Summary of Findings

City of West Haven, Connecticut use of Coronavirus Relief Funds

April 1, 2022
April 1, 2022

Secretary Jeffrey Beckham
State of Connecticut, Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

Dear Secretary Beckham:

CohnReznick LLP ("CohnReznick") was engaged by the Office of Policy and Management (referred to herein as “OPM”) to provide OPM with financial advisory services related to the allegations of misuse of Coronavirus Relief Funds ("CRF") by the City of West Haven, Connecticut (the "City"), as outlined in the Statement of Work under Contract ID: 16PSX0081AD that was executed on October 13, 2021.

I. Executive Summary

CohnReznick performed the procedures, as described below, and our findings are discussed in further detail within this report.

Our procedures included the analysis and testing of expenditures submitted by the City under the CRF program. The testing procedures included the analysis and review of supporting documentation submitted by the City. The procedures performed are discussed further in subsequent sections of this report.

Based upon our analysis, the expenditures that were submitted by the City and meet the CRF requirements amount to $243,198.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CRF items submitted by the City</td>
<td>$1,136,085</td>
</tr>
<tr>
<td>Less: Items that did not meet the CRF criteria</td>
<td>(892,887)</td>
</tr>
<tr>
<td>Adjusted CRF expenditures</td>
<td>$243,198</td>
</tr>
</tbody>
</table>

The testing results, by CRF category, are discussed in detail in subsequent sections of this report.

CohnReznick was made aware of certain transactions conducted by specific City officials or employees that have been identified as fraudulent transactions by the City and other parties. The City excluded these transactions from the Muni CRF...
Program Interim Report ("Interim Report") submitted by the City of West Haven. As such, the transactions were not included in our procedures.

In addition, we identified numerous instances where the City did not have sufficient controls and safeguards to ensure the proper accounting and reporting of CRF expenditures. The lack of internal controls, policies and procedures and other weaknesses identified are not restricted to the CRF expenditures, but impact the overall financial operations and management of the City. The areas identified may expose other areas to the risk of fraud, waste and abuse. The City has the opportunity to improve policies, procedures, governance and controls over certain vendor management, cash management and accounting areas. Recommendations have been provided as throughout the report as guidance.

II. Procedures Performed

OPM requested that we perform the procedures described below:

A. Analysis of the City’s expenditures of CRF during the period March 1, 2020 through September 30, 2021 (the “Testing Period”).

1. Review of relevant financial records and documentation.
2. The records and documents to be requested and reviewed shall include, but not limited to, the following:

   a. Interim Report submitted by the City of West Haven.
      i. Obtain copies of all supporting documentation uploaded to the OPM IGPP Portal.
   b. Copies of all accounts payable checks paid, from any source, as expenses, salary or compensation for services since March 1, 2020, identified as CRF Reporting Category expenditures. For such checks, supporting documentation shall include:
      i. Copies of cancelled checks, front and back (if direct deposit, specify).
      ii. Copies of check requests showing the requester and the approver.
      iii. Invoices and supporting documentation.
      iv. For salary-related expenditures:
         a. Base salary and base hourly rates of each employee receiving payment.
         b. Copies of the documentation that was provided to approver, in advance of approval, including, but not limited to:
i. Numbers of hours worked, and nature of task, assignment, or activity, and the calculation attributed to the payout.

ii. If paid from CRF, justification and evidence of eligible use.

c. Evidence of processing and/or recording the payment through payroll.

c. The City’s policy on check signatory authority and levels of signatory authority for payroll checks and accounts payable checks.

   i. List of signatory authority, employee/officer’s name, title, and level of authority.

   d. The City’s policies and internal controls regarding earnings, approval and payout of compensatory time, vacation time and other types of leave time.

   e. The City’s conflict of interest policy.

   f. The City’s policy on ethical sign-offs.

B. Review and evaluation of the City’s governance, financial management systems, internal controls, vendor controls, policies and procedures with regard to Federal and State grants’ management and compliance.

C. Obtain and review any management letters or internal control weakness reports issued in connection with the City’s external financial statement audit.

D. Obtain and review the City’s Corrective Action Plan regarding identified internal control deficiencies.

III. Summary of Findings

A. General procedures

CohnReznick’s procedures included interviews and discussions with City personnel, including, but not limited to:

1. Mayor Nancy Rossi
2. Mr. Frank Cieplinski, City of West Haven Finance Director¹
3. Mr. Lee Tiernan, City of West Haven Corporation Counsel

The City provided CohnReznick with information including, but not limited to:

1. Organization charts
2. Audited financial statements for the fiscal years 2019 and 2020
3. A summary of the CRF expenditures, by category

¹ Mayor Rossi announced on February 24, 2022 that Mr. Cieplinski was no longer employed with the City.
4. Copies of vendor invoices, cancelled checks and payroll registers
5. A vendor master report, which identified vendors added to the Munis accounts payable system between June 17, 1997 and November 23, 2021
6. A vendor disbursement report, listing all accounts payable disbursements for the period July 1, 2015 through October 31, 2021.

B. Policies and Procedures

CohnReznick requested copies of the City's policies and procedures regarding, among other things, accounting and reporting, purchasing, invoice approval and payment, vendor maintenance and payroll. After multiple requests, the City advised CohnReznick that such written policies and procedures do not exist and that City personnel follow unwritten or unofficial procedures in many of these areas. In addition, Mr. Cieplinski stated that there isn't any consistency in the manner in which departments approve new vendors, approve invoices or utilize purchase orders.

CohnReznick noted a number of deficiencies, including:

1. Utilization of purchase orders by the City departments is not consistent. Many departments do not use purchase orders for procurement activities. In addition, in many cases, the purchase orders are created by the department heads after the vendor invoice has been received by the City.

2. The purchasing process within City departments is inconsistent and individual City departments continue to perform their own purchasing functions. The purchasing manager role has been vacant for a long time and the City noted that a centralized function cannot be established until that position is filled.

3. Vendor invoices are not submitted to a centralized location, but to each department. In addition, the department heads do not review, approve and submit the invoices timely. Mr. Cieplinski noted that, in most cases, the invoice is submitted once it is due to be paid. This has resulted in a number of accounting irregularities, including unrecorded liabilities at month end that impact the City's financial reporting. During CohnReznick's conversation with Mr. Cieplinski, it was noted that unrecorded invoices aged in excess of six months had not been submitted by department heads to finance for processing.
4. The process for approving and creating a new vendor is inconsistent and lacks many checks and balances that should be in place. The City does not obtain W-9 information on a consistent basis. The vendor master that was provided to CohnReznick included 27,622 vendors, of which only 5,584 had a tax identification number on file.

5. Vendor invoices are submitted to the Finance Department with a cover voucher that requires department head approval and coding to the applicable cost center and account. There is no verification included with the invoice package regarding receipt of goods or services, for example a receiving form.

Despite the City’s comments that written policies and procedures do not exist, CohnReznick noted that the West Haven Municipal Charter\(^2\) (the “Municipal Charter”) includes provisions regarding purchasing procedures, bidding procedures, contract award requirements, emergency purchases, inspection and verification of goods received or services provided, requires disclosure of conflicts of interest and identifies that any purchases that do not comply with the Municipal Charter requirements are deemed to be unauthorized purchases. The CRF expenditures did not comply with many of the requirements outlined in the Municipal Charter. In addition, Mr. Cieplinski confirmed that with reference to the CRF expenditures, he was not aware of any formal bidding procedures, contract approval or compliance with emergency purchasing procedures outlined in the Municipal Charter.

Additional items that were noted during our testing procedures of the CRF expenditures include the following:

1. The funds received by the City under the CRF were not segregated into a separate bank account. The funds were commingled in the City’s general operating bank account. While the City did establish a general ledger account to capture eligible expenditures, transactions were not recorded to that ledger account on a consistent basis. As discussed further in the testing results below, items were erroneously coded to this general ledger account, transactions posted to other accounts were transferred into the CRF account via journal entry and analysis of the

\(^2\) City of West Haven Municipal Charter [https://ecode360.com/WE1132](https://ecode360.com/WE1132)
transactions was not conducted until well after the individual transactions were incurred and recorded.

*CohnReznick suggests that the City establish segregated bank accounts for all future grant or program funds received in order to ensure proper reporting and accounting for the funds. In addition, the City should implement and formally document policies and procedures regarding grant management, the use of grant funds, and reporting and compliance of grant programs.*

2. Use of the City's credit card is not responsibly managed. Expenditures submitted under the CRF that were charged to the City's credit card did not include information as to who used the card and for what specifically the card was used for. The City has one credit card that is used by the various departments and Mr. Louis Esposito, Executive Assistant to Mayor Rossi, is responsible for overseeing the City's credit card. Mr. Esposito was not able to provide CohnReznick with additional support for the expenditures, nor was he able to identify the individual that used the card for the specific transactions included in the Interim Report.

CohnReznick was subsequently notified that the City's credit card was cancelled due to what the City describes as continued unauthorized use of the card. The City stated that it will obtain a new credit card and will implement procedures regarding its use in order to identify individuals using the card and to comply with purchasing procedures.

*CohnReznick suggests that the City eliminate the use of one centralized credit card for expenditures. All expenditures should follow the purchasing procedures, including the utilization of purchase orders, vouchers and appropriate approvals in advance of incurring the expenditures.*

3. CohnReznick noted that the cancelled checks provided as support for the CRF expenditures contained two signatures, the signatures of Mr. Cieplinski and the signature of Mr. Michael Last, City of West Haven Treasurer. Dual signature is required under the Municipal Charter. Upon further discussion with Mr. Cieplinski and Mayor Rossi, it was determined that Mr. Last's signature was electronically printed on the checks without Mr. Last reviewing or authorizing the expenditures. Mr. Cieplinski stated that this is a widespread practice for all expenditures,
and that Mr. Last does not review check runs or expenditures in the normal course of business. This is a direct violation of the Municipal Charter, which states that “before affixing his signature to any check, the Treasurer shall satisfy himself that such check represents the payment of a duly authorized obligation of the City”.3

Mr. Cieplinski has the ability to initiate a new vendor set up and to submit an invoice for payment without another signor reviewing or approving the checks. This represents a significant internal control risk that the City needs to address. Safeguards such as segregation of duties, analysis of new vendors and a comprehensive set of policies and procedures that are documented and available for reference by everyone involved with the check approval process need to be implemented by the City.

\[\text{CohnReznick suggests that the City cease releasing any further checks that are not properly reviewed and authorized. The second authorized signor should review check runs and expenditure requests prior to the checks being printed.}\]

4. Tracking of overtime or compensatory time for certain employees is performed outside of the payroll department. In many cases, the reporting is performed directly by the employee. The employees are eligible for overtime and compensatory time pursuant to a 2007 City Council resolution that extended benefits for the Appointed non-union officials in the City to mirror the benefits provided under the union agreement for covered employees4. The reporting is not provided to the payroll department on a regular basis, nor is the format of the support consistent from employee to employee. As discussed in the testing results below, in many cases, the payments lack sufficient documentation and support, or the payment information does not agree to the support.

CohnReznick was made aware of additional overtime or compensatory time payments that were made by the City that were excluded from the City’s CRF expenditures. CohnReznick suggests that additional

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3 Municipal Charter-CHAPTER VI - TREASURER
4 City of West Haven, Office of the City Council, November 26, 2007 Resolution defining Fringe Benefits for Non-Union Employees
inquiries and procedures are performed in connection with these payments to determine if all payments are valid.

_CohnReznick suggests that the City implement policies and procedures to capture accrued overtime and comp time in a timely manner. In addition, the tracking should not be conducted by the individual employee. For example, the City could utilize the timeclock system that was implemented in order to centralize the tracking, in order to ensure consistency and to report accurate accrued liabilities for financial statement purposes._

5. The Municipal Charter requires disclosure by “all City officers, employees and officials whether elected or appointed, paid or unpaid”\(^5\), of financial interest in any entity that conducts business with the City. CohnReznick requested copies of the disclosure forms by any parties included within the CRF expenditures and noted that the disclosures are incomplete and, in many cases, missing.

Adequate documentation and disclosure of any financial interests between entities that conduct business with the City and City officers, officials or employees is another safeguard that ensures proper vendor selection, bidding and compliance. Please see _Section V_ for further discussion.

_CohnReznick suggests that the disclosure forms are required to be resubmitted on an annual basis in order to capture any changes in vendor activity and to identify any new relationships._

Mr. Cieplinski and Mr. Robert Zyskowski, Assistant Finance Director, stated that formal or written accounting and reporting policies and procedures do not exist. For example, CohnReznick requested a copy of the month end and year end accounting closing procedures and checklist. We were informed by both Mr. Cieplinski and Mr. Zyskowski that a formal set of policies, procedures or checklist does not exist. They mentioned a finance manual that was in place during the prior administration that was outdated and not relied upon by the current Finance Department. Instead, the current Finance Department relies upon informal procedures and policies that are verbally communicated to Finance Department personnel.

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\(^5\) Municipal Charter CHAPTER XVII - CODE OF ETHICS
Mr. Cieplinski and Mr. Robert Zyskowski stated that on an annual basis, the City's external audit firm documents and tests internal controls and expenditure policies and procedures. CohnReznick submitted a detailed list of inquiries to the external audit firm and requested access to the audit workpapers for review. As of the date of this report, CohnReznick has not been provided access to the workpapers nor have we received responses to our inquiries.

The City provided CohnReznick with a draft of the West Haven Purchasing Procedure Manual that is being implemented. CohnReznick identified a few items that are not included in the draft and that we suggest should be incorporated, including the following:

a. Implementation of a receiving function to document the receipt of goods and to verify that quantity and quality are approved by appropriate department personnel.
   i. The City should determine if this process can be implemented within the Munis system, which integrates with the purchase order system and the accounts payable system.

b. Vendor invoices should be submitted to a centralized repository within the Finance Department. The Finance Department should match the invoice with a purchase order and receiver and submit the invoice package back to the applicable department for review and address any differences noted.

c. A reconciliation or matching procedure for open purchase orders, goods received not invoiced or unmatched invoices should be included within the purchasing procedures.

d. The vendor approval, set up and maintenance processes need to be clearly defined, including documentation required to set up a new vendor, such as verification of tax identification numbers, a list of all officers and disclosure of any affiliations between the officers and any City employees, officials, or Council members. In addition, the vendor master should be reviewed on a periodic basis and any unused vendors should be placed on inactive status.

*CohnReznick suggests that in addition to the purchasing procedures, the City document all accounting policies and procedures in a set of written procedures. The policies should be maintained in a place that is accessible to applicable personnel, based upon the subject matter.*
C. CRF Expenditure Testing

CohnReznick requested invoices, cancelled checks and supporting documentation for all expenditures included in the Interim Report by the City.

CohnReznick was made aware of certain transactions conducted by specific City officials or employees that have been identified as fraudulent transactions by the City and other parties. Mr. Cieplinski identified numerous transactions related to the fraudulent activities conducted by Mr. DiMassa, Mr. Bernardo as well as others, and designated those transactions as fraudulent within the supporting information that the City provided to CohnReznick. While those amounts were excluded from the City’s CRF expenditures, there are a number of additional items that were included within the CRF expenditures that were identified by CohnReznick that do not meet the CRF requirements and require additional investigation. These items are discussed further within this report.

As a result of CohnReznick’s testing procedures, there are a number of items that were determined to not meet the CRF requirements. For our testing criteria, CohnReznick used the following general guidelines to determine if an item was flagged as a non-eligible item. The criteria listed below are examples and not an all-inclusive list:

1. Supporting invoices were not provided.
2. Invoices did not provide sufficient detail regarding the services provided, the rate or per item cost or where the support was otherwise incomplete.
3. Based upon OPM guidance, any meal or food items were flagged as a non-eligible item.
4. Differences between amounts included in the Interim Report and amounts on the support could not be reconciled by the City.
5. Payroll items that did not include individual payee information or that did not provide sufficient detail to determine rate of pay, basis of pay and number of hours paid.

In addition, while conducting the testing procedures and discussing the items with the City, it was determined that there were amounts that required reclassification to a different CRF expenditure category. A summary of the
submitted amounts, adjustments and the adjusted amounts, by CRF category, is listed below.

<table>
<thead>
<tr>
<th>CRF Category</th>
<th>Submitted Amount</th>
<th>Adjustments</th>
<th>Reclassification</th>
<th>Adjusted Amount</th>
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<tbody>
<tr>
<td>Cleaning / Disinfecting</td>
<td>$8,018</td>
<td>$(87)</td>
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<td>$13,756</td>
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<tr>
<td>Cleaning Supplies</td>
<td>$8,114</td>
<td>$(1,532)</td>
<td>$(6,027)</td>
<td>$555</td>
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<td>Education</td>
<td>$14,119</td>
<td>$(1,000)</td>
<td>$29,610</td>
<td>$42,729</td>
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<td>Equipment</td>
<td>$46,835</td>
<td>$</td>
<td>$(46,682)</td>
<td>$13,835</td>
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<tr>
<td>Food Programs</td>
<td>$20,200</td>
<td>$(11,000)</td>
<td>$600</td>
<td>$9,800</td>
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<tr>
<td>Local Health Dept</td>
<td>$467,420</td>
<td>$(466,823)</td>
<td>$</td>
<td>$597</td>
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<tr>
<td>Office Modifications</td>
<td>$78,768</td>
<td>$(22,658)</td>
<td>$(30,008)</td>
<td>$26,102</td>
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<td>Other</td>
<td>$75,389</td>
<td>$(75,189)</td>
<td>$</td>
<td>$200</td>
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<tr>
<td>Overtime</td>
<td>$80,298</td>
<td>$(58,712)</td>
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<td>$21,586</td>
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<tr>
<td>PPE</td>
<td>$6,031</td>
<td>$(1,650)</td>
<td>$</td>
<td>$4,381</td>
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<tr>
<td>Public Health</td>
<td>$27,370</td>
<td>$(1,170)</td>
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<td>$26,200</td>
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<td>Public Safety</td>
<td>$229,505</td>
<td>$(229,505)</td>
<td>$</td>
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<td>Testing</td>
<td>$20,711</td>
<td>$(7,054)</td>
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<td>$13,657</td>
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<tr>
<td>Vaccination</td>
<td>$53,307</td>
<td>$(16,507)</td>
<td>$</td>
<td>$36,800</td>
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<td><strong>Total</strong></td>
<td><strong>$1,136,085</strong></td>
<td><strong>$(892,887)</strong></td>
<td><strong>$</strong></td>
<td><strong>$243,198</strong></td>
</tr>
</tbody>
</table>

See Exhibit A for a detailed listing by vendor.

Our testing results, by CRF expenditure category, are discussed below.

1. Cleaning & Disinfecting
   a. The Webster Bank credit card was used at Harbor Freight Tools for $87 for spray paint guns. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

2. Cleaning Supplies
   a. The Webster Bank credit card was used at Stop and Shop for $35 for bottled water. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   b. Elm City Materials, Inc. received $657. No support was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   c. Crystol Clean received $840. The support provided was not legible and the City was unable to provide additional information. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
3. Education  
   a. Tony Perry received $1,000 for logo design services. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

4. Food Programs  
   a. Southern CT Restoration received $1,200. No support was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   
   b. Chip’s Wrecker Service received $9,800 for flatbed rentals. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   
   i. Please see Section V of this report for additional comments on Chip’s Wrecker Service.

5. Local Health Dept.  
   a. The City provided a general ledger detail listing of CRF expenses containing both payroll items and accounts payable items. The CRF amounts claimed by the City for Health Department payroll was $433,038. As support, the City provided payroll reports covering a different time period than what was captured within the general ledger detail. The City was unable to reconcile the payroll data provided within the general ledger detail to the payroll report documentation. CohnReznick determined that due to lack of support, the payroll items do not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   
   b. Helen Johnson received $110 for reimbursement for a professional license. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   
   c. Hillary Lawrence received reimbursement of $43 for pool supplies. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   
   d. The support provided by the City for Local Health Department costs had an additional unreconciled difference of $33,632. No additional support was provided for this difference. CohnReznick determined
that the difference did not meet CRF expenditure requirements and should be excluded from the CRF reporting.

6. Office Modifications
   a. Baybrook Remodelers received $7,850 for a shower remodeling project. CohnReznick individuals, Mr. Esposito and Mr. Cieplinski visually inspected the shower on February 7, 2022. Although Mr. Esposito stated that the project was completed, the condition of the shower did not reflect any of the work represented on the submitted invoice. Mr. Cieplinski confirmed that the work was never completed at the location listed on the invoice submitted and the expenditure did not represent a valid expenditure. After seeing the condition of the shower, the City determined that the charge should be excluded from the CRF expenditures.
      i. Please see Section V of this report for additional comments on Baybrook Remodelers.
   b. Ernie Chiarelli, a vendor, received a $10,000 payment identified as a bonus payment related to Covid signage installation. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   c. The Webster Bank credit card was used for charges related to the City Clerk in the amount of $868. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   d. While performing the testing procedures, CohnReznick identified payments to two vendors that totaled $3,940 that did not meet the CRF expenditure requirements. The City determined that the payments had been misposted to the CRF expenditures and should be excluded from the CRF reporting.

7. Other
   a. Ready Inc. received $46,080 for summer sports camps. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   b. Kara Rochelle received $5,000 for fire station consulting. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
c. Patriot Brass Ensemble received $7,675 for a 20 Piece Marching Band. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

d. Jow Films received $1,603 for filming Juneteenth and Martin Luther King day celebrations. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

e. The expenditures submitted by the City included $14,832 of general ledger reclassifications via journal entry to the COVID expenditure account. The City provided a general ledger export of election related expenditures that amounted to $57,832. The City could not identify the items within the general ledger export that aggregated to the amount included in the Interim Report. CohnReznick determined that due to lack of support, the items do not meet CRF expenditure requirements and should be excluded from the CRF reporting.

8. Overtime

a. Michael DiMassa received $4,902 for Compensatory Time payouts. The City was not able to provide support for the hours paid to the employee. CohnReznick determined that the payment does not have sufficient support, does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   i. Please see Section V of this report for addition comments on Michael DiMassa.

b. Louis Esposito received $9,988 for Compensatory Time payouts. The support provided by the City did not identify the activities performed or how they were CRF related. CohnReznick determined that the payment does not have sufficient support, does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

c. Thomas McCarthy received $20,880 for Compensatory Time payouts. The City was not able to provide support for the hours paid to the employee. CohnReznick determined that the payment does not have sufficient support, does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

d. Beth A. Sabo received $10,972 for Compensatory Time payouts. The support provided by the City did not identify the activities performed or how they were CRF related. CohnReznick determined that the payment does not have sufficient support, does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
CRF expenditure requirements and should be excluded from the CRF reporting.

e. Lee Tiernan received $11,970 for Compensatory Time payouts. The payment to Mr. Tiernan included hours that were earned prior to March 1, 2020. The support provided by the City did not identify the activities performed or how they were CRF related. As such, CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

9. PPE
   a. While performing the testing procedures, CohnReznick identified payments to two vendors that totaled $1,650 that did not meet the CRF expenditure requirements. The City determined that the payments had been misposted to the CRF expenditures and should be excluded from the CRF.

10. Public Health
   a. Marissa Amber Bode received $500 for hours worked during 1/25/21-1/29/21. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   b. Karina Marie Curbelo received $290. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
   c. Kelly Tiernan received $380 for hours worked. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.
      i. Please see Section V of this report for addition comments on Kelly Tiernan.

11. Public Safety
   a. Louis Faugno received $20,000 for a Covid Response Bonus. Louis Faugno also received $9,600 for hours worked. No supporting documentation was provided. CohnReznick determined that the payments do not meet CRF expenditure requirements and should be excluded from the CRF reporting.
b. The City included $142,738 for the West Haven Fire Department related to overtime and hours worked. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

c. The City included $31,643 for West Shore Fire Department related to overtime and hours worked. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

d. West Shore Associates received $11,587 for centennial celebration related charges. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

e. The City included $13,937 related to Emergency Response Services related to wages and overtime. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

12. Testing
a. The City included $1,085 in the CRF expenditures. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

b. Joseph Soto received $330. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

c. Steven Dillman received $1,400. No supporting documentation was provided. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

d. Reliable Fence received $4,239. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

13. Vaccination
a. Cardinal Rule, LLC received $2,500 for a COVID motivational speech. CohnReznick determined that the payment does not meet
CRF expenditure requirements and should be excluded from the CRF reporting.

i. Please see Section V of this report for addition comments on Cardinal Rule, LLC.

b. The Webster Bank credit card was used for $271 of Stop and Shop charges for food. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

c. Maureen Lillis received $489 for COVID vaccine clinic food. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

d. Chip’s Wrecker Service received $9,800 for flatbed rentals. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

i. Please see Section V of this report for addition comments on Chip’s Wrecker Service.

e. Kelly Tiernan received $1,420 for hours worked. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

i. Please see Section V of this report for addition comments on Kelly Tiernan

f. The Webster Bank credit card was used for $2,027 of charges related to a Senior Center AED. CohnReznick determined that the payment does not meet CRF expenditure requirements and should be excluded from the CRF reporting.

IV. Analysis of Audited Financial Statements

CohnReznick obtained the audited financial statements for the years ended June 30, 2020 and 2019. In addition, we obtained the audit firm’s Management Recommendation letters for both years, which identified deficiencies and material weaknesses in the City’s internal controls. The letters identified items including, but not limited to, the following:

A. The City allows purchases from unauthorized vendors.
B. Vendor invoices were not recorded within the proper period.
C. Bidding documentation was incomplete or did not comply with approved bidding procedures.
D. Liability account reconciliations were not completed.
E. Adequate controls to verify receipt of goods and services are not in place.
F. There was no formal process in place regarding the review of bank account reconciliations.
G. Adequate controls to verify that all cash received is deposited are not in place.

CohnReznick discussed the items identified in the audit firm’s Management Recommendation letters with the City and received copies of the City’s status of the items, which indicated that a significant number of the items noted were resolved. Our testing results and discussions with City personnel confirm that many of these items persist and require attention by the City.

In addition, CohnReznick submitted a detailed list of inquiries to the current external audit firm and requested access to the audit workpapers for review. As of the date of this report, CohnReznick has not been provided access to the workpapers nor have we received responses to our questions.

V. Section V

A. Baybrook Remodelers
   1. The principal of Baybrook Remodelers is Kenneth J. Carney. Mr. Carney is the principal of four vendors that received payments from the City, including non-CRF expenditures. In the vendor payment history provided by the City, total payments to these vendors amounted to approximately $59,000.
   2. Mr. Carney is the chairman of the West Haven High School Building Committee and the West Haven Building Oversight Committee. CohnReznick was not provided with a copy of Mr. Carney’s Code of Ethics Disclosure form.
   3. Mr. Carney was recently appointed by Mayor Rossi to the West Haven ARPA Committee, a committee established to oversee the City’s allocation of funding from the U.S. Treasury Department’s American Rescue Plan Act.
   4. CohnReznick suggests that additional inquiries and procedures are performed in connection with Mr. Carney and these vendors to determine if all other payments are valid, or if any other instances similar to the invoice referenced in the testing of office modification expenditures exist.
B. Chip’s Wrecker Service
   1. The principal of Chips Wrecker Service is City Council Member Robert Bruneau. Mr. Bruneau is also the principal of three various other vendors that received payments from the City, including both CRF and non-CRF expenditures. In the vendor payment history provided by the City, total payments to these vendors and other members of Mr. Bruneau’s family amounted to approximately $170,000.
   2. Mr. Bruneau’s Code of Ethics Disclosure form is outdated and does not include all of the entities that are doing business with the City.
   3. CohnReznick suggests that additional inquiries and procedures are performed in connection with these vendors to determine if all payments are valid.

C. Cardinal Rule, LLC
   1. The principal of Cardinal Rule, LLC is Edward Pocock. Mr. Pocock is related to Erika Pocock, an associate of Michael DiMassa. In the vendor payment history provided by the City, total payments to this vendor amounted to approximately $2,500.
   2. CohnReznick suggests that additional inquiries and procedures are performed in connection with vendors to determine if any other payments are made to associates of Michael DiMassa.

D. Lee Tiernan
   1. Mr. Tiernan is the Corporation Counsel for the City of West Haven. Additionally, Mr. Tiernan is the principal of The Office of Lee Tiernan LLC, which received payments from the City. The City also employed Kelly Tiernan, a relative of Mr. Tiernan, in a temporary role. In the vendor payment history provided by the City, total payments to Office of Lee Tiernan LLC amounted to approximately $13,733. Additionally, total payments to Kelly Tiernan amounted to approximately $4,460.
   2. Mr. Tiernan’s Code of Ethics Disclosure form is outdated and does not include all of the entities that are doing business with the City.

VI. Conclusion

Based upon the procedures performed, we determined the following:

A. Eligible CRF expenditures included in the City’s Interim Report amounted to $243,198.
B. The areas tested lacked adequate controls and safeguards to ensure proper accounting and reporting of CRF expenditures.
C. There are several areas that require improvements in policies, procedures, governance and controls. The City should develop a comprehensive set of written accounting policies and procedures. The City should immediately implement proper internal controls and segregation of duties over cash deposits, cash disbursements, payroll, overtime, credit card purchases, and procurement of contracts.

D. Additional procedures should be conducted on the vendors and individuals identified in Section V of the report to determine if municipal funds were used for unauthorized expenditures.

E. Testing procedures should be expanded to other non-CRF related expenditure areas to identify the impact of the governance and control issues identified above.

The City will submit a Final CRF report and may provide additional support or adjust the items discussed above. Those transactions may be subject to additional procedures as CohnReznick performs testing on the Final CRF reports.

The nature and scope of this engagement did not require an audit of this information in accordance with Generally Accepted Auditing Standards, a review, or a compilation in accordance with Statements on Standards for Accounting and Review Services established by the American Institute of Certified Public Accountants (“AICPA”).

This report is intended solely for the information and use of OPM and is not intended to be and should not be used by any other parties without our written consent. Any person who is not an addressee of this report or who has not executed and delivered to CohnReznick a release letter acceptable to CohnReznick, accepts and agrees that the procedures were performed for OPM’s benefit, and not for the benefit and use by any other party, and shall not rely upon this report for any purpose.

Very truly yours,

Vincenzo Toppi
Partner, Dispute Resolution Services
<table>
<thead>
<tr>
<th>CRF Category</th>
<th>Vendor</th>
<th>Amount</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning &amp; Disinfecting</td>
<td>Harbor Freight Tools</td>
<td>$ 87.00</td>
<td>Spray paint guns purchased are not able to be used for disinfecting purposes.</td>
</tr>
<tr>
<td>Cleaning Supplies</td>
<td>Stop &amp; Shop</td>
<td>$ 35.00</td>
<td>Meals/food items are not allowable CRF expenditures.</td>
</tr>
<tr>
<td>Cleaning Supplies</td>
<td>Elm City Materials Inc.</td>
<td>$ 657.00</td>
<td>Supporting documentation not provided.</td>
</tr>
<tr>
<td>Cleaning Supplies</td>
<td>Crystol Clean</td>
<td>$ 840.00</td>
<td>The support provided was not legible and the City was unable to provide additional information.</td>
</tr>
<tr>
<td>Education</td>
<td>Tony Perry</td>
<td>$ 1,000.00</td>
<td>Covid Logo Design and Centennial Design, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Food Programs</td>
<td>Southern CT Restoration</td>
<td>$ 1,200.00</td>
<td>Supporting documentation not provided.</td>
</tr>
<tr>
<td>Food Programs</td>
<td>Chip's Wrecker Service</td>
<td>$ 9,800.00</td>
<td>Invoice or support does not have sufficient detail or description of work. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Health Department</td>
<td>Payroll</td>
<td>$ 433,038.00</td>
<td>Supporting documentation not provided. Information provided does not agree to amounts claimed. West Haven not able to provide reconciliation.</td>
</tr>
<tr>
<td>Health Department</td>
<td>Johnson, Helen</td>
<td>$ 110.00</td>
<td>Professional license cost is not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Health Department</td>
<td>Lawrence, Hillary</td>
<td>$ 43.00</td>
<td>Pool testing supplies is not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Health Department</td>
<td>Unknown</td>
<td>$ 33,632.00</td>
<td>The amount claimed by West Haven did not agree to the support provided. The City was not able to provide additional information.</td>
</tr>
<tr>
<td>Office Modifications</td>
<td>Baybrook Remodelers</td>
<td>$ 7,850.00</td>
<td>Visual inspection confirmed that work billed to City was not completed.</td>
</tr>
<tr>
<td>Office Modifications</td>
<td>Ernie Chiarelli</td>
<td>$ 10,000.00</td>
<td>Third-party contractor bonus not supported by sufficient detail or description of work. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Office Modifications</td>
<td>Webster Bank</td>
<td>$ 868.00</td>
<td>Invoice or support does not have sufficient detail or description of work. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Office Modifications</td>
<td>Vendor A</td>
<td>$ 3,430.00</td>
<td>Amounts for concrete, curb and driveway repairs that were misposted.</td>
</tr>
<tr>
<td>Office Modifications</td>
<td>Vendor B</td>
<td>$ 510.00</td>
<td>Amounts for timeclock and elevator repairs that were misposted.</td>
</tr>
<tr>
<td>Other</td>
<td>Ready Inc.</td>
<td>$ 36,000.00</td>
<td>Amounts related to summer sports camps, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Other</td>
<td>Ready Inc.</td>
<td>$ 10,080.00</td>
<td>Amounts related to summer sports camps, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Other</td>
<td>Kara Rochelle</td>
<td>$ 5,000.00</td>
<td>Amounts related to fire station consulting charges, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Other</td>
<td>Patriot Brass Ensemble</td>
<td>$ 7,674.50</td>
<td>Amounts related to hiring a marching band, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>CRF Category</td>
<td>Vendor</td>
<td>Amount</td>
<td>Reason</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------------------</td>
<td>------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Other</td>
<td>Jow Films</td>
<td>$1,050.00</td>
<td>Fees for recording Juneteenth Celebration, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Other</td>
<td>Jow Films</td>
<td>$552.50</td>
<td>Fees for recording Martin Luther King Celebration, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Other</td>
<td>Unknown</td>
<td>$14,832.00</td>
<td>Supporting documentation not provided. Information provided does not agree to amounts claimed.</td>
</tr>
<tr>
<td>Overtime</td>
<td>Michael DiMassa</td>
<td>$4,902.00</td>
<td>The City was not able to provide support for the hours paid to the employee.</td>
</tr>
<tr>
<td>Overtime</td>
<td>Louis Esposito</td>
<td>$9,988.00</td>
<td>The support provided by the City did not identify the activities performed or how they were CRF related.</td>
</tr>
<tr>
<td>Overtime</td>
<td>Thomas McCarthy</td>
<td>$20,880.00</td>
<td>The City was not able to provide support for the hours paid to the employee.</td>
</tr>
<tr>
<td>Overtime</td>
<td>Beth A Sabo</td>
<td>$10,972.00</td>
<td>The support provided by the City did not identify the activities performed or how they were CRF related.</td>
</tr>
<tr>
<td>Overtime</td>
<td>Lee Tiernan</td>
<td>$11,970.00</td>
<td>The support provided by the City did not identify the activities performed or how they were CRF related. Hours paid out exceed amounts earned during the period.</td>
</tr>
<tr>
<td>PPE</td>
<td>Vendor C</td>
<td>$1,242.00</td>
<td>Amounts for leather gloves that were misposted.</td>
</tr>
<tr>
<td>PPE</td>
<td>Vendor D</td>
<td>$408.30</td>
<td>Amounts for labels/office supplies that were misposted.</td>
</tr>
<tr>
<td>Public Health</td>
<td>Marissa Amber Bode</td>
<td>$500.00</td>
<td>Supporting documentation not provided.</td>
</tr>
<tr>
<td>Public Health</td>
<td>Karina Marie Curbelo</td>
<td>$290.00</td>
<td>Supporting documentation not provided.</td>
</tr>
<tr>
<td>Public Health</td>
<td>Kelly Tiernan</td>
<td>$380.00</td>
<td>The support provided by the City did not identify the activities performed or how they were CRF related.</td>
</tr>
<tr>
<td>Public Safety</td>
<td>Louis Faugno</td>
<td>$20,000.00</td>
<td>Represents a bonus to an independent contractor. Invoice or support does not have sufficient detail or description of work for basis of bonus. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Public Safety</td>
<td>Louis Faugno</td>
<td>$6,750.00</td>
<td>Represents payments to an independent contractor. Invoice or support does not have sufficient detail or description of work. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Public Safety</td>
<td>Louis Faugno</td>
<td>$2,850.00</td>
<td>Represents payments to an independent contractor. Invoice or support does not have sufficient detail or description of work. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Public Safety</td>
<td>West Haven Fire Dept</td>
<td>$142,738.00</td>
<td>Supporting documentation not provided. Information provided does not agree to amounts claimed. West Haven not able to provide reconciliation.</td>
</tr>
<tr>
<td>CRF Category</td>
<td>Vendor</td>
<td>Amount</td>
<td>Reason</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------------------------</td>
<td>---------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Public Safety</td>
<td>West Shore Fire Dept</td>
<td>$31,643</td>
<td>Supporting documentation not provided. Information provided does not agree to amounts claimed. West Haven not able to provide reconciliation.</td>
</tr>
<tr>
<td>Public Safety</td>
<td>West Shore Associates</td>
<td>$11,587</td>
<td>Expense for challenge coins and branded marketing items, not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Public Safety</td>
<td>Unknown</td>
<td>$13,937</td>
<td>Supporting documentation not provided. Information provided does not agree to amounts claimed. West Haven not able to provide reconciliation.</td>
</tr>
<tr>
<td>Testing</td>
<td>Payroll</td>
<td>$1,085</td>
<td>Supporting documentation not provided. Information provided does not agree to amounts claimed. West Haven not able to provide reconciliation.</td>
</tr>
<tr>
<td>Testing</td>
<td>Joseph Soto</td>
<td>$330</td>
<td>Meals/food items are not allowable CRF expenditures.</td>
</tr>
<tr>
<td>Testing</td>
<td>Steven Dillman</td>
<td>$1,400</td>
<td>Invoice or support does not have sufficient detail or description of work. Payment voucher missing signatures. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Testing</td>
<td>Reliable Fence</td>
<td>$4,239</td>
<td>Invoice does not agree to payment voucher. Payment voucher missing signatures. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Vaccination</td>
<td>Cardinal Rule, LLC</td>
<td>$2,500</td>
<td>Represents fees for a motivational speaker, who has ties to DiMassa. Not an allowable CRF expenditure.</td>
</tr>
<tr>
<td>Vaccination</td>
<td>Food receipts</td>
<td>$271</td>
<td>Meals/food items are not allowable CRF expenditures.</td>
</tr>
<tr>
<td>Vaccination</td>
<td>Stop and Shop</td>
<td>$489</td>
<td>Meals/food items are not allowable CRF expenditures.</td>
</tr>
<tr>
<td>Vaccination</td>
<td>Chip’s Wrecker Service Inc</td>
<td>$9,800</td>
<td>Invoice or support does not have sufficient detail or description of work. West Haven unable to provide additional information.</td>
</tr>
<tr>
<td>Vaccination</td>
<td>Kelly Tiernan</td>
<td>$1,420</td>
<td>The support provided by the City did not identify the activities performed or how they were CRF related.</td>
</tr>
<tr>
<td>Vaccination</td>
<td>Webster Bank</td>
<td>$2,027</td>
<td>Charges for an AED device in senior center - normally budgeted item, not an allowable CRF expenditure.</td>
</tr>
</tbody>
</table>