



STATE OF NEW YORK
OFFICE OF THE STATE INSPECTOR GENERAL
Final Report
November 24, 2010

SUMMARY OF FINDINGS/RECOMMENDATIONS

The New York State Inspector General found 146 instances from 2004 to January 2010, in which Gerald Ladouceur, a Senior Veterans Counselor for the New York State Division of Veterans' Affairs, worked unauthorized second employment at the same time as his state job, or arrived late or left early from his state work location. As a result, Ladouceur received nearly \$7,000 in unearned salary from the state. Ladouceur also filed 63 false time sheets with the New York Division of Veterans' Affairs fraudulently claiming to have worked hours for the state. The Inspector General further established that Ladouceur improperly utilized paid military leave on 71 occasions. Instead of performing an official military function, Ladouceur utilized this military leave in order to work his secondary paid position while receiving salary from the state for the same hours. The value of these 71 days exceeded \$15,000 in state salary.

The Inspector General is forwarding these findings to the New York State Attorney General for consideration of possible criminal charges. During the course of the investigation, Ladouceur retired from his position with the New York State Division of Veterans' Affairs, precluding disciplinary action by the agency.

ALLEGATION

The New York State Division of Veterans' Affairs reported to the Inspector General that Senior Veterans Counselor Gerald Ladouceur was suspected of time and attendance improprieties and abuse of paid state military leave.

SUMMARY OF INVESTIGATION

Background

Ladouceur's misconduct encompassed several schemes designed to ensure that he would receive salary from the state while performing duties in a non-state position. One scheme involved a direct overlap in hours between his state employment with the New York State Division of Veteran's Affairs and his secondary employment with the United States Department of Veterans Affairs. A second scheme, with several variations, entailed Ladouceur obtaining military orders to which he was not entitled thereby

allowing him to utilize state military leave. Ladouceur then worked these hours of paid state military leave in his non-state position without loss of salary from the state for these dates. Both of these stratagems involved the overlap of various state and federal authorities including the New York State Division of Veterans' Affairs, the New York Naval Militia (a part of the New York State Division of Military and Naval Affairs), the U.S. Department of Veterans Affairs, and the United States Navy.

At the time of retirement during the pendency of this investigation, Gerald Ladouceur was employed by the New York State Division of Veterans' Affairs. This state agency was created in 1945 in response to the influx of returning World War II veterans and serves the primary function of assisting former service men and women with readjustment from military to civilian life and helping them secure earned benefits. The New York State Division of Veterans' Affairs main office is located at the Empire State Plaza in Albany and the agency also maintains approximately 70 regional and specialized services offices across the state.

Ladouceur retired from the United States Navy in 1997 after a 20-year career in which he attained the rank of commander. In 1999, Ladouceur commenced full-time employment with the New York State Division of Veterans' Affairs as a Veterans Counselor, dividing his time between an agency office in Hudson, Columbia County, and the agency's office at the Stratton Medical Center, a hospital operated by the U.S. Department of Veterans Affairs in Albany.¹ New York State Division of Veteran's Affairs Veterans Counselors assist veterans in navigating the labyrinth of veterans' benefits programs, but perform no clinical or therapeutic work. Ladouceur was promoted to Senior Veterans Counselor with the New York State Division of Veterans' Affairs in 2007, at which time his primary work site became the agency's office at the Stratton Medical Center. A Senior Veterans Counselor, in addition to supervising a team of Veterans Counselors, serves as a liaison between the state and federal veterans affairs agencies.

In 1997, following his retirement from the U.S. Navy, Ladouceur applied for and obtained a chaplain position with the rank of commander in the New York State Naval Militia, and, shortly thereafter, was promoted to the rank of captain in the Naval Militia.² The Naval Militia is part of the New York State Division of Military and Naval Affairs which also includes the New York Army National Guard, the New York Air National Guard, and the New York Guard. The Naval Militia responds to emergencies and provides assistance and support at the direction of its head, the New York State Adjutant General, who also serves as head of the Division of Military and Naval Affairs. Nearly 95 percent of the Naval Militia's members also serve in the reserve forces of the United States Navy, Marine Corps and Coast Guard. The Naval Militia additionally includes retired members of both the active and reserve armed forces. Except for a small, salaried, full-time administrative staff, Naval Militia members do not perform regular or paid work, except, as discussed below, on certain rare occasions when they are ordered to active duty.

¹ The United States Department of Veterans Affairs was created in 1989 as a Cabinet-level agency consolidating the Veterans Administration and other federal veteran-related entities.

² Ladouceur could not serve as a chaplain in the United States Navy because he is not an ordained priest, but the Naval Militia permitted him to fill a chaplain's role as he is a deacon, having been ordained in the Albany Roman Catholic Diocese during his U.S. Navy service.

Ladouceur's Secondary Employment

In addition to his primary employment with the New York State Division of Veterans' Affairs, the Inspector General confirmed that Ladouceur was also employed on a paid, part-time basis with the U.S. Department of Veterans Affairs. The Inspector General determined that in 2004, based on his qualifications as an ordained deacon, Ladouceur was hired by the U.S. Department of Veterans Affairs on a part-time basis and paid hourly to perform chaplain services in the chaplain's office at the Stratton Medical Center – the same facility where he is assigned to perform his state duties. The Stratton Medical Center employs several full-time chaplains of various religious affiliations assisted by part-time and hourly staff in providing pastoral services to veterans at the facility. The chaplain's office is located in the same building at the Stratton Medical Center as Ladouceur's New York State Veterans' Affairs office.

In addition to this other employment, Ladouceur also has been employed periodically as a civilian contractor for United States Navy facilities in Saratoga County providing chaplain services and grief counseling to U.S. Navy employees and their spouses.

The Inspector General interviewed the relevant employees of the aforementioned state and federal agencies that employed Ladouceur. The Inspector General also conducted an extensive analysis of Ladouceur's time and attendance records, from 2004 to January 2010, in which he was required to document his work hours for his state and federal employers. These records were compared with copies of military orders Ladouceur had obtained, travel vouchers, records of payment, sign-in sheets and electronic records generated by EZPass and security access devices.

Ladouceur Failed to Obtain Required Approval for His Outside Employment

The Inspector General determined that Ladouceur failed to obtain required approval as directed by New York State Division of Veterans' Affairs policy prior to engaging in outside employment with the U.S. Department of Veterans Affairs and the U.S. Navy.

Prior to 2007, the New York State Division of Veterans' Affairs required new employees, at the time of their hiring, to complete a questionnaire regarding outside employment. The questionnaire asked if the employees were "engaged in any personal business or private undertaking outside the scope of employment with this Division." When he completed and signed the questionnaire on March 4, 1999, Ladouceur checked the box indicating "no," which was correct as he had no outside employment at that time. However, the questionnaire further explicitly required: "It is necessary that you advise this office immediately of any changes, as they occur, which would affect your answers to the above questions." Specifically, employees who accepted outside employment were required to complete the questionnaire again and provide detailed information about the new employment. Despite accepting paid outside employment with the U.S. Department of Veterans Affairs in 2004 and later with the U.S. Navy, Ladouceur failed to disclose his employment by filing an amended questionnaire.

In June 2007, the New York State Division of Veterans' Affairs implemented a Request for Outside Employment form and discontinued use of the questionnaire. Employees seeking to engage in outside employment are required to complete the form, and submit it through their chain of command. Approval for outside employment can only be granted by the agency's Executive Deputy Director, and must be in writing. The Inspector General determined that Ladouceur failed to file this form or seek proper approval of his outside paid activities.

William Krause, the Acting Director of the New York State Division of Veterans' Affairs, who served as Executive Deputy Director from January 2008 to June 2010, confirmed that he never authorized Ladouceur to engage in outside employment, and that he had no knowledge of Ladouceur's employment by the U.S. Department of Veterans Affairs at the Stratton Medical Center. Similarly, Michelle LaRock, Deputy Director of Administration and Budget for the New York State Division of Veterans' Affairs, advised the Inspector General that she was unaware Ladouceur had outside employment until the issue was raised by New York State Division of Veterans' Affairs Counsel William Brennan, long after Ladouceur began such employment.

The Inspector General conducted a voluntary sworn interview of Ladouceur, who was represented by counsel. In the interview, Ladouceur testified that he had sought approval to work as a fee-based chaplain at the Stratton Medical Center and was granted verbal permission by his then-supervisor Earl Wallace. When interviewed by the Inspector General, Wallace confirmed that he had given verbal permission to Ladouceur for outside employment with the U.S. Department of Veterans Affairs. Notwithstanding this verbal approval, Wallace lacked the authority to grant such a request for outside employment which could only be approved by the Executive Deputy Director and was required to be submitted by Ladouceur to the agency in writing. Ladouceur did neither. In this regard, Ladouceur claimed in the interview that several members of the New York State Division of Veterans' Affairs executive management were aware that he was employed part-time at the Stratton Medical Center. However, as discussed above, agency executives averred that they did not grant such permission. Furthermore, agency officials noted that if Ladouceur had sought approval to work in such a capacity, his request would have been denied as his service in the chaplain's office at the same facility in which he performs his state functions raises the specter of a conflict of interest.

Ladouceur's Hours Overlap in his State and Federal Employment

The Inspector General examined Ladouceur's New York State Division of Veterans' Affairs time and attendance records in which he recorded the hours he purportedly worked each day as well as any leave he utilized during his work day. These records were then compared to the handwritten log that Ladouceur was required to maintain in the Stratton Medical Center chaplain's office in which he documented the hours he worked in this part-time position with the U.S. Department of Veterans Affairs.

From 2004 through December 2009, Ladouceur reported to work in the chaplain's office in furtherance of his secondary employment with the federal government on approximately 900 occasions, performing typical chaplain's office functions such as assisting at Mass and speaking with patients. Initially he was paid \$20 and then \$25 an hour by the U.S. Department of Veterans Affairs for these duties. The Inspector

General's collation of records revealed that in 91 of the approximately 900 instances, Ladouceur recorded that he was working for both the New York State Division of Veterans' Affairs and the U.S. Department of Veterans Affairs at the exact same time and, thus, received salary from both the state and federal government for these same work hours.

For example, on May 10, 2006, Ladouceur claimed he worked a full day for the New York State Division of Veterans' Affairs from 8 a.m. to 4 p.m., with lunch from 12 p.m. to 12:30 p.m.; yet the chaplain's log at the Stratton Medical Center indicates he worked for the federal government from 8 a.m. to 12 p.m. In another instance, on December 4, 2009, Ladouceur's time card indicates he worked a full day in his state position, while the chaplain's notes relating to his federal employment reveal that he attended a chaplain meeting beginning at 9 a.m. unrelated to his state duties. The chaplain's log contains a handwritten entry that Ladouceur worked from 8 a.m. to 12 p.m. that day, revealing that for four hours he worked his paid federal position while simultaneously receiving payment by New York State. The Inspector General found that the 91 occasions when Ladouceur ostensibly worked at both his state and federal positions at the same time totaled 171 hours, equivalent to \$5,146.82 in state salary.

Asked by the Inspector General about how he was able to perform these two jobs at the same time, Ladouceur attempted to evade responsibility for his actions, characterizing these instances as "clerical errors," but offering no explanation for how such "errors" could have occurred so frequently. Ladouceur's claim is further undermined by his assertion, expressed in a different venue, that he maintained "meticulous" records.³

Compounding this "double-dipping," the Inspector General also found that Ladouceur frequently arrived for his state duties late and left work assignments early, yet failed to report such on his timesheet. For example, the Inspector General determined that on April 8, 2004, Ladouceur claimed to have worked (and thus received salary for) a full day, commencing at 8 a.m. at the New York State Division of Veterans' Affairs office in Hudson; however, toll information indicates that he crossed the Rip Van Winkle Bridge headed toward Hudson at 8:57 a.m., nearly an hour after he claimed to have reported to work. Similarly, the Inspector General's evaluation of Ladouceur's return trips from the Hudson office revealed that he charged the state for hours he did not work. On October 25, 2005, for example, he claimed to have worked at the Hudson office from 8 a.m. to 4 p.m., yet EZPass records reveal he entered the New York State Thruway at Exit 21 at 2:57 p.m. and exited at 3:23 p.m. at Exit 23. The Inspector General found a total of 55 instances in which Ladouceur either arrived late or left early from his New York State Division of Veterans' Affairs worksite but claimed on his time sheet to have been working, at a total cost to the state of more than \$1,655.

The Inspector General's examination of records further revealed that on four occasions Ladouceur was traveling for the New York State Division of Veterans' Affairs at times when he claimed he was working for the U.S. Department of Veterans Affairs as

³ Ladouceur's self-description was contained in letters he wrote to various state and federal officials and elected representatives in response to a Notice of Discipline filed against him by the New York State Division of Veterans' Affairs concerning his unauthorized outside employment.

a chaplain at the Stratton Medical Center in Albany. In these instances, Ladouceur fraudulently received federal payments for services not rendered to the Stratton Medical Center.

In total, the Inspector General found that Ladouceur engaged in time abuse or leave abuse on 146 occasions, amounting to the misappropriation of 232 hours of state time valued at \$6,903.59 paid to Ladouceur in unearned salary. The below chart summarizes the Inspector General’s findings regarding Ladouceur’s time and leave abuse.

Category	Instances	Hours	Total Value
NYVA & Fed. VA Simultaneous Work	91	171	\$5,146.82
Late Arrival to Stratton Medical Center	18	20	\$692.14
Late Arrival to NYVA Hudson Office	15	17.25	\$446.93
Left Early from NYVA Hudson Office	22	23.75	\$617.70
	146	232	\$6,903.59

The Inspector General further found that between April 2004 and January 2010, Ladouceur filed 63 false time and attendance reports with the New York State Division of Veterans’ Affairs in order to facilitate his misuse of state time.

Ladouceur Obtains State Naval Militia and United States Navy Orders to Fraudulently Utilize Military Leave

Ladouceur’s Improper Naval Militia Orders

New York State Military Law § 242 provides for paid military leave of 30 calendar days or 22 work days – whichever provides the greater benefit to the employee – in any calendar year or any continuous period of absence which spans more than one calendar year. Military leave is available for any type of military activation. To claim this leave, employees must notify their state employer as soon as possible regarding their need for military leave and, for verification by the employer, a copy of the employee’s military orders is generally required. Employees receiving military leave may also be required to provide documentation confirming their actual performance of military duty.

As stated above, Ladouceur is a member of the New York Naval Militia. The New York Naval Militia places its members on active duty through the issuance of two types of orders – “pay” orders and “no-pay” orders – both of which entitle members to receive military leave pay from their New York State employer during the period of their active duty, pursuant to Military Law § 242. According to DMNA Counsel Robert Conway, pay orders are issued in order to place members on active duty in support of the Naval Militia’s role, in such assignments as maritime security missions. Pay orders are authorized by and originate with the Office of the Adjutant General, the head of the New York State Division of Military and Naval Affairs and the commanding general of the

State's military forces, including the Naval Militia. When on active duty pursuant to a pay order, the member receives military leave pay, as described above, as well as state active duty pay from the Naval Militia. In contrast, no-pay orders, according to Conway, are issued when a militia member agrees to volunteer his or her time in an activity deemed to support the role of the Naval Militia. In these instances, the member receives military leave pay but no state active duty pay from the militia.⁴ Since no-pay orders are not intended to support a militia member receiving remuneration for his military duties, unlike pay orders which must originate with the Office of the Adjutant General, no-pay orders can be initiated by member himself or herself in order to perform a voluntary function that legitimately supports the Naval Militia. As further discussed below, no-pay orders are signed by a Naval Militia administrator.

The Inspector General determined that Ladouceur fraudulently obtained no-pay orders on numerous occasions in order to work his second federal employment while simultaneously being paid by the state. In the period 2004 through 2009, Ladouceur requested and was issued 48 improper no-pay orders from the state Naval Militia allowing him to utilize a total of 57 paid military leave days from his state employment.⁵ Ladouceur then submitted these orders to the New York State Division of Veterans' Affairs, his full-time employer, to claim and receive military leave payment for these days. However, rather than performing volunteer duty in support of the Naval Militia — the requirement of no-pay orders — the Inspector General found that the orders had no relation to Ladouceur's service as a chaplain with the Naval Militia. Most notably, of the 48 orders found to be improper, 30 of the orders directed him to the Stratton Medical Center at which times he performed his secondary employment with the federal government and, therefore, received salary from both the state and federal governments for these hours.

For example, on February 6, 2009, Ladouceur was ordered, at his own instigation, to active duty by the Naval Militia in support of "Post Traumatic Stress Disorder and Chaplain Services." Based upon these orders he had garnered, Ladouceur requested and received military leave pay from the New York State Division of Veterans' Affairs for this time. Ladouceur then performed this purported chaplain service at the Stratton Medical Center, for which he received four hours pay from the U.S. Department of Veterans Affairs.

In addition to the 30 improper orders which Ladouceur requested directing him to the Stratton Medical Center, the Inspector General found another 18 improper Naval Militia orders, totaling 25 military leave days which Ladouceur requested, that directed him to various duties across New York State and out of state that bore no relation to his duties as Naval Militia chaplain. For example, Ladouceur initiated no-pay orders to enable his attendance at a weeklong conference for deacons sponsored by the Military Archdiocese in Virginia. While in attendance at the conference, Ladouceur was compensated by the federal Department of Veterans Affairs and, due to his acquiring of a no-pay order, Ladouceur also received five days of paid military leave from the New York State Division of Veterans' Affairs for the same period. That the federal

⁴ Conway explained that no-pay orders document the member's service status so that he or she may be covered by the State for liability and medical costs in the event of an accident or illness while on military duty.

⁵ In all, Ladouceur requested and was issued 83 no-pay orders.

government paid Ladouceur for his attendance at this conference unequivocally demonstrates that this conference related to his federal duties.

Underscoring that Ladouceur's self-generated no-pay orders were not issued for duty that supported the Naval Militia, Conway advised the Inspector General, "There is almost nothing for a chaplain to do in the Naval Militia, which is the force presumably that he [Ladouceur] is supporting, unless someone were to ask for religious services say for a weekend drill or a weekend activity." With respect to the 30 no-pay orders, no documented requests for Ladouceur's services from any source other than Ladouceur himself were found. To the contrary, as noted, all evidence supports that Ladouceur instigated the orders himself in order to engage in paid work at the Stratton Medical Center.

Ladouceur's supervisors at the Stratton Medical Center, the Reverend Bruce Swingle and the Reverend Joseph Grasso, confirmed that Ladouceur is not employed in a military capacity at the facility, but is serving in a civilian capacity as an ordained Catholic deacon. Neither Swingle nor Grasso had any knowledge of Ladouceur ever receiving military orders to perform work in the chaplain's office at the Stratton Medical Center, nor did they ever request that Ladouceur be placed on orders so that he could work there. Father Grasso advised the Inspector General, "If Gerry [Ladouceur] has to take time during the day with a veteran, he tells me and Gerry takes annual leave from the state job. This happens infrequently." Additionally, according to the supervisors, Ladouceur was never observed at the Stratton Medical Center performing any duties in a naval uniform.

In his interview with the Inspector General, Ladouceur claimed that the 30 no-pay orders were in response to requests from a variety of unnamed sources to address the needs of a veteran or service member. While claiming that these services were outside his secondary federal employment with the chaplain's office, Ladouceur could not provide any details to support or corroborate this claim, and could not explain why he sought compensation from the U.S. Department of Veterans Affairs for these same hours worked.

Ladouceur also asserted that no-pay orders do not preclude his receiving payment from a separate entity. In addition to the inherent specious nature of this claim as acceptance of such would obliterate the distinction between pay and no-pay orders, Ladouceur's claim was directly contradicted by Maj. Gen. Patrick Murphy, the current New York State Adjutant General who commands the State's military forces that include the Naval Militia. Maj. Gen. Murphy advised the Inspector General, "[O]nce we put somebody on a set of no-pay orders then they have said, Yes, I'm willing to go work for no pay." Similarly, DMNA General Counsel Conway, when asked by the Inspector General whether it would be expected for Ladouceur to be "paid as a sort of per diem civilian contractor" while on orders from the Naval Militia, replied, "No, in fact that would be, should be a show stopper."

Inadequate Oversight Regarding the Issuance of No-Pay Orders at DMNA

The Inspector General's investigation revealed a lack of adequate oversight at the Naval Militia that permitted Ladouceur to abuse the system and obtain improper no-pay

orders. Charles Carroll, now retired but who previously served as the Division of Military and Naval Affairs Executive Assistant for the Naval Militia, advised the Inspector General that unlike pay orders that originate from the Adjutant General's Office, no-pay orders such as those given to Ladouceur are requested by the member. Carroll explained that "by direction" of the Adjutant General, he possessed authority to issue no-pay orders, which involved no expense to the militia. Carroll stated that he did not question Ladouceur's requests for orders or the legitimacy of the requests and simply assumed that the orders were sought for legitimate purposes. Carroll indicated that the orders were issued to Ladouceur in accordance with the same procedures used by Carroll's predecessors. Neither the Naval Militia nor the Division of Military and Naval Affairs was able to provide any documentation supporting Ladouceur's request for orders or evidence that he ever performed the assigned duty.

In sum, the Inspector General determined that Ladouceur improperly obtained 48 no-pay orders from the Naval Militia which he used, not for legitimate volunteer Naval Militia purposes, but in order to work his paid, second job with the U.S. Department of Veterans Affairs. As a result of these improper orders, Ladouceur requested and received 57 days of paid military leave from the New York State Division of Veterans' Affairs to which he was not entitled.

Ladouceur's Improper U.S. Navy Orders

Similar to his scheme involving the misuse of military orders obtained from the Naval Militia, the Inspector General further found that Ladouceur misused U.S. Navy orders in his role as a civilian contractor to improperly obtain military leave pay from the New York State Division of Veterans' Affairs. As noted, Ladouceur never sought or obtained approval from the New York State Division of Veterans' Affairs to work as a contractor for the U.S. Navy. Yet Ladouceur had an arrangement with the U.S. Navy to provide chaplain and grief counseling services as a contractor upon the request of members of the Naval Nuclear Power Training Unit (NPTU) and the Naval Support Unit (NSU) in Saratoga County. U.S. Navy personnel and their families at those facilities periodically require chaplain type services; however, the U.S. Navy has not assigned a full-time chaplain to the facilities. Therefore, the facilities hire clergy members to work on an hourly as-needed basis for which they are paid by contract. Under such an arrangement, Ladouceur submitted invoices to the U.S. Navy for payment for services provided and was paid via a voucher or purchase card like any other U.S. Navy contractor.

The U.S. Navy issues Temporary Additional Duty (TEMADD) travel orders to call or activate members of the U.S. Navy or Navy Reserve. As Ladouceur is not a member of the U.S. Navy or Navy Reserve, he was ineligible to receive TEMADD orders. The Inspector General determined that on nine occasions Ladouceur was improperly issued TEMADD travel orders, upon his request, apparently because NSU personnel mistook Ladouceur's membership in the Naval Militia with service in the U.S. Navy or Navy Reserve. The Inspector General found evidence that Ladouceur himself took deliberate actions that might have contributed to this confusion. According to NSU personnel interviewed by the Inspector General, Ladouceur, while performing his contract work at the NSU and NPTU, invariably wore his Naval Militia uniform, which is identical to that of a U.S. Navy uniform, including U.S. Navy Captain's insignia and

chaplain's cross. On a 2009 invoice he submitted to NSU for payment for pastoral services, Ladouceur identified himself as "CAPT, USNR," thus identifying himself as a Captain in the Navy Reserve. This memo coupled with the wearing of his uniform created the impression that Ladouceur was a current and active member of the U.S. Navy Reserve. Navy Lieutenant Commander Jason Hudson, who commands the NSU, acknowledged to the Inspector General that Ladouceur should not have been issued the TEMADD orders.

It appears that Ladouceur only sought the TEMADD travel orders to ensure that he received state military leave pay while simultaneously receiving payment from the U.S. Navy for the same hours. Indeed, through his contract with the U.S. Navy, Ladouceur was serving in a civilian contractor capacity. Moreover, as a contractor, Ladouceur was paid for his actual time at the facility, and not his travel time or expenses. Upon review, Navy Chief Warrant Officer Donna M. Gialone testified that she was unsure why Ladouceur would require a TEMADD order to perform his contractual duties as he was serving in a civilian capacity and orders are not needed to enter the facility.

The Inspector General determined that Ladouceur received nine U.S. Navy TEMADD orders as well as state Naval Militia orders directing him to perform chaplain duties and other counseling services at the NPTU and NSU. In total, Ladouceur took 13 military leave days from the New York State Division of Veterans' Affairs in order to perform his duties at the facilities where he was paid as a civilian contractor approximately \$3,000 by the U.S. Navy. The Inspector General determined that Ladouceur inappropriately took military leave from his New York State Division of Veterans' Affairs job on each of the 13 occasions.

Ladouceur claimed during his interview with the Inspector General that his services at the NPTU and NSU were based on his being recalled to active duty by U.S. Navy Lieutenant Commander Jason Hudson, commander of the NSU, due to his prior service as an officer in the Navy. However, Ladouceur conceded that he was not compensated in his role as a former naval officer or any other active duty service member, but was in fact paid by the hour (at times paid by credit card) the manner in which the U.S. Navy pays its civilian contractors.

Cost to the State of Ladouceur's Schemes

In total, the Inspector General determined that of the 100 military leave days Ladouceur used in his employment with the New York State Division of Veterans' Affairs between 2004 and 2009, 71 of the days were based upon either Naval Militia no-pay orders or TEMADD orders that Ladouceur requested in order to guarantee double pay from state and federal employers for the same hours worked. Simply put, Ladouceur obtained 71 days of state military leave to which he was not entitled because he was not performing any official military function. The Inspector General determined that these 71 days (or 532.5 work hours) totaled at least \$15,957 in undeserved state salary.

Ladouceur retired from his New York State Department of Veterans' Affairs position effective August 20, 2010, during the pendency of the Inspector General's investigation.

Summary of Ladouceur's Fraud			
Category	Instances	Hours	Total Value
NYVA & Fed. VA Simultaneous Work	91	171	\$5,146.82
Late Arrival to Stratton Medical Ctr.	18	20	\$692.14
Late Arrival to NYVA Hudson Office	15	17.25	\$446.93
Left Early from NYVA Hudson Office	22	23.75	\$617.70
Military leave Days Pursuant to Inappropriate NY Naval Militia and US Navy Orders	71	529.5	\$15,957.50
Total Value of State Time			\$22,861.09

FINDINGS AND RECOMMENDATIONS

The Inspector General found that through a variety of schemes, Gerald Ladouceur, during his employment as a Senior Veterans Counselor for the New York State Division of Veterans' Affairs, improperly worked simultaneously in full-time state and part-time federal employment. In addition to submitting erroneous time sheets concealing this fraud, Ladouceur frequently worked fewer hours in his state position than he reported on his time submissions. Furthermore, Ladouceur obtained improper military orders from state and federal authorities in order to receive pay from both federal and state sources for the same hours worked. In total, Ladouceur received nearly \$23,000 in state salary to which he was not entitled.

The Inspector General is forwarding these findings to the New York State Attorney General for consideration of criminal prosecution. As Ladouceur has retired from state service, he is not subject to discipline by his former employer, the New York State Division of Veteran's Affairs.

The Inspector General is also forwarding the findings to the Division of Military and Naval Affairs and the Naval Militia for action as appropriate. The Inspector General further recommends that DMNA review its procedures governing the issuance of "no-pay" orders in order to prevent and deter this type of misconduct in the future.

The Inspector General is also providing a copy of this report to the U.S. Navy Inspector General for review of the facts and procedures underlying the issuance of TEMADD orders to Ladouceur, and to the U.S. Department of Veterans Affairs Inspector General regarding Ladouceur's abuse of federal time.

Responses of the Division of Military and Naval Affairs and the Division of Veterans' Affairs

Maj. Gen. Patrick Murphy, the New York State Adjutant General, advised the Inspector General that he had "directed that all state active duty military orders for either state military pay or no-pay will be reviewed at the executive level of the Office of the Adjutant General to ensure that the missions for which the orders have been requested are

appropriate missions for state military personnel to perform and to prevent the related abuse of military leave from either state or local government agencies.”

Division of Veterans’ Affairs Acting Director William Kraus advised that “[a]ll requests for military leave from Division staff are now submitted to the Division’s central office for review prior to granting military leave.”