

# State eyes misuse of credit cards

By MARCIA KRAMER

A criminal investigation into the possible "widespread" misuse of 30,000 state credit cards—whose only legitimate use is the purchase of gasoline for state vehicles—has been launched by the state police and the state controller's office, it was disclosed yesterday.

The probe will also include the possible improper use of 6,000 cars assigned to state workers, officials said. The fleet includes cars assigned to Gov. Carey's office and the executive department and virtually all 40 state departments.

State Controller Edward Regan said yesterday that the investigation was the outgrowth of an initial audit by his department that indicated a widespread pattern of abuse.

Regan released a May 18 letter from his deputy, R. Wayne Diesel, to Carey's recently departed secretary, Robert Morgado, noting that the audit had turned up "a significant number of improper purchases" made "not only with authorized credit cards, but invalid cards as well."

"There is substantial use of state vehicles for personal purposes," the letter continued.

**STATE OFFICIALS SAID** yesterday that they already have initiated a plan to cut down on the abuse of state credit cards and cars.



State Controller Edward Regan

"We have a consultant looking at the whole problem," said John Hudacs, executive deputy commissioner of the State Office of General Services, which owns the state vehicles. "In the interim, we have adopted a plan to cut down substantially on the number of credit cards."

The Diesel letter detailed a range of alleged improprieties, including:

- "Extensive" evidence that gasoline for personal cars is charged to state credit cards.
- A kickback scheme involving state employees and gasoline station operators.
- The charging of such personal items, as cigarets on state credit cards.
- Assignment of vehicles to state employees and students who are not licensed drivers.