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March 19, 2012

Michael F. Hogan, Ph.D.
Commissioner
New York State Office of Mental Health
44 Holland Avenue
Albany, New York 12229

RE: NYS IG 1065-043-2009

Dear Commissioner Hogan:

This letter advises you of the results of an investigation by the New York State Inspector General into the conduct of several employees of the Office of Mental Health (OMH) assigned to the Creedmoor Psychiatric Center in Queens, and into related contracting practices at OMH. In September 2009, the Inspector General received a number of anonymous complaints alleging various improprieties, including misuse of a state vehicle and bid rigging of state contracts.

The Inspector General found that Creedmoor Plant Superintendent [REDACTED] misused a state vehicle for part of his commute from his home in New Jersey to Creedmoor by parking his personal car at OMH's Bronx Psychiatric Center on the way into work and then picking up an OMH car to drive the balance of the trip to Creedmoor. While the Inspector General learned that [REDACTED], on occasion, has been required to assist with projects at the Bronx Psychiatric Center, surveillance showed that [REDACTED] sometimes stopped at the hospital and switched cars without performing such work. [REDACTED] use of the vehicle to commute between the two facilities was not known to, or approved by, his superiors.

[REDACTED], in a sworn interview with the Inspector General on October 14, 2011, acknowledged that he had taken an OMH vehicle to drive to Creedmoor, although he contended that this usage somehow did not constitute commuting. When asked how

often he had used an OMH vehicle to travel in this manner, [REDACTED] estimated that he had done so approximately 20 percent of the time in the past year. Although [REDACTED] appears to have completed vehicle usage logs on days he used the vehicle, his entries did not specify the purpose for which the vehicle was driven on a particular date, as required.

The Inspector General recommends that OMH take appropriate action with regard to [REDACTED] vehicle misuse. As [REDACTED] commuting use of the vehicle might constitute an unreported taxable benefit, the Inspector General will provide these findings to the New York State Department of Taxation and Finance for its review.

The Inspector General also investigated alleged bid rigging that involved collusion, bribes, and favors, and implicated [REDACTED] his predecessor [REDACTED] and Maintenance Supervisor [REDACTED]. These allegations were not substantiated.

Notwithstanding, the Inspector General's review of procurement records under \$15,000 generated from Creedmoor contemporaneous with the bid-rigging allegation did uncover one questionable procurement record. It appears that three contractors, [REDACTED], and [REDACTED], all bid on one contract and had relationships with each other. Specifically, the principal [REDACTED] is [REDACTED] whose initials are [REDACTED]; the principal of [REDACTED] is [REDACTED] wife; [REDACTED] frequently performs work as a subcontractor to [REDACTED]. Although [REDACTED] denied engaging in bid rigging, bidding on one job by bidders with such close relationships should be considered suspect.

The Inspector General's review also revealed that the records did not reflect (nor were they required to reflect) how the vendors were solicited to submit bids. Accordingly, the Inspector General recommends that OMH consider measures to strengthen its procedures for procurements under \$15,000, including a method to better document the bidding process and the relationships among the bidders.

Finally during the pendency of this investigation, the Inspector General learned of an incident in 2007 in which an unused Creedmoor building was vandalized and copper pipes were removed from the building, leading to flooding; yet no report was ever filed in contravention of OMH policy (QA 530) requiring the notification of a law enforcement authority in such instances. Consequently, the Inspector General recommends training of appropriate personnel on this policy.

It is requested that within 30 days you advise this Office of any actions or decisions taken in response to these recommendations. If you have any questions about our investigation, please contact me at (518) 474-1010.

Sincerely,

[REDACTED]
Catherine Leahy Scott
Acting Inspector General