

May 19, 2020

Jeff Slapikas, Chairman
Prospect Town Council
36 Center Street
Prospect, Ct 06712

Dear Chairman Slapikas and Honorable Members of the Prospect Town Council:

Given all the concern relating to the fact that no member of the Administration had previously been assigned the responsibility to balance the monthly bank statement for the Town's Payroll Account, I was wondering if anyone on the Town Council had thought to investigate whether any of the other twelve accounts contained on the Monthly Treasurer's Report were being balanced. Hopefully the other account balances on that report were being verified and signed off on a monthly basis, else the possibility exists that other town monies were not being properly accounted for. Further, if all those accounts were being balanced, I'd be curious as to why the Payroll Account received less scrutiny?

For those of the Town Council members who did not join this assembly until after November of 2017, you should be aware that I'd previously 'blown the whistle' on issues concerning the proper accounting for the Town of Prospect Payroll, which was also found being used to record payments to outside entities. The Mayor acknowledged that 'human errors' had been made, and that he would fix them. Did anyone verify that those 'Errors' had actually been fixed; and if not, why not? As to the status of the most recent problems with monies missing from the Town's Bank Payroll Account, the 'Wheels of Justice' are understandably turning very slowly, and while I hope that someday more details will become known, I continue to have some specific doubts as to even what we've been told so far.

During October of 2017, money in one of my own accounts at Webster Bank was also illegally withdrawn via unauthorized electronic transactions, causing the balance in that account to go negative. That same day I received a non-sufficient funds notification from Webster Bank. I immediately contacted the bank and inquired as to the nature of the offending transactions. Later that day Webster informed me as to where the fraudulent transactions were initiated, the name on that account, had returned them immediately to the source and restored the monies back into my account. Understanding the capabilities of tracing such electronic transactions I've been skeptical as to why my situation was fully resolved by Webster within twelve hours, and we've been told that it took 12-14 months to find where the town's money went?

Also, not relying solely on balancing the monthly bank statements, and unless that Town kept an excess \$250,000 in the Payroll Checking Account, somewhere along this multi-year timeline the unauthorized transactions would have caused the payroll account balance to go negative. That would have triggered the Town to make additional deposits, else the employee 'paychecks' would have 'bounced'. Assuming all that to be true, I hope we find out either why Webster didn't contact the town, or who on behalf of the Town initiated the deposit transactions to cover the overdrawn situation, as that would have been an immediate and clear indication of a serious problem. Thus far there are many more questions than there are answers. Hopefully we'll get those answers 'before' the next local election.

Best Regards, and Stay Healthy,

Thomas J. Galvin

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