



NEWS

From New York State Inspector General
Ellen N. Biben

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Regulating District's Former Executive Director and Board Cited for Excessive and Improper Spending and Lack of Controls

New York State Inspector General Ellen Biben today released an investigative report that found Glenn LaFave, the former Executive Director of the Hudson River-Black River Regulating District, abused vacation time to enrich himself, excessively used public funds for meals and parties, violated State policy on agency vehicle use and improperly obtained personal conveniences that cost taxpayers tens of thousands of dollars.

At the same time, the District's own Board of Directors failed in its oversight duties, spent excessively on meals and lodging, permitted the ethically questionable appointment of LaFave from an unpaid Board seat to a paid executive position, and allowed him more than \$45,000 in unnecessary travel expenses.

Much of that unnecessary and excessive spending came at a time while the District was in financial crisis, which it continues to be.

"Former Executive Director LaFave exploited the previous Board's lax oversight and questionable policies leading to the abuse of public funds – which is never acceptable and particularly intolerable given the District's fiscal condition," said Inspector General Biben.

The Inspector General found:

- LaFave, through time sheet ploys, did not charge a single hour of vacation leave from January 2006 through December 2009 despite taking numerous vacations, and then received a \$24,000 buyout for unused vacation time.
- LaFave's time sheets between 2007 and 2009 indicate that he worked less than a full day on 114 occasions, yet those 303.5 hours of time off were not counted against his vacation time.
- The Board of Directors established an official work station for LaFave in Watertown even though most of the District's business took place in the Hudson Valley and all of its former Executive Directors were assigned to the Albany headquarters, resulting in more than \$45,000 in unnecessary hotel and meal costs;

- The Board of Directors approved lavish parties, including two 50th anniversary parties that cost nearly \$3,000;
- LaFave charged the District for 85 “working lunches” for himself and others, at a total cost of \$4,210, without any evidence that these meals were necessary business expenses;
- LaFave double-billed the state for meal expenses;
- LaFave assigned himself and other staff members District-owned cars in violation of State policy, claiming he needed to respond in the case of an emergency even though he was not trained as or qualified to be an emergency responder for the District;
- LaFave improperly filled out mileage logs when using his state vehicle; failing to differentiate between personal and business use.

Lacking any professional expertise in water management, LaFave, a former elementary school teacher, was appointed to the board of directors by then-Gov. George Pataki in early 2000. Three years later, LaFave applied to a subordinate and was appointed to the paid position as the district’s area administrator in Watertown. LaFave was then promoted by the board and served as the agency’s executive director from 2005 until his retirement in August 2010. While in the District’s employ, LaFave’s salary grew from \$60,000 to more than \$100,000.

The excessive spending by LaFave and the Board of Directors came at a time when the organization was – and continues to be – in a financial crisis. In 2008, court rulings reduced the District’s revenues by 80 percent -- from \$5,361,546 to \$1,094,353. No longer able to collect assessments on downstream hydroelectric generators, the District was forced to lay off employees, postpone capital improvement projects and withhold required tax payments to local municipalities and school districts.

Inspector General Biben is sending her findings to the Commission on Public Integrity, state and federal tax authorities with regard to personal vehicle use, and to Governor Andrew M. Cuomo’s Spending and Government Efficiency Commission (SAGE), which is examining whether some public authorities should be eliminated or restructured to improve efficiency.

A copy of the report can be found by clicking [here](#).

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