

NEW YORK POST, TUESDAY, AUGUST 3, 1982

# 'MILLIONS' RIPPED OFF IN STATE CREDIT CARD SCAM

A MASSIVE credit card ripoff and kickback scam by thousands of state agency workers involving millions of dollars has rocked Albany.

"The loss could be up into the millions," a shocked state controller Ned Regan told The Post. "I want restitution of taxpayers' dollars."

The scam involves the staggering abuse of a number of the state's 30,000 credit cards used by New York state em-

ployees. Regan last night urged Gov. Carey to move quickly on the scandal.

"If there are criminal acts, and there clearly are here, he has to tell us what he wants done," Regan said.

"He has to put in controls that will instantly block the more obvious problems."

According to the Albany Times-Union newspaper, Regan's auditors

have proof that government employees were making "extensive use" of the state's 30,000 credit cards to buy gas for their private vehicles.

The paper also reported that "a significant number" of state employees were using official cars for private purposes.

The investigation has reportedly turned up possible collusion between state workers and

gas station owners.

A memo by Regan's office to a top Carey aide said an analysis of credit card charges showed "unreasonable [gasoline] consumption patterns and which further suggest kickback arrangements with the station proprietors."

Regan blamed the problem of credit card abuse on state management officials.

"Far and away, the majority of state em-

ployees are honest," he said. "Even if [such ripoffs are] as easy as pie, as it is in this case, they wouldn't do it."

"But if management does nothing, in essence they encourage people to engage in this kind of abuse."

The controller's ongoing investigation covers the period from April 1980 through December 1981.

Regan said his office's findings also included:

- Purchase of "cigarettes and other personal items" using state credit cards.

- Students and employees who are not licensed drivers using assigned state cars.

- Credit cards reported as lost or stolen but which are still being used.

- State credit cards still being used for vehicles no longer owned by the state.