By ANEMONA HARTOCOLLIS

In the Nina Eaton Boutique in Ocean Breeze, hundreds of polyester dresses, elastic-waist jeans, sneakers and shirts jam closets and spill out of boxes. Unlike boutiques in the Staten Island Mall, hospital smells of pureed food, urine and antiseptic slice the air.

But the 887 customers — mentally retarded people living in apartment and institutions, throughout the life lot worlding anythic else

The boutique is operated by United Cerebral Palsy Associations of New York State, a private, nonprofit agency that spends an annual budget of \$31 million in state and federal funds on care and housing of the mentally retarded.

Customers order in person or by catalogue from the store, located in a building leased from the South Beach Psychiatric Center, and the agency spends thousands of dollars a year dispatching its own vans to transport people and merchandise.

Palsy say the boutique often fails to fulfill its avowed purpose of saving money and dressing the retarded clients according to their personal tastes, seasonably and in proper

Employees contend, and financial ledgers document, that in some cases the boutique has functioned as a cumbersome and unnecessary middleman, inflating costs. When buying shoes, for instance, patients the shoes are then the standard outlet the shoes are then the standard outlet the shoes are then the standard outlets.

are marked up 25 tol74 percent above retail prices, according to agency records.

Although the state earmarks an Although the state earmarks an annual Medicaid grant of \$275 for the purchase of clothes by each patient, financial ledgers show thousands of dollars from the patients personal funds were used to pay for garments. In the case of one patient, \$425.74 was withdrawn from tient, \$425.74 was withdrawn from month period to meet boutique bills.

In late February, after the cold season had almost passed, a United

Cerebral Palsy administrator instructed supervisors to order winter jackets for hundieds of patients, whether or not they already had one. The reason he gave was that the boutique had stocked too many coats, without assessing the need.

Robert Schonhorn, executive director and chief officer of United Cerebral Palsy, said all the boutique's profits — nearly \$54,000 last year — are recycled through the agency. He said it is the store's policy to charge nosmore than 22 percent above cost for all tterns.

Since 1975, United Cerebral Palsy Associations of New York State has grown from a small charitable organization whose budget was meanization whose budget was meanization upon a sured in thousands of dollars to a sured in thousands of the more severely ing for some of the more severely disabled people in New York state.

During a two-month investigation by the Advance, agency employees and parents of the mentally retarded have raised serious questions about United Cerebral Palsy's abili-

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ty to manage its ambitious growth and sudden wealth.

The state Office for Mental Retardation and Developmental Disabilities recently retained a private auditor, Deloitte, Haskins & Sells, to conduct the first comprehensive audit of United Cerebral Palsy's operations.

Schonhorn described the boutique as a progressive step, an improvement on the "traveling store" that once supplied the mentally retarded residents of state-run institutions

with clothing.

"The traveling store was a man who goes out and buys a job-lot of sweaters, regardless of sizes, regardless of your needs," he said. "With the boutique, you get clothing that is stylish and that fits, and you don't look retarded because of the clothes you wear."

But critics say the boutique enforces a rigid and centralized system of dispensing clothes that betrays the concept of normal, independent living in the community promised to the mentally retarded by the Willowbrook Consent Decree, a 1975 federal court ruling.

While 327 of the people under the agency's care have been moved from socially isolated institutions into apartments in neighborhoods throughout the city, they too are required to patronize the boutique.

"Not only is that not teaching people how to do anything on their own, I don't know if it's constitutional in terms of people's rights," said Bob Domina, a former case manager for the apartments operated by United

Cerebral Palsy.

The Nina Eaton Boutique, named after a member of the agency's board of directors, resembles a military post exchange. Government regulations prohibit it from earning a profit, but it is supposed to recoup operating costs from a minimal markup on the sale of merchandise. Boutique employees are hired by United Cerebral Palsy, and the entire operation, from purchasing to

sales, is controlled by the agency.

Floria Antell, the agency's director of institutional and community services, sent a memo to all employees Feb. 2 reminding them of the policy to purchase strictly through the boutique, which she defended as the most economical system possible.

But other knowledgeable employees angrily dispute both the economy and the efficiency of the cloth-

ing store.

Several employees cited the boutique's arrangement with Tirone's Shoe Store, a retail outlet in Port Richmond that supplies the agency with a half-dozen pairs of sneakers and leather shoes in an average week, according to Joseph L. Tirone, the store's owner.

Instead of ordering directly from the boutique, the mentally retarded clients visit Tirone's to be fitted when their shoes wear out, accompanied by therapy aides from their

residential facilities.

The majority of clients shod by Tirone's live in the Karl D. Warner Center, a 450-bed facility operated by United Cerebral Palsy in Willowbrook.

But when the customers walk out of Tirone's shop, they leave their new footwear behind. "I have to deliver the shoes, and two original copies of each receipt, to the boutique," Tirone explained, "unless it's an emergency."

The detour via the boutique, where shoes are labeled and receipts processed, sometimes more than doubles the price of the merchandise, according to financial records obtained by the Advance.

While Schonhorn, the agency's executive director, agreed there was a markup, he said it amounted to no

more than 22 percent.

Records kept by supervisors at the Karl D. Warner Center in March indicate, however, that the boutique billed 55 to 94 percent more than Tirone's price for shoes. Tirone charged United Cerebral Palsy 20 percent off retail value, tax-free, meaning the boutique charged customers 25 to 74 percent more than retail.

Samples from a list of varying styles and prices included: sneakers supplied by Tirone's for \$14:39, subsequently marked up to \$27.88 in the boutique, and sneakers sold at \$15.99, marked up to \$24.78.

To cover the cost of clothing, the state has assigned a Medicaid rate, paid with state and federal taxpayer dollars, to United Cerebral Palsy. As a personal stipend, or pocket money, most patients also receive \$25 a month in Supplemental Security Income (SSI) from the government.

United Cerebral Palsy generally acts as the "representative payee,"

or manager, of the personal funds, depositing them in interest-bearing bank accounts.

Schonhorn initially denied the agency withdrew personal funds to pay boutique bills, saying the annual Medicaid rate of \$275 per patient served that purpose. Occasionally "specialized items — camping clothes, camping equipment, things of that nature," were bought using personal funds, he said.

But computerized financial ledgers obtained by the Advance show the agency transferred thousands of dollars from personal bank accounts to the boutique between December 1980 and last March. The ledgers, tracking the bank accounts of Warner Center patients, revealed average withdrawals by the boutique of more than \$100, ranging as high as \$425.74 for one patient.

Asked to explain the ledgers, which did not itemize the boutique's bills, Schonhorn agreed to break down purchases for three patients. His list consisted of mundane clothing such as underwear, dungarees, and shirts.

Conceding the items did not qualify as "specialized," he said the agency's Medicaid rate apparently was inadequate, adding, "I really don't know why."

The Willowbrook Benevolent Society, a group of parents of the men-

tally retarded on Staten Island, has asked for a record of purchases from the boutique for selected patients in recent months. United Cerebral Palsy has failed to respond, according to Anthony Pinto, a Benevolent Society trustee.

Another parent, who preferred anonymity, succeeded two years ago in securing data from the agency on the wardrobe of his 28-year-old son, a Warner Center resident.

Like the old "traveling store," the boutique failed to guarantee wellfitting garments. The records, called personal inventory cards, contained wide variations in size, although the parent said his son's weight was constant. Briefs and Tshirts ranged from sizes 14 to 18, while pajamas shifted from sizes 10 to 20.

"My son's pants are rolled up 10 times instead of being cut off and hemmed," the parent said. "His legs are short, he's spastic, but they dress him like you wouldn't care."

A recent memorandum circulated by the agency reinforced the impression of employees and parents that United Cerebral Palsy disposes of money without strict guidelines.

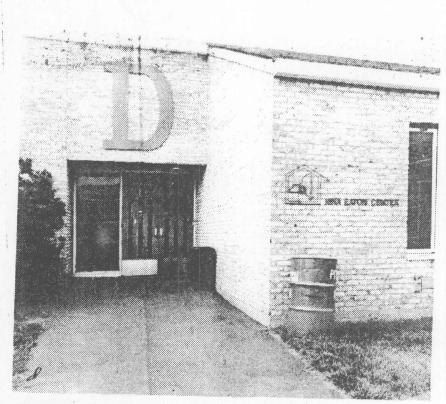
On Feb. 19, R. Keith Penman, then associate director of the Warner Center, signed a memo instructing building administrators to order winter jackets from the boutique for all 450 residents of the seven-building complex. "If the resident presently has a winter jacket," he wrote, "please order one anyway.'

Penman wrote that Carmen Scifo, the boutique manager, had stocked "a large amount" of coats, only to discover she had overestimated the

demand.

United Cerebral Palsy declared a \$53,744 income, in commercial terms a profit, from the boutique in 1980. The agency's annual Medicaid cost report, filed in March with the state, does not disclose the amount of money, in either Medicaid or personal funds, spent on clothing.

Kevin Travis, deputy commissioner of quality assurance in the Office for Mental Retardation, said federal Medicaid regulations require any income generated by the boutique to be deducted from the agency's future Medicaid reimbursement. He said he was not aware of the agency's reliance on personal funds to purchase clothing.



The Nina Eaton Center on the grounds of the South Beach Psychiatric Center, Ocean Breeze, is a store where the retarded under the care of United Cerebral Palsy are obliged to buy clothing and shoes, sometimes using personal funds and at markups as high as 94 percent.