



Mental Health Commissioner James Introne contends the monitoring of UCP's programs is "rigorous," despite the group's political connections.

they were the only ones who could build the right bus for New York City."

Chris Hansen, a lawyer for the New York Civil Liberties Union, notes that "the power relationships change" when the state grows dependent on a voluntary agency.

Recognizing it thrives on government's good will, United Cerebral Palsy invites state lawmakers to an annual breakfast in Albany and regularly sends them opinions on pending legislation.

According to Introne, "the monitoring of a place like United Cerebral Palsy is a hell of a lot more rigorous than your local nursing home," despite the agency's important role in carrying out court-ordered programs or its cultivation of politicians.

But the state Office for Mental Retardation and Developmental Disabilities has a staff of just 20 auditors to police more than 270 agencies, according to Kevin Travis, deputy commissioner of quality assurance.

"While private industry pays a lot of attention to quality control, government is just beginning to get the message, especially the human services part of government," Travis said.

Federal regulations require an audit of Medicaid-funded facilities every third year.

Last winter, state Comptroller Edward V. Regan finished the first financial audit of the Karl D. Warner Center, which billed the state and federal Medicaid program \$25 million in 1979.

Regan's investigators found United Cerebral Palsy had kept \$10.5 million in excess Medicaid reimbursements over three years. As a result of the audit, the agency returned \$6.9 million, but it denied the

other \$3.6 million constituted an overpayment for its services.

Advocates of the retarded, meanwhile, hesitate to openly criticize United Cerebral Palsy, fearing the public will misunderstand and tear down painfully won progress.

"Why purchases? That seems like such a nitpicky type of thing to look at," Nina Eaton, a founder and member of the agency's board of directors, said. "People that spent 18 years in Willowbrook are living in apartments with very little supervision. We are giving them so much more dignity."

The Advance looked at United Cerebral Palsy's network of services and found questionable financial and clinical practices that will be detailed in this series of articles. These practices included:

□ A Medicaid-funded subcontract for security guards awarded to the vice-president for finance of the agency's board of directors.

□ The use of mentally retarded residents' personal funds to purchase merchandise from the agency's clothing store at prices higher than retail.

□ The death of a 23-year-old mentally retarded woman during medical treatment performed without proper consent, which the agency failed to report as required by state regulations.

A 49-year-old former school psychologist, Schonhorn has headed United Cerebral Palsy for 11 years. He drives a car bought by the agency, a 1981 Buick that boasts the license plate UCP-1.

Schonhorn conceded that some inefficiency plagues the agency, which has 2,300 employees to supervise in diverse and geographically scattered enterprises. "Yes, we're spread thin," he said in a recent interview. "Now the ambition is to provide sophistication, consolidation and more structure."

But he defended the agency's internally controlled services as a custom-made, flexible approach that commercial transportation, clothing and maintenance concerns or outside security firms were not prepared to offer.

"We needed a difficult formula, a formula based on the needs of individuals," he said. "It certainly isn't profit-making. I'm not building a Macy's or a Saks. I certainly would never go into competition with the MTA or Doménico."

But agency employees argue the centralized services have restricted rather than satisfied the individual needs of the mentally retarded residents.

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