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SPECIAL REPORT



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Commonwealth of Massachusetts
HOUSE OF REPRESENTATIVES

HOUSE POST AUDIT AND OVERSIGHT BUREAU

ROOM 146 • STATE HOUSE • BOSTON, MASSACHUSETTS 02133

GOVERNMENT DOCUMENTS
COLLECTION

MAR 1 1993

OUT OF STATE TRAVEL BY AGENCIES AND STATE INSTITUTIONS

University of Massachusetts
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In the course of several performance audits, the House Post Audit and Oversight Bureau (the "Bureau") has encountered a wide range of issues relating to out of state travel by managers and administrators. Based upon preliminary findings at University of Massachusetts at Amherst and several other state agencies, the Bureau has commenced a comprehensive assessment of travel policies to determine whether there is adequate oversight of agency travel expenses.

As part of a larger investigation of the issue, the Bureau will examine the criteria for determining whether out of state travel is absolutely necessary. The investigation will target travel policies for a number of state agencies and institutions.

Based upon the initial inquiries that have been made, it appears that there is no coherent oversight policy for

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least one case employees of different agencies attended the same conference.

The Bureau found a number of areas that raise significant questions that warrant a much broader examination of the issue. Based upon the findings listed below as well as others, the Bureau will examine statewide travel policy with the goal of improving oversight of these expenses and eliminating unnecessary and wasteful travel.

Initial inquiries of agency expenditures led to the following preliminary findings:

- I. University of Massachusetts at Amherst ("UMass.") -
School of Physical Education, Department of Athletics.
 1. Secretaries and bookkeepers serving as the only reviewers of travel by professors and administrators.
 2. Multiple trips to the same locations for questionable purposes.
 3. Lack of sufficient documentation and receipts for attendance of conferences, meetings, dining expenses, and travel.
 4. Athletic Department Administrators taking several trips to resort areas for conferences in the midst of severe budget problems.

II. Executive Office of Transportation and Construction ("EOTC"). The following trips seem to indicate unnecessary or duplicative travel on the part of EOTC officials.

1. 5/31/92 - 6/1/92 - White House Briefing on Domestic Policy.

Attendees: a. Ernie Corrigan \$ 686.00

2. 5/3/92 - NASHTO, Philadelphia, PA

Attendees: a. Paul Anderson \$ 655.76
b. Richard Taylor \$ 692.00
c. Sylvia McKinny \$ 636.00
d. John McGinn \$ 645.00

3. 3/10/92 - 3/11/92 - Washington, D.C. - Swearing in of Andrew Card.

Attendees: a. Richard Taylor \$ 802.00

4. 2/7/92 - 2/8/92 - AASHTO Policy Committee meeting in Washington, D.C.

Attendees: a. Richard Taylor \$1,039.00
b. Sylvia McKinny \$ 680.00
c. Thorn Mead \$ 670.28

5. 1/6/92 - 1/7/92 - Round table on New Federal Subsidiaries for Toll Road Financing in Washington, D.C.

Attendees: a. John McGinn or Gerald McCue \$ 772.00
b. Thorn Mead \$ 750.00

6. 12/17/91 - 12/18/91 - AASHTO Briefing on Surface Transportation briefing, Dallas, TX

Attendees: a. Richard Taylor \$1,410.00
b. Sylvia McKinny \$1,019.00
c. Robert Baum \$1,053.00
d. John McGinn \$1,019.00
e. Ernie Corrigan \$1,019.00

7. 9/9/91 - Washington, D.C. - Artery Funding/Artery Project

| | | |
|------------|-------------------|-----------|
| Attendees: | a. Richard Taylor | \$ 504.00 |
| | b. Robert Baum | \$ 504.00 |
| | c. John McGinn | \$ 504.00 |

8. 9/11/91 - 9/14/91 - American Construction Compliance Association, Houston, TX

| | | |
|------------|------------------|------------|
| Attendees: | a. Marie Allen | \$1,506.00 |
| | b. Lorenza Parra | \$1,506.00 |

9. 8/17/91 - 8/20/91 - Albuquerque, New Mexico - Aerospace States Association Meeting.

| | | |
|------------|-------------------|-----------|
| Attendees: | a. Sylvia McKinny | \$ 947.00 |
|------------|-------------------|-----------|

10. 7/21/91 - 7/25/91 - Snowbird, Utah - Workshop on Transportation Law.

| | | |
|------------|----------------|------------|
| Attendees: | a. Robert Baum | \$1,368.00 |
|------------|----------------|------------|

III. Massachusetts Bay Transportation Authority ("MBTA")

FY'92 selected out of state travel.

1. 9/28/91 - 10/1/91 - Toronto, Canada*

| | | | |
|------------|--------------------|------------|-------------|
| Attendees: | a. Alan Castaline | \$ 637.94 | - 9/29-10/1 |
| | b. Donald Desmond | \$1,471.29 | - 9/28-10/1 |
| | c. James LaLond | \$1,501.85 | - 9/28-10/3 |
| | d. Martin Mullin | \$1,164.26 | - 9/28-10/3 |
| | e. MaryJo Noonan | \$1,051.14 | - 9/28-10/3 |
| | f. James Rooney | \$1,311.78 | - 9/28-10/3 |
| | g. John Shotwell | \$1,444.59 | - 9/28-10/3 |
| | h. Charles Steward | \$ 986.36 | - 9/28-10/3 |
| | i. Connie Wilson | \$ 724.52 | - 9/21-10/1 |

* Not all of these expenses were paid for by Authority.

2. 7/28/91 - 8/23/91 - Chicago, IL*

| | | | | |
|------------|----|------------------------------|------------|-------------|
| Attendees: | a. | Toye Brown | \$1,199.06 | - 7/28-7/31 |
| | b. | Richard Daly | \$ 831.26 | - 8/16-8/19 |
| | c. | Michael DePallo | \$ 907.02 | - 8/16-8/20 |
| | d. | Aubrey Dunlea | \$ 834.00 | - 8/16-8/19 |
| | e. | Audrey Main/ Chris Gagney | \$1,185.00 | - 8/16-8/19 |
| | f. | Kathy Kane Peter Kane | \$1,193.00 | - 8/16-8/19 |
| | g. | Eldon/ Pat Livingston | \$1,191.28 | - 8/16-8/19 |
| | h. | Steven Papile | \$1,372.35 | - 8/17-8/23 |
| | i. | Albert Shaw | \$ 884.07 | - 7/28-8/1 |
| | j. | Connie Wilson | \$1,408.85 | - 7/28-7/31 |
| 1992 | k. | Carolyn Wylder | \$ 766.49 | - 3/21-3/24 |

* Some of these expenses for a Rodeo may have been reimbursed as part of an award.

3. 12/17/91 - 12/18/91 - Dallas, TX (Same conference (AASHTO) attended by 5 members of EOTC).

| | | | |
|------------|----|---------------|-------------|
| Attendees: | a. | John J. Haley | \$1,369.91* |
|------------|----|---------------|-------------|

* (Please see Exhibit 1).

4. 8/22/91 - 8/25/91 - Portland, Oregon

| | | | |
|------------|----|----------------|------------|
| Attendees: | a. | John Weiser | \$1,501.99 |
| | b. | Michael Burns | \$1,668.10 |
| | | (also Seattle) | |

5. Other Trips to following locations:

| | | | |
|------------|----|---|------------|
| Attendees: | a. | Richard Calabrese | \$3,896.90 |
| Locations: | | England, Paris France, Borlango Sweden, and Holland | |

| | | | |
|------------|----|-------------------|------------|
| Attendees: | b. | Richard Calabrese | \$4,140.01 |
| Locations: | | Germany, England | |

| | | | |
|------------|----|---|------------|
| Attendees: | c. | Thomas Furmaniak | \$3,930.00 |
| Locations: | | Rome, Florence, Pistoil, Vienna, Munich, Grenoble, Zurich, Dusseldorf | |

6. Total out of state travel
MBTA for FY'92: \$111,052.09

Expenses incurred by technical people appear to be legitimate expenses for at least most of the travel abroad. Inspection of T equipment under construction in a foreign country can certainly be justified as a way of limiting costly modifications once property is delivered here. It would seem however that to the extent T employees are required to inspect equipment overseas, that the contractor should be the one who assumes that cost or that other arrangements could be made.

Further, despite the fact that a review of MBTA travel in October of 1991 revealed some questionable practices regarding travel, as recently as October of this year Governor Weld was critical of the necessity of out of state travel by Nils Nordberg, current head of The Department Employment and Training. Nordberg's expenses for out of state travel totaled over \$8,000 and included trips to San Diego, Phoenix, San Antonio as well as Miami and Washington, D.C. Recent newspaper accounts also detailed large expenses for out of state travel by the Massachusetts Industrial Finance Agency ("MIFA").

All of these issues raise concerns about the approval process and the necessity for out of state travel. While some of the travel examined so far appears to be legitimate, other travel is highly questionable. Attendance at an Aero Space Conference in New Mexico for reasons such as inspection of the White Sands Missile test site and seminars on commercial launch of space vehicles can only be viewed as marginal. (Please see Exhibit 2). Given the continued precarious fiscal condition of the Commonwealth, it is essential that sound fiscal management practices be adhered to in all budget matters including out of state travel.

Accordingly, the Bureau will conduct a comprehensive examination of agency out of state travel. This examination will focus on such issues as attendance at general conferences, sending multiple employees to the same event, and travel that combines personal activities and state business. The Bureau will also examine ways to obtain the same information and results through alternatives to extended out of state travel.

STATE OF COLORADO

Office of Lt. Governor
130 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2087

July 1, 1991



Michael Callihan
Lt. Governor

Ms. Sylvia Watts-McKinney
Office of Transportation & Construction
10 Park Plaza, Suite 3510
Boston, Massachusetts 02116

Dear Ms. Watts-McKinney:

I want to extend an invitation to you to participate in the Summer Aerospace States Association meeting on August 19-20, 1991 at the Amberley Suite Hotel in Albuquerque, New Mexico.

Briefings, reports and panel discussions will focus on new research and technologies in commercial launch and recovery infrastructure, in the life sciences, and in solar energy production in space.

The business meeting, Tuesday, August 20, will focus on resolutions for the Association as well as the organizational and financial structure of ASA. Resolutions to be considered should be received by my office no later than July 29, 1991. All participants are invited to the business meeting, however, only governor appointed representatives will be able to vote or serve on committees.

Please RSVP to my office by July 26, 1991. I am enclosing a registration form for the Amberley Suites Hotel. If you have any questions regarding accommodations, please contact Loraine Pedilla at (505) 823-1300.

Tentative Agenda (Full agenda to follow)

- 8/18 Sunday: Optional Tour of White Sands Missile Range (has not been confirmed)
- 8/18 Sunday: Welcoming reception at 5:00 PM
- 8/19 Monday: Briefings, Reports, Panel Discussions
- 8/20 Tuesday: Business Meeting, Optional Tours

Regards,

Michael Callihan (handwritten signature)

Lt. Governor Michael Callihan
Chairman, ASA

31-113

Executive Office of Transportation and Construction Request for Travel/Conference Approval

Employee Name Sylvia McKinley

Agency Sequence Number 3701-24 Account Number 6000-1112

Destination Albuquerque, NM Travel Duration (Dates) August 17-20, 1991

Start: 8/17/91 Return: 8/20/91

Justification and Purpose of Trip To represent Massachusetts at the Summer Aerospace State Association Meeting

Estimated Expenses (per person)

| Purpose | Direct EOTC Expenses (prepaid tickets etc.) | Total Out of Pocket Expenses (amount) | Total Amount | Fiscal Affairs |
|-------------------------------|--|--|---------------|----------------|
| Travel - Inter - State | 620.50 | | | |
| Travel - Local - (Cabs, Etc.) | | 50.00 | 50.00 | |
| Meals | | 34.00 | 34.00 | |
| Lodging | 192.70 | | 192.70 | |
| Registration Fee | | | | |
| Tuition Fee | | | | |
| Misc. | | 50.00 | 50.00 | |
| Total | 813.20 | 134.00 | 947.20 | |

If estimated out of pocket expenses exceed \$100., an advance may be requested.

I wish to receive a travel advance Yes No

Methods of inter/intra-state travel
Plane Train
State Owned Private Car

Are registration or tuition fees required? Yes No

Are any other programs, agendas, invitation letters, etc. described or appended? Yes No

Travel Approvals

| | Initials | Date |
|---------------------------|----------|------|
| Requested by | SMM | |
| Senior Manager | | |
| Secretary | AFS | 8/9 |
| Dep. Sec., Fiscal Affairs | AFS | 8/9 |
| Approval of Advance | | |
| Director, Fiscal Affairs | | |
| Dep. Sec., Fiscal Affairs | | |
| Travel Advance Check # | | |

Weld tells unemployment-program chief to cut travel

By Jeremy Crockford
Patriot Ledger State House Bureau

BOSTON — The head of the state's unemployment program made 11 out-of-state trips costing about \$8,000 in the last seven months, sparking a bitter battle with Weld administration officials who want the trips to stop.

The travel came at a time when trips for other state officials were strictly limited because of Massachusetts' financial woes, and the state's unemployment rate stayed stubbornly stuck above 8 percent.

Gov. William Weld's aides reportedly told Department of Employment and Training Commissioner Nils Nordberg that during an employment crisis he should be spending more of his time in the state.

Since March, Nordberg has made trips to San Diego, Phoenix, San Antonio and Kentucky and to conferences at plush resorts in Maine and Miami. Nordberg has also made several trips to Washington, D.C., during that period.

All of the trips were at the invitation of either the federal government or of national committees or associations of employment

agency officials, according to records from Nordberg's office.

Several of the trips have taken Nordberg to conferences held in luxurious settings.

The Miami conference, of the National Alliance of Business, was held at the famous Fontainebleau Hotel Resort and Spa.

Information from the conference organizers brags of the resort's 20 oceanfront acres, its swimming pools, weight rooms and "loofah wraps and yoga reaching" programs.

Nordberg's room was \$400 for the three-night stay and the total cost of that trip,

including a Washington stop, was \$1,524.

The Maine conference was held at the Black Point Inn, a resort and country club where Nordberg was charged \$130 a night for his room. That two-day trip cost a total of \$565.

And in San Antonio, conference organizers sent out missives detailing such conference options as "Sea World Extravaganza" and "Texas Night Fiesta." The total cost for that conference was \$1,214.

"I don't play golf," Nordberg said, explaining

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Weld tell Nordberg to cut travel

■ NORDBERG

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that he eschews the frills offered at the conferences. "Some people wonder, 'Why do you go to all these fancy resorts?' Most of it is in the off-season" when low rates attract conference organizers, Nordberg said.

He said he attends the meetings to help the state learn from other states about job training and unemployment compensation. He said he goes to Washington to testify at hearings and pull strings that can bring money to Massachusetts.

He said his travels are all business, and not particularly fun.

Pointing to a speaking trip to Atlantic City, he said: "I never saw the beach. I never saw the casinos."

Nordberg said that his travels have resulted in information on ways to streamline the state's unemployment and training system and recently helped him bring back from Washington \$6 million in federal money for upgrading the state's computers.

He also pointed out that all his travel is paid for by the federal government. The federal Depart-

ment of Labor, using a tax on business, funds employment and training agencies in every state.

Nordberg's department, nevertheless, comes under the control of Gov. William Weld and Secretary of Economic Affairs Stephen Tocco.

Earlier this month, Weld administration officials complained about the travel and said they wanted it stopped because Nordberg was away too much during the state's unemployment crisis.

Sources said Tocco aides told Nordberg to limit his travels and

those of his aides.

Neither Tocco nor his aides returned telephone calls. But Nordberg confirmed that administration officials had asked him to curtail travel.

At the same time, Nordberg said in an interview, federal officials who fund the agency want him or his aides to attend many of the conferences and Washington meetings.

Travel expenses dog MBTA officials

Two more directors bill agency thousands in conference costs

By Matthew Brelis
GLOBE STAFF

A review of Massachusetts Bay Transportation Authority board of directors expense accounts shows that Transportation Secretary Richard Taylor stayed in Orlando with his family for two days after a conference ended.

Taylor said Thursday he had repaid the MBTA that day \$869 for his childrens' hotel room, but it is not clear whether he reimbursed the MBTA for his own hotel room after the Urban Mass Transportation Administration conference ended May 31. The Taylors checked into the Walt Disney Dolphin Hotel on May 28 when the conference began, and left June 2.

Total hotel charges put on Taylor's corporate American Express card were \$1,533.39.

Documents obtained by the Globe last night also show two board members accompanied Taylor to Orlando, but left when the conference ended. The two board members, however, have attended several other conferences and charged the MBTA thousands of dollars in expenses.

"Richard Taylor has fully reimbursed the MBTA for all expenses related to the Orlando business trip," said Ernest Corrigan, Taylor's spokesman.

Anne Lerner, executive director of the MBTA Advisory Board, a fiscal oversight committee, said Taylor staying at Disney World with his family

raises questions.

"At first glance it doesn't look like the MBTA was compensated, and it is something I intend to follow up on," she said.

Documents obtained under the Freedom of Information Act also show that board member Albert Shaw attended the same Orlando conference. His hotel bill includes charges from a bar and pay-per-view movies in his room. Shaw also rented a full-sized car and used the hotel's valet parking.

Shaw could not be reached for comment last night, but earlier in the week defended his trips to conferences saying they enabled him to learn more about transportation issues.

Shaw, one of seven new board members appointed this year, also went to a transportation conference in June in Washington and to another in July in Chicago. In three months, Shaw ran up \$3,720.99 in travel, hotel and meal expenses, which he charged to the MBTA. His conference registration fees amounted to an additional \$1,150.

Board member Toye Brown, director of Freedom House in Roxbury, also attended the conferences in Orlando and Chicago. Her charges for the two conferences were \$2,244 and \$700 in registration fees.

She also could not be reached for comment last night, but said at General Manager John Haley's swearing-in ceremony Thursday that conferences helped her gain a better understanding of

important issues in mass transit.

MBTA directors voted last summer to increase subway, bus and trolley fares to generate an additional \$15 million in revenue. The fare increase took effect last month.

"I support development of boards and I know it is necessary to get some training, but in tough times you need to use judgment about what you do and where you go," said Lerner. "Shaw's expenses raise a question of judgment, but I need to have a clearer understanding of MBTA policy to know whether he is out of bounds or not."

Despite leaving the MBTA a week after the Orlando conference, former executive director of the board Patricia H. Long went on the Orlando trip with a \$1,000 cash advance from the MBTA. She did not repay the MBTA the \$194 she did not use until Thursday.

Asked to explain the delay, Long, who is currently a federal liaison in Taylor's Executive Office of Transportation and Construction, said, "I really don't know whether I'm supposed to comment on this. I don't have any comment."

"I think it is outrageous, the week before she was removed from office, that she went," said Lerner, who questioned the value of having staff members attend such conferences.

Long's replacement, Constance Wilson, attended the American Public Transit Association conference at the Four Seasons Hotel in Chicago from July 28 to Aug. 1.

UMass ordered to yield travel records

By JACK FLYNN
and RON CHIMELIS

State investigators have ordered the highest-ranking athletic administrator at the University of Massachusetts to turn over travel records for the past 10 years and subpoenaed his secretary to testify at a public hearing next week.

The order, made yesterday by the state House of Representatives' Post Audit and Oversight Committee, marks an expansion of the panel's investigation into allegations of mismanagement in the university's School of Physical Education.

A spokesman said the committee has issued a subpoena requir-



ing the secretary of Associate Chancellor of Athletics David Bischoff and a second university employee to appear Wednesday in Boston for questioning by the 11-member panel.

A source said the committee — which is responsible for eliminating fraud, waste and abuse in state government — also subpoenaed records of business trips taken by Bischoff since 1982 at the university's expense.

The Sunday Republican reported this week that Bischoff collected thousands of dollars in reimbursements for questionable trips to Florida, California and other states during the past five years.

State records also show that Bischoff and other UMass sports administrators spent as much as \$7,300 a week to attend conferences, meetings and banquets during the past two years, even as the university was slashing spending on some sports and eliminating others altogether.

Bischoff and other UMass sports officials have denied any wrongdoing.

Bischoff's attorney, former state

representative James Collins, yesterday said his client is looking forward to cooperating with the committee and clearing his name from all the innuendo put forward regarding his conduct as dean of physical education.

Supporters of Bischoff claim the Post Audit investigation is a vendetta sparked by football boosters angered over Bischoff's decision in January to cut back on football scholarships.

The committee has already subpoenaed an estimated 30,000 documents from the athletic and exercise science departments, as well as the Office of Annual Giving, which raises money for sports programs.

The panel is also looking into the dealings of Frank Katch, former head of the exercise science department who served as a paid adviser to a company that sold \$142,000 worth of training equipment to the university in 1989.

Yesterday, the committee expanded the focus of its probe by subpoenaing Bischoff's long-time secretary, Peg Gladchuk, and Maureen Kocot, a former exercise science staffer now working in the sports studies department, to testify at a public hearing Wednesday at 1 p.m. at the Statehouse in Boston.

Gladchuk, the mother of Boston College Athletic Director Chel Gladchuk, has worked for the ath-

letic department since 1987 and has been an administrative assistant to Bischoff throughout his tenure.

Kocot is no relation to Peter Kocot, the committee's chief of staff.

The public hearing will be the first held by the committee, which first began to examine allegations of mismanagement last summer, according to sources.

Two months ago Bischoff, who earns \$98,000 a year, stepped down as dean of physical education but retained the role of associate chancellor for athletics. He also assumed a new job as the university's liaison for the Williams Mullins Memorial Center, a multi-purpose arena scheduled to open in 1993.