



**NAME**

**UCIDA Audit Committee 2-2-21 part 1 <https://www.youtube.com/watch?v=L54zTD53Xdk>**

**DATE**

February 17, 2021

**DURATION**

19m

**8 SPEAKERS**

Diane Eynon  
Rose Woodwoorth  
Richard Jones  
All  
Faye Storms  
Michael J. Ham  
Michael Loewke  
James Malcolm

**START OF TRANSCRIPT**

**[00:00:01] Diane Eynon**

We'll see the recording, light, right,

**[00:00:02] Rose Woodwoorth**

Yep, it's recording now.

**[00:00:04] Diane Eynon**

All right. Hello, everyone. Morning.

**[00:00:04] Richard Jones**

Morning.

**[00:00:07] Diane Eynon**

Thank you for being here for the audit committee meeting for the IDA. I like to call the meeting to order. And we'll begin with the Pledge of Allegiance.

**[00:00:22] All**

I Pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**[00:00:39] Diane Eynon**

All right, Rose, roll call.

**[00:00:45] Rose Woodwoorth**

Diane Eynon.

**[00:00:46] Diane Eynon**

Here.

**[00:00:48] Rose Woodwoorth**

Faye Storms.

**[00:00:49] Faye Storms**

Here.

**[00:00:49] Rose Woodwoorth**

. And Michael Ham.

**[00:00:51] Michael J. Ham**

Here.

**[00:00:51] Rose Woodwoorth**

Great. Have a quorum. Thanks Diane.

**[00:00:55] Diane Eynon**

Sure. We're going to move the agenda a little bit. We have guests with us, Kevin Loewke Hi. Thank you for being with us.

**[00:01:02] Michael Loewke**

You're welcome. Thanks for having me.

**[00:01:03] Diane Eynon**

Yes. This group had a few questions and particularly one of our committee members, Rick, a little bit about the reports that you sang and just how numbers are gathered and a few other related questions. So, Rick, when I turn it over to you.

**[00:01:23] Richard Jones**

Yeah, thanks, Diane. Morning, Kevin.

**[00:01:26] Michael Loewke**

Good morning Rick.

**[00:01:27] Richard Jones**

So I don't have the specific report in front of me, but I think it's true of all the reports that we've gotten, or at least the last three or four months. And my question was really thought about it before the number of hours there in the hundreds. So that would suggest what you're doing is you add up. Well, I guess it was hours that a person's you I think it was person.

**[00:01:27] Michael Loewke**

Person's, correct.

**[00:01:56] Richard Jones**

You add up the number of persons they had throughout the month and give us the gross figure.

**[00:01:56] Michael Loewke**

Correct.

**[00:02:02] Richard Jones**

OK, so at any point.

**[00:02:04] Richard Jones**

So how do you establish that again from which.

**[00:02:07] Michael Loewke**

Basically the the monthly reporting numbers I give you, which give you the overall compliance, is basically the weekly head counts that are submitted to me on a weekly basis from Inness. At this point. So basically they have a head count of the total local number and there's a lot of area. So those are added to a spreadsheet, which is how we get to the overall compliance total, which is currently right here with the most recent labor report at seventy nine point seven two percent. And then basically my onsite inspections are meant to validate their numbers. So when I perform my actual site inspections, I'm going into the field and actually auditing all the labor on the project, any new contractors that come aboard to make sure that they are, in fact, you know, where they say they're from. And that basically validates their reporting that they sent to me. So that's. The purpose of actual onsite physical audits.

**[00:03:02] James Malcolm**

Ok, quick, quick question, are you going off a daily logs or weekly logs just in case there's no redundancies here?

**[00:03:11] Michael Loewke**

Comes off weekly logs.

**[00:03:12] James Malcolm**

OK, so there can be an issue there.

**[00:03:15] James Malcolm**

Correct.

**[00:03:16] James Malcolm**

I mean, a guy may be there one day or two days and then he's not there two more days. And I guess what I'm getting at is, is what apparatus is in place for a guy who may come two days be gone, two, and then come back in?

**[00:03:35] James Malcolm**

Are they counting him as.

**[00:03:37] Michael Loewke**

So everyone has to go through the trailer, the general contractors trailer, where there is a sign in sheet and actually outside of the trailer, there's like a little box that they have that secured for in the winter and everything since you lost. But everyone has to go in and sign that sheet when they come in. And everyone has to do a safety orientation with Baxter, which is what they do. And that's how they're auditing the onsite labor to get those numbers. So they get daily totals. And basically that goes into their weekly spreadsheet, which comes to me. Could there be mistakes made? Naturally, sure that could happen. But again, that's the point of us actually going to the job sites as well to make sure that there's some validity in what we're being said.

**[00:04:17] James Malcolm**

But I think one of the questions was and unless I'm mistaken, they just wanted to know, is there what you're vetting procedure is.

**[00:04:24] James Malcolm**

So you've been pretty clear about it.

**[00:04:28] Michael Loewke**

Sure. You mean like when I actually go to the job site?

**[00:04:31] Diane Eynon**

Yeah.

**[00:04:31] James Malcolm**

Well, how you get the count is, is all my concern.

**[00:04:35] Richard Jones**

Well, in addition to that, if I may, I understand how you get the count. How do you determine and again, you probably describe it to a while ago that they're actually local. What you're looking at licenses, What are you looking at? What do you recommend?

**[00:04:49] Michael Loewke**

I go to the job site. I for example, the first visit that we did had to get every single person on the job site. So we're checking on their driver's license. If they don't have a driver's license, then I will look for a pay stub as long as it's current and reflects where they live. Or I'll take a utility bill or something, something of those means, but primarily driver's license, which is what most people do have. I was on site, for example, last Thursday. I did an inspection there and some of the guys have a new company called Winterstein that I went to get. Two other guys didn't have stuff. So, for example, the next day the GC provided me copies of their driver's licenses or sign to me that way. So that's how I'm actually auditing the labor is physically talking and checking with each of the workers on the site.

**[00:05:39] Richard Jones**

So you're only doing it on that day that you're on site.

**[00:05:42] Michael Loewke**

That's correct it's every other month.

**[00:05:45] Richard Jones**

So what about all the other days? How do you check how do you check in totality?

**[00:05:51] James Malcolm**

You can't do that.

**[00:05:52] Rose Woodwoorth**

Yeah, he can't. If you remember, we had them switched from, they normally do monthly checks, but we have them switched to bi-monthly to lower the cost.

**[00:06:01] Michael Loewke**

With Monroe County.

**[00:06:02] Michael Loewke**

We do all the jobs twice a month with Orange County town of Montgomery. We're doing basically a once a month inspections on all of their projects. I mean, obviously, since my visits are so infrequent, yes, it's difficult to, I guess, be as accurate or be on top of them as would be probably useful. But that's why I'm as thorough as I can when I go to Inness, for example, because I am only there every other month. So I'm trying to be a little extra diligent when I go to those projects.

**[00:06:39] Richard Jones**

You don't announce your going to be there.

**[00:06:39] James Malcolm**

So just you don't have to be there centrally.

**[00:06:43] James Malcolm**

Baxter signing off on an affidavit that everything they're presenting you. To the best of their knowledge, because they're gathering the information on the individual sub.

**[00:06:52] Michael Loewke**

That's correct.

**[00:06:52] James Malcolm**

So when it's all said and done, they're signing off on an affidavit that what they gave you is correct to the best of their knowledge.

**[00:07:01] Michael Loewke**

Yes.

**[00:07:01] James Malcolm**

OK, I'm fine. Thank you.

**[00:07:04] James Malcolm**

You're welcome.

**[00:07:07] Diane Eynon**

Any other questions? Rick.

**[00:07:09] Richard Jones**

Yeah, That's that's great. It reinforces what Kevin probably told us quite a while ago.

**[00:07:15] Rose Woodwoorth**

Yeah, it's over a year now, so it's been a long time.

**[00:07:18] Diane Eynon**

Well this is helpful for me.

**[00:07:21] Faye Storms**

So does anybody know.

**[00:07:23] Richard Jones**

You don't announce when you're going to be there, right?

**[00:07:24] Michael Loewke**

That's correct. All the inspections are random.

**[00:07:28] Diane Eynon**

Mike, you had a question.

**[00:07:30] Michael J. Ham**

Yeah. So are we keeping up to date on all the workman's comp paperwork also?

**[00:07:35] Michael Loewke**

That's correct. I have everything generalizability, commercial auto policy, worker's compensation in New York state, disability benefits and all of their stuff is current right now. I have a running spreadsheet that basically will let me know when documents are expiring within 30 days. I give that to Danielle, who works for Baxter, and she makes sure I get everything before it's expired. If I have any issues where it's I've asked several times, then I will speak to Rose about that. But so far we haven't had any real issues with them. They've been pretty compliant.

**[00:08:10] Faye Storms**

Do you go over payroll, do you go over payroll to compare.

**[00:08:15] Michael Loewke**

I did not go over their payroll, no.

**[00:08:17]**

**[00:08:20] Rose Woodwoorth**

I did want to say when Brooklyn bottling closed out, because that's the only one we've had close out so far, they provide us with a binder.

**[00:08:29] Rose Woodwoorth**

And I think I sent it to the to you guys at that point. But in that binder, there's copies of the insurance certificates, literally, like you said, everything from worker's comp to auto.

**[00:08:39] Michael Loewke**

Right. And as soon as this Inness is completed, you'll get another closeout binder from this project that has all the insurance information, all my inspection forms, communication application, all of those other things is basically a summation of the project and where they stand from a labor standpoint. And if there's anything that you'd also like me.

**[00:09:00] James Malcolm**

One last quick. (inaudible)

**[00:09:06] Rose Woodwoorth**

That's him, not me, right?

**[00:09:08] Michael Loewke**

I think we lost him.

**[00:09:08] Diane Eynon**

He's frozen.

**[00:09:08] Rose Woodwoorth**

I think he had this problem with time to.

**[00:09:14] Diane Eynon**

He's not muted, he's frozen.

**[00:09:15] Rose Woodwoorth**

Yeah.

**[00:09:17] Richard Jones**

So when is Inness going to be finished?

**[00:09:18] James Malcolm**

One quick question.

**[00:09:18]**

(inaudible)

**[00:09:18] Rose Woodwoorth**

Oh, Jimmy, you're back. Go ahead.

**[00:09:23] James Malcolm**

Ok, just quick question. And on the insurances. I'm guaranteeing you there's people there that are ten ninety nine. What's happening with that?

**[00:09:35] Michael Loewke**

So if we have a suspected ten ninety nine violation, then that's something that we can report. I mean I haven't run into it yet because usually when I've had an issue where someone hasn't had a driver's license, they send me the pay stub for that individual and I'm getting an actual pay stub.

**[00:09:53] Michael Loewke**

That was just me. The interview was not ten ninety nine. Do you have a suspicion of that on this project?

**[00:09:58] James Malcolm**

What I'm telling you is I would just about guarantee you and regardless of what the pay stub is, somebody was a ten ninety nine working for Bob Baxter. And that could just be.

**[00:10:10] Richard Jones**

Jim freeze again?

**[00:10:14] Diane Eynon**

Yes.

**[00:10:14] James Malcolm**

For instance.

**[00:10:25] James Malcolm**

If it was something you ever thought of or maybe if it's something that you just a simple each one of these working for the contractor, because theoretically, if you're at ten ninety nine, you're independent. But your partner, Steve.

**[00:10:46] Diane Eynon**

I think we got the gist

**[00:10:48] James Malcolm**

That's the big problem in a state it just going to finish, that's a big problem in the state of New York because unreported income liability issues later on on. So, you know, I wouldn't want to see the the incentivize the owner of the project have it tossed back on him because a contractor comes in and he's insuring five people and there's another 12 there that are actually ten ninety nine's.

**[00:11:20] James Malcolm**

That's all.

**[00:11:23] Richard Jones**

What is that or what does it appear that Inness will be finished?

**[00:11:28] Michael Loewke**

I'm sorry.

**[00:11:31] Richard Jones**

When does it appear that Inness will be finished with there project?

**[00:11:35] Michael Loewke**

It looks like May. The apartment I'm sorry, the cabins, the units of cabins are pretty much all complete.

**[00:11:41] Michael Loewke**

They're expecting the hotel to be done by end of March. And then there's going to be some other work as well with the restaurant. I was in the restaurant recently. The restaurant should also probably be done by around the end of March. But then there's some other grounds, work that's being done, maintenance areas and things of that nature. So I would guess probably May if the schedule moves along as they're expecting.

**[00:12:05] Richard Jones**

Ok, thank you.

**[00:12:09] Diane Eynon**

All right, thank you, Kevin. Appreciate you coming today.

**[00:12:12] Michael Loewke**

Sure. And again, if there's any other things you'd like me to include in my reports going forward are things you'd like me to look for, as you're mentioning, with ten ninety nine violations. Again, that is something that we we pay attention to here in Monroe County to generally when a guy says, hey, I'm from Joe Schmo company, whatever. You never heard from them before during that kind of raises the flag when it comes to a ten ninety nine possible violator. So then we start to ask questions about which company are you working for, how much you're getting paid. And then that kind of gets into the work we're doing when it comes to prevailing wage stuff with Rockland as well.

**[00:12:48] Michael Loewke**

But it is something that we can certainly

**[00:12:51] James Malcolm**

I think it's important on this as well. I think you're missing where where I'm coming from. Anyhow, I'm not talking about a ten ninety nine violation. I'm talking about the contractor. Not not who's in there.

**[00:13:04] James Malcolm**

You're getting the information from not declaring that these are independent subcontractors and therefore there can be insurance issues, liability issues.

**[00:13:14] James Malcolm**

And it's probably something that I mean, audit and governance can kick around, but it's something maybe we might want to take a look at.

**[00:13:24] James Malcolm**

There's there's a certain reason why these contractors can do a job for a third less than other people because the general contractor is not responsible for the liability and all that on on all this ten ninety nine theoretically is subs.

**[00:13:40] Michael Loewke**

Sure.

**[00:13:41] James Malcolm**

It's not a minor issue.

**[00:13:47] Diane Eynon**

All right, so that's something that Mike and/or I can talk about further, looking at our practice here and what we want to do potentially around this.

**[00:13:58] Diane Eynon**

Ok, thanks, Jimmy.

**[00:13:58] Rose Woodworth**

Thanks, Kevin.

**[00:14:02] Michael Loewke**

You're welcome. Have a great rest of your day.

**[00:14:05] Rose Woodworth**

Appreciate you taking the time.

**[00:14:05] Michael Loewke**

Good Bye.

**[00:14:10] Diane Eynon**

So Rose just for my information, how do we verify then payroll?

**[00:14:17] Rose Woodworth**

Payroll. We don't verify for contractors. We only verify payroll for the actual employees of the job of the project.

**[00:14:27] Diane Eynon**

And is that because that's impossible to do?

**[00:14:29] Rose Woodworth**

No, it's just because it wasn't something that they've committed to. So, like, if they did commit to prevailing wage, then that would be different. And so I obviously I have no idea how to speak to that. That would be Jimmy. But like I know if we had prevailing wage, that would be taken care of by Loewke Brill. But also Mike has said the union is very much on top of it. If it's union work. Right?

**[00:14:57] James Malcolm**

It doesn't have to be union work or not, in this situation, you simply ask is, is everyone here, an employee of Baxter or whoever? We want a full list of subcontractors, including independent ten ninety nine subs. It's not hard. You just got to tell them what you want and have them sign off on an affidavit and if they're lying, that they're lying.

**[00:15:22] Michael J. Ham**

Yeah, what Jimmy is alluding to also is, is that, you see, you know, hypothetically, you take a contractor, he hires 10 guys. OK. He puts a bid in for the price, and then he creates the most individual subs and they're all DBA, you know, so therefore, they're not actually paying any insurance's.

**[00:15:39] Faye Storms**

Right.

**[00:15:40] Michael J. Ham**

And that's where that's that's where the problem occurs. You know.

**[00:15:44] Faye Storms**

Yeah. It's a hidden it's all hidden.

**[00:15:46] Diane Eynon**

So would this be better to start in governance or in audit? Probably governance.

**[00:15:53] Michael J. Ham**

Yeah, we could. We could. Yeah. I got language. We can get language together here and then hand it over back over to what I don't even know. Go ahead Rose.

**[00:16:00] Rose Woodworth**

And I am wondering if that should be part of some of the changes that we start to look at with the, like not it's just going to be the wrong term here, but like the local purchases policy where like we look at all of that as a whole or or we could break it out separately.

**[00:16:17] James Malcolm**

It's a.. It's a state issue. You're breaking the law.

**[00:16:22] James Malcolm**

If you're not paying what you're supposed to pay. And if we have a policy where we're asking people to declare and getting lists or whatever, and it's not a heavy lift. Are you a subcontractor or are you a ten ninety nine? Pretty

simple, the same thing that way you find out if the general contractor is not paying the right insurances, I'm telling you, you can't believe the amount of money cost New York State every year.

**[00:16:54] Diane Eynon**

Yeah, OK.

**[00:16:56] Diane Eynon**

All right. We'll start with this and governance and where we end up, whether it's an existing policy or something new that we add will, we can make that determination.

**[00:17:05] Diane Eynon**

Ok. All right. Thanks. All right. So we're bets around the agenda here a bit. But if you could on page three minutes from our our last audit meeting on November 9th. Take a look if there's any changes or comment about minutes.

**[00:17:29] Rose Woodwoorth**

I was surprised when reviewing these that we met in person. I was like we definitely did, but it seems like so long ago.

**[00:17:40] Diane Eynon**

Yeah.

**[00:17:41] Faye Storms**

I know it was a long time ago compared to what's happened since then.

**[00:17:46] Diane Eynon**

Yes. Rosie, I don't know if this matters, but we do have a typo on today's agenda, if it matters,

**[00:17:53] Rose Woodwoorth**

OK, where?

**[00:17:55] Diane Eynon**

Under new business we have A, B two B's should be A, B.

**[00:17:59] Rose Woodwoorth**

Ah yup. Thank you. At least I skipped D.

**[00:18:02] Rose Woodwoorth**

So.

**[00:18:03] Diane Eynon**

Yeah, that's cool. All right.

**[00:18:07] Rose Woodwoorth**

Thank you.

**[00:18:07] Diane Eynon**

I have a motion of regarding the minutes.

**[00:18:12] Michael J. Ham**

I'll make a motion.

**[00:18:14] Faye Storms**

I'll second.

**[00:18:14] Diane Eynon**

All in favor?

**[00:18:16] Diane Eynon**

To accept the approved minutes from the last meeting. I.

**[00:18:20] Michael J. Ham**

I.

**[00:18:21] Diane Eynon**

Great, thank you. All right. I need a motion to go into executive session.

**[00:18:33] Faye Storms**

I'll make that motion to go into executive session.

**[00:18:37] Michael J. Ham**

I'll second it.



**[00:18:37] Diane Eynon**

All in favor.

**[00:18:39] All**

Aye.

**[00:18:40] Richard Jones**

Rose non-members of the audit committee should drop off. Is that

**[00:18:45] Rose Woodwoorth**

No, it's not necessary.

**[00:18:47] Richard Jones**

OK

**[00:18:47] Rose Woodwoorth**

Oh, it's to go. You're going into executive session to review.

**[00:18:54] Rose Woodwoorth**

I guess staff timesheets.

**[00:18:56] Diane Eynon**

Yes.

END OF TRANSCRIPT



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