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AUDIT

CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
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BUREAU OF AUDIT

June 30, 2014

By Electronic Mail

Commissioner Julie Menin
New York City Department of Consumer Affairs
42 Broadway, 8th Floor
New York, NY 10004

**Re: Final Letter Report on the New York City Department of Consumer Affairs’
Compliance with Local Law 36 (Audit Number 7R14-097AL)**

Dear Commissioner Menin:

This Letter Report contains the findings of our audit of the compliance by New York City Department of Consumer Affairs (“DCA”) with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. The objective of this audit is to determine if DCA is complying with the local law, which is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources, and manage waste in a cost-effective manner. In addition, in the course of the audit, we noted efforts made by DCA to follow additional recycling rules established by the Department of Sanitation for the City of New York (“DSNY”) pursuant to Local Law 36. Our audit of DCA is one in a series of audits we are conducting of compliance with the local law.

Background

In 1989, New York City established Local Law 19, codified as Administrative Code §§ 16-301, *et seq.*, to establish an overarching “policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy.” The law mandates recycling in New York City by residents, agencies, institutions and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36 by which it amended the recycling provisions of Local Law 19 (Administrative Code § 16-307) to require each City agency to develop a waste prevention, reuse and recycling plan and submit the plan to DSNY for

approval by July 1, 2011, and each year after. Local Law 36 also requires each agency to designate a lead recycling or sustainability coordinator for the agency and, where the agency occupies more than one building, to designate an assistant coordinator for each building the agency occupies. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY “summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan.”

In addition, Local Law 36 requires the Commissioner of DSNY to adopt, amend and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the Department’s annual recycling report.

Findings and Recommendations

Our audit found that DCA generally complies with Local Law 36 and in particular that DCA has policies and procedures in place for handling certain waste and recyclable materials. However, we found that DCA did not submit its waste prevention, reuse and recycling plan to DSNY until the fall of 2013, after this audit had commenced, notwithstanding Local Law 36’s requirement that such a plan be submitted to DSNY by no later than July 1, 2011. Further, we found that DCA did not submit the required annual reports to its Commissioner or to DSNY. At the same time, we found that DCA was in compliance with certain Local Law 36 requirements such as recycling designated materials. Our findings are summarized in the table entitled Compliance Summary below:

COMPLIANCE SUMMARY		
Local Law 36 Criteria	Compliance	Notes
Recycles designated materials	Yes	Overall the program complied
Designates waste prevention reuse and recycling coordinator	Yes	DCA designated a coordinator and assistant coordinators
Establishes a waste prevention, reuse and recycling plan by July 1, 2013	Partial	DCA did not submit a plan until after this audit commenced
Submits annual report to the agency head and DSNY Commissioner	No	DCA did not submit annual reports to its commissioner or to DSNY

In addition to these findings, we observed that DCA has made additional efforts to address waste prevention, reuse and safe handling of hazardous waste beyond the requirements of Local Law 36. Specifically, DCA has enacted a policy to reduce personal printers and encourages staff to print using central printers in an effort to reduce waste and

paper usage. We also found that DCA follows the City's rules for handling electronic waste and utilizes the citywide contract with Veolia ES Technical Solutions for hazardous waste removal. These measures were taken in accordance with DSNY's additional guidelines enacted pursuant to Local Law 36.

We recommend that DCA submit the required annual reports to its Commissioner and DSNY by July 1st of each year as required by Local Law 36.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. 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 scope period for this audit was July 1, 2011 the date Local Law 36 went into effect, through February 6, 2014 the last day of our fieldwork. Our methodology for this audit consisted of the following steps:

- We reviewed applicable laws, rules, policies, and procedures to determine our criteria in accordance with Local Law 36, including Local Law 19, Local Law 36, DSNY's agency waste prevention, reuse and recycling plan template, and DSNY's report submission form and implementation guidelines;
- We sent an electronic survey to DCA to determine if the agency met the key provisions of Local Law 36 reflected as the core criteria in the table below and analyzed the survey results and other additional materials provided by DCA;
- We requested and reviewed as applicable DCA's waste prevention, reuse, and recycling plan, list of coordinators, and the agency's 2012 and 2013 annual reports; and
- We conducted interviews with DCA's recycling/sustainability coordinator to discuss the agency's recycling and waste prevention efforts and visited DCA to verify its compliance with Local Law 36.

Based on our understanding of the Local Law 36 requirements, we outlined all the criteria necessary for agencies to be in compliance. The table below outlines agencies' core criteria required to achieve compliance under Local Law 36. A summary of these core criteria forms the basis for the Compliance Summary reported for each audited agency.

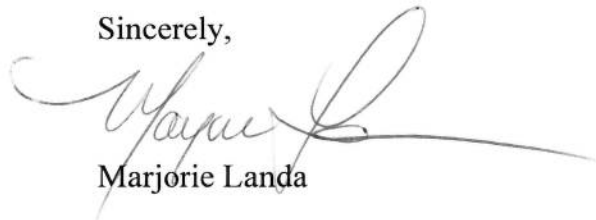
CORE CRITERIA	
Compliance	Detailed Criteria
Recycling	Agency source-separates recyclable materials
Coordination	Agency has a lead coordinator
	Agency has assistant coordinator(s) as applicable
WPRR Plan	Agency has a waste prevention, recycling, and reuse plan
Report to Agency Head and DSNY Commissioner	Agency submitted 2012 report
	Agency submitted 2013 report

Because many agencies may have pursued initiatives beyond these core requirements, we recognized agencies' additional actions regarding recycling and sustainability. Our observations are based on the additional actions established DSNY in its waste prevention, reuse and recycling plan implementation guidelines and other efforts taken by agencies.

The issues covered in this report were discussed with DCA officials during and at the conclusion of this audit. On June 17, 2014, we submitted a draft letter report providing DCA with an opportunity to formally respond. DCA's response was received on June 27, 2014. In its written response, DCA stated: "We are pleased to report that DCA does have in place a Waste Prevention, Reuse and Recycling plan and will provide an annual report to the DSNY commissioner in advance of July 1, 2014."

The full text for DCA's comment is attached as an addendum to this report.

Sincerely,



Marjorie Landa

- c. Elizabeth Leath, Assistant Commissioner-Administration
- Martha Casey, Director of Project Management
- Mindy Tarlow, Director, Mayor's Office of Operations
- George Davis, III, Deputy Director, Mayor's Office of Operations



Julie Menin
Commissioner

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June 17, 2014

Marjorie Landa
Deputy Comptroller for Audit
City of New York Office of the Comptroller
1 Centre Street, Room 1100
New York, New York, 10007

Dear Ms. Landa,

The Department of Consumer Affairs (DCA) appreciates the opportunity to respond to the New York City Office of the Comptroller's June 17th, 2014, ***Draft Letter Report on the New York City Department of Consumer Affairs' Compliance with Local Law 36 (Audit # 7R14-097AL)***.

At DCA we consistently work to ensure our operations comply with all requirements of the law and are performed in an efficient and effective manner. We thank the NYC Comptroller's office for the time and attention dedicated to conducting this compliance audit and we are pleased that your team was able to confirm that DCA is compliant with the recycling requirements under the law and also has designated a Waste Prevention Reuse and Recycling coordinator.

We are pleased to report that DCA does have in place a Waste Prevention, Reuse and Recycling plan and will provide an annual report to the DSNY commissioner in advance of July 1, 2014.

Finally, we appreciate the courtesy and professionalism of your staff in the performance of this audit. If you have any questions or need further information, please contact Elizabeth Leath, Assistant Commissioner for Administration, at (212) 436-0166.

Sincerely,



Julie Menin

cc: George Davis III, Office of the Mayor
Alba Pico, Department of Consumer Affairs
Marla Tepper, Department of Consumer Affairs
Elizabeth Leath, Department of Consumer Affairs
Martha Casey, Department of Consumer Affairs