

AUDIT REPORT



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

Audit Report on the New York Yankees Rental Credits For the Second Quarter of 2007 (April 1–June 30, 2007)

FR08-098A

May 21, 2008



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

Pursuant to the terms of the lease between the City of New York and the New York Yankees (Yankees), we have examined the rental credits claimed by the Yankees for the maintenance of City-owned Yankee Stadium for the second quarter of 2007 (April 1–June 30, 2007).

The Yankees are responsible for the care and upkeep of Yankee Stadium, and the costs incurred by the Yankees for maintaining the stadium are offset against any rental income due the City from the Yankees. Thus, every approved dollar spent and accounted for as a rental credit for the maintenance of the stadium results in a dollar-for-dollar decrease in the rent due the City. These audits provide a means of ensuring that the Yankees take credit against rent only for eligible expenses.

The results of our audit, which are presented in this report, have been discussed with officials from the New York Yankees and the Department of Parks and Recreation, and their comments have been considered in preparing this report. The Yankees' complete written response is attached to this report.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at audit@Comptroller.nyc.gov or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in black ink, appearing to read 'William C. Thompson, Jr.'.

William C. Thompson, Jr.

WCT/fh

Report: FR08-098A
Filed: May 21, 2008

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

**Audit Report on the
New York Yankees Rental Credits
For the Second Quarter of 2007
(April 1–June 30, 2007)**

FR08-098A

AUDIT REPORT IN BRIEF

According to a 1972 lease agreement between the New York Yankees (the Yankees) and the City of New York (the City) that is overseen by the Department of Parks and Recreation (Parks), the Yankees are responsible for the care and upkeep of the City-owned Yankee stadium, and must pay the City rental income. However, the lease also allows the Yankees to offset against any rental income due the City, costs incurred by the Yankees for maintaining the stadium. Thus, every dollar spent and accounted for as a maintenance credit results in a dollar-for-dollar decrease in the rent due the City.

Under the terms of the lease, the Yankees must notify the Comptroller's Office of all claimed maintenance credits, and provide supporting computations. The Comptroller's Office then determines whether any of the charges for which credits are claimed are permissible.

Audit Findings and Conclusions

The audit found that Yankee rental credits submitted for the Second Quarter of 2007 were overstated by \$81,146.10 as follows:

- \$24,859.52 in excess payroll charges and salary expenses that should have been paid by the Yankees.
- \$21,537.25 in payments to ADCO Electric consisting of material and labor costs that should not have been charged to the City.
- \$3,482.81 in Yankee Stadium repairs for which the expenses are not chargeable to the City.
- \$31,266.52 in expenses that lacked documentation or are not City costs under the terms of the lease and cannot be offset against rental income.

Audit Recommendations

We recommend that the Yankees deduct \$81,146.10 from the total rental credits taken for maintenance pertaining to the Second Quarter of 2007, ensure that all maintenance credits claimed are properly supported by sufficient documentation, and ensure that appropriate approvals from the Department of Parks and Recreation (Parks) are obtained prior to submitting rental credits to the Comptroller's Office. In addition, we recommend that Parks ensure that the Yankees comply with the report's recommendations.

INTRODUCTION

Background

Under the terms of the 1972 lease agreement, the general rule is that the City pays to maintain all areas of Yankee Stadium except Yankee offices, concession space, the receiving room, the Commissary, and the restaurant space (Yankee Club, Yankee Dining Room, Pinstripe Pub, and Stadium Club). The City also pays for materials used to maintain the stadium; however, it does not pay for uniforms or tools. Since the rental credits are subject to the approval of the Comptroller's Office, the Yankees are required by the lease to submit to the Comptroller all documentation necessary for the audit of credits. After the audit, the Comptroller's Office presents its findings to the Yankees in a preliminary draft report and at an exit conference before issuing a draft report. Within two weeks of the issuance of the draft report, the Yankees may submit to the Comptroller's Office additional documentation that was previously omitted to support rental credits claimed. Once this documentation is received and reviewed, the Comptroller's Office issues a final report.

Objectives

Our audit objectives were to determine whether the Yankees:

- adequately documented and supported the submitted labor and materials charges;
- submitted invoices for rental credits that were eligible for reimbursement and were in accordance with the lease agreement; and
- accurately calculated all credits and did not deduct non-City charges from the rent due for the second-quarter period, April 1–June 30, 2007.

Scope and Methodology

The audit scope covered the period April 1–June 30, 2007. We examined 100 percent of the \$1,338,915 in labor and materials charges and supporting documentation submitted by the Yankees.

To determine whether the billings for labor and materials were appropriate, reasonable, and allowable under the lease, we reviewed all source documents for adequate documentation for each month of the quarter pertaining to the billings of River Payroll (Cleaning Services), ADCO

Electric, Miranda Fuel, Brown & Silver, Stadium Repairs, and Other Expenses. The documents included invoices, canceled checks, time sheets, payroll reports, and activity reports to support the costs of labor and materials charged to the City. We also determined whether retroactive salary adjustments were accurate by tracing these adjustments to the respective supporting documentation or relevant settlement agreements. An October 29, 1993 settlement agreement designated the Yankees as agents of the City; therefore, we reviewed whether charges for materials correctly excluded sales tax. Finally, we determined whether the Yankees provided pre-authorization and acceptance reports from Parks for the work or services performed to receive maintenance credit toward rent.

We documented all unwarranted and unreasonable charges for rental credits on a spreadsheet with our comments and have included them as Appendices I through V of this report. We calculated all dollar amounts on the supporting schedules for accuracy, and reconciled these amounts with the total amounts on the lead schedule for all vendors in Appendix I, Schedules A-1 through A-6.

These audits are lease-mandated and therefore require that the Yankees submit all source documents to the Comptroller's Office to receive credits toward rental income due the City. Accordingly, without the submission of all necessary supporting documentation, maintenance costs submitted as credits against rental income are disallowed.

We did not evaluate Yankee internal controls over the process and procedures for payment of the invoices submitted to support maintenance credits. However, all documents were examined to ascertain whether they contained valid certification from Parks designees at Yankee Stadium as proof that labor costs were incurred and that material was purchased and received.

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

Discussion of Audit Results

The matters covered in this report were discussed with Yankee and Parks officials during and at the conclusion of this audit. A preliminary draft report was sent to Yankee and Parks officials on March 11, 2008. On March 17, 2008 Yankee officials waived their right to an exit conference. On March 31, 2008 we submitted a draft report to Yankees and Parks officials with a request for comments. Their comment will be included in the final version of this report. We received a response from Yankee officials on April 28, 2008.

In the draft report, we disallowed \$139,413.12. However, after our review of the documentation provided by the Yankees and by Parks subsequent to the issuance of the draft report, we allowed additional credits of \$58,267.02, resulting in a final disallowance of \$81,146.10, which the Yankees accepted as Yankee costs.

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

FINDINGS

Overstatement of Rental Credits

Rental credits audited under the schedules submitted for the Second Quarter of 2007 were overstated by \$81,146.10 as summarized on Table I, below:

Table I
Disallowance Schedule*

Schedule	Billed	Allowed	Disallowed
A-1 (River Payroll)	\$ 439,453.29	\$414,593.77	\$ 24,859.52
A-2 (ADCO Electric)	497,671.04	476,133.79	21,537.25
A-3 (Miranda Fuel)	48,083.06	48,083.06	0.00
A-4 (Brown & Silver)	0.00	0.00	0.00
A-5 (Stadium Repairs)	164,741.33	161,258.52	3,482.81
A-6 (Other Expenses)	188,965.83	157,699.31	31,266.52
Total	\$1,338,914.55	\$1,257,768.45	\$81,146.10

* All calculations are rounded to two decimal points

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

The River Payroll disallowance totaling \$24,859.52 consists of the following:

- \$6,980.37—for security costs from March 4, 2007 through June 2, 2007 that were Yankee, not City costs. These costs for game days were chargeable to the Yankees in accordance with the lease and should not have been charged as credits against rental income. The Yankees accepted \$6,980.37 as a Yankee cost.
- \$5,201.50—for the cost of “lunch-not-taken.” Section 162 of New York State Labor Law states that “every person in any establishment or occupation covered by the Labor Law must be afforded a meal period of at least thirty minutes.” In addition, Article VI of the Agreement between Local 32B-32J S.E.I.U., AFL-CIO, and River Payroll, states, in part: “Hours of work each day shall be exclusive of a daily lunch period of not more than one (1) hour.” Moreover, a Parks letter dated June 9, 1997, informed the Yankees that effective January 1, 1996, Parks would not accept “lunch-not-taken” labor cost credits that were not approved in advance. The Yankees, however, provided no documentation that such approvals were obtained. The Yankees accepted \$5,201.50 as a Yankee cost.
- \$4,895.61—for hours worked on Yankee assignments listed on the time records as “Parking Lot,” and for annuity contributions made on behalf of “utilitymen” for the

months of March and April 2007 who were assigned to work in Yankee areas. Such expenses, under the terms of the lease, are not chargeable to the City. The Yankees accepted \$4,895.61 as a Yankee cost.

- \$4,136.58—for incorrect hourly rates paid to eight engineers and mechanics. These employees were paid at a rate higher than is allowable under the Local 30, AFL-CIO, CLC agreement. The Yankees accepted \$4,136.58 as a Yankee cost.
- \$1,750.68—for contributions to various funds related to River Payroll disallowances.¹ The Yankees accepted \$1,750.68 as a Yankee cost.
- \$1,215.02—for duplicate hours paid to one employee in week ending June 10, 2007 for hours previously worked and paid in week ending May 20, 2007. The Yankees accepted \$1,215.02 as a Yankee cost.
- \$470.09—for six employees who did not sign in or out on their timesheets to validate the hours of work charged to the City. The Yankees accepted \$470.09 as a Yankee cost.
- \$149.67—for labor hours not worked that under the terms of the lease should not have been offset against rental income. The Yankees accepted \$149.67 as a Yankee cost.
- \$60—for ineligible bonus payments made to one employee. The Yankees accepted \$60 as a Yankee cost.

Appendix II gives further details of the above disallowances.

The ADCO Electric disallowed costs totaling \$21,537.25 consist of \$15,912.79 in labor costs and \$5,624.46 in materials charges.

The disallowed labor costs totaling \$15,912.79 consist of the following:

- \$12,147.39—for hours worked on Yankee assignments such as “Gameday Sweep” and “Gameday Scoreboard Maintenance.” According to the lease agreement, maintenance on scoreboards during game-days is a Yankee cost. The Yankees accepted \$12,147.39 as a Yankee cost.
- \$3,765.40—for labor hours not worked that under the terms of the lease should not have been offset against rental income. The Yankees accepted \$3,765.40 as a Yankee cost.

¹ Includes Welfare, Pension, and Annuity Funds.

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

The disallowed material costs totaling \$5,624.46 include:

- \$5,346.35 for irreconcilable difference between the amount charged to the City and the total amount of the supporting invoices. The Yankees accepted \$5,346.35 as a Yankee cost.
- \$242.20—for a 4.5 percent overhead charge pertaining to disallowed materials.² The Yankees accepted \$242.20 as a Yankee cost.
- \$35.91—for items purchased that are not a City cost, such as plastic tape. The Yankees accepted \$35.91 as a Yankee cost.

Appendix IV gives details of the above disallowances for ADCO Materials.

The “Stadium Repairs” disallowance totaling \$3,482.81 is for the purchase of items used in the Yankee areas such as the “Visitors Clubhouse,” and for items that should have been charged to the Parks’ budget such as “supply of paint to Parks Department.” Such costs, based on the terms of the lease agreement, are not eligible for maintenance credits and should not have been included in the maintenance credits submitted by the Yankees. The Yankees accepted \$3,482.81 as a Yankee cost.

Finally, the “Other Expenses” disallowances of \$31,266.52 are as follows:

- \$18,820.53—for charges to repair vandalized elevators paid to Infinity Elevator Company, Inc. that should not have been included in the maintenance credits submitted by the Yankees. The Yankees accepted \$18,820.53 as a Yankee cost.
- \$6,435—for services that were covered under the monthly maintenance agreements between the Yankees and *Bug Doctor Termite and Pest Control*. The Yankees accepted \$6,435 as a Yankee cost.
- \$2,596.85—for charges that exceeded the contractual rates listed in the Yankees’ contracts with Infinity Elevator Company, Inc. and with White Way Sign Company. The Yankees accepted \$2,596.85 as a Yankee cost.
- \$2,473.98—for missing documentation to support these charges as a City cost. The Yankees accepted \$2,473.98 as a Yankee cost.

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

- \$940.16—for purchase of showerheads that, under the terms of the lease agreement, are not City costs. The Yankees accepted \$940.16 as a Yankee cost.

Appendix V includes the details for the above-stated disallowances pertaining to Stadium Repairs and Other Expenses.

RECOMMENDATIONS

We recommend that the Yankees:

1. Deduct \$81,146.10 from the total rental credits for maintenance pertaining to the Second Quarter of 2007.
2. Ensure that all maintenance credits claimed are properly supported by sufficient documentation and that appropriate approvals from Parks are obtained prior to submitting rental credits to the Comptroller's Office.

We recommend that Parks:

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

**NEW YORK YANKEES RENTAL CREDITS
SUMMARY SCHEDULE FOR VENDORS A-1 THROUGH A-6
AUDIT PERIOD: 4/1/07 - 6/30/07
AUDIT # FR08-098A**

				ADJUSTMENTS				
NY Y Schedule	Amount Billed	Previous Allowance (N 1)	Previous Disallow. (N 1)	Amount Accepted by NY Y (N 2)	Amount Resubmitted by NY Y	Add'l Amt Accepted by City	Final Allowance (N 2)	Final Disallowance (N 2)
A-1 River Payroll								
Total	\$439,453.29	\$414,593.77	\$24,859.52	\$24,859.52	\$0.00	\$0.00	\$414,593.77	\$24,859.52
A-2 ADCO Electric								
Total	\$497,671.04	\$459,412.77	\$38,258.27	\$21,537.25	\$16,721.02	\$16,721.02	\$476,133.79	\$21,537.25
A-3 Miranda Fuel								
Total	\$48,083.06	\$48,083.06	\$0.00	\$0.00	\$0.00	\$0.00	\$48,083.06	\$0.00
A-4 Brown & Silver								
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
A-5 Stadium Repairs								
Total	\$164,741.33	\$158,114.02	\$6,627.31	\$3,482.81	\$3,144.50	\$3,144.50	\$161,258.52	\$3,482.81
A-6 Other Expenses								
Total	\$188,965.83	\$119,297.81	\$69,668.02	\$31,266.52	\$38,401.50	\$38,401.50	\$157,699.31	\$31,266.52
Total All	\$1,338,914.55	\$1,199,501.43	\$139,413.12	\$81,146.10	\$58,267.02	\$58,267.02	\$1,257,768.45	\$81,146.10

(1) At Draft Stage
(2) At Final Stage

**SCHEDULE OF INELIGIBLE LABOR CHARGES
FOR THE 2nd QUARTER OF 2007
AUDIT PERIOD: 4/1/07 - 6/30/07
AUDIT # FR08-098A**

RIVER PAYROLL LABOR HOURS

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted by NYY	Amount Resubmitted by NYY	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
1. Summit Security Charges	\$6,980.37	\$6,980.37	\$0.00	\$0.00	\$6,980.37	\$0.00
2. Lunch Not Taken	\$5,201.50	\$5,201.50	\$0.00	\$0.00	\$5,201.50	\$0.00
3. Welfare Contributions on behalf of Utilitymen assigned to Yankee areas; NYY Hours [Parking Lot]	\$4,895.61	\$4,895.61	\$0.00	\$0.00	\$4,895.61	\$0.00
4. Incorrect Hourly Rates	\$4,136.58	\$4,136.58	\$0.00	\$0.00	\$4,136.58	\$0.00
5. Adjustment to Welfare Contributions	\$1,750.68	\$1,750.68	\$0.00	\$0.00	\$1,750.68	\$0.00
6. Duplicate Payment	\$1,215.02	\$1,215.02	\$0.00	\$0.00	\$1,215.02	\$0.00
7. Incomplete Timesheets	\$470.09	\$470.09	\$0.00	\$0.00	\$470.09	\$0.00
8. Hours Not Worked	\$149.67	\$149.67	\$0.00	\$0.00	\$149.67	\$0.00
9. Ineligible Bonus Payment	\$60.00	\$60.00	\$0.00	\$0.00	\$60.00	\$0.00
TOTAL	\$24,859.52	\$24,859.52	\$0.00	\$0.00	\$24,859.52	\$0.00

FOR THE 2nd QUARTER OF 2007
AUDIT PERIOD: 4/1/07 - 6/30/07
AUDIT # FR08-098A

ADCO ELECTRICAL - LABOR

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted by NYY	Amount Resubmitted by NYY	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding	Notes
1. Missing Documentation for Gameday Scoreboard	\$20,301.05	\$3,580.03	\$16,721.02	\$16,721.02	\$3,580.03	\$0.00	(1)
2. NYY Charges [Gameday Scoreboard & Sweep Maint.]	\$8,567.36	\$8,567.36	\$0.00	\$0.00	\$8,567.36	\$0.00	(2)
3. Hours Not Worked	\$3,765.40	\$3,765.40	\$0.00	\$0.00	\$3,765.40	\$0.00	
TOTAL	\$32,633.81	\$15,912.79	\$16,721.02	\$16,721.02	\$15,912.79	\$0.00	

Note (1) Of the \$20,301.05 disallowed in Draft Report under "Missing Documentation," we accepted \$16,721.02 based on documentation provided by NYY; the balance of \$3,580.03 was disallowed in Final Report under "NYY Charges" [See Note 2]

Note (2) Of the \$20,301.05 disallowed in Draft Report under "Missing Documentation," we disallowed \$3,580.03 and included this amount under "NYY Charges [Gameday Scoreboard & Sweep Maint.]" resulting in a total of \$12,147.39 [\$8,567.36 + \$3,580.03].

**SCHEDULE OF INELIGIBLE LABOR CHARGES
FOR THE 2nd QUARTER OF 2007
AUDIT PERIOD: 4/1/07 - 6/30/07
AUDIT # FR08-098A**

ADCO ELECTRICAL - MATERIALS

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted by NYN	Amount Resubmitted by NYN	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
1. Irreconcilable Difference [Note 1]	\$5,346.35	\$5,346.35	\$0.00	\$0.00	\$5,346.35	\$0.00
2. Contract Adder (4.5%)	\$242.20	\$242.20	\$0.00	\$0.00	\$242.20	\$0.00
3. Not a City Cost [plastic tape]	\$35.91	\$35.91	\$0.00	\$0.00	\$35.91	\$0.00
TOTAL	\$5,624.46	\$5,624.46	\$0.00	\$0.00	\$5,624.46	\$0.00

Note 1: Reported in Draft Report under category of "Missing Documentation."

SUMMARY OF LABOR AND MATERIALS

	Amount Disallowed Per Draft Report	Amount Accepted by NYN	Amount Resubmitted by NYN	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
LABOR (Appendix III)	\$32,633.81	\$15,912.79	\$16,721.02	\$16,721.02	\$15,912.79	\$0.00
MATERIALS (Appendix IV)	\$5,624.46	\$5,624.46	\$0.00	\$0.00	\$5,624.46	\$0.00
TOTAL	\$38,258.27	\$21,537.25	\$16,721.02	\$16,721.02	\$21,537.25	\$0.00

**SCHEDULE OF DISALLOWANCES
FOR VENDORS A-3 THROUGH A-6
FOR THE 2nd QUARTER OF 2007
AUDIT PERIOD: 4/1/07 - 6/30/07
AUDIT # FR08-098A**

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted By NYN	Amount Resubmitted by NYN	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
A-3 MIRANDA FUEL						
NO DISALLOWANCES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
A-4 BROWN & SILVER						
NO DISALLOWANCES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
A-5 STADIUM REPAIRS						
1. NYN Area [Players Parking Area, Visitors Clubhouse, and Supply of Paint to Parks Dept]	\$5,847.81	\$3,482.81	\$2,365.00	\$2,365.00	\$3,482.81	\$0.00
2. Location Not Identified	\$779.50	\$0.00	\$779.50	\$779.50	\$0.00	\$0.00
Total	\$6,627.31	\$3,482.81	\$3,144.50	\$3,144.50	\$3,482.81	\$0.00
A-6 OTHER EXPENSES						
1. Missing Prior Parks Approval	\$24,757.50	\$0.00	\$24,757.50	\$24,757.50	\$0.00	\$0.00
2. NYN Charge [Vandalized Elevators]	\$18,820.53	\$18,820.53	\$0.00	\$0.00	\$18,820.53	\$0.00
3. Covered Under Contract [Bug Doctor]	\$12,870.00	\$6,435.00	\$6,435.00	\$6,435.00	\$6,435.00	\$0.00
4. NYN Areas [TV Room, Photo Copy Room and Press Room]	\$6,319.00	\$0.00	\$6,319.00	\$6,319.00	\$0.00	\$0.00
5. Exceeded Contract Rates	\$2,596.85	\$2,596.85	\$0.00	\$0.00	\$2,596.85	\$0.00
6. Missing Documentation	\$2,473.98	\$2,473.98	\$0.00	\$0.00	\$2,473.98	\$0.00
7. Not A City Cost [Showerheads]	\$940.16	\$940.16	\$0.00	\$0.00	\$940.16	\$0.00
8. Location Not Identified for Ceiling Tiles	\$890.00	\$0.00	\$890.00	\$890.00	\$0.00	\$0.00
Total	\$69,668.02	\$31,266.52	\$38,401.50	\$38,401.50	\$31,266.52	\$0.00

New York Yankees

ROBERT B. BROWN
VICE PRESIDENT, CFO/ACCOUNTING



EXECUTIVE OFFICE
YANKEE STADIUM
BRONX, NEW YORK 10451
OFFICE: (718) 579-4525
FAX: (718) 681-3942
EMAIL: rbrown@yankees.com

April 28, 2008
Ms. Faige Hornung
Director of Financial Audit & Support Services
1 Centre Street
Room 1300 North
New York, NY 10007

RE: Audit Report FR08-098A on the New York Yankees Rental Credits- 2nd Quarter 2007

Dear Ms. Hornung:

In response to the draft report, the New York Yankees are accepting \$81,146.10 and rejecting \$58,267.02.

Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to be "R. Brown", written over a horizontal line.

Robert Brown

RB/rb

Cc:

Yasmin Tejani

**New York Yankees Rental Credits
Summary of Disallowances for Schedules A-1 to A-6
For the 2nd Quarter of 2007
Audit # FR08-098A**

	Yankees Accept	Yankees Reject	Total Disallowance
A-1 River Payroll	\$24,859.52	\$0.00	\$24,859.52
A-2 ADCO Electrical	\$21,537.25	\$16,721.02	\$38,258.27
A-3 Miranda Fuel	\$0.00	\$0.00	\$0.00
A-4 Brown & Silver	\$0.00	\$0.00	\$0.00
A-5 Stadium Repairs	\$3,482.81	\$3,144.50	\$6,627.31
A-6 Other Expenses	\$31,266.52	\$38,401.50	\$69,668.02
TOTAL	\$81,146.10	\$58,267.02	\$139,413.12

A-1 RIVER PAYROLL

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Security Charges	\$6,980.37	\$0.00	\$6,980.37
2. Lunch Not Taken	\$5,201.50	\$0.00	\$5,201.50
3. Welfare Contributions made on behalf of Utilitymen Assigned to Yankee Areas and NYY Hours [Parking Lot]	\$4,895.61	\$0.00	\$4,895.61
4. Incorrect Hourly Rates	\$4,136.58	\$0.00	\$4,136.58
5. Adjustment to Welfare Contributions	\$1,750.68	\$0.00	\$1,750.68
6. Duplicate Payment	\$1,215.02	\$0.00	\$1,215.02
7. Incomplete Timesheets	\$470.09	\$0.00	\$470.09
8. Hours Not Worked	\$149.67	\$0.00	\$149.67
9. Ineligible Bonus Payment	\$60.00	\$0.00	\$60.00
TOTAL	\$24,859.52	\$0.00	\$24,859.52

A-2 ADCO ELECTRICAL - LABOR

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Missing Documentation [Gameday Scoreboard]	\$3,580.03	\$16,721.02	\$20,301.05
2. Gameday Scoreboard and Sweep Maint	\$8,567.36	\$0.00	\$8,567.36
3. Hours Not Worked	\$3,765.40	\$0.00	\$3,765.40
TOTAL	\$15,912.79	\$16,721.02	\$32,633.81

**New York Yankees Rental Credits
Summary of Disallowances for Schedules A-1 to A-6
For the 2nd Quarter of 2007
Audit # FR08-098A**

A-2 ADCO ELECTRICAL - MATERIALS

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Missing Documentation	\$5,346.35	\$0.00	\$5,346.35
2. Contract Adder (4.5%)	\$242.20	\$0.00	\$242.20
3. Not A City Cost [plastic tape]	\$35.91	\$0.00	\$35.91
TOTAL	\$5,624.46	\$0.00	\$5,624.46

A-3 MIRANDA FUEL

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
NO DISALLOWANCE	\$0.00	\$0.00	\$0.00

A-4 BROWN & SILVER

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
NO DISALLOWANCE	\$0.00	\$0.00	\$0.00

A-5 STADIUM REPAIRS

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. NYY Area [Players' Parking Area, Visitors Clubhouse, Supply of Paint to Parks Dept]	\$3,482.81	\$2,365.00	\$5,847.81
2. Location Not Identified	\$0.00	\$779.50	\$779.50
TOTAL	\$3,482.81	\$3,144.50	\$6,627.31

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A-6 OTHER EXPENSES

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. No Prior Parks Approval/Contract	\$0.00	\$24,757.50	\$24,757.50
2. NYY Charge-Infinity Elevator [Vandalism and Misuse]	\$18,820.53	\$0.00	\$18,820.53
3. Covered Under Contract [Bug Doctor]	\$6,435.00	\$6,435.00	\$12,870.00
4. NYY Areas [TV Room, Photocopy Room and Press Room]	\$0.00	\$6,319.00	\$6,319.00
5. Exceeded Contract Amount [Infinity Elevator and White Way Sign]	\$2,596.85	\$0.00	\$2,596.85
6. Missing Documentation [Infinity Elevator]	\$2,473.98	\$0.00	\$2,473.98
7. Not A City Cost [showerheads]	\$940.16	\$0.00	\$940.16
8. Job Location not Identified [Ceiling tiles]	\$0.00	\$890.00	\$890.00
TOTAL	\$31,266.52	\$38,401.50	\$69,668.02