

Contact: Robert Busweiler - Director of Public Information and Policy
Office: 516-571-0896 / Cell: 516-329-5167
Email - rbusweiler@nassaucountyny.gov
For Immediate Release

Audit Finds Millions of Dollars in Improperly Assigned Tax Exemptions Given Out Under Previous Administration

Costs Were Shifted to Other Nassau County Homeowners

PLAINVIEW, NY - Nassau County Comptroller Jack Schnirman today released an audit of the Nassau County Department of Assessment that found potentially more than \$33 million of improperly assigned tax exemptions were given out in 2016, shifting the financial burden onto other property owners.

This audit, originally started in 2016, found the Department of Assessment had significant issues with its oversight and processes, with many exemptions calculated and applied differently by different employees using individual judgment. This led to dozens of exemptions given to individuals who were likely deceased, others that had unrealistic verification data in the county's database, and hundreds of properties that paid little to no county or school taxes.

"We are now starting to see the true cost of the previous administration leaving an unqualified assessor in charge of this important department for years," Schnirman said. "With nobody minding the store, vital information was lost, exemptions weren't fully documented or supported, and failure to address unintended consequences of a state law resulted in millions of dollars worth of taxes shifted onto other homeowners. That cost homeowners an average of \$267 per household over the three-year audit period to make up the difference."

More than 8,400 Veteran Exemptions had service date information that was unrealistic, incomplete, or inconsistent, including 91 cases in which the property owner would be 133 years of age or older. In 2016 alone, issues with Veterans Exemptions exposed taxpayers to the potential annual risk and reallocation of almost \$23 million in property taxes.

Auditors also identified 610 personally owned clergy properties, which were approved for a partial clergy exemption, instead received a 100 percent exemption. This resulted in more than \$272 million in annual taxable value being removed from the tax base.

Over 10 years auditors found that 670 unidentified coded exemptions totaled more than \$900 million in taxable value removed from the rolls. When auditors presented this list of unidentified exemptions in 2017, the former acting assessor was unable to confirm what these codes were or why they existed. Almost 73 percent of those exemptions were applied between 2010-2012.

The audit also found that the Nassau County Charter is inconsistent with New York State Real Property Tax Law, which provides that assessors be appointed to six-year terms, not the three-year term in the Charter. The Comptroller's Office audit notes that a six-year term could allow for more independence for an Assessor.

Along with the findings, auditors provided a list of recommendations that the new administration is implementing. These recommendations include:

- Improving verification methods to reduce the risk of fraud
- Providing better training for staff
- Adding internal controls, better oversight, and formal policies and procedures
- Modernizing the system—a systems audit and the assignment of digital fingerprints to Assessment employees

“We perform audits like these to watch out for your money, because every dollar counts,” Schnirman said. “Good people who play by the rules should get the right exemptions for the right reasons. We want those in our community who have earned a tax exemption to be able to easily apply and receive it. What we don’t want is for those individuals who deserve exemptions or those who get no exemptions to be made to carry this unfair burden. We need to stop shifting the tax burden to innocent property owners because ineligible exemptions are granted.”

The audit can be found online at <https://www.nassaucountyny.gov/Audits>.