



# City of New York

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## OFFICE OF THE COMPTROLLER

Scott M. Stringer  
COMPTROLLER



## MANAGEMENT AUDIT

**Marjorie Landa**

Deputy Comptroller for Audit

Audit Report on the Department of  
Buildings' Issuance of Licenses to Site  
Safety Professionals

ME16-061A

**June 30, 2016**

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, NY 10007

SCOTT M. STRINGER  
COMPTROLLER

June 30, 2016

To the Residents of the City of New York:

My office has audited the New York City Department of Buildings (DOB) to determine whether it has adequate controls in place to ensure the appropriate issuance of licenses to Site Safety Professionals. We conduct audits such as this to increase accountability and to ensure that City agencies are appropriately meeting their responsibilities.

The audit found that DOB needs to improve its controls concerning the issuance of licenses to Site Safety Professionals. There was insufficient evidence that DOB had adequately reviewed some initial and renewal applications before granting licenses. Further, DOB did not adequately track the processing of applications for initial licenses, and there were delays in the initial application review process. Other weaknesses included the lack of a mechanism to ensure that required steps are performed, recordkeeping deficiencies, and insufficient written procedures.

The audit makes 22 recommendations to DOB, including that it review the qualifications of initial and renewal Site Safety Professional applicants more closely to ensure that only qualified applicants are issued initial and renewed licenses; that it ensure that the Licensing and Exams unit's (Licensing) application files contain all the supporting documentation necessary before initial and renewed Site Safety Professional licenses are issued; that it ensure that a Licensing supervisor reviews key applicant data and documents before initial or renewed Site Safety Professional licenses are issued; and that it develop and implement application review checklists to track the processing of initial and renewal applications for Site Safety Professional licenses.

The results of this audit have been discussed with DOB officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott M. Stringer".

Scott M. Stringer

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# THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER MANAGEMENT AUDIT

## Audit Report on the Department of Buildings' Issuance of Licenses to Site Safety Professionals

ME16-061A

### EXECUTIVE SUMMARY

The objective of this audit was to determine whether the New York City Department of Buildings (DOB) has adequate controls in place to ensure the appropriate issuance of licenses to Site Safety Professionals. DOB was created to, among other things, ensure the safe and lawful use of more than one million buildings and properties by enforcing the City's Building Code and Zoning Resolution and the New York State Multiple Dwelling and Labor Laws. DOB promotes worker and public safety through its review and approval of building plans, issuance of construction-related permits and licenses, and inspections. DOB issues licenses to eligible individuals in the construction trades, including Site Safety Professionals, the focus of this audit.

Two types of Site Safety Professional licenses are issued by DOB: a Site Safety Manager (SSM) license for a three-year term and a Site Safety Coordinator (SSC) license for a one-year term. Since October 1, 1987, DOB has been prohibited from approving any plans for the initial construction or demolition of buildings 15 stories or more in height without there being a licensed SSM appointed to work at the site. As of July 1, 2008, DOB has also been prohibited from approving any plans for the initial construction or demolition of buildings 10-14 stories in height unless either a licensed SSC or SSM has been appointed to work at the site. The SSM or SSC must be present at all times that work is being performed on a building to monitor the construction workers and perform site safety inspections.

To become an SSM, an individual must take an exam on the safety rules that govern City construction sites and complete the background investigation process. An SSC applicant is not required to take an exam but must complete the background investigation process. Applicants for both categories of Site Safety Professional licenses must provide to DOB's Licensing and Exams unit (Licensing) a number of documents, including a Background Investigation Questionnaire, an Experience Verification Form, and a site safety course certificate from an approved DOB provider. Applicants must also meet at least one of the experience and training qualification options outlined in DOB guidelines.

For renewals, a licensee must submit a renewal application package, which should include, among other things, a 7-hour Site Safety refresher course certificate from an approved DOB provider. A Licensing Renewal Investigative Clerk conducts a criminal background check and determines whether an applicant has any outstanding Environmental Control Board penalties.

During Fiscal Year 2015, there were 125 initial SSM and SSC applications submitted to DOB—96 for an initial SSM license and 29 for an initial SSC license. In addition, during this time period, DOB received 412 renewal applications. As of August 2015, there were a total of 1,129 active SSM and SSC licenses—1,052 active SSM licenses and 77 active SSC licenses.

## **Audit Findings and Conclusions**

DOB needs to improve its controls concerning the issuance of licenses to Site Safety Professionals. We found that there was insufficient evidence that DOB had adequately reviewed some initial and renewal applications before granting licenses. The insufficient reviews appear in part to have been the result of limited supervisory oversight of the review process. We also found that DOB did not adequately track the processing of applications for initial licenses and that there were delays in the initial application review process. These weaknesses, if not corrected, increase the risk that persons who are unqualified may nevertheless be granted site safety licenses, which would increase the risk to construction workers and the public. In addition, delays in the application process can contribute to shortages in the availability of licensed Site Safety Professionals.

## **Audit Recommendations**

To address these issues, this report makes a total of 22 recommendations, including the following:

- DOB should review the qualifications of initial and renewal Site Safety Professional applicants more closely to ensure that only qualified applicants are issued initial and renewed licenses.
- DOB should ensure that Licensing’s application files contain all the supporting documentation necessary before initial and renewed Site Safety Professional licenses are issued.
- DOB should ensure that a Licensing supervisor reviews key applicant data and documents before initial or renewed Site Safety Professional licenses are issued.
- DOB should enhance its efforts to complete the background investigation of each applicant within the agency’s informal goal of six months.
- DOB should develop and implement application review checklists to track the processing of initial and renewal applications for Site Safety Professional licenses.

## **Agency Response**

In its response, DOB officials generally agreed with 18 of the audit’s 22 recommendations and disagreed with the remaining four. The full text of DOB’s written response is included as an addendum to this report.

# AUDIT REPORT

## Background

DOB was created to, among other things, ensure the safe and lawful use of more than one million buildings and properties by enforcing the City's Building Code and Zoning Resolution and the New York State Multiple Dwelling and Labor Laws. DOB promotes worker and public safety through its review and approval of building plans, permitting and licensing functions, and inspections. In addition, DOB issues licenses to eligible individuals in the construction trades. These licensees are responsible for ensuring the public's safety as they perform their work. When necessary, DOB seeks to discipline those licensees that compromise public safety or public trust. There are 19 categories of licenses or registrations that can be issued by DOB, including Electrician, High Pressure Boiler Operating Engineer, Plumbing and Fire Suppression, Rigger, Sign Hanger, and Site Safety Professional. DOB's licensing of Site Safety Professionals is the focus of this audit.

Two types of Site Safety Professional licenses are issued by DOB: an SSM license for a three-year term and an SSC license for a one-year term. Since October 1, 1987, DOB has been prohibited from approving any plans for the initial construction or demolition of buildings 15 stories or more in height without there being a licensed SSM appointed to work at the site.<sup>1</sup> As of July 1, 2008, DOB has also been prohibited from approving any plans for the initial construction or demolition of buildings 10-14 stories in height unless either a licensed SSC or SSM has been appointed to work at the site.<sup>2</sup> The SSM or SSC must be present at all times that work is being performed on a building to monitor the construction workers and perform site safety inspections. A building can have one or more SSMs or SSCs to ensure compliance with a site safety plan. However, one person must be designated as being the primary SSM or SSC.

To become an SSM, an individual must take an exam on the safety rules governing City construction sites.<sup>3</sup> The applicant must submit an LIC 41 Written Examination Application and a payment of \$525 in person or by mail to Licensing. A Licensing Intake Investigative Clerk then records pertinent applicant information in a Microsoft Access Licensing and Exams Database (Licensing Database), including the date of the application (which DOB stamps on the application upon receipt), the applicant's name, social security number, date of birth, address, and email address (if provided).<sup>4</sup>

DOB contracts with an outside vendor, CPS HR Consulting, to administer the SSM exams. The vendor retrieves applicant information from the Licensing Database and sends an email informing

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<sup>1</sup> Rules of the City of New York, Title 1, Chapter 26, §26-01.

<sup>2</sup> Effective July 1, 2008, a major building was redefined to be a building that meets one of the following criteria: has 10 or more stories; is 125 feet or more in height; has a lot coverage of 100,000 square feet or more; or is so designated by the Commissioner. 2008 New York City Building Code, Chapter 33, §3310.2. In 2014, the term "lot coverage" was replaced by "building footprint." 2014 New York City Building Code, Chapter 33, §3310.2.

<sup>3</sup> SSC applicants are not required to take an exam. Pursuant to Title 1, Chapter 100, §104-08, of the Rules of the City of New York, DOB is to issue an SSM or SSC license only to an individual who satisfies the requirements of §28-402 and §28-403 of the City Administrative Code, respectively.

<sup>4</sup>The Licensing Database has been in use since October 2005.

the applicant about upcoming exam dates. The applicant can then schedule the exam online. The results of the exam are mailed to both the applicant and DOB. The Licensing Intake Investigative Clerk records the results of the exam in the Licensing Database. An applicant who does not receive a passing score on an exam must wait at least 14 days before retaking the exam. An applicant may take the exam up to three times within a six-month period.

After an applicant passes the exam with a score of at least 70 percent and files an initial license application package with Licensing, the background investigation part of the process begins. IAD conducts background investigations for DOB employee applicants, while BSIU conducts background investigations for non-DOB employee applicants. An SSC applicant is not required to take an exam but must complete the background investigation process.

To begin the background investigation process, both SSM and SSC applicants must schedule an appointment with Licensing. At this appointment, the applicant must pay \$500 and provide various documents, including:

- An Examination Score Report (which shows the results of the SSM exam, if applicable);
- LIC 2 License Application (which includes the license type that the applicant is applying for);
- LIC 34 Licensing Supplemental Affidavit (which provides information on criminal convictions and any penalties, fines or fees that the applicant owes the City);
- A Background Investigation Questionnaire (which includes information about an applicant's residence, criminal history, post high school education, certificates or training programs pertaining to the license being applied for, and employment history for each job the applicant intends to use as qualifying experience);
- A Supplemental Investigation Questionnaire (a checklist used by an applicant to declare which level of experience he qualifies under);
- An Experience Verification Form (completed by an applicant's supervisor that he or she has worked for during the timeframe being claimed as qualifying experience); and
- A site safety course certificate from an approved DOB provider completed within one year prior to the application (at least an eight-hour course is required for an SSC and a 40-hour course is required for an SSM).

In addition, the applicant must provide original documentation, including photo identification (e.g., driver's license); social security card; birth certificate, current passport or green card; and proof of residence (utility bill, lease, deed or bank statement). An applicant must also meet at least one of the experience and training qualification options outlined in DOB's guidelines (there are six options for an SSM and four options for an SSC).<sup>5</sup> For certain experience options, an applicant must complete a 30-hour Occupational Safety and Health Administration (OSHA) Safety course within two years prior to the application. DOB's informal goal is to complete the background investigation process within six months.

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<sup>5</sup> Experience qualification option C is used most frequently by the applicants for an SSM license. It requires an applicant to have eight years of construction supervision experience within the 10 years prior to the application, including five years supervising the construction or demolition of major buildings. Experience qualification option 3 is used most frequently by applicants for an SSC license. It requires an applicant to have five years of construction supervision or construction safety experience within the 10 years prior to the application, including at least three years supervising the construction or demolition of major buildings.

Once the Licensing Intake Investigative Clerk has determined that an applicant has submitted all required documents, Licensing sends the applicant's file to either DOB's Internal Affairs and Discipline (IAD) unit or Buildings Special Investigations Unit (BSIU) to conduct the background investigation, which includes requesting a criminal background check from the State Office of Court Administration, contacting the Human Resources Administration to determine whether an applicant owes child support or has failed to comply with a warrant relating to a child support proceeding, and verifying employment information. At the conclusion of a background investigation, IAD or BSIU informs Licensing of the results, which the Licensing Intake Investigative Clerk enters into the Licensing Database. If approved for a license, an applicant is contacted to schedule an appointment to pay the license issuance fee (\$300 for an SSM license and \$100 for an SSC license) and obtain the license. An applicant has one year from the date of the letter to obtain the license; otherwise, the applicant must reapply for the license. An applicant who has been denied for a license may file for reconsideration within 60 days of the date of the denial letter.

When the applicant arrives at Licensing, the Licensing Issuance Clerk enters pertinent applicant data (e.g., name, date of birth, social security number, type of license, date that the site safety course was completed, and license expiration date) into the Buildings Information System (BIS) to create a license record. BIS automatically generates a license number for the applicant. The applicant is then issued an active license card.

A licensee must submit to Licensing a renewal application package 30 to 60 days prior to the expiration date of the license.<sup>6</sup> The renewal package must include a payment (\$150 for an SSM and \$50 for an SSC) and various documents, including an LIC 2 License Application; LIC 34 Licensing Supplemental Affidavit; current passport-size photograph; and a 7-hour Site Safety refresher course certificate from an approved DOB provider for a course taken within one year prior to the renewal date for an SSM and within two years for an SSC. A Licensing Renewal Clerk records pertinent information from the renewal application into the Microsoft Access Renewals by Mail Database (Renewals Database), including the date the application was received and the date the application was postmarked.<sup>7</sup> A Licensing Renewal Investigative Clerk conducts a criminal background check and determines whether an applicant owes child support or has any outstanding Environmental Control Board penalties. If the applicant is qualified to be renewed, the Licensing Renewal Clerk updates BIS by indicating the new expiration date and generates a new license card that is mailed to the applicant. DOB's informal goal is to approve a renewal within two to four weeks of the submission of the renewal application.

During Fiscal Year 2015, there were 125 initial SSM and SSC applications submitted to DOB—96 for an initial SSM license and 29 for an initial SSC license. In addition, during this time period, DOB received 412 renewal applications. As of August 2015, there were a total of 1,129 active SSM and SSC licenses—1,052 active SSM licenses and 77 active SSC licenses.

## Objective

To determine whether DOB has adequate controls in place to ensure the appropriate issuance of licenses to Site Safety Professionals.

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<sup>6</sup> An applicant can apply for a renewal up to one year past the expiration date. A licensee may apply for a reinstatement of the license between one and five years past the expiration date, providing specific documentation is submitted. A licensee must reapply for a new license if the previous one expired more than five years ago.

<sup>7</sup>The Renewals by Mail Database was created in January 2003 and is linked to BIS.



## Scope and Methodology Statement

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the City Charter.

The audit's scope was Site Safety Professional licenses that were active between July 1, 2014, and December 31, 2015, and initial and renewal applications for Site Safety Professional licenses that were submitted during Fiscal Year 2015. Please refer to the Detailed Scope and Methodology at the end of this report for the specific procedures followed and the tests conducted during this audit.

## Discussion of Audit Results with DOB

The matters covered in this report were discussed with DOB officials during and at the conclusion of this audit. A preliminary draft report was sent to DOB on May 11, 2016, and was discussed at an exit conference held on June 1, 2016. We submitted a draft report to DOB on June 14, 2016, with a request for comments. We received a written response from DOB on June 28, 2016.

In its response, DOB officials generally agreed with 18 of the audit's 22 recommendations and disagreed with the remaining four.

DOB also disagreed with the findings in the report relating to the Licensing unit's files lacking certain key applicant documentation and asserted that:

Unfortunately, the Comptroller did not discuss its methodology with us prior to the exit conference, nor did they ask to view files from our investigation unit even after being told that such files existed multiple times. If it had done so, they might have detected that most, if not all of the documents reported as lacking, was in fact located in our investigative files and/or other E-mail correspondence. The auditors did not look at all the relevant files, and therefore, the assumption that missing documents from the licensing files equates to lack of qualifications is an erroneous conclusion.

This statement directly contradicts representations made by DOB personnel during the course of the audit that the Licensing unit's files contained *all* of the required applicant documentation. Moreover, DOB fails to note in its response that it first informed us that the documentation might be available elsewhere in DOB at the end of fieldwork and that we subsequently gave the agency an opportunity to provide the additional documents. In those instances in which the agency did so, we modified our findings and calculations accordingly. For those instances in which DOB provided no documentation to refute our findings, our figures stayed the same. Accordingly, after carefully reviewing DOB's arguments, we find no basis to alter our audit's findings.

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

# FINDINGS AND RECOMMENDATIONS

DOB needs to improve its controls concerning the issuance of licenses to Site Safety Professionals. We found that there was insufficient evidence that DOB had adequately reviewed some initial and renewal applications before granting licenses. The insufficient reviews appear in part to have been the result of limited supervisory oversight of the review process. We also found that DOB did not adequately track the processing of applications for initial licenses and that there were delays in the initial application review process. Other weaknesses we found include (1) the lack of a mechanism to ensure that required steps are performed; (2) recordkeeping deficiencies; and (3) insufficient written procedures. These weaknesses, if not corrected, increase the risk that persons who are unqualified may nevertheless be granted such licenses, unnecessarily putting construction workers and the public at risk. In addition, delays in the application process can contribute to shortages in the availability of licensed Site Safety Professionals.

Finally, the audit identified some data reliability issues. We found incomplete and inaccurate information in BIS and in the Licensing and Renewal Databases. We also found that DOB lacked a user manual to guide staff in the use of BIS and the databases.

## Weaknesses in the Initial Application Process

### Insufficient Review of the Qualifications of Some Applicants for Initial Site Safety Professional Licenses

DOB needs to improve its monitoring of the Site Safety Professional license issuance process to ensure that only qualified applicants are issued initial licenses. Specifically, of the 42 professionals in our sample (31 SSMs and 11 SSCs) selected for detailed review, we determined that the Licensing files for some of them lacked evidence that the applicants had passed the relevant exam, obtained the required experience, received the required training, been properly vetted through an appropriate criminal background check, or had provided all required documents. However, although all of these 42 professionals had active licenses during Fiscal Years 2015 and/or 2016, many had received their initial licenses prior to Fiscal Year 2013.

#### *Required Documentation Necessary to Initiate the Background Investigation Process Not Found in the Licensing Files*

For purposes of our audit, we conducted a comprehensive review of the 21 of the 42 initial licenses in our sample that were issued on or after July 1, 2012, and a more limited review of the 21 initial licenses in our sample that were issued prior to Fiscal Year 2013. Of the 21 who received initial licenses since July 1, 2012, our review revealed that the Licensing files for 10 (48 percent) of them were lacking one or more required documents necessary to initiate the background investigation process. Specifically:

- The files for three applicants lacked required OSHA safety course certificates. One applicant took the course more than three years prior to applying for the license rather than within two years of the application date. The file for one of these three applicants was also lacking a Child Support Certification form.
- The file for one applicant lacked the required site safety course certificate.
- The files for two applicants lacked the Supplemental Investigation Questionnaire (known for SSCs as the Site Safety Coordinator Qualification Checklist prior to May 2015).

- The file for one applicant lacked the Experience Verification form and the Supplemental Investigation Questionnaire (known for SSMs as the Supplemental Exam Application prior to May 2015).
- The files for three applicants were lacking a Child Support Certification form.

In addition, the Licensing files for two SSM applicants lacked (1) Examination Score Reports, (2) Background Investigation Questionnaires, and (3) Social Security History of Earnings forms. During the audit, DOB officials informed us that all key documents were located in the Licensing files. At a meeting held with DOB officials two days prior to the issuance of the preliminary draft report, DOB officials stated that some key documents, although missing in the Licensing files in these cases, could be found in the background unit files, and they provided the documents at the exit conference. While it is good that the documents exist in DOB's files, since the licensing process begins and ends in Licensing, it is important that all key application documents are maintained in the Licensing files. As discussed later in the report, it is incumbent on Licensing to establish effective supervisory oversight to ensure that all required documents have been appropriately reviewed prior to Licensing's issuance of a license.

Of the remaining 21 professionals in our sample (those who received initial licenses *prior to* July 1, 2012), our more limited review revealed that the Licensing files were missing Examination Score Reports (8 applicants) and/or site safety or OSHA course certificates (7 applicants). Although DOB's handling of these older applications may have limited relevance to the agency's current operational practices, it would be prudent for DOB to review these files to determine whether the applicants were appropriately awarded initial licenses (i.e., whether they ever passed the SSM exam or successfully completed the required training courses).

#### *Some Criminal Background Investigation Issues Unresolved by Licensing*

According to DOB's procedures, if a background investigation uncovers negative information about an applicant, an attorney from Licensing must review the results and prepare a written final determination as to whether the applicant should be issued a license. Of the 21 professionals who received initial licenses on or after July 1, 2012, the files for two of them showed that the background investigations had raised criminal history issues but did not contain evidence that the issues had been adequately addressed. There was no evidence in the files that the issues had been reviewed by Licensing or that a final written determination had been prepared by a Licensing attorney on the significance of these issues.

For example, in one of the SSM application files, there was a copy of a June 26, 2015, email from BSIU to Licensing indicating that based on a limited background check of the New York State Office of Court Administration database, no "adverse" information was found. However, the email also indicated that there were some criminal charges discovered upon reviewing an additional database, including a 2002 misdemeanor charge for the unlawful possession of a pistol in South Carolina and a 2005 charge for the possession of marijuana or hash in an unidentified state. There was no evidence in the file that a Licensing attorney ever reviewed the criminal charges and prepared a written final determination on their significance. Nevertheless, the applicant was issued a license on July 27, 2015.

Of the remaining 21 professionals in our sample (those who received initial licenses *prior to* July 1, 2012), documents in two of the application files also raise unresolved criminal history issues. Although DOB's handling of these older applications may have limited relevance to the agency's current operational practices, it would be prudent for DOB to review these two files to determine whether the applicants were appropriately awarded initial licenses.

### *Some Inadequate Reviews of Applicants' Experience*

Of the 21 professionals who received initial licenses on or after to July 1, 2012, the application files for two of them did not contain sufficient evidence that the applicants had met the applicable experience requirements. For example, the Supplemental Investigation Questionnaire for one SSC indicated that the applicant was attempting to qualify under an option that required five years of construction supervision or construction safety experience, including at least three years of construction supervision or safety experience involving major buildings (125 feet or more in height). However, the person only had a little over 29 months of major building experience, almost seven months shy of the minimum required experience.

### *Other Review Concern*

In one case, the same license number that had been assigned to an SSC was used when the individual became an SSM. Licensing's Executive Director agreed that a different license number should have been used in this case in order to ensure the maintenance of two distinct records for this individual.

## **Delays in the Issuance of Initial Licenses**

DOB procedures do not indicate the timeframes that govern various aspects of the initial licensing and renewal processes, such as the time periods within which the background investigation should be completed. In that case, only an informal, unwritten goal of six months exists. In addition, DOB procedures do not indicate a timeframe for the approval or rejection letter to be mailed to the applicant after the background investigation has been completed. As a result of not having clearly defined timeframes, the risk of a delay in the process is increased.

Of the 96 initial SSM applications and 29 initial SSC applications filed in Fiscal Year 2015, 14 (15 percent) SSM and five (17 percent) SSC applications were still pending in DOB as of March 28, 2016 (the date that DOB provided us with a status update dataset from the Licensing Database).<sup>8</sup> As of that date, only one of these 19 applications had not been forwarded to a background unit for investigation. Of the remaining 18 applications, nine had been returned to Licensing for approval or rejection letters to be sent to the applicants and nine were still being reviewed by a background unit. Of the nine that were still being reviewed, eight were generally within the informal six-month goal set by DOB for this phase of the application review process. However, eight of the nine that had been returned to Licensing had exceeded the six-month goal, with the lengths of the background investigations having ranged from 6 months and 16 days to 16 months and 15 days, averaging 10 months and 18 days. Since these nine applications were returned to Licensing, they had been pending in Licensing from 1 month and 11 days to 3 months and 18 days, averaging about 2 months and 6 days.

Delays in issuing licenses are not just an inconvenience for the applicants. Shortages in the availability of licensed Site Safety Professionals can delay planned construction work from occurring. The President of the Safety Professional Association told us that some construction

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<sup>8</sup> Although later in the report we cite certain data reliability concerns relating to the Licensing Database, we concluded that the data was sufficiently reliable for audit testing purposes.

work in the City has been delayed due to the difficulty that some contractors have experienced in obtaining the services of qualified Site Safety Professionals.<sup>9</sup>

## Inadequate Tracking of Initial Applications in the Licensing Database

One factor that might contribute to the delays in the application process is that DOB does not efficiently use its Licensing Database to record and track initial license applications for Site Safety Professionals. This, in part, stems from the fact that DOB does not efficiently use the database for tracking and monitoring purposes and because the database does not contain certain fields that would improve DOB's ability to use it as a tracking and monitoring tool.

DOB officials told us that they use the date of the LIC 2 License Application, which is filed after the applicant passes the exam, as the starting point for calculating various timeframes in the initial application process. However, the LIC 2 License Application date is not recorded. Instead, while there is an "Application Received Date" field, it is used to record the date that DOB receives an LIC 41 Written Examination Application, not the date it receives an LIC 2 License Application. DOB could use the "Written Exam Application Received Date" field that already exists to record the LIC 41 Written Examination Application date and the "Application Received Date" field to record the LIC 2 License Application date.

Furthermore, the Licensing Database has fields for recording the dates that Licensing sends an application file to a background unit and the date the unit sends its background investigation results back to Licensing. However, if the Licensing unit questions the background check performed on an applicant and returns the application to the background unit, DOB neither records this date in the database nor the date that the file is received back from the background unit.

The Licensing Database also contains extraneous fields. For example, the database contains fields for "Exam Result" and "Written Exam Result," which mean the same thing. Having duplicate fields adds no value to the tracking of initial applications and just confuses the users.

## Recommendations

1. DOB should review the qualifications of initial Site Safety Professional applicants more closely to ensure that only qualified applicants are issued initial licenses.

**DOB Response:** "The Department partially agrees with this recommendation. However, the Department continues to be vigilant in its review of qualifications of all Site Safety Professionals, and strengthened its review process by implementing a checklist in order to foster more standardized procedures. This will further be addressed when DOB NOW: Licensing is launched, which will enforce strict guidelines regarding issuance."

**Auditor Comment:** It is unclear from DOB's response the portion of the recommendation with which it does not agree.

2. DOB should ensure that Licensing's application files contain all the supporting documentation necessary before initial Site Safety Professional licenses are issued.

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<sup>9</sup> According to the website of the Safety Professional Association, Inc., a non-profit advocacy organization that represents safety professionals working at office buildings and construction sites throughout the City of New York.

**DOB Response:** “The Department partially agrees with this recommendation. As explained during the Exit Conference, some documentation although missing from the Licensing files, could be found in the background information unit's files. The auditors did not request to view those files as part of their field work although told about them several times. Through our recent restructuring, all of these files are now in one place.”

**Auditor Comment:** As stated above in the Discussion of Audit Results section, we provided DOB an opportunity to provide the appropriate supporting documentation we identified as missing and, to the extent that they were provided, we adjusted our figures accordingly. Consequently, we find no basis to alter our audit finding.

Moreover, upon learning that key applicant documents were located in various places at DOB, we became concerned that DOB lacked a central control location for these documents. Maintaining such a location is important to help safeguard sensitive applicant information and facilitate an effective supervisory review prior to the issuance of new or renewed licenses. We are pleased that DOB notes in its response that “through our recent restructuring, all of these files are now in one place.”

3. DOB should ensure that Licensing’s Attorney reviews all negative background investigation results and prepares written final determinations on whether the applicants should be issued licenses.

**DOB Response:** “The Department disagrees with this recommendation. A negative background investigation means no results; hence, there is no need for a Licensing Attorney to check background investigations where the criminal record check literally shows no convictions.”

**Auditor Comment:** Unfortunately, DOB misread this recommendation. Our reference to “negative background results” referred to there being indications in the file that the applicant had a criminal history, not to there being no indications in the file that the applicant had a criminal history. We therefore urge DOB to reconsider its response and implement this recommendation.

4. DOB should enhance its efforts to complete the background investigation of each applicant within the agency’s informal goal of six months.

**DOB Response:** “The Department partially agrees with this recommendation. Delays in processing can be caused by numerous things such as applicants not submitting their documentation on a timely basis. It should also be noted that just a few years ago the average time for review was one year to eighteen months, which the Department has reduced to a target of six months that is generally achieved. The Department does a very thorough analysis of each applicant, and placing a strict time target on this critical process may preclude us from our commitment to only issue licenses to qualified individuals. The Department is committed to only issuing licenses to qualified individuals and, accordingly, is fastidious in its review of applicant qualifications.”

**Auditor Comment:** DOB clearly misunderstands the intent of our recommendation; we do not suggest that DOB curtail its investigations in order to meet the six-month target. Ensuring that licenses are issued only to qualified individuals is paramount.

5. DOB should ensure that letters (both approval and rejection letters) to applicants are issued in a timely manner once the background investigation unit completes its review.

**DOB Response:** “The Department agrees with this recommendation. To date, the Department has focused on making sure that approval letters went out in a timely manner, but will endeavor to do this for denials as well.”

6. DOB should revise its written procedures to provide formal goals for the times within which background investigations should be completed and approval or rejection letters sent to the applicant.

**DOB Response:** “The Department disagrees with this recommendation. Please refer to the Agency Response to Recommendation #4. [In response to Recommendation #4, DOB states: ‘The Department does a very thorough analysis of each applicant, and placing a strict time target on this critical process may preclude us from our commitment to only issue licenses to qualified individuals.’] In addition, different license types require different background check processes.”

**Auditor Comment:** Our suggestion that DOB establish written goals does not imply that the goals would then impose “strict time target[s]” on these processes. A goal should be a benchmark to aim for, not a rigid requirement that applies to each specific application situation. We therefore urge DOB to reconsider its response and implement this recommendation.

7. DOB should modify its use of the Licensing Database to ensure that license application dates are recorded.

**DOB Response:** “The Department agrees with this recommendation. Scheduled to go live in 2017, DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable.”

8. DOB should modify the Licensing Database so that information is recorded on the date that Licensing returns a background check to a background unit and the date that the application file is returned to Licensing.

**DOB Response:** “Please refer to the Agency Response to Recommendation #7.”

## Weaknesses in the Renewal Application Process

### Insufficient Review of the Qualifications of Some Applicants for Renewed Site Safety Professional Licenses

DOB needs to improve its monitoring of the Site Safety Professional license renewal process to ensure that only qualified applicants have their licenses renewed. There were a total of 120 renewals associated with the 67 Site Safety Professionals in our sample who received renewed licenses. (As indicated above, SSMs must apply for a renewal every three years, while SSCs must apply every year.) We conducted comprehensive reviews of the 70 renewed licenses that were issued on or after July 1, 2012, and more limited reviews of those that were issued prior to July 1, 2012.

Of the 70 renewals that were issued on or after July 1, 2012, the audit identified the following issues:

- The file for one renewal lacked evidence of a criminal background check.
- The file for one renewal lacked an authentic 7-hour site safety refresher course certification.
- For one renewal, DOB had identified unpaid Environmental Control Board (ECB) penalties. However, DOB renewed the license even though there was no evidence in the files that the applicant had paid the penalties.
- One SSC with a license expiration date of January 24, 2016, was given a three-year renewal through January 24, 2019, even though SSC renewals should only be for one year.
- The files for 27 renewals did not have the required Child Support Certification Forms.

Of the 50 renewals that were issued prior to July 1, 2012, our review revealed that

- DOB treated a license reinstatement situation as if it were a renewal. According to DOB's procedures, applicants who submit a renewal application between one and five years after their license expiration date must apply for a reinstatement of the license, rather than for a renewal. For a reinstatement, in addition to the documentation required for a renewal, the applicant must submit a letter requesting a reinstatement, a current résumé (detailing work experience during the expiration period), and a Social Security History of Earnings. DOB handled a renewal application that was submitted 15 months after the applicant's license had expired as a renewal, rather than as a reinstatement.
- DOB treated what should have been considered to be a new license application as if it were two renewals. An applicant whose license has expired for more than five years must request a new license, rather than a renewal or a reinstatement. Such applicants need to go through the entire initial license application process again, including passing the exam (SSMs only). DOB handled a renewal application from an SSM whose license had expired for more than five years as two three-year renewals, rather than as a situation in which the applicant needed to apply for a new license.

Although DOB's handling of these older applications may have limited significance in terms of these particular SSMs, it could be instructive for operational reasons for DOB to review its handling of these applications.

## Recommendations

9. DOB should review renewal applications more closely to ensure that only qualified applicants receive renewed licenses.

**DOB Response:** "The Department partially agrees with this recommendation. However, the Department remains vigilant in its review of qualifications of all Site Safety Professionals, and has strengthened its review process by implementing a checklist in order to foster more standardized procedures."

**Auditor Comment:** It is unclear from DOB's response the portion of the recommendation with which it does not agree.

10. DOB should ensure that Licensing's application files contain all the supporting documentation necessary before renewed licenses are issued.

**DOB Response:** "The Department partially agrees with this recommendation. Please refer to the Agency Response to Recommendation #2."



**Auditor Comment:** See Auditor Comment relating to Recommendation #2.

## Insufficient Supervisory Oversight

We found insufficient evidence of supervisory review of the hard-copy files of applicants who received initial or renewed licenses. Shortcomings in the initial and renewal application review process noted above can be attributed, at least in part, to insufficient supervisory oversight. We also found little evidence that applicant information recorded by the Licensing staff in the Licensing Database, Renewals Database, and BIS is being reviewed by a supervisor for accuracy and completeness. While there are fields in the databases and in BIS to identify the individual who records information, there are no fields designated for supervisory review of the key data entered into these systems throughout the application review process. There was also little if any indication in the hard-copy files of a supervisory review of key application documents.

The Licensing Supervisor informed us that the clerks have been trained to “know what to do” and to “look out for things,” and that if they see something questionable (e.g., a potentially fake site safety course certificate), they should bring it to his attention. He also stated that while he does monitor the clerks at the counter, unless a “problem comes up,” he does not review any information recorded in the databases or in BIS.

At the end of the license issuance process, when an applicant arrives at the office to obtain a license, the Licensing Issuance Clerk is responsible for recording the applicant’s initial license data (e.g., name, training information, type of license, and license expiration date) in BIS so that a license record can be created for the applicant. BIS then automatically generates a license number for the applicant. Next, the same clerk takes a digital photograph of the applicant, records the applicant’s electronic signature, and issues (from EpiSuite) an active initial license card to the applicant.

This arrangement creates a potential fraud risk in that an illegal payment to the clerk could lead to the inappropriate issuance of a license. The same concern exists relative to the Licensing Renewal Clerk, who enters data in BIS showing that the renewal applicant is qualified and then generates a new license card that is mailed to the applicant. Requiring supervisory review and approval of these actions would help minimize the fraud risk at this stage. Further, adding a field to BIS that requires a supervisory approval before the new license card is created through EpiSuite would assist the implementation of this requirement.

By not requiring that supervisors routinely review key data in the databases and BIS and key documents in the hard-copy files prior to applicants being approved for initial or renewed licenses, there is an increased risk that deficiencies such as those cited earlier in this report will continue and that applicants will be issued site safety licenses for which they do not qualify.

In addition, based on our reviews of the sampled files, it appears that renewal background checks, which are handled entirely by Licensing rather than by one of the background units and involve reviews of an applicant’s criminal history, ECB violations, and child support issues, are not routinely reviewed for accuracy. When a background check performed by the Investigative Clerk yields negative results on a renewal applicant, Licensing’s Legal Associate is supposed to review the results and make a decision as to whether the license should be renewed. However, it does not appear that the Legal Associate conducts such reviews when there are no negative results. Because such results are not reviewed, there is no opportunity for false positive results to be detected before a license is issued.

## Recommendations

11. DOB should ensure that applicant information recorded by the Licensing staff in the Licensing Database, Renewals Database, and BIS is reviewed by a supervisor. To achieve this, DOB should consider modifying the databases and BIS to include fields designated for supervisory review.
12. DOB should ensure that a Licensing supervisor reviews key applicant data and documents before initial or renewed Site Safety Professional licenses are issued.
13. DOB should modify BIS to require a supervisory approval prior to a new license card being created through EpiSuite.

**DOB Response to Recommendations #11, #12, and #13:** “The Department disagrees with th[ese] recommendation[s]. This would not be practical due to staffing resources; however, an audit protocol will be introduced to ensure appropriate supervisory review. Implementation of DOB NOW: Licensing will further improve data entry and collection.”

**Auditor Comment:** Although DOB states that it disagrees with these recommendations, it nevertheless goes on to state that “an audit protocol will be introduced to ensure appropriate supervisory review,” an indication that the agency appears to agree—at least in principle—with the recommendations.

14. DOB should require that Licensing’s Legal Associate review all background checks on renewal applicants to ensure that the checks were done properly.

**DOB Response:** “Please refer to the Agency response to Recommendation #3.”

**Auditor Comment:** We continue to believe that Licensing’s Legal Associate should review the results of all criminal background checks, even those in which the Investigative Clerk did not find any indications of a criminal history, to ensure that this very important step is done properly.

## Other Weaknesses

### *No Mechanism to Track the Issuance of Initial and Renewed Licenses in the Files*

DOB has not established a mechanism for tracking the various steps of the process involved with issuing initial and renewed licenses. We found no evidence in the hard-copy files that tracking mechanisms, such as checklists, were used by DOB to track the actions taken in the license issuance process.

A checklist, often recognized as a good practice for ensuring the appropriate completion of each step in a complex process, could be an important tool for helping staff and management determine whether an applicant is qualified and for ensuring that all required steps have been followed. Among other things, a checklist for initial license applications could indicate whether key documents (e.g., the Background Investigation Questionnaire) needed for the application process were received and when key steps (e.g., the date the application was sent to a background unit for investigation) were performed. A checklist could also be developed for the license renewal application process. The checklists could be placed in the hard-copy files and initialed along the way by each individual involved in the process (including supervisors). Failure to establish a tracking mechanism increases the risk that key documents will not be collected, that key steps will not be performed in a timely manner, and that any lapses will not be detected.

## *Recordkeeping Concerns*

Licensing officials were unable to locate a significant portion of the file for one of our sampled SSM licensees. The file did not contain any documentation on the initial SSM license, which was issued in 1993, or on four subsequent renewals through 2009. The current renewal is due to expire in 2018. One file had none of the required documents necessary to support the issuance of a renewed license in 2008. There were also five licensees in our sample whose files included supporting documentation for other licensees. Licensing officials confirmed that documentation had been misfiled in these cases. DOB needs to strengthen controls over its recordkeeping practices to reduce the risk that important documents may be misplaced or lost.

## *Written Procedures Need to Be Clarified*

DOB has standard operating procedures regarding the issuance of initial and renewed SSM and SSC licenses. While the procedures detail the various steps in the licensing process, they do not identify all of the currently required application documents, applicants' experience and training options, the supervisory review process, or the specific titles of the individuals who are responsible for the various steps in the application review process. As a result, some of the DOB officials and clerks we interviewed were unclear as to what their responsibilities were in the licensing process.

## **Recommendations**

15. DOB should develop and implement application review checklists for initial and renewal applications for Site Safety Professional licenses.

**DOB Response:** "The Department agrees with this recommendation, and will continue to institute checklists, as appropriate. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable."

16. DOB should strengthen controls over its recordkeeping practices.

**DOB Response:** "The Department agrees with this recommendation. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable."

17. DOB should revise its SSM and SSC license procedures to clearly identify the currently required application documents, applicant experience and training options, supervisory review process, and specific titles of the individuals involved in each step of the application review process.

**DOB Response:** "The Department disagrees with the premise of this recommendation, as changes are made when applicable and/or necessitated by law, and requirements are posted on our web site."

**Auditor Comment:** The required application documents and the applicant experience and training options presented in DOB's internal written procedures are not consistent with the currently required documents or the currently available qualification options posted on DOB's website. It would be helpful for DOB staff to have all relevant procedures in one place, including up-to-date lists of the required application documents and qualification options posted on its website. In addition, DOB's response does not address the need for DOB's license procedures to clearly identify the supervisory review process and the specific titles of the individuals

involved in each step of the application review process. We therefore urge DOB to fully implement the recommendation as stated.

## Data Reliability Concerns

### *Incomplete and Inaccurate Information in BIS*

Applicant information in the Licensing section of BIS was either incomplete, inaccurate, or questionable for 24 (27 percent) of the 88 Site Safety Professionals in our sample. Based on our observations of BIS and inquiries with DOB officials, when a Licensing Issuance Clerk creates a new license record in BIS, an entry date (i.e., the record-creation date) is automatically noted in BIS. The entry date and the initial license issuance date should be the same date. However, we identified a number of issues with this data, including the following:

- For eight SSCs, the initial license issuance dates were not reflected in BIS.
- For three Site Safety Professionals (one SSM and two SSCs), the entry and initial license issuance dates indicated in BIS were not the same.
- For two SSMs, the social security numbers indicated on the LIC 2 License Applications in the hard-copy files did not match the numbers recorded in BIS.

### *Incomplete and Inaccurate Information in the Licensing and Renewal Databases*

Of the 88 Site Safety Professionals in our sample, 38 received their initial licenses after the Licensing Database was developed in October 2005. Of these 38 applicants, one or more fields associated with the records for 19 (50 percent) of the 38 professionals were not populated by the Licensing Intake Investigative Clerk. For these 19 Site Safety Professionals, the unpopulated fields included the application received date (11 applicants), the date that the Licensing Intake Investigative Clerk sent an initial license application and supporting documents to the background unit for investigation (17 applicants), and the birth date of the applicant (17 applicants).

For the group of 19 Site Safety Professionals for which all of the fields associated with the records were populated in the Licensing Database, the information in the hard-copy files did not match the data in the Licensing Database in one or more fields, such as the application dates, the dates the background investigation results were received by Licensing, and the dates notices were sent to applicants indicating that they had been approved or rejected.

We reviewed the data in the Licensing Database for the 22 initial Fiscal Year 2015 applications in our sample to see whether Licensing had improved its recording of data for more current applications. For two SSM applicants, the Licensing Database did not show that the applicants had submitted their LIC 2 License Applications or that the applications had been forwarded to the background investigation unit for review.

In addition, of the 46 Site Safety Professionals in our sample seeking license renewals, information in the hard-copy files for 21 (46 percent) of them did not match data in the Renewals Database in one or more fields, including addresses and the dates the applications were received.

Also of concern is that while DOB is generally consistent in date stamping renewal applications upon receipt, it seldom date stamps initial license applications upon receipt. Date stamping applications is a good internal control practice because the date that an application is received by DOB, not the date that the applicant signed the application, is the key date for tracking purposes.

## *Lack of User Manuals for the Licensing and Renewal Databases and BIS*

DOB does not have user manuals for any of its three computer systems involved in the Site Safety Professional licensing process. Manuals for the Licensing and Renewal Databases and BIS could help employees use these computer systems more effectively. According to Licensing's Executive Director, user manuals were never created for the Licensing and Renewals Databases, which were developed in October 2005 and January 2003, respectively. Regarding BIS, DOB informed us that a user manual was created when BIS went into use in 1990, but that since that time it has not been updated to reflect changes within DOB or upgrades to the system.

In the absence of user manuals, management is less able to ensure that staff entering and using licensing data in these systems are entering and using the data properly.

### **Recommendations**

18. DOB should monitor the recording of information in BIS and the Licensing and Renewal Databases more closely to ensure that the information is recorded accurately and completely.

**DOB Response:** "The Department agrees with this recommendation. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable."

19. DOB should ensure that initial applications are consistently date stamped upon receipt.

**DOB Response:** "The Department agrees with this recommendation. The Department currently date stamps, and will continue to do so. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable."

20. DOB should develop and implement user manuals for the Licensing and Renewal Databases and BIS to reflect DOB's current Site Safety Professional licensing process.

**DOB Response:** "The Department agrees with this recommendation. User manuals will be developed in conjunction with DOB NOW: Licensing."

21. DOB should ensure that user manuals are created for any future computer systems developed for the license issuance process.

**DOB Response:** "The Department agrees with this recommendation. User manuals will be developed in conjunction with DOB NOW: Licensing."

22. DOB should ensure that its user manuals are continuously updated as needed to reflect process changes and system upgrades.

**DOB Response:** "The Department agrees with this recommendation. User manuals will be continuously updated in conjunction with DOB NOW: Licensing and routinely updated."

## DETAILED 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the City Charter.

The audit's scope was Site Safety Professional licenses that were active between July 1, 2014, and December 3, 2015, and initial and renewal applications for Site Safety Professional licenses that were submitted during Fiscal Year 2015.

To obtain an understanding of DOB's responsibilities and regulations governing its issuance of SSM and SSC licenses, we reviewed the following:

- Various DOB procedures, including the *Original Site Safety Manager Standard Operating Procedure* dated September 8, 2015, *Original Site Safety Coordinator Standard Operating Procedure* dated September 8, 2015, *Site Safety Manager Renewal Standard Operating Procedure* dated August 24, 2015, and *Site Safety Coordinator Renewal Standard Operating Procedure* dated August 20, 2015;
- Title 1, Chapter 100, §104-08, of the Rules of the City of New York (RCNY);
- Title 28, Chapter 4, §402 and 403, of the New York City Administrative Code;
- DOB's Operations Policy and Procedure memo #11/87 dated July 27, 1987;
- DOB's summary of changes to the SSC rules; and
- DOB's *Industry Code of Conduct*.

We also reviewed various informational and instructional materials available to the general public on the DOB website regarding the SSM and SSC background investigation and license issuance process.

To familiarize ourselves with DOB's Microsoft Access Licensing Database, Microsoft Access Renewals Database, and BIS, we observed several demonstrations of these systems by the Executive Director and Deputy Director of Licensing. We also observed a demonstration by the Licensing Issuance Clerk of how EpiSuite (a portal) retrieves information from BIS and prints license cards. We also observed the Licensing Supervisor review an application and the supporting documentation submitted by an applicant for an initial SSM license.

To obtain a general understanding of the responsibilities of Licensing officials and the controls in place in relation to the initial licensing and renewal of SSMs and SSCs, we interviewed Licensing's Deputy Commissioner of Legal and Regulatory Affairs, Executive Director, Deputy Director, and Supervisor. We also interviewed Licensing's Intake Clerk, Intake Investigative Clerk, Legal Associate, and Issuance Clerk to gain a better understanding of the initial license process. To obtain an understanding of the background investigation process for initial licenses, we interviewed the Supervising Investigator of DOB's BSIU unit and the Managing Investigator of DOB's IAD unit. In addition, we interviewed the Assistant Supervisor and Supervisor of the Fiscal Operations unit to understand the initial license cashing process. We also interviewed

Licensing's Renewal Clerk and Renewal Investigative Clerk to gain a better understanding of the license renewal process.

In addition, we interviewed officials from DOB's Building Enforcement Safety Team (BEST) to gain an understanding of the inspections process for determining compliance with approved construction site safety plans, including the Senior Executive Director of Construction Safety, Assistant Chief of BEST, and Director of Major Projects. We also interviewed the Brooklyn and Manhattan Borough Managers to obtain an understanding of the permit process as it relates to buildings requiring site safety plans.

On August 26, 2015, DOB provided us with two reports containing Site Safety Professional information. One report (initial applications) contained a list of 125 initial license applications that were received during Fiscal Year 2015. (On March 28, 2016, DOB provided an updated report that showed the status of these applications.) The second report (active licenses) contained a list of 1,129 licenses that were active as of August 2015.

On November 25, 2015, DOB provided us with a report that contained a list of 412 renewal applications that were received during Fiscal Year 2015.

As part of our review of the data from the various reports, we checked for any anomalies, such as the same license number being issued to different applicants. We also conducted timeliness tests, including calculating whether the background investigation process was done within DOB's informal goal of six months. For certain anomalies, we reviewed relevant documentation obtained from the Licensing and Renewals Databases and BIS.

Further, we determined whether there were adequate controls in place to ensure that Site Safety Professionals are properly qualified. To do so, we randomly selected a total of 74 individuals from the DOB reports—25 of the 125 applicants from the initial applications report; 24 of the 1,129 licensees from the active licenses report; and 25 of the 412 applicants from the renewal applications report. For each of the 74 sampled individuals, we obtained supporting documentation from the Licensing and Renewals Databases and BIS, and from Licensing's hard-copy files. In addition, we randomly selected 36 of Licensing's hard-copy files containing supporting documentation for individuals who had active licenses during Fiscal Years 2015 and/or 2016. Since 22 individuals who had applied for licenses in Fiscal Year 2015 had not been approved for licenses as of December 3, 2015, we reduced our sample from a total of 110 to 88. The sample consisted of 73 SSMs and 15 SSCs.

For 42 of the 88 sampled professionals, we conducted a detailed review of each of the files by analyzing both the initial license applications and all renewals. Of the 42 professionals, we conducted a more comprehensive review of the initial and renewal application files associated with those who received initial or renewed licenses on or after July 1, 2012, and a more limited review of files (looking specifically for Examination Score Reports, site safety and OSHA training certificates, and criminal history background checks) relating to licenses issued before July 1, 2012. For 46 of the 88 sampled professionals, we conducted a limited review of the files by analyzing only the current renewals.

We reviewed supporting documents in the 88 sampled hard-copy files to determine whether they contained evidence that Site Safety Professionals met the qualifications to obtain their initial SSM and SSC licenses and their renewal licenses.<sup>10</sup> For our review of the initial licenses issued, we

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<sup>10</sup> We used the guidelines on the DOB website as of February 19, 2016, for determining the steps necessary for an SSM and SSC to obtain an initial license and to renew a license. For any professionals in our sample who were issued licenses in earlier years, DOB provided us with the required documents and experience qualifications associated with those years.

determined whether the files contained the required documentation necessary to initiate the background investigation.

For approved applications, we determined whether the professionals in our sample met at least one of the experience qualification options outlined under the RCNY (there are six options for an SSM and four options for an SSC). In addition, if any of the experience options selected by professionals in our sample also required a 30-hour Occupational Safety and Health Administration Safety course, we determined whether the certificate was present, and whether the course was completed within two years prior to the application date. We also determined the timeliness of the background investigation process.

We ensured that the files contained emails or memos from IAD or BSIU documenting the results of the background investigations, and Letters of Qualification signed by the Executive Director of Licensing. In addition, to ensure that professionals were not issued their licenses beyond one year after the signed letters, we calculated the number of days between the dates the Letters of Qualification were signed and the expiration dates of the licenses.

For our review of renewal licenses issued, we determined whether the files contained the required documentation. We also determined whether the files contained evidence that a criminal background check had been conducted.

In addition, we calculated the number of days between the dates DOB received the renewal applications and the expiration dates of the previous licenses to determine whether the licensees submitted their renewal application packages in a timely manner—30 to 60 days prior to the expiration dates of the licenses. For licenses that had been expired for one to five years before the individual applied for renewal, we determined whether DOB followed the reinstatement process, and for licenses that had been expired for more than five years, we determined whether DOB followed the new license process. Finally, we determined the timeliness of DOB renewing licenses.

We also determined whether the professionals in our sample paid the appropriate exam, background investigation, license issuance, and late renewal fees in order to obtain their initial and renewal licenses.

As part of the data reliability testing for our 88 sampled professionals, we compared select information recorded in BIS to what was recorded in the Licensing and Renewals Databases to see whether the information matched. We also compared select information indicated on the hard-copy documents to what was recorded in BIS and the Licensing and Renewals Databases to determine whether the information was complete and accurate.

For the initial applications submitted during Fiscal Year 2015 that had not been approved as of March 28, 2016, we reviewed the March 28, 2016 status update report from DOB's Licensing Database to determine where there might have been delays in the approval process. (Although we note concerns in the report about the accuracy and completeness of the data in the Licensing Database, we believe that DOB's status update report from this database was sufficiently reliable to provide insights into the timeliness of DOB's initial license approval process.)

Upon our review of the indexes to Licensing's hard-copy boxes containing files, we identified a total of 74 license numbers listed with either the phrase "No Record Found" or with no corresponding first and last name and license expiration date. For these licenses, we obtained supporting documentation from the hard-copy files and BIS to determine their existence.



Although the results of our sampling tests were not statistically projected to their respective populations, these results, together with the results of our other audit procedures and tests, provide a reasonable basis for us to determine whether DOB has adequate controls in place concerning its issuance of licenses to Site Safety Professionals.

Rick D. Chandler, P.E.  
Commissioner  
rchandler@buildings.nyc.gov

280 Broadway  
7th Floor  
New York, NY 10007  
www.nyc.gov/buildings

+1 212 393-2001 tel  
+1 212 566-3785 fax

June 28, 2016

Ms. Marjorie Landa  
Deputy Comptroller for Audits  
The City of New York Office of the Comptroller  
1 Centre Street, Room 1100  
New York, NY 10007-2341

**Re: Audit Report (ME16-061A)**  
Audit Report on the Department of Buildings' Issuance of Licenses to Site Safety Professionals

Dear Ms. Landa:

Thank you for the opportunity to respond to the recommendations in the above mentioned audit report. We appreciate the insights of the Office of the Comptroller, and view its input as helpful in furthering our commitment to providing quality public service while maximizing our resources.

As your report indicates, the objective of the audit was to determine whether the Department of Buildings has adequate controls in place to ensure the appropriate issuance of licenses to Site Safety Professionals.

The Department of Buildings has carefully considered the audit findings and recommendations, and has outlined its views in the responses below.

**Clarifying Comments:**

The Department of Buildings has concerns with the findings and recommendations in the audit report. The auditors found that DOB conducted insufficient reviews of license applications – but the auditors did not review all of our records, even when we repeatedly urged them to do so.

In addition, on June 8, 2016, the Department announced plans for DOB NOW, a suite of online tools that will allow owners, design professionals, licensees and filing representatives to conduct all transactions with DOB online. The component most relevant to this audit is DOB NOW: Licensing. This functionality will allow for online exam filing, issuance and renewal for licensees. This modern platform will allow for greater transparency, accountability and analysis for staff and licensees --addressing many of the auditors' recommendations.

Lastly, because the Department interpreted some of your recommendations as duplicative or overlapping, we have referred to a previous response where applicable that warranted a similar answer.

**Audit Findings and Conclusions**

1. Insufficient Review of the Qualifications of Some Applicants for Initial Site Safety Professional Licenses.

The Department disputes this finding. Unfortunately, the Comptroller did not discuss its methodology with us prior to the exit conference, nor did they ask to view files from our

investigation unit even after being told that such files existed multiple times. If it had done so, they might have detected that most, if not all of the documentation reported as lacking, was in fact located in our investigative files and/or other E-mail correspondence. The auditors did not look at all the relevant files, and therefore, the assumption that missing documents from the licensing files equates to lack of qualification is an erroneous conclusion. It was made clear at the Exit Conference, and even before, that files were divided based on which unit performed the respective work and that this segregation of responsibilities was appropriate at that time.

2. Some Criminal Background Investigation Issues Unresolved by Licensing

As with #1 above, the Department disputes this finding. Some of those allegedly unresolved investigation issues can most likely be found in our investigative files and/or E-mail correspondence. Again, the assumption that missing documentation from historical paper files equates to lack of qualification is fallacy.

3. Delays in the issuance of Initial Licenses

The Comptroller's report noted that the President of the Safety Professional Association told Comptroller audit staff that "Some construction in the City has been delayed due to the difficulty that some contractors have experienced in obtaining the services of qualified Site Safety Professionals." This comment is made by an advocate, whose members and/or organizations have significant financial interest in the industry, and should not be relied upon as accurate without substantiation, which is lacking. The Department is unaware of any project being delayed due to a shortage in qualified Site Safety professionals.

4. The Files for 27 renewals did not have the required Child support Certification Forms.

DOB's background investigations focus on whether an applicant has appropriate technical qualifications; however, we also review other aspects of a potential licensee's background, including payment of child-support obligations. Primarily, the Department visits a Secure File Transfer Protocol (SFTP) site that checks all licensees to see if they owe any outstanding child support, among other background checks.

**RESPONSE TO RECOMMENDATIONS:**

Following are the Department's responses to the twenty-two (22) recommendations, as well as clarifying comments in reference to your findings.

**Recommendation #1:** DOB should review the qualifications of initial Site Safety Professional applicants more closely to ensure that only qualified applicants are issued initial licenses.

***Agency Response:*** The Department partially agrees with this recommendation. However, the Department continues to be vigilant in its review of qualifications of all Site Safety Professionals, and strengthened its review process by implementing a checklist in order to foster more standardized procedures. This will further be addressed when DOB NOW: Licensing is launched, which will enforce strict guidelines regarding issuance.

**Recommendation #2:** DOB should ensure that Licensing's application files contain all the supporting documentation necessary before initial Site Safety Professional licenses are issued.

***Agency Response:*** The Department partially agrees with this recommendation. As explained during the Exit Conference, some documentation although missing from the Licensing files, could be found in the background information unit's files. The auditors did not request to view those files as part of their field work although told about them several times. Through our recent restructuring, all of these files are now in one place.

**Recommendation #3:** DOB should ensure that Licensing's Attorney reviews all negative background investigation results and prepares written final determinations on whether the applicants should be issued licenses.

**Agency Response:** The Department disagrees with this recommendation. A negative background investigation means no results; hence, there is no need for a Licensing Attorney to check background investigations where the criminal record check literally shows no convictions.

**Recommendation #4:** DOB should enhance its efforts to complete the background investigation of each applicant within the agency's informal goal of six months.

**Agency Response:** The Department partially agrees with this recommendation. Delays in processing can be caused by numerous things such as applicants not submitting their documentation on a timely basis. It should also be noted that just a few years ago the average time for review was one year to eighteen months, which the Department has reduced to a target of six months that is generally achieved. The Department does a very thorough analysis of each applicant, and placing a strict time target on this critical process may preclude us from our commitment to only issue licenses to qualified individuals. The Department is committed to only issuing licenses to qualified individuals and, accordingly, is fastidious in its review of applicant qualifications.

**Recommendation #5:** DOB should ensure that letters (both approval and rejection letters) to applicants are issued in a timely manner once the background investigation unit completes its review.

**Agency Response:** The Department agrees with this recommendation. To date, the Department has focused on making sure that approval letters went out in a timely manner, but will endeavor to do this for denials as well.

**Recommendation #6:** DOB should revise its written procedures to provide formal goals for the times within which background investigations should be completed and approval or rejection letters sent to the applicant.

**Agency Response:** The Department disagrees with this recommendation. Please refer to the Agency Response to Recommendation #4. In addition, different license types require different background check processes.

**Recommendation #7:** DOB should modify its use of the Licensing Database to ensure that license application dates are recorded.

**Agency Response:** The Department agrees with this recommendation. Scheduled to go live in 2017, DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable.

**Recommendation #8:** DOB should modify the Licensing Database so that information is recorded on the date that Licensing returns a background check to a background unit and the date that the application file is returned to Licensing.

**Agency Response:** Please refer to the Agency Response to Recommendation #7.

**Recommendation #9:** DOB should review renewal applications more closely to ensure that only qualified applicants receive renewed licenses.

**Agency Response:** The Department partially agrees with this recommendation. However, the Department remains vigilant in its review of qualifications of all Site Safety Professionals, and has strengthened its review process by implementing a checklist in order to foster more standardized procedures.

**Recommendation #10:** DOB should ensure that Licensing's application files contain all the supporting documentation necessary before renewed licenses are issued.

**Agency Response:** The Department partially agrees with this recommendation. Please refer to the Agency Response to Recommendation #2.

**Recommendation #11:** DOB should ensure that applicant information recorded by the Licensing staff in the Licensing Database, Renewal database, and BIS is reviewed by a supervisor. To achieve this, DOB should consider modifying the databases and BIS to include fields designated for supervisory review.

*Agency Response:* The Department disagrees with this recommendation. This would not be practical due to staffing resources; however, an audit protocol will be introduced to ensure appropriate supervisory review. Implementation of DOB NOW: Licensing will further improve data entry and collection.

**Recommendation #12:** DOB should ensure that a Licensing supervisor reviews key applicant data and documents before initial or renewed Site Safety Professional licenses are issued.

*Agency Response:* Please refer to the Agency response to Recommendation #11.

**Recommendation #13:** DOB should modify BIS to require a supervisory approval prior to a new license card being created through EpiSuite.

*Agency Response:* The Department disagrees with this recommendation. Please refer to the Agency response to Recommendation #11.

**Recommendation #14:** DOB should require that Licensing's Attorney review all background checks on renewal applicants to ensure that the checks were done properly.

*Agency Response:* Please refer to the Agency response to Recommendation #3.

**Recommendation #15:** DOB should develop and implement application review checklists for initial and renewal applications for Site Safety Professional Licenses.

*Agency Response:* The Department agrees with this recommendation, and will continue to institute checklists, as appropriate. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable.

**Recommendation #16:** DOB should strengthen controls over its recordkeeping practices.

*Agency Response:* The Department agrees with this recommendation. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable.

**Recommendation #17:** DOB should revise its SSM and SSC license procedures to clearly identify the currently required application documents, applicant experience and training options, supervisory review process, and specific titles of the individuals involved in each step of the application review process.

*Agency Response:* The Department disagrees with the premise of this recommendation, as changes are made when applicable and/or necessitated by law, and requirements are posted on our web site.

**Recommendation #18:** DOB should monitor the recording of information in BIS and the Licensing and Renewal Databases more closely to ensure that the information is recorded accurately and completely.

*Agency Response:* The Department agrees with this recommendation. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable.

**Recommendation #19:** DOB should ensure that initial applications are consistently date stamped upon receipt.

*Agency Response:* The Department agrees with this recommendation. The Department currently date stamps, and will continue to do so. DOB NOW: Licensing will improve data quality and make the licensing process more efficient, transparent and accountable.

**Recommendation #20:** DOB should develop and implement user manuals for the Licensing and Renewal Databases and BIS to reflect DOB's current Site Safety Professional licensing process.

*Agency Response:* The Department agrees with this recommendation. User manuals will be developed in conjunction with DOB NOW: Licensing.

**Recommendation #21:** DOB should ensure that user manuals are created for any future computer systems developed for the license issuance process.

*Agency Response:* The Department agrees with this recommendation. User manuals will be developed in conjunction with DOB NOW: Licensing.

**Recommendation #22:** DOB should ensure that its user manuals are continuously updated as needed to reflect process changes and system upgrades.

*Agency Response:* The Department agrees with this recommendation. User manuals will be continuously updated in conjunction with DOB NOW: Licensing and routinely updated.

Thank you, once again, for giving us the opportunity to respond to this draft audit report. We look forward to receiving your final version.

Sincerely,



Rick D. Chandler, P.E.  
Commissioner

cc: George Davis, III  
Archana Jayaram  
Alexandra Fisher  
Timothy Martin  
Joshua Florsheim  
Kerry Castro