

Report on Payroll Discrepancies and Potential Fraud in the Borough of Bath (2019-2022)

Executive Summary

This report analyzes recurring discrepancies in the payroll records of the Borough of Bath from 2019 through 2022. Specifically, it identifies multiple instances where payroll transactions were logged and processed through bank statements but were either missing or zeroed out in the borough's internal payroll records. These discrepancies raise concerns about potential payroll fraud, tax evasion, and financial mismanagement. Based on the findings, there is evidence to suggest the possibility of deliberate manipulation of payroll data, raising the need for further investigation and potential legal action.

Scope of Analysis

The analysis covers payroll records and financial statements from December 2019 through September 2022. The primary focus is on identifying discrepancies between the payments processed through the borough's bank account and the corresponding payroll entries recorded in the borough's internal systems.

Documents reviewed include:

- Payroll statements from 2019 to 2022.[\[A\]](#)

- Earnings records for the Borough Manager, Bradford Flynn.[\[B\]](#)

- Financial statements for the Borough of Bath.

Introduction

This document examines recurring payroll discrepancies in the Borough of Bath's financial records from 2019 through 2022. While we've identified the source of the \$1,100.99 payroll transaction, we haven't yet confirmed the origin or appropriateness of other transactions. Our analysis doesn't necessarily question the legitimacy of the payments themselves. Rather, our primary concern is how these payments are being recorded—or more accurately, not being recorded—within the borough's payroll system.

These transactions are absent from payroll records outside the payroll account, raising significant concerns about transparency and proper financial reporting. Moreover, the payroll taxes deducted for many of these transactions often exceed 150% of the corresponding payroll amounts—a highly irregular occurrence. This

discrepancy suggests these payments may have been processed in a way that circumvented standard payroll and tax reporting requirements.

We aim to explore these issues in detail, highlighting potential gaps in payroll reporting, mismanagement of funds, and how these practices could lead to underreporting of income for tax purposes. We'll also provide recommendations to address these concerns and restore integrity to the borough's financial management.

Key Findings

Zeroed-Out Payroll Entries Despite Logged Transactions

Over the course of 2019 through 2022, numerous instances were identified where payroll payments were processed, yet the payroll records showed zero or no data entered. Key examples include:

December 3, 2019: A payment of **\$1,100.99** was logged as paid but showed zeroed-out payroll records.

MOTION for Manager Flynn to receive compensation from the Parking Enforcement budget line made by Councilman Hesch, seconded by Councilman Kovalovsky; all ayes, motion carries 7-0.

- B. Resolution No. 2019-019 – **A Resolution of the Borough Council of the Borough of Bath adopting the Current Real Estate Tax Rate**

MOTION to adopt Resolution No. 2019-019 made by Councilman Fenstermaker, seconded by Vice President Ehr Gott; all ayes, motion carries 7-0.

- C. Resolution No. 2019-020 – **A Resolution of the Borough Council of the Borough of Bath adopting the 2020 Schedule of Fees**

MOTION to reduce the rental fee for the Keystone Gazebo to \$75 made by Councilman Fenstermaker, seconded by Councilman Hesch; all ayes, motion carries 7-0.

MOTION to adopt Resolution No. 2019-020 as amended made by Councilman Hesch, seconded by Councilman Kovalovsky; all ayes, motion carries 7-0.

MOTION to waive the HARB Certificate of Appropriateness for 2020 made by Councilwoman Bear-Heckman, seconded by Councilman Hesch; all ayes, motion carries 7-0.

ORDINANCES

- A. **FOR COUNCIL CONSIDERATION – Proposed Ordinance No. 2020-688 AN ORDINANCE AMENDING AND RESTATING CHAPTER 625 (VEHICLES and TRAFFIC) OF THE CODE OF ORDINANCES**
- B. **UNDER LEGAL REVIEW - Proposed Ordinance TO AMEND CHAPTER 419 'NUISANCES' AMENDING MOTOR VEHICLE NUISANCES**
- C. **UNDER LEGAL REVIEW – Proposed Ordinance TO AMEND THE CODE OF THE BOROUGH OF BATH BY ADDING A NEW CHAPTER 485, TO BE ENTITLED “QUALITY OF LIFE,” WHICH CHAPTER PROVIDES A TICKETING PROGRAM TO RESOLVE PROPERTY BLIGHT AND MAINTENANCE VIOLATION ISSUES IN A MORE EXPEDITIOUS MANNER, PROCEDURES FOR ISSUING TICKETS AND PENALTIES FOR VIOLATION OF THE CHAPTER**
- D. **FOR REVIEW – RECOMMENDED CHANGES TO THE FOLLOWING ORDINANCES IN 2019: CHAPTER 123 “MANAGER”; CHAPTER 212 “ALARMS, ALARM SYSTEMS AND 911 EMERGENCY TELEPHONE SYSTEM”; CHAPTER 219 “ALCOHOLIC BEVERAGES”; CHAPTER 317 “FIREWORKS”; CHAPTER 419 “NUISANCES”; CHAPTER 451 “PEDDLING AND SOLICITING”; CHAPTER 470 “PROPERTY MAINTENANCE CODE”; CHAPTER 497 “RENTAL PROPERTY”; CHAPTER 651 “WEEDS”; AND CHAPTER 675 “ZONING”**

CORRESPONDENCE FORWARDED TO COUNCIL BY EMAIL

- 11/26/2019 – Mayor/Council; Prohibited Parking Areas Near Washington Street
- 11/26/2019 – Mayor/Council; Release of Chapter 625 Amendments
- 11/26/2019 – Mayor/Council; Chapter 625 Minor Revisions
- 11/26/2019 – Mayor/Council; Chapter 625 Revision

CURRENT SUBDIVISION/LAND DEVELOPMENT TIME LIMIT EXTENSIONS

- None

MOTION to enter executive session at 7:40 PM made by Vice President Ehr Gott, seconded by Councilman Kovalovsky; all ayes, motion carries 7-0.

NPO Checking-XXXXX23115 (continued)**Electronic Debits**

Date	Description	Amount
12/03/2019	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95
12/03/2019	BOROUGH OF BATH PAYROLL PPD	\$1,100.99
12/03/2019	PAYROLL TAX FILI 14146PYTAX CCD	\$1,774.61
12/04/2019	PAYROLL TAX FILI 14146PYTAX CCD	\$2,910.43
12/05/2019	BOROUGH OF BATH PAYROLL PPD	\$7,567.44
12/06/2019	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95
12/18/2019	PAYROLL TAX FILI 14146PYTAX CCD	\$3,550.30
12/19/2019	NATIONWIDE PAYMENTS PPD	\$225.00
12/19/2019	BOROUGH OF BATH PAYROLL PPD	\$9,441.72
12/20/2019	JETPAY HR & PAYR PYROLL-INV CCD	\$56.75
		10 item(s) totaling \$26,737.14

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
51406	12/16/2019	\$249.23	51412	12/04/2019	\$763.72
51407	12/05/2019	\$792.72	51413	12/04/2019	\$792.72
51408	12/04/2019	\$792.72	51414	12/04/2019	\$887.89
51409	12/04/2019	\$779.72	51415	12/13/2019	\$249.23
51410	12/04/2019	\$792.72	51416	12/27/2019	\$249.23
51411	12/06/2019	\$792.72			
					11 item(s) totaling \$7,142.62

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
12/03/2019	\$20,214.06	12/13/2019	\$3,037.08	12/20/2019	\$14,264.08
12/04/2019	\$12,494.14	12/16/2019	\$2,787.85	12/27/2019	\$14,014.85
12/05/2019	\$4,133.98	12/18/2019	\$10,237.55	12/31/2019	\$14,015.23
12/06/2019	\$3,286.31	12/19/2019	\$14,320.83		

8/1/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
7/27/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
18	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	733
8/15/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
8/10/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
19	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739
8/29/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
8/24/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
20	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	745
9/12/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
9/7/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
21	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	752
9/26/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
9/21/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
22	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	759
10/10/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
10/5/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
23	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	766
10/24/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
10/19/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
24	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	773
10/24/2019	0.00	0.00	2,688.80	0.00	293.48	1.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,688.80
10/19/2019	0.00	0.00	0.00	0.00	205.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	610.23
24	0.00	0.00	0.00	0.00	82.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,078.57
			0.00	0.00	26.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	774
11/7/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
11/2/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
25	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	781
11/21/2019	0.00	0.00	2,688.46	0.00	350.91	1.91	2.00	0.00	0.00	225.00	0.00	13.61	0.00	3,188.46
11/16/2019	0.00	0.00	0.00	0.00	242.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.53
26	0.00	0.00	0.00	0.00	97.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,222.93
			500.00	0.00	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	788
12/3/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Page from Bradford Flynn 2019 Payroll Records

June 1, 2020: A payment of \$1,100.99 was processed with no corresponding payroll data.

FALSE

Within this report, every recorded instance of \$1,100.99, this is the net payment of the Borough Mayor Salary and has nothing to do with Manager Flynn's salary. This information wouldn't be recorded in Bradford Flynn's payroll records.





Statement Ending 06/30/2020

Page 1 of 2

RETURN SERVICE REQUESTED

BOROUGH OF BATH
PAYROLL ACCOUNT
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	XXXXX23115	\$10,195.12

NPO Checking-XXXXX23115

Account Summary

Date	Description	Amount
05/30/2020	Beginning Balance	\$13,785.85
	4 Credit(s) This Period	\$25,500.50
	19 Debit(s) This Period	-\$29,091.23
06/30/2020	Ending Balance	\$10,195.12

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.05%
Interest Days	32
Interest Earned	\$0.50
Interest Paid This Period	\$0.50
Interest Paid Year-to-Date	\$2.73

Deposits

Date	Description	Amount
06/01/2020	INTERNET TFR FRM CHK 0560223107 <i>BIANNUALPR</i>	\$9,500.00
06/04/2020	INTERNET TFR FRM CHK 0560223107 <i>6.4PR</i>	\$7,000.00
06/22/2020	INTERNET TFR FRM CHK 0560223107 <i>6.18PR</i>	\$9,000.00
		3 item(s) totaling \$25,500.00

Other Credits

Date	Description	Amount
06/30/2020	INTEREST PAID 5/30 THROUGH 6/30	\$0.50
		1 item(s) totaling \$0.50

Electronic Debits

Date	Description	Amount
06/01/2020	BOROUGH OF BATH PAYROLL PPD	\$1,100.99
06/01/2020	PAYROLL TAX FILI 14146PYTAX CCD	\$1,818.34
06/03/2020	PAYROLL TAX FILI 14146PYTAX CCD	\$2,605.88
06/04/2020	NATIONWIDE PAYMENTS PPD	\$265.00
06/04/2020	BOROUGH OF BATH PAYROLL PPD	\$6,678.79
06/05/2020	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95
06/17/2020	PAYROLL TAX FILI 14146PYTAX CCD	\$2,576.49
06/18/2020	BOROUGH OF BATH PAYROLL PPD	\$6,628.48
06/19/2020	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95

3/12/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
3/7/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	962.27
7	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,226.19
			500.00	0.00	31.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	847
3/26/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
3/21/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	962.27
8	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,226.19
			500.00	0.00	31.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	854
4/9/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
4/4/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
9	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	861
4/23/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
4/18/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
10	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	868
5/7/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
5/2/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
11	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	875
5/21/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
5/16/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
12	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	882
5/29/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5/22/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/1/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/30/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/4/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
5/30/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
15	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	890
6/18/2020	0.00	0.00	2,849.77	0.00	332.44	1.88	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,130.93
6/13/2020	0.00	0.00	0.00	0.00	238.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	961.52
16	0.00	0.00	0.00	0.00	95.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,169.41
			281.16	0.00	49.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	895
7/2/2020	0.00	0.00	2,849.77	0.00	332.44	1.88	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,130.93
6/26/2020	0.00	0.00	0.00	0.00	238.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	961.52
17	0.00	0.00	0.00	0.00	95.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,169.41
			281.16	0.00	49.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	900

Page from Bradford Flynn 2020 Payroll Record

February 12, 2021: A payroll entry for **\$1,307.62** was recorded as a transaction but was missing from internal records.

FALSE

(See Comment Below)



Statement Ending 02/26/2021

Page 1 of 2

RETURN SERVICE REQUESTED

BOROUGH OF BATH
PAYROLL ACCOUNT
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	XXXXX23115	\$5,123.42

NPO Checking-XXXXX23115

Account Summary

Date	Description	Amount
01/30/2021	Beginning Balance	\$6,579.66
	3 Credit(s) This Period	\$20,000.22
	17 Debit(s) This Period	-\$21,456.46
02/26/2021	Ending Balance	\$5,123.42

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.05%
Interest Days	28
Interest Earned	\$0.22
Interest Paid This Period	\$0.22
Interest Paid Year-to-Date	\$0.68

Deposits

Date	Description	Amount
02/10/2021	INTERNET TFR FRM CHK 0560223107 PR	\$10,000.00
02/26/2021	INTERNET TFR FRM CHK 0560223107	\$10,000.00
		2 item(s) totaling \$20,000.00

Other Credits

Date	Description	Amount
02/26/2021	INTEREST PAID 1/30 THROUGH 2/26	\$0.22
		1 item(s) totaling \$0.22

Electronic Debits

Date	Description	Amount
02/10/2021	PAYROLL TAX FILI 14146PYTAX CCD	\$2,267.45
02/11/2021	NATIONWIDE PAYMENTS PPD	\$265.00
02/11/2021	BOROUGH OF BATH PAYROLL PPD	\$5,650.51
02/12/2021	NCR PAYROLL & HR PYROLL-INV CCD	\$61.95
02/12/2021	BOROUGH OF BATH PAYROLL PPD	\$1,307.62
02/16/2021	NCR PAYROLL & HR PYROLL-INV CCD	\$61.95
02/16/2021	PAYROLL TAX FILI 14146PYTAX CCD	\$419.51
02/24/2021	PAYROLL TAX FILI 14146PYTAX CCD	\$2,731.66
02/25/2021	NATIONWIDE PAYMENTS PPD	\$265.00
02/25/2021	BOROUGH OF BATH PAYROLL PPD	\$6,833.80
02/26/2021	NCR PAYROLL & HR PYROLL-INV CCD	\$61.95
		11 item(s) totaling \$19,926.40

2/12/2021 Two Direct Deposits (Net):

- Bill Yob in the amount of \$669.62
- Steven Tripp in the amount of \$638.00
- TOTAL \$1,307.62**

\$419.51 - Payroll Taxes Paid

These items are recorded in Borough's Internal Books.

Page from February 2021 Payroll Account Statement

This information wouldn't be recorded in Bradford Flynn's payroll records.

Employee Earnings

Mar 31 2023 3:16 PM

Prepared By: fsilvestri

Status: All | Department Range: 130 to 130 | Check Date Range: 01/01/2021 to 12/31/2021 | Record Number: 41 | Wage Pay Type: All | Pay Frequency: All

Co # 14146 Company Name BOROUGH OF BATH Pay Period End Date 4/1/2023 Check Date 4/6/2023 End Type W

Company 14146 BOROUGH OF BATH

Red # 41 FLYNN, BRADFORD T

Reg S A 3,475.620 Status Active Soc Sec No [REDACTED] Hire Date 5/11/2015
 OT1 Department 130 Std Wrk Wk 40.00 Term Date
 OT2 H R 36.010 Position Birth Date 6/21/1981 LOA Date

Check Date Pay End Date Pay #	*Hours*		*Earnings*		Fed W/H FICA State Tx City Tax	SUI WAGEAT	LST BANKNG	HEALTH WAGE %	*Deductions*				Gross Tot Ded Net Pay Check #	
	Reg OT1 OT2	Sick Vac Hol	Reg OT1 OT2 Other	Sick Vac Hol Tips					HEALTH	457(B)	DOMREL	HEALTH		ROTH
1/14/2021	0.00	0.00	2,849.77	0.00	329.39	1.88	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,130.93
1/9/2021	0.00	0.00	0.00	0.00	238.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	959.24
1	0.00	0.00	0.00	0.00	95.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,171.69
			281.16	0.00	49.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	974
1/28/2021	0.00	0.00	2,849.77	0.00	329.39	1.88	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,130.93
1/23/2021	0.00	0.00	0.00	0.00	238.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	959.24
2	0.00	0.00	0.00	0.00	95.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,171.69
			281.16	0.00	49.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	979
2/11/2021	0.00	0.00	2,849.77	0.00	329.39	1.88	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,130.93
2/6/2021	0.00	0.00	0.00	0.00	238.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	959.24
3	0.00	0.00	0.00	0.00	95.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,171.69
			281.16	0.00	49.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	984
2/12/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2/6/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2/25/2021	0.00	0.00	2,849.77	0.00	329.39	1.88	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,130.93
2/19/2021	0.00	0.00	0.00	0.00	238.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	959.24
5	0.00	0.00	0.00	0.00	95.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,171.69
			281.16	0.00	49.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	991
3/11/2021	0.00	0.00	3,216.35	0.00	410.03	2.10	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,497.51
3/6/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,085.25
6	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,412.26
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	996

3/31/2023 3:16:55 PM

Page 1 of 4

Page from Bradford Flynn 2021 Payroll Record

These and other similar instances suggest possible intentional manipulation of payroll records or significant errors in record-keeping practices.

Discrepancies in Payroll Tax Deductions

On multiple occasions, payroll taxes deducted from the borough's account appear disproportionate to the amounts reflected in payroll payments. For example:

December 3, 2019: Payroll taxes amounting to \$1,774.61 were deducted against a payroll entry of \$1,100.99, which is unusually high and inconsistent with typical payroll tax percentages.

FALSE

Mr. Long is incorrectly reading and assuming the \$1,774.61 payroll tax payment is tied to the Mayor's net payment of \$1,100.99.

NPO Checking-XXXXX23115 (continued)**Electronic Debits**

Date	Description	Amount
12/03/2019	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95
12/03/2019	BOROUGH OF BATH PAYROLL PPD	\$1,100.99
12/03/2019	PAYROLL TAX FILI 14146PYTAX CCD	\$1,774.61
12/04/2019	PAYROLL TAX FILI 14146PYTAX CCD	\$2,910.43
12/05/2019	BOROUGH OF BATH PAYROLL PPD	\$7,567.44
12/06/2019	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95
12/18/2019	PAYROLL TAX FILI 14146PYTAX CCD	\$3,550.30
12/19/2019	NATIONWIDE PAYMENTS PPD	\$225.00
12/19/2019	BOROUGH OF BATH PAYROLL PPD	\$9,441.72
12/20/2019	JETPAY HR & PAYR PYROLL-INV CCD	\$56.75
		10 item(s) totaling \$26,737.14

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
51406	12/16/2019	\$249.23	51412	12/04/2019	\$763.72
51407	12/05/2019	\$792.72	51413	12/04/2019	\$792.72
51408	12/04/2019	\$792.72	51414	12/04/2019	\$887.89
51409	12/04/2019	\$779.72	51415	12/13/2019	\$249.23
51410	12/04/2019	\$792.72	51416	12/27/2019	\$249.23
51411	12/06/2019	\$792.72			
			11 item(s) totaling \$7,142.62		

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
12/03/2019	\$20,214.06	12/13/2019	\$3,037.08	12/20/2019	\$14,264.08
12/04/2019	\$12,494.14	12/16/2019	\$2,787.85	12/27/2019	\$14,014.85
12/05/2019	\$4,133.98	12/18/2019	\$10,237.55	12/31/2019	\$14,015.23
12/06/2019	\$3,286.31	12/19/2019	\$14,320.83		

June 1, 2020: \$1,818.34 in payroll taxes was recorded with no corresponding payroll entry to explain the taxes.

FALSE

Payroll taxes were paid on all employees and Mayor/Council Biannual Paychecks at those times.



RETURN SERVICE REQUESTED

BOROUGH OF BATH
PAYROLL ACCOUNT
121 S WALNUT ST
BATH PA 18014-1020

Statement Ending 06/30/2020

Page 1 of 2

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	XXXXX23115	\$10,195.12

NPO Checking-XXXXX23115

Account Summary

Date	Description	Amount	Interest Summary Description	Amount
05/30/2020	Beginning Balance	\$13,785.85	Annual Percentage Yield Earned	0.05%
	4 Credit(s) This Period	\$25,500.50	Interest Days	32
	19 Debit(s) This Period	-\$29,091.23	Interest Earned	\$0.50
06/30/2020	Ending Balance	\$10,195.12	Interest Paid This Period	\$0.50
			Interest Paid Year-to-Date	\$2.73

Deposits

Date	Description	Amount
06/01/2020	INTERNET TFR FRM CHK 0560223107 BIANNUALPR	\$9,500.00
06/04/2020	INTERNET TFR FRM CHK 0560223107 6.4PR	\$7,000.00
06/22/2020	INTERNET TFR FRM CHK 0560223107 6.18PR	\$9,000.00
		3 item(s) totaling \$25,500.00

Other Credits

Date	Description	Amount
06/30/2020	INTEREST PAID 5/30 THROUGH 6/30	\$0.50
		1 item(s) totaling \$0.50

Electronic Debits

Date	Description	Amount
06/01/2020	BOROUGH OF BATH PAYROLL PPD	\$1,100.99
06/01/2020	PAYROLL TAX FILI 14146PYTAX CCD	\$1,818.34
06/03/2020	PAYROLL TAX FILI 14146PYTAX CCD	\$2,605.88
06/04/2020	NATIONWIDE PAYMENTS PPD	\$265.00
06/04/2020	BOROUGH OF BATH PAYROLL PPD	\$6,678.79
06/05/2020	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95
06/17/2020	PAYROLL TAX FILI 14146PYTAX CCD	\$2,576.49
06/18/2020	BOROUGH OF BATH PAYROLL PPD	\$6,628.48
06/19/2020	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95

3/12/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
3/7/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	962.27
7	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,226.19
			500.00	0.00	31.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	847
3/26/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
3/21/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	962.27
8	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,226.19
			500.00	0.00	31.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	854
4/9/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
4/4/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
9	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	861
4/23/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
4/18/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
10	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	868
5/7/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
5/2/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
11	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	875
5/21/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
5/16/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
12	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	882
5/29/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5/22/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/1/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/30/2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/4/2020	0.00	0.00	2,688.46	0.00	345.10	1.91	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,188.46
5/30/2020	0.00	0.00	0.00	0.00	242.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	981.30
15	0.00	0.00	0.00	0.00	97.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,207.16
			500.00	0.00	50.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	890
6/18/2020	0.00	0.00	2,849.77	0.00	332.44	1.88	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,130.93
6/13/2020	0.00	0.00	0.00	0.00	238.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	961.52
16	0.00	0.00	0.00	0.00	95.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,169.41
			281.16	0.00	49.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	895
7/2/2020	0.00	0.00	2,849.77	0.00	332.44	1.88	2.00	0.00	0.00	225.00	0.00	16.51	0.00	3,130.93
6/26/2020	0.00	0.00	0.00	0.00	238.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	961.52
17	0.00	0.00	0.00	0.00	95.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,169.41
			281.16	0.00	49.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	900

Page From Bradford Flynn 2020 Payroll Record

These discrepancies suggest that the payroll tax deductions were not in alignment with the actual payroll, raising concerns about potential underreporting of taxable income or mismanagement of payroll tax withholdings.

Repetition of Discrepancies Over Time

The pattern of discrepancies is not isolated to specific months or years. Similar zeroed-out payroll entries have been consistently identified in 2020, 2021, and 2022, indicating a systematic issue. Some key instances include:

June 3, 2021: A payroll payment of **\$2,073.74** was processed, but there is no corresponding data in the payroll records.

FALSE

\$2,073.74 accounts for two (NET) direct deposit paychecks. First, Mayor Salary of \$1,100.99.

Second, Tax Collector (Baskas) Salary of \$972.75

TOTAL TO PAYROLL AND DISBURSED TO EMPLOYEES = \$2,073.74.

This information wouldn't be recorded on Bradford Flynn's payroll records.




Statement Ending 06/30/2021

Page 1 of 2

RETURN SERVICE REQUESTED

BOROUGH OF BATH
PAYROLL ACCOUNT
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	XXXXX23115	\$13,666.16

NPO Checking-XXXXX23115

Account Summary

Date	Description	Amount	Interest Summary Description	Amount
05/29/2021	Beginning Balance	\$17,115.39	Annual Percentage Yield Earned	0.05%
	5 Credit(s) This Period	\$39,500.41	Interest Days	33
	27 Debit(s) This Period	-\$42,949.64	Interest Earned	\$0.41
06/30/2021	Ending Balance	\$13,666.16	Interest Paid This Period	\$0.41
			Interest Paid Year-to-Date	\$2.32

Deposits

Date	Description	Amount
06/03/2021	INTERNET TFR FRM CHK 0560223107 PAYROLL	\$12,000.00
06/17/2021	INTERNET TFR FRM CHK 0560223107 PAYROLL	\$12,000.00
06/17/2021	INTERNET TFR FRM CHK 0560223107	\$1,750.00
06/30/2021	INTERNET TFR FRM CHK 0560223107 PAYROLL	\$13,750.00
		4 item(s) totaling \$39,500.00

Other Credits

Date	Description	Amount
06/30/2021	INTEREST PAID 5/29 THROUGH 6/30	\$0.41
		1 item(s) totaling \$0.41

Electronic Debits

Date	Description	Amount
06/02/2021	BOROUGH OF BATH PAYROLL PPD	\$2,073.74
06/03/2021	PAYROLL TAX FILI 14146PYTAX CCD	\$1,866.79
06/03/2021	PAYROLL TAX FILI 14146PYTAX CCD	\$3,652.92
06/03/2021	BOROUGH OF BATH PAYROLL PPD	\$8,407.73
06/04/2021	NCR PAYROLL & HR PYROLL-INV CCD	\$40.00
06/04/2021	NCR PAYROLL & HR PYROLL-INV CCD	\$61.95
06/08/2021	NATIONWIDE PAYMENTS PPD	\$265.00
06/10/2021	NW TRUST CONTRIB PPD	\$774.42

3/25/2021	0.00	0.00	3,216.35	0.00	410.03	2.10	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,497.51
3/20/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,085.25
7	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,412.26
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1001
4/8/2021	0.00	0.00	3,216.35	0.00	410.03	2.10	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,497.51
4/3/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,085.25
8	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,412.26
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1005
4/22/2021	0.00	0.00	3,216.35	0.00	410.03	2.10	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,497.51
4/17/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,085.25
9	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,412.26
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1009
5/6/2021	0.00	0.00	3,216.35	0.00	410.03	2.10	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,497.51
5/1/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,085.25
10	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,412.26
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1013
5/7/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5/7/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5/20/2021	0.00	0.00	3,216.35	0.00	410.03	2.10	2.00	0.00	0.00	225.00	0.00	17.37	0.00	3,497.51
5/15/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,085.25
12	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,412.26
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1018
6/2/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/30/2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6/3/2021	0.00	0.00	3,216.35	0.00	459.53	2.10	2.00	0.00	0.00	0.00	0.00	17.37	256.17	3,497.51
5/29/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,165.92
14	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,331.59
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1025
6/17/2021	0.00	0.00	3,216.35	0.00	459.53	2.10	2.00	0.00	0.00	0.00	0.00	17.37	256.17	3,497.51
6/12/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,165.92
15	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,331.59
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1031
7/1/2021	0.00	0.00	3,216.35	0.00	459.53	2.10	2.00	0.00	0.00	0.00	0.00	17.37	256.17	3,497.51
6/26/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,165.92
16	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,331.59
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1037
7/15/2021	0.00	0.00	3,216.35	0.00	459.53	2.10	2.00	0.00	0.00	0.00	0.00	17.37	256.17	3,497.51
7/10/2021	0.00	0.00	0.00	0.00	266.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,165.92
17	0.00	0.00	0.00	0.00	106.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,331.59
			281.16	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1044

Page From Bradford Flynn 2021 Payroll Record

September 8, 2022: A payroll payment of **\$1,776.11** was processed, yet internal payroll data shows a zero entry.

FALSE

The total payroll payment of **\$1,776.11** accounts for direct deposit (net) payments to Council members as follows:

- Councilman Hamadyk **\$412.87**
- Councilman Lisiecki **\$399.87**
- Councilman Mirabito **\$412.87**
- Mayor Mirabio **\$550.50**

TOTAL (NET) PAYMENTS \$1,776.11

This information wouldn't be recorded on Bradford Flynn's payroll records.

Statement Ending 09/30/2022

Page 1 of 2

RETURN SERVICE REQUESTED

BOROUGH OF BATH
PAYROLL ACCOUNT
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	contactcenter@essabank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
NPO Checking	XXXXX23115	\$9,580.72

NPO Checking-XXXXX23115

Account Summary

Date	Description	Amount
09/01/2022	Beginning Balance	\$9,885.05
	3 Credit(s) This Period	\$32,000.07
	19 Debit(s) This Period	-\$32,304.40
09/30/2022	Ending Balance	\$9,580.72

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.01%
Interest Days	30
Interest Earned	\$0.07
Interest Paid This Period	\$0.07
Interest Paid Year-to-Date	\$0.47

Deposits

Date	Description	Amount
09/07/2022	INTERNET TFR FRM CHK 0560223107 BI-WEEKLY PAYROLL TRANSFER	\$16,000.00
09/21/2022	INTERNET TFR FRM CHK 0560223107 BI-WEEKLY PAYROLL TRANSFER	\$16,000.00
		2 item(s) totaling \$32,000.00

Other Credits

Date	Description	Amount
09/30/2022	INTEREST PAID 9/01 THROUGH 9/30	\$0.07
		1 item(s) totaling \$0.07

Electronic Debits

Date	Description	Amount
09/02/2022	NCR PAYROLL & HR PYROLL-INV CCD	\$64.05
09/02/2022	PAYROLL TAX FILI 14146PYTAX CCD	\$1,338.49
09/02/2022	BOROUGH OF BATH PAYROLL PPD	\$1,776.11
09/08/2022	PAYROLL TAX FILI 14146PYTAX CCD	\$3,230.24
09/08/2022	BOROUGH OF BATH PAYROLL PPD	\$8,647.68
09/09/2022	NCR PAYROLL & HR PYROLL-INV CCD	\$69.05
09/21/2022	NW TRUST CONTRIB PPD	\$494.10
09/21/2022	NW TRUST CONTRIB PPD	\$494.10
09/21/2022	NW TRUST CONTRIB PPD	\$774.38
09/21/2022	NW TRUST CONTRIB PPD	\$774.38
09/21/2022	PAYROLL TAX FILI 14146PYTAX CCD	\$2,994.87

8/25/2022	0.00	0.00	3,333.02	0.00	414.74	2.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	3,333.02
8/20/2022	0.00	0.00	0.00	0.00	253.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,111.89
18	0.00	0.00	0.00	0.00	101.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,221.13
			0.00	0.00	53.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1277
9/2/2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8/31/2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9/8/2022	0.00	0.00	3,333.02	0.00	414.74	2.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	3,333.02
9/3/2022	0.00	0.00	0.00	0.00	253.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,111.89
20	0.00	0.00	0.00	0.00	101.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,221.13
			0.00	0.00	53.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1289
9/22/2022	0.00	0.00	3,333.02	0.00	414.74	2.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	3,333.02
9/17/2022	0.00	0.00	0.00	0.00	253.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,111.89
21	0.00	0.00	0.00	0.00	101.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,221.13
			0.00	0.00	53.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1296
10/6/2022	0.00	0.00	3,333.02	0.00	799.28	3.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	4,999.82
10/1/2022	0.00	0.00	0.00	0.00	381.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,702.78
22	0.00	0.00	0.00	0.00	152.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,297.04
			1,666.80	0.00	79.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1304
10/20/2022	0.00	0.00	3,333.02	0.00	414.74	2.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	3,333.02
10/15/2022	0.00	0.00	0.00	0.00	253.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,111.89
23	0.00	0.00	0.00	0.00	101.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,221.13
			0.00	0.00	53.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1312
11/3/2022	0.00	0.00	3,333.02	0.00	414.74	2.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	3,333.02
10/29/2022	0.00	0.00	0.00	0.00	253.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,111.89
24	0.00	0.00	0.00	0.00	101.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,221.13
			0.00	0.00	53.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1320
11/17/2022	0.00	0.00	3,333.02	0.00	414.74	2.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	3,333.02
11/12/2022	0.00	0.00	0.00	0.00	253.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,111.89
25	0.00	0.00	0.00	0.00	101.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,221.13
			0.00	0.00	53.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1329
12/1/2022	0.00	0.00	3,333.02	0.00	414.74	2.00	2.00	0.00	0.00	0.00	0.00	18.11	266.64	3,333.02
11/26/2022	0.00	0.00	0.00	0.00	253.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,111.89
26	0.00	0.00	0.00	0.00	101.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,221.13
			0.00	0.00	53.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1342
12/15/2022	0.00	0.00	3,432.84	0.00	375.53	2.06	2.00	0.00	0.00	278.05	0.00	18.11	266.64	3,432.84
12/10/2022	0.00	0.00	0.00	0.00	261.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,363.08
27	0.00	0.00	0.00	0.00	104.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,069.76
			0.00	0.00	54.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1350
12/29/2022	0.00	0.00	3,475.62	0.00	446.11	2.09	2.00	0.00	0.00	0.00	0.00	18.11	278.05	3,475.62
12/24/2022	0.00	0.00	0.00	0.00	264.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,172.33
28	0.00	0.00	0.00	0.00	106.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,303.29
			0.00	0.00	55.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1358

Page from Bradford Flynn 2022 Payroll Record

Analysis of NSF (Non-Sufficient Funds) Fees in the Payroll Account

Overview

An alarming pattern of Non-Sufficient Funds (NSF) fees was observed in the Borough of Bath's payroll account from 2019 through 2021. Payroll accounts are critical for the timely and accurate compensation of employees, and recurring NSF charges indicate significant financial mismanagement. The repeated instances of NSF fees raise concerns about the borough's ability to effectively manage cash flow and meet its payroll obligations.

Identified NSF Fees

Over the course of three years, a total of **five** NSF charges, each amounting to \$35.00, were identified in the payroll account. These fees were incurred in the following periods:

January 2020

January 16, 2020: **\$35.00**

January 17, 2020: **\$35.00**

January 30, 2020: **\$35.00**

January 2021

January 29, 2021: **\$35.00**

February 2021

February 26, 2021: **\$35.00**

NPO Checking-XXXXX23115 (continued)**Electronic Debits (continued)**

Date	Description	Amount
01/29/2020	PAYROLL TAX FILI 14146PYTAX CCD	\$3,285.46
01/30/2020	NATIONWIDE PAYMENTS PPD	\$225.00
01/30/2020	BOROUGH OF BATH PAYROLL PPD	\$8,377.82
01/31/2020	JETPAY HR & PAYR PYROLL-INV CCD	\$54.95
		16 item(s) totaling \$40,512.96

Other Debits

Date	Description	Amount
01/16/2020	ACH Return Charge PAYROLL TAX FILI 14146PYTAX CCD	\$35.00
01/17/2020	ACH OD/NSF Charge BOROUGH OF BATH PAYROLL PPD	\$35.00
01/30/2020	ACH OD/NSF Charge PAYROLL TAX FILI 14146PYTAX CCD	\$35.00
		3 item(s) totaling \$105.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
51417	01/13/2020	\$249.23	51418	01/22/2020	\$249.23

* Indicates skipped check number

2 item(s) totaling \$498.46

Daily Balances

Date	Amount	Date	Amount	Date	Amount
01/02/2020	\$3,100.86	01/15/2020	-\$635.45	01/24/2020	\$2,138.18
01/03/2020	\$2,863.91	01/16/2020	-\$5,767.07	01/29/2020	-\$1,147.28
01/10/2020	\$2,619.35	01/17/2020	\$5,392.98	01/30/2020	\$14,464.90
01/13/2020	\$2,370.12	01/22/2020	\$5,143.75	01/31/2020	\$14,410.12

Interest Rate Changes

Interest Rate As Of Date	Interest Rate
01/01/2020	0.0500%
01/15/2020	0.0000%
01/17/2020	0.0500%
01/29/2020	0.0000%
01/30/2020	0.0500%

NPO Checking-XXXXX23115 (continued)**Other Debits**

Date	Description	Amount
01/29/2021	ACH OD/NSF Charge BOROUGH OF BATH PAYROLL PPD	\$35.00
		1 item(s) totaling \$35.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
51449	01/13/2021	\$792.72	51461*	01/05/2021	\$66.06
51454*	01/05/2021	\$765.03	51462	01/06/2021	\$66.06
51456*	01/13/2021	\$66.06	51464*	01/11/2021	\$276.53
51458*	01/26/2021	\$53.06	51466*	01/29/2021	\$266.03

* Indicates skipped check number

8 item(s) totaling \$2,351.55

Daily Balances

Date	Amount	Date	Amount	Date	Amount
01/04/2021	\$19,419.84	01/11/2021	\$17,708.66	01/26/2021	\$6,746.27
01/05/2021	\$18,588.75	01/13/2021	\$14,119.71	01/27/2021	\$4,017.01
01/06/2021	\$18,522.69	01/14/2021	\$7,309.88	01/28/2021	-\$3,057.82
01/08/2021	\$17,985.19	01/15/2021	\$6,799.33	01/29/2021	\$6,579.66

Interest Rate Changes

Interest Rate As Of Date	Interest Rate
01/01/2021	0.0500%
01/28/2021	0.0000%
01/29/2021	0.0500%

NPO Checking-XXXXX23115 (continued)

Other Debits

Date	Description	Amount
02/26/2021	ACH OD/NSF Charge BOROUGH OF BATH PAYROLL PPD	\$35.00
		1 item(s) totaling \$35.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
51450	02/08/2021	\$792.72	51465*	02/01/2021	\$270.29
51457*	02/08/2021	\$66.06	51467*	02/22/2021	\$299.93
51460*	02/17/2021	\$66.06			

* Indicates skipped check number

5 item(s) totaling \$1,495.06

Daily Balances

Date	Amount	Date	Amount	Date	Amount
02/01/2021	\$6,309.37	02/12/2021	\$5,898.06	02/24/2021	\$2,318.95
02/08/2021	\$5,450.59	02/16/2021	\$5,416.60	02/25/2021	-\$4,779.85
02/10/2021	\$13,183.14	02/17/2021	\$5,350.54	02/26/2021	\$5,123.42
02/11/2021	\$7,267.63	02/22/2021	\$5,050.61		

Interest Rate Changes

Interest Rate As Of Date	Interest Rate
01/30/2021	0.0500%
02/25/2021	0.0000%
02/26/2021	0.0500%

These NSF fees signal that, on at least five occasions, the payroll account did not have sufficient funds to cover the debits being processed. This is particularly concerning because it indicates a failure to ensure adequate cash flow in an account that should be closely monitored for employee payments.

Concerns Raised

Cash Flow Mismanagement: Payroll accounts should be consistently funded to avoid any risk of insufficient funds, particularly since they are responsible for compensating employees. Repeated NSF fees suggest that the borough is not appropriately forecasting or managing its cash flow, which can lead to financial strain or delay in employee payments.

Lack of Oversight: The frequency of NSF charges points to a lack of oversight and inadequate controls in place to prevent overdrafts. Payroll accounts should be subject to routine checks to ensure that funds are available before payments are initiated. The absence of such monitoring suggests a deeper issue in the borough's financial governance.

Reputational and Legal Risks: Continual NSF fees can undermine trust, not only among employees but also among the borough's stakeholders. Moreover, allowing insufficient funds in a payroll account could lead to legal complications, particularly if employees' payments are delayed or impacted as a result. Public entities have a duty to manage funds responsibly, and the consistent occurrence of NSF fees raises questions about financial mismanagement.

Impact on Borough Resources: Beyond the operational inefficiencies, these NSF fees represent unnecessary and avoidable costs to the borough. Although the individual fee amounts may appear small, they represent a waste of borough resources, particularly when compounded over time. In a well-managed payroll system, these fees should never occur.

Connections?: Are the NSF fees in January 2020 related to the \$38,170/DJ bounced check in the General Fund during the same period? Moreover, are these fees directly linked to a manipulated transaction that created a phantom deposit—one of two questionable transfers on December 19, 2019, which totaled \$93,567.26? (Read that report here[C])

Recommendations

To prevent further instances of NSF fees and address the underlying issues, it is recommended that the borough takes the following actions:

Cash Flow Review and Forecasting: A full audit of the borough's payroll cash flow should be conducted. This audit should aim to identify periods where the payroll account was underfunded and to put in place corrective measures that ensure sufficient funds are available at all times.

Strengthen Financial Controls: The borough should implement stronger internal controls around the management of its payroll accounts. Automated alerts should be set up when the account balance drops below a certain threshold, and pre-payment verification processes should be established to ensure that payroll debits are only processed when sufficient funds are available.

Reallocation of Resources: The borough should consider reallocating funds or ensuring that reserve funds are maintained specifically for payroll purposes. This can ensure that fluctuations in cash flow do not impact employee compensation.

Periodic Review and Oversight: The borough council should establish a schedule for the regular review of payroll account balances and transactions. This process will allow for early identification of potential issues and ensure that sufficient oversight is in place to prevent future NSF fees.

Potential Violations and Legal Implications

The identified patterns suggest several potential legal violations:

Payroll Fraud

The discrepancies between logged payments and zeroed-out payroll entries suggest the possibility of payroll fraud. This may involve the concealment of bonuses or extra compensation, resulting in the borough manager receiving funds without proper documentation.

Tax Evasion

If compensation is being underreported or omitted from payroll records, the borough manager and other officials may be evading taxes. This includes potential underreporting of income to the IRS, which would violate federal tax laws such as **26 U.S.C. § 7201 (Tax Evasion)**.

Falsification of Records

The missing or zeroed-out entries may indicate intentional manipulation of payroll data. This could violate federal statutes, such as **18 U.S.C. § 1001 (False Statements)**, particularly if the falsified records were submitted to any federal or state agencies.

Embezzlement

Given the involvement of public funds, there is a potential risk of embezzlement. If funds are being diverted through manipulated payroll entries, this could constitute a violation of **18 U.S.C. § 641 (Embezzlement of Public Funds)**.

Recommendations for Further Action

Forensic Audit

A comprehensive forensic audit of the borough's payroll system should be conducted to identify the full extent of the discrepancies. The audit should examine the audit trails of payroll software, bank records, and payroll reports for manual adjustments, backdating, or other manipulations.

Reporting to Authorities

The IRS and local tax authorities should be notified to investigate potential tax evasion. The discrepancies in reported payroll and taxes suggest a need for an official investigation into

underreported income and potential tax liabilities.

Legal Review

A legal review should be conducted to determine if civil or criminal charges should be brought against the individuals responsible for the borough's payroll. This includes examining whether there has been any breach of fiduciary duty, fraud, or embezzlement of public funds.

Improved Internal Controls

The borough should immediately strengthen its internal controls over payroll management. This should include regular audits, stricter oversight of payroll entries, and automatic alerts for any manual adjustments or discrepancies in the payroll system.

Conclusion

The findings from this investigation suggest significant discrepancies in the borough's payroll practices from 2019 through 2022. Whether due to intentional manipulation or gross mismanagement, these discrepancies expose the Borough of Bath to legal risks, financial mismanagement, and potential loss of public funds. Immediate steps must be taken to investigate these issues fully and implement corrective measures to prevent further misuse of borough resources.

Appendix:

Exhibit A: Payroll Statements 2019-2022.

 [2019 Payroll Statements.pdf](#) 1485.8KB

 [2020 Payroll Statements.pdf](#) 649.0KB

 [2021 Payroll Statements.pdf](#) 490.9KB

 [2022 Payroll Statements.pdf](#) 526.8KB

Exhibit B: Bank and payroll statements reviewed.

 [2019 Bradford Earnings.pdf](#) 2601.2KB

 [2020 Bradford Earnings.pdf](#) 2603.0KB

 [2021 Bradford Earnings.pdf](#) 2817.1KB

 [2022 Bradford Earnings.pdf](#) 2265.5KB

Exhibit C: Comprehensive Analysis of Financial Irregularities in Bath Borough (2019-2022) Part 1.

Exhibit D: January 2020 General Fund Statement

 [January 2020- GF Bank statements.pdf](#) 834.4KB