

UCP documents defend legality of agency's practices

By ANEMONA HARTOCOLLIS

United Cerebral Palsy Associations of New York State has compiled a package of nine documents purporting to show the agency has not broken any laws, despite published allegations that it has engaged in questionable practices, including the misuse of Medicaid funds intended for mentally retarded patients.

A spokesman for United Cerebral Palsy said yesterday that he had been ordered by the agency's executive director, Robert Schonhorn, not to reveal the contents of the documents to the Advance, where questions about the management of the \$31-million non-profit agency were originally raised in a series of articles last month.

The spokesman, Walter Rosenthal, said he had delivered the package of documents yesterday to two other news organizations and to the state's commissioner of mental retardation, James E. Introne.

Rosenthal did not deny any of the allegations raised by the six-part series of articles, which dealt with a mentally retarded patient's death; a subcontract awarded by the agency to a member of its board of directors, and a clothing store operated by the agency for 887 retarded patients in New York City, among other issues.

"There is no question that there was a vulnerability," he said, "but the vulnerability is one thing — legally, we were correct."

Rosenthal refused to discuss the agency's legal arguments, saying that would force him into a "defensive posture" and "probably lend credibility" to the published allegations.

Neither the Daily News nor United Press International, the newspaper and wire service to which Rosenthal said he gave the documents, published articles about United Cerebral Palsy today.

Commissioner Introne, who met with Schonhorn in the agency's Manhattan offices yesterday morning, according to Rosenthal, was traveling later and could not be reached for comment.

Rosenthal said he was particularly indignant at reports in the Advance and other news media that United Cerebral Palsy is being investigated by the state Office for Mental Retardation and by the Commission on Quality of Care.

He said the news media have inappropriately used the words "investigation" and "probe" to exaggerate the nature of what he characterized as routine auditing and review of the agency's operations.

"You can do the semantics and play the word games with me, but I've been around too long and I do the Times crossword puzzle. If you want to call an ongoing audit an investigation, you can say so. I think that's wrong," Rosenthal said.

But Kevin Travis, a deputy commissioner in the Office for Mental Retardation, recently confirmed that he has instructed the independent auditing firm of Deloitte, Haskins & Sells to pay special attention to the allegations reported in the Advance.

"We are not treating this in a cavalier manner by any stretch of the imagination," Travis, deputy commissioner of quality assurance, said.

Travis said he is prepared to assign additional funds, if necessary, to expand the scope of the audit by Deloitte, Haskins & Sells, a firm that was hired last March to conduct a standard review of United Cerebral Palsy's Medicaid costs.

According to Paul F. Stavis, legal counsel to the Commission on Quality of Care, the commission is investigating the case of a 23-year-old retarded woman whose death United Cerebral Palsy failed to report as required by state regulations.

Page 1
of
2 Pages

Rosenthal said one paper in the package of documents excuses the agency's failure to inform the commission of the patient's death during dental surgery that her parents did not consent to.

But he said it would jeopardize his job to go into detail, since Schonhorn, the agency's chief officer, had "admonished" against the release of information to the Advance.

Rosenthal complained that the series of articles was too selective, focusing on financial and administrative problems while slighting the agency's progress in housing, therapy and recreation for hundreds of severely retarded patients.

"When you've got a dollar bill that is torn, or one rotten apple in the barrel, how about the other ones that are excellent, extraordinary and positive?" he said.

"Nobody is lily-white, including you or I," he continued. "I pass red lights, I go 58 miles an hour, all of us break rules. But I'm saying to you if there are rules being broken, we'll correct them."

He declined, however, to address specific allegations of improprieties by United Cerebral Palsy. "I would say on its weight, word for word, much of the six parts was true. But to go down and tick off each one would then raise the issue and probably lend credibility," he said.

Under contract to the state Office for Mental Retardation, United Cerebral Palsy spends a \$31-million annual budget to operate group homes and institutions for the mentally retarded

throughout New York state, including a 450-bed facility in Willowbrook. The agency is more than 98 percent funded by taxpayer dollars, and 86 percent of its budget consists of state and federal Medicaid grants.

In its series, the Advance reported possible conflicts of interest in the agency's financial arrangements. For example, the agency awarded a \$260,000 annual subcontract for security guards to a company owned by a member of the agency's board of directors.

Another article reported that patients in United Cerebral Palsy facilities are required to buy clothing from a boutique run by the agency in South Beach, at prices up to 74 percent above retail value.

Although the agency receives a Medicaid grant to cover the cost of patient clothing, computerized financial records showed money from the patients' personal bank accounts was repeatedly withdrawn to pay boutique bills.

Last February the boutique purchased a large stock of unnecessary winter jackets, but processed orders for hundreds of them regardless of whether the patients already had a coat, according to a memo obtained by the Advance.