

THOMAS P. DiNAPOLI  
COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

August 9, 2017

Kenneth R. Theobalds  
Chairman  
New York State Insurance Fund  
199 Church Street  
New York, NY 10007

Re: Report 2017-SIF

Dear Chairman Theobalds:

Our office examined<sup>1</sup> \$1.4 billion in payments for more than 17 million in medical and other service charges the New York State Insurance Fund (NYSIF) made on behalf of nearly 215,000 claimants during the period January 2014 through February 2017. We matched the payments to the New York State Department of Corrections and Community Supervision Under Custody files from September 2016 through March 2017. We also matched the payments to the Social Security Administration Death Master File as of April 5, 2017. Our objective was to determine if payments NYSIF made were appropriate.

Both payment matches yielded minimal exceptions. In addition to conducting the matches, we observed NYSIF's process for identifying and preventing inappropriate payments made for claimants who were either incarcerated or deceased. Based on the match results and our observations of the payment process, we conclude NYSIF has established reasonable controls to minimize the risk of improper payments in these areas.

We thank the management and staff of the New York State Insurance Fund for the courtesies and cooperation extended to our auditors. If you choose to provide a response, we would appreciate receiving it by August 23, 2017.

Sincerely,

Bernard J. McHugh  
Director of State Expenditures

cc: Eric Madoff, Executive Director and CEO  
Peter Cusick, Deputy Counsel

---

<sup>1</sup> We performed our examination in accordance with the State Comptroller's authority set forth in Article V, Section 1 of the State Constitution, as well as Article II, Section 8, and Article VII, Section 111 of the State Finance Law.