



Business Advisors and Certified Public Accountants

Farmington • New London
Springfield, MA

Pond View Corporate Center
76 Batterson Park Road
Farmington, CT 06032

Main Line: (860) 678-6000
Toll Free: (800) 286-KRCCO
Fax: (860) 678-6110
Web: www.kostin.com

August 31, 2007

Board of Finance
Town of North Haven
18 Church Street
North Haven, CT 06473

We were engaged to perform an investigation concerning an alleged misappropriation of assets of the Community Service Department of the Town. These allegations were identified by the Town and are currently being investigated by the State of Connecticut.

OBJECTIVES:

The objectives of the investigation were to:

1. Determine if there were any monies collected by the Community Service, Recreation and Daycare Departments that were misappropriated.
2. Determine the amount, if any, of misappropriated funds.
3. Determine the validity or business purpose, if possible, of certain disbursements for the Community Service Department activities.
4. Determine the validity or business purpose, if possible, of all reimbursement requests for the Community Service Department activities and reimbursements over \$100 for the Recreation and Daycare Departments.
5. Determine the amount of overtime paid to certain Community Service Department employees by review of related timesheets and to determine the validity, if possible, of the amount of overtime paid by the Town for time that was not worked.

Members of:

Leading Edge Alliance • American Institute of Certified Public Accountants • Private Companies Practice Section • Connecticut Society of Certified Public Accountants

An Equal Opportunity Employer



SCOPE OF THE INVESTIGATION:

The scope of our investigation was for the period July 1, 2003 through June 30, 2007. In some cases the period was limited to through March 31, 2007 or May 31, 2007 since the Director and Assistant Director were arrested and removed from Town employment at the beginning of April 2007. The time period examined is indicated for each procedure performed, listed below under Summary of Procedures Performed. For the donations made by Ken Glick, we extended the investigation back to December 1999 to verify amounts received from Mr. Glick. The Town does not have the documentation and related records for the periods before this date (fiscal year 2000).

BACKGROUND INFORMATION:

In January 2007, the Public Integrity Bureau interviewed the Community Service Director and the Assistant Director (his wife) in connection with their investigation of possible criminal violations. On April 2, 2007, the arrest warrant was executed and Joseph Ierardi and Patricia Ierardi were arrested.

Based upon these concerns, the Town issued a request for proposal for the investigation and we were engaged to review the various areas described above to determine if monies were misappropriated.

Source Documents

We inspected the following documents:

1. All cash receipts documentation for the period July 1, 2003 through June 30, 2007, or as notated below, for the following funds:
 - a. Emergency Fund(June 30, 2007).
 - b. Community Service Fund (April 30, 2007).
 - c. Day Care Fund (April 6, 2007).
2. All cash receipts documentation for the period July 1, 2003 through April 27, 2007 for the Community Service revenue line items in the general fund (counseling fees and copy fees).



Source Documents (continued)

3. On a test basis we reviewed cash receipts documentation for the Parks and Recreation department for the period July 1, 2005 to March 31, 2007.
4. All supporting documentation available for cash disbursements for the period July 1, 2003 through June 30, 2007 for the following funds:
 - a. Emergency Fund
 - b. Community Service Fund
5. All reimbursements for Joseph Ierardi and Pat Ierardi; other employee reimbursements over \$100 and selected other invoices for the following funds or departments:
 - a. Parks and Recreation Fund
 - b. Day Care Fund
 - c. General Fund – Community Services Department
6. All supporting documentation available for cash disbursements for the period July 1, 2003 through June 30, 2007 for the following vendors:
 - a. Screen Tek
 - b. Arrow Construction
 - c. Derrick's Painting
7. We reviewed the bidding documentation available for the period July 1, 2003 through June 30, 2007 for Arrow Construction, Screen Tek and Derrick's Painting.
8. We interviewed the following employees regarding the operations of the Community Services Department, Parks and Recreation operations and Day Care operations
 - a. Eileen Pettit
 - b. Mary Ann Santora
 - c. Lauren Montano
9. The arrest warrants for both Joseph Ierardi and Patricia Ierardi



Summary of Procedures Performed

1. For the period July 1, 2003 through June 30, 2007, we examined all cash receipts documentation for the **Emergency Fund**. For each posting in the general ledger we performed the following procedures:
 - a. We agreed the amount recorded to the “Special Funds” receipt book prepared by the Community Service Department (through February 21, 2007) and the Finance Department receipt book from February 22, 2007 to June 30, 2007).
 - b. We verified the cash and check amounts reported on the summary sheet sent to the Finance Department to the receipt book entries.
 - c. We noted the source of the cash receipt (person or group).
 - d. We traced the amount received to the validated deposit slip to verify proper deposit.
 - e. We summarized the amounts received by contributor for the period July 1, 2003 through June 30, 2007.
 - g. We verified completeness, by sorting by receipt number, to verify receipt issued sequence.

2. For the period July 1, 2003 through April 6, 2007, we examined all cash receipts documentation for the **Community Service Fund**. For each posting in the general ledger we performed the following procedures:
 - a. We agreed the amount recorded to the “Special Funds” receipt book prepared by the Community Service Department.
 - b. We verified the cash and check amounts reported on the summary sheet sent to the Finance Department to the receipt book entries.
 - c. We noted the source of the cash receipt (person or group).
 - d. We traced the amount received to the validated deposit slip to verify proper deposit.
 - e. We summarized the amounts received by contributor for the period July 1, 2003 through January 29, 2007 (Finance Department accepted donations from that day forward).
 - f. We verified completeness by sorting by receipt number to verify receipt issued sequence.



Summary of Procedures Performed (continued)

3. For the period July 1, 2003 through June 30, 2007 we examined all cash receipt documentation for the **Daycare Fund**. For each posting in the general ledger we performed the following procedures:
 - a. We agreed the amount recorded to the “Day Care Fund” receipt book prepared by the Day Care/Community Service Department.
 - b. We verified the cash and check amounts reported on the summary sheet sent to the Finance Department to the receipt book entries. (Note: It was the policy of the Community Service Department to only accept cash for Day Care fees).
 - c. We traced the amount received to the validated deposit slip to verify proper deposit.
 - d. We verified completeness by sorting by receipt number to verify receipt issued sequence.
 - e. For deposit days only that included the check received from Ken Glick, we extended our testing backward until November 1999. The Town does not have records that precede fiscal year 2000. We performed the procedures above for the activity and verified the amount received from Ken Glick.

4. For the period July 1, 2003 through April 27, 2007 we examined all cash receipt documentation for the **Community Service revenue line items in the general fund** (counseling fees and copy fees) For each posting in the general ledger we performed the following procedures:
 - a. We agreed the amount recorded to the “Counseling Fees” receipt book prepared by the Community Service Department.
 - b. We verified the cash and check amounts reported on the summary sheet sent to the Finance Department to the receipt book entries.
 - c. We traced the amount received to the validated deposit slip to verify proper deposit.
 - d. We verified completeness by sorting by receipt number to verify receipt issued sequence.

Summary of Procedures Performed (continued)

5. For the period July 1, 2005 through March 31, 2007 we selected a sample of cash receipts postings in the **Recreation Fund** general ledger and examined the cash receipt documentation. For each posting in the general ledger we selected to examine, we performed the following procedures:
 - a. We agreed the amount recorded to the cash register tape from the cash register used in the Recreation Department.
 - b. We verified the cash and check amounts reported on the summary sheet sent to the Finance Department to the receipt book entries.
 - c. We traced the amount received to the validated deposit slip to verify proper deposit.
 - d. For certain day's activity tested, we traced the amount received and recorded to the pre numbered yellow copy of the activity registration form retained by the Recreation Department.

6. For the period July 1, 2003 through June 30, 2007, we examined all related documentation available for each disbursement as recorded in the respective general ledger for the following funds **Emergency Fund** and **Community Service Fund**. For each disbursement examined we performed the following procedures:
 - a. Examined the related supporting documentation for the disbursement or reimbursement.
 - b. For mileage reimbursements we recalculated the number miles times the Town approved mileage rate for the date incurred and noted any differences.
 - c. We noted the nature of the disbursement and based upon information available, attempted to determine the business purpose of the transaction.
 - d. We noted the types of items submitted by employees for reimbursement and paid by the Town.
 - e. We noted who approved the voucher for payment.
 - f. For certain reimbursements made to individuals in the Emergency Services Fund, we examined the cancelled check for the endorsement and whether the check was deposited or cashed.



Summary of Procedures Performed (continued)

7. For the period July 1, 2003 through June 30, 2007, we examined all related documentation available for all reimbursements made to Joseph Ierardi or Patricia Ierardi, all other reimbursements over \$100 and selected other disbursements for the following funds **General Fund -Community Service Department only, Day Care Fund** and **Park and Recreation Fund**. For each disbursement selected we performed the following procedures:
 - a. Examined the related supporting documentation for the disbursement or reimbursement.
 - b. For mileage reimbursements we recalculated the number miles times the Town approved mileage rate for the date incurred and noted any differences.
 - c. We noted the nature of the disbursement and based upon information available, attempted to determine the business purpose of the transaction.
 - d. We noted the types of items submitted by employees for reimbursement and paid by the Town.
 - e. We noted who approved the voucher for payment.
 - f. We selected certain invoices, paid from the Parks and Recreation Fund, paid to Picture Perfect for instant film to determine the maximum pictures that could have been sold at \$1 per picture.

8. Based upon information provided from the interviews, for the period July 1, 2003 through June 30, 2007, we examined all related documentation available for each disbursement made to the following vendors **Screen Tek, Arrow Construction, and Derrik's Painting** as provided by the vendor history report from the Town's general ledger software program. For each disbursement selected we performed the following procedures:
 - a. Examined the related supporting documentation for the disbursement and noted the invoice number, quantity, if applicable, and description of items or services provided.
 - b. We totaled the amount paid to each vendor.
 - c. We totaled the quantity of items purchased from the vendor, if applicable.
 - d. We calculated the gap sequence for the invoice paid by the Town and calculated the number of invoices that were issued to other customers of the vendor
 - e. We review the bids submitted and awarded and the related change orders, if applicable, for each vendor for the period July 1, 2003 through June 30, 2007.



Summary of Procedures Performed (continued)

9. For the period July 1, 2003 through June 30, 2007 (that the employee was a full time employee of the Town), we examined timesheets claimed for overtime for the following employees **Patricia Ierardi and three other Community Service employees**. For each timesheet we documented the day, the number of hours and then calculated the value of the overtime paid by comparison to the earnings statements for the period, including the employer share of medicare and social security taxes paid.
10. For the period July 1, 2005 through June 30, 2007 we determined through inquiry the years that the 50/50 raffle was held. We then estimated the amount of the raffle proceeds for each year based upon discussion with Community Service Department personnel and the amount deposited in January 2007. For each year the winner donated the monies back to the Community Service Department.
11. For the period July 1, 2003 through June 30, 2007 we performed a review and analysis of the number of “pictures purchased” (instant pictures film purchased) to estimate the number of pictures sold at the Halloween, Christmas and Easter events. This analysis was also based upon information obtained from the arrest warrant and discussion with Town employees.
12. For the period July 1, 2003 through June 30, 2007 we performed a review and analysis of the sale of T-shirts and other apparel ordered by the Community Service Department (“extra”). This analysis was based upon information obtained from the arrest warrant and discussion with Town employees.
13. For the period July 1, 2003 through June 30, 2007 we performed a review and analysis of the number of sponsor gifts purchased and the number of sponsors.

Theory

Based upon the information obtained from the arrest warrants, discussion with Town personnel, examination of existing documentation or lack thereof, Town assets were allegedly misappropriated using the following methods and schemes:

1. Cash and gift card donations were allegedly misappropriated when received by the Community Service Department Director and/or Assistant Director. There were no procedures in place to log in gift card donations or log them out as they were provided to residents.
2. Travel reimbursements were allegedly paid for miles that were not actually incurred for Town business.

Theory (continued)

3. Advances were obtained, cashed and provided to the Community Service Department Director and/or Assistant Director. No adequate documentation was provided to support that the advances were used for the benefit of the Town or Town residents or programs.
4. T-shirts and other items were over ordered and then sold to Town residents or employees and then allegedly misappropriated by the Community Service Department Director and/or Assistant Director
5. At Halloween, Christmas and Easter events, donations were accepted for pictures taken of Town residents as part of a Recreation Department program and then the monies were allegedly misappropriated by the Community Service Department Director and/or Assistant Director
6. At the Town Christmas party in December 2005 and December 2006, a 50/50 raffle was conducted for Town employees for the supposed benefit of Emergency Services Fund. Monies were deposited in January 2007, only.
7. Other reimbursements requests were submitted by various employees as directed by the Community Service Department Director and/or Assistant Director. The supporting documentation was allegedly fraudulent and the checks were cashed and then provided to the Community Service Department Director and/or Assistant Director.
8. The check donated annually by Ken Glick from 1999 to 2006 was substituted for Day Care fee cash collections. There is no supporting documentation that these monies were used for Town benefit and therefore the monies were allegedly misappropriated by the Community Service Department Director and/or Assistant Director.
9. Overtime was paid to certain employees based upon alleged fraudulent timesheets authorized by the Community Service Department Director and/or Assistant Director with knowledge that the employee did not actually work the hours claimed.
10. The Town's bidding requirements were not followed and/or circumvented with respect to both Community Service Department activities and other Town activities for the following vendors **Screen Tek**, **Arrow Construction**, and **Derrik's Painting**.
11. Certain checks paid by the Town for advances, although paid to other Community Service employees, were cashed and the cash was then provided to the Community Service Director (per arrest warrant). There is no accountability for the use of these monies.

Findings

The following findings are a result of our investigative procedures:

1. With respect to the examination of all cash receipt documentation for the period July 1, 2003 through June 30, 2007 for the **Emergency Fund** and the related estimated calculation of various Town events activities held to benefit the fund (Summary of Procedures Performed Items 10, 11 and 12) we noted the following:
 - We noted deposits for the first time in fiscal year 2007, for the Easter Eggstravaganza, Town Christmas Tree Lighting and Town 50/50 Raffle which were organized for the benefit of this fund and had been held for multiple years. We noted no deposits for the Halloween event (donations received for pictures). The estimated amount of monies raised from these events over the period July 1, 2003 through June 30, 2007 was calculated to be \$2,919.75.
 - We noted the name of each contributor (if available), the date of deposit and the amount contributed to this fund. We then summarized the data by contributor. The analysis did show in certain cases, a gap in the annual contribution of certain contributors, or contributor's who stopped making contributions. Further investigation, outside of Town records is required to determine if contributions were made and not deposited.
 - As noted in the arrest warrant and through interview with the Community Service Department employees, donations were often made in the form of cash or gift cards. Since there was no logging of these contributions, it is not possible to determine the amount of any possible loss without information from the specific contributors.
2. With respect to the examination of the cash receipt documentation for the period July 1, 2003 through April 6, 2007 for the **Community Service Fund** we noted the following:
 - We noted the name of each contributor (if available), the date of deposit and the amount contributed to this fund. We then summarized the data by contributor. The analysis did show, in certain cases, a gap in the annual contribution of certain contributors, or contributor's who stopped making contributions. Further investigation, outside of Town records is required to determine if contributions were made and not deposited.

Findings (continued)

- We also noted that there were over 30 businesses and individuals who had been previous contributors that did not make any contribution for 2007. Further investigation, outside of Town records is required to determine if contributions were made and not deposited or contributions were not made to the Town due to the allegations related to the Community Services Department were made public.
3. With respect to the examination of all cash receipts documentation from July 1, 2003 through June 30, 2007, extended back to December 1999 for the Ken Glick contribution only, for the **Daycare Fund** we noted that the annual contribution made by Ken Glick was substituted for cash collected for day care fees. There was no documentation available to determine how these funds were used or if they were used to benefit the Town. See **EXHIBIT 2**.
 4. With respect to the examination of all cash receipt documentation for the period July 1, 2003 through April 27, 2007 for the **Community Service revenue line items in the general fund** (counseling fees and copy fees) we noted the following:
 - The amounts entered into the receipt book were properly deposited. It was noted in discussion with Community Service Department employees that the Director would often waive fees for clients. There did not appear to be a specific policy or documentation of this procedure. Therefore we did not perform a comparison of the daily client schedule to the receipt book. This analysis may have revealed the clients who were served and who did not pay the fee. If performed, this analysis may document the amount of fees that the Town should have received if the amounts were not waived or otherwise not deposited.
 5. With respect to the examination of selected cash receipt documentation for the period July 1, 2005 through March 31, 2007 for the **Recreation Fund** we noted the following:
 - There were 5 isolated small differences between the cash and check amounts recorded in the register and amount deposited. The total deposit agreed.
 - There were two instances where there monies were added to the deposit that were not recorded through the cash register.

Findings (continued)

6. With respect to the examination of all related supporting documentation available for cash disbursements for the period July 1, 2003 through June 30, 2007 for the **Emergency Fund** and **Community Service Fund**

AND

With respect to the examination of all related documentation available for all reimbursements made to Joseph Ierardi or Patricia Ierardi, all other reimbursements over \$100 and other selected other disbursements for the period July 1, 2003 through June 30, 2007 for the **General Fund -Community Service Department only, Day Care Fund** and **Park and Recreation Fund** and noted the following:

- Certain disbursements paid to Joseph or Patricia Ierardi did not have adequate supporting documentation.
- Certain disbursements paid to Joseph or Patricia Ierardi were unclear as to the related Town business purpose.
- Certain disbursements paid to Joseph or Patricia Ierardi had supporting documentation but the validity of the documentation is in question.
- Certain other disbursements that were paid to other vendors or employees and approved by Joseph or Patricia Ierardi did not have adequate supporting documentation.
- Certain other disbursements that were paid to other vendors or employees and approved by Joseph or Patricia Ierardi were unclear as to the related Town business purpose.
- Certain other disbursements that were paid to other vendors or employees and approved by Joseph or Patricia Ierardi had supporting documentation but the validity of the documentation is in question.

A summary of the amounts by fiscal year for the above amounts are on **EXHIBIT 1**.



Findings (continued)

7. With respect to the examination of all related documentation available for each disbursement made to the vendors for the period July 1, 2003 through June 30, 2007 Screen Tek, Arrow Construction, and Derrick's Painting we noted the following:

Screen Tek

- We noted that the Town did an average of approximately \$42,000 of business with this vendor annually the past four years. This average would be higher if the amount paid for fiscal 2007 was annualized. Purchases from this vendor substantially stopped after December 2006.
- The total individual pieces purchased over the four year period was approximately 21,800 items.
- Except for the one contract bid (Public Works Department uniforms) the purchases from this vendor were made consistently below the bid limit (\$1,000). Often invoices were issued in consecutive order for a certain amount of a certain item which totaled less than \$1,000 and then the next vendor invoice number was for "additional items of the same type". The pattern demonstrates an intent to circumvent the bidding requirement by ensuring the individual invoices were below the bid limit. **The effect of the additional cost to the Town was not calculated.**
- This vendor did not submit a bid to the Town for the bid issued in the Spring of 2007
- See additional information regarding this vendor related to bidding below.

Arrow Construction

- The Town was a significant amount of this vendor's total business based upon analysis of invoice numbers issued by the vendor over annual periods. The average was 52% of invoices issued over the past four fiscal years.
- See additional information regarding this vendor related to bidding below.

Derrick's Painting

- Work was only performed for Recreation Department.
- Owner of the business was a Community Service employee's husband
- See additional information regarding this vendor related to bidding below.

Findings (continued)

8. With respect to the review of the bidding for the period July 1, 2003 though June 30, 2007 for **Screen Tek**, **Arrow Construction**, and **Derrick's Painting** we noted the following:

Screen Tek

- The only items purchased that were bid by Screen Tek were the Public Works Department uniforms. All other purchases were not bid.
- With respect to the Public Works bid, for certain items, Screen Tek did not appear to be the lowest bidder for an individual item. The financial impact of the award was **not calculated**.
- In many cases Screen Tek invoices were issued to ensure they were below the Town's \$1,000 bid limit. Consecutive invoice were issued for the same items ("additional items) in amounts to keep them below the limit. The financial impact of the award was **not calculated**.

Arrow Construction

- For certain projects performed by this vendor, there was no evidence of bidding. See **EXHIBIT 4**
- In one instance, a change order was issued on the Vanocore Field press box project for \$5,070 to perform work on the Town Hall Annex front stoop and railing. The Town Hall Annex was assigned a separate Town project number.
- The pool roof project was not bid but a bid waiver was completed with the reason noted for the waiver as sole source and emergency. The bid was obtained in March 2004 but the work was not performed until August 2004. We were unable to determine why this was an emergency (considering the time between the bid and the performance of the work) or why this vendor was considered a sole source.
- For some of the projects we examined, we noted a high percentage to the original contract amount of change orders issued.

Derrick's Painting

- For one project there was no evidence of bidding (\$2,400).
- For the other project, there was a bid waiver for the reason of sole source (\$6,500). We were unable to determine why vendor would be considered a sole source.

Findings (continued)

9. With respect to the examination of timesheets claimed for overtime for the period July 1, 2003 through June 30, 2007 for the employees **Patricia Ierardi and three other Community Service employees,** we noted the following:
- We calculated the value of overtime paid, including the related employer payroll taxes for the 4 employees noted above. Since there is no documentation of the validity of the time worked, we performed the calculation as if all time claimed for overtime was not valid, based upon information contained in the arrest warrant.
 - We also noted the day the overtime was claimed to be worked.
 - The results of this analysis are included on **EXHIBIT 5.**
10. With respect to the over purchase of sponsor gifts Community Service Director for the period July 1, 2003 through June 30, 2006 our estimate of the additional cost to the Town was estimated as follows:
- We determined the number of sponsor gifts purchased for year. We then determined the number of sponsors for that year. Based upon one gift per sponsor, we then calculated the number of gift purchased in excess of the number of sponsors. Our calculation resulted in a total amount of gifts over purchased of \$2,300.
 - We also noted that the gifts were purchased in amounts to ensure they were below the bid limit of \$1,000. For 2004 and 2006 they were paid on 3 invoices and 2005 2 invoices.

RESTRICTIONS:

This report is intended solely for use of the Board of Finance, Board of Selectman and the management of the Town of North Haven and should not be used for any other purpose without our prior permission for each occasion.

The validity of this report is predicated on the extent to which full, honest, and complete disclosure was made to all parties.



ASSUMPTIONS:

In performing our analysis we made the following assumptions:

1. The reports provided for our use from the Town's general ledger were complete and accurate.
2. The supporting documentation (unless otherwise noted) was the original documentation that was used to process the transaction at the time it occurred.
3. Statements included in the affidavit for the arrest and made to us directly were accurate. Specifically they were accurate regarding overtime claimed by certain employees, expense reports, and reimbursement documentation for advances.
4. For sponsor gifts, we assumed one gift was provided per sponsor.
5. For the overtime calculation, based upon the arrest warrant, that overtime claimed was not valid.
6. All documentation available related to the items examined was provided.
7. Vendor numbers as per the individual vendor's invoices were representative of the vendors total population of invoices issued.

Kostin, Ruffkess & Company, LLC

Kostin, Ruffkess & Company, LLC
Farmington, Connecticut

Attachment: Exhibit 1-5

EXHIBIT 1

TOWN OF NORTH HAVEN, CONNECTICUT

SUMMARY OF INVESTIGATION PROCEDURES

	1999 to 2003	2004	2005	2006	2007	TOTAL
<u>CASH COLLECTED AND NOT DEPOSITED</u>						
Estimated amounts collected at Town events for benefit of Emergency Services Fund	\$ -	\$ 775.00	\$ 775.00	\$ 1,075.00	\$ 294.75	\$ 2,919.75
Ken Glick donations (See Exhibit 2)	3,100.00	900.00	950.00	1,000.00	1,050.00	7,000.00
<u>Amounts paid directly to Joseph Ierardi or Patricia Ierardi</u>						
Amounts with adequate supporting documentation, but the validity of documentation is in questions (travel reimbursements)		1,969.11	1,652.81	1,234.03	404.95	5,260.90
Amounts without adequate supporting documentation (advances)		-	400.00	500.00	-	900.00
Amount unclear to Town business purpose		-	-	225.00	390.84	615.84
Overtime paid to Patricia Ierardi (7/1/2003 through 4/1/2007)		7557.28	7,125.99	6,799.99	5,006.66	26,489.92
SUBTOTAL	3,100.00	11,201.39	10,903.80	10,834.02	7,147.20	43,186.41
<u>Amounts approved by Joseph Ierardi or Patricia Ierardi (paid to other vendors or employees)</u>						
Amounts with adequate supporting documentation, but the validity of documentation is in questions		570.17	313.01	457.48	58.82	1,399.48
Amounts without adequate supporting documentation (advances)		1,600.00	1,626.00	-	-	3,226.00
Amount unclear to Town business purpose		1,734.01	117.74	160.08	-	2,011.83
Sponsor gift purchased in excess of the number of sponsors		960.00	560.00	780.00	-	2,300.00
Overtime paid for other Community Service Department employees (See Exhibit 5)		7,342.97	2,559.60	2,619.27	1,469.38	13,991.22
Payroll taxes related to questionable overtime paid		1,139.87	740.95	720.57	495.42	3,096.81
SUBTOTAL	-	13,347.02	5,917.30	4,737.40	2,023.62	26,025.34
TOTALS	\$ 3,100.00	\$ 24,548.41	\$ 16,821.10	\$ 15,571.42	\$ 9,170.82	\$ 69,211.75

EXHIBIT 2

TOWN OF NORTH HAVEN, CONNECTICUT

KEN GLICK CONTRIBUTIONS

FISCAL YEAR	REPORT DATE	AMOUNT OF CHECK
2000	11/24/1999	\$ 700.00
2001	11/29/2000	750.00
2002	11/28/2001	800.00
2003	11/27/2002	850.00
2004	12/3/2003	900.00
2005	11/24/2004	950.00
2006	12/7/2005	1,000.00
2007	11/29/2006	<u>1,050.00</u> X
TOTAL		<u><u>7,000.00</u></u>

X - Although documentation was provided by the Community Service Director upon request, it was determined by the State investigator that it was fraudulent (per arrest warrant)

EXHIBIT 3

TOWN OF NORTH HAVEN, CONNECTICUT

**ANALYSIS OF CERTAIN VENDOR INVOICES ISSUED, NUMBER ISSUED TO THE TOWN AND AMOUNTS PAID
BY TOWN**

	2004	2005	2006	2007*	TOTAL
<u>Screen Tek Printing</u>					
Total invoices calculated per year	1,324	1,339	1,479	2,673	6,815
Total invoices to Town	74	64	77	39	254
Difference	1,250	1,275	1,402	2,634	6,561
Total amount paid to vendor	\$ 45,955	\$ 39,971	\$ 51,538	\$ 30,582	\$ 168,046
Total individual items purchased					21,799

* This represents only approximately 5 or 6 months of activity. There are not any significant invoice paid after December 2006.

Arrow Construction

Total invoices calculated per year	52	62	48	47	209
Total invoices to Town	27	28	33	20	108
Difference	25	34	15	27	101
Percentage of invoices to Town	52%	45%	69%	43%	52%
Total amount paid to vendor	\$ 104,367	\$ 143,898	\$ 200,402	\$ 80,388	\$ 529,055

EXHIBIT 4

TOWN OF NORTH HAVEN, CONNECTICUT

SCHEDULE OF ITEMS NOTED DURING REVIEW OF BIDDING

DATE	PROJECT NAME/DESCRIPTION	CONTRACT AWARD AMOUNT	TOTAL VALUE OF CHANGE ORDERS (net)	TOTAL REVISED CONTRACT AMOUNT	CHANGE ORDERS AS % OF ORIGINAL	OTHER BIDDERS		COMMENTS
						NAME	AMOUNT	
<u>ARROW CONSTRUCTION</u>								
9/6/2002	Refurbish the Press Box at Vanocore Field	<u>20,800.00</u>	<u>62,335.00</u>	<u>83,135.00</u>	300%	NONE		
	Change order 4 (Town Hall Annex front stoop and railing replacement)	5,070.00						This was added as a change order for the above project but was for an unrelated project. As a result, no bidding was performed for this other project
4/21/2003	Painting/siding (17-19 Linsley Street)	<u>10,800.00</u>	<u>11,450.00</u>	<u>22,250.00</u>	106%	Fallon	26,500.00	
5/18/2004	Town Hall Door	<u>26,850.00</u>	<u>2,569.00</u>	<u>29,419.00</u>	10%	NONE		
3/9/2004	Pool Roof	<u>12,275.00</u>	<u>-</u>	<u>12,275.00</u>	0%	NONE - BID WAIVER EMERGENCY AND SOLE SOURCE		Date of Quote 3/4/2004 Date work performed 8/7- 8/27/2004
12/6/2004	Public Works Garage Doors	13,950.00	<u>-</u>	<u>13,950.00</u>	0%	Eastern Fire Door	15,980.00	
	Public Works Garage Insurance Repairs	103,023.00	38,510.00	141,533.00	37%	NO EVIDENCE OF BID		
4/6/2005	Damage to 14 & 18 Church Street due to accident	<u>67,534.00</u>	<u>-</u>	<u>67,534.00</u>	0%			Insurance Amount - \$67,599
	Landscaping	<u>2,400.00</u>	<u>-</u>	<u>2,400.00</u>	0%			Insurance Amount - \$2,400
						NO EVIDENCE OF BID		

EXHIBIT 4

TOWN OF NORTH HAVEN, CONNECTICUT

SCHEDULE OF ITEMS NOTED DURING REVIEW OF BIDDING

DATE	PROJECT NAME/DESCRIPTION	CONTRACT AWARD AMOUNT	TOTAL VALUE OF CHANGE ORDERS (net)	TOTAL REVISED CONTRACT AMOUNT	CHANGE ORDERS AS % OF ORIGINAL	OTHER BIDDERS		COMMENTS	
						NAME	AMOUNT		
3/9/2007	Fire Headquarters improvements - Kitchen	11,650.00	8,851.00	20,501.00	76%	Gennarini	18,099	33,833	Change order 1-4 were for painting, removing ceiling panels, remove and install PA speaker and replace faucet in kitchen
	Fire Headquarters improvements - Duty room	<u>11,765.00</u>	-	<u>11,765.00</u>	0%	Plourade	38,800	57,000	
	TOTAL	<u><u>23,415.00</u></u>		<u><u>32,266.00</u></u>		Diglio	16,060	16,440	
						GESCO	12,600	26,100	
1/23/2002	Demolition and repairs to work areas at PW garage (220 Elm Street)	21,555.00	-	21,555.00	0%	QUOTE ONLY - NO EVIDENCE OF BID			
	Code compliance work at PW garage (220 Elm Street)	<u>22,220.00</u>	13,215.00	<u>35,435.00</u>	59%	QUOTE ONLY - NO EVIDENCE OF BID			
	TOTAL	<u><u>43,775.00</u></u>		<u><u>56,990.00</u></u>					

EXHIBIT 5**TOWN OF NORTH HAVEN, CONNECTICUT****ANALYSIS OF OVERTIME PAID CERTAIN COMMUNITY SERVICE DEPARTMENT EMPLOYEES
FOR THE PERIOD JULY 1, 2003 THROUGH JUNE 30, 2007 (IF APPLICABLE)**

	TOTAL HOURS								TOTAL	EMPLOYER	TOTAL
	MON	TUES	WED	THURS	FRI	SAT	SUN	HOURS	AMOUNT PAID	PAYROLL TAXES	
PATRICIA IERARDI	46.50	58.75	77.00	48.25	1.50	170.50	171.00	575.50	\$ 26,489.92	\$ 2,026.48	\$ 28,516.40
NUMBER OF DAYS	24	37	44	28	2	76	80	291			
<u>OTHER COMMUNITY SERVICE EMPLOYEES</u>											
EMPLOYEE A	22.00	29.00	27.00	19.00	-	-	-	-	2,660.16	\$ 203.50	\$ 2,863.66
EMPLOYEE B	119.50	109.00	116.50	50.00	1.00	3.00	-	399.00	10,985.79	840.41	11,826.20
EMPLOYEE C	2.00	2.00	1.00	1.00	-	-	4.00	10.00	345.27	26.41	371.68
SUBTOTALS	143.50	140.00	144.50	70.00	1.00	3.00	4.00	409.00	13,991.22	# 1,070.33	15,061.55
TOTALS	190.00	198.75	221.50	118.25	2.50	173.50	175.00	984.50	\$ 40,481.14	\$ 3,096.81	\$ 43,577.95