

The Village of Monticello

Trustee Carmen Rue

December 30, 2016

[REDACTED]
Principal Examiner
Division of Local Government
and School Accountability
Office of the NYS Comptroller
Binghamton, New York
By email: muni-Binghamton@osc.state.ny.us

Re: Response to recent draft Audit Report

To Whom It May Concern,

Thank you for visiting the Village of Monticello and the work that went into your recent audit. I must, first, note that the entire scope of time covered by your study was during the tenure of the present Village Manager, David Sager. Your report attributes issues to the Board of Trustees. The Village of Monticello is governed by existing law under a "manager form of government". The Village Manager, under Article 15-A of the former Village Law (which outlines that form of government that has existed since 1954) is responsible for the day-to-day operation of the Village.

I have repeatedly pointed out violations of board policy by the Village Manager, as well as the Treasurer, Clerk, and others. I have openly provided information to your office because it is my duty as a Trustee.

The week before Christmas, after your staff completed interviews at Village Hall, the Manager told employees that he is not worried about the findings of the Comptroller's office because your office would likely blame the Board of Trustees, not him. However, when board members or even the board as a whole raise concerns about performance, he levels accusations of micro-management.

Responsibility for the extensive discrepancies in payroll since late 2015 cited in your report rests squarely with the Village Manager. He transferred payroll functions to the Village Clerk, who was inadequately trained, rather than to the Treasurer, who was a competent and qualified CPA and was, in fact, responsible under existing policy for matters involving payroll. When I have pointed out discrepancies to the Clerk, she has told me that the Manager, allegedly even the Mayor, have told her not to talk to me. It is clear to me that the reason for this directive is they want business to proceed quietly and without criticism, even when wrong and unlawful.

The Account Clerk who resigned [REDACTED] tearfully told me she did not want to be held responsible after witnessing the Clerk [REDACTED] and the other Account Clerk [REDACTED] lending money to themselves without authorization, which is the reason that receipts were not deposited on a daily basis. For a variety of reasons which I would be willing to discuss further with authorities, I found this information credible. When questioned about the alleged unapproved and undocumented loans from cash receipts, they denied that any such evidence existed. In point of fact, your audit concluded that receipts and other critical documents for which management at Village Hall is responsible were missing.

Another reason why money appears to be missing is that the Manager, Clerk, and Account Clerks, have reduced late fees to favored taxpayers (i.e. their friends), without board approval, in their sole discretion.

I am in receipt of a copy of a recent letter from [REDACTED] in which she seeks to explain her and other employees' decision not to comply with policies and laws by blaming the Manager and even Board of Trustees. I do not agree with her letter. Reasons for my disagreement with that letter may be discussed at another time.

I have provided to your office copies of e-mails from the Village Manager in which he directed employees not to communicate with the Board of Trustees, only with him. I have also sent you e-mails in which the Village Manager attacked and insulted me.

It is patently unfair to blame the former Treasurer, Lili Li, for unreconciled bank statements prior to her departure. She told me that she was unable to complete these reconciliations because the numbers did not match, and she repeated told the Village Manager who said he would talk to the Clerk and let her (Ms. Li) know when he had straightened it out.

In nearly nine years as an elected Trustee, and during my prior decade as an active community resident who attended Village Board meetings, I have never seen the Village of Monticello's payroll in such a mess.

You also mentioned in your report that vouchers have been signed after being paid. The current Treasurer (Melissa) told board members that she wants to make payments every two weeks. Past practice has been to pay bills once per month. The Treasurer has taken it on herself, with the support of the Village Manager, to issue payments without board approval; and then submit vouchers to the Mayor and Trustees after the fact. After I pointed out this cash flow problem at a board meeting, four members of the board passed a resolution allowing the Treasurer to issue payments every two weeks, even when I pointed out that monthly revenue at times has not been received to cover expenses. The Village Manager has directed funds to be transferred from line items for unplanned purposes, such as to hire friends for positions not included in the annual budget.

In my opinion, the "manager form of government" limits accountability, increasing the opportunity for waste and fraud. It should be abolished. We could still have a comptroller responsible for managing Village offices, and the elected Mayor and Board of Trustees would oversee in the manner like the vast majority of small and large municipalities in New York State. However, until such a change is made, we must function under an antiquated system in which one unelected appointee (the Village Manager) exerts power over subordinate employees allowing established policies and procedures adopted by the Board of Trustees to be disregarded, and he openly boasts that he can act with impunity because "I have my three votes."

My respectful recommendation is that your office refer your findings to appropriate legal authorities empowered to determine the severity and nature of violations of the law that may have been committed, and who to hold accountable for the protection of the interests of the taxpayers in the Village of Monticello.

Thank you for your efforts and coordination with elected officials.

Respectfully,



Carmen Rue
Village Trustee, 2008 to 2020