



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

MARJORIE LANDA
DEPUTY COMPTROLLER FOR
AUDIT

BUREAU OF AUDIT

June 22, 2018

By Electronic Mail

Commissioner Ellen E. Hoffman
Office of Administrative Tax Appeals
One Centre Street, Room 2400
New York, NY 10007

**Re: Letter Report on the New York City Office of Administrative Tax Appeals'
Compliance with Local Law 36 Regarding Waste Prevention, Reuse and
Recycling by City Agencies (Audit Number SZ18-133AL)**

Dear Commissioner Hoffman:

This Letter Report concerns the New York City Comptroller's audit of the New York City Office of Administrative Tax Appeals' (OATA's) compliance with Local Law 36, which governs waste prevention, reuse and recycling by New York City agencies. The objective of this audit was to determine whether OATA 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 OATA to follow recycling rules established by the New York City Department of Sanitation (DSNY) pursuant to Local Law 36. Our audit of OATA is one in a series of audits we are conducting on the City's 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, which 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. 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. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the agency head 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 DSNY Commissioner 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 it in the agency’s annual recycling report.

Findings and Recommendations

Our audit found that OATA did not fully comply with Local Law 36. OATA source separates its recyclable materials and has designated a lead recycling coordinator for its two offices at One Centre Street.¹ However, we found that OATA did not establish a Waste Prevention, Reuse and Recycling Plan pursuant to Local Law 36. Additionally, it did not submit the required annual report to its Commissioner or to DSNY. Further, we noted from our site observation that the recycling containers were not properly labeled to prevent any improper collection of waste materials. Our findings are outlined in the table below entitled Compliance Summary.

COMPLIANCE SUMMARY		
Local Law 36 Criteria	Compliance	Notes
Recycles designated materials	Partial	OATA generally complies but has recycling bins that are not properly labeled
Designated a lead recycling coordinator and assistant coordinator	Yes	OATA has designated a lead recycling coordinator at its single location
Established a Waste Prevention, Reuse and Recycling Plan by July 1, 2011	No	OATA did not establish a Waste Prevention, Reuse and Recycling Plan
Submits annual report to the agency head and DSNY Commissioner	No	OATA did not submit the annual report to its Commissioner or DSNY Commissioner

¹ Source separating is separating materials by type when discarded so that they can be recycled. For example, there may be containers for metal, glass, paper and plastic; or there may be one container for paper and one for mixed items.

In addition to these findings, however, we note that OATA has made efforts to address waste prevention, reuse and safe handling of hazardous waste beyond the requirements of the local law. Specifically, OATA prints its Tax Commission forms and other applications on both sides of the paper to reduce its paper usage. Additionally, OATA follows the City's E-Waste policy and participates in a City-wide contract with Veolia for hazardous waste disposal. These measures have been taken in accordance with DSNY's additional rules enacted pursuant to Local Law 36.

We recommend that OATA (1) establish a Waste Prevention, Reuse and Recycling Plan; and (2) submit the required annual report to its agency head and DSNY by July 1st of each year as required by Local Law 36. We also recommend that OATA label each recycling container or post proper signage to indicate the types of recyclable material that go into each container.

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 June 5, 2018, 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, DSNY's agency Waste Prevention, Reuse and Recycling Plan template and DSNY's recycling reporting requirements for City agencies;
- We conducted interviews with OATA officials to discuss the agency's recycling and waste prevention efforts; and
- We visited OATA's facilities at One Centre Street 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.

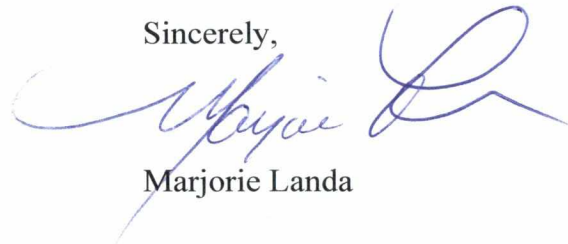
CORE CRITERIA	
Compliance	Detailed Criteria
Recycling	Agency source-separates recyclable materials
Coordination	Agency has a lead coordinator
	Agency has assistant coordinator(s) as applicable
WPRR Plan	Agency has a Waste Prevention, Reuse and Recycling Plan
Report to Agency Head and DSNY Commissioner	Agency submitted the annual 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 by 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 OATA officials during and at the conclusion of this audit. On June 8, 2018, we submitted a draft report providing OATA with the opportunity to formally respond. OATA's response was received on June 20, 2018. In its written response, OATA stated in substance that it was implementing all of our recommendations. Specifically, OATA reported that it has submitted a Waste Prevention, Reuse and Recycling Plan to DSNY for approval and stated that it would submit the required annual reports beginning in 2019 once the plan is approved by DSNY. OATA further stated that it had obtained the appropriate labels and signs for its recycling containers and placed them on or near each container to indicate the types of materials accepted.

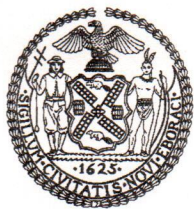
The full text of OATA's comments is included as an addendum to this report .

Sincerely,



Marjorie Landa

- c: Myrna Hall, Director of Operation, OATA
- Leonard Picker, Special Counsel, OATA
- Starr Martinez, Deputy Director of Administration, OATA
- Emily Newman, Acting Director, Mayor's Office of Operations
- George Davis, III, Deputy Director, Mayor's Office of Operations



THE CITY OF NEW YORK
OFFICE OF ADMINISTRATIVE TAX APPEALS

2400 Municipal Building, 1 Centre Street, New York, NY 10007

ELLEN HOFFMAN
Director
EHoffman@oata.nyc.gov

June 20, 2018

Marjorie Landa, Deputy Comptroller
Bureau of Audit
NYC Office of the Comptroller
1 Centre Street
Room 1100
New York, NY 10007

Dear Deputy Comptroller Landa:

In response to the recommendations contained in your draft letter report:

OATA has established a Waste Prevention, Reuse, and Recycling Plan and submitted it to DSNY for its approval on June 19, 2018.

We have been advised by DSNY that the annual report is not required until after a plan has been approved by DSNY. Therefore, OATA will submit the annual reports required by Local Law 36 beginning in 2019, after the plan has been approved.

OATA has obtained additional labels and signs indicating the types of recyclable material. Labels were placed on specific containers and the signs on or near each recycling container.

Sincerely

A handwritten signature in black ink, appearing to read "Ellen E. Hoffman".

Ellen E. Hoffman

- c: Ernestine M. Rivers, Audit Manager, Comptroller's Office
Mindy Tarlow, Acting Director, Mayor's Office of Operations
George Davis, III, Deputy Director, Mayor's Office of Operations
Myrna Hall, Director of Operations, OATA
Leonard Picker, Special Counsel, OATA
Starr Martinez, Deputy Director of Operations, OATA