



STATE OF NEW YORK
OFFICE OF THE STATE INSPECTOR GENERAL

**Investigation of a Complaint of Misuse of State Resources
by the Director of the Governor's Office for Small Cities**

May 24, 2006

On December 22, 2005, the Office of the State Inspector General received an anonymous complaint alleging that Glen King, Director of the Governor's Office for Small Cities, has been inappropriately using State resources. Specifically, it was alleged that King used a State-issued credit card to pay for personal expenses and used his State-assigned vehicle for personal travel.

While investigating the allegations of inappropriate use of State resources, this Office received information that King might have removed a GOSC computer and/or GOSC computer hard drives from the office for his personal use.

Chapter 67 of the Laws of 1985 created the Housing Trust Fund Corporation (HTFC), a public benefit corporation. The HTFC, under the direction of a Board of Directors chaired by the Commissioner of the Division of Housing and Community Renewal (DHCR), receives staff and administrative support from DHCR. The Governor's Office for Small Cities (GOSC) was created within the HTFC to administer the Community Development Block Grant Small Cities Program of the U.S. Department of Housing and Urban Development. The GOSC Director reports to the DHCR Commissioner, who, as noted, is the HTFC Chairperson.

In December 2004 the Governor nominated, and the HTFC subsequently approved, King as GOSC Director. King had served as GOSC First Deputy Director from February 2001 to October 2003 and as Assistant Commissioner for Community Development at DHCR from 1995 to 2001. Previously, he had served as Director of the Rensselaer County Planning and Development Office, where he oversaw community and economic development activities for the county.

In the summer of 2005 GOSC began making arrangements to surplus 13 of its computers. The computers were to be transferred to the Office of General Services (OGS) and ultimately sold on eBay. In an August 24, 2005 e-mail, Leslie Haggerty, the GOSC Financial Officer, wrote to Sandra Coffey, a GOSC Management System Specialist, with a copy to King, "Sandy is this [the GOSC plan to surplus computers]

something you could look into for me.” In a return e-mail on the same date, King responded to Haggerty that he did not want Coffey to handle the surplus computers. Coffey, according to a number of witnesses, had a strained relationship with King.

Included among the GOSC computers designated for surplus was an IBM NetVista computer with GOSC inventory number 068. This computer, along with the other surplus computers, had been placed in the office of GOSC Management System Specialist John Boucher. Boucher told this Office that while reviewing surplus inventory on February 9, 2006, he discovered that the IBM NetVista computer was missing. He informed Coffey of the missing computer and also sent an e-mail to all GOSC staff inquiring if any of them knew the computer’s whereabouts. According to Boucher, no one replied in the affirmative.

The same day Coffey told King and GOSC Deputy Director Kenneth Flood about the missing computer. According to Coffey, King responded that he was unaware of a missing computer, and when Coffey said to King that she planned to report the matter to the State Police, King suggested she “give it two or three days” to see if the computer “turned up.” Flood confirmed to us that King gave these instructions, but recalled they were directed at Boucher. Additionally, King advised Coffey to proceed with delivery of the remaining surplus computers to OGS.

Four days later, on Monday, February 13, the missing computer, wrapped in a black plastic garbage bag, was discovered on a shelf in an open storage area in the GOSC office by a GOSC employee. Although the computer was missing its GOSC inventory tag, Coffey identified, and we confirmed, the computer as that assigned inventory number 068 by matching the computer’s serial number with GOSC records.

Coffey delivered the computer to OGS the following day, February 14. While checking the condition of the computer, an OGS Computer Technician discovered that the IBM NetVista contained a 6 GB hard drive, not the 40 GB hard drive that originally came with the computer. The OGS technician also discovered that the 6 GB hard drive contained a document in which the name of a King family member appeared. When Coffey was informed of these findings by the technician, she informed Flood by an e-mail dated February 14 in which she expressed concern that King or a member of his family had used the computer for personal purposes. Coffey thereafter retrieved the computer from OGS and secured it in a locked file cabinet in her GOSC office.

Flood advised this Office that on February 17 and 22 he had discussions with King about the computer and the hard drives. During these discussions, according to Flood, King acknowledged he had removed the original 40 GB hard drive from the IBM NetVista computer and replaced it with a hard drive that he had “at home.” According to Flood, King said he had “switched” the hard drives because he wished to use the 40 GB hard drive for additional computer memory and processing power. Flood told this Office that King did not say if he had attached the 40 GB hard drive to his office or home computer, but that he suspected King had used it on his home computer. When asked by

this Office if he had questioned King further about this matter, Flood said, “The God’s honest truth, which I am sworn to tell, I didn’t want to know.”

On February 22, Coffey spoke with Flood about the IBM NetVista computer. Coffey told us she asked Flood if he had spoken with King about the computer. According to Coffey, Flood said that King admitted that he “needed a hard drive” and that he took the computer home.

This Office took custody of the IBM NetVista computer on February 15, 2006. Our examination confirmed that the computer’s original 40 GB hard drive had been removed and replaced with a 6.4 GB Fujitsu hard drive (previously identified by OGS as a 6 GB hard drive). We further found that the smaller hard drive contained numerous files authored by a King family member, on a system other than the GOSC network. Specifically, our examination of the Fujitsu hard drive found: The registered owner of the Windows operating system was listed as “Glen” and a King family member was listed as a Window’s user; text files of essays authored by a King family member; numerous image files of individuals believed to be members of the King family located in folders with the titles of King family members; e-mail addresses for members of the King family; and image files containing images of women’s clothing, home décor, and young adults engaging in social activities. A search for the terms “GOSC” and “small cities” revealed only a single e-mail.

Upon a request from this Office, OGS then conducted a full inspection of the remaining 12 surplus computers it had received from GOSC. OGS advised us that the inspection identified three computers (GOSC inventory numbers 009, 001, and 011) that were missing hard drives. We secured these computers on February 27 and 28, but, as they contained no hard drives, we conducted no computer forensic examination of them.

On February 28, Boucher, who was aware that several GOSC hard drives were missing, contacted this Office and said that he and King had met in King’s office earlier that day. According to Boucher, King had informed him he was in possession of two hard drives that he had been using as portable devices to increase the productivity of his GOSC-assigned desktop computer. On March 1, we secured the hard drives from King, who told us he had been using both as external hard drives and that one contained his archived GOSC e-mail.

This Office’s examination identified the hard drives as a 40 GB Maxtor hard drive and a 40 GB IBM hard drive. Our examination of the 40 GB IBM hard drive found that it contained evidence of numerous rap/pop music files, among other files, despite the fact that an attempt had been made to eliminate them. The music files were dated between October 25 and December 19, 2005, a period a few months subsequent to GOSC’s surplus of the 13 computers. We also found that the hard drive currently contains five files, each holding hundreds of King’s archived GOSC-related e-mails. The hard drive indicated that the e-mail files had been copied to the drive on the evening before this

Office obtained it from King and the same day King told Boucher he was in possession of it.

Our examination of the 40 GB Maxtor hard drive found that it was used by a GOSC employee as late as August 2005, and that it was then used on King's personal computer network (identified on the hard drive as the "IBM KINGNETWORK") to store personal records, images, and files associated with King's family. The evidence showed that attempts were also made to eliminate the non-GOSC files and images. This hard drive similarly indicated that GOSC-related files were copied to it the day before we obtained it from King, also the same day King told Boucher he was in possession of it.

As to the allegation that King had misused State resources, including his GOSC-issued credit card, our investigation reached the following results.

GOSC finances are controlled by HTFC, which reviews and approves all vendor payments. This process requires GOSC staff to initially approve a request for vendor payments and then request that HTFC prepare a payment to that vendor. GOSC staff does not have direct access to GOSC funds and cannot write checks directly to vendors.

We identified and interviewed the complainant, who reiterated a desire to remain anonymous. The complainant alleged it was commonly believed by GOSC staff that King used GOSC resources to conduct personal travel, purchase computer software for personal use, and purchase computer related hardware (specifically a digital camera) for personal use. However, the complainant could not provide any evidence to support these allegations.

This Office reviewed GOSC's financial transactions, including credit card purchases, travel-related expenses, and miscellaneous purchases directly from vendors. This review did not reveal any improper purchases. While we found that GOSC purchased computer software and several digital cameras, none of these purchases appear to be inconsistent with GOSC's needs.

Additionally, we interviewed Haggerty, the GOSC Financial Officer, who advised that she had never processed any purchase that she had not personally reviewed and approved. Haggerty also advised that in HTFC's review of GOSC credit card statements and payment requests, HTFC has never rejected an expenditure as improper. Haggerty said she knew of no "frivolous spending" by GOSC employees and she told us that GOSC complied with the purchasing and procurement directives of DOB and OGS.

In the course of examining King's use of his State-assigned vehicle, we reviewed New York State Division of the Budget (DOB) publication D-750, which includes minimum standards for vehicle use, and provides that State agencies shall establish a vehicle use policy. D-750 also states that "State officials of cabinet rank and heads of agencies assigned a vehicle shall have unrestricted use of their assigned vehicles." We also reviewed a memorandum from HTFC to King, dated December 16, 2002 that stated in part: "[A]lthough the Corporation [HTFC] has not adopted a formal use policy, it is my

understanding that you have unrestricted use of the vehicle at all times.” Our investigation determined that King reported personal use of his State vehicle to appropriate officials for determining his taxable fringe benefits.

On April 11, this Office requested that King consent to a voluntary interview regarding this investigation. King, through his personal attorney, refused to be interviewed by this Office.

This Office’s investigation concludes that King removed a GOSC computer and at least two GOSC hard drives from the agency office and used them for personal purposes. We also concluded that while the hard drives were in King’s possession, attempts were made to remove evidence of their personal use, and contents were added to falsely indicate they had been used by King for GOSC business.

We further conclude that King, in instructing a subordinate to refrain from reporting a possible theft of agency equipment to the police, acted to conceal his misconduct. The evidence also shows that King provided false and misleading information to GOSC staff about this matter.

Our investigation did not substantiate allegations that King used a GOSC credit card for inappropriate purchases.

With respect to the allegation that King violated agency vehicle use rules, we found that King had unrestricted use of a State vehicle and that he reported personal use of his State vehicle to appropriate officials.

This Office referred the results of this investigation to the Division of Housing and Community Renewal for appropriate action.