

Show Me The Money Trail

This report exposes serious financial mismanagement and potential fraud in Bath Borough. We're talking about money that's been moved around, hidden, or outright stolen. Here's what's going on and why it matters.

A long time ago in a galaxy far, far away...

Or as we call it 121 South Walnut Street Bath, PA 18014 sat the Masterminds of a complicated and complex scheme to defraud the people whom lived along a stream and what follows is a story that people don't want to believe but the truth is out there and so today I choose to seize, and put it out there that criminals they decided to be.

The truth shall set you free!

Let's begin with a page from the 2019 Preliminary Budget[\[A\]](#) for the Borough of Bath, focusing on the Mayor's Fund.

This document, typically issued in the fall, presents three key pieces of information: 1. The 2018 Budget column shows the year-to-date financial figures for 2018. 2. The 2018 Estimated Budget column reflects the final approved numbers for 2018. 3. The 2019 Proposed Budget column serves as the starting point for the upcoming year's budget discussions. This preliminary budget was issued in fall 2018.

The "Mayor's Fund" is somewhat misleadingly named. It was established in 2016 to hold donations and fundraising proceeds for the construction of what is now Paw Park. The Borough, facing rising costs, couldn't afford the project on its own. However, if the community raised the funds, the project could proceed—and indeed, over \$20,000 in donations poured in before completion.

Construction was initially planned for 2018, but excessive rainfall that fall delayed progress. Yost Fencing, who had donated labor for fence installation, had to postpone until 2019. It was in that year that Paw Park finally became a reality, transforming a community dream into a tangible asset.

While the Mayor's Fund shows budgeted amounts, these weren't Borough funds per se—no Borough dollars were allocated to it. This explains why the 2018 Estimated Budget showed a year-end fund balance of \$0.00.

Now, let's examine the same page from the 2020 Preliminary Budget[\[B\]](#), again focusing on the Mayor's Fund. As expected, this fund was zeroed out in the first column, reflecting the year-to-date numbers as of fall 2019. Interestingly, while the previous document showed a 2019 estimated

budget of \$10,000.00, here we see the 2019 Estimated Budget amount has changed to \$18,500.00. Both figures are crucial—keep them in mind.

BUDGET SUMMARY **ALL FUNDS – 2019**

FUND	2018 Budget	2018 Estimated Budget	2019 Proposed Budget	2019 Final Budget
<u>General Fund</u>				
Available Assets and Revenues	\$1,425,416.02	\$1,458,260.38	\$1,547,390.82	
Expenditures and Transfers	\$1,713,060.01	\$1,442,563.39	\$1,547,390.82	
Closing Balance	-\$287,643.99	\$15,696.99	\$0.00	
<u>Highway Aid Fund</u>				
Available Assets and Revenues	\$165,705.53	\$219,153.51	\$194,225.92	
Expenditures and Transfers	\$29,102.28	\$153,543.89	\$99,543.89	
Closing Balance	\$136,603.25	\$63,609.62	\$94,682.03	
<u>Mayors Fund</u>				
Available Assets and Revenues	\$16,783.52	\$15,000.00	\$10,000.00	
Expenditures and Transfers	\$2,248.87	\$15,000.00	\$10,000.00	
Closing Balance	\$14,534.65	\$0.00	\$0.00	
<u>Non-General Fund Escrow</u>				
Available Assets and Revenues	\$5,231.46	\$1,259.45	\$5,231.46	
Expenditures and Transfers	\$0.00	\$0.00	\$1,477.79	
Closing Balance	\$5,231.46	\$1,259.45	\$3,753.67	
<u>Capital Improvement Fund</u>				
Available Assets and Revenues	\$197,043.02	\$200,000.00	\$120,000.00	
Expenditures and Transfers	\$56,063.11	\$0.00.00	\$50,000.00	
Closing Balance	\$141,221.27	\$200,000.00	\$70,000.00	
<u>Fire Protection Fund</u>				
Available Assets and Revenues	\$12,742.47	\$13,408.45	\$13,408.45	
Expenditures and Transfers	\$12,742.47	\$13,408.45	\$13,408.45	
Closing Balance	\$0.00	\$0.00	\$0.00	
<u>Developers Escrow</u>				
Available Assets and Revenues	\$71,617.70	\$26,030.20	\$59,617.70	
Expenditures and Transfers	\$12,000.00	\$25,176.79	\$0.00	
Closing Balance	\$59,617.70	\$853.41	\$59,617.70	

Next, we'll review a page from the 2019 Mayor's Fund Reconciliation Detail[C]. These documents, obtained through Right-to-Know Requests initiated on September 27, 2022, have become central to discussions involving Borough Manager **Bradford Flynn** and Mayor **Fiorella Mirabito**. While I'm presenting excerpts, the full documents are attached and accessible via the [Tags].

A reconciliation detail, in this context, is a financial document that compares Mayor's Fund transactions with bank statements and internal records. This process ensures all recorded financial activities align with actual bank transactions and obligations.

On March 31, 2019, the Mayor's Fund balance stood at \$12,242.27. Curiously, this same figure appears in the 2020 Preliminary Budget under the 2019 Budget column as being zeroed out. This discrepancy raised the first of many red flags for me, suggesting the account was already at zero when the 2020 preliminary budget was issued.

Here's the balance at the beginning of the year:

6:50 PM

04/04/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS

Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 01/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,384.94
Cleared Transactions						
Checks and Payments - 2 items						
Check	01/18/2019	128	Fiorella Reginelli-Mir...	X	-200.00	-200.00
Check	01/21/2019	127	School Outfitters LLC	X	-511.80	-711.80
Total Checks and Payments					-711.80	-711.80
Deposits and Credits - 1 item						
Deposit	01/10/2019			X	561.80	561.80
Total Deposits and Credits					561.80	561.80
Total Cleared Transactions					-150.00	-150.00
Cleared Balance					-150.00	12,234.94
Register Balance as of 01/31/2019					-150.00	12,234.94
Ending Balance					-150.00	12,234.94

For consistency, I've included February here as well

8:27 PM

04/04/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS

Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 02/28/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,234.94
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	02/28/2019			X	5.20	5.20
Total Deposits and Credits					5.20	5.20
Total Cleared Transactions					5.20	5.20
Cleared Balance					5.20	12,240.14
Register Balance as of 02/28/2019					5.20	12,240.14
Ending Balance					5.20	12,240.14

Here's March, showing the account balance at \$12,242.27:

8:05 PM

04/30/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS

Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 03/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,240.14
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	03/31/2019			X	9.71	9.71
Total Deposits and Credits					9.71	9.71
Total Cleared Transactions					9.71	9.71
Cleared Balance					9.71	12,249.85
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 03/31/2019					2.13	12,242.27
Ending Balance					2.13	12,242.27

- ▶ **\$114.35**
- ▶ **\$24.13 or \$20.07**
- ▶ **\$880.00, \$500.00 and \$145.00**
- ▶ **The \$7,396.73 Transfer**
- ▶ **Quick List of Other Issues**

Now, let's follow the money trail. Due to time constraints, I haven't included all the documents, but I'll update this to a more comprehensive status later this week.

Before continuing, I want to address two important points. First, let's discuss the Mayor's insurance. The Borough didn't provide coverage for her. Instead, she requested to join the borough plan—a perfectly legal move. This arrangement was granted with the understanding that she would pay the monthly premium out of pocket. It's worth noting that the Mayor's pay, set by State Law based on population, wouldn't even cover two months of these payments.



Borough of Bath

121 South Walnut Street, Bath, PA 18014
Phone: 610-837-6525 Fax: 610-837-8989

October 15, 2018

Mayor Fiorella Reginelli-Mirabito
270 East Northampton Street
Bath, PA 18014

Subject: 2018/2019 Health Insurance (Delaware Valley Health Trust) Elected Official Contribution

Mayor Mirabito,

As discussed, effective December 1, 2018 you will be enrolled on the Borough's Health Insurance policy with Delaware Valley Health Trust. You have opted for the Couple's Health Coverage Plan (PPO and Rx) and have declined the Delta Dental option. The co-pays are as follows: PPO- \$25/\$35; Rx- \$10/\$30/\$50. Your total payment for December 2018 will be \$1301.36.

Beginning January 1, 2019, the monthly rate for PPO is \$1249.42 and the 2019 monthly rate for Rx is \$152.16. The total monthly cost to be paid to the Borough for your health coverage plan in the new year is \$1401.58. No payroll deductions will be set up.

You may make this monthly payment of \$1401.58 within the first week of each month to coincide with Delaware Valley Health Trust's billing cycle. Each payment made will be for the current month (eg. Payment made the first week of January is for January coverage period). Your check may be made payable to the Borough of Bath. Should any questions arise, please come to myself or Brad and we will be able to assist.

Sincerely,

Marena C. Rasmus, Office Administrator
Borough of Bath

Cc: Personnel File

"Bath, History Nestled With Friendship"

Secondly, Secretary Tanya Lamparter was granted the same arrangement beginning in January 2018.

- 452.00 Participation Recreation & Culture	\$4,500.00
- 452.10 Professional Fees (HARB Consult)	\$300.00
- 454.00 Parks	\$1,475.00
- 454.10 Parks-Repairs & Maintenance	\$6,049.85
- 454.30 Electricity	\$2,205.93
- 454.60 Park Improve/Equipment Purchase	\$16,725.90
- 457.25 Repairs & Maintenance Supplies	\$1,844.39
- 457.26 Minor Equipment	\$95.84
- 457.36 Electric for Holiday Lighting	\$5,126.96
- 459.05 Mayor's Special Event Expense	\$480.00
TOTAL	\$38,803.87

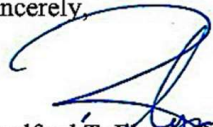
The total of \$38,803.87 is then reported to the nearest dollar value of \$38,804.

- 2) You asked for all financial records, reports, or other relevant documents related to the reported charges against the Secretary – Health Ins. line item (405.18) on October 2, 2019 Treasurer's Report (\$2,803.16) and the 2021 preliminary budget (\$4,500.80), despite the absence of this line item in the 2019 Final Profit vs. Loss statement.

As you know, Tanya Lamparter was paying for her own health insurance for a period. The October 2, 2019, Treasurer's Report does indicate, under General Fund ledger line 405.18, an amount of \$2,803.16. This amount accounts for two billed amounts of Tanya's health insurance in the amount of \$1,401.58 each, at the time the report was run. The 2019 Final Profit vs. Loss statement does not show a value under ledger line 405.18 at the end of the year because Tanya timely reimbursed the Borough for her health insurance premiums, therefore the account 'zeroed' out. Please see **Attachment G** relative to the account activity for ledger line 405.18 January through December 2019.

As to your statement about the 2021 preliminary budget showing \$4,500.80 for the Secretary – Health Ins.; this was simply a preliminary budget placeholder at the time the preliminary budget was created.

Sincerely,


Bradford T. Flynn, Borough Manager
Borough of Bath

encls
cc: James F. Kratz, Esq. Borough Solicitor (via email)

"Bath, History Nestled With Friendship"

In 2018, she was part-time, so the Borough wouldn't provide insurance coverage due to its high cost. The monthly premium was \$1,301.36, totaling \$15,616.32 for the year. This expense was steep, considering her gross annual pay was merely \$2.33 more than what she'd be paying the borough for insurance. After taxes, she'd actually lose money just by going to work, even before factoring in other expenses. It's curious that anyone would agree to such an arrangement, as it defies economic logic. This situation raises questions about potential hidden benefits or alternative motivations, as a more financially sensible solution would typically be sought.

BOROUGH OF BATH - OPERATING "GENERAL" FUND				
Profit & Loss Budget vs. Actual (w/o Inactive Accts)				
10/03/22 Cash Basis	January through December 2018			
	<u>Jan - Dec 18</u>	<u>Budget</u>	<u>\$ Over Bu...</u>	<u>% of Budget</u>
405.17 · Salary of Office Secretary				
405.171 · Office Secretary Bonus	943.96	943.96	0.00	100.0%
405.17 · Salary of Office Secretary - Other	25,804.95	31,730.40	-5,925.45	81.3%
Total 405.17 · Salary of Office Secretary	26,748.91	32,674.36	-5,925.45	81.9%
405.19 · Secretary - Life Ins.	0.00	125.00	-125.00	0.0%
405.20 · PT Secretary I - Wages	15,618.75			
405.35 · Bonding/Insurance	495.00	475.00	20.00	104.2%
405.46 · EE Training	298.10	1,000.00	-701.90	29.8%
Total 405.00 · SECRETARY (OFFICE)	65,337.20	71,870.88	-6,533.68	90.9%
406.00 · GENERAL GOVT. ADMINISTRATION				
406.30 · Bank Charges	940.26	100.00	840.26	940.3%
406.50 · Returned Check Fee	0.00	100.00	-100.00	0.0%
Total 406.00 · GENERAL GOVT. ADMINISTRATION	940.26	200.00	740.26	470.1%
408.00 · ENGINEERING SERVICES				
408.31 · Engineering Services	61,682.19	20,000.00	41,682.19	308.4%
408.33 · Storm Sewer (MS4) Update	8,073.01	700.00	7,373.01	1,153.3%
Total 408.00 · ENGINEERING SERVICES	69,755.20	20,700.00	49,055.20	337.0%
409.00 · MUNICIPAL BUILDING & PROPERTY				
409.20 · Bldg-Cleaning & Misc. Supplies	1,660.11	425.00	1,235.11	390.6%
409.23 · Heating Fuel	7,280.20	4,000.00	3,280.20	182.0%
409.24 · Electricity	3,621.06	2,000.00	1,621.06	181.1%

Recall the 2019 Mayor's Fund budget figures—which included all funds raised by both local businesses and residents for the Paw Park construction. The account balance recorded in the 2020 Preliminary Budget stood at \$12,242.27.

8:05 PM

04/30/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS

Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 03/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,240.14
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	03/31/2019			X	9.71	9.71
Total Deposits and Credits					9.71	9.71
Total Cleared Transactions					9.71	9.71
Cleared Balance					9.71	12,249.85
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 03/31/2019					2.13	12,242.27
Ending Balance					2.13	12,242.27

On January 2, 2020, a deposit of \$12,262.34 appeared in the Borough General Fund. I'll now draw some connections based on my extensive research into this matter. This will also clarify why I needed to request specific documents.

RETURN SERVICE REQUESTED

 BOROUGH OF BATH
 GENERAL LEDGER
 121 S WALNUT ST
 BATH PA 18014-1020

Customer Service Contact

	Phone	855-713-8001
	Hours	8:00 a.m. - 6:00 p.m. M-F
	Website	essabank.com
	Email	iBank@essabank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
NPO Checking	XXXXX23107	\$193,955.18

NPO Checking-XXXXX23107
Account Summary

Date	Description	Amount
01/01/2020	Beginning Balance	\$30,011.44
	13 Credit(s) This Period	\$365,710.06
	37 Debit(s) This Period	-\$201,766.32
01/31/2020	Ending Balance	\$193,955.18

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.05%
Interest Days	31
Interest Earned	\$8.84
Interest Paid This Period	\$8.84
Interest Paid Year-to-Date	\$8.84

Deposits

Date	Description	Amount
01/02/2020	REMOTE DEPOSIT	\$12,262.34
01/08/2020	DEPOSIT BATH	\$300,335.00
01/21/2020	REMOTE DEPOSIT	\$120.00
01/21/2020	REMOTE DEPOSIT	\$4,729.16
01/23/2020	DEPOSIT BATH	\$440.00
		5 item(s) totaling \$317,886.50

Electronic Credits

Date	Description	Amount
01/07/2020	KEYSTONE KCG EFILE PPD	\$900.00
01/08/2020	KEYSTONE KCG EFILE PPD	\$3,036.72
01/14/2020	KEYSTONE KCG EFILE PPD	\$2,400.00
01/16/2020	PROP RC 2901 Comm Remit PPD	\$200.00
01/21/2020	KEYSTONE KCG EFILE PPD	\$1,900.00
01/28/2020	KEYSTONE KCG EFILE PPD	\$1,200.00
		6 item(s) totaling \$9,636.72

Other Credits

Date	Description	Amount
01/31/2020	INTEREST PAID 1/01 THROUGH 1/31	\$8.84
		1 item(s) totaling \$8.84

Other Debits

Date	Description	Amount
01/06/2020	CHECK NUMBER 17038 RETURNED	\$38,178.00

Now, I understand that these two figures aren't identical. However, if you recall, we discussed the check for \$24.13 which, after interest was applied, resulted in a total drawdown of the account by \$20.07.

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS

02/18/20

Reconciliation Detail**100.20 · MAYOR'S FUND - Checking, Period Ending 06/30/2019**

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						10,595.11
Cleared Transactions						
Checks and Payments - 1 item						
Check	06/06/2019	131	Landscape Products...	X	-24.13	-24.13
Total Checks and Payments					-24.13	-24.13
Deposits and Credits - 1 item						
Deposit	06/30/2019			X	4.06	4.06
Total Deposits and Credits					4.06	4.06
Total Cleared Transactions					-20.07	-20.07
Cleared Balance					-20.07	10,575.04
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 06/30/2019					-27.65	10,567.46
New Transactions						
Checks and Payments - 7 items						
Check	08/08/2019	133	Landscape Products...		-761.38	-761.38
Check	08/08/2019	132	Blue Mountain Land...		-570.00	-1,331.38
Check	09/12/2019	134	Blue Mountain Land...		-880.00	-2,211.38
Check	09/12/2019	135	Northampton County...		-252.00	-2,463.38
Check	09/12/2019	136	Landscape Products...		-152.71	-2,616.09
Check	10/26/2019	137	David Backsenstoe		-500.00	-3,116.09
Check	12/19/2019	138	Daniel C. Kiriposki, I...		-145.00	-3,261.09
Total Checks and Payments					-3,261.09	-3,261.09
Total New Transactions					-3,261.09	-3,261.09
Ending Balance					-3,288.74	7,306.37

This amount must have been included in the balance for reasons I can't determine without more information. While I'll draw my own conclusions later, let's continue following the trail for now.

Intrigued by this deposit, I reached out to Brad to inquire about its nature.

Report for General Fund ledger line #392.00. **Attachment B** is another copy of this report. **Attachment B1** is a copy of the fund-to-fund transfer slip of \$86,170.53. **Attachment B2** is a copy of the cancelled check issued to Huratiak Homes, LLC for the Security Release in the amount of \$86,170.53. You also have a copy of the General Fund Bank Statement dated December 31, 2019, indicating \$86,170.53 was transferred into the account, and was also cleared out of the account in the same month, check #17119, cleared December 23, 2019. The activity represents a pass-through transaction.

It is likely Marena wrote out a General Fund check to Huratiak Homes, LLC, because of the amount of the cash being returned and it was easier for her to issue a General Fund check instead of trying to write out, by hand, a manual check from the Developer's Escrow checking account.

- 3) You asked for all transaction details, records, and relevant documents related to the \$12,262.30 remote deposit into the General Fund 'Cash Unrestricted' account (3107) on January 2, 2020, including the specific funding source accounts from which these funds were drawn.

The remote deposit is actually in the amount of \$12,262.34, not \$12,262.30 as stated in your email. The deposit was comprised of the following checks:

- Verizon Wireless Monopole Royalty	\$1,833.33
- Real Estate Transfer Tax Revenue	\$5,144.51
- UCC Fees	\$14.50
- 2018 Act 101 Recycling Grant	\$4,170
- January Bethlehem Township EMS Rent	\$1,100

TOTAL **\$12,262.34**

Please see **Attachment C**, remote deposit is enclosed. Bank account numbers have been redacted.

- 4) You asked for all records showing the inbound transfers to the General Fund 'Cash Unrestricted' account (3107) related to account line 392.00 in the 2019 audit, which shows the full breakdown and sources of the recorded \$64,023.

I am not legally required to provide you with work papers underlying an audit and I will not do so. That said, I am explaining to you how the \$64,023 was determined by the Borough's Auditor. First, the Auditor isolates the Borough's debt servicing real estate millage. For the Auditors to do that, it looks at the total millage rate and the millage rate set aside for debt servicing. The Auditor then divides the total debt millage rate into the total millage rate. The quotient is 0.83333333 (truncated seven spaces after the decimal). This 'rate' is multiplied by the property tax revenue collected. In 2019, the property tax revenue collected

"Bath, History Nestled With Friendship"

Deposit Detail Report

ATTACHMENT 'C'

Deposit Detail for Deposit ID: 209332104

Site ID: 1111

Batch ID: 157798497

Customer Name: Borough of Bath

Worktype: 39 - 39-MER-DR-19:00

Deposit Name: 1.1.20

Deposit Report: PENDING REVIEW

Processing Date: 2020-01-02

Company ID: 2001829960

Submit Date/Time: 2020-01-02 12:12

Account Name: General Ledger

Location ID: 1111

Transaction Detail for Transaction ID: 209332104001

Type: ELECTRONIC

Deposit Account: 560223107 - General Ledger

AUX/Serial	RIC	RT	WAUX/FLD4	Account	Check	Amount	Item Type	Item Status
		231372248		560223107	019	\$12,262.34	Credit	
04362184		031100047		2-970655		\$1,833.33	0003	
911259		031302133		8158972		\$5,144.51	0003	
00117		031302955		9864940649		\$14.50	0003	
3003755326		031302748		0007076260		\$4,170.00	0003	
014416		031318716		1831210		\$1,100.00	0003	

Transaction Control Information:

Credit Items: 1

Credit Total: \$12,262.34

Txn Difference: \$0.00

Debit Items: 5

Debit Total: \$12,262.34

Deposit Control Information:

Deposit Total: \$12,262.34

Difference: \$0.00

Checks Total: \$12,262.34

Item Count: 6

After multiple interactions with Brad, I became convinced he was being dishonest. Digging deeper, I discovered audit trails that I had previously requested multiple times through Right to Know requests. Interestingly, these records were in the very Audit Trail for the Mayor's Health Insurance that Brad had repeatedly sworn under affidavit didn't exist.

To obtain these records, I had to use account line numbers instead of names in my requests. I anticipate Brad has a prepared explanation for why this was my fault, but his words hold no weight at this point. The truth will come out in court.

Now, let's examine a page from the Mayor's Health Insurance Audit Trail for 2019-2022. To understand this document, we need to break down each column:

Num: A unique identifier for each financial entry, used for tracking and referencing transactions.

Entered/Last Modified: Shows when a transaction was first recorded and last updated. These modifications are typically made by the financial officer or bookkeeper.

Date of Transaction: The supposed date of the transaction. Note that this can be modified or backdated, potentially misrepresenting the actual timing.

Memo/Description: Provides details about the transaction, including accounts or individuals involved. Here, it includes initials like FRM and TRL for health insurance lines.

Split: Indicates how a transaction is divided between different accounts or categories, helping track fund allocation.

Amount: The monetary value of the transaction.

Top of the Page Transaction (Num 1625)

Let's start with transaction number 1625. This was entered on January 2, 2020, but backdated to September 10, 2019.

Entry at 19:38:13 (most recent):

Total deposit: \$15,712.34

Includes:

"Sept Reimb for FRM" (Mayor's health insurance): -\$1,401.00

"Sept Reimb for TRL" (Office Secretary health insurance): -\$1,401.58

Various other items (fines, permits, taxes, etc.)

Second Transaction (Num 318) – Analyzed from Bottom to Top

Now let's examine transaction Num 318. To understand this fully, we'll start from the bottom and work our way up, following the sequence of modifications.

Initial Entry (01/02/2020): Made on January 2, 2020, backdated to August 30, 2019. Original

amount: \$5,446.33.

Entry at 20:05:19 (original):

Total deposit: \$5,406.33

Includes:

"FRM October Insurance" (Mayor's health insurance): -\$1,401.00

Various other items (permits, rent, etc.)

First Modification (02/25/2020): A \$40.00 bounce check fee was added, increasing the total to \$5,486.33.

Second Modification (02/25/2020): The transaction date was changed from August 30, 2019, to October 25, 2019, altering the financial record.

Third Modification (02/25/2020): Just three minutes later, the \$40.00 bounce check fee was removed, returning the total to \$5,446.33. The final version shows October 25, 2019, as the transaction date with the original amount.

Potential Manipulation and Its Implications

The quick addition and removal of \$40 could potentially create funds "out of thin air" for distribution elsewhere. Here's how:

Temporary Fund Creation: Adding a \$40 fee temporarily creates \$40 in the system that could be allocated elsewhere before being removed.

Fund Diversion: If quickly moved to another account or used to balance another entry, this \$40 could be siphoned off without leaving a clear trace.

Covering Discrepancies: This technique could cover small discrepancies in other accounts, balancing them temporarily before removing the \$40 from the original entry.

Audit Evasion: Such manipulation could go undetected in routine audits, especially if done quickly within the same day.

Implications:

Financial Integrity: While \$40 is small, this method could indicate a larger pattern of financial manipulation, potentially leading to significant discrepancies over time.

Trust and Transparency: In a municipal setting, this erodes trust in financial management and accountability.

Legal and Ethical Issues: Depending on how the \$40 was used, this could have legal or ethical implications, potentially constituting fraud if used for personal gain or to cover up financial issues.

In conclusion, the quick addition and removal of \$40 in this transaction could indeed be a method to create and redistribute funds or cover discrepancies. Even with small amounts, such manipulation raises red flags about the overall integrity of financial management.

BOROUGH OF BATH - OPERATING "GENERAL" FUND									
Audit Trail									
Entered/Last Modified January 2019 through December 2022									
Num	Entered/Last Modified	Last modified by	State	Date	Name	Memo	Account	Split	Amount
Deposit									
	01/02/2020 19:38:13	Admin	Latest	09/10/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	15,712.34
1625					Sept Reimb for FRM		401.02 Health & Dental - Mayor	100.00 CASH...	-1,401.00
232					Sept Reimb for TRL		405.18 Office Secretary - Health Ins.	100.00 CASH...	-1,401.58
630					Ticket 5396 [\$ 28 pd 9.3		331.14 Parking Violation Fines	100.00 CASH...	-20.00
509					Yard Sale Registration Community Yard Sale [S. Houge]		322.20 Yard/Garage Sale Permit	100.00 CASH...	-5.00
270					Z-2019-09-01 for patio [S. Carl]		362.41 Building & Zoning Permit Fees	100.00 CASH...	-275.00
4709					Z-2019-09-02 for Manufacturing Facility		362.41 Building & Zoning Permit Fees	100.00 CASH...	-110.00
905386					August Tax Claim		310.10 REAL ESTATE TRANSFER TAX	100.00 CASH...	-1,588.74
1012					Atkins Permit - Rehing Field [Softball- Bethlehem Steel]		342.20 Park Pavilion Rental	100.00 CASH...	-80.00
89474					CP-48-CR-2016-2012 - Restitution [R.J. Looney]		331.12 Ordinance/Criminal Violations	100.00 CASH...	-9,000.00
904836					July Tax Claim		301.50 Real Estate Tax-Tax Claim	100.00 CASH...	-1,911.00
13736					August Crd Violations		331.12 Ordinance/Criminal Violations	100.00 CASH...	-100.00
Deposit									
	02/25/2020 10:16:07	Admin	Latest	10/25/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	5,406.33
1639					FRM October Insurance		401.02 Health & Dental - Mayor	100.00 ...	-1,401.00
104					2019 Bath Farmers Market Transient Permits - (9) vendors ...		321.61 Transient Retail Permits	100.00 ...	-225.00
1478					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...		361.30 Zoning Hearing Board Fees	100.00 ...	-75.00
3823					Z-2019-10-01 for fencing @ 348 E Main [G. Diодоardo]		362.41 Building & Zoning Permit Fees	100.00 ...	-55.00
4311493					Monopole - 1st month of rent for monopole @ 121 center S...		342.53 Monopole - 121 Center St Yard	100.00 ...	-1,833.33
2432					B-2019-10-02 permit for commercial electrical @ 374 W M...		362.41 Building & Zoning Permit Fees	100.00 ...	-220.00
6312					September Remit - 1 prop		362.30 Distressed Property Registr Fee	100.00 ...	-100.00
73709					B-2019-10-01 Admin		362.40 UCC Bldg Permit Fees (10%)	100.00 ...	-27.50
73709					B-2019-10-01		362.39 Bldg Permit UCC State Fee	100.00 ...	-4.50
73709					Balance owed on B-2019-10-01		362.41 Building & Zoning Permit Fees	100.00 ...	-165.00
4366					2019 Spuds and Suds Event - (25) vendors total		321.61 Transient Retail Permits	100.00 ...	-625.00
318					B. Ostrander bounced check for ...		331.14 Parking Violation Fines	100.00 ...	0.00
	02/25/2020 10:12:21	Admin	Prior	10/25/20	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
1639					FRM October Insurance		400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH...	-1,401.00
104					2019 Bath Farmers Market Transient Permits - (9) vendors ...		300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH...	-225.00
1478					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...		300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...	100.00 CASH...	-75.00
3823					Z-2019-10-01 for fencing @ 348 E Main [G. Diодоardo]		300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH...	-55.00
4311493					Monopole - 1st month of rent for monopole @ 121 center S...		300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH...	-1,833.33
2432					B-2019-10-02 permit for commercial electrical @ 374 W M...		300 REVENUES:362.00 PUBLIC SAFETY:362.39 Distressed Property Re...	100.00 CASH...	-100.00
6312					September Remit - 1 prop		300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...	100.00 CASH...	-27.50
73709					B-2019-10-01 Admin		300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...	100.00 CASH...	-4.50
73709					B-2019-10-01		300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH...	-165.00
73709					Balance owed on B-2019-10-01		300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH...	-625.00
4366					2019 Spuds and Suds Event - (25) vendors total		300 REVENUES:331.00 FINES:331.14 Parking Violation Fines	100.00 CASH...	-40.00
318					B. Ostrander bounced check for ...		300 REVENUES:331.00 FINES:331.14 Pa...	100.00 ...	-40.00
	02/25/2020 10:11:45	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
1639					FRM October Insurance		400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH...	-1,401.00
104					2019 Bath Farmers Market Transient Permits - (9) vendors ...		300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH...	-225.00
1478					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...		300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...	100.00 CASH...	-75.00
3823					Z-2019-10-01 for fencing @ 348 E Main [G. Diодоardo]		300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH...	-55.00
4311493					Monopole - 1st month of rent for monopole @ 121 center S...		300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH...	-1,833.33
2432					B-2019-10-02 permit for commercial electrical @ 374 W M...		300 REVENUES:362.00 PUBLIC SAFETY:362.39 Distressed Property Re...	100.00 CASH...	-100.00
6312					September Remit - 1 prop		300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...	100.00 CASH...	-27.50
73709					B-2019-10-01 Admin		300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...	100.00 CASH...	-4.50
73709					B-2019-10-01		300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH...	-165.00
73709					Balance owed on B-2019-10-01		300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH...	-625.00
4366					2019 Spuds and Suds Event - (25) vendors total		300 REVENUES:331.00 FINES:331.14 Parking Violation Fines	100.00 CASH...	-40.00
318					B. Ostrander bounced check for ...		300 REVENUES:331.00 FINES:331.14 Pa...	100.00 ...	-40.00
	01/02/2020 20:05:19	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
1639					FRM October Insurance		400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH...	-1,401.00
104					2019 Bath Farmers Market Transient Permits - (9) vendors ...		300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH...	-225.00
1478					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...		300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...	100.00 CASH...	-75.00
3823					Z-2019-10-01 for fencing @ 348 E Main [G. Diодоardo]		300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH...	-55.00
4311493					Monopole - 1st month of rent for monopole @ 121 center S...		300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH...	-1,833.33
2432					B-2019-10-02 permit for commercial electrical @ 374 W M...		300 REVENUES:362.00 PUBLIC SAFETY:362.39 Distressed Property Re...	100.00 CASH...	-100.00
6312					September Remit - 1 prop		300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...	100.00 CASH...	-27.50
73709					B-2019-10-01 Admin		300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...	100.00 CASH...	-4.50
73709					B-2019-10-01		300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH...	-165.00
73709					Balance owed on B-2019-10-01		300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH...	-625.00
4366					2019 Spuds and Suds Event - (25) vendors total		300 REVENUES:331.00 FINES:331.14 Parking Violation Fines	100.00 CASH...	-40.00

Audit trails are supposed to keep things honest by recording every financial move. But in Bath, those records were altered—dates and amounts were changed after the fact. This isn't just bad bookkeeping; it's a cover-up.

Next, we examine the April 2020 Treasury Report. As of April 30, 2020, the EE insurance reimbursement line 360.19 shows a recorded value of \$8,860.53. This figure, in my opinion, is uncomfortably close to a round number.

	Jan - Dec 20	Budget	\$ Over Budget
355.01 · Public Utility Realty Tax/PURTA	0.00	1,198.48	-1,198.48
355.02 · Motor Vehicles Fuel Tax	0.00	682.41	-682.41
355.04 · Alcohol Beverage Licenses	0.00	933.33	-933.33
355.65 · Non-Uniform Pension State Aid	0.00	13,118.00	-13,118.00
355.99 · Volunteer Fire Relief State Aid	0.00	15,829.81	-15,829.81
Total 355.00 · STATE SHARED REVENUES	0.00	31,762.03	-31,762.03
360.00 · CHARGES FOR SERVICES			
360.19 · EE Paid Insurance [Reimb.]	8,860.53		
360.65 · Returned Check Fee/Bank Credit	0.00	70.00	-70.00
Total 360.00 · CHARGES FOR SERVICES	8,860.53	70.00	8,790.53
361.00 · GENERAL GOVERNMENT			
361.30 · Zoning Hearing Board Fees	0.00	1,000.00	-1,000.00
361.31 · App./Subdiv./Condition Use Fees	0.00	1,500.00	-1,500.00
361.34 · Stenographer - PComm/ZHB/PMCBOA	0.00	150.00	-150.00
361.65 · Tax & Sanitation Certifications			
361.651 · Real Estate Tax Certifications	0.00	2,000.00	-2,000.00
361.652 · Sanitation Certifications	0.00	750.00	-750.00
361.65 · Tax & Sanitation Certifications - Other	135.00		
Total 361.65 · Tax & Sanitation Certifications	135.00	2,750.00	-2,615.00
Total 361.00 · GENERAL GOVERNMENT	135.00	5,400.00	-5,265.00
362.00 · PUBLIC SAFETY			
362.13 · Alarm Permits	30.00	240.00	-210.00
362.30 · Distressed Property Registr Fee	800.00	2,150.00	-1,350.00
362.39 · Bldg Permit UCC State Fee	40.50	126.75	-86.25
362.40 · UCC Bldg Permit Fees (10%)	955.06	1,097.12	-142.06
362.41 · Building & Zoning Permit Fees	11,640.68	16,849.68	-5,209.00

The July 2020 treasury report confirms that the \$8,860.56 payment on EE insurance reimbursement line 360.19 was a single lump sum, not a series of payments over time.

07/02/20

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)

Cash Basis

January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
300 · REVENUES				
301.00 · REAL ESTATE TAXES				
301.11 · Real Estate Tax-Base	621,987.98	749,776.67	-127,788.69	83.0%
301.20 · Real Estate Tax-Prior Year	5,234.20	11,673.87	-6,439.67	44.8%
301.28 · RE Tax - Pr. Yr. In Lieu Of	0.00	1,751.98	-1,751.98	0.0%
301.50 · Real Estate Tax-Tax Claim	9,946.21	22,557.38	-12,611.17	44.1%
301.90 · RE Tax - Prior Yr. Sheriff Sale	0.00	240.07	-240.07	0.0%
Total 301.00 · REAL ESTATE TAXES	637,168.39	785,999.97	-148,831.58	81.1%
310.10 · REAL ESTATE TRANSFER TAX	13,822.41	55,166.90	-41,344.49	25.1%
310.20 · EARNED INCOME TAXES	137,585.51	296,308.85	-158,723.34	46.4%
310.50 · LOCAL SERVICES TAX	6,087.78	23,558.59	-17,470.81	25.8%
321.00 · BUSINESS LICENSES & PERMITS				
321.61 · Transient Retail Permits	546.50	1,295.00	-748.50	42.2%
321.80 · Cable Franchise	10,070.45	43,127.19	-33,056.74	23.4%
321.90 · Business Registrations	60.00	3,000.00	-2,940.00	2.0%
Total 321.00 · BUSINESS LICENSES & PERMITS	10,676.95	47,422.19	-36,745.24	22.5%
322.00 · NON-BUSINESS LICENSES & PERMITS				
322.20 · Yard/Garage Sale Permit	5.00	85.00	-80.00	5.9%
Total 322.00 · NON-BUSINESS LICENSES & PERMITS	5.00	85.00	-80.00	5.9%
331.00 · FINES				
331.11 · Vehicle-Related Violations	2,416.42	6,000.00	-3,583.58	40.3%
331.12 · Ordinance/Criminal Violations	883.13	2,755.47	-1,872.34	32.1%
331.13 · State Police Fines	0.00	1,178.45	-1,178.45	0.0%
331.14 · Parking Violation Fines	1,502.65	2,390.00	-887.35	62.9%
Total 331.00 · FINES	4,802.20	12,323.92	-7,521.72	39.0%
341.00 · INTEREST EARNINGS				
341.01 · General Fund Checking Interest	17.02	141.03	-124.01	12.1%
341.05 · Payroll Checking Interest	0.00	9.49	-9.49	0.0%
341.06 · Gen. Fund Escrow Ck'g Interest	0.00	0.46	-0.46	0.0%
341.07 · Capital Improvmtnt Fund Interest	0.00	477.70	-477.70	0.0%
341.10 · Tax Account Interest	668.67	6,615.17	-5,946.50	10.1%
341.20 · Community Revitalization Int.	0.00	5.99	-5.99	0.0%
341.21 · S.R. 248 Realignment Fund Int.	0.00	25.11	-25.11	0.0%
341.22 · Fire Dept Bldg Improv Fund Int.	0.00	3.03	-3.03	0.0%
341.42 · Operating Reserve Fund Interest	0.00	2,038.27	-2,038.27	0.0%
341.50 · Recreation Account Interest	0.00	15.44	-15.44	0.0%
341.96 · Grants(prev'ly Reserve)Interest	0.00	5.56	-5.56	0.0%
Total 341.00 · INTEREST EARNINGS	685.69	9,337.25	-8,651.56	7.3%
342.00 · RENTS AND ROYALTIES				
342.20 · Park / Pavilion Rental	1,250.00	3,200.00	-1,950.00	39.1%
342.21 · 121 Center Street (Ambul Dept)	3,300.00	12,900.00	-9,600.00	25.6%
342.22 · Monopole - 121 Center St Yard	5,499.99	21,999.96	-16,499.97	25.0%
342.25 · Rental of Council Room	35.00			
Total 342.00 · RENTS AND ROYALTIES	10,084.99	38,099.96	-28,014.97	26.5%
354.00 · STATE CAPITAL & OPER. GRANTS				
354.09 · DCED-PA Gaming Local Share Acct	51,721.00			
354.15 · Recycling/Act 101 Grant	4,170.00			
Total 354.00 · STATE CAPITAL & OPER. GRANTS	55,891.00			
355.00 · STATE SHARED REVENUES				
355.01 · Public Utility Realty Tax/PURTA	0.00	1,198.48	-1,198.48	0.0%
355.02 · Motor Vehicles Fuel Tax	0.00	682.41	-682.41	0.0%
355.04 · Alcohol Beverage Licenses	0.00	933.33	-933.33	0.0%
355.65 · Non-Uniform Pension State Aid	0.00	13,118.00	-13,118.00	0.0%
355.99 · Volunteer Fire Relief State Aid	0.00	15,829.81	-15,829.81	0.0%
Total 355.00 · STATE SHARED REVENUES	0.00	31,762.03	-31,762.03	0.0%
360.00 · CHARGES FOR SERVICES				
360.19 · EE Paid Insurance [Reimb.]	8,860.53			
360.65 · Returned Check Fee/Bank Credit	0.00	70.00	-70.00	0.0%
Total 360.00 · CHARGES FOR SERVICES	8,860.53	70.00	8,790.53	12,657.9%
361.00 · GENERAL GOVERNMENT				
361.30 · Zoning Hearing Board Fees	0.00	1,000.00	-1,000.00	0.0%

Next, we examine the Transaction Log for that account line, which shows the recorded 2020 health insurance payments for both the Mayor and Secretary. Between January and the end of March, there were five payments received—three from Tanya and two from the Mayor. In 2020, each monthly payment was \$1,491.79.

On January 21, 2020, both the Mayor and Tanya made payments. On February 4, 2020, only Tanya's payment was recorded. Then on March 4, 2020, they both made payments again. There's no record of any payments for April. While the log continues beyond this point, we'll pause our analysis here for now.

Let's do some quick math:

$1,491.79 \times 5 = \$7,458.95$ — Well, that doesn't equal \$8,860.53

$1,491.79 \times 6 = \$8,950.74$ — That's a bit high

11:19 AM		BOROUGH OF BATH - OPERATING "GENERAL" FUND						
02/02/24		Account QuickReport						
Cash Basis		January through December 2020						
Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount	
300 - REVENUES								
360.00 - CHARGES FOR SERVICES								
360.19 - EE Paid Insurance [Reimb.]								
Deposit	01/21/2020	1679	FRM January Insurance		100.00 - CAS...	1,491.79	1,491.79	
Deposit	01/21/2020	259	TRL January Insurance		100.00 - CAS...	1,491.79	1,491.79	
Deposit	02/04/2020	266	TRL Insurance February		100.00 - CAS...	1,491.79	1,491.79	
Deposit	03/04/2020	1695	FRM March Health Insurance Reimb [Couples Plan]		100.00 - CAS...	1,491.79	1,491.79	
Deposit	03/04/2020	153	TRL March Health Insurance Reimb [Couples Plan]		100.00 - CAS...	1,491.79	1,491.79	
Deposit	05/22/2020		FRM x2 & TRL		100.00 - CAS...	4,475.37	4,475.37	
Deposit	07/07/2020	295	TRL Insurance for June		100.00 - CAS...	1,491.79	1,491.79	
Deposit	07/09/2020	298	TRL July Insurance		100.00 - CAS...	1,491.79	1,491.79	
Deposit	08/11/2020	307	TRL August Insurance		100.00 - CAS...	1,491.79	1,491.79	
Deposit	08/31/2020		FRM		100.00 - CAS...	1,491.79	1,491.79	
Deposit	09/21/2020		FRM & TRL		100.00 - CAS...	2,983.58	2,983.58	
Deposit	10/13/2020		TRL		100.00 - CAS...	1,491.79	1,491.79	
Deposit	11/05/2020		DEPOSIT BATH		100.00 - CAS...	1,491.79	1,491.79	
Deposit	11/06/2020		DEPOSIT BATH		100.00 - CAS...	1,491.79	1,491.79	
Deposit	12/21/2020		TRL & FRM		100.00 - CAS...	2,983.58	2,983.58	
Total 360.19 - EE Paid Insurance [Reimb.]							28,344.01	
Total 360.00 - CHARGES FOR SERVICES							28,344.01	
Total 300 - REVENUES							28,344.01	
TOTAL							28,344.01	

Filters applied on this Report:

Account: 360.19 · EE Paid Insurance [Reimb.]

Date: Custom

Below is a table provided by the borough showing the Mayor's payments in 2019 and 2020.

In 2019, the Mayor paid \$1,401.00 in January, plus an additional 58¢ in cash. From February through November, she consistently paid \$1,401.00 each month. The borough acknowledged, however, that she missed the December payment in 2019.

2020
Mirabito Insurance

DVHT Bills		Checks from Mirabitos			Detail in QuickBooks	
Month of Bill	Mirabito Total	Check date	Check Amount	Check #	Deposit date in QB	Amount
Dec-19	\$1,491.79	1/10/2020	\$1,491.79	1679	1/21/2020	\$1,491.79
Jan-20	\$1,491.79	2/25/2020	\$1,491.79	1695	3/4/2020	\$1,491.79
Feb-20	\$1,491.79	4/3/2020	\$1,491.79	1707	4/13/2020	\$1,491.79
Mar-20	\$1,491.79	4/28/2020	\$1,491.79	1713	(Intentionally left blank)	
Apr-20	\$1,491.79	5/12/2020	\$1,491.79	1719	5/22/2020	\$2,983.58
May-20	\$1,491.79	8/11/2020	\$1,491.79	1754	8/31/2020	\$1,491.79
Jun-20	\$1,491.79	9/14/2020	\$1,491.79	1767	9/21/2020	\$1,491.79
Jul-20	\$1,491.79	11/6/2020	\$1,491.79	1782	11/5/2020	\$1,491.79
Aug-20	\$1,491.79	11/25/2020	\$1,491.79	1787	12/21/2020	\$1,491.79
Sep-20	\$1,491.79					
Oct-20	\$1,491.79					
Nov-20	\$1,491.79					

2019
Mirabito Insurance

DVHT Bills		Checks from Mirabitos			Detail in QuickBooks	
Month of Bill	Mirabito Total	Check date	Check Amount	Check #	Deposit date in QB	Amount
Dec-18	\$1,401.58	1/18/2019	\$1,401.00	1505	1/23/2019	\$1,401.00
Jan-19	\$1,401.58	(Intentionally left blank)			1/23/2019**	\$0.58
Feb-19	\$1,401.58	2/11/2019	\$1,401.00	1517	2/13/2019	\$1,401.00
Mar-19	\$1,401.58	3/20/2019	\$1,401.00	1536	3/25/2019	\$1,401.00
Apr-19	\$1,401.58	4/9/2019	\$1,401.00	1548	4/11/2019	\$1,401.00
May-19	\$1,401.58	5/6/2019	\$1,401.00	1560	5/7/2019	\$1,401.00
Jun-19	\$1,401.58	6/12/2019	\$1,401.00	1580	6/21/2019	\$1,401.00
Jul-19	\$1,401.58	7/11/2019	\$1,401.00	1595	7/19/2019	\$1,401.00
Aug-19	\$1,401.58	8/12/2019	\$1,401.00	1609	8/15/2019	\$1,401.00
Sep-19	\$1,401.58	9/9/2019	\$1,401.00	1625	9/10/2019	\$1,401.00
Oct-19	\$1,401.58	10/11/2019	\$1,401.00	1639	10/25/2019	\$1,401.00
Nov-19	\$1,401.58	11/7/2019	\$1,401.00	1646	12/4/2019	\$1,401.00
					**This was a cash deposit	

We know this to be accurate because, despite Brad's tendency to blame Marena for any errors in the books, she actually kept very good records.

As you can see in the Final Profit & Loss vs Actual for 2019, under Mayor expense line 401.02 Health and Dental, there's a recorded expense of \$1,407.38.

This figure breaks down as follows: $\$1,401.58 + \$5.80 = \$1,407.38$

It accounts for the missed December payment plus the 58¢ missed for 10 months.

10/03/22
Cash Basis

**BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)
January through December 2019**

	Jan - Dec 19	Budget	\$ Over Bu...	% of Budget
400.35 · Newsletter incl'g US Mail Pstg	632.82	500.00	132.82	126.6%
400.42 · Dues and Subscriptions	1,638.00	1,700.00	-62.00	96.4%
400.46 · Conferences and Seminars	0.00	1,000.00	-1,000.00	0.0%
Total 400.00 · GENERAL GOVERNMENT	20,582.46	19,855.00	727.46	103.7%
401.00 · MAYOR				
401.01 · Salary of Mayor	2,500.00	2,500.00	0.00	100.0%
401.02 · Health & Dental - Mayor	1,407.38			
401.03 · Dues & Subscriptions	395.00	100.00	295.00	395.0%
401.04 · Mayor Supplies & Misc.	820.67	750.00	70.67	109.4%
401.06 · Mayor's Tablet-Data/AVirus Chgs	120.26	150.00	-29.74	80.2%
Total 401.00 · MAYOR	5,243.31	3,500.00	1,743.31	149.8%
401.111 · BOROUGH MANAGER				
401.14 · Health & Dental - Borough Mgr	7,707.14	7,707.14	0.00	100.0%
401.15 · Life Insurance - Borough Mgr	98.67	110.00	-11.33	89.7%
401.16 · Dues & Subscriptions	7,317.78	2,700.00	4,617.78	271.0%
401.17 · Vehicle/Gasoline Stipend / Exp	4,788.55	5,000.00	-211.45	95.8%
401.18 · Educational Expense	2,600.78	3,500.00	-899.22	74.3%
401.20 · Office Supplies	616.65	4,300.00	-3,683.35	14.3%
401.21 · Office Equip.-Supplies & Maint.	2,100.13	1,500.00	600.13	140.0%
401.25 · Advertising/Promotional	4,990.81	6,500.00	-1,509.19	76.8%
401.30 · Consultant Fees	14,143.14	11,500.00	2,643.14	123.0%
401.31 · Payroll Processing Services	2,366.43	2,100.00	266.43	112.7%
401.32 · Manager's Tablet-Data/AV Chg's	333.36	135.00	198.36	246.9%
401.323 · Cellular Phone-MGR.	663.48	700.00	-36.52	94.8%
401.34 · Printing	338.49	500.00	-161.51	67.7%
401.35 · Postage	3,221.21	1,500.00	1,721.21	214.7%
401.40 · Manager/Treasurer's Bond/Ins.	299.00	350.00	-51.00	85.4%

You might be wondering how all of this connects, so let's revisit the math:

$$\$1,491.79 \times 5 = \$7,458.95 + \$1,401.58 = \$8,860.53$$

It appears that the \$8,860.53 was intended to cover the missed December payment from 2019.

Interestingly, if the mayor made that payment, it wasn't mentioned. I obtained copies of her cleared check images, and there wasn't one for December 2019. When she later made a large lump sum payment—after I uncovered the insurance issues—it was used to cover her missed December payment.

These five payments in 2020, with one being retroactive to 2019, would deplete these funds. This might explain the absence of April payments in the EE Insurance Reimbursement line's transaction log.

Let's set aside this aspect for now and focus on the transaction log and final Profit & Loss budget for 2020.

While we've examined the treasurer reports, we haven't yet addressed an important point: the transaction log showed a total amount of \$28,344.01 collected by year-end in EE insurance reimbursement.

10/03/22
Cash Basis

**BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)
January through December 2020**

	Jan - Dec 20	Budget	\$ Over Bu...	% of Budget
360.00 · CHARGES FOR SERVICES				
360.19 · EE Paid Insurance [Reimb.]	28,344.01			
360.65 · Returned Check Fee/Bank Credit	0.00	70.00	-70.00	0.0%
Total 360.00 · CHARGES FOR SERVICES	28,344.01	70.00	28,274.01	40,491.4%
361.00 · GENERAL GOVERNMENT				
361.30 · Zoning Hearing Board Fees	2,619.50	1,000.00	1,619.50	262.0%
361.31 · App./Subdiv./Condition Use Fees	0.00	1,500.00	-1,500.00	0.0%
361.34 · Stenographer - PComm/ZHB/PMCBOA	0.00	150.00	-150.00	0.0%
361.65 · Tax & Sanitation Certifications				
361.651 · Real Estate Tax Certifications	0.00	2,000.00	-2,000.00	0.0%
361.652 · Sanitation Certifications	0.00	750.00	-750.00	0.0%
361.65 · Tax & Sanitation Certifications - Other	465.00			
Total 361.65 · Tax & Sanitation Certifications	465.00	2,750.00	-2,285.00	16.9%
Total 361.00 · GENERAL GOVERNMENT	3,084.50	5,400.00	-2,315.50	57.1%
362.00 · PUBLIC SAFETY				
362.13 · Alarm Permits	60.00	240.00	-180.00	25.0%
362.30 · Distressed Property Registr Fee	1,500.00	2,150.00	-650.00	69.8%
362.39 · Bldg Permit UCC State Fee	117.00	126.75	-9.75	92.3%
362.40 · UCC Bldg Permit Fees (10%)	1,781.52	1,097.12	684.40	162.4%
362.41 · Building & Zoning Permit Fees	41,613.76	16,849.68	24,764.08	247.0%
362.51 · Road Occupancy Permit	1,250.00	987.50	262.50	126.6%
362.52 · Bus Shelter	0.00	250.00	-250.00	0.0%
Total 362.00 · PUBLIC SAFETY	46,322.28	21,701.05	24,621.23	213.5%

This creates a conundrum for me. Based on the transaction log and knowing that December wasn't paid, plus the \$8,860.53 I calculated earlier, none of this adds up to \$28,344.01. A forensic accountant advised me that a good way to track money is to follow the cents. While dollars are easy to mask, cents are not.

Now, I can't fully explain what happened here, but you'll understand why in a moment.

Below is the General Fund Bank Statement from August 2019. Look specifically at the checks cashed against this account on 8/21/2019. This is the same month as the second transaction from the audit trail was originally recorded.

You'll see that a check cleared for \$178,304.01.

NPO Checking-XXXXX23I07 (continued)

Other Credits

<u>Date</u>	<u>Description</u>	<u>Amount</u>
08/30/2019	INTEREST PAID 8/01 THROUGH 8/30	\$8.57
		<u>1 item(s), totaling \$8.57</u>

Other Debits

<u>Date</u>	<u>Description</u>	<u>Amount</u>
08/15/2019	TRANSFER WITHDRAWAL	\$10,750.00
08/15/2019	TRANSFER WITHDRAWAL	\$10,250.00
		<u>2 item(s), totaling \$21,000.00</u>

Checks Cleared

<u>Check Nbr</u>	<u>Date</u>	<u>Amount</u>	<u>Check Nbr</u>	<u>Date</u>	<u>Amount</u>
16909	08/01/2019	\$125.00	16940	08/20/2019	\$28.86
16916*	08/01/2019	\$145.00	16941	08/21/2019	\$22.21
16931*	08/21/2019	\$713.52	16942	08/21/2019	\$33.96
16932	08/22/2019	\$3,735.00	16943	08/21/2019	\$210.00
16933	08/20/2019	\$42.80	16944	08/20/2019	\$19,089.00
16934	08/21/2019	\$16,015.40	16945	08/21/2019	\$289.18
16935	08/19/2019	\$3,573.98	16946	08/22/2019	\$651.26
16936	08/21/2019	\$178,304.01	16947	08/20/2019	\$127.02
16937	08/21/2019	\$8,172.72	16948	08/23/2019	\$527.61
16938	08/21/2019	\$65.52	16949	08/22/2019	\$16.96
16939	08/21/2019	\$9,716.00	16950	08/20/2019	\$472.68

* Indicates skipped check number

22 item(s) totaling \$242,077.69

Daily Balances

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
08/01/2019	\$239,574.60	08/15/2019	\$282,736.02	08/22/2019	\$63,970.29
08/02/2019	\$255,774.60	08/16/2019	\$287,604.21	08/23/2019	\$63,657.68
08/06/2019	\$270,828.79	08/19/2019	\$284,030.23	08/30/2019	\$63,666.25
08/08/2019	\$297,836.02	08/20/2019	\$281,916.03		
08/13/2019	\$303,736.02	08/21/2019	\$68,373.51		

The amount is approximately \$150,000 too much—\$149,960.00 to be exact. If there were just an extra \$40 to make it an even \$150,000, it might seem more plausible. Hold on, I think we've missed something crucial here.

Let's revisit the audit trail we discussed earlier. An audit trail preserves each iteration of a transaction whenever changes are made. The previous version is labeled as "prior," while the newer version appears above it with changes highlighted in bold.

The bottom transaction of \$5,406.33 shows some interesting revisions after its initial entry on January 2, 2020, as an August 30, 2019 transaction. On February 25, 2020, someone edited the transaction, adding a \$40 bounced check fee, which bumped the total to \$5,446.33. Now, where was it that we needed that \$40?

When attempting to commit fraud, the primary goal is to avoid detection. The most crucial aspect is ensuring that all values add up precisely, leaving no unexplainable surplus.

Now, let's look at the top transaction. I'd like to draw your attention to the smaller transactions that make up the total of \$15,712.34. Once again, that pesky change comes into play. We have two transactions from revenue line 331.12 "Ordinance/Criminal Violations." The first makes up the bulk of the deposit at \$9,000. The second, which could be easily overlooked, is for \$100.02.

I don't know about you, but I've never seen the borough issue a ticket for exactly \$100.02. However, people often make silly mistakes when they're trying to make the change balance out perfectly.

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Audit Trail

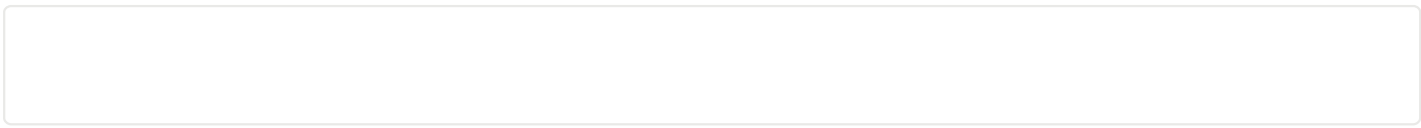
Entered/Last Modified January 2019 through December 2022

Num	Entered/Last Modified	Last modified by	State	Date	Name	Memo	Account	Split	Amount
Deposit									
1625	01/02/2020 19:38:13	Admin	Latest	09/10/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	15,712.34
232					Sept Reimb for FRM	401.02 Health & Dental - Mayor		100.00 CASH...	-1,401.00
630					Sept Reimb for TRL	405.18 Office Secretary - Health Ins.		100.00 CASH...	-1,401.58
509					Ticket 5396 [8 28 pd 9 3	331.14 Parking Violation Fines		100.00 CASH...	-20.00
270					Yard Sale Registration Community Yard Sale [S. Hogue]	322.20 Yard/Garage Sale Permit		100.00 CASH...	-5.00
4709					Z-2019-09-01 for patio [S. Clair]	362.41 Building & Zoning Permit Fees		100.00 CASH...	-75.00
905386					Z-2019-09-02 for Manufacturing Facility	362.41 Building & Zoning Permit Fees		100.00 CASH...	-110.00
1012					August Tax Claim	310.10 REAL ESTATE TRANSFER TAX		100.00 CASH...	-1,588.74
89474					Athletic Permit - Rehrg Field [Softball: Bethlehem Steel]	342.20 Park / Pavilion Rental		100.00 CASH...	-80.00
904836					CP-48-CR-2016-2012 - Restitution [R.J. Looney]	331.12 Ordinance/Criminal Violations		100.00 CASH...	-9,000.00
13736					July Tax Claim	301.50 Real Estate Tax-Tax Claim		100.00 CASH...	-1,911.00
					August Ord Violations	331.12 Ordinance/Criminal Violations		100.00 CASH...	-100.02
Deposit									
1639	02/25/2020 10:16:07	Admin	Latest	10/25/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	5,406.33
104					FRM October Insurance	401.02 Health & Dental - Mayor		100.00 *	-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors ...	321.61 Transient Retail Permits		100.00 *	-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...	361.30 Zoning Hearing Board Fees		100.00 *	-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main [G. Diocardo]	362.41 Building & Zoning Permit Fees		100.00 *	-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S...	342.53 Monopole - 121 Center St Yard		100.00 *	-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W.M...	362.41 Building & Zoning Permit Fees		100.00 *	-220.00
73709					September Remit - 1 prop	362.30 Distressed Property Registr Fee		100.00 *	-100.00
73709					B-2019-10-01 Admin	362.40 UCC Bldg Permit Fees (10%)		100.00 *	-27.50
73709					B-2019-10-01	362.39 Bldg Permit UCC State Fee		100.00 *	-4.50
4366					Balance owed on B-2019-10-01	362.41 Building & Zoning Permit Fees		100.00 *	-165.00
318					2019 Spuds and Suds Event - (25) vendors total	321.61 Transient Retail Permits		100.00 *	-625.00
					B. Ostrander bounced check for ...	331.14 Parking Violation Fines		100.00 *	0.00
Deposit									
1639	02/25/2020 10:12:21	Admin	Prior	10/25/20	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor		100.00 CASH...	-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors ...	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...		100.00 CASH...	-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...		100.00 CASH...	-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main [G. Diocardo]	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S...	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...		100.00 CASH...	-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W.M...	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...		100.00 CASH...	-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...		100.00 CASH...	-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...		100.00 CASH...	-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...		100.00 CASH...	-625.00
					B. Ostrander bounced check for parking ticket - sent to DA'	300 REVENUES:331.00 FINES:331.14 Parking Violation Fines		100.00 CASH...	-40.00
Deposit									
1639	02/25/2020 10:11:45	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor		100.00 CASH...	-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors ...	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...		100.00 CASH...	-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...		100.00 CASH...	-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main [G. Diocardo]	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...		100.00 CASH...	-1,833.33
2432					Monopole - 1st month of rent for monopole @ 121 center S...	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-55.00
6312					B-2019-10-02 permit for commercial electrical @ 374 W.M...	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...		100.00 CASH...	-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...		100.00 CASH...	-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...		100.00 CASH...	-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...		100.00 CASH...	-625.00
					B. Ostrander bounced check for ...	300 REVENUES:331.00 FINES:331.14 Pa...		100.00 *	-40.00
Deposit									
1639	01/02/2020 20:05:19	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,406.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor		100.00 CASH...	-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors ...	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...		100.00 CASH...	-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace [A. Lope...	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...		100.00 CASH...	-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main [G. Diocardo]	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S...	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...		100.00 CASH...	-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W.M...	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...		100.00 CASH...	-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...		100.00 CASH...	-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...		100.00 CASH...	-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...		100.00 CASH...	-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...		100.00 CASH...	-625.00

To wrap this up, I'll end where I began: the 2020 Preliminary Budget.

Let's take a closer look at the budgeted amount for the Mayor's Fund. Remember, this fund was originally set up to hold money fundraised and donated for the Paw Park construction. Oddly enough, after the park was built, we see the estimated budget shoot up higher than ever before. Brad's explanation? He claimed the estimated budget was based on an average of what was spent in that account over the previous three years. Sounds fishy, right?

Well... it gets even more intriguing when you dig into the 2020, 2021, and 2022 Profit & Loss vs. Actual Budgets. Pay close attention to expense line 401.02 "Mayor's Health and Dental." Surprise, surprise—they all use the same estimated budget amount of \$18,500.



10/03/22
Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)
January through December 2021

	<u>Jan - Dec 21</u>	<u>Budget</u>	<u>\$ Over Bu...</u>	<u>% of Budget</u>
Expense				
400 · EXPENDITURES				
400.00 · GENERAL GOVERNMENT				
400.11 · Council's Salary	13,125.00	13,125.00	0.00	100.0%
400.20 · Council Office Supplies	297.78	500.00	-202.22	59.6%
400.29 · Gifts	133.97			
400.30 · General Gvrnmnt - Miscellaneous	363.50	500.00	-136.50	72.7%
400.32 · Council's Tablets-Data/AV Chg's	672.45	900.00	-227.55	74.7%
400.35 · Newsletter incl'g US Mail Pstg	371.71	500.00	-128.29	74.3%
400.42 · Dues and Subscriptions	2,398.98	1,700.00	698.98	141.1%
400.46 · Conferences and Seminars	0.00	500.00	-500.00	0.0%
400.54 · Copier Lease	1,740.00			
Total 400.00 · GENERAL GOVERNMENT	19,103.39	17,725.00	1,378.39	107.8%
401.00 · MAYOR				
401.01 · Salary of Mayor	2,500.00	2,500.00	0.00	100.0%
401.02 · Health & Dental - Mayor	20,492.81	18,500.00	1,992.81	110.8%
401.03 · Dues & Subscriptions	358.00	100.00	258.00	358.0%
401.04 · Mayor Supplies & Misc.	45.00	500.00	-455.00	9.0%
401.06 · Mayor's Tablet-Data/AVirus Chgs	-15.49			
Total 401.00 · MAYOR	23,380.32	21,600.00	1,780.32	108.2%
401.111 · BOROUGH MANAGER				
401.14 · Health & Dental - Borough Mgr	9,787.31	8,906.87	880.44	109.9%
401.15 · Life Insurance - Borough Mgr	84.17	110.00	-25.83	76.5%
401.16 · Dues & Subscriptions	16,851.50	2,700.00	14,151.50	624.1%
401.17 · Vehicle/Gasoline Stipend / Exp	0.00	5,057.00	-5,057.00	0.0%
401.18 · Educational Expense	90.00	3,000.00	-2,910.00	3.0%
401.20 · Office Supplies	5,921.71	2,500.00	3,421.71	236.9%
401.21 · Office Equip.-Supplies & Maint.	0.00	2,500.00	-2,500.00	0.0%

01/26/23
Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)
January through December 2022

	Jan - Dec 22	Budget	\$ Over Bu...	% of Budget
401.00 · MAYOR				
401.01 · Salary of Mayor	2,500.00	2,500.00	0.00	100.0%
401.02 · Health & Dental - Mayor	-10,730.72	18,500.00	-29,230.72	-58.0%
401.03 · Dues & Subscriptions	698.75	100.00	598.75	698.8%
401.04 · Mayor Supplies & Misc.	18.01	500.00	-481.99	3.6%
Total 401.00 · MAYOR	-7,513.96	21,600.00	-29,113.96	-34.8%
401.111 · BOROUGH MANAGER				
401.14 · Health & Dental - Borough Mgr	9,415.08	9,500.00	-84.92	99.1%
401.15 · Life Insurance - Borough Mgr	17.46	110.00	-92.54	15.9%
401.16 · Dues & Subscriptions	25,018.06	14,000.00	11,018.06	178.7%
401.17 · Vehicle/Gasoline Stipend / Exp	0.00	5,075.00	-5,075.00	0.0%
401.18 · Educational Expense	0.00	3,000.00	-3,000.00	0.0%
401.20 · Office Supplies				
401.210 · RTK Reimbursements	-1.00			
401.20 · Office Supplies - Other	9,709.40	2,500.00	7,209.40	388.4%
Total 401.20 · Office Supplies	9,708.40	2,500.00	7,208.40	388.3%
401.21 · Office Equip.-Supplies & Maint.	1,897.00	2,500.00	-603.00	75.9%
401.25 · Advertising/Promotional	10,256.38	4,000.00	6,256.38	256.4%
401.30 · Consultant Fees	25,977.12	11,000.00	14,977.12	236.2%
401.31 · Payroll Processing Services	2,762.07			
401.32 · Manager's Tablet-Data/AV Chg's	26.97	150.00	-123.03	18.0%
401.323 · Cellular Phone-MGR.	649.88	700.00	-50.12	92.8%
401.34 · Printing	25.00	500.00	-475.00	5.0%
401.35 · Postage	2,614.20	1,500.00	1,114.20	174.3%
401.40 · Manager/Treasurer's Bond/Ins.	0.00	300.00	-300.00	0.0%

Page 7

I always wondered why the dog park was assigned a budget placeholder of \$18,500, and now I believe we have our answer!

To conclude, let me say this: Considering everything I've presented and the behavior of certain individuals, it's abundantly clear that something is amiss.

The additional information not yet included further strengthens the case of fraud I've presented here. These additional items are interconnected in many ways, revealing a deliberate pattern of intent.

The evidence shows a pattern of financial manipulation and possible fraud. This isn't just about numbers—it's about accountability. The people of Bath deserve answers and action.

The pattern of fraudulent activity becomes even more apparent when examining the interconnected nature of these transactions. For instance, the manipulation of health insurance payments aligns suspiciously with discrepancies in other budget lines. Furthermore, the consistent use of the \$18,500 placeholder across multiple years suggests a deliberate attempt to conceal financial irregularities.

The budget contains 232 visible lines, with many more behind the scenes. Of these, I requested audit trails for just 9 lines. Those 9 lines alone accounted for 120 pages of documentation. Many of these pages reveal numerous instances of backdated transactions—a clear indicator of a practice known as "lapping," which is a form of money laundering.

Financial discrepancies were found in the Borough of Bath's budgets and financial reports, particularly in the Mayor's Fund and health insurance payments.

Evidence of **backdated transactions** and potential money laundering practices ("lapping") were discovered across multiple financial documents.

The Mayor's health insurance payments showed inconsistencies, with **unexplained lump sums** and missing payments raising suspicion.

Budgetary figures, especially the \$18,500 placeholder for the dog park, were used inconsistently across multiple years, suggesting potential financial manipulation.

The investigation revealed numerous instances of **altered financial records**, indicating a systematic attempt to obscure the true financial situation.