

State of New York
Office of the Inspector General



Investigation of Improper Disposal
Of Scrap Material at Brookwood Secure Center

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Inspector General

EXECUTIVE SUMMARY

In March 2011, the Inspector General received a complaint alleging that John Onufrychuk, a maintenance supervisor employed by the New York State Office of Children and Family Services (OCFS) at the Brookwood Secure Center (Brookwood), sold state property to a private salvage company and retained the proceeds. The Inspector General determined that Onufrychuk sold or directed subordinate employees to sell scrap metal belonging to Brookwood to a private company on 36 occasions from 2009 to 2011, and that Onufrychuk retained at least \$2,000 obtained from these sales.

This investigation also found that Onufrychuk used or directed other employees to use state vehicles to transport the scrap that was disposed of improperly. Onufrychuk also provided untruthful testimony to the Inspector General about these matters. After the Inspector General questioned Onufrychuk about his activities, and advised OCFS of the findings, OCFS suspended Onufrychuk in December 2011. OCFS filed disciplinary charges against Onufrychuk, and he retired effective March 25, 2013, during the pendency of the disciplinary proceedings.

The Inspector General further found Brookwood management failed to properly supervise Onufrychuk and that OCFS and Brookwood failed to enforce compliance with property inventory and disposal policies. The Inspector General recommended that Brookwood conduct a full property inventory in compliance with policy and that OCFS ensure that all facilities are adhering to inventory and disposal policies.

The Inspector General referred the findings of this investigation to the New York State Joint Commission on Public Ethics and the Columbia County District Attorney's Office.

In response to the Inspector General's findings and recommendations, OCFS advised that it has implemented new controls over scrap disposal at all facilities, has commenced a comprehensive review and enhancement of agency-wide inventory systems, and has trained staff regarding these new systems.

INTRODUCTION AND BACKGROUND

Brookwood Secure Center and John Onufrychuk

The Office of Children and Family Services operates 17 residential facilities for youth across the state. The Brookwood Secure Center (Brookwood) in Claverack is a secure facility that houses violent juvenile offenders and violent juvenile delinquents. Brookwood provides dining facilities, healthcare, counseling, educational and vocational training, and recreational programs for its residents.

Brookwood employs a maintenance supervisor and a crew of approximately six staff to conduct regular maintenance of buildings, machinery, and grounds. The maintenance shops are located just outside the secure area of the facility and consist of

three buildings and, at times, additional storage trailers. Maintenance employees are on duty and available seven days a week, but not for a 24-hour period. They may be called in to work in the case of an emergency.

John Onufrychuk was employed as maintenance supervisor at Brookwood for approximately four years prior to his retirement in March 2013. Previously, Onufrychuk worked for 27 years in the Brookwood maintenance department. As supervisor, Onufrychuk managed a staff of six employees and reported to the facility director. Onufrychuk also served at the time of this investigation as the First Assistant Chief in the Greenport Fire Department, for which he is on call at all times.¹ The fire department provides Onufrychuk use of a sport-utility vehicle bearing a fire department seal and equipped with emergency lighting that he drove to work while employed at Brookwood and uses at other times.

Relevant OCFS Policies

OCFS has implemented detailed policies regarding property inventory and disposal. Among other provisions, Policy and Procedure Manual section 1741 requires facilities such as Brookwood to conduct an annual physical inventory of property, and to create a written report of the inventory and submit a copy to OCFS central office. The policy designates the facility director as the official responsible for ensuring compliance.

In addition, the property disposal policy, Policy and Procedure Manual section 1742, states that in order for a facility to dispose of "surplus, replacement or scrap property,"² it must submit to OCFS central office a form describing the condition of the item or items. Central office then "determine[s] if the equipment is in operable, salable or scrap condition, and also determine[s] if any other unit/office in the Division would have an interest in the equipment." Significantly, compliance with the disposal policy depends on facilities conducting annual property inventories and maintaining up-to-date inventory records.

If there is no need for the property at another facility, OCFS must send a report to that effect to the New York State Office of General Services (OGS), which acts as a clearinghouse for all surplus property disposition by state agencies. OGS then will either arrange for public sale of the property or authorize the individual agency to dispose of it "by sale to private individuals, businesses or organizations." If this means is utilized, OCFS Policy and Procedure Manual section 1576 requires that "all funds received at facilities/offices that are not appropriately deposited in authorized local accounts" must be sent to the OCFS Accounting Unit in the central office. Also relevant to Onufrychuk's

¹ OCFS records show that Onufrychuk requested and received approval in 2002 to serve as the Greenport Fire Department's First Assistant Chief, but did not request or receive approval in subsequent years, even though his service in the fire department continued, a fact widely known at Brookwood.

² "Surplus" is defined as equipment that is no longer needed, but is still operable; "Replacement" is defined as equipment that has been replaced by newer items; and "scrap" is defined as "no longer operable/safe, and repair costs would exceed the value of the item."

misconduct is Employee Manual section 14.5, which states that State-owned vehicles may only be used for official business that must be documented in a vehicle usage record.

THE INSPECTOR GENERAL FOUND THAT FORMER BROOKWOOD MAINTENANCE SUPERVISOR JOHN ONUFRYCHUK SOLD FACILITY SCRAP AND RETAINED THE PROCEEDS, AND THAT BROOKWOOD FAILED TO ENFORCE INVENTORY AND DISPOSAL POLICIES

Onufrychuk Retained at Least \$2,000 From Scrap Sales During the Period 2009 to 2011

The Inspector General determined that Onufrychuk and maintenance employees acting at his direction sold scrap metal from Brookwood to a private scrap and salvage company in Catskill, approximately 12 miles from Brookwood. The salvage company's business records and other evidence obtained by the Inspector General revealed that from April 2009 to December 2011, Onufrychuk sold or directed the sale of 36 loads of Brookwood scrap metal to the company and retained at least \$2,000 received from these transactions, in violation of agency policy requiring that such funds be remitted to the OCFS central office. In addition, in nearly every sale, Onufrychuk, or a subordinate directed by Onufrychuk, improperly used a state vehicle to transport the scrap to the company and failed to document the vehicle use.

When purchasing scrap, the salvage company drafts a check payable to the person selling the scrap and provides a receipt signed by the seller. Company records indicated checks and receipts that bore the names of Onufrychuk or his subordinates for the sales of scrap from Brookwood. Maintenance employees interviewed by the Inspector General stated that whenever they sold scrap from Brookwood, they did so at Onufrychuk's direction. The employees further explained that they cashed the checks from the sales and provided all of the proceeds to Onufrychuk, who, according to the employees, kept the money. The checks payable to Onufrychuk were cashed by Onufrychuk and his wife. In addition, the Inspector General's review of Onufrychuk's bank records uncovered at least one deposit of a check from scrap sales that was endorsed by both Onufrychuk and his wife and deposited in their joint checking account.

Three instances when Onufrychuk and others engaged in improper scrap sales are described below:

On Sunday, July 10, 2011, a day he was not working, Onufrychuk drove to the Brookwood maintenance yard in his Greenport Fire Department issued SUV. Arriving at the same time were two individuals in a private pickup truck pulling a utility trailer. The two individuals loaded washing machines and scrap materials from the yard onto the trailer, and Onufrychuk, in the SUV, escorted them from the yard. The two individuals drove to Onufrychuk's home and parked the trailer in a shed behind the house. The following day, while Onufrychuk was working at Brookwood, the two individuals – a neighbor of Onufrychuk and a relative of Onufrychuk who is also a member of the Greenport Fire Department – used the pickup truck to transport the loaded trailer to the salvage company in Catskill, where they sold the contents. The neighbor received a

check in his name in the amount of \$156, which he cashed. While it is not known who ultimately received the proceeds of this sale, the money was not turned in to Brookwood.

On December 14, 2011, Onufrychuk and a subordinate in the Brookwood maintenance department used two state trucks to transport scrap metal from Brookwood to the salvage company. The two loads, totaling 4,940 pounds, were sold for \$336, with the check payable and given to Onufrychuk's subordinate. The subordinate stated that he cashed the check and placed the money in a locker at Brookwood maintained by Onufrychuk at Onufrychuk's direction after borrowing the key for that purpose.

On December 15, 2011, the following day, Onufrychuk again used a state truck to transport scrap from Brookwood to the salvage company. Onufrychuk received a \$90 check, payable to him, for the 1,200 pounds of mixed iron and tin. He also signed the receipt. Onufrychuk cashed the check and intended to keep the money; however, as described below, he attempted to turn in the money to Brookwood in an effort to conceal his illicit activities.

Onufrychuk Attempts to Turn in the \$90 Received from the December 15, 2011 Sale

The Inspector General found that on the evening of December 15, 2011 (the day of the \$90 scrap sale), Onufrychuk attended a meeting of the Greenport Fire Department. In attendance as well was Gary Mazzacano, then chief of the fire department and, at the time, a New York State Police Senior Investigator assigned to Troop K in Livingston, not far from Brookwood. Onufrychuk and Mazzacano are close friends who, according to Mazzacano, socialize and vacation together.

Mazzacano told the Inspector General that after the meeting, he and Onufrychuk had a conversation during which Onufrychuk revealed that he had sold scrap material from Brookwood to a salvage company in Catskill. Specifically, according to Mazzacano, Onufrychuk "said he got 90 bucks one time, 300 another time or something." Mazzacano said he asked Onufrychuk what he did with the money and was told "he had it in a locker" and "was going to buy pizza for the guys or coffee for the guys that work for him there with it."

Mazzacano further stated that at an earlier date, while conducting State Police business at the Columbia County District Attorney's Office, he had heard about an investigation into the theft of scrap metal from a government facility. While he did not know it at the time, Mazzacano had overheard discussions about the instant investigation. When asked by the Inspector General whether, in light of Onufrychuk's disclosure to him, he believed that Onufrychuk might be the target of the investigation, Mazzacano answered, "I can put two and two together. I thought probably it, it could be. I hoped it wasn't."

In response to Onufrychuk's revelation, Mazzacano said he advised Onufrychuk to report his actions to then Brookwood Director Patrick Sullivan. Mazzacano stated that he did not tell Onufrychuk about the ongoing investigation of scrap sales, but instead

tried to convince Onufrychuk of the need to speak to Sullivan: "I think I told him it could be a complaint made . . . if somebody makes a complaint, you're gonna get, you could get in trouble." Mazzacano admitted to the Inspector General, however, that he did not report the information about Onufrychuk's scrap sales to the district attorney or commence an investigation.

The following day, December 16, 2011, Onufrychuk disclosed to Sullivan that he had sold state property to a scrap yard for \$90, and that he wanted to turn in the money. Sullivan refused to accept the money, which Onufrychuk retained. Sullivan asked Onufrychuk why he came to him to tell him about the sale, and Onufrychuk said he was advised to do so by a friend, Mazzacano. Sullivan said he asked Onufrychuk if he had sold any other loads of scrap and Onufrychuk responded that he had not. Sullivan advised the Inspector General that after his conversation with Onufrychuk, he consulted the Brookwood business office and determined that the facility had never received any proceeds from scrap sales.

Onufrychuk Provides False Testimony to the Inspector General

When interviewed under oath by the Inspector General on December 22, 2011, Onufrychuk provided untruthful testimony in response to questions about the scrap sales. Initially, Onufrychuk claimed that he had made a single sale worth \$90 and wanted to turn in the money to Sullivan because "we don't need anything over there," apparently meaning that the maintenance department did not need additional supplies or equipment. After denying involvement in any other scrap sales, Onufrychuk was shown the canceled check and receipt for the \$336 sale the day prior to the \$90 sale; he then admitted to that earlier sale. Asked why he did not try to turn in that money to Sullivan as well, Onufrychuk replied, "Just so we can use it for Christmas again."

The Inspector General questioned Onufrychuk about 10 separate scrap sales. Other than the \$90 sale discussed above, Onufrychuk denied each sale or claimed that he and his crew received nothing from the scrap yards for the deliveries. Each time that he denied that any such sale occurred, investigators showed Onufrychuk a receipt or a canceled check proving that a sale was made and that a corresponding check was cashed by either Onufrychuk, his wife, or one of Onufrychuk's subordinates. Only then did Onufrychuk concede his involvement. Onufrychuk offered various excuses for his conduct, including that he was too busy to remember the sales. At one point in the interview, Onufrychuk admitted, "I am a liar." Ultimately, Onufrychuk admitted that he either directly received the proceeds of the unauthorized sales or, at his direction, a subordinate placed the money in a locker at Brookwood for his later use. In total, the Inspector General recovered \$736 in cash from Onufrychuk. This total included the \$90 from the December 15 sale, which was on Onufrychuk's person, and the \$336 from the December 14 sale and an additional \$310 that was in the locker.³

Onufrychuk also denied that he took any action to hide the sales and claimed that he always recorded the trips to the private salvage company in the shop log maintained

³ The source of the \$310 is unknown.

by the maintenance crew to document their activities for each day and the vehicle use logs for the Brookwood trucks used for the salvage company deliveries. Notwithstanding Onufrychuk's assertion, the vehicle use logs failed to list any trips to the salvage company during his tenure as maintenance supervisor. A comparison of the scrap sale receipts with the shop log revealed that not a single trip to the salvage company was documented in 2010 or 2011 until December 15, 2011,⁴ when Onufrychuk received \$90. The entries in the shop log for December 15, as with every other day in the book, are listed sequentially starting with the time employees arrived at work, then each task performed with the initials of the staff that performed the duty, and then followed by the times that the various staff completed their shift. Each entry is numbered. According to his entries in the log, Onufrychuk arrived at work 6:00 a.m. on December 15, held a team meeting at 8:15, conducted a tool inventory, and then left work at 4:00 p.m. Onufrychuk's departing entry at 4:00 was entry 17 for the day. After Onufrychuk signed out, two other tasks are listed by his staff members, and then four more staff members sign out at 4:00 p.m. After everyone else has signed out, a final entry is listed for that day, number 24, in Onufrychuk's handwriting referring to a trip to Catskill "for junk." When confronted with this apparent late entry, Onufrychuk denied that he made the entry after his meeting with Mazzacano in an attempt to create consistency with his story to Sullivan. He was unable, however, to provide a credible explanation for why the trip was listed non-sequentially in a log where every other entry was made contemporaneous with the activity undertaken.

Brookwood Failed to Enforce Policies on Property Inventory and Disposal

While OCFS policies require annual physical inventories of property, the Inspector General's investigation revealed that neither Brookwood nor other OCFS facilities are conducting these required property inventories. In response to a request by the Inspector General for Brookwood inventory records for the period mid-2009 through December 2011, Brookwood advised that a search failed to locate any such records. According to several employees of the maintenance department, which is tasked with conducting facility-wide inventories, the inventory records had been maintained by a maintenance employee, but when that employee died in 2009, the records were destroyed and no one assumed his responsibilities. Annual inventories, if conducted as required, should have noted the absence of inventoried items improperly sold by Onufrychuk, which may have resulted in the earlier detection of Onufrychuk's misconduct. In addition, no records existed at Brookwood of a request to OCFS central office to dispose of property during that period, nor could OCFS Office of Management Services locate such a request.

When asked about these inventory deficiencies at Brookwood, the OCFS Internal Control Officer stated that required annual inventories have not been conducted at Brookwood or, with the exception of one facility, at any other facility. Further, according

⁴ The Inspector General found four entries in the log book for 2009 that indicated that scrap was taken either to the yard or to Catskill. These entries stopped at about the same time that the workers ceased maintaining records of discarded equipment in late 2009. See section regarding inventory, below.

to the Internal Control Officer, inventory policy has not been the subject of an internal audit by the agency.

As noted, OCFS inventory policy designates the facility director as the official responsible for ensuring compliance with the policy requirement. In view of the above, it is clear that then-Brookwood Director Sullivan did not fulfill this responsibility. In his interview with the Inspector General, Sullivan stated that he did not realize that a significant amount of scrap existed at Brookwood, and that he assumed that any scrap that did exist was discarded. However, as this investigation revealed, a substantial quantity of scrap accumulated in, and was removed from, an area of the Brookwood property clearly visible to Sullivan; indeed, he would have passed it going in and out of the facility each workday. In addition, Brookwood purchased two approximately 50-foot-long box trailers for storage of surplus property, some of which was sold as scrap during the period covered by this investigation. Adherence to the inventory policy by Sullivan should have resulted, at the least, in his questioning Onufrychuk about the disposition of the scrap.⁵

FINDINGS AND RECOMMENDATIONS

The Inspector General determined that John Onufrychuk, while employed as maintenance supervisor at the Brookwood Secure Center, sold or directed subordinate employees to sell scrap metal belonging to Brookwood to a private salvage company on 36 occasions from 2009 to 2011. Onufrychuk retained for himself at least \$2,000 obtained from these sales, a violation of agency policy. Onufrychuk further violated agency policy when he used or directed other employees to use state vehicles to transport scrap that was sold in this manner. Onufrychuk also provided untruthful testimony to the Inspector General about these matters.

After the Inspector General questioned Onufrychuk about his activities, and advised OCFS of the findings, OCFS suspended Onufrychuk in December 2011. OCFS filed disciplinary charges against Onufrychuk, and he retired effective March 25, 2013, during the pendency of the disciplinary proceedings.

The Inspector General also found Brookwood management failed to properly supervise Onufrychuk's activities. Onufrychuk's improper sales of Brookwood scrap, as well as his use of state vehicles in these sales, went undetected by management. In addition, OCFS and Brookwood have not reviewed or enforced compliance with agency policy relating to property inventory.

The Inspector General recommended that Brookwood conduct a full property inventory in compliance with policy and that OCFS ensure that all facilities are adhering to inventory and disposal policies. In addition, the Inspector General recommended that Brookwood ensure that its employees are trained in and work in conformity with OGS and Brookwood surplus property rules involving disposal of all property, including scrap.

⁵ Sullivan retired in June 2012.

The Inspector General has referred the findings of this investigation to the New York State Joint Commission on Public Ethics and the Columbia County District Attorney's Office.

Response of OCFS to the Inspector General's Report

In response to the Inspector General's findings and recommendations, OCFS advised that it has taken a number of actions relating to the disposal of scrap and broader inventory issues.

OCFS advised that at Brookwood, scrap materials have been relocated inside the facility's fenced area to improve security. All facilities have been formally instructed that OCFS employees are no longer permitted to transport scrap items to a salvage company; instead, items approved for disposal must be collected on-site by a vendor under the direct supervision of a facility manager. New procedures that include central office approval of scrap disposal and documentation of the disposal have been implemented. All scrap materials will be inventoried on a monthly basis. Training in the new procedures has been provided to all facility directors.

OCFS also advised that it has initiated a comprehensive agency-wide inventory of state-owned assets. Thereafter, annual inventories will be conducted. OCFS is also developing an inventory tracking database for state-owned assets. The OCFS internal control officer will conduct regular testing of the inventory system, commencing in the fourth quarter of 2014. The OCFS Audit and Control Unit will conduct a preliminary audit to assess compliance in the first quarter of 2015. In addition, OCFS has begun participation in development team meetings for the next phase of the Statewide Financial System, which will include an inventory system.