

# NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

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## Comptroller Gallagher Institutes Immediate Internal Controls Requirements In Wake of Burt Gulnick Arrest

*Kingston, NY (June 16, 2023)* – The former Ulster County Commissioner of Finance, Burt Gulnick, has been arrested today and charged with several counts of grand larceny and falsifying business records for the Hurley Recreation Association, Inc., and the Friends of Mike Hein. In the wake of the arrest and recent resignation of the Commissioner of Finance, the Comptroller's Office underscores the importance of internal controls in safeguarding taxpayer assets through the implementation of a number of immediate measures to mitigate the risk of fraud and abuse.

Since the inception of the Office and iterated in many audits and reports published between 2009 and today, the Comptroller's Office has identified areas of risk and made recommendations to improve internal controls including establishing proper segregation of duties, requiring sufficient back-up documentation for transactions, establishing baselevel controls over cash handling procedures, and strengthening transparency and oversight as it relates to all County functions. Several of these audits identified potential for theft and misappropriation of assets in various parts of the County's financial operations.

Over the last several months, the Comptroller's Office has recommended amendments to the Ulster County Charter to address a number of internal controls and transparency issues. There will be a transparency and accountability Charter referendum on the November ballot allowing the voters a say in the strengthening of financial controls.

The Comptroller's Office has adopted new measures to increase fiscal oversight in the claims processing and audit functions. The Office has created a database of conflicted entities drawn from employee disclosures made under the Ulster County Ethics Law to check for conflicts of interest on contract approvals and invoice processing. Furthermore, the Comptroller's Office is reviewing all financial system access and permissions and making financial system access recommendations accordingly.

Finally, the Comptroller's Office is continuing the next phase of the Real Property Tax Collection Audit as well as undertaking a new audit PILOT billing and collections as implemented by the Department of Finance.

The Ulster County Comptroller's Office is working with the Office of State Comptroller on appropriate areas to deploy County audit resources in order to avoid conflicts with the state's investigation.

"Today's arrest of former Commissioner of Finance Burt Gulnick puts into stark perspective the importance of having trust in public institutions. I commend County Executive Metzger for taking prompt and decisive action to protect the finances of the County. My office has already implemented many internal control changes and recommendations to improve transparency and accountability," said Comptroller March

Gallagher. "Our team has taken on new audits and processes to ensure Ulster County's fiscal integrity. Many of the improvements in internal controls we are now recommending come from audits previously published by our Office. We are encouraged to have the cooperation of the Legislature and Executive in making these improvements to protect taxpayer resources."

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