

SELECTIONS

By Selectwoman Janet

McCarty

April 23, 2007

(#73)

REFORMS ARE NEEDED NOW

After reading the warrants against the three town officials who were arrested last month, I am deeply troubled by the mismanagement, fraud, and outright thievery that it alleges occurred in our town government. If these warrants are correct, high-ranking town officials stole public money for years, covered it up with impunity, and, when finally caught, lied and tried to get others to lie about it. You can read the warrants at <http://www.northhaveninfo.org/warrants.html>.

Whether these charges are true or not, we ought to take this opportunity to make some needed changes in how our town government does business. First, we must take a strong stand against the alleged abuses by severing our relationship with these employees. Although none of the three individuals has been convicted of any crimes, there is ample evidence to suggest that they acted unethically and abused the public trust. Therefore, the town should take steps immediately to terminate their employment, and stop paying them as soon as the town's legal responsibilities allow.

Second, we need to hire an independent, forensic auditor to thoroughly investigate the full scope of the abuses. A forensic auditor would examine the town's past and present financial practices, systems and procedures; the auditor would uncover how long mismanagement has been going on and recommend ways to fix the problems. It is important to remember that had it not been for the brave individuals who blew the whistle on the Ierardis, we would still not know about any alleged misconduct. To date, some town officials have resisted hiring a forensic auditor. I hope that they will reconsider.

Finally, we need to install, as soon as possible, a process by which whistle blowers who know of wrong doing, can come forward without fear of retribution. It is clear from the affidavits that numerous town workers knew, or strongly suspected, that other town employees were stealing taxpayers' money. I recommend revamping our ethics board by expanding it to include several new members of the public and requiring it to consider anonymous complaints.

I have written to Mr. Kopetz to inform him of my ideas, and to express my hope that we will be able to work together to investigate the scope of the scandal, and to set in place safeguards to ensure that taxpayers' money is managed properly. I am looking forward to his reply. (4-23-07)

SELECTIONS

By Selectwoman Janet

McCarty
May 6, 2007
(#74)

TWO AUDITORS

The recent accusations of stealing, witness tampering, and obstruction continue to reverberate throughout our town. Like many, I am outraged at the allegations against the Community Services director, his wife, and the Finance Director. And like many, I have many questions about the scope of the problems of wrong-doing in Town Hall, as well as how the crimes alleged in the warrant affidavits were allowed to go on for so long. Clearly, for our town to move forward, we must have a thorough investigation of our town's finances. Without an independent, authoritative investigation, the cloud that hangs over Town Hall will remain.

We need a separate, independent, forensic audit, to make sure that we get at the root of the problems. The purpose of a forensic audit is to examine the town's finances for evidence of wrong-doing, suitable for legal proceedings. It differs from a conventional annual audit, which serves to certify our books, because the purpose of a conventional audit is primarily to make sure the math is done correctly. A forensic audit goes deeper, looking for evidence of fake line items and suspicious activity over a number of years.

The town has had its books certified by a conventional audit every year, including the years in which the alleged stealing took place. If Town Hall is serious about cleaning house, it will act decisively to initiate a forensic audit separate from our annual audit.

I have made my position clear at meetings of the Board of Selectmen, Board of Finance, and audit subcommittee; in letters to the First Selectman; and in press releases to the public. So far, I've heard nothing from anyone on the other side. At its last meeting, the Board of Finance, which has the authority and responsibility of hiring auditors, formed a subcommittee to make a recommendation. That subcommittee has met twice, but still hasn't even decided to move ahead with a forensic audit. At the last meeting, the chairman expressed doubt that the charge of the subcommittee included a forensic audit.

The seeming inability of the town's Republican officials to move ahead with an independent, forensic investigation only adds to the cloud surrounding Town Hall. For the sake of the town, I urge them to move quickly. If a new charge needs to be given to the subcommittee, then call a special meeting of the Board of Finance so that the subcommittee can act as soon as possible. The public trust has been violated. We must act immediately to investigate the scope of misconduct in Town Hall.

SELECTIONS

By Selectwoman Janet

McCarty
May 21, 2007
(#75)

I WILL NOT AUTHORIZE ANOTHER CENT

At the May 17th Board of Selectmen's meeting my colleagues voted to approve the applications of Joseph and Patricia Ierardi to retire under the town's Pension Plan. I voted against approving their applications because I believe granting the Ierardis their pensions would not serve the public interest.

I firmly believe that everyone is innocent until proven guilty in a court of law. However, there is a difference between being found guilty in a court proceeding "without a reasonable doubt" and being guilty of such misconduct as to undermine the faith and trust of staff, colleagues and most importantly, the taxpayers of North Haven.

My decision came after much research and soul searching. I learned from people knowledgeable about this issue that by granting the Ierardis their pensions, the town could end up paying them more than \$250,000—even if the Ierardis are later found guilty of committing fraud. My colleagues on the Board decided to wait until after the criminal trial to consider denying the Ierardis their pensions. The trial could easily take two years to be resolved. Meanwhile, the Ierardis will collect over \$100,000 per year. The town would not be able to recover this money.

I believe Town Hall should have acted to immediately pursue the denial of the pensions. Taking this action would have sent a powerful message to the public, and an even more powerful message to other would-be wrongdoers. By granting the Ierardis their pensions, the Board has sent the wrong message.

Based on the preponderance of the evidence presented in sworn affidavits/warrants, which includes video and audiotape of the Ierardis, alleged false travel vouchers and bogus overtime, I believe that the town would succeed in justifying the denial. However, if it turns out the taped evidence has been falsified, that the witnesses are lying, that no money was stolen, that every hour charged for overtime was worked, that employees were not coaxed to lie about travel vouchers and that Mr. & Mrs. Ierardi are innocent of all wrongdoing, I would absolutely support giving them their pensions.

Until that time, however, I can not support paying them another cent of taxpayers' money.

SELECTIONS

By Selectwoman Janet

McCarty
June 4, 2007
(#76)

MOVING TOWARD AN HONEST BUDGET

After North Haveners voted overwhelmingly to defeat the May 22nd budget proposal, the Board of Finance responded by removing pay raises for the arrested department heads (as well as the Board of Selectmen), slashing the contingency fund, adjusting some line-items so they more accurately reflect reality, and cutting needed services. The good news is that the new proposal, which we will vote on June 19th, is a more honest budget document. The bad news is that Town Hall has not adopted the reforms needed to deliver services without raising taxes.

The changes made by the Board of Finance prove what I, and others, have been saying for years: the budget document was full of meaningless expense line-items, and the anticipated revenues were grossly underestimated. Case in point, at last week's meeting the Board of Finance "found" \$875,000 which they added to the new proposal. A new revenue source had not materialized; the money was there all along. The only change was to recognize that this year, as in past years, their earlier prediction of revenue was grossly underestimated.

I am happy that the Board has decided to do a better job at estimating revenues, but people are right to question why it took them so long to come around to doing it. This more accurate prediction will serve to reduce the anticipated tax hike. However, had the budget passed on May 22nd, the Board of Finance would have overtaxed North Haven taxpayers by setting a needlessly high mill rate.

The other positive change made by the Board of Finance last week was to slash the contingency fund from \$1,000,000 to \$300,000. The \$700,000 difference was used to bring line-items closer to realistic estimates based on historical expenses. In the past, the contingency fund has been used as a slush fund to conceal expenditures from scrutiny at the annual town meeting.

Despite these improvements, we still have a long way to go toward honest and transparent budgeting. A true zero-based budget would save our town hundreds of thousands of dollars or more. The savings could be used to lower taxes, support much needed capital improvements, buy needed gear for our police and firefighters, and restore essential programs in our schools.