

# AUDIT REPORT



CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF FINANCIAL AUDIT  
**WILLIAM C. THOMPSON, JR., COMPTROLLER**

## **Audit Report on the New York Yankees Rental Credits For the First Quarter of 2002 (January 1–March 31, 2002)**

*FR03-106A*

*February 20, 2003*

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*The City of New York  
Office of the Comptroller  
Bureau of Financial Audit*

**Audit on the  
New York Yankees Rental Credits  
For the First Quarter of 2002  
(January 1–March 31, 2002)**

**FR03-106A**

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**Audit Report In Brief**

The Comptroller's Office is required to audit all rental credits claimed by the New York Yankees for the maintenance of City-owned Yankee Stadium. Under the terms of the lease, the Yankees are responsible for the care and upkeep of Yankee Stadium, and the costs incurred by the Yankees for maintaining the stadium are offset against any rental income due the City from the Yankees. Thus, every approved dollar spent and accounted for as a rental credit for the maintenance of the stadium results in a dollar-for-dollar decrease in the rent due the City.

**Audit Findings and Conclusions**

The audit found that Yankees rental credits submitted for the first quarter of 2002 were overstated by \$101,801.79, as follows:

- \$35,340.08 in payroll charges consisting of excess security charges and salary expenses that should have been paid by the Yankees.
- \$56,174.96 in payments to PEM Electric consisting of labor and material costs that, based on the terms of the agreement, cannot be charged to the City.
- \$4,993.06 in sales tax on fuel. According to an October 29, 1993, settlement agreement that designated the Yankees as agents of the City, maintenance credits for sales tax are not an acceptable deduction.
- \$226.00 for expenses that are not chargeable to the City.
- \$4,093.44 in Yankee Stadium repairs that consisted of purchases that are not chargeable to the City.
- \$974.25 in "Other Expenses" that are not chargeable to the City.

## **Audit Recommendations**

We recommend that the Yankees: deduct \$101,801.79 from the total rental credits taken for maintenance pertaining to the first quarter of 2002; ensure that all maintenance credits claimed are properly supported by sufficient documentation; and, obtain appropriate approvals before submitting rental credits to the Comptroller's Office. In addition, we recommend that the Department of Parks and Recreation (Parks) ensure that the Yankees comply with the report's recommendations.

The Yankees responded that they accept \$101,801.79 as a Yankees cost.

## **Introduction**

### **Background**

In accordance with the 1972 lease agreement between the New York Yankees (the Yankees) and the City of New York (the City), the Comptroller's Office is required to audit all rental credits claimed by the Yankees for the maintenance of Yankee Stadium. Under the terms of the lease, the Yankees are responsible for the care and upkeep of City-owned Yankee Stadium, and the costs incurred by the Yankees for maintaining the stadium are offset against any rental income due the City from the Yankees. Thus, every approved dollar spent and accounted for as a rental credit for the maintenance of the stadium results in a dollar-for-dollar decrease in the rent due the City.

The general rule for eligible work is that the City pays to maintain all areas of the stadium except Yankees' offices, concession space, the receiving room, the Commissary, and the restaurant space (Yankee Club, Yankee Dining Room, Pinstripe Pub, and Stadium Club). The City also pays for materials used to maintain the stadium; however, it does not pay for uniforms or tools. Since the rental credits are subject to the approval of the Comptroller's Office, the Yankees are required by the lease to submit to the Comptroller all documentation necessary for the audit of rental credits. The Yankees and the Comptroller's Office have agreed to audit the supporting documentation for the maintenance credits claimed each quarter. The Comptroller's Office will present its findings to the Yankees in a preliminary draft report and at an exit conference before issuing a draft report. Within two weeks of the issuance of the draft report, the Yankees can submit to the Comptroller's Office any additional documentation that was previously omitted to support any rental credits claimed. Once this documentation is received and reviewed, the Comptroller's Office will issue a final report.

### **Objectives**

Our audit objectives were to determine whether the Yankees:

- adequately documented and supported the submitted labor and materials charges;
- submitted eligible invoices for reimbursement in the form of rental credits that were in accordance with the lease agreement; and
- accurately calculated all credits and did not deduct non-City charges from the rent due for the first-quarter period, January 1–March 31, 2002.

## **Scope and Methodology**

The audit scope covered the first quarter, January 1–March 31, 2002. The Comptroller’s Bureau of Financial Audit and Bureau of Engineering examined 100 percent of the labor and materials charges and the supporting documentation submitted by the Yankees.

To determine whether the billings for labor and materials were justified under the lease, financial auditors reviewed all source documents for each month of the quarter pertaining to the billings of two subcontractors—River Payroll (Cleaning Services), under Schedule A-1 in Appendix I; and PEM Electric, under Schedule A-2 in Appendix I—for adequate documentation. The documents included invoices, time sheets and payroll reports, and activity reports to support the costs of labor and materials charged to the City.

In addition, financial auditors verified the charges for materials under Schedule A-2 (PEM Electric) for appropriateness and reasonableness. A settlement agreement of October 29, 1993, designated the Yankees as agents of the City, and therefore determined that maintenance credits for sales tax were not accepted as credits against rental income. In this regard, we verified that charges for materials did not include sales tax.

We verified the accuracy of all retroactive salary adjustments to the respective supporting documentation or relevant agreements.

We documented all unwarranted and unreasonable charges for rental credits on a spreadsheet with our comments, and included them as appendices to this report. We calculated all dollar amounts on the supporting schedules for accuracy, and reconciled those amounts with the total amounts listed on the lead schedule for all vendors from Schedules A-1 through A-6.

The Bureau of Engineering is responsible for auditing all other vendor invoices for accuracy and credit eligibility that includes the headings of Miranda Fuel, Brown & Silver, Stadium Repairs, and Other Expenses in Schedules A-3 through A-6 in Appendix I. Their findings are included in this report. The Bureau of Engineering used the following steps to allow or to disallow rental credits:

- To verify the cost of an item, an invoice and check must be submitted.
- To receive maintenance credit toward rent, the Yankees must provide pre-authorization and acceptance reports from the Parks for the work or services performed.

Without the submission of the above supporting documentation, maintenance costs submitted as credits against rental income are disallowed.

These audits are lease-mandated, and thereby require that the Yankees submit all source documents to the Comptroller’s Office to receive credits toward rental income due to the City.

We did not conduct an entrance conference or evaluate the Yankees’ internal controls over the process and procedures for payment of the invoices submitted to support maintenance credits. However, we verified that all documents contained valid certification from Parks designees at Yankee Stadium as proof that labor costs were incurred and that material was purchased and received.

The audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included all tests we considered necessary under the circumstances. The audit was performed in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, § 93, of the New York City Charter.

### **Discussion of Audit Results**

The matters covered in this report were discussed with officials from the Yankees and from Parks during and at the conclusion of this audit. A preliminary draft report was issued on December 5, 2002. On January 8, 2003, Yankee officials sent us a letter waiving their right to an exit conference. On January 14, 2003, we submitted a draft report to Yankees and Parks officials with a request for comments. We received a response from the Yankees on February 6, 2003.

In the draft of this report, we disallowed rental credits totaling \$163,211.55. However, after our review of the documentation provided by the Yankees and by Parks subsequent to the issuance of that report, we allowed additional rental credits of \$61,409.76. This resulted in a final disallowance of \$101,801.79, which the Yankees accepted as a Yankees cost. Therefore, Parks should ensure that the Yankees deduct \$101,801.79 from their rental credits.

This final report reflects our changes based on additional documentation submitted by the Yankees and by Parks. The Yankees response is included as an addendum to this final report.

## Findings and Recommendations

### Overstatement of Rental Credits

Rental credits audited under the schedules submitted for the first quarter of 2002 were overstated by \$101,801.79, as summarized below:

**Table I**

Disallowance Schedule\*

Schedule	Billed	Allowed	Disallowed
A-1 (River Payroll)	\$310,916.82	\$275,576.74	\$35,340.08
A-2 (PEM Electric)	312,518.22	256,343.26	56,174.96
A-3 (Miranda Fuel)	65,514.90	60,521.84	4,993.06
A-4 (Brown & Silver)	6,564.55	6,338.55	226.00
A-5 (Stadium Repairs)	480,671.71	476,578.27	4,093.44
A-6 (Other Expenses)	1,659.31	685.06	974.25
Total	\$1,177,845.51	\$1,076,043.72	\$101,801.79

\* All calculations are rounded to two decimal points.

Summaries of the maintenance credit billings as submitted by the Yankees and of our disallowances for each vendor are presented in Appendix I, Schedules A-1 through A-6.

The River Payroll disallowance of \$35,340.08 consists of the following:

- \$26,598.31—for excess security costs from February 1 through March 1, 2002. Based on the hourly rates stated in the agreement between the Yankees and Burns International Security (Burns), and on the staffing levels approved by Parks, the Yankees should have billed the City for only \$18,978.05, instead of the \$45,576.36 they actually billed. The Yankees accepted the \$26,598.31 disallowance as a Yankees cost.
- \$3,760.96—for sales tax charged to the City on Burns’s invoices. As previously stated in the Scope and Methodology section of this report, based on an October 29, 1993, settlement agreement that designated the Yankees as agents of the City, maintenance credits for sales tax are not an acceptable deduction. The Yankees accepted the \$3,760.96 disallowance as a Yankees cost.
- \$1,191.04—for hours worked on Yankee assignments listed on the time records as “Field Maintenance.” Under the terms of the lease, those expenses are chargeable to the Yankees and cannot be offset as maintenance credits against rental income. The Yankees accepted the \$1,191.04 disallowance as a Yankees cost.
- \$1,254.02—for unreasonable third-shift labor charges paid to three employees. The Yankees accepted the \$1,254.02 disallowance as a Yankees cost.

- \$854.31—for contributions to various funds and payroll taxes related to River Payroll disallowances.<sup>1</sup> The Yankees accepted the \$854.31 disallowance as a Yankees cost.
- \$563.09—for time paid to two employees who did not sign out or who did not initial their time sheets at the end of their work shifts; and for hours charged to the City that were not supported on three employees' time sheets. The Yankees accepted the \$563.09 disallowance as a Yankees cost.
- \$510.98—for incorrect payments made to employees. Those payments were paid at time-and-a-half instead of straight time rate, or at double-time instead of time-and-a-half, or at double-time-and-a-half instead of double time. Based on the Yankee payroll codes, those employees were paid at a rate higher than allowable under the Local 30 agreement. The Yankees accepted the \$510.98 disallowance as a Yankees cost.
- \$208.75—for the cost of “lunch-not-taken.” Section 162 of New York State Labor Law states that “every person in any establishment or occupation covered by the Labor Law must be afforded a meal period of at least thirty minutes.” In addition, Article VI of the Agreement between Local 32B—32J S.E.I.U., AFL-CIO, and River Operating Company, Inc. (River Payroll), states, in part: “Hours of work each day shall be exclusive of a daily lunch period of not more than one (1) hour.” Moreover, a Parks letter dated June 9, 1997, informed the Yankees that effective January 1, 1996, Parks would not accept “lunch-not-taken” labor cost credits that were not approved in advance. The Yankees accepted the \$208.75 disallowance as a Yankees cost.
- \$190.02—for incorrect hourly rates paid to “lead utilitymen” and “steady extras.” Based on the Yankee payroll codes, those employees were paid at a higher rate than allowable under the Local 32B—32J S.E.I.U., AFL-CIO, CLC agreement. The Yankees accepted the \$190.02 disallowance as a Yankees cost.
- \$148.88—for incorrect holiday hours paid to one Local 32B—32J S.E.I.U., AFL-CIO, CLC employee. The Yankees accepted the \$148.88 disallowance as a Yankees cost.
- \$59.72—for double-billed labor hours. Time sheets indicated that two employees began a second shift even though the first had not ended. As a result, the City was charged twice for the same expense. The Yankees accepted the \$59.72 disallowance as a Yankees cost.

Appendix II gives details of the above disallowances.

The PEM Electric disallowance totaling \$56,174.96 consists of \$49,994.12 in labor costs and \$6,180.84 in materials charges.

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<sup>1</sup> Includes Welfare, Pension, and Annuity Funds.



The disallowed labor costs totaling \$49,994.12 include:

- \$17,250.47—for excess credits charged to the City due to a duplicate billing. The Yankees accepted the \$17,250.47 disallowance as a Yankees cost.
- \$14,714.47—for hours worked on special projects at the stadium. Those projects were not pre-approved by Parks, as required by the lease. The projects included “Installation of New Camera Positions in Ticket Office,” “Installation of Pump for Field Irrigation System,” “Removal of Existing Pump and Control Panes for Irrigation System,” and “Irrigation for Field Renovation.” The Yankees accepted the \$14,714.47 disallowance as a Yankees cost.
- \$11,533.58—for hours worked on Yankee assignments that were improperly charged to the City. The time records identified those expenses are chargeable to the Yankees and cannot be offset as maintenance credits against rental income. The Yankees accepted the \$11,533.58 disallowance as a Yankees cost.
- \$3,427.82—for the difference between the number of worked labor hours indicated on PEM Electric’s payroll records and the number of labor hours claimed by the Yankees. The Yankees accepted the \$3,427.82 disallowance as a Yankees cost.
- \$1,436.40—for overtime paid to six employees when straight time was warranted. The Yankees accepted the \$1,436.40 disallowance as a Yankees cost.
- \$1,155.70—for time paid to two employees who did not sign in, or who did not initial their time sheets at the end of their work shifts. The Yankees accepted the \$1,155.70 disallowance as a Yankees cost.
- \$358.93—for the cost of “lunch-not-taken.” Section 162 of New York State Labor Law states that “every person in any establishment or occupation covered by the Labor Law must be afforded a meal period of at least thirty minutes.” Furthermore, Article VI of the Agreement between Local 32B—32J S.E.I.U., AFL-CIO, and River Operating Company, Inc. (River Payroll) states, in part: “Employment shall, in any one (1) day, be continuous except for rest and meal periods.” Moreover, a Parks letter dated June 9, 1997, informed the Yankees that effective January 1, 1996, Parks would not accept “lunch-not-taken” labor cost credits that were not approved in advance. The Yankees accepted the \$358.93 disallowance as a Yankees cost.
- \$116.75—for labor hours not worked that, under the terms of the lease, cannot be offset against rental income due the City. The Yankees accepted the \$116.75 disallowance as a Yankees cost.

Appendix III gives details of the above disallowances for PEM Electric labor hours.

The disallowed materials costs totaling \$6,180.84 include:

- \$5,277.70—for lighting expenses. Based on the documentation provided by the

Yankees, we were unable to determine whether the lighting expenses were City charges or Yankee charges. The Yankees accepted the \$5,277.70 disallowance as a Yankees cost.

- \$328.72—for a duplicate billing of an invoice previously billed in the fourth quarter of 2001. The Yankees accepted the \$328.72 disallowance as a Yankees cost.
- \$266.98—for items that cannot be confirmed as a City cost from the description on the invoices provided. The Yankees accepted the \$266.98 disallowance as a Yankees cost.
- \$41.28—for irreconcilable differences between the labor hours reported on the Yankees billings and the computed amount from the labor hours on the invoices. The Yankees accepted the \$41.28 disallowance as a Yankees cost.
- \$266.16—for a 4.5 percent overhead charge pertaining to disallowed materials.<sup>2</sup> The Yankees accepted the \$266.16 disallowance as a Yankees cost.

Appendix IV gives details of the above disallowances for materials charges.

The Miranda Fuel disallowance of \$4,993.06 consists of sales tax charged to the City. As previously stated, based on an October 29, 1993, settlement agreement that designated the Yankees as agents of the City, maintenance credits for sales tax are not an acceptable deduction. The Yankees accepted the \$4,993.06 disallowance as a Yankees cost.

The Brown and Silver disallowance of \$226 consists of costs that under the terms of the lease are not chargeable to the City. The Yankees accepted the \$266 disallowance as a Yankees cost.

The Stadium Repairs disallowance of \$4,093.44 consists of items that under the terms of the lease are not chargeable to the City. The Yankees accepted the \$4,093.44 disallowance as a Yankees cost.

Other Expenses disallowances of \$974.25 include expense items that under the terms of the lease are not chargeable to the City. The Yankees accepted the \$974.25 disallowance as a Yankees cost.

Appendices V and V.1 include the details for the above-stated disallowances pertaining to Schedules A-3 through A-6.

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<sup>2</sup> The PEM Electrical and Maintenance Agreement with the Yankees, § 2(e), entitles PEM Electric to include a 4.5 percent overhead charge (contract adder) for materials purchased for the maintenance of the stadium.

## **Recommendations**

We recommend that the Yankees:

1. Deduct \$101,801.79 from the total rental credits for maintenance pertaining to the first quarter of 2002.
2. Ensure that all maintenance credits claimed are properly supported by sufficient documentation and appropriate approvals from Parks are obtained prior to submitting rental credits to the Comptroller's Office.

We recommend that Parks:

3. Ensure that the Yankees comply with the report's recommendations.

NEW YORK YANKEES RENTAL CREDITS  
SUMMARY SCHEDULE FOR VENDORS A-1 THROUGH A-6  
AUDIT PERIOD: 1/1/02 - 3/31/02  
AUDIT NO. FR03-106A

APPENDIX I  
PAGE 1 OF 1

NYY SCHEDULE	AMOUNT BILLED	PREVIOUS ALLOWANCE Note(1)	PREVIOUS DIS- ALLOWANCE Note(1)	ADJUSTMENTS			FINAL ALLOWANCE Note(3)	FINAL DIS- ALLOWANCE Note(3)
				AMOUNT ACCEPTED BY NYY Note(2)	AMOUNT RE- SUBMITTED BY NYY	ADDITIONAL AMOUNT ACCEPTED BY CITY		
<b>A-1 RIVER PAYROLL</b>								
Total	\$310,916.82	\$267,395.89	\$43,520.93	\$35,340.08	\$8,180.85	\$8,180.85	\$275,576.74	\$35,340.08
<b>A-2 PEM ELECTRIC</b>								
Total	\$312,518.22	\$247,095.96	\$65,422.26	\$56,174.96	\$9,247.30	\$9,247.30	\$256,343.26	\$56,174.96
<b>A-3 MIRANDA FUEL</b>								
Total	\$65,514.90	\$60,521.84	\$4,993.06	\$4,993.06	\$0.00	\$0.00	\$60,521.84	\$4,993.06
<b>A-4 BROWN &amp; SILVER</b>								
Total	\$6,564.55	\$5,428.55	\$1,136.00	\$226.00	\$910.00	\$910.00	\$6,338.55	\$226.00
<b>A-5 STADIUM REPAIRS</b>								
Total	\$480,671.71	\$433,528.66	\$47,143.05	\$4,093.44	\$43,049.61	\$43,049.61	\$476,578.27	\$4,093.44
<b>A-6 OTHER EXPENSES</b>								
Total	\$1,659.31	\$663.06	\$996.25	\$974.25	\$22.00	\$22.00	\$685.06	\$974.25
<b>Grand Total</b>	<b>\$1,177,845.51</b>	<b>\$1,014,633.96</b>	<b>\$163,211.55</b>	<b>\$101,801.79</b>	<b>\$61,409.76</b>	<b>\$61,409.76</b>	<b>\$1,076,043.72</b>	<b>\$101,801.79</b>

Notes:

- (1) Per Draft Report dated January 14, 2003.
- (2) Per NYY written response.
- (3) Based on discussion with NYY & Parks officials & add'l doc. obtained subsequent to issuance of Draft Report.

NEW YORK YANKEES RENTAL CREDITS  
FINAL DISALLOWANCES FOR RIVER PAYROLL  
AUDIT PERIOD: 1/1/02 - 3/31/02  
AUDIT NO. FR03-106A

RIVER PAYROLL LABOR HOURS					
DESCRIPTION OF DISALLOWANCE	AMOUNT DISALLOWED (per Draft Report)	AMOUNT ACCEPTED BY NYY	AMOUNT RESUBMITTED BY NYY	AMOUNT ACCEPTED BY CITY	FINAL DISALLOWANCE
Burns Security	\$26,598.31	\$26,598.31	\$0.00	\$0.00	\$26,598.31
Sales Tax on Burns Invoices	\$3,760.96	\$3,760.96	\$0.00	\$0.00	\$3,760.96
NYY Assignments	\$3,665.68	\$1,191.04	\$2,474.64	\$2,474.64	\$1,191.04
P/R Taxes and Welfare Contr.	\$2,318.77	\$854.31	\$1,464.46	\$1,464.46	\$854.31
Third Shift	\$2,508.03	\$1,254.02	\$1,254.01	\$1,254.01	\$1,254.02
Insufficient Documentation	\$1,926.14	\$0.00	\$1,926.14	\$1,926.14	\$0.00
Questionable Hours	\$1,061.60	\$0.00	\$1,061.60	\$1,061.60	\$0.00
Incomplete Timesheets	\$563.09	\$563.09	\$0.00	\$0.00	\$563.09
Incorrect Rates (S/T, O/T)	\$510.98	\$510.98	\$0.00	\$0.00	\$510.98
Lunch-Not-Taken	\$208.75	\$208.75	\$0.00	\$0.00	\$208.75
Incorrect Hourly Rates	\$190.02	\$190.02	\$0.00	\$0.00	\$190.02
NYY Cost/Holiday Hours	\$148.88	\$148.88	\$0.00	\$0.00	\$148.88
Conflict of Hours	\$59.72	\$59.72	\$0.00	\$0.00	\$59.72
<b>Total</b>	<b>\$43,520.93</b>	<b>\$35,340.08</b>	<b>\$8,180.85</b>	<b>\$8,180.85</b>	<b>\$35,340.08</b>

At Final Stage

NEW YORK YANKEES RENTAL CREDITS  
FINAL DISALLOWANCES FOR PEM ELECTRIC-LABOR HOURS  
AUDIT PERIOD: 1/1/02 - 3/31/02  
AUDIT NO. FR03-106A

PEM ELECTRIC-LABOR HOURS					
Description of Disallowance	Amount Disallowed (per Draft Report)	Amount Accepted By NYY	Amount Resubmitted By NYY	Add'l Amt. Accepted By City	Final Disallowance
Incorrect Calculation of Offset	\$17,250.47	\$17,250.47	\$0.00	\$0.00	\$17,250.47
No Approval by DPR	\$14,714.47	\$14,714.47	\$0.00	\$0.00	\$14,714.47
NYY Assignments	\$11,533.58	\$11,533.58	\$0.00	\$0.00	\$11,533.58
Insufficient Documentation	\$3,467.10	\$0.00	\$3,467.10	\$3,467.10	\$0.00
Irreconcilable Differences	\$3,427.82	\$3,427.82	\$0.00	\$0.00	\$3,427.82
O/T should be S/T	\$1,436.40	\$1,436.40	\$0.00	\$0.00	\$1,436.40
Incomplete T/S	\$1,155.70	\$1,155.70	\$0.00	\$0.00	\$1,155.70
Lunch-Not-Taken	\$358.93	\$358.93	\$0.00	\$0.00	\$358.93
Hours Not Work	\$116.75	\$116.75	\$0.00	\$0.00	\$116.75
<b>Total</b>	<b>\$53,461.22</b>	<b>\$49,994.12</b>	<b>\$3,467.10</b>	<b>\$3,467.10</b>	<b>\$49,994.12</b>

At Final Stage

**NEW YORK YANKEES RENTAL CREDITS**  
**FINAL DISALLOWANCES FOR PEM ELECTRIC-MATERIALS**  
**AUDIT PERIOD: 1/1/02 - 3/31/02**  
**AUDIT NO. FR03-106A**

<b>PEM ELECTRIC-LABOR HOURS</b>					
<b>Description of Disallowance</b>	<b>Amount Disallowed</b> <small>(per Draft Report)</small>	<b>Amount Accepted By NYE</b>	<b>Amount Resubmitted By NYE</b>	<b>Add'l Amt. Accepted By City</b>	<b>Final Disallowance</b>
<b>LAMPS</b>	\$10,555.40	\$5,277.70	\$5,277.70	\$5,277.70	\$5,277.70
<b>Duplicate Billing</b>	\$328.72	\$328.72	\$0.00	\$0.00	\$328.72
<b>Questionable Items</b>	\$266.98	\$266.98	\$0.00	\$0.00	\$266.98
<b>Miscellaneous Items</b>	\$253.59	\$0.00	\$253.59	\$253.59	\$0.00
<b>Irreconcilable Difference</b>	\$41.28	\$41.28	\$0.00	\$0.00	\$41.28
<b>Contract Adder (4.5%)</b>	\$515.07	\$266.16	\$248.91	\$248.91	\$266.16
<b>Total</b>	<b>\$11,961.04</b>	<b>\$6,180.84</b>	<b>\$5,780.20</b>	<b>\$5,780.20</b>	<b>\$6,180.84</b>

At Final Stage

<b>SUMMARY OF DISALLOWANCES - LABOR AND MATERIALS</b>					
<b>PEM LABOR (APPENDIX III)</b>	\$53,461.22	\$49,994.12	\$3,467.10	\$3,467.10	\$49,994.12
<b>PEM MATERIAL (APPENDIX IV)</b>	\$11,961.04	\$6,180.84	\$5,780.20	\$5,780.20	\$6,180.84
<b>TOTAL</b>	<b>\$65,422.26</b>	<b>\$56,174.96</b>	<b>\$9,247.30</b>	<b>\$9,247.30</b>	<b>\$56,174.96</b>

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ENGINEERING AUDIT

MEMORANDUM

27-Jan-03

To: Frank Seggio  
Audit Manager

From: Jonathan Rubin  
Audit Manager

Re: Yankee Stadium Billing  
Schedule A-3, A-4, A-5, A-6

January-02

**Final**

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We are in receipt of the referenced billing from the New York Yankees. Our enclosed analysis indicates that we should allow \$53,857.36 in rental credits and disallow \$3,423.92.

cc: Yasmin Tejani  
Michael Leonetti (DPR)  
Artie Rollins (DPR)



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ENGINEERING AUDIT

MEMORANDUM

27-Jan-03

To: Jonathan Rubin  
Audit Manager

From: Juddie S. Simms  
Administrative Staff Analyst

Re: Yankee Stadium Billing  
Schedule A-3, A-4, A-5, A-6

**Final**

January-02

The following table summarizes the analysis of the above referenced billing submitted by the New York Yankees. Detailed billing analysis is shown in the tables below:

Item	Yankee Billing	Amount Allowed	Disallowed Amount
Sched. A-3			
Miranda Fuel	\$31,692.23	\$29,276.88	\$2,415.35
Sched. A-4			
Brown & Silver	\$3,842.35	\$3,842.35	\$0.00
Sched. A-5			
Stadium Repairs	\$21,746.70	\$20,738.13	\$1,008.57
Sched. A-6			
Other Expenses	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$57,281.28</b>	<b>\$53,857.36</b>	<b>\$3,423.92</b>

**Schedule A-3 Miranda Fuel**

Check Number	Invoice Number	Item Description	Yankee Billing	Allowed Amount	Disallowed Amount	
31944	172937	Fuel	\$420.12	\$388.10	\$32.02	e
	172938	Fuel	\$7,126.37	\$6,583.25	\$543.12	e
	173513	Fuel	\$553.74	\$511.54	\$42.20	e
	173514	Fuel	\$7,738.14	\$7,148.40	\$589.74	e
	174042	Fuel	\$1,342.38	\$1,240.07	\$102.31	e
	174043	Fuel	\$6,706.09	\$6,195.00	\$511.09	e
32093	174625	Fuel	\$7,371.07	\$6,809.30	\$561.77	e
	174626	Fuel	\$434.32	\$401.22	\$33.10	e
	<b>Total</b>		<b>\$31,692.23</b>	<b>\$29,276.88</b>	<b>\$2,415.35</b>	

**Schedule A-4 Brown & Silver**

Check Number	Invoice Number	Item Description	Yankee Billing	Amount Allowed	Amount Disallowed	
32002	55635	Plumbing Supplies	\$132.90	\$132.90	\$0.00	
	55669	Plumbing Supplies	\$740.00	\$740.00	\$0.00	
32074	55725	Plumbing Supplies	\$20.75	\$20.75	\$0.00	

	55771	Plumbing Supplies	\$254.50	\$254.50	\$0.00
	55811	Plumbing Supplies	\$501.80	\$501.80	\$0.00
	55822	Plumbing Supplies	\$606.00	\$606.00	\$0.00
	55823	Cable & Tools	\$910.00	\$910.00	\$0.00
	55840	Plumbing Supplies	\$76.50	\$76.50	\$0.00
	55857	Plumbing Supplies	\$92.90	\$92.90	\$0.00
	55872	Faucet Handles	\$39.00	\$39.00	\$0.00
	55917	Wire Glass	\$468.00	\$468.00	\$0.00
	<b>Total</b>		<b>\$3,842.35</b>	<b>\$3,842.35</b>	<b>\$0.00</b>

**Schedule A-5 Stadium Repairs**

Check Number	Invoice Number	Item Description	Yankee Billing	Amount Allowed	Amount Disallowed
31897	202859	ACE Elevator	\$12,331.20	\$12,331.20	\$0.00
31989	178478	White Way Sign	\$2,424.93	\$2,424.93	\$0.00
31916	187430a	Bug Doctor	\$5,600.00	\$5,600.00	\$0.00
31995	7790	Plexiglass	\$286.00	\$0.00	\$286.00 a
	7806	Lever Handle	\$59.54	\$0.00	\$59.54 a
32088	217	Plumbing	\$382.00	\$382.00	\$0.00
32016	29403	Signs in Press box	\$148.84	\$0.00	\$148.84 a
	29404	Signs in Press box	\$514.19	\$0.00	\$514.19 a
	<b>Total</b>		<b>\$21,746.70</b>	<b>\$20,738.13</b>	<b>\$1,008.57</b>

Approval is based on existing contracts and verification of payment.

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ENGINEERING AUDIT

MEMORANDUM

27-Jan-03

To: Frank Seggio  
Audit Manager

From: Jonathan Rubin  
Audit Manager

Re: Yankee Stadium Billing  
Schedule A-3, A-4, A-5, A-6 2-Feb

\*\*\*\*\*

We are in receipt of the referenced billing from the New York Yankees. Our enclosed analysis indicates that we should allow \$49,767.30 in rental credits and disallow \$1,787.41.

cc: Yasmin Tejani  
Michael Leonetti (DPR)  
Artie Rollins (DPR)

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ENGINEERING AUDIT

MEMORANDUM

27-Jan-03

To: Jonathan Rubin  
Audit Manager

From: Juddie S. Simms  
Administrative Staff Analyst

Re: Yankee Stadium Billing  
Schedule A-3, A-4, A-5, A-6

2-Feb

The following table summarizes the analysis of the above referenced billing submitted by the New York Yankees. Detailed billing analysis is shown in the tables below:

Item	Yankee Billing	Amount Allowed	Disallowed Amount
Sched. A-3			
Miranda Fuel	\$7,903.18	\$7,300.86	\$602.32
Sched. A-4			
Brown & Silver	\$1,285.20	\$1,059.20	\$226.00
Sched. A-5			
Stadium Repairs	\$42,366.33	\$41,407.24	\$959.09
Sched. A-6			
Other Expenses	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$51,554.71</b>	<b>\$49,767.30</b>	<b>\$1,787.41</b>

**Schedule A-3 Miranda Fuel**

Check Number	Invoice Number	Item Description	Yankee Billing	Allowed Amount	Disallowed Amount	
32154	175165	Fuel	\$440.09	\$406.55	\$33.54	e
	175166	Fuel	\$7,463.09	\$6,894.31	\$568.78	e
	<b>Total</b>		<b>\$7,903.18</b>	<b>\$7,300.86</b>	<b>\$602.32</b>	

**Schedule A-4 Brown & Silver**

Check Number	Invoice Number	Item Description	Yankee Billing	Amount Allowed	Amount Disallowed	
32131	55979	Brown & Silver	\$226.00	\$0.00	\$226.00	a
32210	55942	Plumbing Supplies	\$51.20	\$51.20	\$0.00	
	56003	Faucet	\$205.00	\$205.00	\$0.00	
	56156	Plumbing Supplies	\$803.00	\$803.00	\$0.00	
	<b>Total</b>		<b>\$1,285.20</b>	<b>\$1,059.20</b>	<b>\$226.00</b>	

**Schedule A-5 Stadium Repairs**

Check Number	Invoice Number	Item Description	Yankee Billing	Amount Allowed	Amount Disallowed	
32132	188930	Bug Doctor	\$5,600.00	\$5,600.00	\$0.00	
31987	203153	ACE Elevator	\$12,331.20	\$12,331.20	\$0.00	
32195	179865	White Way	\$2,424.93	\$2,424.93	\$0.00	
32214	55101-0149	Bolts & Nuts	\$959.09	\$0.00	\$959.09	a
32313	109265	Filter	\$598.80	\$598.80	\$0.00	
	109350	Fan	\$580.25	\$580.25	\$0.00	
32232	244	Boiler Repair	\$6,648.00	\$6,648.00	\$0.00	
	255	Domestic Tank Repa	\$3,865.00	\$3,865.00	\$0.00	
32332	257	Plumbing	\$1,282.00	\$1,282.00	\$0.00	
27981	833767-d	Seat Parts	\$6,985.00	\$6,985.00	\$0.00	
32158	84529	Metro Group	\$749.99	\$749.99	\$0.00	
32203	161745	American Industrial D	\$342.07	\$342.07	\$0.00	
<b>Total</b>			<b>\$42,366.33</b>	<b>\$41,407.24</b>	<b>\$959.09</b>	

Approval is based on existing contracts and verification of payment.  
Standard Legend:

- a. Not a City cost
- b. No indication of use or approval by DPR
- c. Approval withheld pending DPR approval
- d. Backup documentation missing from package submitted
- e. Sales Tax
- f. New York City costs attributable to these bills not clear
- g. Approval withheld pending receipt of bid tabulations and copy of contract
- h. No evidence of payment
- i. Approval pending receipt of written notification of increase in monthly charge.
- j. Previously submitted bill.

Calculations Checked

Juddie S. Simms

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ENGINEERING AUDIT

MEMORANDUM

1/27/03

To: Frank Seggio  
Audit Manager

From: Jonathan Rubin  
Audit Manager

Re: Yankee Stadium Billing  
Schedule A-3, A-4, A-5, A-6 2-Mar

.....

We are in receipt of the referenced billing from the New York Yankees. Our enclosed analysis indicates that we should allow \$440,499.06 in rental credits and disallow \$5,075.42.

cc: Yasmin Tejani  
Michael Leonetti (DPR)  
Artie Rollins (DPR)

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ENGINEERING AUDIT

MEMORANDUM

27-Jan-03

To: Jonathan Rubin  
Audit Manager

From: Juddie S. Simms  
Administrative Staff Analyst

Re: Yankee Stadium Billing 2-Mar  
Schedule A-3, A-4, A-5, A-6

The following table summarizes the analysis of the above referenced billing submitted by the New York Yankees. Detailed billing analysis is shown in the tables below:

Item	Yankee Billing	Amount Allowed	Disallowed Amount
Sched. A-3			
Miranda Fuel	\$25,919.49	\$23,944.10	\$1,975.39
Sched. A-4			
Brown & Silver	\$1,437.00	\$1,437.00	\$0.00
Sched. A-5			
Stadium Repairs	\$416,558.68	\$414,432.90	\$2,125.78
Sched. A-6			
Other Expenses	\$1,659.31	\$685.06	\$974.25
<b>Total</b>	<b>\$445,574.48</b>	<b>\$440,499.06</b>	<b>\$5,075.42</b>

**Schedule A-3 Miranda Fuel**

Check Number	Invoice Number	Item Description	Yankee Billing	Allowed Amount	Disallowed Amount
32237	175711	Fuel	\$6,827.87	\$6,307.50	\$520.37 e
	175712	Fuel	\$1,367.21	\$1,263.01	\$104.20 e
	176369	Fuel	\$7,646.24	\$7,063.50	\$582.74 e
	176370	Fuel	\$450.86	\$416.50	\$34.36 e
32338	176861	Fuel	\$506.91	\$468.28	\$38.63 e
32477	177320	Fuel	\$8,612.37	\$7,956.00	\$656.37 e
	177321	Fuel	\$508.03	\$469.31	\$38.72 e
	<b>Total</b>		<b>\$25,919.49</b>	<b>\$23,944.10</b>	<b>\$1,975.39</b>

**Schedule A-4 Brown & Silver**

Check Number	Invoice Number	Item Description	Yankee Billing	Amount Allowed	Amount Disallowed
32314	56157	Plumbing Supplies	\$964.00	\$964.00	\$0.00
	56193	Plumbing Supplies	\$7.00	\$7.00	\$0.00
	56231	Plumbing Supplies	\$384.00	\$384.00	\$0.00
	56260	Plumbing Supplies	\$82.00	\$82.00	\$0.00
	<b>Total</b>		<b>\$1,437.00</b>	<b>\$1,437.00</b>	<b>\$0.00</b>



**Schedule A-5 Stadium Repairs**

Check Number	Invoice Number	Item Description	Yankee Billing	Amount Allowed	Amount Disallowed	
32199	4099805	ADT Security	\$7,874.21	\$7,874.21	\$0.00	
32207	719928	Keys & locks	\$198.44	\$0.00	\$198.44	a
	722848	cylinder	\$235.60	\$0.00	\$235.60	a
32211	598	Bug Doctor	\$5,600.00	\$5,600.00	\$0.00	
32221	2002018	2002 Repaint	\$45,804.08	\$45,804.08	\$0.00	
	200220	2002 Repaint	\$46,908.68	\$46,908.68	\$0.00	
	200221	2002 Repaint	\$12,515.05	\$12,515.05	\$0.00	
32279	180001	White Way	\$7,760.03	\$7,760.03	\$0.00	
	181350	White Way	\$2,424.93	\$2,424.93	\$0.00	
32315	201954	Bug Doctor	\$195.00	\$0.00	\$195.00	a
32357	78143228	Water Cooler	\$627.00	\$0.00	\$627.00	a
	78143237	Cup Seal	\$869.74	\$0.00	\$869.74	a
27986	2002025	2002 Stadium Paint	\$130,931.92	\$130,931.92	\$0.00	
	2002024	2002 Stadium Paint	\$98,530.32	\$98,530.32	\$0.00	
	2002026	2002 Stadium Paint	\$35,145.68	\$35,145.68	\$0.00	
	2002027	2002 Stadium Paint	\$20,938.00	\$20,938.00	\$0.00	
Total			\$416,658.69	\$414,432.90	\$2,125.78	

**Schedule A-6 Other Expenses**

Check Number	Invoice Number	Item Description	Yankee Billing	Amount Allowed	Amount Disallowed	
32200	80045r	Airweld	\$22.00	\$22.00	\$0.00	
32306	18163	Flags	\$663.06	\$663.06	\$0.00	
32376	1878989	Burns	\$0.00	\$0.00	\$0.00	*
		Burns	\$0.00	\$0.00	\$0.00	*
32231	1125	Flagman	\$974.25	\$0.00	\$974.25	a
Total			\$1,659.31	\$685.06	\$974.25	

\*Costs of \$49,337.32 billed by Burns International Security not included - to be processed under Schedule A-1.

Approval is based on existing contracts and verification of payment.

**Standard Legend:**

- a. Not a City cost
- b. No indication of use or approval by DPR
- c. Approval withheld pending DPR approval
- d. Backup documentation missing from package submitted
- e. Sales Tax
- f. New York City costs attributable to these bills not clear
- g. Approval withheld pending receipt of bid tabulations and copy of contract
- h. No evidence of payment
- i. Approval pending receipt of written notification of increase in monthly charge.
- j. Previously submitted bill.

Calculations Checked

Juddie S. Simms



NEW YORK YANKEES RENTAL CREDITS  
SUMMARY OF SCHEDULE OF BUREAU OF ENGINEERING REPORTS FOR  
SCHEDULES A-3 THROUGH A-6  
AUDIT PERIOD: 1/1/01 - 3/31/01  
AUDIT #FR03-106A

A3 TO A6 DISALLOWANCES					
Description of Disallowance	Amount Disallowed (per Draft Report)	Amount Accepted By NYY	Amount Resubmitted By NYY	Add'l Amt. Accepted By City	Final Disallowance
<b>A-3 MIRANDA FUEL</b>					
(e) Sales Tax	\$ 4,993.06	\$ 4,993.06	\$ -	\$ -	\$ 4,993.06
<b>A-4 BROWN &amp; SILVER</b>					
(a) Not a City Cost	\$ 1,136.00	\$ 226.00	\$ 910.00	\$ 910.00	\$ 226.00
<b>A-5 STADIUM REPAIRS</b>					
(a) Not a City Cost	11,967.65	\$ 4,093.44	\$ 7,874.21	\$7,874.21	\$ 4,093.44
(d) Backup Documentation Missing	35,175.40	0.00	\$ 35,175.40	35,175.40	0.00
<b>A-6 OTHER EXPENSES</b>					
(a) Not a City Cost	\$ 996.25	\$ 974.25	\$ 22.00	\$ 22.00	\$ 974.25
<b>TOTAL</b>	<b>\$ 54,268.36</b>	<b>\$ 10,286.75</b>	<b>\$ 43,981.61</b>	<b>\$ 43,981.61</b>	<b>\$ 10,286.75</b>

At Final Stage

# New York Yankees

ROBERT BROWN  
CONTROLLER



ADDENDUM  
Page 1 of 3

EXECUTIVE OFFICE  
YANKEE STADIUM  
BRONX, NEW YORK 10451  
TEL: (718) 579-4526  
FAX: (718) 695-5242

February 6, 2003

Mr. Gary Rose  
Director of Financial Audit  
1 Centric Street  
Room 1300 North  
New York, NY 10007

RE: Audit Report on the New York Yankees Rental Credits- 1st quarter 2002

Dear Mr. Rose:

In response to the draft report, the New York Yankees are accepting \$101,801.79 and rejecting \$61,409.76.

Should you have any questions, please feel free to contact me at 718-579-4526.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Brown", with a long horizontal line extending to the right.

Robert Brown

RB/rb

Cc: Frank Seggio  
Yasmin Tejjani

New York Yankees Response to Draft Report #FR03-106A  
Rental Credits for 1st Quarter 2002

	Amount Accept	Amount Reject	Total Amount
A-1	\$35,340.08	\$8,180.85	\$43,520.93
A-2	\$56,174.96	\$9,247.30	\$65,422.26
A-3	\$ 4,993.06	\$ -	\$ 4,993.06
A-4	\$ 226.00	\$ 910.00	\$ 1,136.00
A-5	\$ 4,093.44	\$ 43,049.61	\$ 47,143.05
A-6	\$ 974.25	\$ 22.00	\$ 996.25
<b>TOTAL</b>	<b>\$101,801.79</b>	<b>\$61,409.76</b>	<b>\$163,211.55</b>

**A-1 RIVER PAYROLL**

DESCRIPTION OF DISALLOWANCE	Amount Accepted	Amount Rejected	Total Amount
Burns Security	\$26,598.31	\$0.00	\$26,598.31
Sales Tax on Burns Invoices	\$3,760.96	\$0.00	\$3,760.96
NY Y Assignments	\$1,191.04	\$2,474.64	\$3,665.68
P/R Taxes and Welfare Contr.	\$854.31	\$1,464.46	\$2,318.77
Third Shift	\$1,254.02	\$1,254.01	\$2,508.03
Insufficient Documentation	\$0.00	\$1,926.14	\$1,926.14
Questionable Hours	\$0.00	\$1,061.60	\$1,061.60
Incomplete Timesheets	\$563.09	\$0.00	\$563.09
Incorrect Rates (S/T, O/T)	\$510.98	\$0.00	\$510.98
Unit-Not-Taken	\$208.75	\$0.00	\$208.75
Incorrect Hourly Rates	\$190.02	\$0.00	\$190.02
NY Y Cost/Holiday Hours	\$148.88	\$0.00	\$148.88
Conflict of Hours	\$59.72	\$0.00	\$59.72
<b>Total</b>	<b>\$35,340.08</b>	<b>\$8,180.85</b>	<b>\$43,520.93</b>

**A-2 PEM ELECTRIC - LABOR HOURS**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
Incorrect Calculation of Offset	\$17,250.47	\$0.00	\$17,250.47
No Approval by DPR	\$14,714.47	\$0.00	\$14,714.47
NY Y Assignments	\$11,533.58	\$0.00	\$11,533.58
Insufficient Documentation	\$0.00	\$3,467.10	\$3,467.10
Irreconcilable Differences	\$3,427.82	\$0.00	\$3,427.82
O/T should be S/T	\$1,436.40	\$0.00	\$1,436.40
Incomplete T/S	\$1,155.70	\$0.00	\$1,155.70
Unit-Not-Taken	\$358.93	\$0.00	\$358.93
Hours Not Work	\$116.75	\$0.00	\$116.75
<b>Total</b>	<b>\$49,994.12</b>	<b>\$3,467.10</b>	<b>\$53,461.22</b>

**A-2 PEM ELECTRIC - MATERIALS**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
LAMPS	\$5,277.70	\$5,277.70	\$10,555.40
Duplicate Billing	\$328.72	\$0.00	\$328.72
Questionable Items	\$266.98	\$0.00	\$266.98
Miscellaneous Items	\$0.00	\$253.59	\$253.59
Irreconcilable Difference	\$41.28	\$0.00	\$41.28
Contract Adder (4.5%)	\$266.16	\$248.91	\$515.07
<b>Total</b>	<b>\$6,180.84</b>	<b>\$5,780.20</b>	<b>\$11,961.04</b>

**A-3 MIRANDA FUEL**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
(e) Sales Tax	\$ 4,993.06	\$ -	\$ 4,993.06
<b>TOTAL</b>	<b>\$ 4,993.06</b>	<b>\$ -</b>	<b>\$ 4,993.06</b>

**A-4 BROWN & SILVER**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
(a) Not a City Cost	\$ 226.00	\$ 910.00	\$ 1,136.00
<b>TOTAL</b>	<b>\$ 226.00</b>	<b>\$ 910.00</b>	<b>\$ 1,136.00</b>

**A-5 STADIUM REPAIRS**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
(a) Not a City Cost	\$ 4,093.44	\$7,874.21	\$ 11,967.65
(d) Missing Documentation	\$0.00	\$ 35,175.40	\$ 35,175.40
<b>TOTAL</b>	<b>\$ 4,093.44</b>	<b>\$ 43,049.61</b>	<b>\$ 47,143.05</b>

**A-6 OTHER EXPENSES**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
(a) Not a City Cost	\$ 974.25	\$ 22.00	\$ 996.25
<b>TOTAL</b>	<b>\$ 974.25</b>	<b>\$ 22.00</b>	<b>\$ 996.25</b>