



NEW YORK STATE SENATOR

James Skoufis

Senator Skoufis, Comptroller DiNapoli Tout Enactment of Anti-Corruption LDC Audit Law

JAMES SKOUFIS December 27, 2019

| ISSUE: **LOCAL DEVELOPMENT, ECONOMIC DEVELOPMENT, OVERSIGHT**

| COMMITTEE: **INVESTIGATIONS AND GOVERNMENT OPERATIONS**

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Senator James Skoufis (D-Hudson Valley) and New York State Comptroller Thomas P. DiNapoli announced that the Governor signed Skoufis' bill S.5445 into law, authorizing the State Comptroller's office to audit Local Development Corporations (LDCs) across the state.

LDCs operate in counties, cities, towns, villages, and other local governments throughout the state for economic development purposes. All too frequently, however, LDCs have been riddled with corruption, resulting in a significant waste of taxpayer dollars.

Previously, the State Comptroller did not have the authority to directly audit LDCs and other similar types of private organizations, even when they are controlled by a local government entity.

Earlier this month, Senator Skoufis, Chair of the Senate investigations committee, released a report on public authorities in New York State which found that in 2018, LDCs compiled \$20 billion in outstanding debt. The Committee reported that expanding the scope of potential audits to the State Comptroller's office would provide greater assurance that private entities

are acting in the public interest.

“This bill is a critical step in rooting out corruption and inefficiencies in LDCs,” **said Senator Skoufis**. “My report into public authorities made it glaringly clear that this system has allowed private entities to cheat taxpayers and is in desperate need of wholesale reform. New York State’s residents are warranted far more accountability and responsibility with their money, and by giving the State Comptroller the authority to audit LDCs, we’re moving towards providing the transparency that our constituents deserve.”

New York State Comptroller DiNapoli said, “When organizations rely on taxpayer resources to operate, they should be subject to oversight and be held accountable. With this new authority, my office can audit Local Development Corporations and make certain they are operating efficiently and creating real results for taxpayers. Thanks to Governor Cuomo for signing this important legislation, and to Senator Skoufis and Assemblyman Magnarelli for fighting for more scrutiny of public money.”

The bill was signed into law on December 23, 2019, and goes into effect immediately. Senator Skoufis’ full report into public authorities in New York State, including Local Development Corporations can be found [here](#).

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RELATED LEGISLATION

2019-S5445

- Introduced
 - ◦ In Committee Assembly
 - In Committee Senate
 - ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
 - ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
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Relates to comptroller audits of certain organizations controlled by municipal corporations and certain other government entities

May 01, 2019

Signed by Governor

Sponsored by **James Skoufis**

Do you support this bill?