



# Alabama Department of Examiners of Public Accounts

## *Special Review on the* **City of Homewood** **Jefferson County, Alabama**

October 1, 2021 through March 31, 2024

Filed: January 10, 2025

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ALABAMA STATE HOUSE

*Rachel Laurie Riddle, Chief Examiner*



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Rachel Laurie Riddle  
*Chief Examiner*

State of Alabama  
Department of  
**Examiners of Public Accounts**

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Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

A limited review was conducted on certain activities of the City of Homewood, Jefferson County, Alabama, for the period October 1, 2021 through March 31, 2024. Under the authority of the ***Code of Alabama 1975***, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the review.

Respectfully submitted,

Brooke P. Warren  
Examiner of Public Accounts

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## *Executive Summary*



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## *Executive Summary*

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A review was conducted of the City of Homewood, Alabama (the “City”) related to certain financial activities, policies and procedures for the period of October 1, 2021 through March 31, 2024, and the credit card activities of the City for the period of October 1, 2022 through September 30, 2023. The Department also reviewed and evaluated the City’s internal controls and its compliance with certain state and local laws.

The City of Homewood is located in Jefferson County, Alabama. During the period under review, the City operated as a mayor and council form of government as prescribed in Title 11, Chapter 43 of the *Code of Alabama 1975*. On September 24, 2024, a special election was held where the citizens of the City chose a different government style for the City to operate, Council-Manager form of government.

The following is a summary of the findings. Detailed information on the findings and recommendations are contained in the accompanying report.

### **ISSUES AND FINDINGS**

#### **Lack of or Ineffective Management Oversight**

The City Council is responsible for the management and control of the finances of the City. The City adopted certain fiscal policies to further this duty. However, the following items were noted:

- ◆ The City Council did not exercise appropriate oversight to ensure that adopted policies were being followed;
- ◆ The City Council did not ensure there was documentation provided to demonstrate that monthly financial reports were prepared, submitted, or reviewed as required by the City’s policies;
- ◆ The City Council did not have evidence of proper delegation of authority to an employee of the City to sign an agreement obligating the City to certain provisions;
- ◆ The City Council did not ensure policies and procedures were in place to ensure proper documentation was provided to support expenditures before expenditures were made; and
- ◆ The City Council failed to monitor the issuance and use of 38 City credit cards. During fiscal year 2023, purchases totaling \$860,732.64 were often made prior to receiving proper approval or without documented approval.

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## *Executive Summary*

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### **Lack of Internal Controls**

The City did not have documented internal controls in place to address the City's bank account activity and the receipt and disbursement of public funds. The absence of controls at the City allowed the following:

- ◆ Bank statements for one of the City's bank accounts were mailed to an employee's personal residence;
- ◆ The Mayor was able to transfers funds and setup bank withdrawals. While there was no established policy or procedure in place at the City to govern the movement of funds between the City's bank accounts, other transfers were handled by the City's Finance Department;
- ◆ Bank reconciliations were not always performed timely or at all;
- ◆ Bank Statements and corresponding bank reconciliations for all City bank accounts were not always on file for review;
- ◆ It appears alterations were made to a City bank account statement;
- ◆ Payments were made to vendors without documenting or receiving proper approval;
- ◆ Numerous employees had access to the City's payroll processing system, including the ability to make changes and adjust to payroll;
- ◆ There are not proper segregation of duties in the City Finance Department's receipting and depositing process;
- ◆ Certain City Departments were allowed to make deposits outside the Finance Department's normal process. Reports documenting amounts deposited were not always submitted to the Finance Department timely, which limited the Finance Department's ability to verify the accuracy of deposits being made and to record funds received; and
- ◆ Receipt documentation for donations received was not provided. Additionally, funds that were donated were not always clearly identified in the City's accounting records and were comingled with public funds.

### **Poor Recordkeeping**

The City did not have documented policies and procedures in place to ensure its public records were being properly maintained and/or disposed of in accordance with the law. The following issues were noted:

- ◆ The City could not provide supporting documentation for all transfers;
- ◆ Poor organization of records in the Finance Department's office caused bank statements and corresponding bank reconciliations to not be readily available for review;
- ◆ Proper documentation was not always maintained to support the receipt of funds and the subsequent deposits made by the City's staff;
- ◆ Proper documentation was not always maintained to support payments made to vendors that provided goods or services to the City;

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## *Executive Summary*

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- ◆ Proper documentation was not always maintained to support the submission and approval of leave and overtime requests of certain department heads;
- ◆ Documentation was not maintained or provided to support that approval of timesheets and payroll calculations were obtained prior to processing and executing payments to employees through the City's payroll process; and
- ◆ Proper documentation was not always maintained for review to support purchases made using the City's credit cards.

### **Wire Transfers**

The City did not have documented internal control policies and procedures in place to properly initiate, approve, and complete wire transfers. The City's failure to properly establish and implement internal controls and effective oversight allowed transfers totaling \$1,828,874.02 to be initiated from the City's bank accounts for which proper supporting documentation could not be provided. However, not all the wire transfers were fully executed. Wire transfers totaling \$947,059.46 were initiated and executed by the former Finance Director from the City's bank accounts to a privately held account associated with the former Finance Director. Certain charges against the former Finance Director are not included in this report because the former Finance Director pled guilty to federal wire fraud charges related to such monies.

### **Compliance with City Policies**

The Department requested and reviewed the policies provided by City staff. It was noted, while the City did have some policies in place, there was not always appropriate oversight or monitoring to ensure compliance with the policies.

### **Credit Card Policy**

Neither the management of the City or the City Council performed a sufficient review of the monthly credit card transactions to ensure that all expenditures were made for allowable purposes and sufficiently documented. Our review of the City's credit card expenditures further revealed the following:

- ◆ The City's credit cards were used by city employees to purchase personal items;
- ◆ There were several instances where items purchased using the City's credit cards were shipped to employees' home addresses instead of to the City's offices;
- ◆ Numerous credit card expenditures reviewed had already been identified by the City or its employees as not having proper supporting documentation but were still approved for payment;
- ◆ Proper documentation to support the allowable public purpose of food purchases were not always maintained for restaurant transactions made in-town; and
- ◆ Purchases were made with credit cards without following the City's processes for approving and processing transactions.

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## *Executive Summary*

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The failure to maintain sufficient documentation to support that all credit card expenditures were allowable and/or properly approved resulted in charges against current and former employees totaling \$29,132.32 as reflected on Exhibit #2. It is noted that the City adopted a revised credit card policy on November 6, 2023.

### **Limited Tuition Reimbursement Policy**

The City has a Tuition Policy that allows approved applicants to be reimbursed for tuition and course related fees that are paid directly to a college, university, or technical/vocational school for approved coursework. A review of the City's credit card expenditures revealed payments were made to colleges and universities on behalf of city employees for course work using the City's credit cards. Proper documentation was not always retained to support tuition expenses or evidence of completed courses. Further, the City did not always retain the Mayor's written endorsement and recommended approval of reimbursement to the City Council for approval as required by the City's policy.

### **Travel Policy**

The City's policy for Business Travel Expenses stipulates that the City will reimburse employees for reasonable business travel expenses incurred and that all business travel must be approved in advance by the Department Head. Our review of travel related expenditures revealed the following:

- ◆ Travel related expenditure transactions were not always properly documented;
- ◆ Proper documentation was not always maintained for restaurant transactions while employees were traveling out of town;
- ◆ Incorrect itineraries or agendas were submitted to support travel expenses; and
- ◆ The cost of meals purchased exceeded the allowable daily meal allowance.

### **Gun and Uniform Allowance**

While there was no formal written policy in place, the City had an established practice related to a gun and uniform allowance for certain Police Department employees. A review of expenditures revealed numerous payments made using the City's credit card for tactical supplies, including accessories for firearms. Based on the description on receipts, purchase orders, or purchase requisitions, we could not determine whether these purchases were for personal use or job-related expenses. The City failed to properly maintain documentation demonstrating the public purpose of all expenditures made by the Police Department for uniforms and firearms/equipment. Additionally, the City failed to maintain an inventory of all items purchased with public funds.

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## *Executive Summary*

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### **CONCLUSION**

While the City has adopted certain policies, there was not always proper oversight by those charged with management and governance to ensure compliance with and adherence to policies in place. In addition, the City Council and management of the City did not establish and implement effective internal control policies and procedures, nor did they provide effective oversight of the City's operations to provide accountability for the use of public funds. The absence of controls exposed the City to monetary losses from theft and misappropriation of assets and prevented the City from complying with applicable laws and regulations.

### **CHARGES**

As reflected on Exhibit #2, the charges against current and former City employees resulted from the City's failure to maintain sufficient documentation to support that certain credit card expenditures were allowable and/or properly approved. Official demand was made to the current and former employees requesting repayments totaling \$29,132.32.

The Battalion Chief and former Accounting Assistant repaid the requisite amounts due owed prior to the show cause hearing before the Assistant Chief Examiner, as reflected on Exhibit #2.

The former Finance Director/Assistant City Clerk appeared at the show cause hearing before the Assistant Chief Examiner and submitted additional evidence related to the amounts due. As a result, relief in the amount of \$8,248.63 was granted and the remaining amount of \$9,984.83 remains due and unpaid, as evidenced by the Order of the Assistant Chief Examiner contained in this report.

The HVAC Technician appeared at the show cause hearing before the Assistant Chief Examiner and submitted additional evidence related to the amounts due. As a result, relief in the amount of \$413.74 was granted and the remaining amount of \$529.11 was repaid, as reflected on Exhibit #2.

The Administrative Assistant failed to appear at the hearing before the Assistant Chief Examiner and show just cause as to why the amounts charged to her should not be repaid. As a result, relief was denied and the amount of \$1,397.41 remains due and unpaid, as evidenced by the Order of the Assistant Chief Examiner contained in this report.

The former City Clerk/Assistant Finance Director appeared at the show cause hearing before the Assistant Chief Examiner and submitted additional evidence related to the amounts due. As a result, relief in the amount of \$5,796.43 was granted and the remaining amount of \$2,429.66 was repaid, as reflected on Exhibit #2.

As a result, any charges that remain are due and unpaid, and as a result, this report will be certified to the Attorney General for collection.

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## *Executive Summary*

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### **EXIT CONFERENCE**

Council members, the Mayor, and administrative personnel shown on Exhibit #1 were invited to discuss the results of this report at an exit conference held on December 19, 2024. The following individuals attended the exit conference Council Members: Carlos Aleman, Jennifer Andress, Jody Brant, Melanie Geer, Andy Gwaltney, John Hardin, Walter Jones, Nick Sims, Barry Smith, Andrew Wolverton; and Alex Wyatt, Mayor; Lester Smith, Finance Director; Mike Kendrick, City Attorney; J. J. Bischoff, Chief of Staff and Jason Harpe, CPA Consultant. Also in attendance were representatives from the Department of Examiners of Public Accounts: Dixie B. Thomas, Director of Operational Audits and Brooke P. Warren, Examiner.

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# ***Special Report on the City of Homewood***

## ***October 1, 2021 March 31, 2024***

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### **OVERVIEW**

#### **Authority**

The Department of Examiners of Public Accounts (the “Department”) performed a review of the City of Homewood (the “City”) under the authority of the ***Code of Alabama 1975***, Section 41-5A-12.1. Under this law, the Department is empowered to examine the books, records, vouchers, and accounts of a municipality when or if there is suspected fraud or mismanagement.

#### **Scope of Review**

The scope of the Department’s review was limited to certain financial activities, policies, and procedures for the period of October 1, 2021 through March 31, 2024 and the credit card activities of the City for the period of October 1, 2022 through September 30, 2023. The Department also reviewed and evaluated the City’s internal controls and its compliance with certain state and local laws.

#### **Profile of the City of Homewood’s Government**

The City of Homewood was incorporated on December 29, 1826, by the Alabama State Legislature. The City is located in Jefferson County, Alabama. During the period under review, the City operated as a mayor and council form of government as prescribed in Title 11, Chapter 43 of the ***Code of Alabama 1975***.

At the time of the review, the council was comprised of a Council President and ten Council members that represented the five wards of the City. The ***Code of Alabama 1975***, Section 11-43-40(b), allows the President of the Council to vote on all questions the same as any other member of the Council. The Council members are elected at each general municipal election, and the members are elected to hold their office for four years. The Council has all legislative powers and other powers granted to cities and towns except those powers conferred on some officers by law or ordinance. The Council is required to perform the duties required by Title 11 of the ***Code of Alabama 1975*** and other applicable provisions of law. Most importantly, the ***Code of Alabama 1975***, Section 11-43-56, which provides that the City Council is responsible for the management and control of the finances, and all the property, real and personal, belonging to the City.

Pursuant to the ***Code of Alabama 1975***, Section 11-43-81, the Mayor of the City is the chief executive officer and has general supervision and control of all other officers and the affairs of the City, except as otherwise provided. The Mayor has the power to appoint all officers whose appointment is not otherwise provided for by law.

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## ***Special Report on the City of Homewood***

***October 1, 2021 March 31, 2024***

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### **ISSUES AND FINDINGS**

#### **Lack of or Ineffective Management Oversight**

**Finding:** According to the *Code of Alabama 1975*, Section 11-43-56, the City Council is responsible for the management and control of the finances, and all the property, real and personal, belonging to the City. Additionally, on May 20, 2013, in City Council Resolution Number 13-56, the City adopted certain fiscal policies related to internal controls, financial reporting, and budgeting. In the review of the City, the following oversight issues were noted:

- ◆ The City Council did not exercise appropriate oversight to ensure that adopted policies were being followed, including the development and implementation of procedures to ensure a system of internal controls was in place for the operation and control of the City's finances. The City's fiscal policy, entitled *Accounting and Financial Reporting Policies* states, "a system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations";
- ◆ The Mayor did not require the Finance Director to submit monthly financial reports. According to the City's fiscal policy, entitled *Accounting and Financial Reporting*, "monthly financial reports summarizing financial activity by fund should be presented to the Mayor and City Council." However, there was no documentation provided to demonstrate that bank statements and corresponding bank reconciliations had been reviewed by the Mayor, Finance Committee, or the City Council on a regular basis. Failure to perform this review provided an opportunity for unauthorized expenditures to be completed;
- ◆ The City Council failed to ensure compliance with established budget policies to make sure budgeted amounts were not exceeded and the City had a sound financial position. The City's budget policies include a requirement for the Finance Director to prepare and distribute monthly reports to the Finance Committee containing the status of revenues, expenditures, and obligations of the City on both a monthly and year-to-date basis. Documentation to support compliance with this policy was not provided by the City's staff;
- ◆ The City did not have evidence of proper delegation of authority to an employee of the City allowing the employee to sign an agreement obligating the City;
- ◆ The City Council did not have policies and procedures in place to ensure proper documentation was provided to support expenditures before payments were made; and

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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- ◆ The City issued a total of 38 credit cards to various individuals including, but not limited to, the Mayor, a Council Member, Department Heads, Police Lieutenants, and Administrative Assistants. The City failed to appropriately monitor the purchases made using the City issued credit cards. During fiscal year 2023, purchases totaling \$860,732.64 were made utilizing the City's cards. Credit card purchases were often made prior to or without documented approval.

**Recommendation:** The City Council should establish and/or follow appropriate policies and procedures, including internal controls, for the operation and control of the City's finances. Those charged with governance and management of the City should exercise appropriate oversight of the policies and procedures that are developed to ensure the City is operating effectively, efficiently, and in compliance with applicable laws and regulations.

#### **Lack of Internal Controls**

**Finding:** The City Council is charged with management and governance of the City's finances. The City's fiscal policies, adopted by the City Council on May 20, 2013, entitled *Accounting and Financial Reporting Policies* states, "a system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations." The City did not have documented internal controls in place that address the City's bank account activity and the receipt and disbursement of public funds. The absence of controls allowed the following:

- ◆ Bank statements for one of the City's bank accounts were mailed to an employee's personal residence rather than the City's physical address or post office box;
- ◆ The City received a check from an insurance company. The check was deposited into an incorrect bank account. The Mayor was solely able to transfer the funds from the incorrect bank account to the correct bank account. Additionally, the Mayor was also able to set up bank withdrawals to disburse funds. While there was no established policy or procedure in place at the City to govern the movement of funds between the City's bank accounts, other transfers were handled by the City's Finance Department;
- ◆ During the review period, bank reconciliations were not always performed timely or performed at all. Additionally, there was no approval of the bank reconciliations by appropriate personnel. Further, upon reviewing transfers recorded in the City's general ledger and bank statements, the City's general ledger did not always reflect all amounts transferred from the City's bank accounts as reflected in the bank statements. Proper completion and timely review of bank reconciliations could mitigate the risk of these errors occurring;

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## *Special Report on the City of Homewood*

### *October 1, 2021 March 31, 2024*

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- ◆ Bank statements and corresponding bank reconciliations for all City bank accounts were not always on file for review. Numerous requests were made of the City's staff to attempt to obtain copies of bank statements and corresponding reconciliations. The City, with the assistance of their external CPA firm, had to make numerous requests to financial institutions in order to obtain all of the bank statements requested for the review;
- ◆ It appears alterations were made to a City bank account statement. There was no mechanism in place for those charged with the management and governance of the City to review its bank statements or bank reconciliations. Such an additional review by those charged with management and governance of the City would have potentially identified this alteration;
- ◆ Payments were made to vendors without documenting or receiving the proper approval. Instances were noted of payments being made to vendors without appropriate supporting documentation;
- ◆ Numerous employees had access to the City's payroll processing system, including permission to make changes and adjustments to payroll. This included the City Accountant, Payroll Specialist, former Finance Director, and former Assistant Finance Director;
- ◆ There did not appear to be proper segregation of duties in the City Finance Department's receipting and depositing process. One employee was responsible for receipting money received by the Finance Department, depositing those funds into the City's bank accounts, and subsequently recording the funds in the accounting system. There was no evidence to indicate that management implemented procedures to review or compare the total amounts received to the total amounts deposited and subsequently recorded;
- ◆ Certain City Departments were allowed to make deposits outside the Finance Department's normal process. Further, the reports documenting the amounts collected by those departments were not always turned into the Finance Department in a timely manner. Additionally, when reports were turned in, the Department did not always sign off indicating delivery or receipt of the funds referenced in the report. Because the various departments failed to turn in daily deposits and reports in timely manner, the Finance Department was unable to verify the accuracy of deposits to record the funds; and

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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- ◆ Documentation of receipts being issued to individuals who made donations were not provided by the City. Additionally, funds that were donated were not always clearly identified in the City's accounting records. Certain expenditures were found with notations of "paid for with donation money". However, because City records did not always indicate the amounts received by donation, we were not able to determine whether the amounts being expended were donation funds, as opposed to another source. Further, we were not always able to determine whether donated funds were being expended for their intended purpose or if there were enough donation funds to cover the expenditures.

The absence of adequate internal controls, including established policies and procedures, exposed the City to the risk of loss due to theft and misappropriation of assets.

**Recommendation:** Those charged with management and governance of the City should establish and follow internal control policies and procedures to ensure the City operates effectively, efficiently, and in compliance with its own adopted fiscal policies as well as any applicable laws and regulations.

#### **Poor Recordkeeping**

**Finding:** According to the *Code of Alabama 1975*, Sections 36-12-1 through 36-12-2, individuals elected or hired to work at any level of state or local government, as well as anyone who is paid in full or in part by state, county or municipal funds, are required to create public records that document the activities or business of their respective office. The *Code of Alabama 1975*, Section 41-13-1, stipulates that public records include: "all written, typed, or printed books, papers, letters, documents, and maps made or received...in the transactions of public business." Further, according to the *Code of Alabama 1975*, Section 41-13-23, no county, municipal, or other local government official shall destroy or dispose of any government record without first obtaining the approval of the Local Government Records Commission. The following issues were noted in relation to City records:

- ◆ The City could not provide records and supporting documentation for all transfers;
- ◆ Poor organization of records in the Finance Department's offices caused bank statements and corresponding bank reconciliations to not be readily available for review. Bank statements were stored in multiple locations between the Finance Department and the City Clerk's office. In order to determine the number of active City bank accounts during the audit period and to obtain the bank statements for all accounts, the City, with the assistance of its external CPA firm, had to make numerous requests to various bank institutions;

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## *Special Report on the City of Homewood*

### *October 1, 2021 March 31, 2024*

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- ◆ Proper documentation was not always maintained to support the receipt of funds and the subsequent deposits made by the City's staff. According to the City's staff, each check received by the Finance Department was reviewed by the Finance Director prior to being recorded and deposited. However, based on documentation maintained by the City, we were unable to determine if every check received by the Finance Department was reviewed by the former Finance Director and submitted for deposit;
- ◆ Proper documentation was not always maintained to support payments made to vendors that provided goods or services to the City. Documentation maintained did not always include a purchase order, purchase requisition, receipt, or invoice. Instances were noted of payments made based solely on emails and workorders;
- ◆ Proper documentation was not always maintained to support the submission and approval of leave and overtime requests of certain department heads. According to the City's staff, leave requests and overtime requests were occasionally submitted by email. However, documentation to support these requests being submitted and approved could not be provided;
- ◆ Documentation was not maintained or provided to support that approvals were obtained prior to processing and executing payments to employees through the City's payroll process. A preliminary payroll calculation is generated and disbursed to the City's departments to allow for each department to review and confirm amounts are accurate prior to payroll being processed. Based on the payroll documentation provided, department heads did not always review or approve timesheets or the preliminary payroll calculation provided by the Finance Department. Payroll transactions were still processed and payments were made by the Finance Department despite not receiving all appropriate approvals; and
- ◆ Proper documentation was not always maintained for review to support purchases made using the City's credit cards. The documentation that was provided was unorganized, contained duplicate receipts/invoices for multiple transactions, receipts/invoices did not always include a vendor name, purchase orders and purchase requisitions were not always provided or complete, and invoices were missing pages.

**Recommendation:** The City should establish and implement policies and procedures to ensure that all records are maintained for review as required by statute.

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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#### **Wire Transfers**

The City's bank accounts were examined for the period of October 1, 2021 through March 31, 2024. During the period of May 18, 2023 through March 31, 2024, there were instances where funds were transferred out of the City's bank accounts without proper documentation being provided to support the allowable use of the transferred funds. The Department requested proper documentation, including original invoices and authorization from the City, to support the allowable use of the transferred funds. No such documentation was received from the City for those transfers.

**Finding:** The City's fiscal policy, adopted by the City Council on May 20, 2013, entitled *Accounting and Financial Reporting Policies* states, "a system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations." An adequate system of internal controls should include established policies and procedures to ensure all transfers between the City's funds and wire transfers made from the City's bank accounts to vendors are properly approved and recorded. There was no approval process for wire transfers to be initiated and executed by the former Finance Director and former Assistant Finance Director.

The City's failure to properly establish and implement internal controls and effective oversight allowed twenty-two transfers, totaling \$1,828,874.02, to be initiated from the City's bank accounts for which proper supporting documentation could not be provided. All twenty-two transfers were not fully executed and completed. These transfers originated from five of the City's bank accounts. Twenty-one transfers were to a vendor named Contemporary Enterprises and one transfer was to a vendor named XZF Trading, Inc. Neither vendor was established or authorized as a vendor to provide goods or services to the City.

- ◆ Fifteen transfers, totaling \$947,059.46, were initiated and executed by the former Finance Director. One of the fifteen transfers, totaling \$24,019.00, was approved by the former Assistant Finance Director upon a confirmation request from the bank; and
- ◆ Seven transfers, totaling \$881,814.56, were initiated by the former Finance Director, but were not fully executed and completed. These transfers were credited back to the City's accounts.

Based on documentation provided by the City, it was confirmed that the fifteen transfers totaling \$947,059.46 were transferred from the City's accounts to a privately held account associated with the former Finance Director.

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## ***Special Report on the City of Homewood***

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In all, the City's former Finance Director attempted to misappropriate City funds by using wire transfers from the City's bank accounts totaling \$1,828,874.02. However, the former Finance Director was only successful in completing wire transfers from the City's bank accounts, to bank accounts associated with him personally, totaling \$947,059.46. These transfer amounts were not included in the charges against the former Finance Director because this investigation has been handled by the Federal Bureau of Investigation and the U. S. Attorney's Office.

**Recommendation:** The City should establish written internal control policies and procedures to ensure all transfers are appropriately reviewed and approved by those charged with management and governance prior to initiation and execution. The City should also establish policies and procedures to ensure the capability of adding new vendors is limited to certain personnel. Additionally, documentation should be maintained for review to support all transfers that occur.

#### **Compliance with City Policies**

The Department requested and reviewed the policies provided by City staff. It was noted, while the City did have certain policies in place, there was not always appropriate oversight or monitoring to ensure compliance with the policies. Those charged with the management and governance of the City should ensure compliance with the policies and procedures that have been adopted. Policies and procedures should be reviewed periodically to ensure that they are still relevant and meet the needs of the City so that it operates effectively and efficiently.

#### **Credit Card Policy**

A review of expenditures made using the City's credit cards for the period of October 1, 2022 through September 30, 2023 was performed. The City's credit card policy in place during the period reviewed was implemented on July 12, 2010. According to the policy, which was applicable to all employees of the City who were assigned a City credit card, the employee assumed responsibility for the card and all charges made with the card. The policy stipulated that only official City expenditures that were preauthorized for reimbursement were to be made using the card and that the credit cards were not intended to be used for purchases that could be made via the City's normal purchasing procedures. Additionally, the policy stated that City credit card expenditures are to be reconciled timely to the monthly statement in order to be submitted to the City Council for approval. The policy further stipulated that the cardholder must retain transactional evidence to support all charges.

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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**Finding:** Neither the management of the City nor the City Council performed a sufficient review of the monthly credit card transactions to ensure that all expenditures were made for allowable purposes and sufficiently documented. Failure to perform a sufficient review allowed for unallowable and undocumented expenditures to be made using city credit cards and payments to be processed without appropriate documentation. Those responsible for the management and governance of the City are responsible for establishing internal controls that ensure the City operates effectively, efficiently and in compliance with applicable laws and regulations. According to the *Code of Alabama 1975*, Section 11-43-56, the City Council shall have the management and control of the finances, all the property, real and personal, belonging to the City. Further, the City had a documented Credit Card Policy in place, however, the policy was not being followed.

An initial review of the City's expenditures made using credit cards revealed 385 transactions totaling \$56,708.58 for which there was either no documentation provided by the City, the transaction appeared to be unallowable, or the documentation provided was not sufficient to determine whether the City had expended funds for an allowable public purpose. Numerous attempts and requests were made to the City's employees to obtain sufficient documentation to support the allowable use of public funds expended using the City's credit cards. According to the City's credit card policy in place at time of the review, all documentation, including original receipts, should have been maintained in the City's Accounts Payable office.

Documentation to support the expenditure of the City's funds was not always properly maintained and incomplete or inadequate documentation was provided for some transactions. Our review of the City's credit card expenditures further revealed the following:

- ◆ The City's credit cards had been used by City employees to purchase personal items. In some instances, amounts were paid back by the City's employee via a personal check to the credit card company and some wrote a check to the City of Homewood. Purchases included items such as an Amazon Prime membership and alcohol;
- ◆ There were several instances where items purchased using the City's credit cards were shipped to employees' home addresses instead of to the City's offices. The City was not able to provide an explanation why items were delivered to home addresses rather than the City's offices. These expenditures included office supplies, tactical supplies (firearm accessories), and a pop-up tent;
- ◆ Numerous credit card expenditures reviewed had been identified by the City or its employees as not having receipts to support the expenditures. For several of those transactions, the City allowed the employees who made the purchase submit a "Missing Document Affidavit" in lieu of supporting documentation. However, the affidavits reviewed were not always sufficient to determine allowability and public purpose of the expenditures made;

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## *Special Report on the City of Homewood*

### *October 1, 2021 March 31, 2024*

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- ◆ Itemized receipts and an itinerary or agenda to support the allowable public purpose of food purchases were not always maintained for restaurant transactions made in-town. While there were instances where the supporting documentation contained a purchase order or purchase requisition indicating a meeting was held, there was not always an itinerary or agenda to show the purpose of the meeting, who attended the meeting, or the time of the meeting. Without proper documentation, we were not able to determine whether the food purchase was allowable; and
- ◆ Purchases were made with credit cards without following the City's processes for approving and processing transactions. Purchase orders and purchase requisitions were not always provided to document approval of purchases. There were numerous occasions where there was no approval documentation, only a receipt or invoice was provided.

After multiple requests for documentation were made of the City and its employees over the course of several months, the City and its employees were able to provide adequate supporting documentation to support expenditures made with the City's credit cards except for \$29,132.32.

The failure to maintain sufficient documentation to support certain if credit card expenditures were allowable and/or properly approved resulted in charges against current and former employees totaling \$29,132.32 as reflected on Exhibit #2. These expenditures included the following:

- ◆ Expenditures totaling \$3,946.28 were made to local restaurants and eateries for which inadequate or no documentation was provided to support the eligibility and purpose of the expenditures;
- ◆ Expenditures totaling \$7,160.91 were made at general retail stores and online retailers, including Amazon, Academy Sports, Sam's Club, and Piggly Wiggly for which proper documentation was not provided to support the eligibility and purpose of the expenditures;
- ◆ Expenditures totaling \$3,748.23 were made to various vendors for lodging and professional development expenses for which proper documentation was not provided to support the eligibility and purpose of the expenditures;
- ◆ Expenditures totaling \$6,007.39 were made to various vendors for office and maintenance expenses for which proper documentation was not provided to support the eligibility and purpose of the expenditures;

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## *Special Report on the City of Homewood*

### *October 1, 2021 March 31, 2024*

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- ◆ Expenditures totaling \$3,994.79 made to local colleges and universities for which proper documentation was not provided to support the eligibility and purpose of the expenditures (see finding regarding Tuition Reimbursement Policy);
- ◆ Expenditures totaling \$2,601.79 were made to various vendors for which proper documentation to support the allowability and purpose of the expenditures was not provided. These vendors included education technology companies such as Cengage Learning Inc., and Chegg; and other vendors including GooGoo and Lock Busters of South;
- ◆ Expenditures totaling \$538.52 were made to online subscription/membership services, for which proper documentation was not provided to support whether the expenditure was allowable;
- ◆ Expenditures totaling \$522.66 were made at gas stations, including Chevron, Circle K, and Exxon for which proper documentation was not provided to support the eligibility and purpose of the expenditures;
- ◆ Expenditures totaling \$308.83 were made to florist shops for which proper documentation was not provided to support the eligibility and purpose of the expenditures; and
- ◆ Expenditures totaling \$302.92 were made to restaurants and eateries while traveling out of town for which inadequate or no documentation was provided to support the eligibility and purpose of the expenditures.

Failure to follow documented policies and procedures can lead to fraud, mismanagement, and the misappropriation of funds within a local government. Current and former City employees repaid \$3,291.28. Based on documentation submitted by current and former City employees, the Assistant Chief Examiner relieved charges in the amount of \$14,458.80, leaving a remaining total of \$11,382.24 due and unpaid.

**Recommendation:** The management of the City and the City Council should perform a sufficient review of the monthly credit card expenditure transactions to ensure that all expenditures are made for allowable purposes and sufficiently documented. Those charged with management of the City should follow the established credit card policy and procedures to ensure the City is operating effectively, efficiently, and in compliance with applicable laws and regulations.

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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#### **Limited Tuition Reimbursement Policy**

A review of expenditures made using the City's credit cards for the period of October 1, 2022 through September 30, 2023 was performed. The review of expenditures using the City's credit cards revealed payments made to colleges and universities. These expenditures were reviewed for compliance with the City's Limited Tuition Reimbursement Policy (the "Tuition Policy").

On July 8, 2013, the City Council adopted a "Tuition Reimbursement Resolution" to establish "a policy and program providing for limited tuition reimbursement for certain academic study and technical/vocational training by city of Homewood employees in order to enhance the quality and effectiveness of the city of Homewood's work force; to promote the recruitment and retention of the best individuals to serve the city; and to provide employees with the opportunity to promote their careers in the city service." The Tuition Policy sets out eligibility guidelines for employees who wish to participate in the program as well as tuition costs that were eligible for reimbursement.

**Finding:** The City has a Tuition Policy that allows approved applicants to be reimbursed for tuition and course related fees that are paid directly to a college or university or technical/vocational school for approved coursework. According to the City's policy, employees must apply to participate in the tuition reimbursement program prior to enrolling in or completing coursework. The application shall require a personal endorsement by the applicant's department head and must be approved by the Mayor. The policy further stipulates that courses which are completed prior to the Mayor's approval are not eligible for reimbursement.

The policy defines the process for approved applicants to be reimbursed. Approved applicants shall make direct payment to the college or university or technical/vocational school for all costs. No later than thirty days after the completion of the approved course(s), the applicant shall submit to the Mayor, or his designee, a request for reimbursement, including a reimbursement checklist provided by the City, evidence of completion and the grade achieved, and proof of cost incurred for the subject tuition and eligible fees. The Mayor shall confirm satisfaction of the requirements of this program and the academic contract by written endorsement and recommend approval of the reimbursement to the City Council for the City Council's approval from available funds.

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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A review of the City's credit card expenditures revealed that payments were made to colleges and universities on behalf of city employees for course work using the City's credit cards. City credit cards issued to the former Finance Director and the former City Clerk were used to make payments on school accounts for employees prior to courses being taken. Further, the receipts and supporting documentation for these transactions were not itemized and did not list the courses taken by the employees. Additionally, the City did not maintain evidence of completion of courses paid for or the grade achieved. The City did not maintain the applications that were submitted for participation in the program, the documentation of confirmation by the Mayor satisfying the requirements of the program, or the academic contract for employees who were participating. Further, the City could not provide evidence that the Mayor submitted the written endorsement and recommendation of approval of applicants to the City Council for approval from available funds.

**Recommendation:** The City should ensure compliance with its Tuition Policy to prevent the expenditure of public funds for inappropriate purposes.

#### **Travel Policy**

A review of expenditures made using the City's credit cards for the period of October 1, 2022 through September 30, 2023 was performed. The review of expenditures using the City's credit cards revealed payments made for travel related expenses. These expenditures were reviewed for compliance with the City's policies for Business Travel Expenses found in the City's Employee Handbook and updated by Resolution 19-18 of the Homewood City Council on February 11, 2019.

**Finding:** The City's policy for Business Travel Expenses stipulates that the City will reimburse employees for reasonable business travel expenses incurred and that all business travel must be approved in advance by the Department Head. Additionally, the policy allows for the actual costs of travel, meals (within prescribed limits), lodging, and other expenses directly related to accomplishing business travel objectives to be reimbursed by the City. Employees are expected to limit expenses to reasonable amounts. When travel is completed, employees should submit completed travel expense reports within ten (10) days. Reports should be accompanied by receipts for all individual expenses. Our review of travel related expenditures revealed the following:

- ◆ Travel related expenditure transactions were not always properly documented to demonstrate the public purpose of the travel. Sometimes only a purchase order or purchase requisition stated where and why the employee was traveling. There were instances where only meal receipts were provided and/or no itinerary/agenda for the travel was provided to support the public purpose of the travel;

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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- ◆ Itemized receipts were not always maintained for restaurant transactions while employees were traveling out of town. Without having itemized receipts, we were unable to determine the allowability of the expenses;
- ◆ There were instances where employees submitted an incorrect itinerary or agenda to support travel expenses. The individual would indicate on the purchase requisition that the travel expenses were for a particular conference. However, the documentation submitted to support expenditures made while traveling would include an agenda from a completely different conference and;
- ◆ The cost of meals purchased exceeded the daily meal allowance. The City's policy, as amended, establishes daily limits for the cost of meals.

Failure to follow documented policies and procedures can lead to fraud, mismanagement, and the misappropriation of funds within a local government.

**Recommendation:** The City should follow their established credit card policy and travel policy to ensure the expenditure of public funds is for allowable public purposes and supported by sufficient documentation to determine such allowability.

#### **Gun and Uniform Allowance**

While there was no formal written policy in place, the City had an established practice related to a gun and uniform allowance for certain Police Department employees. Information provided during interviews with the City's Police Chief revealed the City was providing reimbursements to employees for clothes and firearms/equipment. According to the Police Chief, the majority of their personnel wear a uniform every day and were able to purchase their uniforms from the vendor, Galls, who then invoiced the City for payment. According to the Police Chief, the City's uniform allowance was based on the employee's position, assignment, and inflation. The uniform allowance ranged from \$600 to \$1,500 and the gun allowance was \$600. Additionally, according to the Police Chief, officers were also able to purchase plain clothes and firearms/equipment to be submitted for reimbursement by the City.

The City's process was to have the employee submit a purchase/payment requisition and related invoice/receipt to be reimbursed for their purchase. Once the purchase/payment requisition and receipt had been received by the Finance Department, the submission would be reviewed for appropriate documentation. The Finance Department would then submit the documentation along with the necessary reports to the Finance Committee who presented a report for the Council's approval. Once the Council approved, the Finance Department would then issue a check for reimbursement to the individual either through accounts payable and/or payroll. In addition to the City issuing reimbursement checks to employees for the uniform and gun allowance, the City was also paying for tactical supplies through the use of the City's credit cards that was considered to be a part of an employee's uniform and gun allowance.

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## ***Special Report on the City of Homewood***

### ***October 1, 2021 March 31, 2024***

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**Finding:** Section 94 of the *Constitution of Alabama 2022* prohibits governmental entities from lending credit or granting public money or a thing of value in aid of, or to any individual, association, or corporation. The language of Section 94 has been interpreted by the Supreme Court of Alabama to allow the appropriation of public funds when the appropriation is for a public purpose. The paramount test to determine what is a public purpose should be whether the expenditure confers a direct public benefit of a reasonably general character; that is to say, a significant part of the public, as distinguished from a remote and theoretical benefit. To ensure that the expenditures of City funds are made in accordance with Section 94, proper supporting documentation should be maintained to demonstrate the public purpose of the expenditures.

A review of expenditure transactions revealed numerous payments made using City's credit card for tactical supplies including accessories for firearms. Based on the description on receipts, purchase orders, or purchase requisitions, we could not determine whether these purchases were for personal use or job-related expenses, only that tactical supplies were purchased. Additionally, there were instances where only part of the description was provided on the purchase order or purchase requisition and no indication what firearm it was used for. Without proper documentation, we were not able to determine if the purchase was allowable.

A listing of the City's firearms inventory was requested. A review of the listing indicated that the firearm accessories purchased using the City's credit cards were not included on the listing. According to the Police Chief, the listing provided to us only included the firearms owned by the City. The inventory did not contain any information concerning the items purchased through the gun allowance by individuals. According to the Police Chief, officers, by department practice, have always furnished their own sidearms, back-up firearms, and/or off-duty firearms. The City's gun allowance was implemented to augment the officers' ability to maintain, service, and or help replace the officers' firearms.

The City failed to properly maintain documentation demonstrating the public purpose of all expenditures made by the Police Department for uniforms and firearms/equipment. Additionally, the City failed to maintain an inventory of all firearms purchased with public funds. Therefore, we were not able to determine whether all these types of expenditures were made in compliance with Section 94 of the *Constitution of Alabama 2022*.

**Recommendation:** The City should ensure that expenditures made with public funds are properly documented and an inventory of all firearms and other items purchased with public funds is maintained to demonstrate compliance with Section 94 of the *Constitution of Alabama 2022*.

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## *Additional Information*



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***Members of the City Council,  
Mayor and Administrative Personnel***

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| <b>Council Members</b> |           | <b>Term Expires</b> |
|------------------------|-----------|---------------------|
| Hon. Alex Wyatt        | President | 2025                |
| Hon. Carlos Alemán     | Member    | 2025                |
| Hon. Jennifer Andress  | Member    | 2025                |
| Hon. Melanie Geer      | Member    | 2025                |
| Hon. Andy Gwaltney     | Member    | 2025                |
| Hon. John Hardin       | Member    | 2025                |
| Hon. Walter Jones      | Member    | 2025                |
| Hon. Jelete Nelms      | Member    | 2025                |
| Hon. Nick Sims         | Member    | 2025                |
| Hon. Barry Smith       | Member    | 2025                |
| Hon. Andrew Wolvertton | Member    | 2025                |

**Mayor**

|                       |              |                  |
|-----------------------|--------------|------------------|
| Hon. Patrick McClusky | Former Mayor | October 31, 2024 |
|-----------------------|--------------|------------------|

**Administrative Personnel**

|                |                                                         |                  |
|----------------|---------------------------------------------------------|------------------|
| Melody Salter  | Former City Clerk/Former<br>Assistant Finance Director  | January 31, 2024 |
| Robert Burgett | Former Finance Director/<br>Former Assistant City Clerk | March 31, 2024   |

## Schedule of Charges

October 1, 2022 through September 30, 2023

| Person/Official Charged                                                           | Dates                   | Amount<br>Charged | Amount<br>Paid | Amount<br>Relieved By<br>Assistant<br>Chief<br>Examiner | Amount<br>Unpaid | Description of Charges                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------|-------------------------|-------------------|----------------|---------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directly Charged To:</b>                                                       |                         |                   |                |                                                         |                  |                                                                                                                                                                                                                                                                                                                      |
| Robert Burgett, Former Finance Director/<br>Assistant City Clerk City of Homewood | 10/01/2022 - 09/30/2023 | \$ 1,502.47       | \$             | \$ (814.83)                                             | \$ 687.64        | Expenditures were made to local restaurants and eateries for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                                                                                                                                 |
|                                                                                   | 10/01/2022 - 09/30/2023 | 5,809.88          |                | (733.32)                                                | 5,076.56         | Expenditures were made at general retail stores and online retailers, including Amazon, Academy Sports, Sam's Club and Piggly Wiggly for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                                                     |
|                                                                                   | 10/01/2022 - 09/30/2023 | 956.78            |                | (956.78)                                                |                  | Expenditures were made to various vendors for lodging and professional development expenses for which proper documentation was not provided to support eligibility and purpose of the expenditures.                                                                                                                  |
|                                                                                   | 10/01/2022 - 09/30/2023 | 5,426.92          |                | (5,120.53)                                              | 306.39           | Expenditures were made to various vendors for office and maintenance expenses for which proper documentation was not provided to support eligibility and purpose of the expenditures.                                                                                                                                |
|                                                                                   | 10/01/2022 - 09/30/2023 | 2,106.29          |                |                                                         | 2,106.29         | Expenditures were made to local colleges and universities for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                                                                                                                                |
|                                                                                   | 10/01/2022 - 09/30/2023 | 1,017.37          |                | (361.62)                                                | 655.75           | Expenditures were made to various vendors for which proper documentation to support the allowability and purpose of the expenditures was not provided. These vendors included education technology companies such as Cengage Learning Inc., and Chegg; and other vendors including GooGoo and Lock Busters of South. |
|                                                                                   | 10/01/2022 - 09/30/2023 | 684.95            |                | (261.55)                                                | 423.40           | Expenditures were made to local restaurants and eateries for which no documentation was provided to support the eligibility and purpose of the expenditures.                                                                                                                                                         |
|                                                                                   | 10/01/2022 - 09/30/2023 | 108.90            |                |                                                         | 108.90           | An expenditure was made to an online subscription/membership service, Business Insider, for which no proper documentation was provided to support whether the expenditure was allowable.                                                                                                                             |
| Sub-Total Forward Directly Charged to<br>Robert Burgett                           |                         | \$ 17,613.56      | \$             | \$ (8,248.63)                                           | \$ 9,364.93      |                                                                                                                                                                                                                                                                                                                      |

***Schedule of Charges***  
***October 1, 2022 through September 30, 2023***

| Person/Official Charged                                         | Dates                   | Amount<br>Charged | Amount<br>Paid | Amount<br>Relieved By<br>Assistant<br>Chief<br>Examiner | Amount<br>Unpaid | Description of Charges                                                                                                                                                                     |
|-----------------------------------------------------------------|-------------------------|-------------------|----------------|---------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sub-Total Brought Forward Directly<br>Charged to Robert Burgett |                         | \$ 17,613.56      | \$             | \$ (8,248.63)                                           | \$ 9,364.93      |                                                                                                                                                                                            |
|                                                                 | 10/01/2022 - 09/30/2023 | 130.49            |                |                                                         | 130.49           | Expenditures were made at gas stations, including Chevron, Circle K and Love's for which proper documentation was not provided to support the eligibility and purpose of the expenditures. |
|                                                                 | 10/01/2022 - 09/30/2023 | 205.33            |                |                                                         | 205.33           | Expenditures were made to florist shops for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                        |
|                                                                 | 10/01/2022 - 09/30/2023 | 34.23             |                |                                                         | 34.23            | An expenditure was made to a restaurant while traveling out of town for which proper documentation was not provided to support the eligibility and purpose of the expenditure.             |
|                                                                 | 10/01/2022 - 09/30/2023 | 249.85            |                |                                                         | 249.85           | Expenditures were made to restaurants and eateries while traveling out of town for which no documentation was provided to support the eligibility and purpose of the expenditures.         |
| Total Directly Charged to Robert Burgett                        |                         | 18,233.46         |                | (8,248.63)                                              | 9,984.83         |                                                                                                                                                                                            |
| <b><u>Directly Charged To:</u></b>                              |                         |                   |                |                                                         |                  |                                                                                                                                                                                            |
| Lee Garrett, HVAC Technician<br>City of Homewood                | 10/01/2022 - 09/30/2023 | 80.52             | (80.52)        |                                                         |                  | An expenditure was made at a general retail store for which proper documentation was not provided to support the eligibility and purpose of the expenditure.                               |
|                                                                 | 10/01/2022 - 09/30/2023 | 447.15            | (33.41)        | (413.74)                                                |                  | Expenditures were made to various vendors for office and maintenance expenses for which proper documentation was not provided to support eligibility and purpose of the expenditures.      |
|                                                                 | 10/01/2022 - 09/30/2023 | 155.00            | (155.00)       |                                                         |                  | Expenditures were made to vendor, Just Answer, for which proper documentation to support the allowability and purpose of the expenditures was not provided.                                |
|                                                                 | 10/01/2022 - 09/30/2023 | 150.12            | (150.12)       |                                                         |                  | An expenditure was made to an online subscription/membership service for which no proper documentation was provided to support whether the expenditure was allowable.                      |
|                                                                 | 10/01/2022 - 09/30/2023 | 110.06            | (110.06)       |                                                         |                  | An expenditure was made at a gas station for which proper documentation was not provided to support the eligibility and purpose of the expenditure.                                        |
| Total Directly Charged to Lee Garrett                           |                         | 942.85            | (529.11)       | (413.74)                                                |                  |                                                                                                                                                                                            |
| Sub-Total Forward                                               |                         | \$ 19,176.31      | \$ (529.11)    | \$ (8,662.37)                                           | \$ 9,984.83      |                                                                                                                                                                                            |

***Schedule of Charges***  
***October 1, 2022 through September 30, 2023***

| Person/Official Charged                                      | Dates                   | Amount Charged | Amount Paid | Amount Relieved By Assistant Chief Examiner | Amount Unpaid | Description of Charges                                                                                                                                                                                                           |
|--------------------------------------------------------------|-------------------------|----------------|-------------|---------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sub-Total Brought Forward                                    |                         | \$ 19,176.31   | \$ (529.11) | \$ (8,662.37)                               | \$ 9,984.83   |                                                                                                                                                                                                                                  |
| <b><u>Directly Charged To:</u></b>                           |                         |                |             |                                             |               |                                                                                                                                                                                                                                  |
| Alexander Glover, Battalion Chief<br>City of Homewood        | 10/01/2022 - 09/30/2023 | 168.11         | (168.11)    |                                             |               | An expenditure was made to a vendor for lodging expense for which proper documentation was not provided to support eligibility and purpose of the expenditure.                                                                   |
|                                                              | 10/01/2022 - 09/30/2023 | 40.01          | (40.01)     |                                             |               | An expenditure was made at a gas station for which proper documentation was not provided to support the eligibility and purpose of the expenditure.                                                                              |
| Total Directly Charged to Alexander Glover                   |                         | 208.12         | (208.12)    |                                             |               |                                                                                                                                                                                                                                  |
| <b><u>Directly Charged To:</u></b>                           |                         |                |             |                                             |               |                                                                                                                                                                                                                                  |
| Tina Green, Former Accounting Assistant<br>City of Homewood  | 10/01/2022 - 09/30/2023 | 72.01          | (72.01)     |                                             |               | An expenditure was made to a local eatery for which proper documentation was not provided to support the eligibility and purpose of the expenditure.                                                                             |
|                                                              | 10/01/2022 - 09/30/2023 | 52.38          | (52.38)     |                                             |               | Expenditures were made to various vendors for lodging and professional development expenses for which proper documentation was not provided to support eligibility and purpose of the expenditures.                              |
| Total Directly Charged to Tina Green                         |                         | 124.39         | (124.39)    |                                             |               |                                                                                                                                                                                                                                  |
| <b><u>Directly Charged To:</u></b>                           |                         |                |             |                                             |               |                                                                                                                                                                                                                                  |
| Robyn Holloman, Administrative Assistant<br>City of Homewood | 10/01/2022 - 09/30/2023 | 531.42         |             |                                             | 531.42        | Expenditures were made to local restaurants and eateries for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                                             |
|                                                              | 10/01/2022 - 09/30/2023 | 661.93         |             |                                             | 661.93        | Expenditures were made at general retail stores and online retailers, including Lowe's, Piggly Wiggly and Sam's Club for which proper documentation was not provided to support the eligibility and purpose of the expenditures. |
|                                                              | 10/01/2022 - 09/30/2023 | 204.06         |             |                                             | 204.06        | An expenditure was made to a local eatery for which no documentation was provided to support the eligibility and purpose of the expenditure.                                                                                     |
| Total Directly Charged to Robyn Holloman                     |                         | 1,397.41       |             |                                             | 1,397.41      |                                                                                                                                                                                                                                  |
| Sub-Total Forward                                            |                         | \$ 20,906.23   | \$ (861.62) | \$ (8,662.37)                               | \$ 11,382.24  |                                                                                                                                                                                                                                  |

***Schedule of Charges***  
***October 1, 2022 through September 30, 2023***

| Person/Official Charged                                                      | Dates                   | Amount Charged | Amount Paid   | Amount Relieved By Assistant Chief Examiner | Amount Unpaid | Description of Charges                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------|-------------------------|----------------|---------------|---------------------------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sub-Total Brought Forward                                                    |                         | \$ 20,906.23   | \$ (861.62)   | \$ (8,662.37)                               | \$ 11,382.24  |                                                                                                                                                                                                                                                                        |
| <b><u>Directly Charged To:</u></b>                                           |                         |                |               |                                             |               |                                                                                                                                                                                                                                                                        |
| Melody Salter, Former City Clerk/Assistant Finance Director City of Homewood | 10/01/2022 - 09/30/2023 | 633.56         | (373.56)      | (260.00)                                    |               | Expenditures were made to local restaurants and eateries for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                                                                                   |
|                                                                              | 10/01/2022 - 09/30/2023 | 608.58         | (576.54)      | (32.04)                                     |               | Expenditures were made at general retail stores and online retailers, including Amazon, Ollie's, Big Lots, and CVS Pharmacy for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                |
|                                                                              | 10/01/2022 - 09/30/2023 | 2,570.96       |               | (2,570.96)                                  |               | Expenditures were made to various vendors for lodging and professional development expenses for which proper documentation was not provided to support eligibility and purpose of the expenditures.                                                                    |
|                                                                              | 10/01/2022 - 09/30/2023 | 133.32         | (133.32)      |                                             |               | Expenditures were made to various vendors for office and maintenance expenses for which proper documentation was not provided to support eligibility and purpose of the expenditures.                                                                                  |
|                                                                              | 10/01/2022 - 09/30/2023 | 1,888.50       |               | (1,888.50)                                  |               | Expenditures were made to local colleges and universities for which proper documentation was not provided to support the eligibility and purpose of the expenditures.                                                                                                  |
|                                                                              | 10/01/2022 - 09/30/2023 | 1,429.42       | (559.49)      | (869.93)                                    |               | Expenditures were made to various vendors for which proper documentation to support the allowability and purpose of the expenditures was not provided. These vendors included education technology companies such as Chegg and Proctoru Inc; online retailer, Wayfair. |
|                                                                              | 10/01/2022 - 09/30/2023 | 317.81         | (317.81)      |                                             |               | Expenditures were made to local restaurants and eateries for which no documentation was provided to support the eligibility and purpose of the expenditures.                                                                                                           |
|                                                                              | 10/01/2022 - 09/30/2023 | 279.50         | (104.50)      | (175.00)                                    |               | Expenditures were made to online subscription/membership services, including the Institute of Internal Auditors and the Business Journals for which no proper documentation was provided to support whether the expenditures are allowable.                            |
| Sub-Total Forward Directly Charged to Melody Salter                          |                         | 7,861.65       | (2,065.22)    | (5,796.43)                                  |               |                                                                                                                                                                                                                                                                        |
| Sub-Total Forward                                                            |                         | \$ 28,767.88   | \$ (2,926.84) | \$ (14,458.80)                              | \$ 11,382.24  |                                                                                                                                                                                                                                                                        |

***Schedule of Charges***  
***October 1, 2022 through September 30, 2023***

| Person/Official Charged                                                      | Dates                   | Amount Charged | Amount Paid   | Amount Relieved By Assistant Chief Examiner | Amount Unpaid | Description of Charges                                                                                                                                                                    |
|------------------------------------------------------------------------------|-------------------------|----------------|---------------|---------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sub-Total Brought Forward                                                    |                         | \$ 28,767.88   | \$ (2,926.84) | \$ (14,458.80)                              | \$ 11,382.24  |                                                                                                                                                                                           |
| Sub-Total Brought Forward Directly Charged to Melody Salter                  |                         | 7,861.65       | (2,065.22)    | (5,796.43)                                  |               |                                                                                                                                                                                           |
| <b><u>Directly Charged To:</u></b>                                           |                         |                |               |                                             |               |                                                                                                                                                                                           |
| Melody Salter, Former City Clerk/Assistant Finance Director City of Homewood | 10/01/2022 - 09/30/2023 | 242.10         | (242.10)      |                                             |               | Expenditures were made at gas stations, including Chevron, Circle K and Exxon for which proper documentation was not provided to support the eligibility and purpose of the expenditures. |
|                                                                              | 10/01/2022 - 09/30/2023 | 103.50         | (103.50)      |                                             |               | An expenditure was made to florist shop for which proper documentation was not provided to support the eligibility and purpose of the expenditure.                                        |
|                                                                              | 10/01/2022 - 09/30/2023 | 18.84          | (18.84)       |                                             |               | An expenditure was made to a restaurant while traveling out of town for which no documentation was provided to support the eligibility and purpose of the expenditure.                    |
| Total Directly Charged to Melody Salter                                      |                         | 8,226.09       | (2,429.66)    | (5,796.43)                                  |               |                                                                                                                                                                                           |
| Total Amounts Charged                                                        |                         | \$ 29,132.32   | \$ (3,291.28) | \$ (14,458.80)                              | \$ 11,382.24  |                                                                                                                                                                                           |

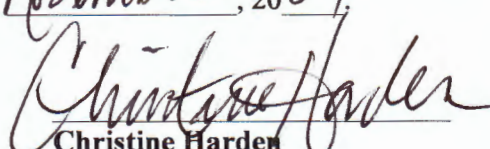
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## *Orders of the Assistant Chief Examiner*

## ORDER OF THE ASSISTANT CHIEF EXAMINER

**RE: CITY OF HOMEWOOD.  
OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023**

This matter of amounts due from the former Finance Director/Assistant City Clerk of the City of Homewood, Jefferson County was brought before me on the 30<sup>th</sup> day of October 2024, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. I am of the opinion that the former Finance Director/Assistant City Clerk has provided evidence to constitute just cause for relieving charges in the amount of \$8,248.63, therefore relief from these charges is granted. Further, I am of the opinion that the former Finance Director/Assistant City Clerk of the City of Homewood, Jefferson County has failed to show just cause why the remaining charges in the amount of \$9,984.83 should not be paid, therefore relief from these charges is denied.

Entered this the 8<sup>th</sup> day of November, 2024.  
  
Christine Harden  
Assistant Chief Examiner

## ORDER OF THE ASSISTANT CHIEF EXAMINER

**RE: CITY OF HOMEWOOD.  
OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023**

This matter of amounts due from the HVAC Technician of the City of Homewood, Jefferson County was brought before me on the 30<sup>th</sup> day of October 2024, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. I am of the opinion that HVAC Technician has provided evidence to constitute just cause for relieving charges in the amount of \$413.74, therefore relief from these charges is granted. Further, I am of the opinion that the HVAC Technician of the City of Homewood, Jefferson County has failed to show just cause why the remaining charges in the amount of \$529.11 should not be paid, therefore relief from these charges is denied.

Entered this the 8<sup>th</sup> day of November, 2024.



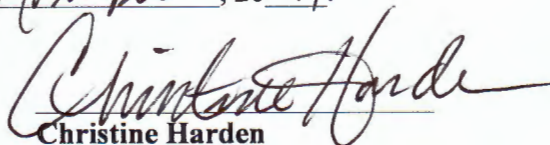
**Christine Harden  
Assistant Chief Examiner**

## **ORDER OF THE ASSISTANT CHIEF EXAMINER**

**RE: CITY OF HOMEWOOD.  
OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023**

This matter of amounts due from the Administrative Assistant of the City of Homewood, Jefferson County was brought before me on the 30<sup>th</sup> day of October 2024, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. I am of the opinion that the Administrative Assistant of the City of Homewood, Jefferson County has failed to show just cause why the amounts due should not be paid. Therefore, relief is denied.

Entered this the 8<sup>th</sup> day of November, 2024.

A handwritten signature in dark ink, appearing to read "Christine Harden", written over a horizontal line.

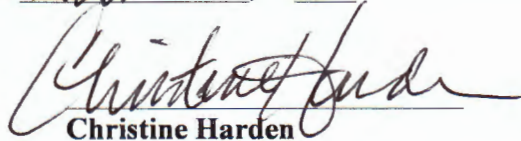
**Christine Harden  
Assistant Chief Examiner**

## ORDER OF THE ASSISTANT CHIEF EXAMINER

**RE: CITY OF HOMEWOOD.  
OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023**

This matter of amounts due from the former City Clerk/Assistant Finance Director of the City of Homewood, Jefferson County was brought before me on the 30<sup>th</sup> day of October 2024, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. I am of the opinion that the former City Clerk/Assistant Finance Director has provided evidence to constitute just cause for relieving charges in the amount of \$5,796.43, therefore relief from these charges is granted. Further, I am of the opinion that the former City Clerk /Assistant Finance Director of the City of Homewood, Jefferson County has failed to show just cause why the remaining charges in the amount of \$2,429.66 should not be paid, therefore relief from these charges is denied.

Entered this the 8<sup>th</sup> day of November, 2024.

  
Christine Harden  
Assistant Chief Examiner