OFFICE of the STATE COMPTROLLER
ANNUAL LOSS REPORT

Comptroller Sean Scanlon
165 Capitol Avenue
Hartford, Connecticut 06106
Telephone: (860) 702-3300

FISCAL YEAR 24-25 | OCTOBER 2025

INTRODUCTION

As Connecticut's fiscal watchdog, I'm always looking for ways to protect taxpayer dollars and bring more transparency to state government.

Annually, my office receives requests for details on state property or assets that had been reported lost or stolen during the fiscal year. Unlike in the private sector, in which lost or stolen property can sometimes be written off as a rounding error, every single item that is lost or stolen from the state and was purchased with hard-earned taxpayer dollars must be accounted for in some way.

This report helps ensure that they aren't simply written off. And as a result of this report, which we began publishing in 2023, many state agencies have made strong efforts to clean up inventory lists, track and recoup losses, strengthen their policies, and reinforce staff awareness of accounting and auditing guidelines. Our presentation of this data to agency heads helps ensure that each agency is aware of their total annual losses and that, through greater awareness, we can be more diligent and continue to improve our internal procedures to prevent losses and enhance recovery.

-Sean Scanlon, State Comptroller

PREFACE

The Office of the State Comptroller (OSC) provides state accounting and financial services, administers employee and retiree benefits, develops statewide accounting policy, exercises accounting oversight, and prepares financial reports for state, federal and municipal governments, and the public.

One aspect of that responsibility is tracking adjustments to state assets outside their standard life cycle. In other words, per CGS 4-33a, state agencies are required to report illegal, irregular, unsafe handling, or breakdowns in the safekeeping of state funds and property to the Comptroller's office.

As agencies experience lost or damaged assets throughout the fiscal year, they must submit CO-853 forms to the OSC. The OSC is dedicated to fiscal transparency and so, starting with the FY2023 reports, we have established a system for maintaining and quantifying these reported adjustments. This process includes:

- Publishing aggregate information annually in conjunction with state agency asset reporting deadlines; and
- Providing agency heads and the public with detailed lists that include specific asset information about annual losses, which will give them the ability to focus on the categories and types of loss more accurately in order to determine where processes can be modified to reduce the exposure of state assets.

This report provides details on the value of the loss, the most common categories of assets lost and the types or causes of loss.

EXECUTIVE SUMMARY

During Fiscal Year 2025, state agencies reported asset losses totaling $8.8 million in original cost. Original cost refers to the price of the assets at the time they were purchased. In last year's FY24 report, the original cost was $13.16 million. This reflected the fact that many agencies were updating records to comply with new policy requirements and responding to insights from the FY23 loss report, especially as these reports have not been made public. That spike has smoothed out, and the original value numbers this year are more in line with what we would expect to see in a normal year.

New to this year's report, we have included DAS Fleet Accident Repair costs. The Comptroller continues to strive for more transparency about all types of loss, so he is asking agencies to provide costs of automobile repairs that are not due to normal wear and tear or maintenance schedules. These show up in our report under Impairment/Accidental and show almost $2.58 million in damages due to car accidents. This cost does not show the offset of recovered funds from third party insurance carriers. Because the state is largely self-insured for automotive accidents, repairs are automatically completed out of budgeted funds. Then, for applicable incidents, the state seeks damages from insurance companies where third parties are found to be at fault.

The original cost is not the true loss to the state. Many items on the report are depreciated over time, and after 5-10 years, most have no additional residual value. When adjusted to reflect the value of these assets at the time of loss, the actual loss to the state in FY25 was $1.63 million. This is a slight increase over last year's adjusted loss of $1.47 million. Taking into account the addition of the fleet repairs and the large amount of recoveries this year, this is in line with normal levels of adjusted loss.

FY24 saw several agencies making efforts to tighten controls on assets and to clean up inventory lists. This increased effort last year focusing on reporting has contributed to large recovery numbers this year. The recovery numbers show items where investigations resulted in the item being found or properly tagged and documented. The best example of this occurred in the Department of Public Health. They reported a large loss in FY24 in an effort to properly report on items that had not been inventoried in many years. After finishing investigations this fiscal year, $1.15 million worth of assets previously removed were located, retagged for proper identification, and restored in the system to be reported as a recovery. This cleanup effort has led to more accurate and well maintained asset lists for their agency which allows them to be better stewards of state funds.

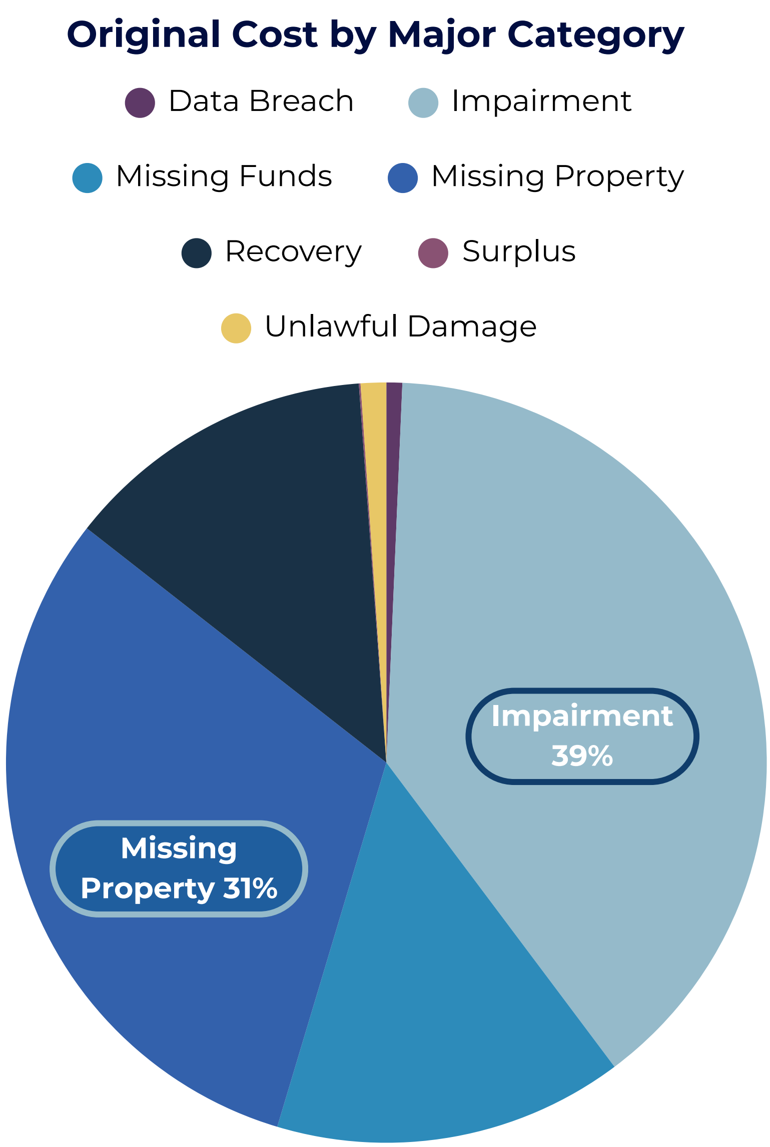
On the next few pages, our graphs will illustrate the value of lost assets, the types of assets lost, and the top causes of loss. Both the original cost and the adjusted value at the time of the loss are displayed in the two graphs on each page. All categories and types of loss are defined on the Glossary page of this report.

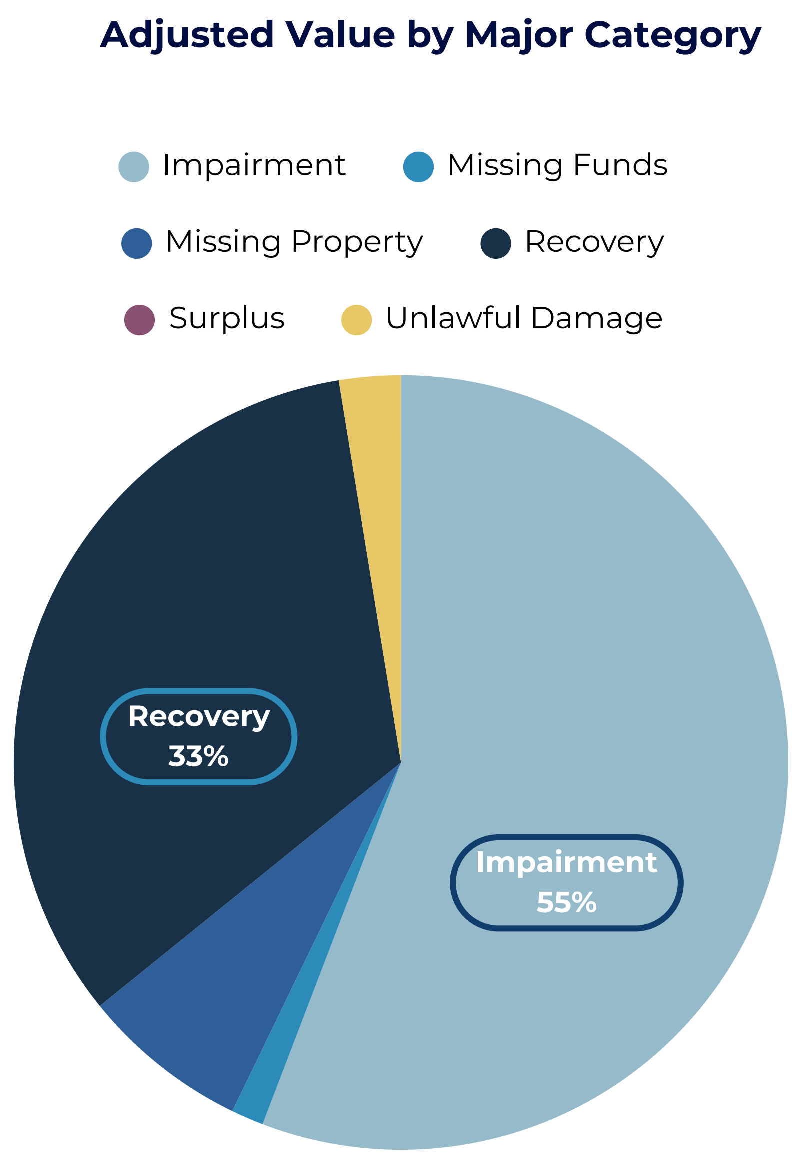
The Comptroller's dedication to transparency and emphasis on, at the agency level, the principles of proper accounting and auditing will ultimately help the state achieve more accurate financial reporting to the public.

ORIGINAL COST VS. ADJUSTED VALUE BY MAJOR CATEGORY

As the graphs below show, Impairment and Missing Property are a significant portion of initial cost, but because they are generally composed of items that are old and may have been thrown out after they became useless or broken and were not properly documented for disposal. In most cases, their adjusted value is significantly less. The large amount of value from automobile accidents keeps the impairment levels high as the cost of those repairs is not depreciated like missing property or other impairments.

When analyzing the adjusted value, we find that the recoveries of missing assets this year exceeded the adjusted value of the items lost. This is due to concerted efforts by agencies to properly identify items.



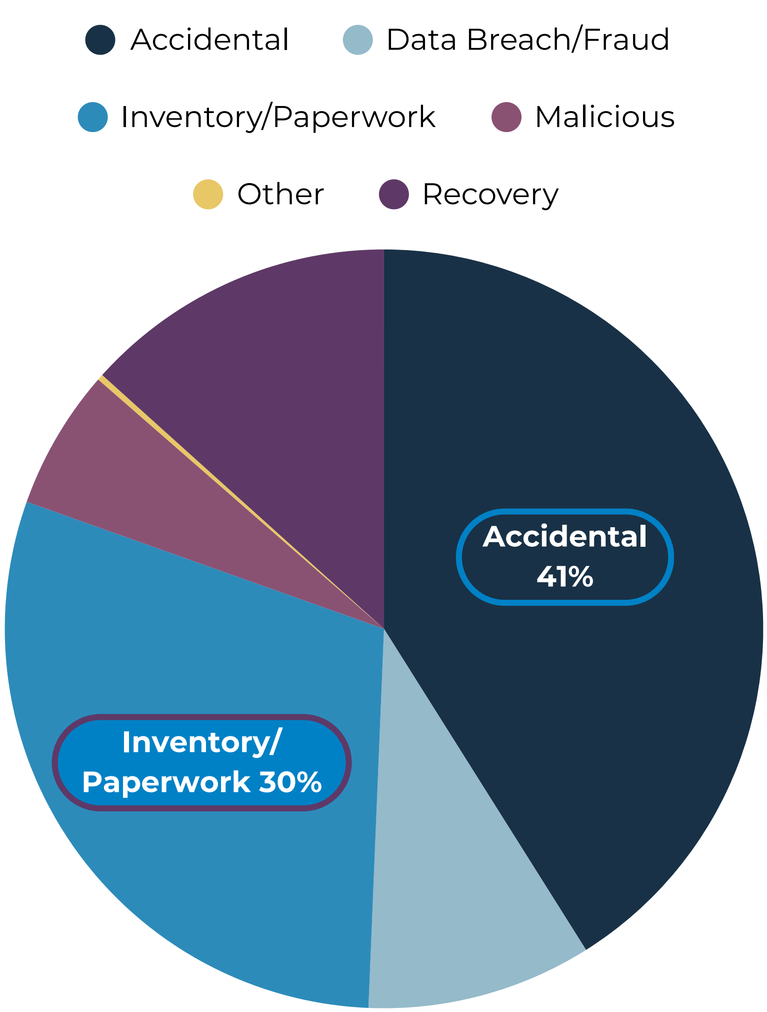


ORIGINAL COST VS. ADJUSTED VALUE BY TYPE OF LOSS

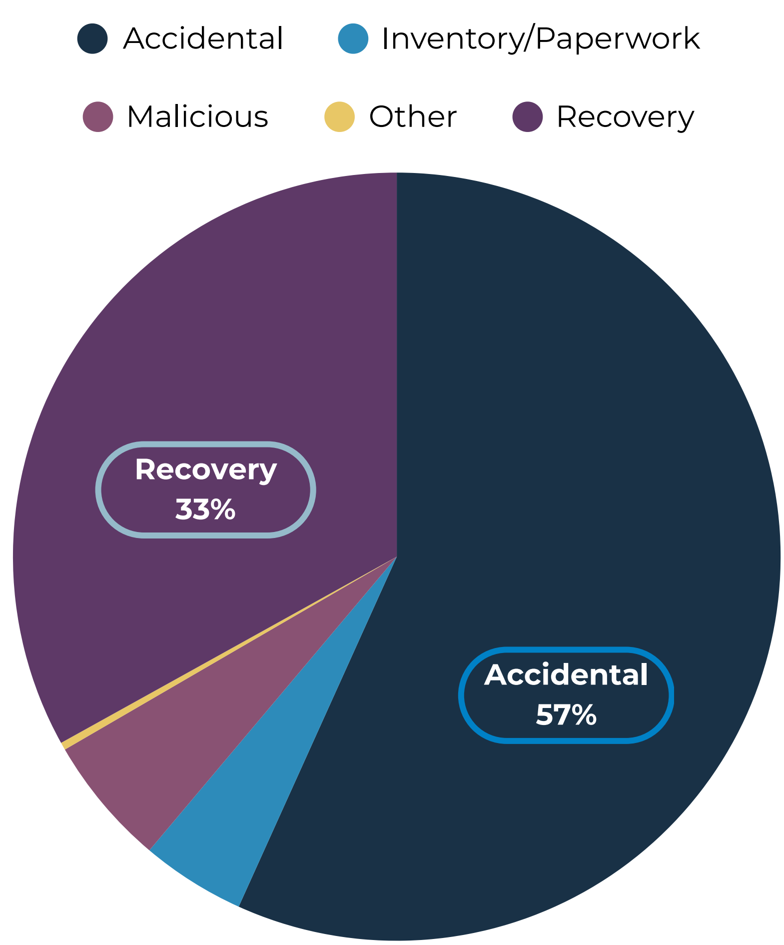
The next series of graphs illustrate the types of loss. Because of the Automobile Accident reporting this period, Accidental is by far the most significant type of loss and correlates to Impairment in the graphs from the previous page. Because of the lack of depreciation on the repair costs, Accidental is the largest initial cost and an even larger portion of adjusted cost. Inventory/Paperwork decreases significantly because inventory has a large initial cost to the state but then depreciates in value as it gets older.

Recoveries were a large portion of this year's reporting. When annual inventories are conducted, missing items can undergo investigations where sometimes the cause of them being reported missing is due to mislabeling or labels falling off. Any items previously reported missing will be restored if they are later found and relabeled.

Original Cost by Type of Loss



Adjusted Value by Type of Loss



RECOMMENDATIONS:

Based on the results from this year's reporting, we believe that state agencies need to focus their efforts on these points in upcoming years:

1. Training, oversight, communication, and internal auditing related specifically to increasing the ability of their staff to recognize and report deviations from procedure, good accounting practices, and proper internal controls.
2. Conducting annual inventories with enough time to perform investigations and recoveries before the June 30 cutoff.

Agencies have recognized the importance of maintaining accurate asset and inventory lists and have made efforts this fiscal year to clean up reports and finalize the adjustment of their asset accounts. Agencies also need to give themselves ample time to investigate missing items before the end of the fiscal year allows the reporting of losses and recoveries in the same period, thereby avoiding large swings in loss accounting for their agencies. Investing in their staff, through education and ongoing guidance, will help them to be better stewards of state assets. Employees who are able to understand how small deviations from procedures can have large impacts on state programs are better able to monitor and safeguard state assets which ultimately will prevent losses.

GLOSSARY: DEFINITIONS

State Agency – Name of the State Agency that submitted the CO-853

Major Category

- ***Data Breach*** - The unlawful and unauthorized acquisition of personal information held by an agency that compromised the security, confidentiality, or integrity of personal information.
- ***Impairment*** - The diminishing in quality, strength, amount, or value of an agency asset.
- ***Missing Funds*** - Funds that are missing as a result of theft, transactional error or human error.
- ***Missing Property*** - Property that has been reported missing as the result of an inspection, audit, or inventory reconciliation.
- ***Other*** - Items not covered in another major category.
- ***Recovery*** – Agency regained possession or control of something that was lost, stolen, or missing.
- ***Surplus*** – Equipment that an agency has deemed beyond its useful life or no longer serves a purpose and has been sent for disposal.
- ***Unlawful Damage*** - Destruction of or damage to money, securities or other property caused as a direct consequence of a crime attempted or committed by any person.

Type of Loss

- ***Accidental*** - An unexpected happening causing loss or damage which is not due to any fault or misconduct.
- ***Data Breach / Fraud*** - The unlawful and unauthorized acquisition of personal information that compromises the security, confidentiality, or integrity of personal information. Intentional deception to secure unfair or unlawful gain. *******Items in this category that are paid for by third party administrators are recorded as zero-dollar losses.********
- ***Inventory / Paperwork*** - Inconsistent documentation practices or discoveries resulting from a physical inventory or audit.
- ***Malicious*** - Intention, without justification or excuse, to commit an act that is unlawful.
- ***Other*** - Damage to property that is unusual or does not fall into another category.

Cost - Original item cost as reported on the CO-853, this would be the purchase price or fair market value at time of acquisition. In cases of damage, it should be the total to repair the damage; in the case of a loss to the state, it will be the monetary value of the loss to the state.

Adjusted Value - A value based on a calculation of whether an item is Capital, Cash, or non- depreciating and then gives a reasonable value of loss to the state based of an estimated remaining value of the item. The cost of repairs or remediation in cases where the loss is due to repairable damage, fraud, or data breaches.

Fiscal Year – The accounting period during which an asset's final disposition, after investigations have been completed, is able to be reported.

Fiscal Year 2025 Asset Adjustment
Summary Report
Sorted by State Agency - Major Category - Type of Loss

	Original Cost	Current Value
Central Connecticut State University	**$ 134,932.87**	**$ 107,727.61**
Impairment	**$ 69,358.35**	**$ 62,724.09**
Accidental	$ 63,262.53	$ 56,628.27
Malicious	$ 188.00	$ 188.00
Other	$ 5,907.82	$ 5,907.82
Missing Property	**$ 22,476.44**	**$ 2,220.44**
Accidental	$ 7,422.50	$ 63.50
Inventory/Paperwork	$ 13,300.00	$ 300.00
Malicious	$ 1,753.94	$ 1,856.94
Other	$ -	$ -
Other	**$ 30,100.00**	**$ 30,100.00**
Accidental	$ 30,100.00	$ 30,100.00
Other	$ -	$ -
Recovery	**$ (16,047.29)**	**$ (16,047.29)**
Recovery	$ (16,047.29)	$ (16,047.29)
Unlawful Damage	**$ 29,045.37**	**$ 28,730.37**
Accidental	$ 13,873.00	$ 13,873.00
Malicious	$ 14,490.34	$ 14,175.34
Other	$ 682.03	$ 682.03
Connecticut State Library	**$ 14,248.98**	**$ -**
Missing Property	**$ 14,248.98**	**$ -**
Inventory/Paperwork	$ 14,248.98	$ -
Connecticut State University System	**$ 1,342.00**	**$ 648.63**
Missing Property	**$ 1,342.00**	**$ 648.63**
Accidental	$ 1,342.00	$ 648.63
Department of Administrative Services	**$ 2,579,262.52**	**$ 2,579,262.52**
Impairment	**$ 2,579,262.52**	**$ 2,579,262.52**
Accidental	$ 2,579,262.52	$ 2,579,262.52
Missing Funds	**$ -**	**$ -**
Other	$ -	$ -
Other	**$ -**	**$ -**
Data Breach/Fraud	$ -	$ -
Other	$ -	$ -
Department of Children & Families	**$ 93,457.00**	**$ 99,064.20**
Impairment	**$ -**	**$ 629.99**
Accidental	$ -	$ 629.99
Missing Property	**$ 93,457.00**	**$ 98,434.21**
Accidental	$ 5,740.00	$ 10,744.22
Malicious	$ 87,717.00	$ 87,260.00
Other	$ -	$ 429.99

	Original Cost	Current Value
Department of Consumer Protection	**$ 314.57**	**$ -**
Surplus	**$ 314.57**	**$ -**
Inventory/Paperwork	$ 314.57	$ -
Department of Correction	**$ 1,294,970.64**	**$ 164,758.65**
Missing Property	**$ 1,294,970.64**	**$ 164,758.65**
Accidental	$ 20,788.94	$ -
Inventory/Paperwork	$ 1,274,181.70	$ 164,758.65
Department of Developmental Services	**$ 14,245.21**	**$ 5,950.43**
Impairment	**$ 5,061.25**	**$ 1,516.25**
Accidental	$ 5,000.00	$ 1,455.00
Other	$ 61.25	$ 61.25
Missing Funds	**$ 297.28**	**$ 296.17**
Accidental	$ 20.00	$ 20.00
Malicious	$ 277.28	$ 276.17
Missing Property	**$ 6,530.00**	**$ 1,781.33**
Accidental	$ 2,490.00	$ 1,395.00
Inventory/Paperwork	$ 2,820.00	$ -
Other	$ 1,220.00	$ 386.33
Other	**$ 2,356.68**	**$ 2,356.68**
Other	$ 2,356.68	$ 2,356.68
Department of Economic & Community Development	**$ 1,367,643.00**	**$ 0.73**
Missing Funds	**$ 1,367,642.00**	**$ -**
Data Breach/Fraud	$ 1,055,142.00	$ -
Malicious	$ 300,000.00	$ -
Other	$ 12,500.00	$ -
Missing Property	**$ 1.00**	**$ 0.73**
Other	$ 1.00	$ 0.73
Department of Energy and Environmental Protection	**$ 3,844,818.98**	**$ 46,044.54**
Impairment	**$ 2,002,900.00**	**$ 12,900.00**
Accidental	$ 2,002,900.00	$ 12,900.00
Missing Property	**$ 1,839,432.38**	**$ 33,144.54**
Inventory/Paperwork	$ 1,838,552.42	$ 33,144.54
Malicious	$ 879.96	$ -
Unlawful Damage	**$ 2,486.60**	**$ -**
Malicious	$ 2,486.60	$ -
Department of Labor	**$ 186,042.29**	**$ -**
Missing Property	**$ 186,042.29**	**$ -**
Inventory/Paperwork	$ 186,042.29	$ -
Department of Mental Health & Addiction Services	**$ 36,004.84**	**$ (12,446.29)**
Missing Funds	**$ 20.00**	**$ -**
Accidental	$ 20.00	$ -
Missing Property	**$ 45,151.81**	**$ 1,971.82**
Inventory/Paperwork	$ 45,151.81	$ 1,971.82

	Original Cost	Current Value
Recovery	**$ (14,418.11)**	**$ (14,418.11)**
Recovery	$ (14,418.11)	$ (14,418.11)
Surplus	**$ 5,251.14**	**$ -**
Inventory/Paperwork	$ 5,251.14	$ -
Department of Motor Vehicles	**$ 1,533.33**	**$ 989.75**
Missing Funds	**$ 1,533.33**	**$ 989.75**
Accidental	$ 1,363.33	$ 969.75
Other	$ 170.00	$ 20.00
Department of Public Health	**$ (1,156,342.38)**	**$ (1,156,342.38)**
Recovery	**$ (1,156,342.38)**	**$ (1,156,342.38)**
Recovery	$ (1,156,342.38)	$ (1,156,342.38)
Department of Revenue Services	**$ (26,842.84)**	**$ (39,186.60)**
Missing Property	**$ 12,878.73**	**$ 534.97**
Inventory/Paperwork	$ 12,878.73	$ 534.97
Recovery	**$ (39,721.57)**	**$ (39,721.57)**
Recovery	$ (39,721.57)	$ (39,721.57)
Department of Social Services	**$ 4,906.00**	**$ (1,383.38)**
Missing Property	**$ 7,079.00**	**$ 789.62**
Inventory/Paperwork	$ 7,079.00	$ 789.62
Recovery	**$ (2,173.00)**	**$ (2,173.00)**
Recovery	$ (2,173.00)	$ (2,173.00)
Division of Public Defender Services	**$ 2,872.44**	**$ 95.75**
Surplus	**$ 2,872.44**	**$ 95.75**
Inventory/Paperwork	$ 2,872.44	$ 95.75
Judicial Department	**$ (315,642.78)**	**$ (338,710.38)**
Impairment	**$ 7,827.97**	**$ 3,162.01**
Accidental	$ 7,651.97	$ 3,162.01
Other	$ 176.00	$ -
Missing Funds	**$ 3,743.19**	**$ -**
Accidental	$ 2,504.00	$ -
Malicious	$ 789.19	$ -
Other	$ 450.00	$ -
Missing Property	**$ 20,748.51**	**$ 6,863.31**
Accidental	$ 10,229.06	$ 3,273.83
Inventory/Paperwork	$ 9,141.10	$ 2,591.80
Malicious	$ 1,258.35	$ 997.68
Other	$ 120.00	$ -
Other	**$ 1,031.00**	**$ 257.75**
Accidental	$ 1,031.00	$ 257.75
Inventory/Paperwork	$ -	$ -
Recovery	**$ (349,173.45)**	**$ (349,173.45)**
Recovery	$ (349,173.45)	$ (349,173.45)
Unlawful Damage	**$ 180.00**	**$ 180.00**

	Original Cost	Current Value
Malicious	$ 180.00	$ 180.00
Legislative Management	**$ 108,888.50**	**$ 5,553.35**
Missing Property	**$ 108,888.50**	**$ 5,553.35**
Inventory/Paperwork	$ 108,888.50	$ 5,553.35
Naugatuck Valley Community College	**$ 2,775.00**	**$ 2,775.00**
Missing Property	**$ 2,775.00**	**$ 2,775.00**
Accidental	$ 675.00	$ 675.00
Malicious	$ 2,100.00	$ 2,100.00
Office of Early Childhood	**$ -**	**$ -**
Other	**$ -**	**$ -**
Other	$ -	$ -
Office of Policy & Management	**$ 2,300.00**	**$ -**
Missing Property	**$ 2,300.00**	**$ -**
Inventory/Paperwork	$ 2,300.00	$ -
Office of the State Comptroller	**$ 817.00**	**$ 206.97**
Missing Property	**$ 817.00**	**$ 206.97**
Accidental	$ 55.00	$ 38.97
Inventory/Paperwork	$ 762.00	$ 168.00
Office of the State Treasurer	**$ 425,256.96**	**$ 87,036.07**
Data Breach	**$ -**	**$ -**
Data Breach/Fraud	$ -	$ -
Missing Funds	**$ 338,220.89**	**$ -**
Accidental	$ 114,319.32	$ -
Malicious	$ 223,901.57	$ -
Unlawful Damage	**$ 87,036.07**	**$ 87,036.07**
Malicious	$ 87,036.07	$ 87,036.07
Probate Court Administration	**$ 6,092.88**	**$ -**
Missing Property	**$ 6,092.88**	**$ -**
Inventory/Paperwork	$ 6,092.88	$ -
Other	**$ -**	**$ -**
Malicious	$ -	$ -
Secretary of the State	**$ 1,622.00**	**$ 27.03**
Impairment	**$ 1,622.00**	**$ 27.03**
Accidental	$ 1,622.00	$ 27.03
Southern Connecticut State University	**$ 6,155.36**	**$ 1,783.01**
Missing Property	**$ 5,919.76**	**$ 4,804.67**
Inventory/Paperwork	$ 368.66	$ 368.66
Malicious	$ 1,592.99	$ 477.90
Other	$ 3,958.11	$ 3,958.11
Recovery	**$ (6,604.93)**	**$ (6,604.93)**
Recovery	$ (6,604.93)	$ (6,604.93)
Unlawful Damage	**$ 6,840.53**	**$ 3,583.27**
Malicious	$ 6,840.53	$ 3,583.27

		Original Cost		Current Value
University of Connecticut	**$**	**113,823.89**	**$**	**73,745.24**
Data Breach	**$**	**29,115.00**	**$**	**-**
Data Breach/Fraud	$	29,115.00	$	-
Missing Funds	**$**	**63,224.07**	**$**	**63,224.07**
Data Breach/Fraud	$	5,140.07	$	5,140.07
Malicious	$	58,084.00	$	58,084.00
Missing Property	**$**	**19,989.82**	**$**	**9,026.17**
Accidental	$	5,012.51	$	3,966.87
Inventory/Paperwork	$	8,304.32	$	209.55
Malicious	$	4,399.00	$	3,349.75
Other	$	2,273.99	$	1,500.00
Unlawful Damage	**$**	**1,495.00**	**$**	**1,495.00**
Malicious	$	1,495.00	$	1,495.00
University of Connecticut Health Center	**$**	**55,028.99**	**$**	**2,069.76**
Data Breach	**$**	**50,920.00**	**$**	**-**
Data Breach/Fraud	$	50,920.00	$	-
Missing Property	**$**	**1,809.99**	**$**	**537.09**
Accidental	$	1,809.99	$	537.09
Unlawful Damage	**$**	**2,299.00**	**$**	**1,532.67**
Malicious	$	2,299.00	$	1,532.67
Grand Total	**$**	**8,800,527.25**	**$**	**1,629,670.22**