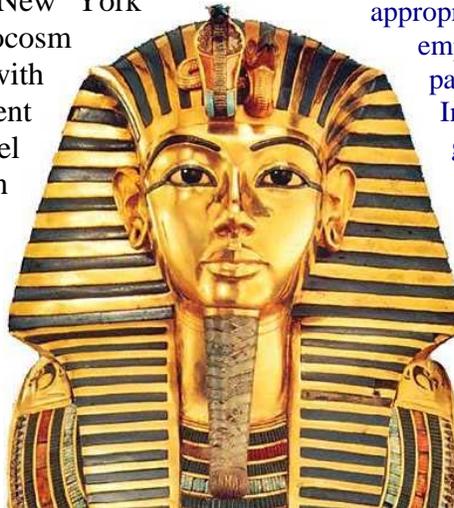




MASTERS OF THE UNIVERSE

In Tom Wolfe’s best-selling novel, **Bonfire of the Vanities**, one of his characters, a Wall Street bond trader, proclaims his invulnerability, saying that he is one of the “masters of the universe.” Such invulnerability claims are usually signs of adolescence. A teenager is sure that he/she will never get hooked on drugs, never catch VD, be able to beat that train to the grade crossing (usually on prom night, after a lot of heavy drinking).

Tom Wolfe’s novel (based in New York City) serves as a fascinating microcosm of that urban environment, with different characters – in different walks of life – living parallel existences. What they all had in common was “living on the edge” or “living beyond their means”, prompting them to engage in various unethical or self-destructive behaviors. The movie was terrible, but the book is an excellent read.



No, I don’t get a commission from Barnes & Noble. I mention this book as a lead in to the eternal Internal Control issues of **fraud, waste and mismanagement**. These same issues are the *raison d’être* (reason for being) of the Inspector General’s Office.

The Governor’s **Executive Order No. 39** (issued June 17, 1996) requires all State employees to report instances of fraud, waste or mismanagement to the Inspector General. “Any state employee who reports wrongdoing will receive “whistle-blower” protection against dismissal, discipline or other adverse personnel action.” This is not to promise that you will win a popularity contest, get promoted, or be named as Employee of the Year.

The key provision of the Executive Order affecting all State employees is:

“Every State officer or employee in a covered agency shall report promptly to the State Inspector General any information concerning corruption, fraud, criminal activity, conflicts of interest or abuse by another state officer or employee relating to his or her office or employment, or by a person having business dealings with a covered agency relating to those dealings. The knowing failure of any officer or employee so to report shall he cause for removal from office or employment or other appropriate penalty. Any officer or employee who acts pursuant to this paragraph by reporting to the State Inspector General improper governmental action as defined in Civil Service Law Section 75-b shall not be subject to dismissal, discipline or other adverse personnel action.”

Take a close look at the above paragraph, then ask yourself “Do I know any “Masters of the Universe’?” Worse yet, are YOU one of these myopic creatures? You probably know what constitutes corruption or fraud (rigged bids, buying overpriced goods and services from relatives or cronies, bribery or kickback schemes), but what constitutes “abuse?”

How about time and attendance ambiguity? Is someone really working in the field, or working at home, when they say they are? Did they really put in those extra hours of overtime, or did they slip out once the boss went home? Do they tend to take an extra-long lunch hour every payday (without charge to accruals)? What about all those executives who go to a daylong conference, yet never seem to attend the closing session (which is probably about the important of internal control)?



Internal Control – More Than a Good Idea – It’s Also the Law!



Then there are those who use their assigned State vehicles to commute to the office, take extensive side trips on the State’s dime, talking to sweethearts on their State cell phone as they drive (and probably not hands-free). Yes, just like sports celebrities who start buying hard drugs with their signing bonuses, there are “Masters of the Universe” near you who let it all go to their heads. The fancy titles, private offices, free long distance, State cars and private secretaries. They consider the accoutrements of office as personal prestige items, not tools to get the job done.

When you work for the State, it is pretty easy to figure out how much everyone is making. Just download the salary schedules from the Internet. Most of you reading this are probably struggling to keep pace with gargantuan monthly mortgage payments; a car loan with seductively low interest – but equally low down payment; orthodonture for the kids (maybe even private school tuition, not to mention \$100 sneakers that only last a semester).

So it is only reasonable for you to wonder about bosses or co-workers who appear to be living beyond their means. Maybe they do have a rich aunt, or a winning lottery ticket, or made a killing in the stock market. This is not to suggest that you start spying upon them in Orwellian 1984 style. But it does suggest that as part of your routine day-to-day work, you remain alert to “anomalies” – i.e., things that don’t make sense. Like irregularities in purchasing, absenteeism, possible no-show or ghost employees (who just love direct deposit), wasteful practices (like travel junkets to expensive conferences in Las Vegas, while the rank and file can’t get their employer to cough up \$99 for a one-day, local seminar).

So **“What’s in it for me? Why should I risk my career to report wrongdoing?”** Chances are, even if the long arm of the law reaches out and nabs an employee on the take, no one will blame you. After all, it’s not as if you approved their activities. Or is it? Were you pressured to authorize payment to a vendor, when your

instinct told you otherwise? How about approving an applicant for government funding because they were the commissioner’s nephew? Was the commissioner even aware that a relative had approached your agency for funding?

Worst-case scenario: the local papers uncover something smelly via the Freedom of Information Law (probably tipped off by a co-worker who decided not to trust the Inspector General with that information). Your name gets dragged through the mud, even though you did not personally benefit by the suspect activity. The commissioner embarrasses the governor, is forced to resign, and deep in his heart of hearts, blames you for never warning him that “something is rotten in the state of Denmark.”

And the local press won’t follow Roberts Rules of Order, or rules of evidence in speaking and speculating. Not even the UCMJ (Universal Code of Military Justice). No blindfold, no cigarette. You will never make it to SG-27 now. Unless you are an SG-31.

Executive Order No. 39 does say **“The knowing failure of any officer or employee so to report shall be cause for removal from office or employment or other appropriate penalty.”**

Maybe you will never pay a penalty for looking the other way, but then how does that make you feel when someone around you is pilfering or profiteering, lording it over legitimate workers. Acting like the Aesop’s grasshopper, treating you like an ant.

Is there a scandal waiting to erupt in your shop? And is your signature on any of the paperwork?

A partial list of Governor Pataki’s Executive Orders (134 of them at last count) is available online at the Governor’s Office of Regulatory Reform: <http://www.gorr.state.ny.us/gorr/executive%20orders.htm>