

# NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

March S. Gallagher, Esq.  
Comptroller



Alicia DeMarco, CPA  
Deputy Comptroller

Charles Dinstuhl, CPA  
Director of Internal Audit & Control

*For Immediate Release*

*Contact Dafne DeJesus; 845 331 8774*

## Real Property Tax Collection Audit Finds Inadequate Collection Practices

*Kingston, NY (March 29, 2023)* – Ulster County Comptroller March Gallagher released a Real Property Tax Collection Audit today. The audit had four major findings.

- Transactions recorded in the unpaid tax systems do not agree to the County's financial system as information systems are not integrated or reconciled leaving the potential for theft.
- Properties were inappropriately withdrawn from the County's foreclosure process delaying tax collection on certain properties by as much as a decade and allowing unnecessary interest and penalties to accrue.
- The County's untimely property tax payments on properties held in the name of Ulster County resulted in unnecessary interest and penalties of at least \$269,000.
- The County made an error in the calculation of interest owed by Ulster County to the City of Kingston School District on tax foreclosed properties resulting in a significant overpayment on multiple properties.

The County is moving towards solutions for many of these issues including the purchase of new delinquent real property tax software, a new property disposition policy, and improved procedures around timely and correct payment of taxes for properties owned by Ulster County. Ulster County has recovered repayment of \$379,199.21 from the City of Kingston School District for the overpayment previously made.

"Tax collection is one of the most sacrosanct responsibilities of government," said County Comptroller March Gallagher. "I am relieved to be able to share with taxpayers and elected officials both evidence of our shortcomings as well as solutions in concert with the Executive and the Legislature. Weak internal controls have resulted in a situation where properties and financial obligations were mismanaged at best. The Comptroller's Office cannot at this time assure the public that no theft occurred in the collection of real property taxes, however, we are continuing our review of tax collections and the information kept between multiple systems. Moreover, we feel confident that implementation of recommended practices will vastly improve strength of our internal controls and the integrity of our systems."

###