# Former hospital executive pleads guilty to larceny

By Richard A. Kiley News editor

ELMIRA — A former St. Joseph's Hospital vice president faces 2-10 years in prison after pleading guilty Thursday, Sept. 21, to embezzling more than \$270,000 from the Elmira facility.

Jeffrey A. Katz, 37, of 908 Bowman Road, Elmira, pleaded guilty before Chemung County Judge Samuel J. Castellino to having used a bogus voucher and check scheme to steal the sum from St. Joseph's Hospital between March 1982 and April 1989.

Katz was arrested June 2 on two felony charges of second-degree grand larceny for forging signatures on more than 1,500 checks worth a total of \$270,000.

According to Chemung County District Attorney James T. Hayden, the bogus checks were issued to individuals and businesses in payment of non-existent services to the hospital.

The charges stipulated that Katz forged the payees' signatures on checks and deposited the funds into his personal account at Elmira Savings Bank.

As head of the hospital's rehabilitation center, Katz was responsible for submitting expenses from his department. The district attorney said he began his investigation into the case May 15 at the request of "high-level administrators" at the hospital.

Hayden said Katz used the money "to live a very high lifestyle.

"(Katz) claimed he used the money for vacations, dinners, nice clothes and entertainment," Hayden said in a telephone interview Sept. 26.

Although Karz told Judge Castellino in court that he did not know the exact amount of money he embezzled, Hayden said that investigations into the case found \$270,000 missing from the hospital.

According to Hayden, Katz will pay back some of the money with a \$40,000 pension fund, the nearly \$20,000 that remained in his checking account and about \$40,000 in assets.

Katz faces additional charges of evading federal income taxes by not claiming the embezzled money as income on his federal tax returns. No federal charges have been filed yet, Hayden said.

Hayden said last month that he notified



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U.S. Attorney Dennis C. Vacco of Buffalo of the case against Katz "to see if he wanted to initiate an investigation into any tax evasion."

Hayden said that Vacco in turn notified the Internal Revenue Service, but that Vacco would wait for the case to be completed in Chemung County Court before beginning a formal investigation.

If Katz is arrested for income-tax evasion and pleads guilty, the sentence on such a charge would run concurrent with Katz' sentence from the Chemung County court, Hayden said.

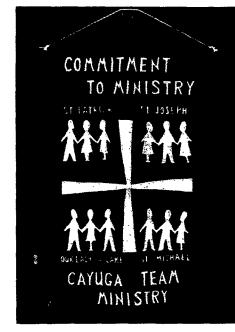
Hayden said Judge Castellino will sentence Katz on Oct. 20. He remains free on \$20,000 bail. The district attorney added that Castellino would allow Katz to withdraw his guilty plea if the judge decides to sentence Katz to more than 10 years in prison.

John J. Renz, vice president for planning and marketing at St. Joseph's Hospital, would not comment on the guilty plea by Katz or whether the hospital has made any changes in hospital procedures concerning the submission of departmental expense vouchers.

Katz arrived at St. Joseph's in 1976. He became administrative director of the Twin Tiers Rehabilitation Center at St. Joseph's in 1979, and held that position until his promotion to vice president in charge of rehabilitation, occupational health services, laboratory services and volunteers at the hospital.



LEADERSHIP DAY — The Rochester Riverside Convention Center was the venue for the annual Leadership Day on Saturday, Sept. 23. The diocesan event focused primarily on the Commitment to Ministry process, and was convened by Bishop Matthew H. Clark. More than 1,200 people attended the event, compared to 300 last year. Above, the Hosanna Dance Group closes out the day with a spiritual dance following Bishop Clark's keynote address. Right, a banner dressed up the convention hall.



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