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Report Finds Patronage Rife at a University

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Patronage hiring was so pervasive at [New Jersey's](#) state medical school that job applications were marked with a numeral indicating the potency of the applicants' political connections, according to a report released on Monday by a federal monitor.

While political appointees had received favorable treatment at the school for decades, the report says, the practice became so ingrained by late 2004 that it had evolved into a formal ranking system.

Candidates who were recommended by then-United States [Representative Robert Menendez](#), State Senator Raymond Lesniak or a handful of others received the highest rating: 1.

Those referred by less powerful officials, like members of the medical system's board, would receive a 2 or 3.

Some linked to Mayor [Sharpe James](#) of Newark were rated 1, 2 or 3: Applicants for entry-level positions were more likely to get a 1, while those applying for medical or research work derived less benefit from their political ties to Mr. James, investigators said.

Mr. Menendez is now a United States senator; Mr. James is also a state senator. Both are Democrats, as is Senator Lesniak.

The rating system was laid out in a spreadsheet found in the files of the University of Medicine and Dentistry of New Jersey, after a monitor, Herbert J. Stern, was brought in to investigate the institution. The monitor was appointed late last year after administrators acknowledged having overbilled Medicaid by millions of dollars.

The document is a kind of Rosetta stone of New Jersey politics, offering a vivid glimpse into a way of doing business that is widely assumed but rarely confirmed.

But the report also details a broad range of financial irregularities that it said plague the university, including influence-peddling, abuse of expense accounts, and sweetheart deals to steer contracts to politically powerful vendors.

Last week, as a final draft of the report was given to United States Attorney Christopher J. Christie, who has said he may prosecute some school employees for abusing taxpayer funds, two high-level officials of the school resigned: one an administrator who is accused in the report of using an expense account to pay for personal travel, the other the dean of the School of Osteopathic Medicine, whom the report accused of misallocating tens of thousands of dollars "for personal gain."

University officials dole out hundreds of millions of dollars in no-bid contracts each year, and the monitor is still investigating reports that millions went to firms that were politically connected, had questionable qualifications and — in some cases — do not appear to have performed any tangible work.

But Mr. Stern, a former United States attorney and federal judge, recommended several structural changes to strengthen fiscal oversight at the school.

"The auditing and compliance were grossly deficient, and that aided in creating an environment where U.M.D.N.J. has been used as a political patronage machine," said John Inglesino, who is working on Mr. Stern's investigation. Mr. Inglesino is a lawyer in Mr. Stern's firm, Stern & Kilcullen of Roseland, N.J.

The most pointed findings in the 80-page report concern the use of the school and its \$1.6 billion budget as "a vehicle of patronage and favor-peddling."

Investigators found that political officials occasionally accompanied applicants they were sponsoring to job interviews.

The monitor also released internal e-mail messages indicating that administrators of human resources had delivered by hand the résumés of politically connected candidates to supervisors who made the hiring decisions.

In an Oct. 4, 2004, memo contained in the report, university human-resources administrators struggled to find ways to hire more than 25 politically connected candidates for positions as security guards, secretaries and researchers, though some of the candidates had already been rejected by hospital officials because they lacked qualifications.

Dr. John Petillo, who was the university's president when the hiring system was designed and administered, told investigators that it was in operation for about six months and was intended as "a courtesy," the report says.

Dr. Petillo, who resigned earlier this year and received a \$600,000 severance package, did not return repeated calls requesting comment.

Senator Menendez said through a spokesman that he recommended qualified applicants during the years he served as a congressman, but had no idea that the university ranked applicants based on their political connections.

"Then-Congressman Menendez urged U.M.D.N.J. to improve its hiring diversity and on several occasions recommended qualified individuals," said Matthew Miller, his spokesman.

Mr. Miller said that Mr. Menendez did not believe that any of the people he had recommended had been hired.

Mayor James's press office did not return two calls requesting comment.

Dr. Bruce C. Vladeck, who became interim president after the hiring system was dismantled, said the report offered a sobering look at the problems that have left the school battered by scandal.

"We have our work cut out for us," he said.

The report also gives additional details on some of the previously reported financial problems at the school.

For example, investigators found evidence that the school's mental health clinic may have inflated costs and received as much as \$70 million in unwarranted reimbursement from the state and federal government.

A forensic accounting firm hired by the monitor also found that the university may have been ineligible for \$51 million it received from the state, because its hospital incorrectly claimed to provide mental health care to the indigent at a discounted rate.

Investigators also said there was evidence that a generous array of benefits provided to administrators and doctors were abused.

Last week, the school's senior vice president of academic affairs, Robert Saporito, resigned after being confronted by investigators who said they had evidence that he had charged more than \$9,000 in personal travel expenses to the school, including rental of an Alfa Romeo and other automobiles.

The report also mentions that investigators have received evidence to corroborate claims that Dr. R. Michael Gallagher, dean of the School of Osteopathic Medicine, misused university funds, though no details were provided. Dr. Gallagher resigned last week and could not be reached for comment.