

Town of Rensselaerville

Public Statement of Deputy Town Supervisor John Dolce

December 13, 2018

At an emergency meeting yesterday, the Town Board accepted Steven Pflaging's resignation as Town Supervisor. The entire Town Board wishes to inform you of the circumstances leading to the resignation and the steps that we have taken since then.

On Tuesday, December 12, 2018, as Deputy Town Supervisor, I was informed by the Town's outside auditors, Pattison, Koskey, Howe & Bucci, about information that they had uncovered in the course of an audit. Specifically, the auditors had identified multiple checks that had been written from the Town's payroll account to Mr. Pflaging without apparent Town authorization. In subsequent discussions with me, the auditors and the Town Board, Mr. Pflaging acknowledged that he had written unauthorized checks from the payroll account to himself. Mr. Pflaging also provided information about certain specific unauthorized checks.

Obviously, based on the evidence presented by the auditors and Mr. Pflaging's admissions, the Town Board requested Mr. Pflaging's resignation. He agreed to submit his resignation, which he submitted in writing yesterday morning. Given the urgency of the matter, the Town Board held an emergency meeting yesterday morning, at which it accepted Mr. Pflaging's resignation.

The Town Board also approved the removal of Mr. Pflaging as a signatory on any Town bank accounts and the referral of the matter to law enforcement and the Town's insurers. We then promptly notified the State Police and supplied information to the investigators. We also directed the bank to remove Mr. Pflaging as a signatory on Town Bank accounts and have taken what we believe are the necessary steps to secure the Town's records.

The Town's recovery of any losses is of paramount concern for the Town Board. With regard to possible losses, we provided prompt notice yesterday of a claim on the Town's insurance policy. The policy provides for coverage up to \$250,000 for employee theft, with a \$1,000 deductible. Of course, at this point, we have received no response from the insurance company as to coverage, but we will continue to cooperate with the insurer and vigorously pursue coverage.

I also note that Mr. Pflieger has expressed his desire to repay the Town.

The investigation is ongoing, and our auditors are continuing their work to confirm the extent of any unauthorized payments. At this stage, the information known to us is that the unauthorized payments exceeded \$10,000.

As the matter is still under investigation, we cannot provide any further details at this point. We will, of course, do so as new information emerges.

The Town Board emphasizes its commitment to take all steps to protect the Town's interests and the integrity of its finances. We will keep the Town updated on our progress.