

Murrells Inlet – Garden City Fire District
Board of Directors Meeting
Minutes of September 28, 2015

Board Members Present: Al Hitchcock, Booty Shelley, George Oldroyd, Wesley Gordon, Kay Benton, and Moe Wells. Also in Attendance: Chief Knight, Assistant Chief Haney.

Public Comment: No public comment.

Chairman Hitchcock began the meeting saying it was a sad day for the Fire Department. This was the first time anything like this has ever happened – money was embezzled from us. Only one person was involved; and Moe Wells discovered it, and has been working with authorities since May. Chairman Hitchcock said to the Firefighters present, that he knows they must have known something was going on, but we had been told not to talk about the investigation. He then introduced attorney Gene Connell, who talked more about the findings. After noting that the briefing was in compliance with the Freedom of Information Act, Attorney Connell stated that Administrative Assistant Mary Duffy had died on May 7, 2015 and during the time after her death; Moe Wells had discovered discrepancies in the financial records. Mr. Wells reported his findings to the attorney, who then notified law enforcement, and there was full cooperation with investigators. On September 14th, the State Solicitor's Office sent a letter stating the investigation was over and described the findings from the South Carolina Law Enforcement Division's investigation: only Ms. Duffy was involved; \$83,264.36 was taken from the Fire District and deposited into Ms. Duffy's personal account. This activity would have been discovered during the audit. Attorney Connell also stated the board members are volunteers serving on their own time and were not aware of any of this until the investigation was completed.

Attorney Connell continued by saying it was unfortunate that this happened, but there were things the board had done before this happened to assure that the public monies will be replenished. The board got a bond for its employees, so we expect the funds to be refunded by the bonding agency at some future date. The board has taken certain remedies to help ensure this kind of thing cannot happen in the future: all paychecks are now direct deposit only; Moe Wells will reconcile all bank accounts, and will not be a signer on any accounts; accounts payable and payroll will be reviewed by multiple parties; the number of bank accounts is being reduced. He emphasized no one other than Ms. Duffy was found to be involved in the embezzlement and no one could have known about it. It would have been discovered at the time of the financial audit. The letter from the Solicitor's Office is being entered into public record.

Moe Wells stated he was already working with Mary to prepare for the audit and was working with her the morning she passed away. He stated he was confident that he would have found out all of this regardless of whether she had passed away. In that process of preparing for the yearly audit, he discovered some anomalies. And when he stepped in after her death, he found

additional anomalies immediately. He found a copy of a check during the bank reconciliation made out to Mary, but was not in QuickBooks. She was making herself a paper check and coding it to something else in QuickBooks. She was taking a paper check and a direct deposit, essentially paying herself twice. Once the Solicitor was able to investigate Ms. Duffy's personal bank account, it was discovered that she had forged signatures on checks. Mr. Wells also stated that the Fire District will continue to have third party audits each year. Attorney Connell also stated that a background check was done on Ms. Duffy at the time of her hire which showed no criminal activity. After her death, the South Carolina Law Enforcement Division checked again, and there was no indication that she had been involved in any criminal activity until this.

Chairman Hitchcock said we should focus on the good things about the Fire District: our ISO rating; the tax increase, approved by 94%; building Station 4. He said thanks to people in this room, we are doing our job. He noted that the Fire District was insured and no tax dollars will be lost. This has been very unfortunate that it happened, but we will recover.

The minutes of the meeting held on August 25, 2015 were presented. Kay Benton noted two corrections to be made. First, is the vote to finance the construction of Station 4 with Conway National Bank. It needs to be noted that Kay Benton abstained from voting. Secondly, on line five of Old Business, the word "includes" should read "include". Moe Wells moved to approve the minutes as amended, and was seconded by George Oldroyd. The motion carried unanimously.

Financials: Chairman Hitchcock asked if there were any questions regarding the financial reports. No questions were asked and Kay Benton made the motion to approve the financials. Booty Shelley seconded the motion. The motion carried unanimously.

Firefighter's Report: None.

Chief's Report: Chief Knight stated the State Health Plan application had been completed and sent in, and had been accepted. An appointment had been made with the Administrative Assistant to begin the enrollment process. We are still on target to move to the State Health Plan on January 1st.

Assistant Chief's Report: Assistant Chief Haney gave an update on Station Four. Notifications for RFQ had been made with a deadline of September 17th. Of the seven companies that requested information packets, five responded by the deadline. All five companies met the minimum qualifications to bid, and all are local to Horry and Georgetown Counties. A mandatory pre-bid meeting will be held at Headquarters at 3:00, October 8th. Bids are due November 2nd.


Chairman's Report: Chairman Hitchcock stated that work on next year's budget continues and the first reading will be at the October meeting. Also, the Open House is scheduled for 5:30 – 8:00 on October 8th. He hopes everyone on the board can attend.

Old Business: Chairman Hitchcock followed up regarding the letter from Tri-County Housing Authority was for a low income family. It was for a demolition, which has no impact fees. No action is needed on that.

New Business: No new business. Next meeting will be on October 26, 2015.

There being no further business, Booty Shelley made the motion to adjourn, seconded by Moe Wells. The motion carried unanimously.

Approved on October 26, 2015



Al Hitchcock, Chairman