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REVE NEWS

FINANCE'S MONTHLY NEWSLETTER • JULY 2006 • VOLUME 3, NUMBER 3

Divisional Corner

Pauline Hyles, Assistant Commissioner, Audit Division



In November 2002, *Commissioner Stark* appointed me as Acting Assistant Commissioner for the Audit Division, and I was confirmed the following February. Even then, I knew how strongly the Commissioner felt about helping people pay the right amount in a timely manner. So one of my earliest goals was to complete and close as many of the long-open audits as possible. There were, at that time, over 4,000 open audits that seemed resolvable.

First, we had to evaluate the status of the open cases and determine which cases should be resolved and closed first. With the help of my talented and committed staff, over the next three years, we closed 97% of those open cases. No doubt, the successful resolution of these old cases played a significant role in the Audit Division exceeding its revenue targets by large margins for each of the past three years. But more importantly, closing those open cases made it easier for taxpayers to resolve their issues and pay the correct amount. This is how we will

measure our success from now on — not by how much revenue our audits produce.

Second, in June 2003, we decided to close our Regional Offices in Chicago and California as part of a new audit strategy. It became clear that by forging partnerships and making use of technology, the need to be physically located in those cities was no longer necessary. The result was better management oversight and training, reduced administrative costs, and increased revenue generated through audits.

Third, in keeping with the SMART Initiative, we realized that taxpayers, practitioners, and auditors needed clarification in a few areas. So we issued several Statements of Audit Procedure (SAPs) to give guidance to all and to encourage voluntary compliance.

Our goal for the future: Audit is refocusing its attention to non-filers, instead of exclusively auditing filers who have underpaid or made errors on their returns. To this end, we are actively reaching out to small businesses, particularly those that are cash businesses, to encourage them to come forward voluntarily and pay back tax.

So many auditors, supervisors, and managers participated in the elimination of the almost 4,000 old cases that I cannot thank them all by name. However, I would like to express my appreciation for the division's hard work on that project.

Audit Working "SMART"

For years, the Audit Division chose companies to audit in the same way — auditing a select group of large businesses and rarely conducting any significant review of returns filed by smaller businesses. Often, these large business taxpayers would complain that smaller businesses did not pay their fair share of taxes. Audit learned about various alleged irregularities. As a result, the Audit Division decided to establish a committee to research and develop a plan to ensure that all businesses paid their fair share.

Robert Curro (General Corporation Tax) was selected to oversee a special program that would focus on various industries. Taxpayers do not always understand the laws and regulations and need clear guidance on what is expected, so they can pay the correct amount they owe on time. A committee within Audit was established to develop an entirely new methodology to identify the business establishments that were audit-worthy and, ultimately, to design a program that would result in small business taxpayers filing accurate and timely returns.

After setting up the committee, the first target industry was selected. Then, each licensed business within that industry had to be researched by support staff using Fairtax records to determine which businesses were filing business tax returns in New York City. Robert personally reviewed the results, obtained copies of the tax returns of the businesses that were filing,

and, based on inconsistencies in the filings, determined which businesses were appropriate for audit. It was painstaking work for all involved.

Once businesses were identified, Robert supervised a small group of auditors who were assigned to assist taxpayers in resolving the over 495 cases that had been opened as a result of this project. Audit is looking forward to continuing this small business project and is currently in the process of working with the Communications and Customer Services Division (CCS) to mail letters to targeted businesses asking them to come forward through Finance's Voluntary Disclosure Program.

In addition to the work done on the auditing project, another committee at Audit consisting of *Samuel Blaize*

(Desk Audit), *Robert Curro* (General Corporation Tax), *Anthony Deluca* (Commercial Rent Tax), *Ira Elias* (General Corporation Tax), *Steven Gagliardotto* (Bank Tax), *Sophia Walkes* (Utility Tax/General Corporation Tax), and *Noel Woodburn* (Quality Management Support Group), identified five of the most common errors that taxpayers made on various business issues. Once they compiled their list, they drafted a detailed summary of the issues, which included an explanation of the applicable laws.

These projects have resulted in improved results for our customers. Kudos and thanks to the Audit Division!



You Will Notice...

It's summer...it's a little warm...and our August issue will reflect this summer mood. The Divisional Corner scheduled an August vacation — just in time for a distribution change. We discovered in our focus groups that readers wanted to receive **ReveNEWS** earlier in the month so we could include the kind of updates and announcements that staff said they wanted to see.

In order to meet these requests, the August issue will be a little bit lighter in content. This will enable us to publish more quickly, which will facilitate the change in the distribution date.

In September, we will return to the format which includes the monthly Divisional Corner. Other than including more contests, the formation and distribution probably will not change again until our first special holiday issue slated for December. As always, we hope you enjoy what you are about to see, and we welcome your reactions.

July Contest...

Name The Cabinet Members!

Who would have guessed that these adorable babies would one day grow up to be leaders in City government??? Get out your organization charts or look at the names of the Cabinet members at the end of this issue, and take a guess at which the Cabinet members are. Win a prize!



To access the contest, go to the pdf version of **ReveNEWS** on the Employee Services Page at <http://FinanceNet>, and click on the baby.

Don't wait — Enter now!

Things to Think About in August

Those who have been following the evolution of **ReveNEWS** know that focus groups have been an integral part of the process. The brainstorming sessions held by the staff at **ReveNEWS** have resulted in many of the changes readers will see over the coming months.

Among the types of stories staff want to see are topical, "lifestyle" items, and so the search began for topics. Did people want to know about August being *National Blueberry Month*? Perhaps, but what did that have to do with Finance? It is also *National Catfish Month* and *Peach Month*. Not topics that make the grade in terms of relevance, but they are little reminders of things that you might want to do or have fun with. Did readers know that in August there is *National Mustard Day*, *National Apple Week*, *Watermelon Day*, and *Ice Cream Sandwich Day*? Clearly, August is a great month for eating.

August is *Family Eye Care Month* and the perfect time to make an appointment for an eye exam. This is the only way to check for some eye diseases that have no symptoms. Glaucoma, for example, if left untreated, can lead to vision loss and blindness. The test is simple, and there is treatment available. How is this relevant to Finance? Well, we can't provide great customer service unless we are healthy and well-informed.

After having a complete eye exam, there are plenty of other opportunities for observing the more unique holidays. August is *Admit You're Happy Month*, so go ahead and do that and, at the same time, you will probably want to celebrate *National Smile Week*, which is the second week of the month. Put on your sunglasses and head out to the park or the beach to celebrate *Son and Daughter Day* on the 11th, *Middle Child Day* on the 12th, and don't forget to honor the *Left-hander* in your life on the 13th.

For additional information, go to the pdf version of **ReveNEWS** on the Employee Services Page at <http://FinanceNet> and click on the italicized holiday.

It's Summer in the City

Did you know that the City has cooling centers? When the heat index is going to be high, NYC opens cooling centers in air-conditioned public facilities so that people can get relief from the heat. During a heat emergency, call 311 to find the location of a cooling center or pool near you, or access that information at www.nyc.gov



5th Annual Competition

Office of the Sheriff and Tax Enforcement



Officers from the Sheriff's Office and the Tax Enforcement Division competed in the 5th Annual New York City Department of Finance Shoot Off. Held at the Hempstead Police Department pistol range on June 1st, the two Finance divisions authorized to carry firearms competed in three events to

determine which division had the best shooters and who would take home a \$100 gift check for first place.

Organized by *Deputy Sergeants Fred Davis and Brian Boyar*, the two divisions met in friendly competition to see who would earn bragging rights for having the best shooter in Finance. *Deputies Steven Brown, Warren Ceaser, Robert Canonica, Edwin Gonzalez, Wayne Price, Khalilah Ramsey, Enrique Vega*, along with *Tax Enforcement Agent George Tsatsaronis* met at the firing line to see who would "take home the gold" and become Finance's pistol champion.

To read the full story, go to the pdf version of **ReveNEWS** on the Employee Services page at <http://FinanceNet>. Click on the photo for additional competition photos.

Finance Employees Receive the Newsletter with Paychecks

The **ReveNEWS** staff thanks the members of the Payroll Unit who helped distribute the new, monthly **ReveNEWS** throughout Finance along with the paychecks. More readers are receiving **ReveNEWS** than ever before, and many receive it on the same day. We really appreciate Payroll's help!

Thank you very much to *Director, Carl Merante, Deputy Director, Sal Russo*, and the Payroll Distribution Team: *Helen Shea, Arlene Rosario, Inez Fletcher, Stephanie Harvey, Matthew Nazareno, and Sheila Holmes*.



Congratulations Finance Crossword Contest Winners

ReveNEWS was thrilled to receive so many submissions to our first-ever, agency-wide contest, the Finance Crossword. However, as the rules stated, only the first 25 correct submissions won the prize!

Finance Crossword Winners!

Joel Bernstein (Information System Services), *Loretta Brown* (Property), *Christopher Browne* (Communications & Customer Relations), *Sharon Chew* (Enforcement), *Marva Edmondson* (Payment Operations), *Darlene Furey* (Payment Operations), *Irma George* (Payment Operations), *Jennifer Henry* (Property), *Sharon Kelly* (City Register), *Lorraine Linton* (Sheriff), *George Mark* (Information System Services),

John Mulligan (Legal Affairs), *Kathy Nixon* (Tax Policy), *Terry Nixon-Smith* (Administration), *Andrea Parker* (Payment Operations), *Zena Spence* (City Register), *Debra Targhi* (Payment Operations), *Elizabeth Tauranac* (Communications & Customer Service), *Danley Vidal* (City Register), *Sharon Ward* (Executive), *Tanisha Werts* (City Register), *Adrian Wheeler* (City Register), and *Sandra Wright* (Communications & Customer Relations).



The winners received a handy black canvas mini-tote with the Finance insignia. Thanks to all of you who entered. If you did not win, try again this month! Different contest – different prize.

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REVE NEWS IS A MONTHLY PUBLICATION OF THE NYC DEPARTMENT OF FINANCE

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