



Patricia J. Lancaster, FAIA
Commissioner

November 17, 2006

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Mr. Frank J. Houston
Audit Director
Office of the State Comptroller
123 William Street – 21st Floor
New York, New York 10038-3804

**RE: Final Audit Report (2005-N-4)
Cranes & Derricks Division, Oversight of Permits**

Dear Mr. Houston:

We appreciate this opportunity to respond to the recommendations of the above-mentioned final audit report. Your assistance helps the Department of Buildings advance our two-fold mission of ensuring the safe and lawful use of buildings and properties and facilitating compliant development efficiently and with integrity.

As stated in our April 2006 response letter to the draft audit report, we generally agreed with all of your recommendations. We have made the necessary improvements to our administrative procedures to better regulate the issuance of permits for cranes, derricks and suspended scaffolds by Buildings' Cranes and Derricks (C&D) Division.

For the most part, the recommendations have already been implemented. Work continues on the implementation of one recommendation: the development of formal, internal written procedures. See the explanations below for additional details.

Responses to Recommendations:

Recommendation 1: Increase patrols to identify contractors using equipment without a valid permit.

April 2006 Response: We agree that increased patrols are needed. One additional inspector joined C&D in January 2006, and the Division increased their patrols in February 2006.

November 2006 Status: Implemented in January 2006.

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<u>Recommendation 2:</u>	<u>Conduct follow-up on sites without a valid permit and where SWOs have been issued.</u>
April 2006 Response:	We agree. To track work sites without a valid permit, C&D's database was enhanced in November 2005. It now supports improved monitoring, and inspectors are conducting follow-up visits regularly. For sites where SWOs have been issued, the current C&D database is inadequate. Rather than creating a manual, paper-based process to track these locations, the Director of C&D is working with Information Technology staff to develop a database that will allow C&D to schedule follow-up visits and record inspection results efficiently. We believe this is the proper use of limited staff resources.
November 2006 Status:	Implemented in January 2006. A database was created that allows C&D to schedule SWO follow-up visits and record inspections.
<u>Recommendation 3:</u>	<u>Improve the Division's permit database to provide greater functionality and flexibility so that management can identify high risk situations needing oversight.</u>
April 2006 Response:	We agree. The permit database has been modified and expanded to provide greater functionality and to generate valuable reports.
November 2006 Status:	Implemented in November 2005. C&D developed a database called Permit Reports. New reports are regularly added as needed. To rectify a particular finding of the auditors, the use of wildcards can be used to facilitate the retrieval of data in the permit database.
<u>Recommendation 4:</u>	<u>Develop a database to track the status and resolution of all SWOs.</u>
April 2006 Response:	C&D has created a database of SWOs and violations. In addition, in September 2005, staff members from C&D, the Administrative Enforcement Unit (AEU) and the Environmental Control Board (ECB) began a collaborative effort to create a database containing information about the resolution of SWOs and violations. Within the Department, this latter database will be managed and "owned" by AEU rather than C&D.
November 2006 Status:	Implemented in January 2006. The C&D SWO database was created.
	Implemented in September 2006. An AEU database was created to facilitate the resolution of violations.

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<u>Recommendation 5:</u>	<u>Develop a system to reconcile all violations written to those recorded in BIS.</u>
April 2006 Response:	We agree. As part of the project underway with C&D and AEU, C&D will suggest developing a program that compares the C&D database to BIS to identify any missing violations.
November 2006 Status:	Implemented in January 2006. The C&D Violations database was created. Implemented in September 2006. The AEU database mentioned above was linked to C&D's database to track all violations, including the ones sent to the Department of State.
<u>Recommendation 6:</u>	<u>Process the Violations that were not recorded on BIS, and recover the lost revenues.</u>
April 2006 Response:	We agree. As a result of the upgrade of the C&D database, C&D has implemented procedures to ensure that hereafter all DOB violations that are entered into BIS by AEU will be verified and cross-checked through the use of more useful database reports. DOB will not pursue lost revenues but will ascertain that henceforth we will maintain better records to reconcile the monies received with the violations processed.
November 2006 Status:	Implemented in January 2006. The C&D Violations database was created. Implemented in September 2006. The AEU database mentioned above allows AEU staff to verify and cross-check violations through the use of their enhanced database reports.
<u>Recommendation 7:</u>	<u>Adopt formal written policy, procedures and guidelines for all C&D responsibilities and activities, including the handling and following-up of SWOs and violations.</u>
April 2006 Response:	We agree that written policies and procedures will help the C&D staff members control and monitor their activities. The Director of C&D has already begun to develop standard operating procedures.

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November 2006 Status:

Procedures have been developed and are on the Buildings website for the public, which was C&D's first priority. The Department has assigned resources to the development of internal procedures and we will inform the State Comptroller when they have been completed.

Very truly yours,

Patricia J. Lancaster, FAIA
Commissioner

cc: Robert LiMandri
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