

# STATE OF NEW YORK

6868

2019-2020 Regular Sessions

## IN SENATE

November 22, 2019

Introduced by Sen. GAUGHRAN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the public authorities law, in relation to comprehensive and regular management and operations audits

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 1020-s of the public authorities law, as amended by  
2 chapter 388 of the laws of 2011, is amended by adding a new subdivision  
3 3 to read as follows:

4 3. In the event that a comprehensive and regular management and oper-  
5 ations audit, as provided by subdivision (bb) of section one thousand  
6 twenty-f of this article, indicates a finding of fraud, abuse, or  
7 mismanagement by a service provider of the authority, and upon a finding  
8 by the public service commission that reasonable cause exists for the  
9 basis of such indication, the public service commission may order that  
10 any recommendations contained in the regular management and operations  
11 audit be implemented. The public service commission may also provide in  
12 their order, the date in which any recommendation must be fully imple-  
13 mented. Failure to comply with any such order can result in the imposi-  
14 tion of a civil penalty by the public service commission against the  
15 service provider or revocation of the service provider's authority to  
16 operate within the state.

17 § 2. Subdivision (bb) of section 1020-f of the public authorities law,  
18 as amended by section 7 of part A of chapter 173 of the laws of 2013, is  
19 amended by adding a new paragraph 5 to read as follows:

20 5. Notwithstanding the foregoing, in the event that a comprehensive  
21 and regular management and operations audit as conducted in accordance  
22 with this subdivision indicates a finding of fraud, abuse or mismanage-  
23 ment by a service provider of the authority, and upon a finding by the  
24 public service commission that reasonable cause exists for the basis of  
25 such indication, the public service commission may order that any recom-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 mendations contained in the regular management and operations audit be  
2 implemented. The public service commission may also provide in their  
3 order, the date in which the recommendations be fully implemented. Fail-  
4 ure to comply with any such order can result in the imposition of a  
5 civil penalty by the public service commission against the service  
6 provider.

7 § 3. This act shall take effect immediately and shall apply to all  
8 audits conducted on or after such effective date.