidence of coins' worth before auction, to be assured that they are not sold for less than their value. QCPA should seek an appraiser through procurement procedures approved by the City.

Improve its oversight over the identification, collection, and disposal of decedents' financial assets:

6. Ensure it contacts financial institutions to obtain account balances of identified assets and collect account funds in a timely manner.

**QCPA Response:** QCPA agreed with this recommendation.

7. Require staff to use the OSC website to search for unclaimed funds as an added measure of identifying possible assets for decedents; maintain search documentation in the estate files from the OSC that shows the names of decedents QCPA has searched for; and pursue collection of all claims submitted to the OSC in a timely manner.

**QCPA Response:** QCPA partially agreed with this recommendation, stating that they have adopted the recommendation to check unclaimed funds using both the OSC public website as well as the OSC online claiming account.

**Auditor Comment:** QCPA did not address the part of the recommendation that suggests maintaining search documentation in estate files to show the names of decedents QCPA has searched for, as well as efforts to pursue the collection of all claims submitted to the OSC. The auditors reiterate their importance to strengthen identification of unclaimed funds.

8. Investigate nine unclaimed accounts identified by the auditors and pursue collections where possible. For the estate identified as lacking the proof required by the OSC, QCPA should consider using the notarized Report of Death found in the estate file.

**QCPA Response:** QCPA partially agreed with this recommendation, stating that they have investigated the nine accounts associated with four estates and determined that: (1) for two estates (associated with three accounts), the QCPA was not responsible for administering the estates because someone else received "Letters from the Court;" (2) for one estate (associated with two accounts), QCPA agreed to pursue collection for those

accounts that the auditors found by using the OSC public website; and (3) for one estate (associated with four accounts), the deposits were made after the case was closed.

**Auditor Comment:** QCPA did not address the part of the recommendation related to one estate that lacked the proof required by the OSC to claim funds. The auditors reiterate the suggestion that QCPA use the notarized Report of Death as proof required by the OSC to collect the unclaimed funds.

9. Thoroughly review decedents' bank statements to ensure there are no "recurring card purchases" (i.e., subscription withdrawals) after dates of death. If there are such transactions, steps should be taken to recoup and credit the monies to the estate accounts.

**QCPA Response:** QCPA agreed with this recommendation.

10. Ensure that the stock with the estimated value of \$72,584 is liquidated so that the estate account can be credited. For stocks and bonds for which there are living beneficiaries, the agency should update their inventory lists in a timely manner to reflect the current status.

**QCPA Response:** QCPA agreed with this recommendation.

Improve its recordkeeping practices:

11. Ensure that all documents are maintained within the estate file to support various stages of its estate administration process, including the sale of real estate property and co-ops. For properties not sold for an extended period, there should be documentation in the files explaining sale delays.

**QCPA Response:** QCPA disagreed with this recommendation, stating that there is documentation explaining delays in the estate files and CompuTrust.

**Auditor Comment:** The auditors stand by the recommendation. As noted in the report, not all documents were maintained in the estate files as required. Once QCPA identifies and collects a decedent's assets, they should maintain a comprehensive record of all transactions, complete with supporting documentation. In addition, explanations for delays in closing the estates should be clearly included in CompuTrust for easy retrieval.

Improve its controls over the closing and reporting of estates:

12. Work to minimize delays in determining whether estates should be administered by QCPA or closed, and update their statuses accordingly with reasons for delays clearly documented in the estate files; more accurately report information concerning its closed estates to the City Comptroller's Office; and consider adding the CompuTrust identification numbers to the estate cases reported to the City Comptroller's Office to ensure correct identification and tracking of the estates.<sup>32</sup>

**QCPA Response:** QCPA disagreed with this recommendation, stating that all cases are closed as soon as possible and that there are comments in CompuTrust stating reasons why any estate would be open for more than two years. They also stated that the reports submitted to the Surrogate's Court explain why cases may be open for more than two years. Additionally, QCPA stated that they would consider including additional information on the Monthly Report of Closed/Settled Accounts (such as the CompuTrust identification

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<sup>32</sup> The Draft Report stated, "Public Administrator identification numbers."

numbers) only if the Comptroller updates Directive 28 and provides a “replacement form.” Furthermore, QCPA stated that there are no missing estate funds, and all estate funds were accurately reported.

**Auditor Comment:** As the audit points out, not all cases were closed within two years, the benchmark used by the auditors for determining whether cases were closed in a timely manner. Furthermore, the report acknowledges that notes are contained in the comments section of CompuTrust, but they do not clearly indicate the reasons for cases remaining open for long periods of time. While the auditors do not disagree with QCPA’s claim that estates open for more than two years are reported with explanations to the Surrogate’s Court, these explanations should also be clearly included in CompuTrust for easy retrieval.

Regarding the addition of CompuTrust identification numbers to the monthly reports, QCPA does not have to wait for an updated “replacement form” to be included in Directive 28, as the inclusion of this information should be readily available from CompuTrust and can help in the identification of an estate besides just the estate name.

Finally, QCPA argues that there are no missing estates in the monthly reports. However, as the audit points out there are 316 unreported estates. Comptroller’s Directive 28 specifically prescribes that all “closed or finally settled accounts” be reported to the Comptroller’s Office, irrespective of the total value of the estates.

## Recommendations Follow-up

Follow-up will be conducted periodically to determine the implementation status of each recommendation contained in this report. Agency reported status updates are included in the Audit Recommendations Tracker available here: <https://comptroller.nyc.gov/services/for-the-public/audit/audit-recommendations-tracker/>

# Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires 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 within the context of our audit objective(s). This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The primary scope of this audit was January 1, 2022 through June 30, 2023.

To obtain an understanding of the responsibilities and regulations governing QCPA, the auditors reviewed and used guidelines, policies, and procedures, as audit criteria, including the following:

- The February 2012 *Guidelines for the Operations of the Offices of the Public Administrators of New York State*;
- Title 2, § 72.1 (Report of open estates administered by public administrators of the counties within the City of New York), of the Rules and Regulations of the State of New York;
- Article 11 and 18 of the State Surrogate's Court Procedure Act;
- *Interim Report and Guidelines of the Administrative Board for the Offices of the Public Administrators Pursuant to Surrogate's Court Procedure Act § 1128*, dated October 3, 2002;
- *Operational Policies and Procedures Manual for the Office of the Public Administrator of Queens County* (QCPA's internal formal procedures effective since October 5, 2011);
- *Safe Deposit Box Behavior for Investigators* (QCPA's internal procedures effective since 2014);
- *Frequently Asked Questions* obtained from the QCPA website;
- Comptroller's Directive 1, *Principles of Internal Control* (sections used as audit criteria for assessing QCPA's internal controls included § 5.4, Control Over Computer Information Processing, § 5.5, Physical Control of Vulnerable Assets, § 5.7, Segregation of Duties, § 5.9, Accurate and Timely Recording, and § 5.11, Appropriate Documentation of Transactions and Internal Controls);
- Comptroller's Directive 28, Reporting Requirements for Public Administrators; and
- The City of New York Department of Investigation's *Standards for Inventory Control and Management*.

The audit team reviewed the organizational chart for QCPA and identified key officials to be interviewed to gain a general understanding of QCPA's operations and its controls over the processes significant to achieving the audit objectives. Specifically, the audit team interviewed the PA; the Deputy PA; a Decedent Property Agent – Investigator; the Secretary/Receptionist (who handles most of the intake of decedents' cases); and a Decedent Property Agent – Formals and Inventory/Caseworker (Caseworker).

To obtain an understanding of CompuTrust and its various features and functions as they relate to the administering of decedents' estates, the auditor team reviewed the CompuTrust manual provided on July 24, 2023: *Procedures Manual for Using CompuTrust Software* (updated 2021)



and observed a demonstration of the system.<sup>33</sup> During the demonstration, for each estate, the auditor team learned about several screens, including (1) the decedent profile screen (which contains various tabs including the address tab, probate tab, accounting tab, relatives/interested parties tab, and funeral tab), (2) the transaction inquiry screen (which shows the assets collected and disbursements made), and (3) the creditor claims screen (which shows the claims against the estate).

The audit team observed the process of how QCPA inventories personal property (jewelry, rare and foreign coins, and electronic devices) collected by the investigators during their searches of decedents' premises. In addition, the audit team observed the locked safe (containing eight drawers) in the storage room located outside of the PA's office that stores various inventoried personal property collected by the investigators including items being held for family members, cash (e.g., bills and coins) recently collected to be given to caseworkers for documenting, and stocks and bonds. The auditors also observed the 20 boxes within the storage room where most of the inventoried items collected by the investigators were stored because the safe was not big enough for all the items collected. Also, the auditors observed the 28 boxes located outside the storage room by the area in the office where the Deputy PA and the Caseworker work. The audit team also observed the presence of surveillance and security cameras in the storage room and outside the room containing the locked safe and boxes. Finally, the auditors observed the video monitor located in the PA's office which displays live footage of the surveillance and security cameras.

QCPA provided the audit team with the following datasets:

- An active dataset on October 2, 2023, consisting of 1,003 active decedent estate cases (all cases that were active at any point during the period January 1, 2022 through June 30, 2023) and
- A closed dataset on July 24, 2023, consisting of 1,665 closed decedent estate cases (all cases that were closed at any point during the period January 1, 2022 through June 30, 2023).

The audit team conducted data integrity tests of the two datasets, to check for gaps, blank fields, and questionable entries (including duplicates and clearly anomalous information). The audit team also reviewed the datasets for dates among different date fields that appeared illogical. To test for data accuracy, the audit team selected certain fields in the two datasets for sampled files (e.g., dates the estates were received, dates that the estates were closed, dates of death, decedents' names, current status code, current status date) to determine whether the information matched the information recorded in CompuTrust.<sup>34</sup> To test for data completeness, the audit team obtained access to all the paper active and closed estate files for the period January 1, 2022 through June 30, 2023, maintained by QCPA, and randomly selected 25 estates (10 active and 15 closed

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<sup>33</sup> The office uses CompuTrust to manage these estates and assets because it provides a fully secure environment for managing investments and assets, client financial activity, and caseworker activities. During the demonstration, the audit team noted many transactions for decedents indicated as "Interest" earned. There is a program (Lump Sum Interest Posting Program) within CompuTrust whereby an interest total is manually entered from QCPA's "pooled" bank account. The program then uses the average daily balance method to allocate the interest to all the active decedents' estates with monies in their CompuTrust accounts. The source of the interest total that is manually entered comes from the "activity report from the [ . . . ] Bank." It should be noted that the auditors did not test whether any internal controls regarding this process were in fact operating as intended.

<sup>34</sup> QCPA provided the audit team with read-only access to the scanned files in DocXpress (scanning system used prior to March 2022) and Worldox (scanning system used after March 2022) as well as CompuTrust.

estates). The audit team then determined whether the decedent estates were recorded in CompuTrust and were recorded on the active and closed datasets.

Finally, as part of the data completeness testing, the audit team obtained the Comptroller's Directive 28 Monthly Report of Closed/Settled Accounts for the period January 2022 through June 2023 and randomly selected six months to compare the list of closed estates as listed in the reports to the estates listed on the closed dataset provided by QCPA.<sup>35</sup> The purpose was to determine whether the estates were listed on the datasets, and if so, whether they were listed accurately. For the same six months, the audit team also compared the estates listed on the closed dataset to the Comptroller's reports to determine whether all closed estates were reported to the Comptroller's Office, and, if so, whether they were listed accurately. In addition, the audit team requested and reviewed the Report of Open Estates that QCPA filed with the NYS Comptroller for Calendar Year January 2022 to December 2022 and Calendar Year January 2023 to December 2023. The audit team reviewed the semi-annual reports that QCPA filed with the Surrogate's Court for the periods: (1) January 1, 2022 through June 30, 2022; (2) July 1, 2022 through December 31, 2022; and (3) January 1, 2023 through June 30, 2023. The audit team also selected a sample of estates listed on the active dataset provided by QCPA to determine whether they were included in the annual and semi-annual reports. In addition, the audit team selected a sample of estates listed on the annual and semi-annual reports and determined whether they were listed on the active dataset.<sup>36</sup>

The auditors selected 20 estates from the active dataset and 30 estates from the closed dataset, for a total of 50 estates for detailed testing.<sup>37</sup> The auditors determined whether appropriate documentation was sent to all financial institutions to collect the decedents' assets. Further, the auditors selected the top five dollar amounts of assets (e.g., sale of: rare coins, jewelry, automobiles, real estate, stocks and bonds; and monies collected: from bank and retirement accounts, and insurance policies, etc.) that were recorded as having been collected. The auditors reviewed supporting documentation, including bank deposit information and determined whether QCPA actually collected these assets and deposited them in QCPA's "pooled" bank account and whether the assets were accurately recorded in CompuTrust.

The auditors determined whether the OSC website (public database of unclaimed funds) reported any unclaimed funds for the 50 sampled decedent estates and whether the funds were identified and claimed by QCPA. For any unclaimed funds identified by QCPA, the auditors reviewed the bank deposit information and determined whether QCPA actually collected these assets and deposited them in QCPA's "pooled" bank account and whether these assets were accurately recorded in CompuTrust. The auditors also reviewed the government database known as LexisNexis-Accurint to determine whether the decedents owned any real estate properties, cooperative apartments, and/or automobiles and whether QCPA identified all these properties.<sup>38</sup>

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<sup>35</sup> The six random months were as follows: January 2022, February 2022, March 2022, April 2023, May 2023, and June 2023.

<sup>36</sup> The audit team selected 10 formal estates from the active dataset. Then, the auditors determined whether these 10 estates were listed accurately on each of the five reports (the two annual and three semi-annual reports). The auditors then chose two estates from each of the five reports with the highest dollar amount of the gross estates and determined whether they were listed accurately on the active dataset.

<sup>37</sup> There was one decedent estate that was on the active dataset provided to us on October 2, 2023. However, when the auditors searched CompuTrust in December 2023 to conduct their detailed testing, they determined that the estate had already been closed as of December 2023.

<sup>38</sup> The auditors searched LexisNexis-Accurint for a total of 42 estates as there was insufficient personally identifiable information to search LexisNexis-Accurint for the remaining eight estates.

The audit team reviewed the latest three auction sale reports for personal properties and selected the top five dollar amounts from each of the reports to verify whether the proceeds from the sales had been accurately recorded in CompuTrust and were deposited in QCPA's "pooled" bank account.<sup>39</sup>

The auditors reviewed the list of real estate and cooperative apartments managed by QCPA during the period January 1, 2022 through February 29, 2024, to determine the status of these properties and whether they have been sold or not yet sold. For sold properties, the audit team selected the top 10 sale price amounts and determined whether: (1) the proceeds from the sales were recorded in CompuTrust, (2) there was adequate supporting documentation (bids, emails from brokers summarizing the offers from potential buyers, emails from QCPA summarizing counteroffers made to potential buyers, checks, sales/closing documentation), and (3) the proceeds from the sales were deposited in QCPA's "pooled" bank account. In addition, the audit team compared the sales price for residential homes and condominiums to the finalized estimated market value and assessment information prior to the sale year as recorded on DOF's website. For properties not sold, the audit team determined the length of time that they have been under the QCPA's management available for sale, and for those properties with a long holding period (over one year), the auditors determined why they have not been sold.

For the 50 sampled estates, the audit team reviewed any Residence Investigation Reports to determine: (1) how long it took the investigators from when the estate file was received by QCPA to conduct a search of the decedent's residence, (2) whether home searches were appropriately documented, and (3) whether the reports had required signatures.<sup>40</sup> Further, the audit team reviewed the uploaded photographs found in the QCPA's H-Drive (local shared network drive), and compared them to the Residence Investigation Reports to determine whether the inventoried items as found in the photographs were properly documented in the reports.

To review the process of securing jewelry and other valuable assets collected, the audit team selected: (1) 25 personal property security bags from the boxes within the storage room and outside the room and traced them to the inventory and appraisal records to determine whether they were properly inventoried and accounted for, and (2) 25 personal property security bags from the inventory lists and traced them to the items stored in the boxes within the storage room and outside the room and appraisal records to determine whether they were properly accounted for and secured. For the sampled 50 active and closed estates files that had Residence Investigation Reports where personal property was identified, the audit team obtained the inventory, appraisal, and/or sale records for the jewelry and other valuable assets collected (e.g., rare and foreign coins, stocks, and bonds). For any items not sold, the auditors traced these items to the items stored in the boxes within the storage room and outside the room to determine whether they were properly accounted for and secured.

For 30 of the 50 sampled estates, the auditors verified whether proper procedures were followed for closing-out the decedents' estates based on the dollar value of the gross assets. The audit team selected the top five dollar amounts of claims recorded as having been paid to determine

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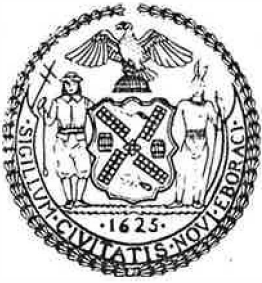
<sup>39</sup> The auditors reviewed the November 2022, June 2023, and September 2023 auction sale reports and selected 15 amounts associated with 15 decedent estates.

<sup>40</sup> The auditors found that 17 estates had Residence Investigation Reports. Each report contained the date of the initial search of a decedent's premises, any subsequent visits to the decedent's premises, and any instruction from the Deputy PA or the PA to the investigators on how to proceed with the next steps of the investigation(s). In addition, there were Supplemental Investigation Reports prepared by the investigators for four of the 17 estates pertaining to: (1) additional visits to decedents' premises after the initial searches for reasons such as the investigators escorting appraisers to evaluate the commercial value of the decedents' personal property or escorting family members to examine and collect personal property; and (2) visits to decedents' banks to access the safety deposit boxes to collect any personal property.

whether: (1) the PA requested known creditors to file claim(s) against the estates, (2) whether creditors submitted claims against the estates, (3) the PA appropriately paid the creditors the amounts due, and (4) accurately recorded the payment amounts in CompuTrust.

Finally, for the 50 sampled decedent estate cases, the audit team determined the length of time cases had been opened or re-opened. For active cases, the audit team calculated the length of time between the dates that the estates were opened or re-opened (based on the CompuTrust Status Code History screen) to the date of October 2, 2023 (the latest status date listed on the active dataset). For closed cases, the audit team calculated the length of time between the dates that the estates were opened or re-opened (based on the CompuTrust Status Code History screen) to the dates that they were closed or re-closed. According to Chapter 59-A, Article 11, § 1109 of the Surrogate's Court Procedure Act, each PA is to file a report every six months with the Surrogate's Court listing each estate that has not been fully distributed within two years. Thus, the audit team used two years as a benchmark for this test.

Although the results of the tests involving samples were not projectable to their respective populations, these results, together with the results of other audit procedures and tests, provided a reasonable basis for determining whether QCPA conducted proper research to identify the decedents' assets and accurately accounted for and properly safeguarded the estates' assets.



# Queens County Office of the Public Administrator

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**Lois M. Rosenblatt, Esq.**  
Public Administrator

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Deputy Public Administrator

**Gerard J. Sweeney, Esq.**  
Counsel

December 18, 2024

City of New York  
Office of the Comptroller  
Bureau of Audit  
1 Centre Street, Room 1100  
New York, NY 10007

Attention: Maura Hayes-Chaffe  
Deputy Comptroller for Audit

RE: Audit Report on Estate Asset Identification and Management Practices of the  
Queens County Public Administrator's Office  
Audit Number: MF23-101A

Dear Maura Hayes-Chaffe:

I am in receipt of your Audit Report dated December 6, 2024.

**In the DETAILED FINDINGS:** The report found that the Queens County Public Administrator generally adhered to regulations and its own internal procedures governing the administration of decedent's estates.

During the course of the audit the Queens County Public Administrator has fully cooperated with the auditors; and both agencies have engaged in a full and complete exchange of information that enabled both agencies to successfully complete the audit process. To the extent the audit appears to identify weaknesses in the collection and safeguarding of decedent's assets the Public Administrator will adopt and change several procedures which will permit the office to collect assets more efficiently.

## INTENDED BENEFITS

To the extent the audit seeks to identify the need for the Queens County Public Administrator to improve its processes, the Public Administrator will fully cooperate to comply with the intended benefits of the report.

## DESCRIPTION OF THE WORK OF THE PUBLIC ADMINISTRATOR

The Public Administrator administers thousands of estates and earns for the City of New York, and various agencies in the State of New York millions of dollars. The Public Administrator manages these estates with limited office size, staff and budget.

### FISCAL YEAR 2024

For the recent fiscal year ending June 30, 2024 (July 1, 2023 – June 30, 2024) on an operating budget totaling \$633,497, the Public Administrator of Queens County delivered revenue to the City of New York totaling \$3,207,795.

### FUNDS DELIVERED TO OTHER AGENCIES

This office has also delivered funds to other Government agencies for the period of (calendar Year) 2020 to 2023 as follows:

Finance Administrator for Unknown Heirs	\$ 31,072,165
US Treasury, Taxes	\$ 6,526,391
Commissioner of Taxation & Finance NYS (estate taxes)	\$ 266,760
NYS Income Tax	\$ 1,861,215
NYC Department of Social Services, HRA/DSS	\$ 19,017,660
Surrogate's Court, Filing fees	\$ 711,369
NYC Vital Records, Death Certificates	\$ 54,280

### FUNDS DELIVERED TO RELATIVES

However, the most important numbers are the funds that we turn over to distributees. For the years of the audit, we turned over to the legal heirs of the decedents the following amounts per Calendar Year:

2020	\$33,394,219
2021	\$52,265,965
2022	\$44,994,290
2023	\$55,210,920



## AUDIT RESPONSE

To the extent the audit identifies claimed deficiencies in the record keeping for transactions involving personal and real property the following is the response of the agency:

The auditors make broad findings at the beginning of the report which are then alleged in detail later. We disagree with the allegations and provide the rationale as to why they are incorrect.

### PROPERTY NOT COLLECTED & SAFEGUARDED

The allegation that QCPA does not properly Search, Collect or Safeguard Decedent's Personal Property is incorrect. The auditors state "During the initial search at least two QCPA investigators must be present, and the investigators **MUST ENSURE** that an independent witness ... is available". This is not accurate. The guidelines for the operations for the Offices of the Public Administrators of New York State effective May 1, 2012, state the employees shall "endeavor" to secure at the search the presence of an independent witness. When an independent witness cannot be obtained, the investigators proceed with their investigation,

### ESTATES UNASSIGNED OR OPEN TOO LONG

The auditors claimed that estates are open more than 2 years, without understanding that there are multiple reasons why an estate may be open for an extended period of time.

The report states that the estates remain unassigned for years after receiving notification of death. This claim is not accurate. Many of the claimed unassigned estates were assigned to a case worker; were monitored by the case worker and progressed appropriately. Most of the claimed "unassigned estates" were in fact estates with little or no assets to be administered.

In several instances, this claim was accurately responded to and reflected. In several instances the problem was actually a delay in closing the files in a timely manner. No instances were identified as estates that were not "administered" for years.

**The allegation that items found during searches were not documented is also inaccurate. untrue.** There are photographs documenting every investigation. There was an allegation that we missed one cellphone, lap-top and watch. In the scope of the operations of this office this finding is diminimus. Nevertheless, the investigators will be instructed as to these findings and directed to be diligent in future investigations.

**The auditors allege that some searches have been conducted months after receiving a notification of death. That may or may not be true.** The auditors did not provide this office with the names of the estates they were referring to. This office receives numerous reports of death. We receive them from the OCME, Hospitals, Nursing Homes, Landlords, funeral homes, family members, attorneys, etc. Our investigators must go out in pairs. They must start from the office and return to the office. They do not take the PA vehicle home. They also must go to Safe Deposit Boxes. They work a normal business day and there is no overtime. Sometimes they call in sick or go on vacation. Sometimes the vehicle needs to be serviced. Sometimes an emergency occurs.

In order to determine the priority of using our limited resources to examine properties we must consider what is the nature of the case; has the decedent been buried; is the OCME looking for information to assist in the identification of a decedent; do we need information to ascertain the religion of the decedent; do we need to confirm military service for a military burial. Reports of Death are received daily. They cannot be assigned in the order they come in. This office must prioritize the work. They are handled in the order of needs, not the order they are clocked in.

### APPRAISAL

**There is nothing in the guidelines that states that personal property must be appraised, much less that it must be appraised within four months.** Jewelry is appraised when a sufficient amount of jewelry is on hand to warrant the appraiser coming to our office. The assumption that a lengthy appraisal process can prolong the closing of an estate is ludicrous. The jewelry is held and not sold if a family member requests a hold on the jewelry. The family either decides that they do not want the jewelry, or they were unable to establish kinship to the satisfaction of the court. This may delay the sale of jewelry. Each estate has different requirements.

The auditors report states that 219 items of jewelry were appraised two- and one-half years later. As previously explained to the auditors. There was an unusual case that consisted of 28 boxes of jewelry with over 600 security jewelry bags, which could total over 3,000 items of mostly costume jewelry that was on hold for the family. When the appraiser would come to appraise jewelry for auction he would also appraise two to four boxes of the jewelry for this estate. It did take some time; however, the estate was not harmed, and the timing of the appraisal did not interfere with the administration of the estate.

**With regard to the personal property secured,** there is limited space to keep all the personal property of the decedents. Given the size of our office and the size of our budget, the property is secured sufficiently and efficiently under the circumstances.

**In the Auditor's report they state that there are discrepancies between physical observations and inventory records.** It is alleged that there are discrepancies in 10 out of 50 jewelry security bags. A listing of the estates and the jewelry bags at issue was not mentioned during the audit. In July of 2024 when the auditors were reviewing the jewelry, they allegedly found discrepancies, however we were able to locate the jewelry bags indicated and proved that there was no issue, and all the jewelry was accounting for.

On November 22, 2024, 4 jewelry bags were identified with issues. Of those 4 bags, 3 were already sold at auction. Therefore, there is only one bag that could be checked. It is part of the aforementioned estate with 28 boxes and over 600 security bags of jewelry. The value of the jewelry in this bag logged under sequence number 131164.158 was 5 dollars. This discrepancy of \$5.00, if any, is diminimus.

**QCPA should consider appraising coins that seem unique and valuable.** There is no requirement that coins be appraised. The guidelines specifically state the PA shall sell any item of a decedent's personal property at public auction unless specific factors make sale at public auction impractical. Having the coins auctioned, without appraisal, is well within the guidelines.

**The Auditors allege that financial assets were not adequately identified or collected.**

File 134103 contained inquiries that had been submitted previously by the Public Administrator to the financial institution for collection. The request for collection was submitted again on 11/7/2024. The funds still have not been received. The failure is by the financial institutions to deliver property in a timely manner. When funds are not properly delivered by the institution legal proceedings are commenced for the turnover of funds.

File 128228. The Fidelity account identified had a beneficiary, and was collected by the beneficiary and not the Public Administrator. Another account was collected in 2020. The claimed uncollected account has not been identified by the auditors. This estate has been closed since 4/1/2021.

**QCPA did not identify unclaimed funds.**

The report states that the Auditors' review of the OSC public website identified 13 unclaimed accounts belonging to eight of the 50 estate cases sampled that QCPA did not identify or collect. The report indicates "regarding the 13 unclaimed accounts identified by the auditors, the PA stated that they had been unaware of their existence" The exit conference report did not mention 13 accounts.

*Please confirm that the 5 unclaimed funds reported by the State Comptroller for the 5 estates have not been identified and collected by QCPA? If they have been identified and collected, please provide supporting documentation.*

Of the 5 cases identified:

1. Reports of death submitted by a landlord. There was a wife, therefore it was not a PA Estate.
2. The unclaimed account was collected.
3. One account the auditors in their pre-exit report noted the matching address and the need to collect the account. An application for the funds was submitted.
4. For two of the accounts unclaimed funds were not detected using the claiming procedure established by the NYS Comptroller for the Public Administrators. We thank the auditors for bringing this to our attention and have changed procedures so that we must search both the PA claiming process account and the regular public portal.

On December 2, 2024, at 4:48 P.M., less than 24 hours before the scheduled exit conference, the auditors sent us an email advising of 4 more estates with 9 uncollected items that were never collected from unclaimed funds. Again, confusing the opening of a file with an obligation of the Public Administrator to collect assets. Ignoring, that just because a death is reported does not require that the Public Administrator must, or should, act. Please note the following with regard to the additional estates that were reported.

File 130913. Auditors spelled the name wrong. Also, it is a Closed Guardianship Case. We were statutorily served, but never sought letters of administration in this estate, because there was a will. The Decree Granting Probate to a third party was signed 8/9/2021. All records for this file were located in Old Scanning but missed by the auditors.

File 131555. This was a closed report of death. Letters of Administration were issued on 4/18/2022 to a third party. There were no other assets for the Public Administrator to Collect.

File 131166. The estate was closed 3/31/2023. The auditors found items that were deposited with unclaimed funds in 2023 and 2024. These funds were deposited after the file was closed. Every closed estate is not checked for unclaimed funds. However, if it is pointed out by a family member or other interested party we will collect and distribute.

File 130426. The online claiming system provided to the Public Administrator by the New York State Comptroller identified only one asset, and that asset had a beneficiary. As we stated previously, we were not aware that the online claiming information provided was not accurate and that we had to search using both the online claiming system and the public portal method. We thank the auditors for identifying this issue, and have amended the procedure for claiming unclaimed property from New York State.

**Subscription withdrawals totaling \$1,474 continued after decedent's death.**

We appreciate the auditors bringing this to our attention and will remind our case workers to include the language in their inquiries to stop all automatic payments from accounts.

**Stock valued at \$72,584 not liquidated.**

The caseworker requested documents from the brokerage company. Subsequently documents were requested from the brokerage company, The failure was by the financial institution. Where appropriate, turnover proceedings are commenced against non-responsive institutions.

**QCPA does not lack documentary evidence needed to support transactions.**

As back up for this statement the auditors write that for the public auction, the estate file 'lacked documentary evidence to support the results... such as bid sheets, contract information and bid amounts.' The auditors never requested this information. The back up is in the S Drive scanning, in a folder called Real Estate Auctions, containing sub folders for every auction held by this office for many years. Those sub-folders are Advertising Publication certificates, Binders and second bidders, Transcripts, Bidder Notes, Sign in sheets and unused broker disclosures. Every Real Estate auction has back-up documentation. In fact, the broker sign-in-sheets have language wherein the brokers must confirm that they have no relationship with anyone in the Public Administrator's Office or the Counsel to the Public Administrator's office.

Regarding private sales they state that they could not find the offers from brokers. Those communications were in emails between the broker, the public administrator's office and counsel. When it was brought to our attention that this information was not in the file, the emails were saved into scanning.

The auditors also state that there are 23 properties that have not been sold and letters of administration issued anywhere between one year and 8 years ago. They further state that there is no documentation explaining why the sales of these assets are delayed. Again, this is not accurate. If a file is open for more than 2 years it is reported on the 2-year list sent to: Surrogate Peter J. Kelly and Rahul Jain, State Deputy Comptroller for the City of New York. If a case appears on the 2-year list there are comments for each estate, about the reason it is still open. In computrust, in the comment screen for the personal information tab is a running summary about the status of each estate. Also, in scanning there are filings in the Real Estate Section, Turnover Section, and Foreclosure Section. There are also title reports which may explain the reason why.

It should be noted that the auditors never mentioned this issue with the 23 properties until the written Exit Conference Summary. They never advised identified the properties at issue.

**There is not inadequate evidence to support creditor payments totaling \$4,175.00**

The auditors report that there are two estates where they could not find the invoices or proof of **payment** to creditors. The first estate concerns three bills for Chase Bank, Con Edison and Pet Grooming Services. All invoices for these bills are in Doc Express Scanning. The payments are noted in computrust. The auditors could have requested copies of the cancelled checks. They are correct that the proof of payments does not appear to be in scanning. Proof may also be in the paper file for the estate. The auditors did not review the paper files. According to computrust all the checks were written on 8/24/2022. Chase cleared on 9/7/2022; Con Ed cleared on 8/31/2022 and the pet groomer cleared on 9/7/22.

For the second estate they claim that there is no invoice for the Con Edison bill in the amount of \$1,292. At the exit conference they stated that the payment was made in computrust but no back up proof. The date was 5/8/2020. First, we reiterate that the auditors did not look at the estate paper file to see if the bill was in the hard copy file. Second, it was 5/8/2020. The city shut down for Covid on 3/20/2020. Almost every city agency was not working at full capacity. But this office between March 20, 2020, and June 3 (or 10<sup>th</sup>) 2020 processed 700 reports of death during that time with personnel working from home. To find fault with a non-scanned bill during the height of a pandemic is ridiculous. The accounting of this decedent reflects numerous payments to Con Ed, and the bills are in old scanning, Doc Express.

**It is incorrect that there are deficiencies in QCPA's closing and reporting of estates.**

The auditors state that estates remain open for more than two years, and that there are no detailed explanations justifying the delay. This is inaccurate.

**SCPA §1109 states:**

***Each public administrator shall file every six months with the surrogate of the county where appointed a report of every estate administered by the public administrator which has not been fully distributed within two years from the date when the first permanent letters of administration or letters testamentary were issued. Such report shall include the name of the decedent, file number, date of issuance of first permanent letters, approximate amount of gross estate, approximate amount that has been distributed to beneficiaries, approximate amount remaining in fiduciary's hands, reason that estate has not yet been fully distributed, date of report, address and phone of public administrator, and address and phone of attorney for the public administrator.***

The auditors asked for three reports covering the audit period and promptly received the reports with cover letters dated July 7, 2022, January 3, 2023, and July 3, 2023. Each of the estates on the list contain comments as to why the estate remains open. The report picks up the comments from comments that are in computrust. The comments are found in the personal information tab. To state that "there was no evidence in the comments section of the computrust decedent profile screen indicating why this estate was open for so long, is going out of their way to criticize this office. They know there are comments. They should have known where they were on the computrust screen. They never asked.

There is one case open for 8 years. Stated in the comments for this estate is: Receiving distribution from the Estate of X. The PA is not the fiduciary of the Estate of X. The Public Administrator instituted litigation against the fiduciary of the Estate of X. As a result of litigation, the case was resolved, and payment were received by the estate. The file is now at counsel's office for the preparation of the final accounting.

Having an estate open more than 2 years does not imply that the estate is not moving expeditiously. Most of the cases involve litigation issues to be resolved by the Court before an estate can be finalized. Of the three 2-year reports supplied to the auditors we reviewed the report dated July 3, 2024 and noted that there were 68 cases on the report, including the one case that was opened the longest of all cases in our office. (8 years).

24 cases noted that the accounting was signed, which means it was signed and filed with court.

22 cases noted that there were kinship hearings pending in the court.

2 cases were marked NOS Decree which means court proceedings were necessary were completed and the Decree was submitted to the court.

4 cases were noted as citation issued. This means an accounting is pending

1 case was noted NOE Decree and the values for the estate were zero which means, the decree was signed; the checks were written; the letters may or may not have been sent; and the final action of officially closing the file was not yet completed.

10 cases were at counsel's office for preparation of account.

4 cases were pending in the Public Administrator's office for the following reasons:

- a. PA waiting for funds from another estate; an estate that the PA is not the fiduciary. (8 year case)
- b. Decree signed, funds to a guardianship of a minor, waiting for guardianship depositories to be authorized by Nassau County Court.
- c. 2 estates with coop issues; one in contract; one the board rejected the purchaser.

#### **ESTATES REMAIN IN THE INITIAL STATUS FOR YEARS:**

If the Public Administrator does not receive assets over \$500.00, the estate does not change status. It will remain a Report of Death file and close as an under \$500.00 account. The fact that the case does not change its status to an informal or a formal case does not mean it does not receive attention. If the estates were open and the status never changed, there was no delay in completing a search for assets and heirs. If there were assets and heirs the status of the case would have changed.

This issue of the 89 cases was mentioned for the first time at the Pre-Exit meeting virtual conference. We requested a list of the estates, none was provided. Then after the written exit conference summary, we again requested the list of the 89 cases and did receive them. Because of the shortened time to the 89 cases, we took a sample of the first 5 cases from each of the three pages that contained the 89 estate names and noted the following:



**FIRST 5 CASES FROM PAGE 1 of COMPTROLLER'S LIST**

1. 131443, Opened 6/24/2021 as a guardianship. With no reason to keep the file open we closed the file on 6/29/2021. Two years later on May 2, 2023, we received an Order Settling Final Account from the Guardian, and funds were paid pursuant to the order. On the same date, the date we received the order and the check, the case was assigned. The date we received the funds and the OSFA is in scanning. The date it was assigned is in computrust. On the main screen at bottom click options, then history, then attorney/caseworker. From the date we received funds the status of the case was changed, and it was assigned to an informal caseworker.
2. 126361, We never received a report of death or any information necessary to go forward with this estate.
3. 131945, Assigned to M 11/29/2022, Assigned to I 11/17/2022. Assigned back to M 12/20/2022. Issued subpoenas to 2 separate financial institutions. Prepared an under \$500.00 account.
4. 128361. The comments on the computer state. "Estate Inquiry Only. Spouse applying for Medicaid in NJ and needs confirmation of no estate in Surr Ct. sb ". A file was opened upon a request to assist to obtain information. The file was later closed when we were reviewing open ROD cases.
5. 133395, K, Received report of death from the OCME. All basic searches done, Surrogate's Court, Medicaid, send investigators to check if police have vouchers, go to apartment. Notified by OCME that a sister was found who would make funeral arrangements. No assets were collected, and we eventually closed the file. The PA did not have priority over a sister who was willing to act.

**FIRST FIVE CASES OF PAGE 2 OF COMPTROLLER'S LIST**

6. 133595, ROD from attorney for Allstate. Denied acceptance of the case. Advised the attorney to file a creditor's petition in Surrogate's Court. No money collected.
7. 133146. ROD by Elmhurst hospital. ROD by OCME. Change of address. No assets were found. No family found by OCME. Nothing for PA.
8. 132032, ROD from Funeral Home. ROD states there is a will. Communicate with attorney, he provides copy of DC and Will. Nothing for PA
9. 133265, We received no information on assets from mail forwarding, only bills. No unclaimed funds. Nothing for PA.
10. 130189, On 7/13/2020 in height of Covid we received an email from a Coop advising us that during a wellness check, they discovered the death of their tenant. They also advised us that an attorney was working on obtaining letters of administration but that due to Covid the Courts were slow and they wanted permission to enter the apartment and clean out the rubbish as there was a foul smell emanating from the apartment. We obtained permission from the attorney handling the estate, and gave permission for access to the coop. Nothing for PA, except performing a Mitzvah.

### FIRST FIVE CASES OF PAGE 3 OF COMPTROLLER'S LIST

11. 133585
  - a. 6/16/2023 Report of Death from OCME
  - b. 6/29/2023 Change of address form
  - c. 7/27/2023 Investigators
  - d. 8/1/2023 to 11/22/2023 inquiries to financial institutions.
  - e. 11/22/2023 - First response, decedent has funds.
  - f. 12/22/2023 - changed from Report of Death to informal
  - g. 1/16/2024 - funds received from bank
  - h. 1/23/2024 - authorize disinterment of decedent from Hart's Island
12. 133586, 6/16/2023 ROD from OCME. 6/20/2023 advised from OCME that family involved for funeral. No unclaimed funds. Nothing for PA.
13. 131472, Opened 7/21/2021 as a guardianship, we received documents from the Referee to compel the final account. Kept file open since no financial information was provided as to the guardianship. On 9/26/2023 we received the Order Settling Final Account from the Guardian, and the funds pursuant to the order. The case remained a ROD case because we only received \$487.38. Based on the Unclaimed Funds search and response we knew there were funds at UCF. On 10/5/2023 the case was changed to an informal and was assigned to J. Unclaimed funds refused to pay to the Queens Public Administrator because the death certificate listed the residence at Kings County. An appeal was filed, and the funds were eventually paid to the Queens PA. There was a Medicaid claim, and the accounting was filed.
14. 133380, ROD filed by the OCME on 4/24/2023. On 5/10/2023 notified by OCME that the family is making arrangements. Nothing for PA.
15. 133364. ROD filed by Long Island Jewish Hospital, Northwell Health. The ROD filed states there is a daughter. A Daughter takes precedence over the Public Administrator. Nothing for PA.

We could continue and search each and every case of the 3 pages provided but that would have required the office to close down. Our limited staff cannot process cases and audit the auditors.

### INCOMPLETE REPORTING TO THE CITY COMPTROLLER'S OFFICE

In the Exit virtual conference, the auditors advised that QCPA did not include numerous estates on the closed estate report. We answered that it must be the guardianship cases that we open and close without reporting as they all maintain a zero balance. In the summary exit report, it is stated this office did not include 329 of the 590 tested closed estates on the Comptrollers Directive 28 monthly report of closed/settled accounts as required. In the exit conference summary, the auditor states that our assumption that the estates were all guardianship was incorrect based on the closed data set that 94 of the 329 estates that were NOT REPORTED and did in fact have "gross assets" totaling over 3.8 million dollars prior to closing. We immediately requested a list of the 94 cases.

At our exit conference on December 3, 2024, we provided the auditors with verbal examples of the errors of their allegations. The following day, December 4, 2024, at 7:37 p.m., they requested that we supply the backup documents. Within 2 hours we emailed them documents proving that all the distributions from the estates were properly reported and supplied the reports for the months and identified to the auditors where the estate in question could be located on the report.

In the preliminary report, the auditors allege because of spelling or change of dates, and the fact that there were no "unique identifiers in the reports, such as the Public Administrator Identification Number (which does not exist, and they are referring to the computrust computer number) they cannot determine if the evidence we provided them is the same estate. The form utilized for the reports is provided by the comptroller and has no field for "Unique Identifier" This is unbelievable since the form we use is the comptroller's form. The Public Administrator did not create this form, the comptroller did.

Directive 28, which was created on December 3, 2003, contains a sample form. That form did not require any identifying numbers and does not contain a column for payments to HRA/DSS. The form changed in May 2012. Since that date we have been using the current form. The excel form report adds up all the columns and inserts the total into Gross Distributions. The numbers in the report do not match the Gross Estate because all expenses of the estate are not requested in the columns. Creditors' Claims are not requested. The numbers in the form never matched the Gross Estate. For years all anyone appeared to be interested in was legal fees, administration expenses, distributions to heirs, payments to DSS and payments to the Finance Administrator.

The remaining allegation is that the Public Administrator did not properly report cases. It should be noted that the auditors are aware that we close the monthly report before the end of the month. Once the report is finished, we double check the checks payable to the City of New York and prepare a deposit slip. We go to the bank and manually deposit the checks into the city account. Then two separate people must enter the deposit into the City Computer for the deposit to show up on the City's records. Furthermore, the checks payable to the Department of Finance are mailed to Finance. Finance returns the receipts for the checks to this office via email. If we mailed the checks to finance on the last day of the month, the receipts would state the following month, which could confuse litigants when they are looking for the receipts for withdrawal proceedings. To avoid having the checks deposited in the month of the report and for the receipts dated the month of the report, we close the month early.

When the auditors presented their excel sheets showing how we did not report cases closed to the comptroller, at the top of the excel sheet that had the following note for each month. I only cut and pasted the note for the June 2023 excel sheet.

It should be noted that the Monthly Report of Closed/Settled Accounts submitted by QCPA for a particular month does not include closed estates towards the end of the month. For example, the June 2023 Monthly Report of Closed/Settled Account includes closed estates only up until June 27, 2023 (the day before the date that the report was submitted to the Comptroller's Office). Accordingly, the June 2023 Monthly Report of Closed/Settled Account includes closed estates beginning from June 5, 2023 (the date that the May 2023 report was submitted to the Comptroller's Office) through June 27, 2023.

They knew that it was possible for the estates to appear in the report for the following month. Instead of requesting the following month's report or instead of obtaining it themselves (they had full access to our computers) they chose to claim we left off these estates, which we did not.

With regard to the small portion of the 3.8 million dollars that the auditors could not find in the report, I reviewed those cases where the amount that could not be located was in excess of \$1,000.00. Time constraints would not allow a search for every single case. All estates alleged not to be reported were reviewed and the information is as follows: **Please note to maintain confidentiality, we only state the computrust case number and not the name of the estate.**

June 2022: No allegation of assets that meet the criteria missing from report.  
February 2022: No allegation of assets that meet the criteria missing from report.  
March 2022: No allegation of assets that meet the criteria missing from report.  
April 2023: The auditors could not find 120020 in the amount of \$481,423.37. That case was closed 7 years before on 4/4/2016. and appeared in the report of April of 2016. We thereafter collected additional funds from a Judgment on 3/10/2023 and this appears on the March report for additional funds. Since it is additional funds, it is only listed for the additional funds. The Estate Value was previously recorded. There are no missing funds.

May 2023: Case 129317 in the amount of \$77,368.83. Closed 2/15/2023. Appears on the February 2023 report.  
The following cases were closed on May 24, 2023, and as such appear on the June 2023 closed report. Please note that the June 2023 report was one of the 6 months of reports that the auditors picked to review. The total in the report must match the deposit. The agency cannot deposit and process it thru FMS if you wait until the last days of the month:

132579	3,756.80
132207	6,045.61
131995	26,096.64
132307	5,472.11
132334	1,200.38
128711	947.62
132258	10,122.82
132298	2,682.31
132328	7,688.94
131753	1,311.67
132327	12,823.31
132335	1,847.23
131272	34,056.83
132033	5,797.50

June 2023 Case 130048 in the amount of \$111,326.01 closed February of 2023. Appears in the February 2023 report.  
The following cases were closed on June 27, 2023 and as such appear on the July 2023 report.

132324	4,305.98
132872	1,117.23
132145	5,702.66
132473	7,282.63
132627	3,072.62
132400	4,879.68

All closed estates have been properly reported and there are no missing funds.

**With regard to the proposed recommendations:**

1. The investigators will be instructed to take additional photographs and to carefully document the information in the investigator's report.
2. We will not establish target time frames for searches. Searches are based on the needs of the individual estates. The appraisals will be done within our time frame. Appraisals do not affect estates being closed in a timely manner.
3. If the City provides more space, we can consider other options for the storage room.
4. Of the thousands of jewelry bags reviewed there was one bag allegedly mislabeled. The Public Administrator keeps accurate inventory records.
5. If the Auditors are aware of a coin appraiser who will come to our office for a reasonable fee, we will consider coin appraisals. By sending the coins straight to auction we are complying with the guidelines. The auction determines the value.
6. All financial institutions are contacted. Financial institutions do not always reply. We will, however, remind our employees to be more careful and diligently ensure they contact all financial institutions.
7. The Public Administrator has adopted the recommendation to check unclaimed funds using both the UCF Claiming program provided to the Public Administrator by NYS and the public portal.
8. We did not have 9 unclaimed funds to investigate. Originally, there were 5, 1 was not a Public Administrator estate, we collected funds on 3 and just recently applied for the last. Regarding the additional 4 estates reported at the last minute, 2 someone else received Letters from the Court. Neither was a PA Estate. One of the deposits was made after the case was closed and the last one, NYS stated there was a beneficiary. We agree to search UCF using both methods in the future.
9. Our caseworkers have been instructed to communicate with financial institutions to stop recurring charges. This recommendation by the comptroller has been adopted.
10. Stocks and bonds are liquidated in a timely manner. In some instances, the financial institutions are not cooperative. The Inventory Designation from account to collect is changed to a beneficiary (PA cannot collect) as soon as the financial institution, notifies us, voluntarily, or by subpoena if they do not respond, with information about the title of the account.
11. There is documentation in the files and in computrust for estate delays.
12. All cases are closed as soon as possible. There are comments in computrust citing reasons for any reason why an estate is open longer than 2 years pursuant to SCPA §1109. We report what is required on the form supplied by the comptroller pursuant to Directive 28. If the comptroller seeks additional information kindly update Directive 28 and submit a replacement form.

To claim that the Public Administrator is missing 3.8 million dollars in reported money is disingenuous. There is no unreported money. To allege that the items weren't reported for one month, when at the end of the month they appeared in the following month is misleading. There are no missing estate funds, and all estate funds accurately reported.

To claim that there is nothing in the file or in computrust to explain why an estate remains open is outrageous. The reports state the reason why an estate is open after 2 years. The reports are printed in computrust. Computrust has to have the information to print the report. The comments are in computrust. Just not the opening screen. The information has always been available to the Auditors. If they could not find it, they could have asked. Any request for access to PA records was freely provided to the auditors with the full cooperation of the Public Administrator and the staff.

One final note. Most of this audit was done virtually. The guidelines state that the Public Administrator procedure for keeping documents may be either a hard file, scanning, or both. Some items are just too big to scan, or a document may have been filed without scanning. Some needed information may be in the hard files. No hard files were reviewed by the auditors to look for a specific item.

We thank the comptroller for the opportunity to respond to this audit, and for those recommendations that enable this office to function more efficiently.

Very truly yours,



LOIS M. ROSENBLATT  
Public Administrator  
Queens County







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