

# Center boss censured for withholding funds

By MARY BETH PFEIFFER

The director of the South Beach Psychiatric Center has been censured by the commissioner of the state Office of Mental Health for failing to forward \$10,420 in revenue from the psychiatric center to the state treasury.

A spokesman for Commissioner James A. Prevoist confirmed that Dr. Arnold Winston, director of the 300-bed Ocean Breeze facility since December 1975, illegally withheld five payments received from United Cerebral Palsy of New York City Inc. for the rental of 10,000 square feet of space at the center.

The spokesman, Robert Spoor, said a departmental investigation revealed that "no criminal intent" was involved and the money was to be used for improvements at the psychiatric center. It has since been turned over to state Comptroller Arthur Levitt, he said.

Winston has resigned his post effective July 1 to accept a professorship at a Manhattan medical school. He and Spoor said the resignation was unrelated to the funds dispute.

Additionally, another \$14,560 in rental fees was paid by UCP to Joseph Dermer Associates Inc., a Manhattan firm hired by the psychiatric center to explore alternate funding sources and apply for them. This also violated state regulations requiring that revenues from state facilities be paid to the state treasury.

Winston said South Beach officials had unknowingly circumvented what he called a "technicality."

"The critical issue is that we were acting to improve things," he said, adding the money was to be used to upgrade the center's fire-safety system.

He explained that since UCP moved onto South Beach grounds five years

ago, an "informal barter system" has existed in which rent has been paid in such ways as the exchange of staff members. Fees paid by UCP to the grant-writing firm and to the center itself were an extension of the barter system, Winston said.

"How do we maintain buildings and keep up with costs, if we don't arrange this barter system?" he said, adding state guidelines on such arrangements are unclear.

Barry Markman, an official of the union local at the psychiatric center, agreed that the state lacks clear guidelines on money raised within its centers. "The issue is that the state doesn't even monitor money coming in. There should be some sort of formal way to review contracts," he said.

Markman and other union officials complained that the practice was one example of "mismanagement" at the facility and said the union should be given a part in choosing Winston's successor. So far, however, no search committee has been established.

Commissioner Prevoist, in a Feb. 27 letter to Winston, ordered that "certain improper financial transactions," uncovered by a department audit, be stopped. The use of UCP fees "to obtain consulting services and other benefits for the center is in violation of the requirements of the state of New York," he wrote.

Prevoist concluded by saying Win-

ston's motives were "well-intentioned and designed to meet the best interests of our patients," but that circumventing "the technical requirements of the law" was not permitted.

Spoor, the state spokesman, said that as a result of the audit's findings, the department has begun scrutinizing the lease arrangements at other state facilities where private groups rent space or contract for services.

"We are planning directions and guidelines laying out very clearly what can be done within state law," he said.

He called the practice at South Beach "a technical violation" and said the state plans no charges against Winston.

According to UCP officials, the program, which serves 100 physically handicapped children, moved into the center's Building G in January 1972. No rent was paid until August 1977, when UCP began forwarding monthly checks of \$2,080 to the grant-writing foundation. The payments were made for seven months, according to Irwin Stahl, UCP comptroller.

Starting in September 1977, UCP began forwarding monthly rental fees of \$2,500 to the Friends of South Beach, a non-profit corporation that accepts donations and grants to the center and funds patient activities and facility improvements.

Leslie Park, executive director of UCP, said yesterday, "We had no knowledge of state regulations. How (the money) was handled was entirely out of our hands."