



STATE OF NEW YORK  
OFFICE OF THE STATE INSPECTOR GENERAL  
**Final Report**  
**April 22, 2010**

## SUMMARY OF FINDINGS/RECOMMENDATIONS

The New York State Inspector General determined that State University of New York (SUNY) Cobleskill employee Jennifer Schorf was improperly granted permission to purchase items with another employee's state procurement card by SUNY Cobleskill Controller Louise Biron. Such approval was granted without any review of the items Schorf intended to purchase, their utility to the SUNY or their expense. Moreover, the Inspector General found that Schorf made questionable use of equipment purchased by SUNY and that SUNY Cobleskill's oversight of this purchase was inadequate.

## ALLEGATION

The Inspector General received an anonymous complaint alleging that two SUNY Cobleskill employees used state-issued procurement cards to purchase goods and services for their personal use.

## SUMMARY OF INVESTIGATION

The Inspector General commenced this investigation upon receipt of an allegation that two named SUNY Cobleskill employees, Director of Communications and Public Affairs Holly Cargill-Cramer and another identified employee, used state procurement cards for personal use. The Inspector General requested information from the Office of the State Comptroller (OSC) regarding state credit cards issued to either Cargill-Cramer or the second employee named in the complaint. Although OSC advised the Inspector General that Cargill-Cramer had been issued both a state procurement card<sup>1</sup> and a state travel card, the other employee had not been issued either type of state credit card.<sup>2</sup>

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<sup>1</sup> Cargill-Cramer was issued a state procurement card on August 13, 2007. However, she did not sign a Purchasing Card Acknowledgement Form until August 29, 2008, a year after the card was issued and after the purchases under review were made.

<sup>2</sup> As the allegations against the second employee are baseless and unrelated to the misconduct described herein, this employee's identity has been omitted from this report.

The Inspector General reviewed all travel and procurement charges incurred by Cargill-Cramer, including supporting documentation maintained by SUNY Cobleskill's Office of Business Affairs. An examination of Cargill-Cramer's travel card purchases revealed no questionable charges. However, Cargill-Cramer's procurement card included expenditures for photographic equipment in excess of \$11,000 which warranted further inquiry.

Cargill-Cramer advised the Inspector General that, after receiving approval for the purchase from the business office, two sets of photographic equipment were purchased with her procurement card in 2008: one set of equipment, including a camera with lens, a telephoto lens, four video cameras, and miscellaneous filters and carrying cases, was purchased by Cargill-Cramer in April 2008 for her office (herein after referred to as the "communications equipment") at a cost of \$4,646.41; a second set of equipment was purchased for the Print Shop in June 2008 by Jennifer Schorf (herein after referred to as the "print shop equipment"), including a camera body identical to the camera purchased as part of the communication equipment, two telephoto lenses, an ultra wide angle zoom lens, a tripod and various filters and miscellaneous equipment at a cost of \$6,969.69. While Cargill-Cramer admitted providing Schorf with her procurement card number, expiration date, and credit card security code, she merely requested that Schorf's purchases be compatible with the communications equipment, and did not require any information about the specific pieces of equipment that Schorf intended to purchase. Schorf never provided Cargill-Cramer with any receipts for the print shop equipment she purchased and supplied them to the business office only upon its request.

With the assistance of Cargill-Cramer, the Inspector General conducted a physical inventory of both sets of camera equipment using an internal SUNY Cobleskill asset management report to identify the items. Cargill-Cramer was able to readily locate all of the communications equipment, an examination of which revealed that most of the items were properly tagged with an asset number issued by the property management office. Cargill-Cramer also was able to locate most of the print shop equipment with the notable exception of a wide-angle lens valued at approximately \$1,350. When the Inspector General queried the clerk in the print shop as to the whereabouts of the wide-angle lens, she responded that she had never seen one among the print shop's photographic equipment. Moreover, the Inspector General determined that although asset management numbers had been ordered for the print shop equipment, examination revealed that the tags had never been affixed to any of the items.

At the time of the print shop equipment purchase, Schorf served as the shop's supervisor. Schorf related that because at the end of the 2007 fiscal year she discovered that the print shop was under budget, she asked the business office for permission to purchase photo equipment. As this purchase request was fueled by Schorf's wish to use "excess" monies for the then current fiscal year, Schorf not only obtained permission for the purchase but also was authorized to use Cargill-Cramer's procurement card. Schorf sought and obtained permission to use Cargill-Cramer's procurement card in lieu of submitting a voucher - the proper means of obtaining equipment in that price range - because the voucher process is slower and may have caused the purchase to be completed

in the succeeding fiscal year precluding the use of the purported “excess” money in Schorf’s procurement.<sup>3</sup>

SUNY Cobleskill received the print shop equipment purchased by Schorf on July 2, and 3, 2008. Unrelated to this investigation, Schorf was removed from her position as print shop supervisor effective August 21, 2008 and returned to her former work location in the admissions office at SUNY Cobleskill. As discussed below, despite her removal from her supervisory position at the print shop and placement in a position wholly unrelated to photography, Schorf took the print shop equipment with her after her transfer. The remaining print shop staff notified Cargill-Cramer once they realized the equipment was missing. Cargill-Cramer then requested the return of the items from Schorf on several occasions, but was rebuffed by Schorf for approximately six to eight weeks. In fact, Schorf only returned the items after Cargill-Cramer served her an ultimatum at the direction of Patrick Wiater, SUNY Cobleskill’s Vice President of Administration and Finance.

When interviewed by the Inspector General, Schorf initially claimed that “I have not seen the equipment since I purchased it and since it went up back.” However, later in the interview, when directly asked whether she took the camera equipment with her to her new position, Schorf admitted to having done so. Upon further inquiry, Schorf eventually conceded to the Inspector General that she took the equipment home after it was purchased and ostensibly “test ran” the equipment at campus events to “see how like a lens is working....” After being further pressed regarding the current whereabouts of the equipment, Schorf became visibly upset stating, “I wish they had asked me about this sooner.” At the conclusion of the interview, Schorf was directed by the Inspector General to search for the missing wide angle lens. Unsurprisingly, despite repeatedly claiming ignorance as to the current location of the equipment, Schorf was able to locate the wide-angle lens within two days of the Inspector General’s visit along with several filters, a battery grip and a light diffuser, and tendered the equipment to Wiater. None of the equipment, including the wide-angle lens, was tagged with the required SUNY Cobleskill asset management number.

### **Procurement and Inventory Controls at SUNY Cobleskill**

The Inspector General interviewed SUNY Cobleskill Controller Louise Biron who is responsible for procurement. Biron informed the Inspector General that her office reviews procurement vouchers, travel and procurement credit card purchases and supporting documentation from the cardholder(s). Biron explained that for ease of use and decreased administrative expense, the procurement card is becoming the favored mechanism for purchases. With the credit card system, as opposed to the voucher system, the purchase is “approved” only after it is completed. Biron reported that, at some point, she became aware of deficiencies in her office’s review of procurement card purchases caused by the significant increase in the number of procurement card purchases and therefore assigned additional staff to review the incoming bills.

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<sup>3</sup> As noted later in this report, the Inspector General rejects the concept of “excess” monies in a state entity’s budget to be expended needlessly, much less on the whim of an employee without proper checks and balances to ensure the expenditure serves a legitimate purpose.

Biron said that large purchases, over \$2,500, are required to be made by voucher. The cards are limited to a maximum single purchase of \$2,500 and cardholders are not permitted to “split a purchase,” i.e. run the card through the vendor twice, to obtain an item over \$2,500 by procurement card. Biron stated that additional rules exist regarding procurement, including bidding and comparative pricing for purchases, depending on the cost.<sup>4</sup>

According to Biron, it is the responsibility of her office to advise asset management when the college purchases a piece of equipment over \$500. When the purchase is made by voucher, her office simply forwards it to asset management. A credit card purchase of a piece of equipment, however, may not be discovered by Biron or her subordinates and, as such, asset management would likewise remain unaware. Biron informed the Inspector General that SUNY Cobleskill is currently installing a computer program which should cure this procurement system gap and will advise asset management of purchases by procurement card as well as by voucher.

Biron advised the Inspector General that some time prior to August 2008, Schorf and Cargill-Cramer approached her and requested permission to purchase photographic equipment for the print shop using Cargill-Cramer’s procurement card. She confirmed that Schorf wished to make the purchase within the then-current fiscal year and the only way to ensure that the purchase was made in a timely manner was to use the procurement card. Biron approved the purchase without determining the total cost of the equipment. When informed by the Inspector General that over \$11,000 worth of photographic equipment was purchased on Cargill-Cramer’s credit card in a three-month period, Biron admitted that both purchases most likely should have been made by voucher and, thus, scrutinized and approved prior to purchase.

The Inspector General interviewed Dawn Eakin, Operations Manager at SUNY Cobleskill who is in charge of asset management and inventory of all equipment at SUNY Cobleskill. Eakin explained that asset management maintains two inventory lists: a SUNY Cobleskill “in-house” inventory list which includes equipment costing between \$500 and \$5,000 and “walkable” property, easily removable property accessible to the public;<sup>5</sup> and a SUNY system-wide computer system maintained in Albany which includes all equipment and non-real property costing in excess of \$5,000.<sup>6</sup>

Eakin said that she may be notified of the purchase of equipment through multiple sources: her office routinely receives a copy of a purchase order upon its issuance; the business office may apprise her of the equipment obtained without a purchase order. Finally, Eakin has instituted a procedure whereby assigned designees fill out a property control form to advise her of the purchase of equipment. All designees are trained by Eakin in the proper registration and tagging of equipment. Once the equipment is

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<sup>4</sup> SUNY policy requires that all purchases under \$15,000 be supported by a record documenting, at a minimum, whether preferred sources were available and used, and if not, evidence of how the vendor was selected and a determination of the reasonableness of the price and how the price determination was made. Cargill-Cramer maintained such records; Schorf did not.

<sup>5</sup> Walkable property can be valued at less than \$500

<sup>6</sup> Eakin stated that SUNY Cobleskill is currently implementing a new computer inventory system which should maintain a single inventory roster for equipment and be compatible with SUNY’s system wide inventory system.

registered with asset management, the designee is provided with asset management tags and directed to affix the identification numbers to the equipment.

Although Eakin stated that her office normally does a physical inventory of equipment on an annual basis, no such inventory has been completed since 2006. The 2008 inventory was postponed in anticipation of the new computer inventory/purchasing system which includes optical scanners (similar to the devices in grocery stores) to identify equipment and record its location. Eakin was able to provide the Inspector General with copies of property control forms for some of the camera equipment purchased with Cargill-Cramer's procurement card.<sup>7</sup> Eakin also supplied the Inspector General with the in-house inventory list, a review of which revealed that many of the listed equipment locations were incorrect, including the photographic equipment which was the subject of the Inspector General's investigation. Eakin stated that a campus-wide inventory is anticipated in 2009 once the new computer system is operational.

## FINDINGS AND RECOMMENDATIONS

The Inspector General determined that Holly Cargill-Cramer provided her state-issued procurement card to Jennifer Schorf to purchase photographic equipment for SUNY Cobleskill's print shop under the authority and direction of Louise Biron, SUNY Cobleskill's Controller. Contrary to the allegation that initiated this investigation, Cargill-Cramer did not use her procurement card unlawfully or for personal gain.

The Inspector General established that Schorf failed to properly safeguard thousands of dollars of photographic equipment which she purchased for the print shop and, although she ordered and was issued asset management numbers and tags for the equipment, she failed to affix the tags accordingly. Furthermore, when transferred to another office within SUNY Cobleskill, Schorf removed thousands of dollars of the purchased photographic equipment for no discernable legitimate reason and did not return any of the equipment until directed several times to do so. Finally, Schorf continued to withhold several pieces of equipment belonging to the print shop, among them a wide-angle lens and accessories compatible with her personal camera equipment valued at \$1,350, until after the Inspector General conducted an on-site inventory of photographic equipment and found that the lens, at a minimum, was missing. When queried by the Inspector General, Schorf could not provide consistent or credible answers regarding the location of the equipment or supply any reasonable rationale for her removal of these items from the print shop. Schorf's proffered motive for removing the equipment and her varying claims of ignorance of the equipment's whereabouts are of dubious legitimacy.

The Inspector General found that Biron allowed equipment to be purchased by procurement card without determining the amount of the expense to be undertaken. By

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<sup>7</sup> According to Eakin, the forms were deficient. For example, Eakin stated that attachments or related equipment, such as tripods and filters, should have been listed on the form for the camera; they were not. The Inspector General also noted that the form for the video cameras listed only one video camera purchased for approximately \$900. In fact, four video cameras were purchased for that price. The form should have reflected all four cameras. If the form had mentioned all four video cameras, asset management numbers would have been issued for all four rather than just the one maintained in the Communications Office.

expressly authorizing a non-cardholder to use a procurement card issued to another employee without any purchasing limitation or accountability, Biron essentially provided Schorf with carte blanche to make purchases without any justification or support of the relation of such items to a legitimate SUNY purpose. Biron further failed to take adequate measures to ensure proper documentation of the purchase consistent with procurement guidelines of both SUNY at large and SUNY Cobleskill. Exacerbating this abdication of oversight and control, Biron and Cargill-Cramer afforded Schorf the unrestrained authority to purchase the equipment based upon the desire to expend public monies before the end of the fiscal year. Thus, perversely, instead of supervising expenditures to ensure legitimacy and need, SUNY Cobleskill administrators ignored these responsibilities in order to guarantee the depletion of annual budgets so as not to affect future allocations or require the return of the funds. The Inspector General finds that purchases by a public entity motivated by a desire to exhaust its budget rather than to serve a legitimate need are contrary to the state's interest.

The Inspector General recommended that SUNY Cobleskill seek appropriate disciplinary action against Biron and Schorf.

To prevent future misuse, the Inspector General also recommended that SUNY Cobleskill undertake a physical inventory of all campus equipment as soon as practicable and institute training to ensure that all procurement card holders understand what types of card purchases are permissible. Furthermore, SUNY Cobleskill should limit the use of a state procurement card to named card holders and, to the extent that infrequent purchases need to be made by an individual or office not issued a procurement card, SUNY Cobleskill should maintain a centralized purchasing card managed by the business office for this purpose. Finally, SUNY Cobleskill should institute an asset management system able to record all purchases of equipment in excess of \$500 as well as purchases of "walkable" equipment through both the voucher and procurement card systems. Once identified, number tags should be affixed to the equipment directly by a member of the asset management staff.

### **Response of SUNY Cobleskill**

SUNY Cobleskill advised the Inspector General that it has purchased and installed an asset management software program and that an inventory of all campus furniture and equipment is being conducted. Further, all procurement card transactions are reviewed by business office personnel and any equipment purchases in excess of \$500 are reported to the fixed asset manager for inclusion in the college's fixed asset system. According to the college, additional training for appropriate staff in property control procedures also is planned.

The college further advised that it no longer permits the use of procurement cards by individuals other than the cardholder. Additionally, each new cardholder receives instruction in proper use of the card from an administrator prior to issuance of the card. The college advised that a disciplinary letter was placed in Louise Biron's personnel file.