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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 4, 2009

Mr. Seth W. Pinsky
President
NYC Economic Development Corporation
110 William Street
New York, NY 10038

Re: Report 2008-F-38

Dear Mr. Pinsky:

Pursuant to the State Comptroller's authority as set forth in Article 3 of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Economic Development Corporation (EDC) to implement the recommendations contained in our prior audit report, *New York City Economic Development Corporation: East 34th Street Heliport - Safety and Security* (Report 2007-S-8).

Background, Scope and Objective

The East 34th Street heliport (Metroport) is managed by MacQuarie Aviation pursuant to a lease agreement with the New York City Economic Development Corporation (EDC). Metroport activities include thousands of helicopter landings and take-offs each year. The Metroport hosts both corporate and charter flights, as well as passenger shuttles to Kennedy and Newark Airports. Each helicopter can carry up to several passengers and can hold, at a minimum, dozens of gallons of combustible fuel.

The New York State Anti-terrorism Preparedness Act of 2004 requires general aviation airports and heliports to register, and file a triennial security plan, with the New York State Department of Transportation (DOT). The plan should contain a self-prepared risk assessment and prescribe safety and security enhancements, such as lighting and fencing, based on the assessment. Officials at the Metroport have filed such a plan as required.

Our initial audit report, which was issued on September 13, 2007, examined the adequacy of the Metroport's safety and security-related practices and procedures. The objective of our follow-up was to assess, as of January 30, 2009, the implementation status of our prior report recommendations. Due to the sensitivity of the information in our report, and the potential risks associated with the release of such information, our detailed findings are limited in distribution to only EDC and MacQuarie Aviation. Our initial report also included distribution to certain law enforcement agencies responsible for homeland security. As such, this public version of the

report does not detail our findings and associated recommendations and is intended to inform the public that a follow up review has been performed.

Summary Conclusions and Status of Audit Recommendations

We found that EDC officials have made limited progress in implementing our prior audit recommendations.

Major contributors to this report were Michael Solomon, Santo Rendon, John Lang and Anthony Carlo.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We also thank the management and staff of EDC and the Metroport for the courtesies and cooperation extended to our examiner(s) during our review.

Very truly yours,

Frank Patone, CPA
Audit Director

cc: Ms. Hope Mallari, Internal Audit
Mr. Chris Malin, Controller
Mr. George Davis, Mayor's Office of Operation