

WASTE, FRAUD AND ABUSE OF PUBLIC FUNDS IN THE TOWN OF EVANS, NY

by Bob Doering



Last Revised 3-12-2006

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1 Introduction

Introduction

To:

Office of the State Comptroller
Bureau of Investigations
110 State Street 14th Floor
Albany, NY 12236

This cover sheet attempts to identify specific areas of waste, fraud and abuse of public funds occurring in relation to travel reimbursements of local Town of Evans officials. The undersigned file this complaint having reasonable cause to believe that Town of Evans Officials committed official misconduct by filing fraudulent claims for reimbursement, wasted taxpayer dollars and used their positions for personal gain. This constitutes malfeasance, malversation, and maladministration by Public Officials.

Information supporting these charges is attached and explained below. Attached documentation was received from the Town of Evans through a freedom of information request. A review of this documentation in conjunction with information orally obtained from the NY Association of Towns on specific starting and ending times for the event (hard copy documentation available from that organization) generates numerous questionable, fraudulent and improper activities of these officials.

During the period from 2/18-2/23/2005, at least nine town officials (per travel vouchers released) traveled to NYC to attend the NYS Association of Towns Conference. Of the nine, three submitted individual vouchers for reimbursement. Six submitted a consolidated reimbursement request. Other than improper reimbursement for gasoline charges (in addition to a mileage allowance) and violation of town code Chapter 48 Section 48-4 D. "Travel by town-owned vehicle or privately owned vehicle will be restricted to cases where it is to the advantage of the town", these three individual reimbursements are not in question. Of the remaining six, documents show that at least three to five additional friends or relatives were present in hotel rooms with these travelers. Travel reimbursements for local transportation and meals to these six officials included reimbursement for expenses incurred by private individuals accompanying the town officials.

2 Disclaimer

Disclaimer

This is a working document and allegations / evidence may be added to or deleted based on further examination of released documents.

Many documents have been requested , many under the Freedom of Information law, that have not been provided or incomplete information provided.

3 Specific Instances Of Fraudulent Or Inappropriate Activity

Specific Instances Of Fraudulent Or Inappropriate Activity

3.1 Improper Reimbursement Example #1

Improper Reimbursement Example #1

Reimbursed meal expenses include expenses for spouses and friends traveling with employees or otherwise not authorized. Example:

3.1.1 Lobster Dinner Receipt

Lobster Dinner Receipt

Receipt dated Feb. 22 (Exhibit A page 6) shows at least 11-12 meals purchased, claimed and reimbursed for six officials. (Note: Claimed and paid \$307.60 while those meals only add up to \$232.05.) \$75.55 not accounted for by any receipt. This receipt apparently had the top portion conveniently destroyed.

```

1 BRUSHETTA          9.95
7 1ST LOBSTER        90.65
7 2ND LOBSTER        62.65
1 TON PAST & CHIX    14.95
1 TUNA STEAK         17.95
1 TON PAST & SHP     16.95
1 TON PAST & SHP $ADD CHIX 18.95
TOP
CASH                  550.00
FOOD                  307.60
LIQUOR                8.00
BEER                  62.00
WINE                  56.00
Tax                   37.40
PAYMENT              471.00
Change Due            79.00
-----20 Check Closed-----
-----Feb22'05 11:01PM-----
    
```

QTY	DESCRIPTION	PRICE		
1	BRUSHETTA	9.95		
7	1ST LOBSTER	90.65		
7	2ND LOBSTER	62.65		
1	TON PAST & CHIX	14.95		
1	TUNA STEAK	17.95		
1	TON PAST & SHP	16.95		
1	TON PAST & SHP \$ADD CHIX	18.95		
TOTALS	NOTE: This Line Not On Receipt Added To Get Total Of Food On The FOILED Receipt	232.05		307.60
				232.05
				Dinners Missing? 75.55
	TOP			
	CASH	550.00		
	FOOD	307.60		
	LIQUOR	8.00		
	BEER	62.00		
	WINE	56.00		
	Tax	37.40		
	PAYMENT	471.00		
	Change Due	79.00		

3.1.2 Receipts Over \$500.00

Receipts Over \$500.00

While several receipts (Exhibit A) in excess of \$500.00 for dinners without any breakdown are extremely questionable, it is highly unlikely that spouses and friends

were left in a hotel room while officials went to dinner. Consolidated receipts, not individual records were submitted. Also note that while a number of instances are correctly annotated by deleting alcoholic beverages, these receipts show no beverage deduction. Highly questionable reimbursement.

3.1.2.1 Receipts Over \$500 #1

Receipts Over \$500 #1



3.1.2.2 Receipts Over \$500 #2

Receipts Over \$500 #2

An internet search and phone call to the Virage restaurant reveals that the most expensive dinner menu items are their daily specials not exceeding \$24.50 a dinner. Most entrees are under \$16.00.

How did dinner for 6 officials add up to \$579.42? How many meals were for their guests? Were alcoholic beverages included in this receipt (alcoholic beverages are not reimbursable). Was this receipt fraudulently submitted to increase their reimbursement amount?

LINK: Virage Menu

Click Here To View Virage Menu!

VIRAGE RESTAURANT
118 SECOND AVE.
NEW YORK, NY 10003
212-253-0425

SAT, FEB 19, 2005 09-12 PM

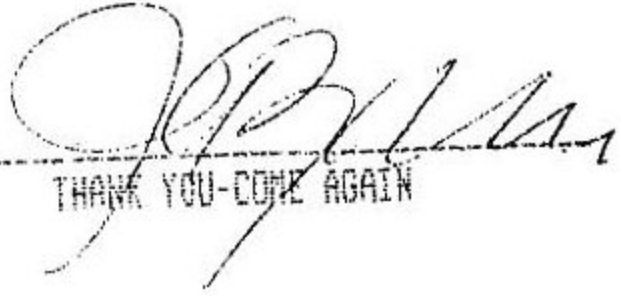
CREDIT CARD

ACCT NO: 5215318504305109
EXP DATE: 0708
TR TYPE: PURCHASE
AMOUNT: \$ 493.16
APP CODE: F52115
REC NO: 075

SERVER NO: 2
NET TOTAL = \$ 493.16

TIP = \$ 86.26

TOTAL = \$ 579.42


THANK YOU-COME AGAIN

3.1.3 9 Meals By 6 Officials

9 Meals By 6 Officials

There appear to be three separate receipts for lunches at three different restaurants on Feb. 21st totaling 9 meals eaten by these 6 officials (Exhibit A). While one receipt properly excludes alcoholic beverages consumed (27 alcoholic beverages at lunch while in the middle of the training makes you wonder a bit how effective and important this training really was. The restaurant also serves as an OTB betting parlor having a high roller room where bets may be made at tableside with waiters ready to take your bets and individual LCD screens available at your table) it appears that meals for guests other than town officials were claimed by, and reimbursed to, these officials.

3.1.3.1 Receipt #1-1

Receipt #1-1

This Receipt Shows 2 Lunches On 2-21-05 At 12:45 PM

ROSIE O'GRADY
 12.45 1 02/21/05 #40
 TABLE 8 EDWARD GSTS ?
 REST

1 ROAST B SAND	14.50	
1 PORTBELO SAN	13.95	
	FOOD	8.45
2 COFFEE	8.50	
	BEVERAGES	6.50
	SUBTOTAL	36.95
	TAX	3.18
TOTAL		40.13

 THANK YOU FOR
 DINING WITH US !
 Please visit our website @
www.Rosieogrady.com

3.1.3.2 Receipt #1-2

Receipt #1-2

This Receipt Shows 2 - 4 Lunches On 2-21-05 At 1:07 PM

 CHECK # 2353 DATE 02/21/05
 TABLE # 224 TIME 13:07

-- LUNCH : FERNANDO --

ITEMS ORDERED	AMOUNT
1 HUMMUS	6.95
1 SALMON CREPE	10.75
2 ASPARAGUS CREPE	17.90
1 FRENCH FRIES	4.50
1 ICED TEA	1.75
1 DIET	1.75

SUBTOTAL	43.60
TAX	3.76

TOTAL	47.36

BRFAKFAST SPECIAL 9.95

3.1.3.3 Receipt #1-3

Receipt #1-3**Link: Inside Track**

Click Here To visit The Inside Track Web Site!

The Inside Track

991 Second Avenue
 New York, NY 10022
 (212) 752-1940

Guest Check

Tab 122 02/21/05-A 12:49pm
 Guests 1 MEISHA Table B-10

11 ABSOLUT	66.00
9..BUDWEISER BTL	39.33
5..COORS LT BTL	21.85
2..STOLICHNAYA	12.00
3..CHEESEBURGER DLX	34.85
2..ADD BACON	
1..BEEF BURGER DLX	10.95
ADD BACON	
1..CHICK VEGETABLE	4.95
27	5 Lunches / 27 Drinks!
	Weren't Town Officials
	Attending The Seminars?
	189.93
	Tax 16.39
TOTAL	206.31

*** THANK YOU ***
 FROM THE INSIDE TRACK

50.75

3.1.4 Receipt For Cheesecake

Receipt For Cheesecake
 Cheesecake

LINDY'S

0281 Table 300 #Party 1
 MANAM M SvrCk: 42 14:29 02/23/05
 COUNTER T1

1 OPEN FOOD, how much? 38.00 PLAIN CHSS-CAKE	38.00
---	-------

Sub Total: 38.00
 Tax: 3.30
 Sub Total: 41.30

02/23 14:29 TOTAL: 41.30

 THANK YOU
 825 7TH AVE
 Visit our other Riese Restaurants
 TIMES SQUARE GRILL
 NEDICK'S, MARTINI'S, T.G.I.FRIDAY'S
 HOULIHAN'S, CHARLEY O'S, SKYBOX
 LINDY'S, TEQUILAVILLE, TAD'S
 Gratuity not included
 Propina no esta incluida

3.2 Receipts Insufficient

Receipts Insufficient

Receipts for meals and travel are insufficient to base reimbursements on. Many receipts (see attachments) are undated, contain no descriptions of items, handwritten amounts, appear to include costs for spouses and friends traveling with officials and were submitted fraudulently for personal gain and in violation of town code Chapter 48 Section 48-8 ("The standard claim form will be used for all claims for travel expense. Sub vouchers or receipts must be attached to the claim. The voucher must show the date each item of expenditure was incurred, the places between which travel was performed, time of departure and time of arrival at destination" and Section 48-9 ("The rules of reasonableness, necessity and actuality regarding any expenses have been established by law, and all claims will be viewed with these criteria. Claims which appear incomplete or inconsistent with the above rules will be reduced accordingly."). These claims do not come anywhere near meeting that codes standard.

3.2.1 Ineligible Receipts / Questionable Receipts

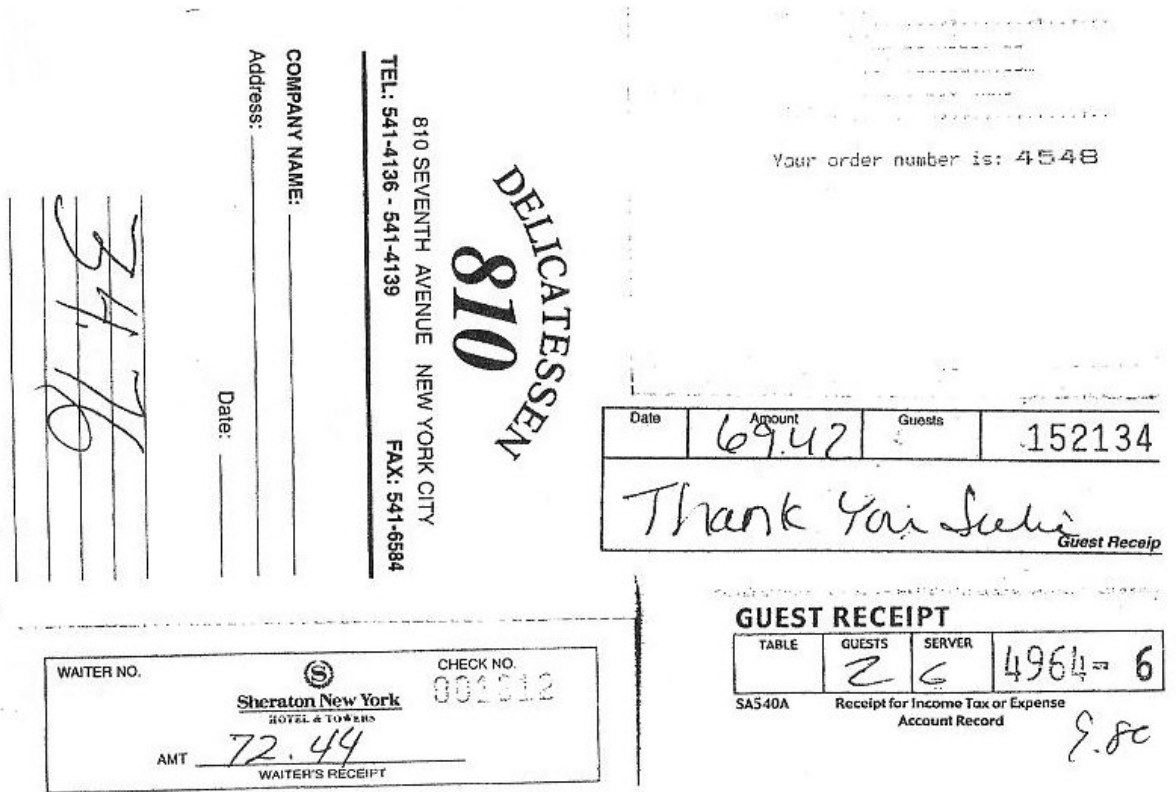
Ineligible Receipts / Questionable Receipts

Specifically: See numerous examples at Exhibit A of ineligible receipts/questionable

receipts

3.2.1.1 Receipts Handwritten / Incomplete

Receipts Handwritten / Incomplete



3.2.2 All County Express Air Shuttle

All County Express Air Shuttle Receipts

There are two receipts from All County Express Air Shuttle at \$85.00 for each receipt.

Documentation of flights indicates Mr. Csati arrived on the same flight as two other officials. Assuming all three-shared transportation, \$85.00 one way is not sustainable and must include other relatives or guests. Current rates from Internet site approximate \$15- \$17.00 per person rates in effect. Note that one of the three individual reimbursement vouchers not questioned contains receipts for taxi fare of \$45.00 one way from and to the same destination.

3.2.2.1 JFK To Hotel Shuttle Receipt

JFK To Hotel Shuttle Receipt

RECEIPT

Mr/Ms T. Csati
 From JFK
 To Sheraton
 Paid \$85.00
 Driver DERYCK

*Thank you for travelling with All County Express Air Shuttle.
 Not Responsible For Lost Or Stolen Luggage*

3.2.2.2 Hotel To JFK Shuttle Receipt

Hotel To JFK Shuttle Receipt

RECEIPT

Mr/Ms T. Csati
 From Sheraton
 To JFK
 Paid \$85.00
 Driver DERYCK

*Thank you for travelling with All County Express Air Shuttle.
 Not Responsible For Lost Or Stolen Luggage*

3.2.2.3 Judge Cooper JFK To Hotel Taxi Receipt

Judge Cooper JFK To Hotel Taxi Receipt

MED # 4964
 JFK TO MANHATTAN
 02/23/05 TR 4315
 START END MILES
 12:59 13:59 24.0
 FARE : \$ 45.00
 EXTRA: \$ 0.00
 TOTAL: \$ 45.00

THANKS
 TO CONTACT TLC
 DIAL 3-1-1

3.2.3 Csati Taxi Receipt

Csati Taxi Receipt

Below is a taxi receipt for \$11.30 on 2/18/2005 (actually a receipt more than likely supplied to Mr. Csati by Ms. Erikson as she was not allowed to claim that day as an official expense), a day before Mr. Csati even arrived in NYC. Claimed and reimbursed.

```
110 NEW YORK  
MED # 2089  
TRIP # 8024  
DATE FEB-18-2005  
ST. TIME 01:56PM  
END TIME 02:22PM  
RATE 1  
MILES 3.37  
FARE $ 11.30  
Contact TLC Dial  
3-1-1
```

3.2.4 Receipt: Breakfast 2-19-05

Receipt: Breakfast 2-19-05

One receipt for three breakfasts on Feb. 19 was paid at 10:55 am on 7th Ave NY Other than one official who arrived on 18 Feb., the next arrivals were scheduled at 10:05 a.m. Feb. 19 at JFK airport. It is hard to believe that these arrivals that took a shuttle into NYC could arrive at 7th Ave, order breakfast and pay the bill in 50 minutes or less. More likely, this receipt was for Ms. Erikson and family or friends.

EUROPA CAFE
 787 7 AVE
 (212)587-2517
 WWW.EUROPATOGO.COM

DATE			SAT
	02/19/2005		
1	MIL. WATER	T1	\$2.25
2	PELLLE/CRANB/V8	T1	\$3.90
1	LG. FRUIT SALAD	T1	\$3.25
1	CLASS. CROISSANT	T1	\$1.35
1	EUROPA BRKFST. #8	T1	\$1.35
2	EUROPA BRKFST. #3	T1	\$5.90
	TAX1 AMT		\$1.61
	TOTAL		\$20.31
	CASH		\$40.00
	CHANGE		\$19.69

* ORDER# 0128 *

NO.000128 REG 01 EMPLOYEE1 TIME 10:55

3.2.5 Receipts Two Days Before Convention

Receipts Two Days Before Convention

One receipt dated Feb 18 (Exhibit A page 9) was on a day the town recognized that one official was on their own early departure and not entitled to reimbursement for lodging (official reimbursed town for one night lodging 2/18/05 albeit at an incorrect rate), yet recognized this as a legitimate meal expense.

CA ONE SERVICES INC.
BUFFALO NIAGARA INTL. AIRPORT
THE LANDMARK BAR

5010 PENNY

3426 FEB18'05 11:54AM

1 Beef on Weck	6.25
No Cheese	
1 Wings	6.75
1 Soft Drink 20	1.75
Subtotal	14.75
Total Tax	1.22
11:54 Total Due	\$15.97

3.2.6 Taxi Receipt 2-19-05

Taxi Receipt 2-19-05

Receipt for Taxi dated 2/19 at Exhibit A page 3 appears incomplete and questionable / possibly altered.



VOUCHER
 Original Forms must be used. No copies will be accepted.
TOWN OF EVANS
 8787 ERIE ROAD - ANGOLA NY 14006-9600
 Note to Vendors: Town of Evans is Tax Exempt
 ID# 18-6002246

PO

Vendor No.	18975
Voucher No.	349
Fund & Acct No.	41989
Amount	607.85
TOTAL	607.85

FUND / DEPARTMENT _____

VENDOR NAME & ADDRESS: Robert R. Catalino, 910 Beach Rd, Angola, NY 14006

Vendor PHONE # _____

Vendor SIGNATURE _____

Abstract No. 4 Check No. 51332

DATE	DESCRIPTION OF MATERIALS OR SERVICES	AMOUNT																																	
2-28-05	Transportation & Parking Mileage - 74x.30= 22.20 Food- \$95 x 5 days	110.65 22.20 475.00																																	
	<table border="0"> <tr> <td>Food</td> <td>110.20</td> <td>T</td> </tr> <tr> <td></td> <td>0.00</td> <td>T</td> </tr> <tr> <td>Rob</td> <td>450.00</td> <td>+</td> </tr> <tr> <td>Kathy</td> <td>450.00</td> <td>+</td> </tr> <tr> <td>Karen</td> <td>450.00</td> <td>+</td> </tr> <tr> <td>Tom</td> <td>450.00</td> <td>+</td> </tr> <tr> <td>Sandy</td> <td>450.00</td> <td>+</td> </tr> <tr> <td></td> <td>2,250.00</td> <td>T</td> </tr> <tr> <td></td> <td>2,250.00</td> <td>+</td> </tr> <tr> <td>Kathy IC</td> <td>450.00</td> <td>+</td> </tr> <tr> <td></td> <td>2,700.00</td> <td>T</td> </tr> </table>	Food	110.20	T		0.00	T	Rob	450.00	+	Kathy	450.00	+	Karen	450.00	+	Tom	450.00	+	Sandy	450.00	+		2,250.00	T		2,250.00	+	Kathy IC	450.00	+		2,700.00	T	
Food	110.20	T																																	
	0.00	T																																	
Rob	450.00	+																																	
Kathy	450.00	+																																	
Karen	450.00	+																																	
Tom	450.00	+																																	
Sandy	450.00	+																																	
	2,250.00	T																																	
	2,250.00	+																																	
Kathy IC	450.00	+																																	
	2,700.00	T																																	
	TOTAL	607.85																																	

Did The Director of Finance Report Amounts Over The IRS Allowable Amount As Income For Each Attendee?

FOOD RECEIPTS TOTAL \$ 2,727.31

Why Did The Supervisor Claim 5 Days For Food For A 3 DAY Convention?

Did All Attendees Claim 5 Days For Food For A 3 DAY Convention?

DEPARTMENT APPROVAL
 The above services or materials were rendered or furnished to the municipality on the dates stated and the charges are correct.
 1/28/05 L. Catal - 11

DO NOT WRITE IN AREA BELOW
 PAID
 FEB 28 2005

3.2.7.1 Consolidated Voucher Exhibit #1

Consolidated Voucher Exhibit #1

Below are two one-day transit passes purchased within one minute of each other and claimed for reimbursement by the town supervisor. Was one of these passes for his guest? Was he reimbursed for a non-town employees transit pass?

MVM RECEIPT
 MTA NYC TRANSIT
 7TH AVENUE & WEST 53RD
 NEW YORK CITY NY
 MVM #: 1287(N301 0700)
 Mon 21 Feb 05 11:05
 Trans: Sale OK
 Payment Mode: Cash
 Amount: \$ 7.00
 Card Value: \$ 0.00
 Change Due: \$ 3.00
 Serial #:1112063746
 Type: 023
 1-DAY UNLIMITED
 Questions?
 Call (212) METROCARD

MVM RECEIPT
 MTA NYC TRANSIT
 7TH AVENUE & WEST 53RD
 NEW YORK CITY NY
 MVM #: 1287(N301 0700)
 Mon 21 Feb 05 11:0
 Trans: Sale OK
 Payment Mode: Cash
 Amount: \$ 7.00
 Card Value: \$ 0.00
 Change Due: \$ 0.00
 Serial #:1112063745
 Type: 023
 1-DAY UNLIMITED
 Questions?
 Call (212) METROCARD

3.2.7.2 Consolidated Voucher Exhibit #2

Consolidated Voucher Exhibit #2

Below is a receipt submitted by Mr. Csati for an MTA 7 day transit pass at a cost of \$21.00. Isn't it more than likely that this pass was for his guests travel around NYC sightseeing while he attended the conference?

MEM RECEIPT
MTA NYC TRANSIT
CANAL STREET - BROADWAY
NEW YORK CITY NY
MEM #: 5361(A043 0400)
Sat 19 Feb 05 17:00
Trans: Sale OK
Amount: \$ 21.00
Card Value: \$ 0.00
ATM Card #: XX3668
Auth#: 630183
Ref #: 029907698396
Serial #: 1095976633
Type: 024
7-DAY UNLIMITED
Questions?
Call (212) METROCARD

3.2.8 Receipts Mutilated

Receipts Mutilated Over \$500

Some receipts (Exhibit A) appear to be purposely mutilated (top half torn off) to avoid accurate depiction of expenses. Some receipts for in excess of \$500.00 have no breakdown.

3.2.8.1 Receipts Mutilated Example #1

Receipts Mutilated

1 BRUSHETTA	9.95
7 1ST LOBSTER	90.65
7 2ND LOBSTER	82.65
1 TON PAST & CHIX	14.95
1 TUNA STEAK	17.95
1 TON PAST & SHP	16.95
1 TON PAST & SHP \$ADD CHIX	18.95
TOP	
CASH	550.00
FOOD	307.60
LIQUOR	8.00
BEER	62.00
WINE	56.00
Tax	37.40
PAYMENT	471.00
Change Due	79.00
-----20 Check Closed-----	
-----Feb22'05 11:01PM-----	

[Click Here To Read More!](#)

3.2.9 Undocumented Payment

Undocumented Payment

The check below was issued to a Karen Martin for \$896.00. Karen Martin is not an employee of the town but is listed as a guest in Supervisor Catalino's hotel room.

Why was there no voucher released authorizing this expenditure and payment to her? Who authorized this payment? Worse practices than that is there was absolutely no documentation released that any bill was ever paid for \$896.00. No, and I emphasize NO receipt was ever released showing that any bill was ever actually paid by anyone. How can the town issue this check without documentation of it even being a valid claim? Did the Town actually pay the bill and pay Ms. Martin for the same thing?

3.2.9.1 Karen Martin Check

Karen Martin Check

TOWN OF EVANS ANGOLA, NEW YORK 14006		VENDOR NO.	
CHECKER NO.	DATE	INVOICE NO. AND/OR DESCRIPTION	AMOUNT
		NYS Association of Towns Mtg. - Hotel	
Please Detach Here and Retain Top Portion For Your Records			TOTAL THIS CHECK

THIS DOCUMENT HAS INVISIBLE FLUORESCENT FIBERS - VIEW UNDER BLACK LIGHT

TOWN OF EVANS COMBINED ACCOUNT 8787 ERIE ROAD ANGOLA, NEW YORK 14006	THE EVANS NATIONAL BANK ANGOLA, NEW YORK 14006	50-1012 223	51414
	DATE	AMOUNT	
	March 25, 2005	\$896.00*	

*Eight Hundred Ninety Six & 00/100***** DOLLARS

BY THE ORDER OF	<table border="1"> <tr> <td>Karen Martin Angola, NY 14006</td> </tr> </table>	Karen Martin Angola, NY 14006	<p>When Did The Town Board Authorize A Reimbursement Check Paid To Karen Martin?</p>	<table border="1"> <tr> <td>COMBINED ACCOUNT Robert A. Catalini</td> </tr> </table>	COMBINED ACCOUNT Robert A. Catalini
Karen Martin Angola, NY 14006					
COMBINED ACCOUNT Robert A. Catalini					

BLEED THROUGH NUMBERS SHOW ON BACK IN RED • MICRO-PRINT SIGNATURE LINE (MAGNIFY TO VIEW)

3.2.10 Improper Documentation

Improper Documentation

Ms. Karyczaks' documentation for reimbursement of hotel expenses for this conference is extremely problematic and should not have been paid. If this payment is for the February NYC conference, why was a paid receipt not required? The credit card billing statement shows an arrival date at a NYC hotel of May 6, 2005, not even the same month as the February conference. This payment should have never been made based on the documentation submitted.

3.2.10.1 Karyczak's May Receipt

Karyczak's May Receipt

3.2.10.2 Karyczak's Proof of Payment

Karyczak's Proof of Payment

CARDHOLDER SINCE 1996
 KATHLEEN M KARYCZAK
 DERBY NY 14047-969780

PAYMENT DUE DATE: 06/12/05
 NET BALANCE TOTAL: \$896.00
 TOTAL MINIMUM PAYMENT DUE: \$15.00
 AMOUNT ENCLOSED:

MBNA AMERICA
 P.O. BOX 15288
 WILMINGTON, DE 19886-5288

For account information call 1-800-789-6685
 Print change of address or new telephone number below

Address: _____
 City: _____ State: _____ Zip: _____
 Home phone: _____ Work phone: _____

Account Number	Credit Line	Cash or Credit Available	Date in Billing Cycle	Closing Date	Total Minimum Payment Due	Payment Due Date
██████████	██████████	██████████	29	05/12/05	\$15.00	06/12/05

Posting Date	Transaction Date	Reference Number	Card Type	Category	Transactions	Charges	Credits (CR)
MAY 2005 STATEMENT							
PURCHASES AND ADJUSTMENTS							
05/09	05/07	6770	MC	C	SHERATON NEW YORK NEW YORK NY	896.00	
ARRIVAL DATE 5/06/05							
TOTAL FOR BILLING CYCLE FROM 04/14/2005 THROUGH 05/12/2005						896.00	\$0.00

DETACH TOP PORTION AND RETURN WITH PAYMENT

3.2.11 Vehicle Expense - Duplicate Reimbursements?

Vehicle Expense - Duplicate Reimbursements?

Two Officials traveled by personal vehicle to the airport. Exhibit A and Exhibit C appear to be claims for reimbursement for transportation and parking made by both travelers and paid to both individuals for travel and parking expenses for the exact same vehicle.

3.2.11.1 Vehicle Receipt #1

Vehicle Receipt #1

3.2.12.2 Receipt Including Sales Tax?

Receipt Including Sales Tax?

Does This Receipt Include Sales Tax.

9.20 DATE	— PERSONS	565. ⁹⁰ TOTAL AMOUNT	<i>[Signature]</i> CHECK NO
--------------	--------------	------------------------------------	--------------------------------

Ca Sa BELLA
127 MULBERRY STREET
212-431-4080

4 Summary & Conclusion**Summary & Conclusion**

Travel began on Saturday Feb. 19, 2005 in the morning. Officials claimed reimbursement for meals and lodging for Saturday while check in for the conference began on Sunday Feb 20 at approximately 4 PM. Conference opening was on Monday morning Feb 21, 2005. Travel beginning before the morning of Sunday Feb. 20 was unnecessary and an abuse of the public's trust. No sanctioned activity took place before 3 pm on Sunday. All travelers were able to arrive Saturday well before 3 pm and should have instead traveled at the same time on Sunday instead. Travel and expenses on Saturday were not a reasonable and necessary expense but instead reflects a desire to cheat the taxpayer and enjoy a night out on the town with friends and family at taxpayer expense. Only one individual was required as a designated town representative to attend any session on Wednesday. All others could have returned Tuesday evening after training but chose to stay at an additional \$90.00 for meals Wednesday and \$224.00 hotel charge Tuesday evening (each) returning instead at 6:35 P.M. on Wednesday.

Despite the Town Board's approval of Saturday travel, such travel was a frivolous expense not directly attributable to any necessary business reason and authorized by these same individuals as a benefit for themselves. Is it ethically correct or an abuse of taxpayer funds for the supervisor and his secretary to claim and accept a \$90-95.00 reimbursement for meals on the day (2/23/05) when they left NYC shortly after breakfast?

Please note that the town supervisor's secretary attended this conference while listed as the "administrative assistant to the town board" (on an application to attend), a title we believe is non-existent, deceptive, and attendance would be of little or no benefit to the town or taxpaying public given the level of decision making

responsibilities of this position and topics addressed at the conference. While we are less concerned (but still disturbed) about the decision of all six of these officials remaining in NYC the evening of Feb. 22nd after the end of training (when only one representative was to attend a business meeting the following morning), the additional expense of unnecessary hotel and meal reimbursement through Wednesday evening is an unwarranted burden on the taxpayer. There is simply no reason these individuals could not have returned on Tuesday evening as other attendees who are not in question did, saving the taxpayers a considerable sum.

After review of this document the town has now claimed that as they have established a per diem rate, they were not required to account for their expenditures and could have claimed \$95.00 a day without receipts. This is simply not how the town has applied this \$95.00 figure. A review of town records available to us indicates that a flat unsupported per diem rate was never applied to any travel reimbursements and in fact and practice, receipts were required, the \$95.00 amount only serving as a ceiling for reimbursements. Amounts were not paid at that established rate unless receipts were provided.

In addition, town code is quoted here:

§ 48-3. Reimbursable expenses.

“Only expenses that are actual, necessary and reasonable will be reimbursed in accordance with established guidelines.”

§ 48-6. Meals and lodging

B. The Town Board shall determine the reasonable cost of meals and lodging per day for the community in question. [Amended 12-15-1993 by L.L. No. 13-1993]

Despite the possible conflict with §48-6, §48-3 appears to have been controlling in all these cases. (See vouchers for Cooper, Barone, O’Boyle). If that is the case, then the towns currently devised explanation must in fact fail and be seen for what it actually is, an after the hand in the cookie jar, contrived excuse.

Even if the towns explanation were true, several problems continue to plague these town officials as a \$95.00 per diem rate applied in this way appears to blatantly violate the plain language of General Municipal Laws of NY, Article 5 § 77b and c. Any Per Diem rate truthfully used was to be limited to \$51.00 at the time of travel. Reimbursements above this figure would be a violation of that law and constitute a waste of taxpayer funds requiring as a minimum reimbursement to the town from the travelers for this and previous years expenditures. Rates of \$50.00 a day for other locations also violate this NYS provision.

In addition, no matter what spin is placed on these reimbursements by the town, there are in fact serious implications in the acceptance of any obviously erroneous receipts (receipts for more meals than claimants, take home gifts, no reasonable way that individual expenses could be adequately allocated to individuals

for wage reporting requirements under IRS rules, etc.) when one considers the income tax reporting and withholding obligations of the employer under federal guidelines. It is difficult to believe that the Internal Revenue Service would find acceptable such shoddy accounting procedures for determining taxability and proper reporting/allocation of travel reimbursements. There are of course obvious legal complications in how these reimbursements were treated for tax reporting purposes. Simply said, if any receipts used were for other persons' expenses in the substantiated expenditures part of IRS reporting for wages and block 12 code L, these receipts could be considered to be fraudulently submitted, purposely avoiding federal tax liabilities.

Town credit card records were not requested or released and many questions could be answered (possible charges examined) if these records were also reviewed during this requested investigation. Investigators may find more information or possible violations of town codes (improper use of cards) on use of the credit card. It is requested that these records be examined during any investigation into the above allegations.

The cited discrepancies, omissions and commissions are probably less than could be found by professional, trained auditors/investigators. Lesser instances of errors are not listed. No doubt additional instances of fraud and abuse are present in these documents. Common taxpayers, not CPA's, discovered the above listed items. We did not attempt to list each and every discrepancy of many, only those we believed would be sufficient enough to trigger a thorough investigation by your office.

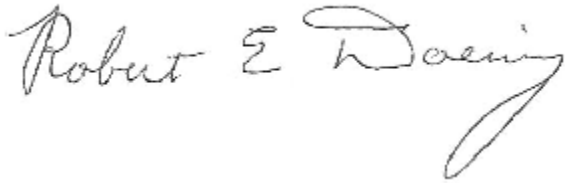
Please note that Town officials have recently made news reports for various problems. Supervisor Catalino for a recent DWI and speeding arrest outside town limits in the early morning hours in an official town vehicle (personal use of a town vehicle) and the town board interview on local channel 2 news regarding per diem rates set at \$95.00 a day in NYC, well above IRS guidelines.

As an additional item, Town cell phone records were requested. On questioning, a town official indicated that there were an additional two phones not listed that were provided by Verizon to the town with no billing records. Despite no billing records according to town officials, these phones were obtained due to the towns contract with Verizon for service and should be considered town/governmental property and subject to some form of review for abuse or misuse of town property. Without town maintained records (if statements made to that effect are in fact true) there is no system to monitor or discourage abuse or personal use of these phones. These phones are apparently in the hands of the town supervisor (already found to have used a town vehicle for personal purposes) and town highway superintendent for their exclusive use. Regardless of billing arrangements, records of these phones should be available to the public for review. It is suggested that this issue be considered for review for potential abuse. On the surface their appears to be something wrong with such an off the books agreement with Verizon.

Should your office determine not to initiate an investigation of this issue, please notify the undersigned so that alternate routes to resolution may be initiated. Should an investigation be conducted and concluded where a report is issued and becomes a public record, please notify the undersigned so a copy of the report may be obtained when finalized. Please feel free to contact any of the undersigned should additional information or clarification be necessary. Thank you for your consideration in this matter.

4.1 Bob Doering's Signature

Bob Doering's Signature

A handwritten signature in cursive script that reads "Robert E. Doering". The signature is written in black ink on a white background.

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