

THOMAS P. DINAPOLI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

October 6, 2014

Mr. Peter M. Rivera
Commissioner
Department of Labor
Building 12, State Office Campus
Albany, NY 12240

Re: Amusement Park and Fair Ride
Safety
Report 2014-S-47

Dear Commissioner Rivera:

According to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we recently audited selected aspects of the Amusement Park and Fair Ride Safety Program (Program) at the Department of Labor (Department).

Background

The Department is responsible for protecting the safety and health of workers and the public. The Division of Safety and Health (Division) oversees one facet of this: the protection of the public in the area of amusement rides. The Division's Industry Inspection Unit (Unit) is responsible for inspecting rides at amusement parks, fairs, and other venues operating outside New York City. New York City regulates similar operations within its five boroughs. Structures subject to Unit inspection include any permanent (i.e., those at large amusement parks) or temporary (i.e., those set up at transient fairs) rides that are power-operated and for which an admission fee is charged, as well as any buildings used as an entertainment play area at a carnival, amusement park, or fair which is intended to amuse or startle its participants (e.g., funhouses, laser tag venues). Each ride must be inspected, at a minimum, annually and may be inspected multiple times each year (i.e., each time a ride is erected). Coin-or token-operated rides are excluded. The results of each inspection are available online for the public to access.

During our previous review of the Program (Report 2013-S-73), we found reasonable assurance that the Department's procedures were adequate to ensure that the rides offered at fixed-based amusement parks, the New York State Fair, and many county fairs are properly inspected and authorized before being placed into service. However, the lack of information on the scheduling of smaller events such as carnivals and festivals, combined with the timing of

our testing which inhibited us from conducting site visits during most of the operating season, precluded us from having adequate assurance that all rides were inspected. We could not obtain reliable information on the population of other temporary events held, or the total number of rides that should have been inspected, due to the databases' limitations and because events and rides change from year to year. Therefore, we continued our review to determine whether both permanent and temporary rides had current inspections during the 2014 operating season.

Results of Audit

Permanent rides are structures located at amusement parks and other venues, such as shopping malls. Because these rides do not generally change location and are not frequently disassembled and reassembled, Department officials consider them a lower safety risk. Temporary rides are those assembled at fairs, traveling carnivals, and other short-term events. These rides are assembled, operated, and then disassembled multiple times each year. Department officials therefore consider these rides to be a higher safety risk and, although not required by law, make it a priority to inspect them each time they are assembled at a new venue.

Between May 11, 2014 and July 31, 2014, we conducted site visits at 53 locations across the State covering almost 1,000 rides. A majority of our visits focused on temporary structures located at festivals and fairs. We also visited the larger amusement parks and water parks that had more than eight rides. We visited 14 festivals, 25 fairs, and 14 permanent locations (see Exhibit for listing of locations).

We found each of the rides being operated at all of the 53 locations were permitted as required. We observed the inspections stickers affixed to each ride and verified they were valid at the time of the event. In some instances, we could not locate the inspection sticker for the ride. However, for each, we confirmed that the ride was permitted by obtaining the official permit documents issued by the Department. We spoke with Department inspectors at several temporary sites and, in each case, they were conducting inspections prior to operation at the event.

Audit Scope, Objective and Methodology

The objective of our audit was to determine if the Department of Labor is adequately monitoring and enforcing safety conditions of amusement park and fair rides. The audit covers the period January 1, 2011 through July 31, 2014.

To accomplish our audit objective, and determine whether associated internal controls are adequate, we audited the Department's processes for conducting inspections of rides at amusement parks, fairs, and other venues. As part of our examination, we obtained and reviewed incident and inspection data from January 1, 2011 through December 31, 2013. We also reviewed the Department of Labor's policies and procedures, interviewed agency officials, and conducted site visits. Where available, we validated data from the Department's inspection database against information on amusement parks and scheduled fairs or festivals maintained by independent sources, such as the Department of Agriculture and Markets.

We conducted our 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.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Reporting Requirements

A draft copy of this report was shared with Department of Labor officials, who agreed with our conclusions. Their comments were considered in preparing the final report and are attached in their entirety at the end of the report.

Major contributors to this report were Brian Reilly, Bob Mainello, Heather Pratt, Gayle Clas, Melissa Davie, Jennifer Habib, Andre Spar, and Marisa Wolosz.

Please convey our thanks to Department management and staff for the courtesies and cooperation they extended to our auditors during this review.

Sincerely,

John F. Buyce, CPA, CIA, CFE, CGFM
Audit Director

cc: Rajni Chawla, Internal Audit Director
Division of Budget

Exhibit

Amusement Parks	Location
Adventureland	Farmingdale, NY
Great Escape	Queensbury, NY
Hoffman's Playland	Latham, NY
Holiday Mountain Fun Park	Monticello, NY
Magic Forest	Lake George, NY
Martin's Fantasy Island	Grand Island, NY
Midway State Park	Bemus Point, NY
Playland Park	Rye, NY
Seabreeze	Rochester, NY
Splash Splash Waterpark	Calverton, NY
Sylvan Beach	Sylvan Beach, NY
Thunder Island	Fulton, NY
Water Safari	Old Forge, NY
Zoom Flume Water Park	East Durham, NY
Fairs, Carnivals, Festivals	Location
Afton Fair (Chenango Co.)	Afton, NY
Allegany County Fair	Angelica, NY
Apalachin Firemen's Carnival	Apalachin, NY
Boonville-Oneida County Fair	Boonville, NY
Broome County Fair	Whitney Point, NY
Cattaraugus County Fair	Little Valley, NY
Cayuga County Fair	Weedsport, NY
Chautauqua County Fair	Dunkirk, NY

Chemung County Fair	Horseheads, NY
Clinton County Fair	Morrisonville, NY
Genesee County Fair	Batavia, NY
Greek Festival	Hempstead, NY
Hemlock Festival	Hemlock, NY
Herricks Festival	New Hyde Park, NY
Hudson Valley Fair	Wappingers Falls, NY
Jefferson County Fair	Watertown, NY
Kenmore Festival	Kenmore, NY
Lackawanna Festival	Lackawanna, NY
Lewis County Fair	Lowville, NY
Lilac Festival	Rochester, NY
Madison County Fair	Brookfield, NY
Margaretville Firemen's Field Days	Margaretville, NY
Ontario County Fair	Canandaigua, NY
Orange County Fair	Middletown, NY
Oswego County Fair	Sandy Creek, NY
Otsego County Fair	Morris, NY
Palisades Fair	West Nyack, NY
Saratoga County Fair	Ballston Spa, NY
Schoharie County Fair	Cobleskill, NY
Seneca County Fair	Waterloo, NY
St. Anthony of Padua Festival	Utica, NY
St. Lawrence County Fair	Gouverneur, NY
Stillwater Family Day	Mechanicville, NY

Strawberry Festival	Bellmore, NY
Tioga County Fair	Owego, NY
Ulster County Fair	New Paltz, NY
Verona Firemen's Field Days	Verona, NY
West Seneca Carnival	West Seneca, NY
Yates County Fair	Penn Yan, NY

Agency Comments



New York State Department of Labor
Andrew M. Cuomo, Governor
Peter M. Rivera, Commissioner

October 1, 2014

John Buyce, Audit Director
Division of State Government Accountability
Office of State Comptroller
110 State Street
Albany, NY 12236

Re: 2014-S-47 Amusement Park and Fair Ride Safety Audit

Dear Mr. Buyce,

Enclosed please find the New York State Department of Labor's (the Department) response to Office of the State Comptroller ("OSC") report 2014-S-47 regarding Amusement Park and Fair Ride Safety.

The Department of Labor (Department) Division of Safety and Health's Industry Inspection Bureau takes the responsibility of protecting the public in the area of amusement rides very seriously, and the recent Amusement Park and Fair Ride Safety Program audit by the Office of the State Comptroller (OSC) confirmed our effectiveness. In 2013 alone, the Department staff performed more than 9,000 individual inspections on 1,700 different rides. Every time a ride is moved to a new location, Department inspectors perform a new inspection.

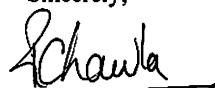
The OSC auditors visited 53 different locations across the state, covering almost 1,000 rides at 14 festivals, 25 fairs and 14 permanent locations and did not find a single ride that was being operated without the required permit. Every one of the almost 1,000 rides visited by OSC auditors was physically inspected by one of the Department inspectors before any riders buckled in. Our inspections address structural, assembly and operational issues. OSC completed their site visits on July 31, 2014 and informed the Department on August 11, 2014 that there were no recommendations for improvement.

The result of the OSC audit confirms that the Department is successfully monitoring and enforcing safety conditions of the Amusement Park and Fair Rides. Contrary to the Comptroller's press release of August 12, 2014, their auditors correctly found that the Amusement Park and Fair Ride Safety Program is doing a great job of ensuring that all rides in NYS are safe prior to their use at each location. Parents and ride lovers alike can rest assured that the Department staff protects the public vigilantly.

W. Averell Harriman State Office Campus
Building 12, Room 500, Albany, NY 12240
www.labor.ny.gov

We appreciate the time and effort of your staff and look forward to any and all opportunities to improve on our performance.

Sincerely,

A handwritten signature in black ink, appearing to read "Rajni Chawla", written over a horizontal line.

Rajni Chawla
Internal Audit Director
(518)457-9076