



Associated Press

**Edward V. Regan, the State Comptroller, placing telephone books to stand on before his news conference yesterday in Albany. Mr. Regan felt that he was not able to be seen behind the microphones, and used the books for elevation.**

#### By JOSH BARBANEL

New York State auditors are investigating widespread abuses of state automobiles and state-issued credit cards, State Comptroller Edward V. Regan said yesterday.

He said that some of the 30,000 state credit cards were being used to purchase gasoline for personal vehicles, and others to buy cigarettes and other personal items.

While the extent of the abuses is not known, Mr. Regan said, a sampling of transactions in 10 agencies had turned up "dozens and dozens of examples."

He estimated that the abuses could cost the state up to \$1 million.

He said that some cases would probably be turned over for criminal prosecution and that there was evidence of "fraudulent collusion" and kickbacks by operators of filling stations.

"The patterns of abuse are widespread throughout the state and throughout the major departments," he said. "It is very, very serious."

Mark C. Lawton, the State Budget Director, said that the issue of the state credit cards had been under study for the last two years and that new systems were being developed to reduce the possibility of fraud.

Other state officials said that, while the problem was serious, they doubted Mr. Regan's estimate of the cost.

"Any money at all is a serious matter," said James E. Introne, Director of State Operations. "But I don't think we are talking in terms of megabucks."

The credit cards are issued for each of about 30,000 state-owned cars and trucks and can be used at state pumps and many private gasoline stations for gasoline, oil and minor repairs up to a maximum of \$75. They are issued by the Office of General Services, but administered by each state agency.

In some cases, state employees used credit cards to purchase more gasoline

than the car tank could hold or more supplies than a single vehicle could use, Mr. Regan said. Auditors also reported that credit cards for vehicles no longer in state service had been used and that the state had no method for invalidating the use of lost or stolen cards.

Mr. Regan also said that a "significant number" of state employees were using some of the state's 6,000 passenger cars for nonstate business, including driving to work. In addition, he said, cars had been assigned to employees and students who were not licensed drivers.

Last month, a plumber at the Brooklyn Developmental Center was ar-

raigned on charges of defrauding the state of more than \$100,000 through credit-card purchases of gasoline over a 14-month period, according to a spokesman for Attorney General Robert Abrams. The plumber, Charles Wade, was arrested in Virginia on a fugitive warrant, following a 39-count indictment charging more than 1,000 unauthorized transactions, including the purchase of more than 400 gallons of gasoline in one day.

The audit, covering the period from April 1980 to December 1981, was begun

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# Inquiry Finds State Cars and Credit Cards Misused

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last September. In May, a three-page summary of preliminary findings was sent to Mr. Carey's office, urging immediate action.

A final audit is due for release in the fall, but Mr. Regan said the problem was too serious to delay action until then. At a news conference in Albany, Mr. Regan called on Governor Carey to begin a statewide criminal investigation or turn allegations over to district attorneys around the state.

Ron Tarwater, a spokesman for the Governor, said in response that "until

such time there is clear evidence, we will await the Comptroller's completed audit."

Mr. Regan said that there was an "almost total absence of management controls" in many agencies, and where there were controls, "insufficient checking to see whether those controls or standards were adhered to."

## Temporary Controls Installed

Roger Quinby, deputy commissioner of the Office of General Services, said that temporary controls had already been adopted for a fleet of cars operated by the agency and that the state was

contracting with a consultant to develop a new credit card system. He attributed the abuses to a "small minority" of state employees.

Among other controls, he said, the agency limits gasoline purchases to \$25 and also limits repairs without prior authorization for its fleet of 487 cars.

Mr. Regan said he had taken the unusual step of releasing a copy of the summary sent to Mr. Carey's office while the investigation was still pending "in response to press inquiries" after a news account of the audit appeared in The Albany Times-Union.