



**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER  
AUDIT DIVISION**

**Joseph Sawicki, Jr.  
Comptroller**

An Audit of Superstorm Sandy  
Debris Removal Operations

For the Period  
October 29, 2012 through November 22, 2013

**Report No.: 2014-16  
Date Issued: November 20, 2014**

**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER**

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**LETTER OF TRANSMITTAL**

August 26, 2014

Mr. Gilbert Anderson, P.E., Commissioner  
Department of Public Works  
335 Yaphank Avenue  
Yaphank, NY 11980

Dear Mr. Anderson:

In accordance with the authority vested in the County Comptroller by the Suffolk County Charter (Article V), the Audit Division conducted an audit of debris removal operations performed by the Department of Public Works (Department) in the wake of Superstorm Sandy for the period October 29, 2012 through November 22, 2013.

Our objectives were to determine if the underlying costs associated with debris removal operations were in compliance with Federal Emergency Management Agency (FEMA) regulations and eligible for reimbursement from Public Assistance grants. Furthermore, we also wanted to determine if the Department's debris removal contractors paid employees in accordance with New York State prevailing wage requirements for public work.

Our audit consisted of an examination of Department and Township debris removal monitoring records, contractor/subcontractor billings and payroll related documentation, and inquiries of appropriate Suffolk County and New York State personnel. We conducted our performance audit in accordance with generally accepted government auditing standards, except for the external peer review requirement. 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 objectives.

Respectfully submitted,

Office of the County Comptroller  
Division of Auditing Services

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## EXECUTIVE SUMMARY

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- The Debris Management Recovery Team, under the direction of the Department, was responsible for coordinating and monitoring the removal and disposal of approximately 1 million cubic yards of vegetative debris (p. 7).

The following findings provide the Department with opportunities for improvement in the event of a future natural disaster:

- The Department did not have a formally procured annual requirements contract in place for the purchase of services and equipment necessary in response to a natural disaster the magnitude of Superstorm Sandy (p. 7).
- The Department did not always ensure that costs, submitted by its primary debris removal contractors Philips & Jordan (P&J) and Grace Industries (Grace), were in compliance with FEMA rules and regulations, resulting in billing adjustments totaling \$23,805 (p. 7).
- The Department, in its role as the debris removal monitor, did not always maintain adequate supporting documentation for reimbursement from FEMA (p. 8).
- Our review of the pictures taken of the trucks/equipment secured by the Department for Sandy related cleanup and the associated spreadsheet prepared by the Department was inconclusive as to the ownership of the vehicles to determine compliance with the New York State (NYS) Fair Play Act (p. 8).
- One subcontractor of P&J did not withhold NYS income taxes from the wages of two (2) employees performing work in Suffolk County (p. 8).
- Two (2) subcontractors of Grace did not pay NYS prevailing wage and benefit rates to employees conducting Chipping and Stump Shear work at County designated locations (p. 8).
- The Department contracted with Sypher Construction at a significant premium above NYS prevailing wage rates that the company paid to their employees for traffic control work associated with debris removal operations (p. 8).

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## BACKGROUND

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On October 29, 2012, Superstorm Sandy (also referred to as Sandy) moved ashore near Brigantine, New Jersey as a post tropical cyclone with hurricane force winds. The storm caused \$65 billion in property damage in the United States making it the second costliest weather disaster in American history behind Hurricane Katrina. The New York Stock Exchange closed for two days, which was the longest weather related closure since the blizzard of 1888. All major airline carriers canceled flights into and out of New York and the Long Island Rail Road suspended service for several days as well. The storm caused 72 direct deaths in eight states, including 48 in New York, and severely damaged almost 100,000 homes on Long Island. Many school districts were closed for up to a week, 945,000 LIPA customers lost power and gas shortages persisted for weeks on Long Island.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. §§ 5121-5207) authorizes the President of the United States to provide Federal assistance to areas affected by natural disasters or emergencies. New York State Governor Andrew Cuomo declared a state of emergency for the entire State and asked for a pre-disaster declaration, which was signed by President Obama on October 26, 2012 prior to the storm making landfall. The Federal Emergency Management Agency (FEMA), a component of the Department of Homeland Security, coordinates the delivery of assistance under the law and provides supplemental reimbursement for the repair or restoration of the infrastructure and facilities to pre-disaster condition through the Public Assistance Program. The NYS Office of Emergency Management is responsible for the management and administration of the program within the state of New York.

Reimbursement under the Public Assistance Program is generally provided on a 75% federal share, 25% non-federal share. However, when conditions warrant and if authorized by the President, 90% Federal funding may be available (for Sandy, NYS will be supported by 90% federal funding). In order for any expenditure to be eligible for reimbursement under the Public Assistance Program, all disaster related damages must meet the following criteria:

1. The damage must be a direct result of an incident for which there is a Presidential declared disaster.
2. The damage must be within the federally designated disaster area.
3. The damage must have occurred within the designated disaster incident period.
4. Eligible damage infrastructure must be owned by and/or be the legal responsibility of an eligible applicant at the time of the incident.
5. The damage and work performed must not be eligible for reimbursement under the authority of another federal program.
6. Insurance proceeds must be deducted from eligible costs.

The costs associated with debris removal, emergency protective measures and permanent restoration from natural disasters are eligible for reimbursement from Public Assistance Funds. Since debris removal represented over 75% (approximately \$23 of \$30 million) of vendor related costs for cleanup work in the wake of Sandy for Suffolk County, our audit primarily focused on this area. Debris removal is the clearance, removal and/or disposal of trees, woody debris, sand, mud, silt, gravel, building components and contents, wreckage and vehicles on public property. Debris removal from private property is generally not eligible because it is the responsibility of the individual homeowner. In order for debris removal costs to be eligible for reimbursement, the work must be necessary to:

1. Eliminate an immediate threat to lives, public health and safety.
2. Eliminate immediate threats of significant damage to improved public or private property.
3. Ensure the economic recovery of the affected community to the benefit of the community at large.
4. Mitigate the risk to life and property by removing substantially damaged structures.

The Davis-Bacon Act requires federal agencies to pay workers under contract to them a “prevailing wage” based on the local union wage scale defined by the United States Department of Labor. Generally, the provisions of the Davis-Bacon Act do not apply to state or local contracts for work completed using public assistance funds under the Stafford Act. However, if a state or local government incorporates the prevailing wage rates of the U.S Department of Labor as part of its normal practice for all contracts, regardless of funding source, then those rates would be eligible. Since Suffolk County incorporates NYS prevailing wage rates in its public work contracts, Articles 8 and 9 of NYS Labor Law applied to contractors performing work on behalf of the County in the wake of Sandy. According to the NYS Labor Department website, questions regarding the applicability of NYS prevailing wage requirements to Sandy storm cleanup should be directed to the district office for the Bureau of Public Work in the respective location.

In New York, the “prevailing rate of wage” is the rate of wage paid in the locality as defined by collective bargaining agreements between bona fide labor organizations and employers of the private sector performing public or private work. The prevailing rate of wage is determined annually no later than 30 days prior to July 1<sup>st</sup> of each year. Contractors and subcontractors performing public work are required to prepare certified payroll reports, affirmed by the owner or financial officer as true under penalties of perjury, indicating the names and addresses of each employee with the hours and days worked, the hourly wage rates paid and any supplemental benefits paid on behalf of the employee. The certified payroll reports must be submitted to the Department of Public Works within thirty days after the issuance of its first payroll for the public work and every thirty days after. A contractor who willfully fails to file the certified payroll reports with the Department can be charged with a class E felony and if the certified payrolls are not submitted within thirty days, the contractor can be fined a civil penalty of up to one thousand dollars a day. Furthermore, contractors who fail to pay the prevailing rate of wage and supplemental benefits can be charged with up to a class C felony depending on the size of the underpayment, in the aggregate.

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## SCOPE AND METHODOLOGY

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To accomplish the objectives stated in the Letter of Transmittal (p. 1), we performed the following procedures:

- Meetings were held and numerous inquiries were made to the Debris Management Recovery Team, the Prevailing Wage Compliance Officer and the Accounting Unit of the Department of Public Works along with Township Monitors with regard to debris removal operations in the wake of Sandy.
- Meetings were held and numerous inquiries were made to the Labor, Insurance and Revenue Crimes Bureau of the County's District Attorney's office and the regional office for the Bureau of Public Work Division of the NYS Department of Labor with regard to the applicability of NYS prevailing wage requirements for Sandy debris removal work.
- Obtained all procurement related documents from the Debris Recovery Management Team for the purchase of services and equipment secured by the Department of Public Works for Sandy debris removal operations.
- Reviewed FEMA and NYS Office of Emergency Management guides and handbooks for local municipality applicants seeking federal funding from Public Assistance grants.
- Reviewed Articles 8 (construction) and 9 (building services) of NYS Labor Law and the associated NYS Bureau of Public Work's prevailing wage rate schedules for the 07/01/12 to 06/30/13 time period.
- Obtained all billing and related certified payroll reports submitted by the debris removal primary contractors and subcontractors hired by the Department of Public Works.
- Reviewed all contractor invoices for debris removal work and confirmed that the unit prices charged to the County agreed to the contractor's original proposals/quotes and traced the number of units back to original supporting documentation, such as load, weight, or time tickets prepared and approved by County or Township debris removal monitors.
- Confirmed that the underlying costs indicated on the contractors' invoices were in compliance with FEMA regulations and eligible for reimbursement.
- Facially verified that the hourly wage and benefit rates indicated on the certified payroll reports of all Sandy debris removal contractors and subcontractors were in compliance with Articles 8 or 9 of NYS Labor Law applicable to the type of work involved.

- Confirmed that all Sandy debris removal contractors and subcontractors were not listed on the Debarment List maintained by the Bureau of Public Works for the NYS Labor Department.
- For the two primary contractors for debris removal (P&J and Grace) and each of their subcontractors, we performed the following additional audit procedures on sampled certified payroll reports:
  - Verified the existence of each employee by tracing the indicated name and social security number to their federal W4 Form.
  - Traced the hours listed for each employee to company attendance records.
  - Confirmed that the hourly wage rates, gross pay, deductions and net wages for each employee agreed to company payroll records (payroll registers, employee earnings statements) to ensure completeness.
  - Traced and agreed the net pay indicated for each employee to the cancelled payroll check/electronic fund transfer (Direct Deposit) and the associated company bank statement to ensure that the employee received the indicated wages from the contractor.
  - Verified that the amounts indicated as total supplemental benefits for each employee were actually paid in the form of additional wages to the employee or to union benefit funds or private benefit plans on behalf of the employee by the contractor.
- Approved and coordinated the processing of over \$17 million in payments to Sandy debris removal contractors with the Accounting Unit of the Department of Public Works, the Budget Office of the County Executive's Office and the Accounting Services Division within the County Comptroller's Office.
- Negotiated the settlement of a NYS prevailing wage shortfall with several subcontractors through consultations with our primary debris removal contractor (Grace) prior to the release of County payment for the associated contractor invoices. Reconciled the amounts necessary to bring the subcontractors into compliance with NYS prevailing wage requirements, and coordinated the processing of special payrolls to ensure that the affected employees received the appropriate wages from the subcontractor for work performed on behalf of the County in the wake of Sandy.

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## AUDIT RESULTS

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*The Debris Management Recovery Team, under the direction of the Department, was responsible for coordinating and monitoring the removal and disposal of approximately 1 million cubic yards of vegetative debris.* The Department should be commended for its recovery efforts under extreme circumstances in the wake of Superstorm Sandy. These efforts included coordinating and tracking the work of over 200 pieces of heavy equipment provided by local and out of state vendors at a cost of nearly \$23 million to taxpayers, while collecting the required certified payrolls of contractors performing public work on behalf of the County.

Our audit revealed the following opportunities for improvement in the event of a future natural disaster:

*The Department did not have a formally procured annual requirements contract in place for the purchase of services and equipment necessary in response to a natural disaster the magnitude of Superstorm Sandy.* According to FEMA Guide for Public Assistance (FEMA 322), debris removal contracts must be of reasonable cost, generally must be competitively bid, and must comply with Federal, State and local procurement standards. Furthermore, sealed bid procurement, in which bids are publicly advertised and the contract is awarded to the lowest bidder, is the preferred method of procuring contracts for public assistance work. Despite these directives, the Department did not formally procure the equipment and services necessary for cleanup in the wake of Sandy via sealed bid. Due to the unprecedented amount of storm damage and the need to secure equipment and services quickly, the Department hired P&J in the immediate aftermath of the storm due to their expertise and experience working with FEMA. For other services and equipment, the Department obtained multiple price quotes from local contractors.

*The Department did not always ensure that costs, submitted by its primary debris removal contractors, P&J and Grace, were in compliance with FEMA rules and regulations, resulting in billing adjustments totaling \$23,805.* According to FEMA's Public Assistance Debris Monitoring Guide (FEMA 327), reimbursement for debris removal costs is limited to the actual operating hours of equipment. Despite this directive, both P&J and Grace submitted costs that included the idle time of equipment as follows:

- P&J submitted invoices for reimbursement which included the downtime hours of burn box and excavator operations. Upon notification, the company agreed to an audit adjustment of \$3,940, which was directly applied against the associated billings prior to payment from Suffolk County.
- Grace submitted invoices for reimbursement which included downtime days of excavator operations (weekends, holidays). Upon notification, the company agreed to an audit adjustment of \$19,865, which was directly applied against the associated billings prior to payment from Suffolk County.

***The Department, in its role as the debris removal monitor, did not always maintain adequate supporting documentation for reimbursement from FEMA.*** Of the 200 total Cubic Yard load tickets tested, 21 load tickets were missing one of the required signatures (10.5%) and 29 load tickets did not indicate the odometer reading or the odometer reading was written incorrectly ((14.5%). In addition, for 67 out of 150 load tickets requiring a photograph, the Department was unable to provide a picture reflecting the amount of debris in the truck (45%). Overall, we believe the Department handled the processing of load tickets relatively well under extreme and difficult weather conditions. However, human error in manually filling out the three-part paper load tickets and the misplacement of necessary supporting documentation, such as pictures, puts the County at risk of not receiving reimbursement for otherwise allowable expenses.

***Our review of the pictures taken of the trucks/equipment secured by the Department for Sandy related cleanup and the associated spreadsheet prepared by the Department was inconclusive as to the ownership of the vehicles to determine compliance with the NYS Fair Play Act.*** Placards with the name of the primary contractor (P&J, Grace) covered the name and address of the owner of the trucks in most of the digital pictures we reviewed. Furthermore, the Department only listed the primary contractor on the Summary of Resources Secured spreadsheet for each piece of equipment secured.

***One subcontractor of P&J did not withhold NYS income taxes from the wages of two (2) employees performing work in Suffolk County.*** The subcontractor inappropriately withheld income taxes for their home state, North Carolina. According to the NYS Department of Taxation, if an employer transacts business within NYS, whether or not the paying agency is maintained in the State, the employer must withhold personal income tax for non-residents being paid wages for services performed within NYS.

***Two (2) subcontractors of Grace did not pay NYS prevailing wage and benefit rates to employees conducting Chipping and Stump Shear work at County designated locations.*** According to the local office for the Bureau of Public Work of the NYS Department of Labor, all work performed at County designated locations is covered under Article 8 of NYS Labor Law (Operating Engineer - Heavy Highway Classes A & B). As a result of our review, seven employees received \$56,477 in additional wages by the subcontractors to cover the wage shortfall, which brought the subcontractors into compliance with NYS prevailing wage rules.

***The Department contracted with Sypher Construction at a significant premium above NYS prevailing wage rates that the company paid to their employees for traffic control work associated with debris removal operations.*** In accordance with Article 8 of NYS Labor Law, Sypher Construction paid Flagmen working on the project between \$57.78 and \$64.50 in wages and supplemental benefits per hour, but billed the County \$115 to \$160 an hour (see chart on next page).

	(A)	(B)	(C= A-B)	(D = C/B)
	<u>Sypher Billing Rate to County</u>	<u>NYS Prevailing Wage &amp; Benefit Rate Paid</u>	<u>Hourly Markup</u>	<u>Hourly % Markup</u>
Regular Time	\$ 115.00	\$ 57.78	\$ 57.22	99.03%
Weekday Overtime	\$ 135.00	\$ 64.50	\$ 70.50	109.30%
Weekend Overtime	\$ 160.00	\$ 64.50	\$ 95.50	148.06%

Note: Based on a contract let by the Town of Brookhaven, the rate charged for Flagmen was \$84/hour prior to Sandy, which we consider a reasonable market rate for work of this type. However, the County paid \$815,000 for 6,100 Flagmen hours for work performed following Sandy at an average cost of \$133.61 an hour (including overtime and weekends). Since the work of Flagmen was not included as part of the competitively bid Disaster Response Services and Equipment Letting, which was put in place to prepare the County in the event of another disaster and will result in significant future savings for other debris removal operating segments, we believe the potential savings to the taxpayer is significant enough to competitively bid the work of Flagmen as well.

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## RECOMMENDATIONS

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In preparation for future natural disasters, the following is recommended:

- The Department should competitively bid the equipment and services necessary to recover from storm damages via sealed bid. Included in the bid request should be a notice to vendors requiring the payment of NYS prevailing wage rates to employees working on the cleanup project. Procurement via sealed bid with the notice to vendors would ensure that the contract is of reasonable cost for FEMA reimbursement, that the interests of the County and its taxpayers are protected and that employees of the will be paid in accordance with NYS Labor Law for public work projects.

Follow-Up Note: The Department competitively bid a Disaster Response Services and Equipment annual requirements contract via sealed bid on October 10, 2013, for which the bid request included the NYS prevailing wage requirements as defined by NYS Labor Law. This contract will provide Suffolk County and the townships within the borders of the County access to vendors capable of providing equipment and services necessary to recover from a future natural disaster. The following table illustrates the potential savings to taxpayers in the event of a future storm for one debris removal operating segment:

Removal of Vegetative Debris from Right of Way (Roadways)

Unit Price Comparison of Rates paid for Sandy vs. Contracted Rates

	<u>Unit Price per Cubic yard</u>		
	(A) <u>Sandy</u>	(B) <u>Contract</u>	(C=A-B) <u>Savings</u>
0-15 miles	\$ 26.00	\$ 13.89	\$ 12.11
16-30 miles	\$ 28.50	\$ 15.89	\$ 12.61
31-60 miles	\$ 38.00	\$ 15.89	\$ 22.11

In the immediate aftermath of Sandy, P&J removed 168,487 cubic yards of vegetative debris from roadways at a cost to the taxpayers of approximately \$5 million. In the event of a future storm of similar magnitude, the savings to the taxpayer would equate to \$2.4 million for this work alone using the contracted provider.

- The Department should always compare the billing details to debris removal monitoring records to ensure that only the operating hours of equipment are included in any contractor billings. Furthermore, the Department should notify contractors upfront that only the actual operating hours of equipment are eligible for reimbursement from FEMA Public Assistance funds.

Follow-Up Note: The Department notified potential contractors in their instructions to bidders for Bid Request # 16-13.10.3 (Annual Requirements Contract for Disaster Response Services and Equipment) that idle hours of equipment will not be paid.

- The Department should consider the use of digital debris removal technology to digitally track the removal of debris with barcode scanners, digital photos and a global positioning system. This would streamline the labor/time intensive process of documenting every truckload of debris and provide real-time and automated tracking for the removal of debris, which would reduce upfront County outlays for overtime, decrease human error and reduce the risk of fraud while ensuring that the County is properly reimbursed from FEMA.

Follow up Note: Nassau County leased 100 iPads loaded with software from Debris Tech at a cost of \$12 for each device per day for Sandy. The software mapped the locations of downed or removed trees using GPS coordinates on a digital map in its emergency operations center. Whenever debris was picked up and dropped off, the truck with the debris was digitally photographed with an iPad. As a result, the size of the truck, percentage full and the transfer site was documented automatically. Accordingly, FEMA has recognized the potential benefits of these automated systems and determined that reasonable costs associated with the use of electronic load ticket systems and other automated debris monitoring systems may be eligible for Public Assistance funding (FEMA 327).

- The Department should obtain a copy of the vehicle registration and insurance card for each roadway vehicle secured and the driver's license of all vehicle operators at the initial equipment check in station. This additional information would ensure that registered and insured vehicles with licensed operators are performing debris removal work on behalf of the County, which would limit our liability in the event of an accident/injury, strengthen oversight controls and aid in determining compliance with applicable laws, rules and regulations.
- Although the required NYS income tax withholdings shortfall (approx. \$2,000) for two (2) non-resident employees is immaterial when considering the total income tax withholdings collected by NYS for Sandy-related cleanup work in Suffolk County, the Department should instruct all primary contractors to include the requirement to withhold NYS personal income taxes in work orders to any out-of-state subcontractors.

Note: Out-of-state employers can refer to NYS-50-T-NYS for income tax withholding requirements and notify their employees to file a New York State non-resident income tax return (Form IT-203) at the end of the year for the wages associated with any work performed in NYS.

- The Department should inform all vendors that they will need to pay NYS prevailing wage rates to employees for any time spent within the boundaries of County designated project sites. Furthermore, the Department will need to develop a mechanism for tracking the time in/time out of all trucks entering County designated project sites for the loading or unloading of debris for audit/comparative purposes (See Appendix 1 - Overview of NYS Prevailing Wage Requirements).
- The Department should competitively bid an annual requirements contract for the traffic control work of Flagmen. While one can certainly expect to pay a premium for administrative/support staff plus an allowance for profit above NYS prevailing wage rates, a competitive bid would ensure that the interests of the County and its taxpayers are protected with a fair market price.

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We would like to thank the Department of Public Works, the Debris Management Recovery Team, the Labor, Insurance and Revenue Crimes Bureau of the District Attorney's Office and the Budget Office of the County Executive's Office for their cooperation and assistance throughout the audit. Due to the unprecedented amount of damage caused by Superstorm Sandy, it was a learning experience for all involved. As a result, all County Departments are much better prepared and we look forward to working with them again, if and when, another natural disaster hits Suffolk County.

## **APPENDICES**

Appendix 1

**Overview of NYS Prevailing Wage Requirements**

<u>Sandy Work Type</u>	<u>Description</u>	( 1 ) <u>NYS Prevailing Wage Law</u>
Box Burn	Box burn operations conducted at County designated location (Brookhaven landfill)	All work performed within the boundaries of County designated locations is covered under Article 8 of NYS Labor Law (Heavy Highway Operating Engineers - Class A and B).
Vegetative Debris Removal from Roadways	Tree cutting and removal of vegetative debris conducted on Suffolk County roadways	Any items that "must be deconstructed to clear roadways and byways" is covered under Article 8 of NYS Labor Law (Heavy Highway Operating Engineers- Class A and B).
Operator/Excavator Chipping Stump Shear	Excavator, Chipping and Stump Shear operating segments conducted at County designated staging areas and the Brookhaven landfill	All work performed within the boundaries of County designated locations is covered under Article 8 of NYS Labor Law (Heavy Highway Operating Engineers - Class A and B).
Trucking Unprocessed Debris	Unprocessed debris hauled from County staging areas to Brookhaven landfill	Compiled debris and trash pickups are covered under Article 9 of NYS Labor Law (Trash and Refuse Removal - Truck Driver - Transfer Station Operations).
Trucking Processed Debris	Processed debris hauled from the Brookhaven landfill to undesignated locations	(2) Hauling wood chips/ash to undesignated locations is covered under Article 8 of NYS Labor Law, but only the time spent awaiting the loading of trucks at the County project site (Teamster Building - Truck/Trailer Drivers for Building Demolition and Debris).

<u>Sandy Work Type</u>	<u>Description</u>	<u>NYS Prevailing Wage Law</u>
Trailer with Driver	Construction and vegetative debris hauled between staging areas in the Babylon and Lindenhurst townships	Hauling of construction and vegetative debris to County designated staging locations is covered under Article 8 of NYS Labor Law, (Teamster Building - Truck/Trailer Drivers for Building Demolition and Debris).
Downed Power Lines	Suffolk County did not contract with any vendors for downed power line work.	Downed Power Lines are covered under Article 8 of NYS Labor Law (Electrical Lineman - Utility Distribution & Transmission Line Construction)
Removal of Sand	Suffolk County did not contract with outside vendors for the removal of sand from roadways.	The removal of sand from roadways or sand piles created by the removal is not covered under Article 8 or 9 of NYS Labor Law.

Notes to Appendix 1

**Overview of NYS Prevailing Wage Requirements**

- (1) Source: Long Island Regional Supervisor of the Bureau of Public Work for the New York State Department of Labor.
  
- (2) For Superstorm Sandy, the County did not designate the disposal site for processed debris (wood chips/ash). As a result, only the load time spent at County designated locations was subject to New York State prevailing wage requirements. If the County were to designate the disposal site in the aftermath of a future storm, the payment of New York State prevailing wage would apply to the time spent loading debris at the County project site, unloading the debris at the County designated disposal site and the travel time in between ( See NYS Department of Labor-Classification Guidelines – Truck Driver Policies)

Appendix 2

**Exit Conference Report**

The Department did not request an exit conference; however the Department agreed with our findings and have either implemented or have begun to implement changes to comply with our recommendations in the event of a future storm. We would like to take this opportunity to thank the Department again for their cooperation during our audit.