

## Town Clerk Investigation on Gayle Furman

### Misappropriation of Public Funds

- 1) When Mary Williamson, the Finance Director, brought it to my attention that Gayle Furman, the Town Clerk, was utilizing the “Historical Documents Preservation Fund” to pay for hotel rooms and lodging, I raised an objection to this misappropriation of public funds and put an end to it by denying any future misuse of a fund that is strictly to be utilized for the “Preservation of Historical Documents”.
  - Why did our Town Clerk not place a line item for “hotel stays and lodging” in her regular department budget? Because if she had, it would be shot down and denied because the town of Colchester does not budget or pay for our employees to stay at hotels.
  - When last year we struggled to pass a budget and our residents were telling us they couldn’t afford more, I felt it was totally inappropriate and disrespectful to bypass the Board of Finance approval process and use Public Funds for lodging at Water’s Edge Resort when you can drive to Westbrook in 30 minutes.
  - Our Town Clerk also attempted to utilize Public Funds for a non-educational social gathering taking place at night in a restaurant. I put a stop to this as well because we do not pay for these for any other staff.
- 2) At the Board of Finance Town Budget Workshop on March 20<sup>th</sup>, 2023, I challenged the Town Clerk on the usage of these funds. She stated that she has two accounts, separate from that of the Town’s General Fund, and that one is for Historical Document Preservation and the other was Mortgage Electronic Registration Systems fund (MERS) which could “be used at the Town Clerk’s discretion.”
  - In her own words “most town clerks do use the dollar fund, or the MERS fund, to pay for staying overnight at these conferences because they are typically an hour away or something to that effect. The account I had it coming out of is one of those, I don’t know if it was the MERS or the dollar fund.” The problem here is that both funds are dedicated for special purposes. What she calls the “dollar fund” is reserved for one purpose “the preservation of historical documents” and the MERS fund is solely for office administration.
- 3) In the Rivereast news article titled “Bisbikos Slams Town Clerk Over Fund Usage”, dated March 31<sup>st</sup>, 2023.
  - Ms. Furman stated, “These funds are commonly used for conference related expenses among many other non-budgeted items.”
  - Ms. Furman also stated that this was “just another example of how Mr. Bisbikos brings politics into the workplace”.
  - I cited the Office of Legislative Research report 2006-R-0652 which shows the identified that the law establishing these Town Clerk revenue accounts, wanted them to be separate from that of the town’s General Fund, and only expensed on Historical Document Preservation or Office Administration.
  - I stated that “I believe the intent of the legislation was to be used for administrative duties” and that “I feel the town clerk overreached by spending taxpayer dollars without any approval or oversight.”
- 4) In the Rivereast letters to the editor, dated April 14<sup>th</sup>, 2023.

- Ms. Furman stated, “Town clerks commonly used these funds to pay for unbudgeted items such as historic preservation, education, lodging for conferences and many other items pertaining to the town clerk’s office”.
- Ms. Furman stated, “I have used the funds for a map copier, historic preservation, and lodging at required conferences among other things.”
- Ms. Furman stated “I have served the Colchester community with integrity, honesty, and transparency. It is unfortunate that Mr. Bisbikos attacks town employees publicly without ensuring he has all the facts, therefore spreading misinformation.”
- For starters, “conferences” are NOT required and there is no punishment for failing to attend a Town Clerk Conference. As a past educator, I applaud continuing education, but we have more than 100 employees and we cannot pay for hotel rooms when it is an easy commute. Most importantly, hotel stays do not meet the limited criteria of what these Public Funds may be spent on.

5) The Town Clerks disclosure:

- A 2007 email from former Colchester Town Clerk, Nancy Bray, specifically outlining the seven items that the Town Clerk’s Dollar Fund for Historic Preservation can be used for
  - Hotel rooms are not one of the listed items.
- 2014-2023 Timeline on the Historic Preservation fund past usage
  - 2019 (\$340), 2021 (\$350), 2022 (\$350) Hotel Room usage (5B-1)
  - 2023 to the Omni New Haven for \$296.20 denied (prompted the investigation)
- 2017-2022 Timeline on the Town Clerks Office MERS
  - 2017 (\$320) Hotel Room Usage (5B-1)
- A nighttime social gathering at a restaurant for CT Town Clerks (denied)

6) What the Finance Department Disclosed

- Water’s Edge Hotel Room in September 2015 for \$300
- Water’s Edge Hotel Room in September 2017 for \$320
- Water’s Edge Hotel Room in September 2018 for \$330
- Hartford Marriot Farmington in April 2019 for \$250
- Water’s Edge Hotel Room in September 2022 for \$391

7) Emails Declassified – Part I: The Ask

- On two different occasions, Gayle Furman sent out a statewide email on the CT Town Clerk email hotline asking if the Historical Document Preservation Fund, or the MERS (Mortgage Electronic Registration Systems) Funds could be used for Hotel Lodging.
- The first occasion was on March 28<sup>th</sup>, eight days after she issued her statement to the Board of Finance that “most town clerks utilize the funding for lodging” and twenty-five days prior to issuing her letter to the editor stating that these funds have been used for lodging.
- The second occasion was on April 10<sup>th</sup>, in which she was essentially begging another Town Clerk to step up and speak in favor of how she spent these Public Funds. “Good morning. Would any of you be willing to write an email or letter to me saying that you use the \$2.00 or MERS fund for lodging or conferences if you do?”
- If Ms. Furman was so confident in her position regarding past spending, then why would she be asking for bailout emails?

#### 8) Emails Declassified – Part II: The Responses

- On March 28<sup>th</sup>, Patricia Riley, Town Clerk of Ledyard, and Viki Urbowicz, Town Clerk of Old Lyme, admitted to using the Historical Document Preservation fund for lodging. Personally, I feel that both also have misappropriated Public Funds but after two statewide emails, only 2 came back saying they did this.
- On March 28<sup>th</sup>, Betsy Moukawsher, Town Clerk of Groton, stated that the Historical Document Preservation fund is not to be used for lodging, citing state statute.
- All the other town clerks did not weigh in.
- On April 3<sup>rd</sup>, LeAnn Power, the Public Records Administrator of the Connecticut State Library made it very clear that lodging did not fit the parameters of the Historical Preservation Fund. Ms. Furman responded “I am still going to get flack about spending it on hotels. Is there any way that it can be addressed?”
- These dates are key, on March 28<sup>th</sup>, the Groton Town Clerk cited state statute followed by April 3<sup>rd</sup>, in which the state Library tells her in writing, lodging does not fit the parameters for a legal use, yet somehow eleven days later, Ms. Furman sends her letter to the editor of the Rivereast saying that “town Clerks regularly use the funds for that and she has served the town with honesty, integrity, and transparency”.
- “Transparency” would be sharing all the emails with Town Clerk’s telling you that you misused Public Funds or that you broke a Colchester rule in which Lodging is not an item we pay for unless approved in advance and being placed in a department budget. At a bare minimum, I found her self-serving letter to the editor to be unethical as it misrepresented the truth especially since Town Clerks have addressed this issue in detail over the past few years.

#### 9) Emails Declassified – Part III – Old Emails in the Town Clerk’s Possession

- March 4, 2010 – Linda Armerighi, Town Clerk of Sharon “I use the money for preservation only.”
- March 4, 2010 – Lisa Losee, Town Clerk of Litchfield, “that money could only be used for the preservation and maintenance of the town clerk’s records.”
- March 4, 2010 – Pat Crisanti, Town Clerk of Salem, “the fee is intended for the preservation and management of historic documents.” “Clerks shall retain one dollar and use it for “the preservation and management of historic documents.” Town Clerks should work with your finance directors to ensure the monies collected are used for the purpose intended by law.” Our Town Clerk never once ever reported the balances on these accounts to the Board of Finance and kept them in the dark.
- Debra Calamari, Town Clerk of Chester, “I have used my money for historic preservation items.”
- March 4, 2010, Jeff Barske, Town Clerk of Thompson, is “100% careful that there is no question as to what the funds are for and that it is in the true meaning of the law.”
- March 4, 2010 – Lisa Valenti, Town Clerk of North Branford, “I do discuss projects with the Town Manager and his approval before spending the funds.”
- March 4, 2010 – Carolyn Soltis, Town Clerk of Cheshire, needed Town Council approval on the spending of the funds.
- March 4, 2010 – Cathy Numi, Town Clerk of Sterling, “Sterling places the funds in a designated account and when I wish to expend some of these funds, I inform the

Selectman's Administrative Assistant, or the Town Treasure and a check is cut to cover the cost."

- March 5, 2010 – Sheila Bailey, Town Clerk of East Granby, "as long as the expenditures fit the guidelines for document preservation."
- Not Dated – LeAnn Burbank, Public Records Administrator, Connecticut State Library responding to Shari Smith, Town Clerk of Chaplin – made it clear on multiple occasions that the fees collected must be used for the "preservation and management of historic documents."
- May 10, 2016 – Alfred E. Smith, Cheshire's Town Attorney, replied to Jim Jaskot on the usage of town clerk fees. The Historical Document Funds were used for "the preservation and management of historic documents". "Except for the \$1 fee under 7-34a(d) dedicated for the preservation of historic documents, the Town Clerk funds are under the control of the town clerk used to run the clerk's office."
- August 2016 – Kathy Makover, Field Archivist of the Office of the Public Records Administrator of the Connecticut State Library, provided Claudia (Town Clerk?) a response on how the Historic Document Fund should be utilized for. Specifically, for the "preservation and management of historic documents". A list of permissible activities was also provided. **NONE included lodging or social gatherings.**
- March 11, 2020 – Kathy Makover replied to Bonnie Armstrong of South Windsor that the Historic Document Fund should be used "for the preservation and management of historic documents.",
- 2021 Memo – Laura Brennan, Town Clerk of Cheshire, to Sean M. Kimball, Town Manager of Cheshire. "The remaining \$1 goes to the Town Clerk Historic Document Fund, which must be used specifically for restoration purposes." On the MERS (Mortgage Electronic Registration): "These expenditures are intended to supplement the department's operating budget by funding the purchase of equipment, supplies and staffing not supported in the budget." Ms. Brennan also requested that the Town Council appropriate the funds from each account.

#### 10) Other Items in the Town Clerk's Email

- Town Policy on Conferences, Meetings, & Travel: The Town will pay for eligible, pre-approved, conference, meeting travel costs including transportation, lodging, registration fees, parking, and taxis "**within the constraints of the individual's department budget.**"
- For any overnight or out of state travel, a Conference, Meeting, and Travel Form must be completed and approved in advance by first the Department Head, then the First Selectman.
- This town policy, which was in the Town Clerk's possession, made it crystal clear that if you wanted lodging to be paid for, it needed to be placed in your department budget that is vetted and approved by the Board of Finance and the voters.
- Connecticut General Statutes, Chapter 92 – Town Clerks: "One-fifth of the amount paid for fees pursuant to this subsection shall be retained by town clerks and used for the **preservation of historic documents.**"

#### 11) Historic Documents Preservation Grant Program – FY 24

- This a program from the Connecticut State Library

- When grant funding is received it goes into the overall Historic Documents Preservation Account
- On p13 provides a list of ineligible uses and one of those “ineligible” uses stated is “hospitality expenses”.
- Hospitality is an industry that includes restaurants, hotels, casinos, amusement parks, events, cruises, entertainment, and other tourism-related services.

#### 12) Absentee Ballot Processing Grant

- Our Town Clerk received \$5,240.22 from the Secretary of State Mark Kohler because of the “unprecedented number of absentee ballots returned in 2020 and the recent expansion of the eligibility for absentee ballot” and was concerned that towns would not have enough monies budgeted for this higher-than-expected volume.
- When the Grant were initially announced, Kate Wall, the President of the Town Clerk’s association stated “The CT Town Clerk’s Association is grateful to Secretary Mark Kohler for providing this Grant to every municipality in the state” and “providing these funds to cover a portion of the costs for absentee ballots will ensure that town clerks throughout CT have the appropriate resources necessary to ensure voters have access to absentee ballots”.
- What did our Town Clerks do? She purchased a small refrigerator out of the State of CT Absentee Ballot Grant allocated to purchase additional “absentee ballots”. The price of the mini fridge is \$158.91, and purchase was made in December of 2022.

#### 13) The Town Clerk used the Town’s Tax-Exempt Status for a Hotel Room she purchased with her own money.

- The dates of the stay are Wednesday, September 20<sup>th</sup>, 2023 – Friday, September 22<sup>nd</sup>, 2023, and she is paying for this herself. This is no different than purchasing a new TV for my home and handing in a Tax-Exempt Form claiming it will be used for the town.
- This information was found in her email as she never spoke to the finance department nor brought the documents forward for their review, which is another ethical concern.
- She has no authorization to use the Town’s Tax-Exempt status for personal purchases.
- She had no authority to sign the form on behalf of the Town of Colchester as only the Finance Department may sign off on that form.
- She has misrepresented her hotel tax liability to the Department of Revenue Service.
- At minimum an ethics violation could be brought against the Town Clerk, as confirmed in a discussion with the Town Attorney.
- Interestingly, this Hotel she chose to pay for out of pocket for in 2023 is the same Hotel she had been paying for out of the Historical Documents Preservation Fund for that last several years. Due to my scrutiny, she started paying her own way. Nothing could be more evident that she is acknowledging her prior wrongdoings. If she honestly believed what she was doing was acceptable, why suddenly is she paying out of pocket this year?
- **The Fine Print:** “I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.”

#### 14) Historic Preservation & MERS Accounts

- The Town Clerk never once reported the balances of these accounts to the Board of Finance or Board of Selectmen

- The revenue going into these accounts was never transferred to a spending account that would be monitored but rather the Town Clerk was debiting a revenue account with zero oversight. Debiting a revenue account violates GAP (General Accounting Principles) which the town is supposed to adhere to.

15) Possible action by the Board of Selectmen.

- I'd like to vote on two motions related to procedure on both the Historical Documents Preservation Fund and the MERS account and one on the conduct of the Town Clerk.
  - a.) Possible action that the Finance Department must include the Historic Documents Preservation Fund and MERS account balance in the monthly reports issued to the Board of Finance so that the town is aware of these balances and may consider them when budgeting for the Town Clerk's office.
  - b.) Possible action that all expenditures related to the Historic Documents Preservation Fund and MERS account must be sent on a requisition form to the First Selectman and Finance Director for approval. In the event the First Selectman denies an expenditure, the Town Clerk may appeal that decision to the full Board of Selectmen.
  - c.) Possible action that the Board of Selectmen issues a formal complaint to the Connecticut Attorney General to investigate the Colchester town clerk for misconduct, misappropriation of public funds, willful and material neglect, or incompetence pursuant to Connecticut General Statutes 7-22.

**Statement Before the Vote on the formal complaint:**

Before we vote on this last issue, I would like to remind everyone where we are at this very moment. For those of us who came to the meeting in person, we are sitting in the Jenny Contois meeting rooms. Jenny was thought by many to have been the best, or one of the best, First Selectmen, to ever serve Colchester. I mention this because Jenny was famous for putting politics aside and doing what was right because it was the right thing to do. For those who are not aware, Jenny was a Democrat, and in the early 1990s, the Democrat who used to receive the most votes was a Democrat Tax Collector who was extremely popular. However, when Jenny Contois became aware in 1996 that this person was waiving interest and taxes, she called a meeting and the Board of Selectmen voted unanimously to ask a judge to remove the Tax Collector from the office.

The Tax Collector ultimately resigned but we have some history and past practice on this matter. The biggest difference between what happened in 1996 and today is that back in 1996, the Tax Collector was waiving interests and taxes for others. There was no embezzlement and the interest and taxes that were waived were done for town citizens. Whereas today, we have a Town Clerk who broke many rules and some of which she personally benefited from financially. What we have uncovered today is only a municipal investigation has uncovered. The question is what else is hiding in the shadows?

I am asking this Board of Selectmen to put all personal feelings, and friendships aside, and follow in the steps of Jenny by doing what is right because it is the right thing to do. At this time, I will ask you all to vote on the motion.