

# Town of Union

## Ethics Oversight

---

DECEMBER 2020

---



OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

# Contents

---

<b>Report Highlights</b> . . . . .	<b>1</b>
<b>Ethics Oversight</b> . . . . .	<b>2</b>
How Can Local Governments Establish Proper Ethics Oversight? . . . . .	2
The Town Established an Ethics Board and Adopted a Code of Ethics . . . . .	3
The Code of Ethics Complied With GML but the CEO Did Not Post the Conflict of Interest Statute . . . . .	3
The Ethics Board Did Not Provide or Receive Ethics Training or Enforce Code of Ethics Attestation. . . . .	3
What Are the Responsibilities of a Board of Ethics for Reviewing the Code of Ethics and Disclosure Statements?. . . . .	4
The Ethics Board Did Not Monitor the Filing of Disclosure Statements. . . . .	6
The Board Did Not Meet or Review the Code of Ethics . . . . .	11
What Do We Recommend? . . . . .	11
<b>Appendix A: Town Code of Ethics Information</b> . . . . .	<b>13</b>
<b>Appendix B: Response From Town Officials.</b> . . . . .	<b>15</b>
<b>Appendix C: Audit Methodology and Standards.</b> . . . . .	<b>17</b>
<b>Appendix D: Resources and Services</b> . . . . .	<b>18</b>

# Report Highlights

## Town of Union

### Audit Objective

Determine whether Town of Union (Town) officials used resources to meet certain ethics oversight standards.

### Key Findings

Town officials did not meet certain ethics oversight standards. The Board of Ethics (Ethics Board) did not:

- Meet at least annually.
- Adequately administer the Town's disclosure that is intended to foster transparency and help identify potential conflicts of interest.
  - One Town Board member (9 percent), one officer (3 percent) and seven other required filer (18 percent) annual statements of financial disclosure (disclosure statements) were not filed.
  - Seven Town Board member (64 percent), 14 officer and employee (36 percent) and 22 other required filer (58 percent) disclosure statements were filed late and/or had questions left blank.
- Review disclosure statements for potential conflicts of interest or receive a report from the Attorney and/or Town Clerk (Clerk) relative to a review of disclosure statements.

### Key Recommendations

- Ensure the Ethics Board meets at least annually and verifies all annual financial disclosure filers file complete and timely disclosure statements that are carefully reviewed for potential conflicts of interest.
- Request the Attorney and/or the Clerk provide a written report of financial disclosure reviews and/or conduct an independent review.

Town officials agreed with our recommendations and have initiated or indicated they planned to initiate corrective action.

### Background

The Town is located within Broome County in the southern tier of New York. The Town is governed by an elected Town Board composed of four elected Council members and the Town Supervisor (Supervisor).

The Supervisor is the chief executive officer (CEO) and is responsible, along with other administrative staff, for the day-to-day management.

The Town Board established an Ethics Board responsible for providing ethics oversight. The Town Attorney (Attorney) or his deputy provide legal counsel to the Town Board and the Ethics Board.

#### Quick Facts

Population	56,346
Officers and Employees	167
Required Disclosure Statement Filers	
2017	44
2018	44

### Audit Period

January 1, 2017 – September 30, 2018

# Ethics Oversight

---

## How Can Local Governments Establish Proper Ethics Oversight?

A town's governing body must establish a code of ethics to set forth the standards of ethical conduct reasonably expected of town officers and employees. The code of ethics must address certain provisions including disclosure of interest in legislation before the governing body, holding of investments in conflict with official duties, private employment in conflict with official duties and future employment.

To reduce risk that officers' and employees' actions could violate a town's code of ethics and public assets could be subject to misuse, the governing body should adopt a code of ethics that addresses each of the four required statutory provisions of New York State General Municipal Law (GML) and vigorously enforce the code provisions.<sup>1</sup>

Within the code of ethics, the governing body may also set forth other standards of ethical conduct such as provisions addressing nepotism, public disclosures for recusals and abstentions and the proper use of municipal resources.<sup>2</sup> The town's CEO is responsible for distributing a copy of the code of ethics to every town officer and employee. Although not required, the town could also post the code of ethics on the town website.

In addition to establishing a code of ethics, towns with a population of 50,000 or more are required to have certain individuals annually complete a financial disclosure statement. Filing annual disclosure statements helps increase transparency about the private interests and activities of officers and employees, which may identify potential conflicts of interest.

A board of ethics may be established by the governing body to administer a system to maintain the financial disclosure statement filings.<sup>3</sup> The board of ethics, if established, should develop procedures to review and examine the financial disclosure statements filed with the town, to promote compliance with the filing requirement, and verify that officials and employees are impartial and free from conflicts of interest in fulfilling their public responsibilities. A board of ethics can help ensure that the local government operates in a transparent and ethical manner, and local government officers and employees act in the best interests of taxpayers and are not conflicted by personal interests.

The governing body may also develop additional standards of conduct to provide more comprehensive ethical guidance to meet a town's specific circumstances.

---

<sup>1</sup> New York State General Municipal Law (GML), Section 806

<sup>2</sup> State Comptroller's Model Code of Ethics – Local Governments available at: <https://www.osc.state.ny.us/localgov/pubs/ethics.htm>

<sup>3</sup> GML provides that the Board of Ethics, if established by the governing body, is responsible for receiving the annual financial disclosure statements.

---

For instance, the governing body may establish procedures to ensure that town officers and employees receive ethics compliance training, including notifying officers and employees of the whistleblower provisions provided by State Law. In addition, the governing body could require that every officer and employee attest to receiving and reviewing the code of ethics at the time of their election or appointment and at least once every five years.

To help ensure proper ethics oversight, the CEO is responsible for posting a copy of certain portions of the conflict of interest statute in each town building.<sup>4</sup> The statute must be posted in a place visible to its officers and employees.

### **The Town Established an Ethics Board and Adopted a Code of Ethics**

The Town established an Ethics Board, which is responsible for receiving the financial disclosure statements. The Town adopted a code of ethics that provides general authority for the Ethics Board to ensure that the financial disclosure statements are filed and complete and that every officer and employee attest on an annual basis, by March 31, to reviewing the code of ethics.

### **The Code of Ethics Complied With GML but the CEO Did Not Post the Conflict of Interest Statute**

The Town Board adopted a code of ethics, which was and posted on the Town website. The code of ethics included all four statutorily required provisions set forth in GML.<sup>5</sup> While the CEO was required to visibly post certain conflict of interest sections of GML in each Town building, we found that the statutory provisions were not posted in one of the three buildings selected for testing and were not posted in their entirety in two other buildings.<sup>6</sup>

The CEO told us that he was unaware that posting these sections of the conflict of interest statute is a statutory requirement.

### **The Ethics Board Did Not Provide or Receive Ethics Training or Enforce Code of Ethics Attestation**

The Town's code of ethics requires the Ethics Board or its designee(s) to provide periodic training and education to employees and appointees with respect to the requirements and obligations of the code. Two Ethics Board members told us that they were unaware of this responsibility and the Ethics Board did not provide such training and education or receive training.

---

4 GML, Section 807 requires the posting of GML Sections 800 through 809 in each public building.

5 GML, Section 806, refer to Appendix A, Figure 4

6 GML Sections 800 through 805 were not posted and sections 806 through 809 were posted.

---

Therefore, in an effort to help ensure proper ethics oversight, the Town Board may wish to have Ethics Board members complete training on the provisions of law relating to conflicts of interest and ethics. For example, training could relate to the provisions of Article 18 of GML, codes of ethics, annual financial disclosure and decisional law relating to conflicts of interest and ethics.

The code of ethics provides that every officer and employee is to attest on an annual basis that they have reviewed the code of ethics. However, Town officials told us that they were unaware of this requirement in the code of ethics. Although not required by law, the Town Board could also reinforce code of ethics awareness of officers and employees by posting the entire code of ethics visibly in all Town buildings.

Unless the Town Board vigorously enforces the code provisions, reinforces employee awareness of the code of ethics and ensures that the conflict of interest statute is posted in each building, there is a higher risk that officers' and employees' actions may violate the code of ethics and public assets could be subject to misuse.

### **What Are the Responsibilities of a Board of Ethics for Reviewing the Code of Ethics and Disclosure Statements?**

A board of ethics is responsible for making recommendations with respect to drafting, adopting or amending the code of ethics, upon the request of the governing body. Therefore, a periodic review of the code of ethics by the board of ethics may be appropriate to help ensure the code continues to comply with GML. If requested, the board of ethics may also provide recommendations to the governing body as it relates to other ethical considerations that may help ensure ethical awareness for officers and employees.

In addition, the responsibilities of a board of ethics include administering a system to receive annual financial disclosure statements. The board of ethics may also develop procedures to review and examine the financial disclosure statements to help ensure that the filings are complete.

When a board of ethics is established by the governing body to administer an annual financial disclosure system, the board of ethics should establish a process to verify that all required filers have submitted their disclosure statement with the board of ethics. In addition, the board of ethics should ensure that the disclosure statements submitted by the required filers are complete.

To help verify the filing and completeness of disclosure statements, the governing body could include procedures for an appointed official or support staff to assist the board of ethics in ensuring that each financial disclosure statement is filed,

---

...[T]he responsibilities of a board of ethics include administering a system to receive annual financial disclosure statements.

---

---

reviewed, all questions are addressed and any inconsistencies or missing information are followed-up on.

In addition, the board of ethics should develop procedures to help ensure that disclosure statements are reviewed to identify transactions that could pose conflicts of interest. For example, boards of ethics could maintain a list of filers' outside business interests, and supply the list to appropriate purchasing department personnel for their use in identifying potential interests in contracts that would be prohibited by GML.

Further, board of ethics could obtain a list of vendors from the accounts payable department to reference during their review of the disclosure statements to help it identify potential conflicts of interest. If local governments' boards of ethics do not ensure compliance with filing requirements or review the information on disclosure statements to identify any conflicts of interest, taxpayers have less assurance that officers and employees in policy-making positions are free from conflicts of interest.

Although not specifically required by the Town code of ethics, the Ethics Board should meet at least once a year to review the filed disclosure statements. As part of its review, the Ethics Board should verify all annual disclosure statements are filed on time, are complete and address actual or implied conflicts of interests identified in the disclosure statements, if any.

The Town code of ethics provides that the Ethics Board is the repository for completed annual statements of financial disclosure and establishes certain procedures for the Ethics Board to administer the annual financial disclosure system. For instance, Exhibit A of the code of ethics provides a list of individuals required to file a disclosure statement by March 31 each year, unless an extension is requested by the filer and granted by the Ethics Board.<sup>7</sup>

In general, the list of individuals identified includes elected Town officials, department heads and deputy department heads, and individuals who the Town Board determines to be policymakers. In addition, the Clerk's office maintains a list of individuals who have been identified, in accordance with the code of ethics, as required to file a disclosure statement.<sup>8</sup>

The code of ethics requires the Supervisor or the Clerk to supply a blank disclosure statement to the required reporting individuals for them to fully complete, sign and file with the Ethics Board. The code further specifies that the

---

<sup>7</sup> Town officers and employees who become subject to the disclosure filing requirements after March 15 each year (e.g., newly hired or change in reporting level) are to file their disclosure statements within 30 days of the effective date of employment.

<sup>8</sup> For example, the list maintained by the Clerk's office included elected officials, employees and members of the Board of Assessment Review, Planning Board and Zoning Board of Appeals.

---

Clerk, Attorney or the Ethics Board, shall annually (on or before June 1) review the signed and filed disclosure statements for full compliance. Should there be any actual or potential violations noted upon such review, such items are to be reported to the Ethics Board for action.

The code further provides that the Attorney or his deputy is to serve as counsel to the Ethics Board and the Ethics Board can request support staff assistance from the CEO in furtherance of its duties and responsibilities.

### **The Ethics Board Did Not Monitor the Filing of Disclosure Statements**

The Ethics Board did not meet during our audit period to conduct official business or administer the financial disclosure system to ensure that all disclosure statements were actually filed, filed on time or complete.

We found that more than half of the required disclosure statements were not filed, filed late and/or had questions left blank. Under these circumstances, there is significantly increased risk that potential conflicts of interest were not identified and/or not reported to the Ethics Board.

The Town Board assigned certain responsibilities for administering the disclosure statement system to several Town officials and the Ethics Board. However, in 2017 and 2018, collectively they did not ensure that all individuals, required to file a disclosure statement pursuant to the code of ethics, submitted a timely and complete disclosure statement. In 2017 and 2018, 73 percent of Town Board member (Figure 1), 39 percent of officer and employee (Figure 2) and 76 percent of other required filer (Figure 3)<sup>9</sup> disclosure statements were not filed, were filed late and/or had questions left blank.

In 2017, six Town Board members were required to file disclosure statements.<sup>10</sup> However, one did not file and four filed statements with questions left blank. In 2018, five Town Board members were required to file. However, one filed late and two filed statements with questions left blank.

In 2017, 19 officers and employees were required to file. However, one did not file and five filed statements with questions left blank. In 2018, 20 officers and employees were required to file. However, three filed late, four filed statements with questions left bank and two filed late with questions left blank.

---

We found that more than half of the required disclosure statements were not filed, filed late and/or had questions left blank.

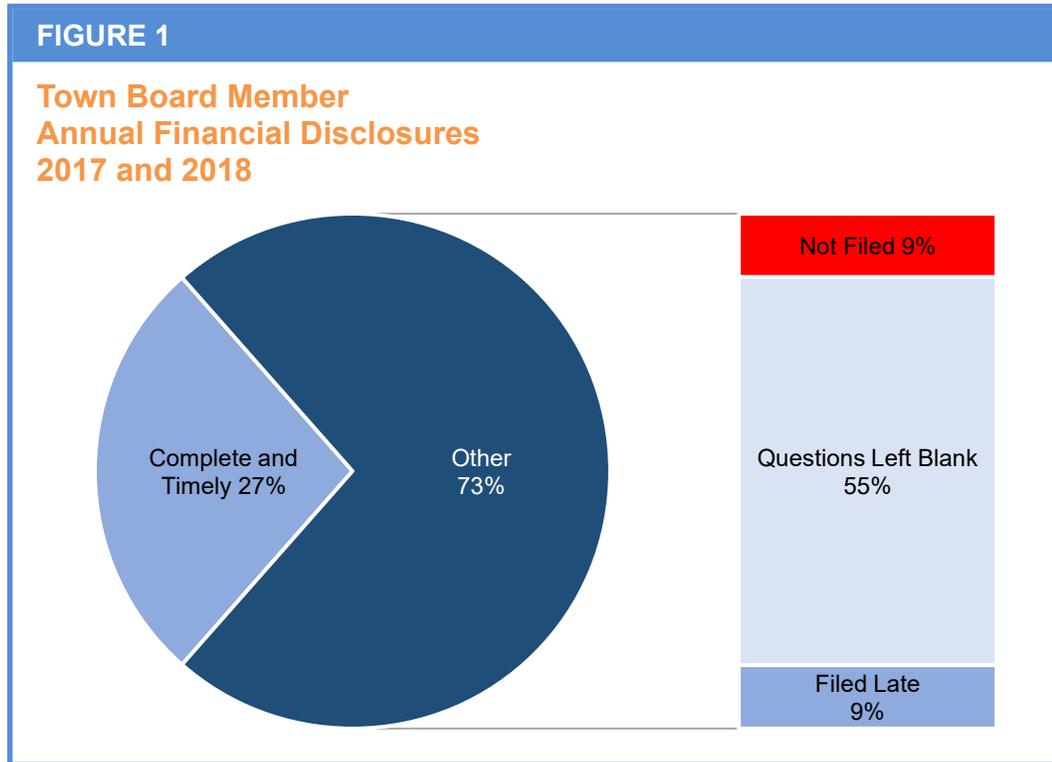
---

---

9 Other required disclosure statement filers included the following individuals associated with the Town: members of the Assessment Review Board, Ethics Board, Planning Board and Zoning Board of Appeals.

10 The Clerk retired, effective July 29, 2017. A Council member subsequently resigned and was appointed by the Town Board to fill the vacant Clerk position. The Town Board appointed an individual to fill the vacant Council position on August 23, 2017.

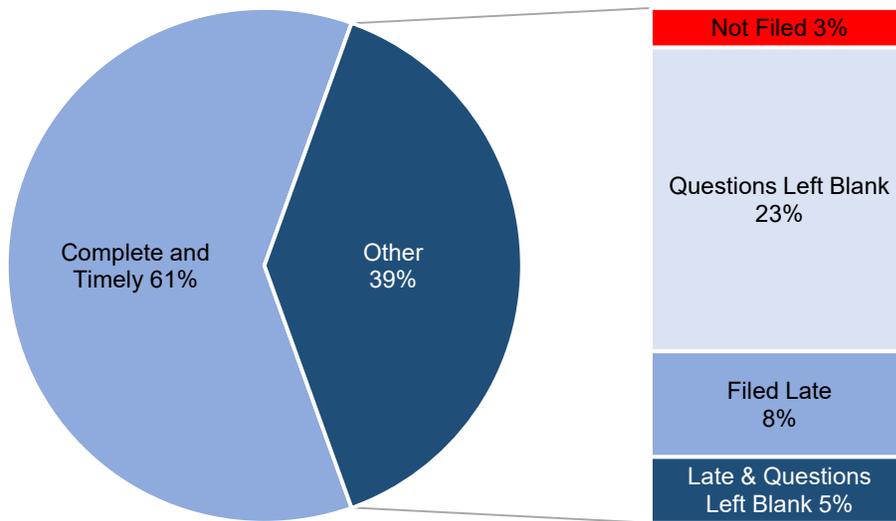
In 2017, 19 other individuals associated with the Town were required to file. However, three did not file, two filed late, nine filed statements with questions left blank and one filed late with questions left blank. In 2018, 19 other individuals associated with the Town were required to file. However, four did not file, one filed late, eight filed statements with questions left blank and one filed late with questions left blank.<sup>11</sup>



<sup>11</sup> Refer to Appendix A, Figure 5, for details on individuals who did not file in 2017 and 2018.

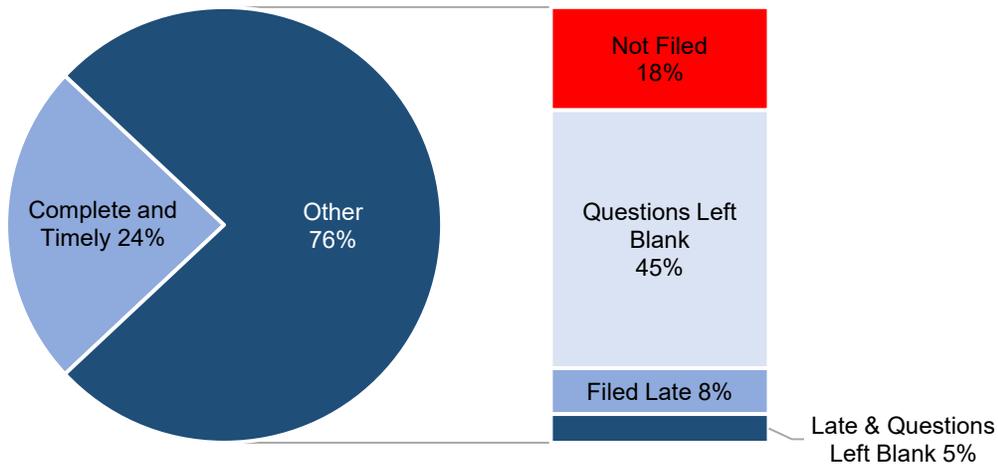
**FIGURE 2**

**Officers and Employees  
Annual Financial Disclosures  
2017 and 2018**



**FIGURE 3**

**Other Individuals Associated With the Town  
Annual Financial Disclosures  
2017 and 2018**



---

Although the code of ethics identified certain individuals required to file a disclosure statement, the procedures in place were inadequate to ensure that disclosure statements submitted by individuals holding such positions were collected and verified for completeness. The Clerk told us that his office maintains a list of individuals that have been previously identified as required filers by the code of ethics, and updates the list annually before he mails the disclosure forms to each individual required to file.

The Clerk and the Attorney told us that they both review the disclosure statements received by the Clerk to determine whether the statements are signed and complete and follow-up with individuals who have not filed. Two Ethics Board members told us that they did not request or review the disclosure statements and were unaware of any procedure for such review. In addition, neither member ever received reports of any violations or potential violations from the Clerk or the Attorney regarding the disclosure statements reviewed.

Our review of all 79 disclosure statements filed in 2017 and 2018 revealed that 43 of required filers (54 percent) left questions blank and/or filed late. The Clerk and Attorney told us that if an individual leaves questions unanswered, the filer is intending to state that the question is not applicable.

We recognize that an individual who leaves one or more questions blank may have done so because the question was not applicable. However, the Town's code of ethics requires that all reporting individuals must fully complete, sign and file a statement of financial disclosure with the Ethics Board.

Without a definitive response to each question, it remains unclear to a reviewer of the disclosure statement (e.g., the Clerk or Attorney) whether that particular section was not applicable or the filer chose not to provide the information. For example, a member of the Zoning Board of Appeals 2017 disclosure statement was completely blank except for signing and dating the statement. The following questions were unanswered:

- Name and Address
- Financial Interests:
  - Business Positions – List any office, trusteeship, directorship, partnership, or other positions held by you, and indicate whether these businesses are involved with the Town in any manner.
  - Outside Employment – Describe any outside occupation, employment, trade, business, or profession providing more than \$1,000 per year.
  - Future Employment – Describe any contract, promise, or other agreement with you and anyone else with respect to your employment after leaving your Town office or position.

---

...[T]he  
Town's code  
of ethics  
requires that  
all reporting  
individuals  
must fully  
complete,  
sign and file  
a statement  
of financial  
disclosure  
with the  
Ethics Board.

---

- 
- Past Employment – Identify source and nature of any income in excess of \$1,000 per year from any prior employment.
  - Investments – Itemize and describe all investments in excess of \$5,000 or 5 percent of the value in any business, corporation, partnership or other assets.
  - Trusts – Identify each interest or estate or similar beneficial interest in any assets in excess of \$2,000.
  - Other Income – Identify the source and nature of any other income in excess of \$1,000 per year from any source not describe above.
  - Gifts and Honorariums – List sources of all gifts aggregating in excess of \$250 received during the last year by you, excluding gifts from relatives.
  - Third-Party Reimbursements – Identify and describe the source of any third-party reimbursement for travel-related expenditures in excess of \$250 for any matter that relates to your official duties.
  - Debts – Describe all debts of you or your spouse in excess of \$5,000 as of the date of filing this statement, other than liabilities to a relative.
  - Interests in Contracts – Describe any interest by you in any contract involving the Town or any municipality located with the Town.
  - Political Parties – List any position held within the last five years as an officer of any political party, political committee or political organization.

Not completing a disclosure statement in its entirety could be a misrepresentation to the Ethics Board and creates a risk that potential conflicts could go undetected. Although the code of ethics requires that the filer certify to its completeness, to avoid an incomplete filing or misunderstanding, when a question does not apply, the filer should be required to write “none” or “not applicable” on the disclosure statement and clearly state on the form such a requirement.

Although the code of ethics provides for the Ethics Board to have access to the information submitted in the disclosure statements, we found no evidence to show that the Ethics Board requested or reviewed any of the disclosure statements filed with the Clerk. For example, the Ethics Board did not request to review the Attorney’s disclosure statements for 2017 and 2018. Although the Clerk told us that he reviewed all disclosure statements, he did not question or further research for potential conflicts of interests.

Further, neither the Clerk, the Attorney nor the Ethics Board compared disclosed business interests to vendor payments or compiled a list of filers’ outside business interests for the purchasing department to identify potential interests in contracts that would be prohibited by GML. Instead, the Attorney told us he reviews each

---

disclosure statement to determine whether, in light of the individual's job duties, there are any potential conflicts of interests.

Under these circumstances, the Ethics Board should request that the Attorney and/or the Clerk provide a written report of disclosure statement reviews or conduct its own independent review of the filed disclosure statements. Without careful review of the information reported on disclosure statements, and procedures to identify transactions that could pose a conflict of interest, taxpayers have less assurance that the Town has a strong stance on transparency and can identify conflicts of interest of officers and employees that could compromise impartiality in decision-making.

### **The Board Did Not Meet or Review the Code of Ethics**

The code of ethics states that the Ethics Board possesses all powers and duties authorized by GML, Section 808, allowing the Ethics Board to make recommendations to any amendments to the code of ethics upon the request of the Town Board. However, the Ethics Board did not meet to conduct any official business or periodically review the code of ethics. An Ethics Board member told us that he has been on the Board for the past 15 years and the Ethics Board has not met since 2011.

As a best practice, a review of the code of ethics, at least every five years or when deemed necessary, would help to ensure it adequately addresses the expected conduct for all officers and employees including the required standards stipulated by law.

### **What Do We Recommend?**

The Town Board should:

1. Adopt a code of ethics that addresses other ethical considerations and best practices, if appropriate.
2. Have Ethics Board members complete training on the provisions of law relating to conflicts of interest and ethics.
3. Develop procedures to provide for a more thorough and meaningful review of the contents of financial disclosure statements in an effort to better identify transactions that could pose conflicts of interest.
4. Define expectations and responsibilities for the administration of the disclosure statement system, including identifying individuals hired or promoted into required filer positions mid-year and the careful review of contents reported in the disclosure statements to identify interests that could pose a conflict of interest.

---

...[T]he Ethics Board did not meet to conduct any official business or periodically review the code of ethics.

---

- 
5. Visibly post the code of ethics in each Town building.
  6. Have all officers and employees annually attest in writing, by March 31, that they have reviewed the code of ethics as required by the code of ethics.
  7. Review or request the Ethics Board to review the code of ethics, at least every five years or sooner, if deemed necessary.

The Town Supervisor should:

8. Visibly post GML Sections 800-809 of the conflict of interest statute in each Town building.

The Clerk, Attorney and/or the Ethics Board should:

9. Obtain a list of vendors from the accounts payable department to reference during its review of the disclosure statements to help identify potential conflicts of interest and maintain a list of filers' outside business interests to supply to appropriate purchasing department personnel for their use in identifying potential interests in contracts that would be prohibited by GML.
10. Verify that all individuals covered by annual financial disclosure requirements file a complete and timely disclosure statement.
11. Verify that all individuals who have assumed job titles or duties enumerated in the code of ethics as required disclosure statement filers are notified of their filing obligation and file disclosure statements.

The Ethics Board should:

12. Request the Attorney or Clerk provide a written report of disclosure statement reviews and/or conduct an independent review.
13. Provide periodic training and education to employees and appointees with respect to the requirements and obligations of the code of ethics.
14. Annually review the Attorney's disclosure statement.
15. Meet, at least annually, to fulfil its responsibilities.

# Appendix A: Town Code of Ethics Information

**Figure 4: Required Code of Ethics Provisions<sup>a</sup> and Other Ethical Considerations<sup>b</sup>**

Required Provisions	Included in the Town's Code of Ethics?
Disclosure of Interests in Legislation Before the Local Governing Body	Yes
Future Employment	Yes
Holding of Investments in Conflict With Official Duties	Yes
Private Employment in Conflict with Official Duties	Yes
<b>Other Ethical Considerations</b>	
Applicability	Yes
Confidential Information	No
Definitions	Yes
Enforcement	No
Effective Date	No
Establishing a Board of Ethics	Yes
Gifts	Yes
Interests in Contracts	No
Nepotism	No
Political Solicitations	No
Posting and Distributing the Code of Ethics	No
Prohibition on Use of Municipal Position for Personal or Private Gain	Yes
Purpose of the Code of Ethics	Yes
Recusal and Abstention	No
Ethics Board Members Term Limits <sup>c</sup>	Yes

a GML, Section 806

b Refer to OSC's Model Code of Ethics for Local Governments available at: <https://www.osc.state.ny.us/localgov/pubs/ethics.htm>

c Not included within OSC's Model Code of Ethics for Local Governments but should be considered as a best business practice

**Figure 5: Town Board, Officers and Employees, and Other Individuals Associated With The Town Who Did Not File an Annual Financial Disclosure Statement**

<b>Job Title</b>	<b>2017</b>	<b>2018</b>
<b>Town Board</b>		
Council Member	Not Filed	
<b>Officers and Employees</b>		
Town Justice	Not Filed	
<b>Other Individuals Associated With the Town</b>		
Ethics Board Member (3)	Not Filed	Not Filed
Zoning Board of Appeals Member		Not Filed

( ) represents the number of individuals that did not file a disclosure statement

# Appendix B: Response From Town Officials



October 5, 2020

BINGHAMTON  
BAINBRIDGE  
CORTLAND  
HANCOCK  
ITHACA  
MONTROSE  
OWEGO  
WALTON

[www.cglawoffices.com](http://www.cglawoffices.com)

99 Corporate Drive  
Binghamton, New York 13904

Mailing Address:  
PO Box 2039  
Binghamton, NY 13902-2039  
(607) 723-9511  
(877) COUGHLIN  
Fax: (607) 723-1530  
e-mail: [apope@cglawoffices.com](mailto:apope@cglawoffices.com)

## VIA EMAIL

Julie Landcastle, Chief Examiner  
Statewide Audit Unit  
New York State Office of the State Comptroller  
Binghamton State Office Building  
44 Hawley Street, Room 1702  
Binghamton, NY 13901

**Re: Town of Union – OSC Audit Report – Code of Ethics  
Our File No.: 7631-0004**

Dear Ms. Landcastle:

I am the Town Attorney for the Town of Union and I am writing this as the Town's Response to the OSC Audit Report with respect to the Town of Union Code of Ethics. In review of your report the Town of Union has taken your recommendations into consideration. In response to some of the recommendations that were provided to the Town of Union that were covered in your report, the Town is providing the following information.

In response to your recommendation in number 3, the Town Board enlists the entire Ethics Board to review the financial disclosure packets submitted annually to the Town. Following our conference call, the Town Attorney will be included in that review process as was the case for many years. However, the Ethics Board will continue to review the Town Attorney's financial disclosure, and care is taken to insure there is a full independent review of all disclosures. If there is need for an independent review of a financial disclosure or an issue raised in a particular financial disclosure, the Town Clerk and Town Attorney complete that review. The Town of Union Clerk verifies that all financial disclosures are submitted and that the Clerk reaches out to those that have not returned in a timely manner. The Clerk also sends out communication to all Department Heads about new employees in case any have to be added to the financial disclosure list.

October 5, 2020

For your information, the Town's Ethics Board now consists of four members, with three members being new this year. The Ethics Board is comprised of Town Clerk, Leonard Perfetti, Retired Police Officer Paul Burnett, James Santacrose and Mary (Jackie) Visser.

For recommendation number 5 the Town has the Code of Ethics posted on all internal boards.

For recommendation number 7, the last review of the Code of Ethics was completed in January 2020 by the Ethics Board.

For recommendation number 9, the Town of Union Clerk will receive by March 31 of the current calendar year an active vendor list and job title list with a copy to the Board of Ethics.

The Town of Union Ethics Board plans to have the Town Attorney conduct a training session with the Ethics Board. The Ethics Board also has access to an online customized training module that employees can complete annually. At this time the Ethics Board meets annually; they met in the Fall of 2019 and first quarter of 2020.

At this time the Town of Union will continue to attend to the other recommendations as they proceed.

Thank you.

Very truly yours,

COUGHLIN & GERHART, LLP

By Alan J. Pope  
Of Counsel

AJP/jf  
cc: Richard A. Materese, Supervisor

## Appendix C: Audit Methodology and Standards

---

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed Town officials, employees and Ethics Board members to gain an understanding of the governing and ethics oversight.
- We reviewed policies, procedures and Town Board and Ethics Board minutes related to ethics.
- We reviewed all 79 disclosure statements for the audit period to determine whether they were completely and properly filed on time and any potential conflict of interests were reported to the Ethics Board.
- We reviewed procedures to receive ethical complaints from the public, which consist of complaints being forwarded to the Clerk or Attorney on behalf of the Ethics Board.
- We used our professional judgment to select a sample of three of eight Town buildings and walked through these buildings to determine whether the conflict of interest statute was posted. For our sample, we selected the building where we conducted a majority of our fieldwork and two additional nearby Town buildings with no expectations of greater or lesser results.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

The Town Board has a responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Town Clerk's office.

## Appendix D: Resources and Services

---

### **Regional Office Directory**

[www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional\\_directory.pdf](http://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional_directory.pdf)

### **Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263196&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263196&issued=All)

### **Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.state.ny.us/local-government/fiscal-monitoring](http://www.osc.state.ny.us/local-government/fiscal-monitoring)

### **Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263206&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263206&issued=All)

### **Planning and Budgeting Guides** – Resources for developing multiyear financial, capital, strategic and other plans

[www.osc.state.ny.us/local-government/resources/planning-resources](http://www.osc.state.ny.us/local-government/resources/planning-resources)

### **Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

[www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/cyber-security-guide.pdf](http://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/cyber-security-guide.pdf)

### **Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.state.ny.us/local-government/required-reporting](http://www.osc.state.ny.us/local-government/required-reporting)

### **Research Reports/Publications** – Reports on major policy issues facing local governments and State policy-makers

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263211&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263211&issued=All)

### **Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

[www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy)

## Contact

Office of the New York State Comptroller  
Division of Local Government and School Accountability  
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: [localgov@osc.ny.gov](mailto:localgov@osc.ny.gov)

[www.osc.state.ny.us/local-government](http://www.osc.state.ny.us/local-government)

Local Government and School Accountability Help Line: (866) 321-8503

---

**STATEWIDE AUDIT REGIONAL OFFICE** – Julie Landcastle, Chief Examiner

Utica State Office Building, Room 604 • 207 Genesee Street • Utica, New York 13501

Tel (315) 793-2484



Like us on Facebook at [facebook.com/nyscomptroller](https://facebook.com/nyscomptroller)

Follow us on Twitter [@nyscomptroller](https://twitter.com/nyscomptroller)