



NEWS RELEASE

From New York State Inspector General
Catherine Leahy Scott

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PRELIMINARY INVESTIGATION OF THE CITY UNIVERSITY OF NEW YORK FINDS LACK OF OVERSIGHT AND INEFFECTIVE MANAGEMENT POLICIES LEAD TO FINANCIAL WASTE AND ABUSE AT COLLEGES AND AFFILIATED NOT-FOR-PROFITS

Interim Report Highlights Fiscal Mismanagement and Lack of Transparency and Sets Forth Immediate Remedial Action

NEW YORK CITY – New York State Inspector General Catherine Leahy Scott today released an interim [report](#) of a preliminary investigation into the City University of New York’s (CUNY) oversight of its individual colleges, executive level compensation practices and the relationships between the colleges themselves and affiliated not-for-profit CUNY foundations and other affiliated entities, among other issues.

The Inspector General’s initial findings from the preliminary investigation include a number of systemic concerns largely attributable to CUNY’s administration’s lack of oversight that have led to financial waste and abuse within the CUNY system. The administration has also failed to institute effective centralized management policies. The impact of these deficiencies is exacerbated by the failure to effectively operate the CUNY system for the benefit of taxpayers and students by those charged with CUNY’s daily operations, including but not limited to the Chancellor and General Counsel, among others.

Inspector General Leahy Scott undertook this investigation upon the request of CUNY Board of Trustees’ Chairman William C. Thompson, Jr., and issued today’s interim report to highlight areas of immediate concern to enable CUNY’s Board to take expeditious remedial actions in consultation with the Inspector General.

Findings from the preliminary investigation include questionable spending and lack of controls to protect the integrity of discretionary funds, including non-transparent practices of inflating campus presidents’ compensation. The preliminary investigation also found a failure by CUNY to report misconduct to the Inspector General as required by law, instead engaging in the wasteful expenditure of funds on costly internal investigations.

“Spending practices at the City University of New York have raised several clear and immediate concerns, including a glaring lack of transparency and the potential for waste and abuse,” said **Inspector General Leahy Scott**. “CUNY’s affiliated foundations are entrusted with approximately \$1 billion and must ensure those funds are expended for the benefit of the school’s educational mission and its students. The goal of this interim report and my continuing investigation is to help restore the trust among the student body and taxpayers at large as to the integrity of this esteemed institute of higher education.”

Immediate recommendations pending results of the Inspector General’s full investigation include the

implementation of centralized policies to increase organization and uniformity of actions and reduce the potential for fiscal mismanagement and abuse. CUNY must also institute more stringent controls between all CUNY-based foundations and their affiliate colleges to ensure proper fiscal oversight of funds managed by those institutions and mitigate improper or wasteful expenditures.

A copy of the interim report may be downloaded by clicking [HERE](#)

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