

REPORT OF INTERVIEW
WITH
JOSEPH BRENNAN

On June 15, 1995, BRENNAN was interviewed by the reporting investigator. The interview was conducted under oath at the New York Power Authority (NYPA), 123 Main St., White Plains, NY. BRENNAN provided the following information:

BRENNAN was born on [REDACTED] in [REDACTED]. His social security number is [REDACTED]. He resides at [REDACTED]. His office number is 914-287-3133. His home telephone number is [REDACTED]. He graduated from Lehman College in [REDACTED] with a Bachelor of Science in Accounting. He has been a Certified Public Accountant in the State of New York since 1978. He was hired by NYPA in February 1991 as the Director of Internal Audit and remains in that position. His supervisor is Robert G. SCHOENBERGER, NYPA Chief Financial Officer. 7C

BRENNAN said that he was approached by Lori STEINMETZ of the NYPA Human Resources Group, who told him that Hugh GILMARTIN had concerns regarding expense reports that had been submitted by Ulrich WITTE. He was asked to review the reports. Based on his review, a number of "red flags" went up that the reports could be easily perceived as inappropriate and inaccurate and needed to be further reviewed. BRENNAN said that his department has the authority and responsibility to review such things. BRENNAN said that it is within GILMARTIN's area of responsibility to bring such things to the Audit Department's attention. BRENNAN's audit report is attached to this report of interview.

BRENNAN said that one of WITTE's suspicious claims involved the purchase of a nine hundred dollar airline ticket for travel to the James A. Fitzpatrick Nuclear Generating Station (JAF) with his corporate Diners Club card.

INVESTIGATOR'S NOTE: WITTE lost the privilege of using his NYPA American Express Card in 1992 due to abuse.

In his view, the Diners Club card is not to be used for employee travel, but it was decided that it would be available to WITTE for his travel needs. BRENNAN said that WITTE purchased and received the ticket. WITTE then found an alternate way to JAF and did not use ticket. BRENNAN said that because WITTE had purchased the ticket with the Diners Club card, he was not responsible for the payment of the bill because the NYPA Travel Department would be billed. BRENNAN commented that an airline ticket is negotiable and worth money. He believes the ticket was good for 12 months, and then it would become null and void. WITTE did not report the purchase of the ticket, or the fact that he did not use it on his expense report as he should have. BRENNAN said that, at a minimum, WITTE should have attached the ticket or a copy of it, stating that he did not use it. BRENNAN said that the lack of documentation resulted in WITTE's supervisor being unaware that the ticket had not been used. WITTE then held on to the ticket for over nine months. As a result of the audit, BRENNAN found the ticket. BRENNAN said that, during his and GILMARTIN's interview of WITTE, GILMARTIN asked WITTE about the ticket. WITTE did not know where the ticket was and was very vague and unclear about the ticket. But, within forty eight hours, WITTE found and returned the ticket. BRENNAN said that the point was that, but for the audit, the ticket

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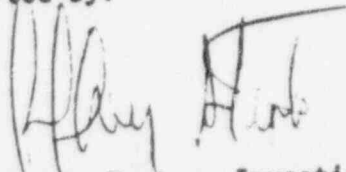
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would not have surfaced. BRENNAN is not sure if WITTE had any ulterior motives regarding the ticket, but thinks the problem resulted from WITTE's inability to manage himself and his travel expenses. BRENNAN said that if the ticket was not discovered during the audit, it would have resulted in NYPA losing nine hundred dollars. BRENNAN said that the ticket issue was reviewed by Jerry LOUGHLIN of the NYPA Legal Department for possible disciplinary action. No disciplinary action was taken. BRENNAN's conclusion regarding WITTE's travel expense problems is that WITTE is not a good manager or well in control of his personal management.

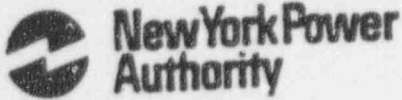
BRENNAN opined that, as a manager, Witte's travel expense problems would have raised a great deal of concern regarding WITTE's overall job performance. He opined that the situation needed to be taken very seriously, and disciplinary and corrective action should have been taken immediately. BRENNAN felt that, if WITTE did not correct or improve his expense statements, then his termination could have been a solution. Since then, however, no further travel expense report issues regarding WITTE have been brought to his attention.

BRENNAN was interviewed by NYPA Security Director John HAHN regarding WITTE's harassment claims, and does not feel the investigation into WITTE's travel was the result of WITTE being harassed or discriminated against for raising safety issues. BRENNAN felt that NYPA management had the right to investigate and review WITTE's travel expense submittals.

Reported By:



Jeffrey A. Teator, Investigator
Office of Investigations
Field Office, Region I



CONFIDENTIAL

Memorandum

December 2, 1994
JB:64:94

TO: H. J. Gilmartin
FROM: J. J. Brennan
Director - Internal Audit
SUBJECT: Expenses - U. Witte

On November 15, 1994, you requested Internal Audit to review and evaluate eight expense reports (\$2,504.81) and time sheets submitted by Ulrich Witte for various time periods from August of 1993 to March of 1994. It is our understanding that one month prior to your request you were made immediate Supervisor to Mr. Witte and had asked Mr. Witte to bring all his expense reports current immediately. We were advised that in February of 1993 his Authority American Express card was voided. Since March of 1993, Mr. Witte's airline and certain hotel guarantees are paid directly by the Authority via the Corporate Diner's Club account.

Mr. Witte has been employed at the Authority for approximately three years as a Configuration Programs Manager. His immediate Supervisor for 1993 and most of 1994 was Alan Ettlinger.

In general, Mr. Witte's requested reimbursements for hotels and meals are reasonable. There is one example where virtually no reimbursement requests were made for a Friday, Saturday and Sunday stayover to get a low airfare. There are several examples to support Mr. Witte's traveling was accomplished mostly in evening hours.

On December 1, 1994, a meeting with Mr. Witte and yourself was held to discuss the following issues.

Issues Raised in Evaluation

- A. Mr. Witte's expense reports are not submitted within a reasonable time frame from incurring the expenditures (several were more than one year old). Other than the obvious difficulties in recalling various itineraries and expenses, loss of receipts, etc., this practice does not allow for the expenditures to be recorded in the right time period.

Mr. Witte indicated that expense reports were not submitted promptly because of his work priorities stating that he works 50 hours most weeks.

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- B. Mr. Witte's expense reports contain many inaccuracies such as reporting dates which do not agree to itineraries or receipts (when submitted); differences between requested reimbursement and submitted receipt amount; incorrect mileages; and lack of completion as to purpose of trip. Although these inaccuracies are of small amounts and appear to net out to immaterial amounts, they show a lack of responsibility to report expenditures accurately and in accordance with Authority Policy.

Mr. Witte acknowledges that the reports were poorly prepared and stated he would redo them.

- C. Nine different meals totaling \$197.65 were reported for reimbursement without a required receipt. One hotel night for \$66.00 was reported for reimbursement without a receipt. Required receipts to support expenditures are Authority Policy.

Mr. Witte indicated he pays cash for everything and some meals are shared and costs are split. He keeps track of his expenditures using a "simple money" software program.

- D. Four different trips were planned and booked for airline needs which were not taken or canceled. One cancellation resulted in a \$50.00 no show fee; another involved a non-refundable ticket for \$457.00 and payment of \$142.43 room guarantee (not canceled); and another trip for \$904.00 was never taken and the ticket was never returned. This \$904.00 ticket was only disclosed as a result of this review and may be partially recoverable. The potential lost to the Authority is \$1,553.43.

Mr. Witte expressed concern regarding the whereabouts of the \$904.00 unused ticket stating he might have returned it to the Travel Desk via a secretary, however, he would look for it and advise you of his result. He stated booking and cancelling airfares is a result of his work schedule.

- E. On one particular trip to Atlanta (INPO), Mr. Witte used an entire work day to drive to Atlanta (985 miles) on June 24, 1993. Friday the 25th was recorded as vacation. The INPO meeting began on Monday, June 28. June 29 and 30 were recorded as work days to travel home. This is not an efficient use of time.

Mr. Witte did not recall the meeting agenda, start or completion time. He did concur the time use was not efficient, however, stated it was pre-approved by his Supervisor.

- F. The review of Mr. Witte's time sheets for 1993 and 1994 disclosed that none show the "week's location" as completed; and many are missing dates. Of particular concern is the time sheet for week ending January 1, 1994. It is our understanding that this time sheet was completed (with pre-approval of his Manager) to show two vacation days and two holidays despite the fact that two or three of these days were actually worked. The arrangement was for Mr. Witte to take some offset days in 1994 for these differences. At this time, it is unclear exactly how many days Mr. Witte actually worked the week ending January 1, 1994. The Fitzpatrick plant gate logs recorded Mr. Witte on site on Wednesday, December 29, 1993 for 8 hours, 37 minutes. Mr. Witte has requested three offset days in 1994 (October 14, October 21 and August 8).

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Mr. Witte could not remember why his time sheet for week ending January 1, 1994 was not completed to reflect his required work. He stated that his time sheet was completed and signed by a subordinate. He felt they were changed and not done as he remembered. He reinforced that his Supervisor was aware of this arrangement.

Mr. Witte's overall comments were he recognized the above deficiencies and would make efforts to improve in the areas of expense reporting and time sheet preparation.

Conclusion

1. Corrective action must be taken with Mr. Witte to address the need to submit his expense reports for trips within a week of completion; to complete expense reports accurately to match his actual itinerary and business purposes; to retain and submit all required receipts; and to accurately complete all time sheets including task, location and dates.
2. Disciplinary action with Mr. Witte may be appropriate to address the waste incurred as the result of his time management and trip planning. Potentially over two days of work and \$1,553.43 in travel expenses were lost to the Authority for the reports reviewed.
3. Action should be taken to stop Mr. Witte's practice of offsetting reported vacation or overtime, etc. with future commitments. The Authority has no policy for such compensation time. Such efforts should be rewarded, in conjunction with the quality of work, via the Authority performance evaluation process.

JB:DS

cc: W. L. Cahill
T. F. Dougherty

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