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November 4, 2013

Gil C. Quiniones
President and Chief Executive Officer
New York State Power Authority
123 Main Street
White Plains, New York 10601

RE: NYS IG 0324-020-2012

Dear President Quiniones:

In April 2012, the New York Power Authority (NYPA) referred to my office a complaint alleging questionable fuel purchases were made using the employee identification number of [REDACTED], a NYPA uniformed security sergeant at the Frederick R. Clark Energy Center in Marcy. I am writing to advise you of the result of my office's investigation of this matter.

NYPA contracts with Wright Express for credit card purchases of gasoline at commercial stations. Credit cards are assigned to specific vehicles, and employees using the cards electronically enter their employee identification number and the vehicle's odometer reading at the time of purchase. My investigation revealed that [REDACTED] over a four-year period, used the fuel credit cards from NYPA security and pool vehicles on more than 100 occasions at a Fastrac station in Utica to illegally purchase a total of approximately \$4,500 of gasoline for his personal use. When making these purchases, [REDACTED] entered his correct employee identification number; however, instead of the actual odometer readings of the vehicles to which the cards were assigned, [REDACTED] entered random numbers. (The Wright Express system allows a fuel transaction to proceed even if an incorrect odometer reading is entered at time of purchase.)

As you may be aware, this matter was prosecuted by the Oneida County District Attorney and [REDACTED] was arrested on June 26, 2012. [REDACTED] pleaded guilty to petit larceny on November, 27,

2012, received three years probation, and paid restitution to NYPA in the amount of \$4,029.09. NYPA terminated [REDACTED] employment.

My investigation further revealed inadequate monitoring of vehicle and credit card usage by NYPA Fleet Operations staff at the Clark Energy Center. Wright Express provides Fleet Operations with monthly billing statements and credit card usage reports that include, among other information, amounts of fuel purchased, location of the purchases, and employee identification numbers of the purchasers. Wright Express also provides "exception reports" that identify instances of purchases other than gasoline, unusual odometer readings, or other anomalies. Fleet Operations staff advised us that monthly usage reports are not provided to supervisors, but that exception reports should be sent to the supervisors of employees involved in the irregular transactions.

The investigation found, however, that although Fleet Operations received exception reports pertaining to [REDACTED] purchases, these reports were not brought to the attention of [REDACTED] supervisor, [REDACTED]. When investigators from my office interviewed [REDACTED] he stated that had he been provided the opportunity to review either the monthly usage reports or the exception reports, he would have detected [REDACTED] illegal purchases at the time. The purchases were finally uncovered by a Fleet Operations employee who noted [REDACTED] use of a credit card from a vehicle that had been decommissioned.

I recommend that NYPA amend Fleet Operations procedures so that monthly usage reports are provided to the supervisors of vehicle users. NYPA also should take steps to ensure that Fleet Operations employees adhere to established practice in providing notices of exceptions to supervisors. In addition, NYPA should consider requiring that employees purchasing fuel with a credit card at commercial stations submit a receipt of the transaction with their monthly vehicle use reports.

Within 45 days of the date of this letter, please advise me of any actions or decisions taken in response to these recommendations. If you have any questions, you can contact me at (518) 474-1010.

Sincerely,

[REDACTED]

Catherine Leahy Scott
Inspector General