



New York State
**PUBLIC EMPLOYEES
FEDERATION AFL-CIO**

1168-70 Troy-Schenectady Road
P.O. Box 12414
Albany, NY 12212-2414

(518) 785-1900
(800) 342-4306
Fax (518) 785-1814

Officers:

Roger E. Benson
President

Jane Hallum
Secretary-Treasurer

Vice Presidents:

Patricia Baker
Kenneth D. Bryrien
Joe Fox

Regional Coordinators:

Joyce Degenhardt
Region 1

James Carr
Region 2

Frank Besser
Region 3

David Stallone
Region 4

Mary Twitchell
Region 5

Michael DelPiano
Region 6

William Crotty
Region 7

Louis G. Matrizzo
Region 8

Neila Cardus
Region 9

Jennifer Faucher
Region 10

Jemma Marie Hanson
Region 11

Doris Dodson
Region 12

Trustees:

Arlea J. Igce
Robert H. Reynolds
Olubiyi Sehindemi



December 31, 2003

The Honorable Alan G. Hevesi
State Comptroller
110 State Street
Albany, N.Y. 12236

Dear Comptroller Hevesi:

In recent joint Labor Management meetings between PEF and the New York State Department of Environmental Conservation (DEC), the Chief Fiscal and Chief Personnel Officers of DEC stated that they did not know how many non-DEC (non state civil service) personnel worked at DEC. The reason given was that various programs had the authority and autonomy to hire staff in a variety of ways through grants, purchase orders, and Memorandums of Understanding (MOUs) with state and federal agencies and contracts with quasi-public authorities, academic institutions and not-for and nonprofit organizations without clearance with the fiscal and personnel offices.

The organizations involved in these privatization schemes include: the New England Interstate Water Pollution Control Commission; the Environmental Facilities Corporation, SUNY, SUNY Research Foundation, the Regional Application Center for the North East (RACNE); the Institute for the Application of Geospatial Technology (LAGT); Science & Technology Foundation, Natural Heritage Trust, Nature Conservancy, American Littoral Society, Environmental Protection Fund contracts, WorldCom, Hewlett Packard, Compaq, Adirondack Lakes Survey Corporation and various other computer and consulting engineering contractors.

DEC Division Directors and program managers often resort to these options because they can't successfully complete traditional State methods of seeking fiscal, personnel, and upper level management concurrence before attempting to get waivers from the Division of Budget (DOB) and Civil Service Department for work normally performed by DEC staff hired through the Civil Service system. If program managers were not strongly discouraged ahead of time from pursuing this method, they were formally rejected before the agency submitted its yearly budget to DOB or before mid year waiver requests were considered for special needs.

In this era of new interest in governmental accountability, state budget deficits, and "Homeland Security" issues, we believe that DEC should know how many people work for it, where they work, what they do and who funds their salaries. We were dumbfounded to hear that they did not. We believe you share this concern

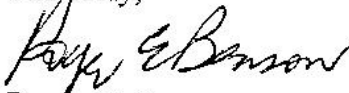
and will demand public accountability and visibility for the expenditure of taxpayer dollars at DEC and all other state agencies.

We believe this problem is not limited to DEC and that most state agencies have contracts with various entities that perform work that used to be performed by state employees. It is our understanding that your office does not currently know how many people are employed by state agencies under personal service contracts in the state operations portion of their budget, how much each individual is paid, and how much each state agency expends for personal service contracts in their state operations budget.

With that in mind, we ask that you immediately appoint a work group or administrative audit committee to ascertain how many people work for each state agency, where they work, what they do, who funds them, and the salary of each individual employee. We believe an objective study should be done to determine if utilizing these resources is less or more cost-efficient than using traditional agency staff. Since this may be a major undertaking we recommend that you start with DEC and the Department of Health because our evidence indicates that this practice is more widespread there as compared to other state agencies

Thank you for your consideration of this request, I would be happy to meet with you or appropriate senior staff to discuss this issue in more detail. We would be happy to assist in any way we could with this effort. We would also like to be apprised on the results of your audit and investigation.

Sincerely,



Roger E. Benson
President

cc: George E. Pataki, Governor
Eliot Spitzer, Attorney General
William Howard, First Deputy Secretary to the Governor
George Madison, Director of GOER
Erin M. Crotty, Commissioner, DEC
Antonia C. Novello, M.D., Commissioner, DOH
PEF Executive Board
PEF Council Leaders
PEF Executive Staff