

The Governor Awakes

Eleven years and 15 days into his 12-year incumbency, Gov. Pataki has discovered Medicaid fraud.

Oh, and public authority abuse.

The governor delivers his 12th and final budget to the state Legislature today and — among other things — he will propose funding for better policing of Medicaid and of the state's more than 700 quasi-public independent authorities.

Way to go, gov!

You should know better than most that better policing is needed. As far as timing goes — hey, better late than never.

Right?

A New York Times series last year suggested that Medicaid fraud might be costing the state as much as \$18 billion a year. As for the authorities — agencies like the MTA, the Thruway Authority and (get this!) the Overcoat Development Corp. — no one really knows how much is disappearing to corruption. Because, until now, oversight has barely existed.

But that's exactly why New Yorkers today might be skeptical about Pataki's "reforms": After all, what exactly has he done about corruption during his watch — besides, say, closing his eyes to it?

New Yorkers would be justified in asking why Pataki waited until his last year as gov (he's not running for re-election this fall) to start probing the vast sums of Medicaid monies and off-the-books spending by New York's public authorities — which have been hemorrhaging tax dollars for years.

For example, Pataki's plan to fight Medicaid fraud, which he announced Friday, calls for the creation of a new agency with scores of investigators.

Fine.

But it was Pataki's own Health Department that failed to review Medicaid billings, refer suspect cases to the state attorney general and see that they're prosecuted at anywhere near an acceptable rate, given the extent of likely fraud.

Likewise, the gov signed a bill Sunday establishing a watchdog agency to oversee spending and borrowing by public authorities. Today, his budget will set aside funds for that purpose.

But if Pataki really wanted sunlight on the shady dealings of New York's public authorities, he could've opened the books to such oversight ages ago.

Instead, the governor — who appoints most of the key players at these agencies — used them specifically to escape public scrutiny. In one of the most glaring abuses, Pataki's team (i.e., the Canal Corp.) steered lucrative development rights along the Erie Canal to a well-connected developer, Richard Hutchens.

The sweetheart price — all of \$30,000 — was less than many Manhattanites pay in taxes in a single year.

Indeed, part of the law Pataki signed Sunday was meant to curb just these kinds of abuses: It requires the public authorities to get "fair-market value" for any property they sell.

Again, New Yorkers should be grateful for anything that will truly help ferret out fraud and waste in government.

But when Pataki calls for such reforms today, residents may have a tough time resisting images of, say, Farmer Brown boarding up the barn door — right after all the horses wandered off.

It's too surreal to be taken seriously.