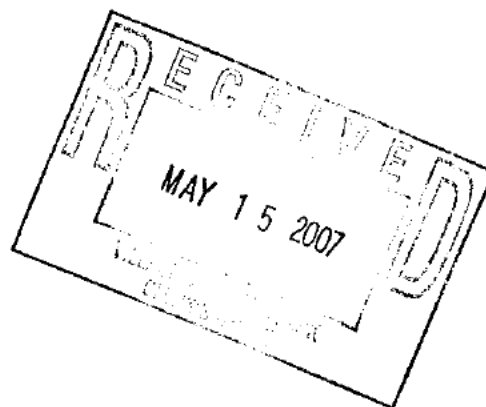


May 9, 2007



James W. Roemer, Jr, Esq.  
Roemer Wallens & Mineaux, LLP  
13 Columbia Circle  
Albany, New York 12203

Re: Village of Tuxedo Park Police Department Investigation and Related Matters

Dear Mr. Roemer:

Per your request dated December 13, 2006, we submit this report. This report contains our opinions regarding the losses that may have been sustained by the Village of Tuxedo Park (Village). Our opinions are based on information obtained from Village officials, the Orange County District Attorney's Office, Village vendors, and documents provided and reviewed through the date of this report. We may conduct additional research if new information is made available to us. As a result, the opinions set forth herein are subject to modification. We reserve the right to modify the opinions and conclusions expressed in this report based on additional information received and/or further analysis conducted after the date of this report.

**I. Background**

██████████ became the Village's Acting Chief of Police when he was appointed Officer-in-Charge on July 17, 2002. He was appointed Deputy Chief on February 19, 2003, and continued to be paid in his official capacity until July 31, 2006. Sometime during 2006, a confidential informant contacted the Orange County District Attorney's Office (OCDA) regarding actions allegedly engaged in by certain members of the Village Police Department, including Chief ██████████. The OCDA subsequently initiated an investigation regarding these matters and other matters which eventually surfaced. They interviewed Village residents, Village staff, certain members of the Village Police Department, vendors providing services to the Village, and other vendors.

The OCDA's investigation is ongoing, however, on May 18, 2006; Chief [REDACTED] was placed on paid administrative leave. He eventually retired from his official position on July 31, 2006. Another former Village police officer pled guilty to official misconduct (no restitution sought), and a third former Village police officer subsequently resigned.

The OCDA provided our office with access to their records and staff.<sup>1</sup> We met with OCDA officials on three occasions and also met with and interviewed Village officials during the past three months. Our preliminary findings are detailed below.

## **II. Summary of Findings**

Our estimate of the total unsubstantiated and/or questionable payments is \$150,000. A substantial portion of these payments were made to and/or benefited three Village police officers.

The basis and reason for our opinions are summarized below.

## **III. Basis and Reason for Opinions**

The OCDA's investigation revealed certain members of the Village's Police Department may have authorized and/or participated in a number of questionable transactions, including gun and ammunition purchases, questionable computer purchases, fictitious payroll, and other false claims concerning deer culling activities. In addition, it reported that various Village Police Department assets could not be located.

We determined that during the years prior to [REDACTED] becoming the Village Chief of Police, the expenditures relating to the Village's police department closely corresponded to budgeted estimates. For example, and as detailed on Exhibit 1, the Village Police Department expenditures were approximately \$71,305 less than budgeted expenditures during the four years prior to [REDACTED] appointment (June 1998 through May 2002). However, during the following four years, Village Police Department expenditures were approximately \$75,188 more than

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<sup>1</sup> Interview notes were not maintained by the OCDA and, therefore, the information obtained from the interviewees was orally communicated to us.



budgeted expenditures, a significant majority of which related to personal services and equipment related expenditures.<sup>2</sup>

Analysis of the actual and budgeted expenses of other Village departments from June 1, 2002 through May 31, 2006, revealed that, with the exception of engineering and/or legal expenditures, actual expenditures for almost all of the departments closely corresponded to the budgeted results.

As a result of these observations, we limited our analysis to the personal services and the equipment contractual services expenditures relating to the Village Police Department during the period June 1, 2002 through May 31, 2006.

***Personal Services:***

The Village Police Department annual personal services expenditures averaged \$434,009 during the four-year fiscal period ended May 31, 2002, and were approximately 3% less than the budgeted amount (see Exhibit 2). Conversely, the same expenditures annually averaged \$519,221 during the following four fiscal periods and were approximately 2% more than the budgeted amount.

We determined the Village Police Department personal services expenditures only increased by 4.7% (for an average of 1.175% per year) during the four-year fiscal period ended May 31, 2002 (See Exhibit 3). Given this observation, the historical trends suggest the personal services expenditures should have been expected to increase by approximately 1.175% during each of the four-year fiscal periods ended May 31, 2006. As detailed on Exhibit 3, the historical trends suggest the actual Village Police Department personal services expenditures should have approximated \$1,794,406 during the four-year fiscal period ended May 31, 2006; however, actual personal services expenditures were \$2,076,883. As a result, actual personal services expenditures exceeded expected personal services expenditures by \$282,477.<sup>3</sup> The reason for the

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<sup>2</sup> It appears Village officials were aware of the budget deviations; however, it does not appear actions were taken during that period to ameliorate the situation.

<sup>3</sup> The estimated difference and percentage increase does not reflect funds (\$190,325) paid to a former Village Police Department employee who was out on administrative leave during the period August 2002 through August 2005.



expected results differing from the actual results appears to relate to events occurring during [REDACTED] tenure as Acting Chief of Police. This conclusion is partially explained by the following facts:

- Actual payroll for the fiscal year ending May 31, 2007 (after [REDACTED] retired), is consistent with trends prior to [REDACTED] appointment.<sup>4</sup>
- OCDA officials stated that Officer [REDACTED] who received a significant amount of overtime pay (or payment for extra shifts worked) during [REDACTED] administration, admitted that he did not work approximately 50 to 100 hours previously claimed during the four-year fiscal period ended May 31, 2006.<sup>5</sup>
- OCDA officials determined that Officer [REDACTED] who received a significant amount of overtime pay (or payment for extra shifts worked) during [REDACTED] administration, was working for his other employer while reportedly working at the Village. In some cases, his time and expense reports from the other job reveal Officer [REDACTED] was not even in New York State during the periods when he was reportedly working at the Village. OCDA officials determined [REDACTED] was paid for 273 days by the Village while his time card at his other employer reveals he was working elsewhere.
- OCDA officials reported that another Village Police Department employee admitted he received two weeks' compensation despite not working during that two-week period.
- OCDA officials stated a former Village Police Department Dispatcher may have received compensation for a two-week period during which she did not work.<sup>6</sup>
- The current Chief of Police stated that approximately 85% of the extra and/or overtime hours incurred during [REDACTED] tenure as Acting Chief of Police was probably not needed. He stated that only one additional officer was required to work extra hours on a daily basis, however, [REDACTED] sometimes had two or three extra officers on duty. He stated that the extra officers were not needed and that they may not have worked during the reported shifts.<sup>7</sup>

<sup>4</sup> The personal services costs were approximately \$278,470 as of February 6, 2007, which when annualized, amounts to approximately \$415,627 for the fiscal year ending May 31, 2007.

<sup>5</sup> The amount of hours may be more. We did not have an opportunity to speak with the individual.

<sup>6</sup> The OCDA determined the timesheets submitted by the Village Police Department officials were signed by [REDACTED]

<sup>7</sup> We were unable to determine, and the OCDA did not have any records relating to shifts in which employees were paid but did not work. We were advised that shift pay may have been received by [REDACTED] for days he was reportedly working on administrative items while out of town, however, specifics were not provided or available.



We attempted to determine the nature of the personal services expenditures increase, e.g., was it due to new hires, extraordinary overtime, extra shifts worked, contractual obligations, specific individuals, etc. In doing so, we analyzed the individual personal services expenditures (see Exhibit 4). As detailed on the Exhibit 4, the total personal services expenditures for one full-time and two part-time Village police officers ( [REDACTED] ) increased by 89% during the four-year period ended December 31, 2005, yet the total personal services expenditures for the remaining full and part-time police officers (who also worked during the same period) only increased by 47% during the four-year period ended December 31, 2005.<sup>8</sup>

We determined that the hours reportedly worked by the Village Police Department staff increased from 27,540 to 35,051 during the four-year period ended December 31, 2005. During the same period, the total hours reportedly worked by [REDACTED] increased by 2,573 hours (or 86%) while the hours reportedly worked by the remaining Police Department staff (which include at least five full-time and six part-time police officers) increased by 4,938 hours (or 18%).

We determined that during 2002, the hours reportedly worked by [REDACTED] amounted to 10.8% of the total hours reportedly worked by the Village Police Department, however, at the end of 2005 the hours reportedly worked by the same individuals accounted for 15.9% of the total hours reportedly worked by the Village Police Department. One of these police officers reportedly worked an average of 2,020 hours during 2004 and 2005 despite being a part-time officer. The total payroll associated with these three employees accounted for 14.7% of the total Police Department payroll during 2002 and increased to 18.1% of the total department payroll by the end of 2005.<sup>9</sup>

We determined the total payroll associated with [REDACTED] increased by \$68,036 during the four-year period ended December 31, 2005, for an average increase of approximately

<sup>8</sup> The list of other police officers includes at least four full-time officers and five part-time officers.

<sup>9</sup> These figures exclude the administrative pay amounts paid to the former dispatcher during the same period.



\$22,679 per individual. However, the total payroll associated with the remainder of the Police Department increased by \$207,304, for an average increase of approximately \$15,946.<sup>10</sup>

█████ claimed to have worked 273 days in which he was reportedly working for his other employer. We determined █████ hourly rate averaged \$18.62 during the period January 2003 through May 2006. OCDA officials stated █████ was given the opportunity to document and support the hours reportedly worked during the conflicted periods noted on his timesheets, however, he reportedly had not provided the OCDA with any documentation as of the date of this report. As a result, it appears, █████ may have been inappropriately compensated for at least \$40,666 (273 days x 8 hour shifts x \$18.62) during this period.

We estimate that Officer █████ may have been paid approximately \$945 to \$1,889 for hours not worked during the four-year period ended May 31, 2006.<sup>11</sup>

#### **Guns:**

Our review of the Village's general ledger and other documents revealed the Village Police Department purchased numerous guns during the period after █████ promotion to Acting Chief of Police. Beginning March 12, 2003, the Village Police Department purchased thirty-five pistols/rifles.<sup>12</sup> The pistols/rifles collectively cost approximately \$17,400, and the payments were approved by the Board of Trustees. Interviews with the current Chief of Police revealed eight of the guns costing \$3,962 were not needed.<sup>13</sup> We determined the gun purchases were ordered by or approved by █████<sup>14</sup> Village officials stated that █████ issued his own purchase orders without the approval of the Business Office.

<sup>10</sup> The average is based on our estimate of the equivalent of approximately 13 full-time equivalent police officers who worked during the entire four-year period.

<sup>11</sup> █████ average hourly rate during this period was \$18.89, which when multiplied by the 50 to 100 hours admittedly not worked, amounts to the range of figures noted above.

<sup>12</sup> As detailed on Exhibit 6, four Smith & Wesson Model 41, .22 caliber pistols were ordered by the Village of Tuxedo Park; however, the pistols were not paid for or received by the Village of Tuxedo Park. █████ reportedly paid for the guns, although it is unclear whether he paid the associated sales tax on the purchases.

<sup>13</sup> These include a Model 870 Tactical Shotgun, two assault rifles, a Springfield .45 caliber, and a Colt .45 Combat Commander.

<sup>14</sup> The documentation includes various letters and purchase orders which contain the signature of a █████.



We determined that five of the guns, which cost \$2,125, were traded in for other guns within two years of their purchase. As a result, it appears the Village for Tuxedo Park spent \$6,087 for guns not needed.<sup>15</sup>

Two Sigarm P-220 pistols were purchased on July 8, 2003, for personal use by two Tuxedo Park police officers ([REDACTED]). The police officers subsequently reimbursed the Village for the pistols; however, sales tax was not incurred or paid by the officers.

We determined with the exception of one gun (excluding guns traded in), all of the guns purchased since March 12, 2003, are in the custody of the Village of Tuxedo Park Police Department or the OCDA.<sup>16</sup> The whereabouts of a .45 caliber Kimber, which had a value of \$680, is unknown.<sup>17</sup> The OCDA stated five or six Village Police Department guns were found in [REDACTED] house on May 2, 2006. The OCDA determined that [REDACTED] did not have authorization to purchase the Springfield .45 caliber gun that was used for the Kimber trade-in, and he did not have authorization to trade-in the Springfield. In addition, the OCDA determined four other guns were ordered by [REDACTED] (for personal use), however, [REDACTED] indicated in his letter to purchase the gun(s) that they were for departmental use.<sup>18</sup>

#### ***Computer Equipment:***

During 2005, Village police officers solicited Village residents and asked for donations for the Village Police P.B.A. so that the Village Police Department could purchase new computers. Interviews with some of the residents reveal that a majority of the contributions were solicited by

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<sup>15</sup> The trade-in cost is net of the \$530 trade-in discount received.

<sup>16</sup> The OCDA has possession of a gun that was purchased by the Village and later traded in for another gun. The remaining guns are in the possession of the Village.

<sup>17</sup> The Kimber was received as a result of a trade-in for a Springfield .45 caliber, which cost \$680. No additional costs were ostensibly incurred as a result of the trade-in. An OCDA official stated they recalled seeing the Kimber during the course of their investigation.

<sup>18</sup> [REDACTED] has these guns and has since paid for them. The Village did not buy these guns; however, [REDACTED] may not have paid the sales tax relating to these purchases.



either [REDACTED]<sup>19</sup> Contributions of \$19,790 were eventually received, including \$40 in cash and \$14,750 in checks made payable to the Village P.B.A.<sup>20</sup>

Between May 2005 and January 2006, approximately \$24,797 was paid to the computer vendors, including, five Village P.B.A. checks approximating \$16,384, five Village resident checks made payable to the computer vendor, and at least one Village check issued for \$2,195. The payments were used to purchase two laptop computers, two computers, two laser jet printers, three workstations, a server, and some auxiliary parts. The OCDA subsequently confiscated three workstations, three monitors, two printers, and miscellaneous items (keyboards, mouse and speakers) from [REDACTED] residence on May 2, 2006.

Neither OCDA nor the Village kept detailed records of the computer equipment confiscated from [REDACTED] residence on May 2, 2006, e.g., they did not always note the manufacturer, serial numbers, size, model number, etc. As a result, it is difficult to determine whether the items confiscated from his house are the same items purchased between May 2005 and January 2006. However, a review of the computer invoices and the Village computer inventory list suggest that at least two workstations (towers) and one monitor found at [REDACTED] residence are the items purchased during that period. [REDACTED] has not requested the computer equipment be returned to him; therefore, it appears that the computer equipment is not his and belongs to the Village.

The computer items purchased from the donations received primarily consisted of the workstations, printers, laptops, and monitors. The cost of these items accounted for \$14,727 of the \$24,797 paid to the computer vendor. Of these items, we determined the OCDA has two Jetbook Laptop computers, and the Village apparently has the remaining workstations, printers, and monitors, as well as auxiliary equipment.

#### ***Ammunition:***

We determined the Village paid approximately \$21,267 for ammunition during the period June 2003 through May 2006, for an annual average of \$7,089. The annual average is approximately

<sup>19</sup> The residents indicated they were contacted via the telephone or during informal meetings with [REDACTED] and Reilly.

<sup>20</sup> The remaining \$5,000 was issued via personal checks by the residents to the computer vendor.





\$3,600 more than the ammunition purchases of \$3,439 during the period June 2001 through May 2002. We were unable to determine whether [REDACTED] or other police officers used some of the ammunition for their personal use. The OCDA did not ascertain whether any ammunition at [REDACTED] residence belonged to the Village, primarily because they did not have a search warrant for the ammunition.

Our interview with the current Village Police Chief revealed the Village did not document the amount of ammunition used for target practice or other purposes, including the ammunition used for deer culling. As a result, we were unable to determine what, if any, ammunition was missing. The current Village Police Chief stated the ammunition inventory relates to guns currently owned by the Village, therefore, it does not appear as though the ammunition on hand relates to purchases that were not necessary.

We determined the ammunition on hand has an approximate value of \$4,706.

***Deer:***

Beginning sometime during 2004, Village police officers were authorized to cull deer in the Village in an effort to reduce the deer population. Certain officers were paid \$20 per deer culled.<sup>21</sup>

Our analysis of the vouchers submitted by the officers responsible for the elimination of the deer reveal that on at least five occasions, two police officers [REDACTED] submitted vouchers claiming to have killed identical amounts of deer on the same dates. For example, on September 8, 2004, both officers claimed to have killed 25 deer. We were unable to determine whether the deer were actually killed, because detailed records/photos were not always maintained. We determined [REDACTED] both were paid \$3,140 for their deer culling efforts during the two-year period ended May 31, 2005.

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<sup>21</sup> This amount was approved by the Village Trustees.



*Miscellaneous:*

We determined through interviews with the OCDA and Village officials that certain items purchased by the Village are now missing, including a Police Department bicycle that was purchased for approximately \$600 during 2001; some cordless telephones and digital cameras costing at least \$959. We did not attempt to determine who may have been responsible for the theft or loss of these items.

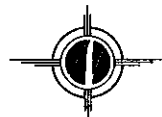
We identified other questionable purchases, including items from the Army/Navy store and automotive purchases. For example, we determined two sets of tires were purchased for the same vehicle (car #952) during December 2004 for an approximate cost of \$620. The tires are different sizes (15 inches and 17 inches). We also determined that another set of tires (16 inches) was purchased for the same vehicle approximately twelve months earlier at an approximate cost of \$222.<sup>22</sup> Numerous other purchase orders and invoices detail automotive type payments, however, the documents do not identify or provide a description of the vehicles being repaired or enhanced. The totals on these documents amounted to approximately \$7,000.

In summary, and as detailed in the table below, we estimate the Village paid at least \$50,253 for services not provided or goods/items not received (or are now missing).<sup>23</sup> The amount may be higher, however, we were unable to document certain items and we did not have the opportunity to interview former Village Police Officers. In addition, we did not deem it cost effective to pursue other potential items of interest, including clothing purchases, ammunition purchases, automobile repairs and other maintenance issues.

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<sup>22</sup> The cost represents an average of the two tires purchases noted on the voucher, as we were unable to determine which set of 16 inch tires were mounted on vehicle #952.

<sup>23</sup> The payroll amounts excluded fringe benefits that inured to the employees.



Payroll attributed to the 273 days [REDACTED] reportedly worked a shift but records reveal he was either out of town or working for his other employer.	\$40,666
Payroll attributed to the 50-100 hours officer [REDACTED] admitted to not working <sup>24</sup>	1,417
Payroll relating to the time not worked (two weeks) by a former Village Dispatcher	1,423
Payroll relating to a Village Police Department employee, who was given two weeks pay despite not working during that period	1,060
Missing .45 caliber Kimber purchased by the Village	680
Proceeds relating to the sale of a Taurus .45 caliber gun purchased by the Village but sold by [REDACTED]	308
Missing bicycle purchased by the Village	600
Missing camera and cordless phones purchased by the Village	959
Subtotal	\$47,113
Possible duplicate deer culling charges	3,140
Total amount paid for services not rendered or goods not received	\$50,253

***Post Incident Controls Implemented:***

On or about July 2005, and primarily as a result of these issues, certain changes were made. David McFadden, the Village Mayor, and Christopher Hansen (a Village Trustee) have been instrumental in suggesting and implementing anti-fraud and internal control activities designed to insure that these issues do not resurface. Since then, it appears the aforementioned issues do not exist and have been ameliorated. The following is a partial list of procedures/practices suggested and implemented by Mayor McFadden and Trustee Hansen since then:

- Village staff are now required to have a Trustee sign off on any requisitions exceeding \$5,000.
- In addition to filing out a requisition form, the department head (or a member of the department) is responsible for recording all invoices in the budget reporting spreadsheet.

<sup>24</sup> Officer [REDACTED] admitted to not working between 50 to 100 hours. We calculated the amount based on a midpoint of 75 hours.



This makes the department head accountable for all of the expenses. All expenses are recorded up to the Monday before the monthly meeting and provided to the Trustees.

- The Village Clerk is the official record keeper and she continues to record the invoices in QuickBooks, which is the official accounting system of the Village.
- The department head delivers the program to the CFO (Trustee Hansen at this time) by the Monday before the meeting. The department head also delivers the requisition forms to the Village office (this practice is the same as it always has been).
- Either the day before or the day of the meeting, Trustee Hansen reviews the report to make sure that there is no budget line item which is materially over budget for any of the prior months. Trustee Hansen then checks to see that all of the requisition forms have been entered into the system and approves them (for payment) if they are properly recorded and not materially over budget.<sup>25</sup>
- The Village Trustees receive the requisition forms at the meeting. Unless there is an issue, they will be signed by three Trustees, evidencing approval. The Trustees will also receive a printed report for each department showing the performance of the Village for each budget line item.
- If any line item is over budget, Trustee Hansen will speak with the department heads. If any line item is materially over budget, Trustee Hansen will ask the department head to come to the meetings to explain the situation.
- The Trustees also have the ability at that point to issue a written directive recorded in the minutes that addresses the budget problem. This creates a paper trail that can be used by the Village in the future.

#### IV. Recommendations

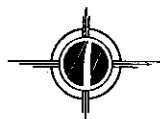
1. Village officials should review the findings noted in this report and determine what, if any, restitution should be pursued.
2. Village officials should provide a web based or telephone hotline to provide for anonymous reporting of suspected incidents involving employee fraud, abuse, and corruption.

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<sup>25</sup> The budget worksheets also track Police Department's employee weekly payroll and monthly hours so that they can be monitored.



3. The Village should develop a code of conduct and require employees to sign a statement indicating they received, read, and understand the code of conduct before beginning their employment at the Village.
4. Village officials should ensure departmental policies are documented and adhered to, and are available via its intranet or within department offices.
5. The Business Office should ensure that invoices are stamped "paid" to avoid possible duplicate payments.
6. The Village should not pay any invoices for purchases which have not been previously approved by the Business Office.
7. The Village Departments should be required to inventory and tag capital assets and other valuable assets, and the Business Office should conduct surprise audits to verify the existence of the inventory on an annual basis.
8. The Chief of Police should account for ammunition removed and document the reasons for its use.
9. The Board of Trustees should review the credit card statements of the Department supervisors on at least a quarterly basis. Detailed receipts supporting the credit card purchases should be provided to document the description of the items purchased.
10. The Village should require its vendors to identify the Village vehicles to which automotive services are being provided so that the Village Business Office can better ascertain whether the purchases are consistent with prior repairs and/or enhancements. Detailed records of repairs should also be maintained (by the Business Office) for each vehicle serviced so that the Board of Trustees can monitor and evaluate the need for services.
11. The Business Office staff should advise the Board of Trustees of apparent non-business related or questionable requests for payment prior to the issuance of a Village check.
12. The Board of Trustees should ensure that part-time employees do not work more than the allowable hours allotted for part-time employees.
13. The Board of Trustees should establish guidelines governing departmental overtime and/extra shifts and hold department supervisors responsible for those instances in which guidelines are superseded.
14. The Village should develop, publish, and enforce policies regarding the personal use of Village equipment.



15. The Business Office employees should attend training seminars addressing the prevention and detection of internal, organizational, and purchasing fraud schemes.

**V. Information Considered**

In estimating the loss sustained by the Village, we considered the following documents and information:

1. Copies of the Village fiscal years ended May 31, 1999 through 2006 detailed general ledgers;
2. Copies of the Village fiscal years ended May 31, 1999 through 2006 detailed budgets;
3. Copies of various Village purchase orders;
4. Interviews with Village staff;
5. Interviews with Village Trustees and the Mayor;
6. Interviews with the OCDA;
7. Copies of [REDACTED] time sheets from his other employer;
8. Village payroll records;
9. Vendor invoices;
10. Records provided by the OCDA, and
11. Various records provided by the Village, including current inventory documents.

**VI. Exhibits**

Exhibit 1 is an analysis of the Village Police Department budget and actual expenditures from June 1, 1998 through May 31, 2006.

Exhibit 2 is an analysis of the Village Police Department's personal services budgeted and actual expenditures from June 1, 1998 through May 31, 2006.

Exhibit 3 is an analysis of the expected Police Department payroll from June 1, 2002 through May 31, 2006.

Exhibit 4 is an analysis of individual Police Department payroll.



James W. Roemer, Esq.  
Roemer Wallens & Mineaux  
May 9, 2007  
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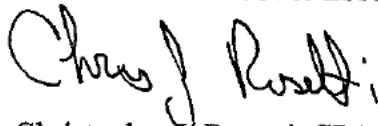
Exhibit 5 is an analysis of [REDACTED] payroll from January 1, 2002 through December 31, 2005.

Exhibit 6 is an analysis of the guns purchased during the period March 2003 through June 2006.

We trust that this preliminary analysis will assist you in your evaluation of this matter.

Very truly yours,

BST VALUATION & LITIGATION ADVISORS, LLC



Christopher J. Rosetti, CPA, CFE, CFS

Enclosures

cc: Willard G. Reynolds

BST



*An Independent Member of the RSM McGladrey Network*

Village of Tuxedo Park  
Police Department Budget Analysis  
Exhibit I

	Personal Services	Equipment	Contractual Services	South Gate	Total	Cumulative Difference
98/99 Modified Budget	\$ 421,343	\$ 5,550	\$ 56,539	\$ 14,300	\$497,732	
98/99 Actual Results	416,265	42,936	36,897	9,866	505,964	\$ (8,232)
99/00 Modified Budget	450,477	40,152	55,464	9,300	555,393	
99/00 Actual Results	450,425	38,112	46,836	5,400	540,773	6,388
00/01 Modified Budget	465,061	29,000	107,384	9,300	610,745	
00/01 Actual Results	433,692	26,882	95,002	5,485	561,061	56,072
01/02 Modified Budget	453,189	24,115	63,512	11,486	552,302	
01/02 Actual Results	435,653	24,114	67,985	9,317	537,069	<u>71,305</u>
02/03 Modified Budget	588,164	5,861	65,899	10,967	670,891	
02/03 Actual Results	532,485	5,988	74,977	10,967	624,417	46,474
03/04 Modified Budget	457,447	1,800	76,616	10,070	545,933	
03/04 Actual Results	486,029	25,453	84,437	9,654	605,573	(13,166)
04/05 Modified Budget	474,647	650	72,679	9,870	557,846	
04/05 Actual Results	523,144	1,476	58,010	8,174	590,804	(46,124)
05/06 Modified Budget	518,347	19,167	61,104	10,020	608,638	
05/06 Actual Results	535,225	13,600	81,163	7,714	637,702	<u>(75,188)</u>

Note: The actual results do not include payments made to a former Village Police Officer who received administrative pay (but did not work) during the period 2002 through 2005.



*An Independent Member of the RSM McGladrey Network*



Village of Tuxedo Park  
Analysis of Budgeted and Actual Police Department Payroll  
Exhibit 2

	Budgeted Personal Services Expenditures	Actual Personal Services Expenditures	Difference	Percentage Difference
1998/1999	\$ 421,343	\$ 416,265	\$ 5,078	
1999/2000	450,477	450,425	52	
2000/2001	465,061	433,692	31,369	
2001/2002	453,189	435,653	17,536	
	<u>\$ 1,790,070</u>	<u>\$ 1,736,035</u>	<u>\$ 54,035</u>	<u>-3%</u>

4-year average \$ 434,009

2002/2003	\$ 588,164	\$ 532,485	\$ (55,679)	
2003/2004	457,447	486,029	28,582	
2004/2005	474,647	523,144	48,497	
2005/2006	518,347	535,225	16,878	
	<u>\$ 2,038,605</u>	<u>\$ 2,076,883</u>	<u>\$ 38,278</u>	<u>2%</u>

4-year average \$ 519,221

BST



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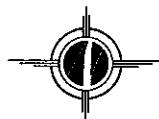
Village of Tuxedo Park  
Analysis of Expected Police Department Payroll  
Exhibit 3

	Actual Personal Services Expenditures
1998/1999	\$ 416,265
2001/2002	<u>435,653</u>
Percentage increase	<u>4.7%</u>

	Estimated Personal Services Expenditures	Actual Personal Services Expenditures	Difference
2002/2003*	\$ 440,772	\$ 532,485	\$ 91,713
2003/2004*	445,951	486,029	40,078
2004/2005*	451,191	523,144	71,953
2005/2006*	<u>456,492</u>	<u>535,225</u>	<u>78,733</u>
	<u>\$ 1,794,406</u>	<u>\$ 2,076,883</u>	<u>\$ 282,477</u>
4-year average	<u>\$ 519,221</u>		

\* The personal services expenditures assumes a 1.18% historical increase from prior year expenditures.

BST



*An Independent Member of the RSM McGladrey Network*

Village of Tuxedo Park  
Analysis of Individual Police Department Payroll  
Exhibit 4

Employee	Hours 2002	Pay 2002	Hours 2003	Pay 2003	Hours 2004	Pay 2004	Hours 2005	Pay 2005	
	315	\$ 5,655	1,246	\$ 25,545	2,192	\$ 43,257	1,848	\$ 39,404	
	2,336	64,671	2,265	72,445	2,289	71,842	2,330	77,602	
	336	5,946	791	16,953	1,288	25,162	1,381	27,303	
Subtotal	2,986	76,272	4,302	114,943	5,769	140,261	5,559	144,309	89%
							225	4,475	
							338	4,495	
	1,261	28,326	2,336	65,117	2,375	64,986	2,290	64,108	
	136	6,355	1,040	33,578					
			28	350					
	14	163	254	2,155					
	132	2,074	39	700	80	1,505	48	921	
			145	2,646	355	6,782	306	6,031	
	64	743							
			174	3,064	263	4,939	216	4,152	
							260	5,052	
	297	3,557	730	13,437	562	10,885	681	13,369	
			1,108	14,010	1,713	22,094	905	11,921	
	900	10,854	970	18,691					
			397	5,150	451	5,865			
	442	5,241	332	4,257	248	3,174	446	5,904	
			179	2,282	64	800			
	254	2,977	354	4,478	160	2,018			
	1,328	15,847	1,483	19,389	1,438	18,453	1,328	17,396	
	1,100	17,893	1,016	19,235	1,180	22,204	516	9,946	
	1,174	14,088							
	2,199	38,908	496	10,976	1,375	25,812			
	1,163	17,539							
							752	14,664	
	433	7,213	479	9,310	624	12,591	297	5,817	
	993	11,048	659	30,242	2,279	35,670	2,285	38,830	
							455	9,204	
							156	2,067	
					572	7,738	1,555	20,757	
	118	1,913	112	2,018	78	1,490			
	1,667	29,484	311	7,233					
	1,620	27,275	1,296	25,591	80	1,466			
					124	1,575	24	311	
			171	3,151	791	14,880	552	10,614	
			80	1,000	98	1,256	88	1,604	
	762	16,278	2,323	64,900	2,434	67,206	2,380	67,804	
					38	469			
	2,526	33,588	2,232	36,677	532	9,227	2272.75	43,155	
	24,554	443,908	27,346	629,523	29,451	623,602	29,492	651,212	47%
Total	27,540	\$520,181	31,647	\$744,466	35,220	\$763,863	35,051	\$795,520	

Village of Tuxedo Park  
Culhane, Reilly, and Hock Payroll Analysis  
Exhibit 5

		Expected	Expected	Expected	Total
	2002	2003	2004	2005	Expected
Officer	Salary	Salalry	Salalry	Salalry	Salary
	\$ 64,671	\$ 65,431	\$ 66,200	\$ 66,978	\$ 198,608
	5,655	5,722	5,789	5,857	17,367
	5,946	6,016	6,087	6,158	18,260
Subtotal	\$ 76,272	77,168	78,075	78,992	234,236
Actual Salary		114,943	140,261	144,309	399,513
Difference		\$ 37,775	\$ 62,186	\$ 65,316	\$ 165,277



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Village of Tuxedo Park  
Gun Purchases  
Exhibit 6

Payment Date	# of Guns	Amount	Description	Possession	Was the Gun Needed
3/12/2003	1	\$ 308	Taurus .45 caliber NVK	Sold to Thruway Market Sporting Goods. Money kept by Culhane.	
6/21/2003	2	538	Mossberg Shotguns	Tuxedo Park	
6/21/2003	1	649	Sig P 220 45 pistol	Traded in.	
11/1/2003	1	368	Walters PPK	Traded in.	
9/1/2004	1	650	Sig P-220 .45 caliber	Traded-in.	
7/30/2005	1	400	870 Tactical Shotgun	Tuxedo Park	NO
7/30/2005	1	932	Browning A Bolt 30-06 Rifle	Tuxedo Park	
8/3/2005	2	1,320	9mm and .45 caliber Barreta Strom Assault rifles	Tuxedo Park	NO
8/21/2006	17	8,230	Glock .45 caliber	Tuxedo Park	
8/21/2006	1	425	.357 Glock Model 32	Tuxedo Park	NO
8/21/2006	1	405	357 Glock Model 32	Tuxedo Park	NO
8/21/2006	1	425	9mm Glock Model 19	Tuxedo Park	NO
8/21/2006	1	680	Springfield .45 caliber	Traded in for a Kimber .45 caliber. The DA's Office has the Springfield	
8/21/2006	1	425	Glock Model 26 9MM	Tuxedo Park	NO
8/21/2006	1	562	Colt Combat Commander .45	Tuxedo Park	NO
7/8/2003	2	1,065	Sigarms P-220	Bought (and paid) for personal use by Reilly and Ancione.	
8/13/2005	4	2,000	Smith & Wesson Model 41 .22 caliber	<b>Never paid by TP.</b> Culhane has guns and has since paid for them.	
		\$19,382			