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Urciuoli kept his job despite his expenses

An outside lawyer told the board of the Roger Williams Medical Center that its CEO, Robert A. Urciuoli, had billed the hospital for golf trips, family dinners and stays in luxury hotels.

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BY MIKE STANTON
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Seven years ago, the trustees of Roger Williams Medical Center faced a pivotal decision: whether to fire their longtime president, Robert A. Urciuoli, for abusing his expense account.

An internal review had discovered thousands of dollars of inappropriate or "highly questionable" expenses, including golf trips and family dinners and stays in luxurious hotels such as The Breakers in Palm Beach, Fla.

In addition, the review commissioned by trustees advised that Urciuoli "may have committed a serious fraud upon the hospital" when he billed $5,998 for an eight-day sojourn to the Scottsdale Princess Resort in Arizona. He reported that he had attended a health-care conference -- but there was no conference.

Urciuoli conceded that there was no Arizona conference, but called it an honest mistake, compounded by "a bad error in judgment."

The Boston law firm hired to conduct the review rejected Urciuoli's explanation that some of the expenses were submitted by mistake, and laid out a host of criminal charges that had been lodged against other hospital executives for fraudulent cost reports, including attempted larceny and tax evasion.

The review, led by an ex-federal prosecutor, F. Dennis Saylor IV, urged the hospital's trustees to decide whether any "personnel action" should be taken regarding Urciuoli.

The hospital's trustees chose to keep Urciuoli, a decision that reverberates today.

Urciuoli and Roger Williams Medical Center, according to their lawyers, face possible indictment in a State House influence-peddling investigation of a former Rhode Island senator, John A. Celona.

It was Urciuoli who pressed reluctant hospital officials to hire Celona earlier in 1998, and who allegedly used Celona as an illicit State House fixer through 2003.

A federal grand jury, which has been looking into the case since the summer, is expected to reach a decision soon, lawyers for the hospital and Urciuoli say.

Federal guidelines say that prosecutors, in deciding whether to charge a corporation -- but not an individual -- may consider past conduct, including other criminal or civil actions.

"A corporation, like a natural person, is expected to learn from its mistakes," says a U.S. Department of Justice memo concerning corporate investigations.

When the board voted to keep Urciuoli, he agreed to repay $16,000 in questionable expenses. Later, he reached a civil settlement with the Rhode Island attorney general in which he admitted he had been wrong and reimbursed the hospital $85,000 for the cost of its internal investigation.

The hospital told the attorney general that it did not want to pursue criminal charges against Urciuoli.

An official from the attorney general's office says that the decision by the hospital's board not to fire Urciuoli made it more difficult to pursue a criminal investigation.

"It's awkward to charge someone with criminally defrauding the hospital when the hospital doesn't want to say it was defrauded," said Gerald Coyne, the deputy attorney general. "If they had fired him, it would have been easier to show that the hospital was the victim."

'Serious violations discovered'

In 1998, Philip O'Dowd, a doctor at Roger Williams Medical Center, was elected president of the medical staff and assumed a seat on the hospital's board of trustees.

As the medical staff's representative to the board, O'Dowd began to receive complaints from hospital employees regarding Urciuoli.

The employees complained that Urciuoli had charged personal expenses to the hospital, steered hospital contracts to friends, and improperly borrowed more than $40,000 from the hospital against unused vacation time.

In January or February, according to a letter that O'Dowd wrote to his lawyer, summarizing the case, he went to Urciuoli seeking "clarification" of the allegations.

O'Dowd wrote that Urciuoli denied any wrongdoing. Then O'Dowd took his concerns to the board's executive committee.

On May 15, the executive committee hired Dennis Saylor, a partner in the Boston law firm Goodwin Procter and Hoar, to review the allegations.

On July 2, Saylor delivered an 87-page report summarizing his findings. The Providence Sunday Journal recently obtained a copy of that report.

The executive committee that received the report consisted of men who were leaders in Rhode Island business and politics.

Herbert Cummings, the chairman, was prominent in charitable endeavors and the retired president of Citizens Bank in Rhode Island. He also chaired the state airport authority, appointed by then-Gov. Lincoln

Almond.

Richard A. Licht was a former Rhode Island lieutenant governor, and a prominent lawyer.

Raymond Mancini ran a family business, Rhode Island Distributing, one of the state's biggest liquor distributors.

Edward C. Arditte was an executive at Textron.

Bradford Gorham was a lawyer, former state legislator and chairman of the Rhode Island Republican Party.

Raymond Murphy was an accountant with the Providence firm of Sullivan & Co.

O'Dowd wrote that he spoke to Cummings and Mancini. Both "stated that there were serious violations discovered and they would respond appropriately after time to digest the full report."

O'Dowd wrote that Gorham told him that the report had "sickened" him and ruined his Fourth of July holiday weekend.

'Why are you in a Lexus?'

The Saylor investigation focused on Urciuoli's style. As president of Roger Williams Medical Center since 1988, Bob Urciuoli was well-known in Rhode Island's political, business and social circles.

He was childhood friends with Joseph DeAngelis, the speaker of the Rhode Island House in the late 1980s and early 1990s. He became friends with DeAngelis' law partner and hospital trustee, Richard Licht, the former lieutenant governor, who represented Urciuoli's wife's family's real-estate interests. He was appointed by Governor Almond to the state Board of Higher Education. In 1997, he married Donna Paolino, the sister of former Providence mayor Joseph Paolino.

He won numerous community service awards and sat on several boards: the American Heart Association, the Rhode Island Kidney Foundation, Leadership R.I.

In 1998, he was paid $576,000, including a one-time pension benefit of $169,000. He and his wife renovated an East Side mansion, and honeymooned in Italy. He ate in fine restaurants and attended charity galas.

He belonged to private clubs, his bills there paid by the hospital: over the two-plus years examined by Saylor -- $9,870 for the Aurora Club, $7,787 for the University Club, $5,620 for the Metacomet Country Club.

Nuala Pell, a former hospital trustee and the wife of former U.S. Sen. Claiborne Pell, said that Urciuoli was an efficient administrator, but she considered him too flashy.

"He bought the most expensive car," she recalled. "Our first meeting, I asked him, 'Why are you in a Lexus?' He replied, 'Why not?' He said that he needed that car."

Urciuoli told Saylor that it was part of his job to network -- at charitable functions, in fine restaurants, on the golf course. He was the hospital's public face, raising money for a nonprofit institution so that it could serve the community and the poor.

But many Roger Williams Medical Center employees told Saylor that they felt Urciuoli's expenses were "unduly extravagant," and that his "social schedule caused him to be frequently and unnecessarily absent from his duties."

They felt that "the business of the hospital and the morale of the employees suffered accordingly."

Saylor, in his report, cautioned that the public was sensitive to the "appearance or reality of inappropriate extravagance or luxury" at nonprofit institutions.

Urciuoli's employment contract permitted him to attend professional and educational meetings in the hospital's "best interest" and to incur "reasonable" expenses. But Saylor said that Urciuoli had gone too far.

"We have concluded that Mr. Urciuoli inappropriately used hospital funds for extended stays at resort hotels that should have been properly treated as personal vacations," the report said.

At least four times over the previous two winters, the report said, Urciuoli had traveled to a warm-weather resort for a conference or seminar. His wife accompanied him each time, and they stayed longer than the conference. Urciuoli never took any vacation days.

Saylor wrote that Urciuoli charged "substantial amounts to the hospital, including personal and family expenses."

In February 1997, Urciuoli spent 10 days at The Breakers in Palm Beach, Fla., with his then-fiancée, Donna Paolino. He attended a four-day leadership conference, and stayed at the hotel six extra days, all of which were charged to the hospital. The total cost of the trip was $7,232.

Urciuoli told Saylor's team that he paid for his fiancée's plane ticket with his own money. Saylor concluded that her "meals and incidental expenses" were paid by the hospital.

Urciuoli said the extra travel days were needed, in part, to "settle in" after a "long flight." He said that he spent the extra time in Palm Beach "networking" with other CEOs who also stayed longer, and that he received faxes and conducted hospital business from the hotel.

He told Saylor that it was appropriate for his fiancée, or wife, to travel with him at hospital expense because her role was "significant to me and to the hospital." She was an "excellent corporate wife" -- cultivating potential hospital donors and "networking" in the business community.

Besides, he said, other executives brought their wives.

'When I arrived, I found out there was no conference'

Saylor disagreed. He wrote that it was not common, in his experience, for corporate spouses to travel at company expense. It was "difficult" to justify "a spouse's presence at an out-of-state resort hotel for long periods of time . . . as a legitimate corporate expense."

The following February, Urciuoli returned to The Breakers for the same four-day conference, with Paolino, who was then his wife, staying seven days. The total cost to the hospital: $6,535.

Over two months in the winter of 1997, Saylor reported, Urciuoli submitted expenses from his 10-day stay in Palm Beach, Fla., for the conference; a 4-day golf trip to Hammock Dunes in Palm Coast, Fla.;

and an 8-day trip to Scottsdale, Ariz.

The Arizona trip proved more troubling to Saylor. Urciuoli stayed with his fiancée at the Scottsdale Princess Resort, and charged the hospital $5,998, saying that he attended a conference, "Health Care Issues of the '90s."

When Saylor's investigators contacted the Scottsdale Princess to check the dates of the conference, "to our surprise, we were advised by the hotel that no such conference took place."

"If no such conference existed," Saylor wrote, "Mr. Urciuoli may have committed a serious fraud upon the hospital."

Paolino's daughters also made the trip. Urciuoli told Saylor that he used his frequent-flier miles to pay for their plane tickets and that he paid for their hotel room and their meals, all of which were charged to their room.

But Saylor found just one room-service charge to the girls' room, for $23. He concluded "that the hospital paid for all other meals of the children during the trip." Urciuoli disputed that, saying that he put the daughters' meals on his personal credit card.

Urciuoli, in a written response to Saylor, said that he had been so consumed by his efforts to secure a merger with Columbia/HCA that when he booked the Scottsdale trip, he "believed" that there was a conference.

"When I arrived, I found out there was no conference," he wrote. "I decided to make the best of the situation, however, and did not want to disappoint my family by canceling the trip and heading home."

Instead, he said, he worked from his hotel room the entire stay.

In retrospect, he wrote Saylor, "I clearly made a bad error in judgment" by charging the trip to his corporate credit card.

Overall, Saylor wrote that the amount of money "charged to the hospital for the travel expenses of Urciuoli's wife and stepchildren cannot be stated precisely, but appears to be substantial."

'Informal presentations in the clubhouse'

Saylor looked at several golf trips that Urciuoli had taken over the previous 2 1/2 years, primarily to Florida.

As winter approached, the report said, "Mr. Urciuoli would telephone golf resorts in warm climates around the U.S. to inquire if they had any health care related conferences scheduled."

The report said that his golf companions included Joseph DeAngelis; Ted Almon, another friend and president of a hospital-supply company that has long done business with Roger Williams Medical Center; and executives from other Rhode Island hospitals.

Almon and Francis Deitz, president of Memorial Hospital in Pawtucket, told The Journal recently that they travel to Florida regularly with Urciuoli and James McGuirk, the hospital's lawyer, to golf. They said that they do discuss business -- including "informal presentations in the clubhouse at Hammock Dunes," says Almon -- but that they paid their own way.

After one such trip, the Saylor report notes, Almon sent Urciuoli a letter requesting reimbursement for golf and other expenses at Hammock Dunes as the "3rd Annual Rhode Island Health Care Strategic Planning Forum."

The total charge to the hospital was $440, including a $79 restaurant bill at Salt Water Cowboys.

"Mr. Urciuoli has justified these travel expenses as 'strategic planning sessions' and necessary for business," Saylor wrote. "He stated that golf was only 'incidental' to these meetings and that a great deal of work was accomplished in these sessions."

Saylor rejected Urciuoli's argument.

"While it is no doubt true that some degree of 'networking' occurs on such occasions, most, if not all, the participants in his out-of-state golf trips are from Providence and are well known to Mr. Urciuoli," Saylor wrote.

"Almost without exception, it is difficult to view these trips as anything but personal vacation, which should not have been charged to the hospital and which should have been charged to Mr. Urciuoli's vacation time."

Saylor also looked at a side trip that Urciuoli made to an exclusive New Jersey golf course while he was in Philadelphia for a physicians' conference. Urciuoli described the golf outing to the Pine Valley Country Club, in Clementon, N.J., as a chance to escape the "stress and strain" of his position.

Saylor also mentioned Urciuoli's trip to the 1997 Super Bowl in New Orleans, when the New England Patriots played the Green Bay Packers. Urciuoli charged some meals and his $984 plane fare to the hospital, but not his hotel.

He reported that he discussed a possible merger with the chief executive of Columbia/HCA and two Providence lawyers who represented the hospital, including former Gov. Phil Noel. He also lobbied then-Providence Mayor Vincent A. Cianci Jr., who was also in New Orleans trying to woo the Patriots to Providence, to support the Columbia/HCA merger.

Urciuoli, wrote Saylor, said that he "spent a lot of quality time with the Mayor."

'The extended Paolino family'

Saylor and his team documented at least $4,300 in personal meal and entertainment expenses, including $2,850 for family dinners.

For example, the autumn prior to the investigation, Urciuoli had charged the hospital $568 for a dinner meeting at the Capital Grille in Chestnut Hill, Mass., with Boston University medical staff, to discuss affiliating with Roger Williams.

But the dinner was with his fiancée's daughter, a freshman at Boston College, other family members, and a BC priest.

Urciuoli acknowledged the mistake, but said that the dinner was still a legitimate business expense. He told Saylor that the BC priest had been helpful to his stepdaughter following her uncle's death, and that members of "the extended Paolino family" who attended the dinner had donated money to Roger

Williams for a hospital conference room in the uncle's memory.

That dinner expense showed that "even in times of personal crisis I am still looking out for the interest of the hospital," Urciuoli wrote Saylor.

Urciuoli also submitted a $543 expense for a business dinner with doctors at Capriccio in Providence -- the same date that his calendar noted a birthday dinner for his fiancée.

In a span of about two weeks in July 1997, Urciuoli charged two birthday dinners for his two future stepdaughters at the Clarke Cooke House in Newport. The total: $1,599.

Urciuoli told Saylor that some of the family charges may have been "a mistake."

There was confusion over the stepdaughters' birthday dinners, Urciuoli said, because he was busy that summer lobbying state legislators to approve the merger of Roger Williams with Columbia/HCA.

He referred to the first dinner as "the birthday dinner from hell," according to the report, explaining that he "spent most of the evening downstairs with legislators while his family was upstairs."

Saylor concluded "the charging of these expenses to the hospital was not through inadvertence or neglect . . . furthermore, the frequency and size of these expenses strongly suggest that they were not charged to the hospital by mistake."

The lawyer's report identified another 162 charges on Urciuoli's corporate American Express card, totaling $29,649, as "highly questionable," many involving meals and golf tournaments.

"It appears that many of the meals in question were primarily social in nature, rather than business-related," the report said. Saylor also said that "the justification and/or documentation for many of these items is non-existent or slight," making it impossible to determine the full amount of money that had been improperly charged to Roger Williams.

"Furthermore, the fact that Mr. Urciuoli has clearly charged personal expenses to the hospital on other occasions makes it difficult to give the benefit of the doubt in all respects."

Saylor wrote that Urciuoli's arguments that he accomplished a lot of business at restaurants and golf courses had "some merit" -- but that Urciuoli's "prominence in the community, and the demands of his position, do not justify the charging of personal expenditures to the hospital."

'Board approved loan'

Saylor also concluded that Urciuoli "appeared to have violated hospital policy" by failing to make payments on loans from the hospital.

In December 1996, Urciuoli borrowed $44,000 against 350 hours of unused vacation time. A year later, at the end of 1997, he repaid the loan, then renewed it for the same amount.

Also in late 1997, Urciuoli borrowed another $45,000. This loan was not secured by unused vacation time, but simply marked as a "board approved loan."

All three loans were interest-free, but hospital policy required employees to make periodic payments on loans. Urciuoli did not. He told Saylor that he was unaware of the requirement.

Urciuoli told Saylor that he needed the money in connection with the purchase and renovation of his new house with his new wife.

In the spring of 1997, Urciuoli received an "emergency" loan of $5,000, against unused vacation time, which he said he needed to pay for work at his house. He repaid the loan one week later, through a payroll deduction, but hospital records recorded the $5,000 payroll deduction as a charitable donation to the United Way.

Since donations are tax-deductible, Saylor called the circumstances surrounding repayment of the loan "troublesome," and concluded that it "may raise an inference of tax fraud to outside auditors or regulators."

Saylor wrote that Urciuoli said he couldn't remember if he took a tax deduction for the $5,000, and Saylor did not review Urciuoli's personal tax returns. Urciuoli later wrote Saylor that the problem was a clerical mistake by others.

"It is not accurate or true that I arranged to take an improper tax deduction," wrote Urciuoli.

'An unusual degree of favoritism'

Finally, Saylor and his team reviewed vendor contracts at Roger Williams, and found "no evidence of illegality (such as a kickback) or improper self-dealing or conflict of interest."

The report said that Urciuoli clearly socialized with some vendors, and that he had "also appeared to exhibit an unusual degree of favoritism" toward a copier company seeking the hospital's business.

However, his employment agreement gave him "full discretionary authority" over such matters, Saylor concluded.

The consultant to the copier company, IKON, was Thomas F. Fay, the former chief justice of the Rhode Island Supreme Court. Fay had resigned in 1993 after an investigation into irregularities at the court, leading to his conviction on corruption charges involving the handling of court funds.

Saylor's report said that Fay, working for IKON, had introduced Urciuoli to IKON's Rhode Island head, Robert Ferland, and that Urciuoli subsequently traveled to Nantucket with Ferland, drawings funds from the hospital's petty cash fund for the trip.

IKON bid on the job, and Saylor found evidence that Urciuoli shared information regarding the other bids with IKON, having his secretary fax a spreadsheet to IKON.

"Mr. Urciuoli does not deny this, and maintains that it was good business practice to do so because he was able to lower the bids this way," the report said.

Fay and representatives from IKON did not return repeated calls for comment. The hospital did not say whether IKON got the copier contract.

In light of concerns by several employees that contracts were awarded based on friendships and personal connections rather than merit, Saylor said that the matter "deserves management attention, but is outside the scope of this report."

In his overall conclusions, Saylor recommended that the board tighten its oversight and require Urciuoli to repay any hospital funds that had been used for personal expenses.

Saylor urged the board to consider whether it should take any "personnel action."

"We expressly decline to make any recommendation as to that issue," Saylor continued, "absent specific direction to do so from the board."

Urciuoli's fate was now in the hands of his board of trustees.

'He was contrite'

Saylor's report, delivered to the executive committee in July 1998 led to a debate.

"We discussed this and deliberated at great length the issue of Bob's future at the hospital," said Richard Licht, the former lieutenant governor and one of the committee members.

Licht said that the executive committee agreed unanimously that Urciuoli should be kept. In turn, he noted, Urciuoli agreed to repay the hospital for his personal expenses, whether he agreed with Saylor's conclusions or not.

The hospital said in a recent statement to The Journal that members of the executive committee "sat with" Saylor and agreed that Urciuoli should repay $16,000. But the hospital did not elaborate on how they arrived at that number; Saylor had identified at least $33,000 in questionable expenses.

Licht said that there were "a host of reasons" for keeping Urciuoli.

His leadership was important in helping the hospital cope with federal Medicare cuts and explore possible mergers.

"Bob had 30 years at Roger Williams," said Licht. "This was the only place he'd ever worked. I felt that, over that 30 years, he had done a good job. . . . Then, you have to look at how he comported himself during the investigation. . . . He was professional, contrite, cordial. He wasn't angry or overly defensive. He was contrite that he had put the hospital through all this."

Bradford Gorham, another member of the executive committee, said in a recent interview that the committee didn't fire Urciuoli because it "was worried about the hospital's reputation."

"What would you have done? We had a difficult financial situation. We were trying to issue bonds to make some improvements. The timing was very bad."

On Aug. 27, 1998, the board met to decide Urciuoli's fate.

Instead of giving the trustees copies of Saylor's report, the executive committee presented an oral summary.

O'Dowd, who was present, challenged the executive committee's presentation.

"In my opinion virtually all of the employee allegations against Mr. Urciuoli were understated or misrepresented by the EC of the board in an attempt to represent it as clearing Mr. Urciuoli of any serious charges," O'Dowd wrote in his recollection of events.

O'Dowd wrote that when he asked Saylor whether he had discovered evidence of fraud, Saylor answered "yes." At that point, members of the executive committee, particularly Licht, challenged Saylor, arguing that he couldn't know whether Urciuoli "simply had lapses of memory" when he charged personal expenses to the hospital.

Licht recalls that Saylor said there might be fraud, "if you could prove intent beyond a reasonable doubt."

Licht says that he then asked Saylor, "Wouldn't it be extremely difficult to prove intent beyond a reasonable doubt?"

And Saylor "agreed that it would be a challenge."

Two other board members who attended the meeting, Gorham and Nuala Pell, both recall Saylor saying that he had found evidence of possible fraud.

Saylor, who is now a federal judge in Worcester, Mass., did not respond to repeated requests for comment.

There was also some debate during the meeting about the executive committee's decision to withhold Saylor's written report from the trustees.

Licht defended the committee's decision.

"We were very concerned about confidentiality," Licht told The Journal. "We were in the midst of merger talks. And we wanted to protect the attorney-client privilege. Candidly, we felt that if we shared the full report with the board, it wouldn't be kept confidential."

Brad Gorham said he had argued that the executive committee should show the report to the board. But none of committee's other five members -- Cummings, Licht, Mancini, Murphy or Arditte -- agreed.

"I very strongly said that the report should be distributed," he said. "But they were worried about confidentiality. They were worried that the hospital's reputation would be damaged."

Russell W. Field Jr., a retired businessman and board member, said in a recent interview that it was "inappropriate" for the executive committee not to show Saylor's report to the trustees.

Nuala Pell, the wife of former U.S. Sen. Claiborne Pell, said that she was "surprised that we weren't allowed to see the full report. I thought it was very odd. I couldn't understand why they wouldn't show it to us."

After the discussion, the executive committee urged the board to adopt its recommendation that Urciuoli be retained and repay the $16,000, and that some internal reforms be adopted.

Pell said that the recommendation was presented to the board as "a fait accompli" -- that "the guy was caught, but he paid it back, and he had done a good job."

"Urciuoli obviously used his position for his personal advantage," said Pell. "I felt that he should have been fired. I didn't get into it [the debate] as much as I should have. It was clear during the discussion that most of the board felt the other way. I just sat there, fairly quietly, then voted with the minority."

The board voted to accept the executive committee's recommendation, 13 to 3, with one abstention. The three negative votes were cast by Pell, Field and O'Dowd.

'We were trying to put this behind us'

Following the board's decision in 1998, O'Dowd went to the Rhode Island attorney general. State prosecutors launched a criminal investigation.

Thirty doctors petitioned the board, expressing "puzzlement" that Urciuoli hadn't been fired and asking that he be suspended until the attorney general completed his investigation.

The board noted their concern, but did not suspend Urciuoli. During this same time period, Urciuoli received a new three-year contract, one that guaranteed him 30 months severance pay if he were fired. According to public records, he was paid $507,000 in compensation and benefits from Oct. 1, 2000, to Sept. 30, 2001, $394,000 the next year and $419,000 for the year after that.

Cummings told the attorney general that the hospital did not wish to press criminal charges, a sentiment shared by most board members, according to Licht.

"We were trying to put this behind us and move forward," said Licht.

Sheldon Whitehouse, who became attorney general in January 1999, and his deputy, Gerry Coyne, said in recent interviews that they asked the hospital for Saylor's report, but the hospital refused, citing attorney-client privilege.

"Even with a grand jury subpoena, it would have been difficult to pierce the privilege," said Coyne, who remains the deputy AG. "The hospital wasn't the target of the investigation -- Urciuoli was."

Instead, the hospital arranged for Saylor to meet with the attorney general's staff. But without the report, said Coyne, their ability to gain information by asking the right questions was limited.

"In retrospect," he said, "I wish we had the report."

The attorney general's office did have financial records documenting Urciuoli's expenses.

The Urciuoli case was reviewed by George Page, a career prosecutor who was in charge of the office's intake unit, which assesses new cases. He was assisted by an auditor, Al Gregoire. The two men concluded that there was not enough evidence to prove criminal intent.

Whitehouse said in an interview that he was not satisfied. He referred the matter to his office's civil lawyers, who have jurisdiction over charitable institutions.

That led to an agreement in March 2000. Urciuoli agreed to write a letter to the hospital's board, in which he admitted that he had been "wrong" to spend the $16,000 he had repaid two years earlier on personal travel, meals and entertainment. He also agreed to repay Roger Williams $85,000 -- money it had spent on Saylor's investigation.

O'Dowd, who by now had left Roger Williams, was not happy with Whitehouse for not going forward with a criminal case. In a meeting in late 1999, he gave the attorney general a list of five former hospital employees with knowledge about the matters under investigation who had not been questioned by state authorities.

He wrote Whitehouse a memo, voicing concern that there could be "a perception of political influence," given Urciuoli's ties to the Paolino family and the Paolinos' prominence in Democratic political campaigns, "should Mr. Urciuoli escape this investigation with minimal harm."

Whitehouse, who acknowledges that Joseph Paolino and Richard Licht have been campaign contributors, dismissed O'Dowd's concerns. He says that nobody sought to exert their political influence, and that it would have been "stupid" to try.

"I made sure that the best people were involved, that the process in the office was scrupulously followed," said Whitehouse, who left office in 2002 to run for governor and is now a candidate for the U.S. Senate.

"That's true in every case, but especially in one with political connections like that. . . . I'm comfortable that the process was extremely fair and independent and that, after the dust had settled, that it was a beneficial result."

Ultimately, Coyne said, it was difficult to charge Urciuoli with a crime when his purported victim -- Roger Williams Medical Center -- had decided not to fire him.

"If they keep him, what does that do to us and our case?" said Coyne. "If the board doesn't get rid of him, how do we claim that the hospital was the victim of a crime?"

Russell Field, one of the three board members who voted against Urciuoli, said in a recent interview that he should have been fired.

"The reason I voted against it was that it didn't smell right," said Field. "When a person does something wrong, particularly an executive, I lose faith in that person. Bob Urciuoli was an excellent hospital administrator, but when these other things came to light, my support winnowed. These things were most inappropriate, and he should not have been retained."

After the board's 1998 decision, some hospital administrators resigned in protest, among them the nursing supervisor, Catherine D. Walsh. In an interview with The Journal, she criticized the board for letting Urciuoli off with "a slap on the wrist."

"That's not what I got into health care for," said Walsh, who recently retired as vice president of patient care at Chicago Mercy Hospital. "Urciuoli was taking family outings, golf trips. C'mon! Here we are, looking to find any money we can for health care. What is this nonsense?"

Informed of Walsh's criticism, Licht recently responded, "We made sure the money was paid back." He criticized her and others who quit as part of a "disgruntled" faction that wanted Urciuoli fired so that they could take control of the hospital.

"The executive committee has diverse political views and styles, and yet we came to a unanimous decision," said Licht. "And we made a recommendation to a board that is also very diverse, and the vote was 14 to 3 to 1."

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