



Investigative Report

State Auditor Dave Boliek
A Constitutional Office of the State of North Carolina

Town of Elm City
Elm City, NC

March 26, 2026



The key findings and recommendations in this summary may not be inclusive of all the findings and recommendations in this report.



North Carolina Office of the State Auditor

Dave Boliek, State Auditor

Auditor's Transmittal

The Honorable Josh Stein, Governor
The Honorable Phil Berger, President Pro Tempore
The Honorable Destin Hall, Speaker of the House
Honorable Members of the North Carolina General Assembly
Mr. Gil Wheeler, Mayor, Town of Elm City

To all:

Following allegations received through the North Carolina Office of the State Auditor's Tipline, the State Auditor's Investigative Division engaged with the Town of Elm City to review the Town's fiscal operations. Within this report we detail a series of policy violations by Town officials.

A former Commissioner and the former Mayor were paid for services which were not approved by the Board of Commissioners, in violation of the Town's Conflict of Interest Policy. Town employees and the former Mayor were reimbursed for expenses incurred which did not always contain documentation to support the expense, and reimbursements for purchases did not always adhere to the Town's Purchasing Policy. The State Auditor's Office also found \$131,393 in services purchased didn't include requisitions or purchase orders, which again violates of the Town's Purchasing Policy.

The State Auditor's Office reviewed 187 purchases totaling \$28,265 of procurement card purchases by the Town. The Town's P-Card Policy requires itemized receipts. Our review of selected P-Card transactions found 54 totaling \$5,725 did not contain an itemized receipt to support the purchase. Additionally, 83 purchases totaling \$4,738 were made at fuel shops with a Town P-Card, which is a violation of the Town's Purchasing Policy.

Other findings include bonus payments provided to employees which were not processed through the Town's payroll system, meaning employment taxes were not withheld, and that the Town has outstanding checks in their accounting system dating back to January 2012.

Purchasing policies are enacted to prevent fraud, waste, and abuse. As documented in this report, Elm City officials have on several occasions violated the Town's policies

and increased the risk of fraud, waste, or abuse of tax dollars. Officials from Elm City have agreed with each of the findings and recommendations in this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dave Boliek". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dave Boliek
State Auditor



March 26, 2026

Town of Elm City

WHY WE CONDUCTED THIS REPORT

The North Carolina Office of the State Auditor (OSA) received allegations via the State Auditor's Tipline regarding the Town of Elm City's (the Town) financial practices, including that payments were made for services not rendered and questionable reimbursements to Town officials, that the Town was accepting Cash App for a customer's utility payments and that the funds were being deposited into the billing clerk's personal Cash App account.

During our investigation, OSA reviewed additional information that, while not directly related to the original allegations, was determined to have sufficient relevance to warrant inclusion in this report for completeness and transparency.

OBJECTIVES

- Determine whether payments were made for services that were actually provided, that payments contained appropriate documentation to support the expenses, and that the payments adhered to Town policies.
- Determine whether procurement card purchases adhered to the Town's policies.

OBJECTIVES cont.

- Determine whether bonus payments were paid via the Town's payroll system and whether they were Board approved.
- Determine whether unclaimed funds were returned to the North Carolina State Treasurer after one year.
- Determine whether the Town submitted their annual financial statement audits timely.
- Determine whether the former Mayor was reimbursed for a utility trailer that was purchased at her cousin's auction.
- Determine whether the former Mayor entered the Town into contracts with non-profit organizations that she owned.
- Determine whether the Town was accepting payments via Cash App that were then deposited into the billing clerk's personal Cash App account.

WHAT WE FOUND

- A former Commissioner¹ and the former Mayor were paid for services which were not approved by the Board, in violation of the Town's Conflict of Interest policy.

¹ The former Commissioner was on the Board when he was paid for the services; however, he was not re-elected during the election held on 11/4/2025.

WHAT WE FOUND cont.

- The former Mayor and Town employees were reimbursed for expenses incurred which did not always contain documentation to support the expense and which did not always adhere to the Town's Purchasing Policy.
- The former Mayor received reimbursement for expenses that, per the Town's accounting system, were for mileage reimbursement; however, no documentation was maintained to support the expenses.
- Payments to selected vendors did not adhere to the Town's Purchasing Policy and weren't always adequately supported with an itemized invoice.
- Bonus payments were not always authorized by the Board and were not paid through the Town's payroll system.
- Town employees did not adhere to the Town's P-Card and Purchasing policies. OSA reviewed 187 P-Card transactions totaling \$28,265 and found the following:
 - 133 transactions totaling \$22,540 contained an itemized receipt to support the purchase; however, 54 transactions totaling \$5,725 did not contain an itemized receipt to support the purchase.
 - 83 transactions totaling \$4,738 were made at fuel shops with a Town P-Card, which is a violation of the Town's Purchasing Policy.
- Bonus payments were provided to employees which were not processed through the Town's payroll system.
 - Because the bonuses were paid outside of the payroll system, employment taxes were not withheld.
- The Town has outstanding checks in their accounting system going back to January 2012.
- OSA received additional allegations which were reviewed and found to be unsubstantiated.

RECOMMENDATIONS

1. The Town's Board should ensure that all Town personnel, including the Mayor and members of the Board, are aware of and adhere to the Town's policies, including, but not limited to, the Purchasing Policy, the Conflict of Interest Policy, and the Travel Policy.
2. The Town's Finance Officer should ensure that no payments are made to "insiders," such as the Mayor, Commissioners, Town Administrator, Finance Officer, and other

RECOMMENDATIONS cont.

key employees, unless there is clear documentation that the Board has approved the transaction.

3. The Town's Finance Officer should provide training to all staff, including the Mayor and Board, on proper purchasing practices which adhere to the Town's Purchasing Policy.
4. The Town's Finance Officer should ensure that no employee reimbursements are processed unless the employee has adhered to the Town's policies, including, but not limited to, the Purchasing Policy and the Travel Policy.
5. The Town's Board should seek reimbursement of \$140.99 from the former Mayor for a mileage reimbursement overpayment.
6. The Town's Board should revise the Travel Policy to explicitly require supporting documentation, such as the mileage reimbursement form, for mileage reimbursements. The policy should include review and approval of the supporting documentation by the employee's supervisor. The policy should also indicate who is responsible for reviewing and approving mileage reimbursements for Board members.
7. The Town's Finance Officer should ensure that no mileage reimbursements are made unless there is supporting documentation which has been reviewed and approved by the employee's supervisor or the individual responsible for reviewing the Board members mileage reimbursement request.
8. The Town's Finance Officer should ensure that all P-Cards are assigned to individual employees and not departments.
9. The Town's Finance Officer should ensure that all P-Card purchases adhere to the Town's P-Card Policy, including, but not limited to, obtaining itemized receipts to support the transaction.
10. The Town's Board should review the P-Card purchases that do not have an itemized receipt to support the purchase and seek reimbursement from cardholder if a receipt cannot be obtained. The Town's Board should use all available resources to determine who made the purchase for any transaction made using a department or a former employee's P-Card.
11. The Town's Board should ensure that all Town employees, including themselves and the mayor, are aware of the Town's policies. This includes, but is not limited to, the P-Card Policy and the Purchasing Policy.
12. The Finance Officer should establish an account with a fuel card provider and assign a fuel card to each Town vehicle, as required by the Town's Purchasing Policy.

RECOMMENDATIONS cont.

13. Once fuel cards are assigned to Town vehicles, the Board should actively enforce Town policies, including taking disciplinary action on P-Card users who continue to use their P-Card for fuel or other inappropriate purchases.
14. The Town's Board should establish policies requiring Board approval for all employee bonus payments.
15. The Town's Finance Officer should ensure that all compensation, including bonuses, is processed through the payroll system to ensure proper tax withholding and reporting.
16. The Town's Finance Officer should review outstanding checks covering the period January 1, 2012, through June 30, 2024, and determine whether any of those checks should be voided or remitted as unclaimed funds to the State Treasurer.
17. The Town's Board should establish policies and procedures for the Finance Department related to the handling of unclaimed funds, including ensuring that unclaimed funds are properly remitted to the State Treasurer each year.
18. The Town's Board should prioritize hiring an experienced Finance Officer to lead the Town in getting their financial statement audits up to date.
19. The Town's Board should ensure that future financial statement audits are submitted to the LGC timely.
20. The Town's Board should work with the former Mayor to take the necessary steps to register the Town as the lawful owner of the utility trailer that was purchased by the former Mayor in October 2022.



State Auditor Dave Boliek

A Constitutional Office of the
State of North Carolina

Chapter 147, Article 5A of the North Carolina General Statutes gives the Auditor broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency and any organization that receives public funding. The Auditor also has the power to summon people to produce records and to answer questions under oath.

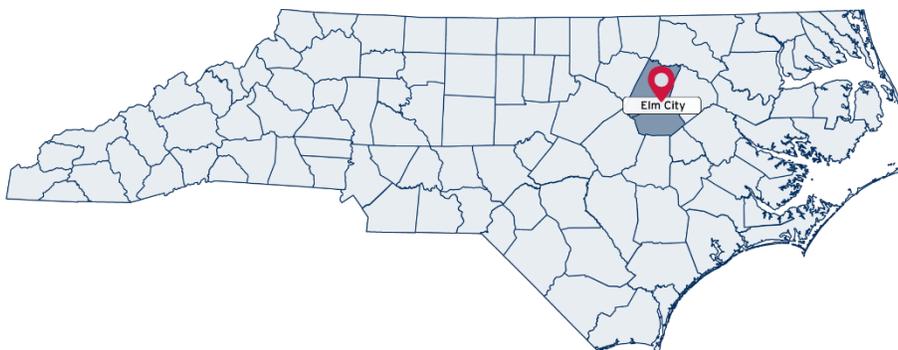
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Background

Town of Elm City

The Town of Elm City (the Town) is located primarily in Wilson County, North Carolina, with a small portion in Nash County. The Town has a population of approximately 1,218 residents as of the 2020 census. The Town is governed by the Board of Commissioners (the Board), which consists of an elected Mayor and five elected members.



According to the Town's Charter, the Town operates under the mayor-council form of government, which means that the Board has the authority to appoint, suspend, and remove all Town employees. Further, the Town's Board has the authority to organize, reorganize, create, change, abolish, and consolidate city government offices, positions, departments, boards, commissions, and agencies to ensure efficient administration. This authority permits the Board to create positions, such as the Town Administrator position.

According to the former Mayor², after the previous Town Administrator resigned in June 2022, the Board appointed the former Mayor as the Town Administrator sometime between July and September 2022. The former Mayor did not provide OSA with documentation, such as Board meeting minutes, to confirm the date the prior Town Administrator left nor when she was appointed as Town Administrator.

In addition to the lack of a career Town Administrator over the past several years, the Town has also struggled to employ a consistent Finance Officer, as follows:

- The Finance Officer (as of November 2025) was a sitting Commissioner³ who was appointed to the role by the Board in May 2025.
- The former Finance Officer was hired in March 2024. Town officials did not provide documentation to determine the Finance Officer's resignation date, though based on the appointment of the new Finance Officer in May 2025, it was likely around

² The former Mayor was the Mayor and Town Administrator during our review period; however, she was not re-elected during the election held on 11/4/2025.

³ The Commissioner acting as Finance Officer was not re-elected during the election held on 11/4/2025.

that time. After her resignation, the former Finance Officer continued to assist the Town as a vendor and was still doing so as of November 2025.

- Prior to the former Finance Officer, the Town employed three other individuals as Finance Officer since 2021.

Inconsistent administrative and financial leadership has directly contributed to State oversight of the Town's fiscal operations. The Town has been on the Local Government Commission's⁴ (LGC) Unit Assistance List since 2015. The Unit Assistance List functions to aid in prioritizing the allocation of resources and enhanced fiscal monitoring for identified entities. Entities that are on the Unit Assistance List must complete educational classes on fiscal management, and additional restrictions and reviews by the LGC must occur before entering contracts and leases.

⁴ The Local Government Commission is a unit under the Department of State Treasurer.

Payments to Board Members, Town Employees, and Selected Vendors

Background

OSA received allegations related to the Town's financial practices, including that payments were made for services not rendered and questionable reimbursements to Town officials.

The Town's Purchasing Policy, effective January 2022, is intended for use as a guide for the Town's purchasing methods and practices. The goal of the Purchasing Policy is to give structure to the Town's procurement methods and to set guidelines for Town departments.

During discussions with the former Mayor (who was also the Town Administrator), Finance Director (in the position as of November 2025), and former Finance Director, they stated they were unaware of the Purchasing Policy and the requirements for the various dollar thresholds.

Additionally, the Town's Conflict of Interest Policy, effective December 2019, "is designed to foster public confidence in the integrity of the Town...and to protect the Town's interest when it is contemplating entering into a transaction that might benefit" an insider such as the Mayor, Commissioners, Town Administrator, Finance Officer, and other key employees.

The Conflict of Interest Policy requires insiders to disclose to the Board their interest in a transaction and for the Board to determine whether a conflict of interest exists. The Board ultimately must decide whether the transaction is in the Town's best interest and whether it is fair and reasonable.

Summary of Findings

Based on our review, OSA found the following:

- A former Commissioner⁵ and the former Mayor were paid for services which were not approved by the Board, in violation of the Town's Conflict of Interest policy.
- The former Mayor and Town employees were reimbursed for expenses incurred which did not always contain documentation to support the expense and which did not always adhere to the Town's Purchasing Policy.

⁵ The former Commissioner was on the Board when he was paid for the services; however, he was not re-elected during the election held on 11/4/2025.

Payments to Board Members, Town Employees, and Selected Vendors

- The former Mayor received reimbursement for expenses that, per the Town’s accounting system, were for mileage reimbursement; however, no documentation was maintained to support the expenses.
- Payments to selected vendors did not adhere to the Town’s Purchasing Policy and weren’t always adequately supported with an itemized invoice.
- Bonus payments were not always authorized by the Board and were not paid through the Town’s payroll system.

Payments to former Commissioner, former Mayor, and Town Employees

OSA reviewed check payments during the period of June 1, 2023, through June 30, 2025, which were paid to the former Mayor, current and former Board members,⁶ and Town employees. In total, OSA reviewed 45 check payments totaling \$19,417. These payments were made for services provided, expense reimbursements, travel reimbursements, and/or mileage reimbursements. The former commissioner and former mayor received payments during their service as sitting members of the Board.

Former Commissioner and Former Mayor Paid as Vendors

A former Commissioner and the former Mayor were paid as vendors for services provided without receiving Board approval, as required by the Town’s Conflict of Interest policy.

During the period covering June 1, 2023, through June 30, 2025, four checks totaling \$2,420 were issued to the former Commissioner and the former Mayor for services they provided as vendors, as follows:

- The former Commissioner was paid a total of \$2,145 for services provided as a vendor.
 - Two invoices totaling \$2,070 were submitted for mechanical work performed on Town vehicles. The invoices did not include how much the former Commissioner charged for each part nor how much was charged per hour for labor.

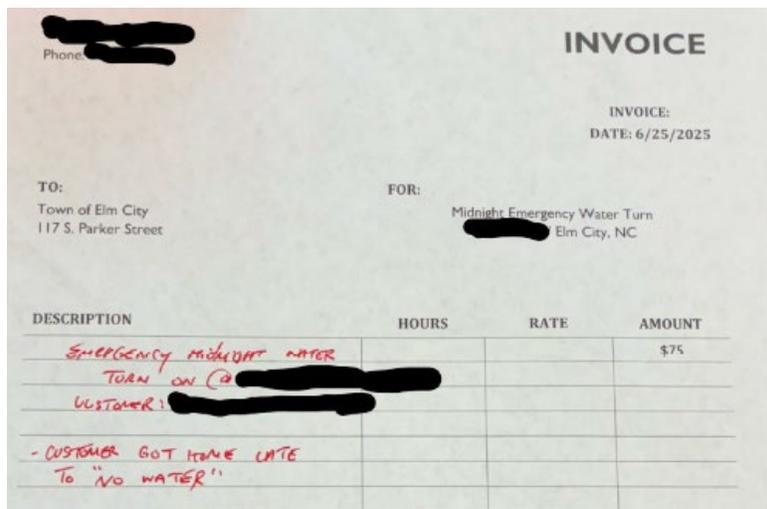
ORDERED	SHIPPED	DESCRIPTION	PRICE	UNIT	AMOUNT
		1999 Chevy C2500 5.7ci			
		- Engine cooling system repair & flush - Radiator, water pump, thermostat, Anti-freeze - Serpentine belt - Engine tune-up - Spark plugs, IGN wires, dist cap, dist rotor - Oil change & filter			420 00
		Labor			440 00
		Total Bal.			860 00

ORDERED	SHIPPED	DESCRIPTION	PRICE	UNIT	AMOUNT
		2015 Chev 2500 HD-Teuck Repairs			
		Brake pad, rotors, mastercylinder and caliper oil and filter Brake fluid			630 00
		Labor			580 00
		Total Bal.			1210 00

⁶ Current Board members prior to the election in November 2025 and former Board members as of November 8, 2021.

According to the former Commissioner, he is a former auto mechanic who would perform vehicle repair work if price quotes were “outrageous” to save the Town money. However, OSA received no documentation to indicate how much another auto repair shop would have charged for the services. Additionally, the invoices provided by the former Commissioner do not indicate how much each part cost nor what the former Commissioner charged hourly for labor. Therefore, it is unclear to OSA, and more importantly Town officials, whether the Town was receiving a fair deal.

- A third invoice totaled \$75 with the description “emergency midnight water turn on” for a customer in Town. According to the former Commissioner, he turned the water back on for the customer at the former Mayor’s request because it was a Friday night and the public works employee lived far away.



- The former Mayor was paid a total of \$275 for two invoices submitted for shampooing the Town Hall and Sheriff substation carpets. According to the former Mayor, the machine used to shampoo the carpets was borrowed from a local church. Neither of the invoices were itemized to include how long it took to complete the work nor how much was charged per hour for labor. Additionally, OSA did not receive any documentation indicating that a cost comparison was conducted to ensure the Town was receiving a competitive price.

DATE	DESCRIPTION	ADDRESS	TOTAL
11-30-2024	Shampoo Town Building/ Sheriff Substation	115 S. Railroad Street Elm City, NC	\$150

DATE	DESCRIPTION	ADDRESS	TOTAL
12-7-2024	Shampoo Town Hall (two rooms)	117 S. Railroad Street Elm City, NC	\$125

There was no indication on any of these invoices that anyone in the Town, such as another employee or Commissioner, confirmed the services were provided. Additionally, due to the services being provided in the past, OSA was unable to confirm whether the services were actually provided.

Town officials did not provide evidence that the Board reviewed and approved these payments to the former Commissioner and former Mayor, which was required by the Town’s Conflict of Interest Policy.

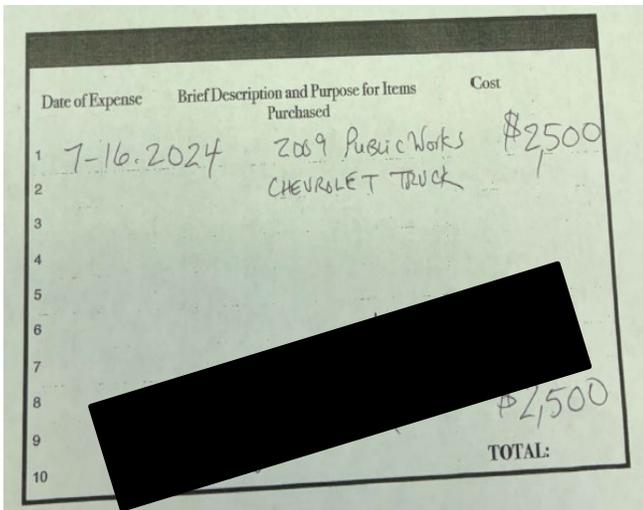
Expense Reimbursements

Town employees and the former Mayor were reimbursed for expenses incurred which did not always contain documentation to support the expense. Additionally, reimbursements for purchases did not always adhere to the Town’s Purchasing Policy.

During the period covering June 1, 2023, through June 30, 2025, a total of 18 checks totaling \$13,502 were issued to the former Mayor and current Town employees for expense reimbursements. Of this total, the former Mayor received 16 checks totaling \$13,392.

We found the following:

- 6 reimbursements totaling \$3,751, all of which were to the former Mayor, did not have an itemized receipt to support the expense.
 - 1 reimbursement to the former Mayor in July 2024 totaling \$2,500 was for a 2009 Chevrolet truck. The only documentation provided was an expense reimbursement form. According to the former Mayor, the truck was purchased via Facebook Marketplace because she knew the Public Works department needed another truck. She stated the Board approved the



purchase; however, there is no evidence in Board meeting minutes that this purchase was approved.

OSA was able to verify that this vehicle was purchased from a local car dealership in July 2024 and the registration is in the Town's name. Additionally, OSA verified that the truck is in service at the Town.

The purchase of this vehicle would have more appropriately been made via the Town's purchasing system, which would include a Town-issued check as opposed to a reimbursement to the former Mayor.

Additionally, according to the Town's Purchasing Policy, purchases of \$2,500 or more require a purchase requisition, purchase order, and informal quotes, none of which were obtained for this purchase.

- According to the Town's accounting system, the remaining \$1,251 in reimbursements to the former Mayor were for items such as light displays, cookies and cocoa, depot supplies, and a refrigerator; however, **without an itemized receipt there is no way to confirm what the reimbursement was actually for.**
- 1 reimbursement to the former Mayor for \$5,348 was for a purchase that did not contain three written quotes submitted by potential vendors, as required by the Town's Purchasing Policy for purchases over \$5,000. According to the receipt, the reimbursement was for the purchase and installation of inground basketball hoops at Spivey Park. In addition to the lack of three written quotes, there was no documentation to indicate that any cost comparison was conducted prior to the purchase.

Most of the reimbursements made to the former Mayor and Town employees were for items that would have been more appropriately purchased by following the Town's Purchasing Policy and paid for by either a Town check or a Town purchasing card.

Mileage Reimbursements

The former Mayor received reimbursement for expenses that, according to the Town's accounting system, were for mileage reimbursement; however, no documentation was maintained to support the expense.

According to the Town's Travel Policy, employees who utilize personal vehicles for official business are eligible for reimbursement at the current IRS mileage rate; however, this policy does not clearly define documentation requirements to ensure reimbursements are properly supported. Most mileage reimbursement requests submitted by Town

Payments to Board Members, Town Employees, and Selected Vendors

employees included a mileage reimbursement form indicating the employee who traveled, date of travel, where the employee traveled to, the total miles, and the purpose of the travel (see example below).

TOWN OF ELM CITY MILEAGE REIMBURSEMENT FORM

Employee Name	<div style="background-color: black; width: 100px; height: 15px;"></div>	Report Period	
Employee ID		Start Date	
Department	OFFICE	Total Miles	
Authorized		Total Reimbursement	

Date	Origin-Destination	Odometer Start/End	Total Miles	Purpose of Travel
4/25/23	Southern Bank	050091 050105	14	Bank Deposit
5/2/23	Southern Bank	050405 050419	14	Bank Deposit
6/2/23	Southern Bank	051909 051923	14	Bank Deposit
6/9/23	Southern Bank	052052 052066	14	Bank Deposit
6/22/23	Southern Bank	053071 053085	14	Bank Deposit
			70 miles	
				x 65.5 = 45.95
				10-4200-1720

During the period covering June 1, 2023, through June 30, 2025, there were 27 mileage reimbursements totaling \$2,778 made to the former Mayor, a former Commissioner, and Town employees, of which 22 reimbursements totaling \$2,282 contained a mileage reimbursement form. For a full list of these transactions, see Appendix A.

However, five reimbursements totaling \$496, all of which were provided to the former Mayor between June and December 2023, did not have any documentation to support the reimbursement. According to the Town's accounting system, these reimbursements were for mileage; however, without supporting documentation there is no way for OSA, and ultimately Town officials and the Board, to know why the former Mayor received Town funds.

Additionally, one mileage reimbursement to the former Mayor totaling \$242.56 was incorrectly calculated. While the number of miles appears accurate based on the trip details, the reimbursement calculation was incorrect. Specifically, the former Mayor traveled 151.6 miles, which multiplied by 0.67 cents per mile⁷ equals \$101.57. Therefore, the former Mayor was reimbursed \$140.99 more than what she should have received. We spoke with the Town's former Finance Officer who indicated she had incorrectly calculated the total amount to be reimbursed. The Board should seek reimbursement of \$140.99 from the former Mayor for this mileage reimbursement overpayment.

⁷ 0.67 cents per mile was the IRS mileage rate in 2024.

The Town's Board should revise the Travel Policy to require supporting documentation, such as the mileage reimbursement form, for mileage reimbursements. The policy should include review and approval of the supporting documentation by the employee's supervisor. The policy should also indicate who is responsible for reviewing and approving mileage reimbursements for Board members. Additionally, the Town's Finance Officer should ensure that no mileage reimbursement payments are made unless there is supporting documentation which has been reviewed and approved by the employee's supervisor or the individual responsible for reviewing the Board members mileage reimbursement request.

Payments to Selected Vendors

OSA reviewed check payments made to selected vendors during the period June 1, 2023, through June 30, 2025. Selected vendors consisted of Town staff and their relatives who received payments, those cited by complainants, and vendors OSA flagged as potentially suspicious based on the Town's financial records. In total, we reviewed 21 check payments totaling \$141,808.

Not Adhering to the Purchasing Policy

OSA's investigation found that the Town officials did not adhere to their purchasing policy and did not always obtain an itemized invoice from vendors to support the purchase.

The Town's Purchasing Policy includes specific requirements that are based on the cost of the purchase. Some of those requirements, along with what we found, are as follows:

Purchases below \$2,500

These purchases require the approval of the Department Director and should include a cost comparison to ensure a competitive price.

All 13 purchases under \$2,500, totaling \$10,415, lacked evidence of director approval or documented cost comparisons. Additionally, **five purchases, totaling \$3,650, did not contain an itemized invoice to support the purchase, meaning there is no indication of what Town funds were used for.**

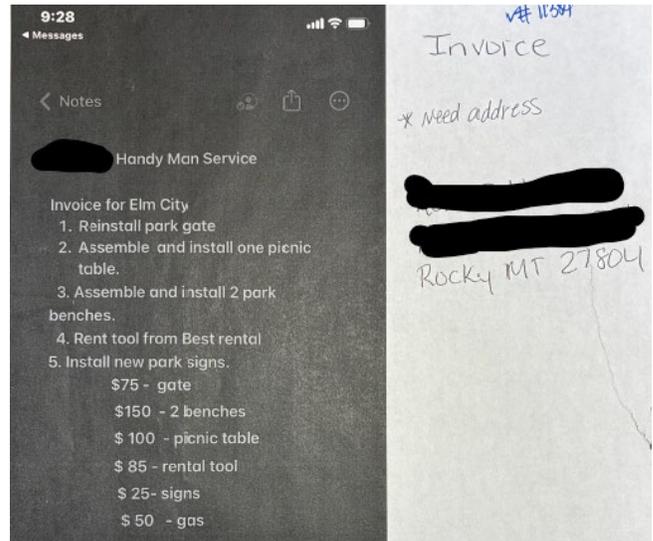
Payments made without an itemized receipt include:

- \$1,400 to the former Finance Officer who worked for the Town as a vendor. According to the former Mayor, the Town did not have a written contract with the vendor that outlined the terms of the agreement. While the former Mayor stated time sheets were maintained to support payments to this individual, no time sheet was provided to support this payment.

Payments to Board Members, Town Employees, and Selected Vendors

- \$1,075 to an individual for an unknown service or product. According to the former Mayor, this individual is a former Town employee. Previous payments made to this individual were related to working at the Town's Train Depot; however, there is no information indicating what this particular payment was for.
- \$712 to an individual for an unknown service or product. According to the former Mayor, this payment was for a mural and anniversary booklet; however, no documentation was provided to support the payment. This was a handwritten check signed by the former Mayor and a former Commissioner, which was entered into the Town's accounting system as a miscellaneous expense.
- \$338 to an individual for an unknown service or product. According to the former Mayor, this payment was for festival t-shirts; however, no documentation was provided to support the payment. The check provided to the vendor was a handwritten check signed by the former Mayor and a former Commissioner, which was entered into the Town's accounting system as a miscellaneous expense.
- \$125 to an individual for an unknown service or product. According to the former Mayor, this individual is related to a Town employee. The former Mayor stated that the individual specializes in floral designs and supplied this service for the Town's front foyer; however, no invoice or supporting documentation was maintained to verify the nature of the payment.

Additionally, there was a \$485 payment to an individual for handy man services related to park maintenance. According to the former Mayor, this individual is the uncle of the same Town employee noted in the \$125 payment above. The only documentation provided to support this payment was a screenshot from a cell phone note application which listed what was completed; however, there was no indication of how many hours the job took nor how much was charged per hour for labor.



Purchases between \$2,500 and \$4,999

These purchases require a requisition⁸ and purchase order⁹ and should follow an informal quote process, preferably from at least three vendors. The quotes are to be submitted with the requisition prior to purchase. After the purchase order is issued and approved, a purchase may be made.

⁸ According to the Town's Purchasing Policy, a requisition is input into the financial system by a department to request the generation of a purchase order by the Finance Department prior to a purchase.

⁹ According to the Town's Purchasing Policy, a purchase order is authorization for the purchase of goods sent by the Finance Department to a vendor prior to the purchase.

All three purchases in this range, which were paid to a local tree removal and trimming services company totaling \$12,600, did not include a requisition and a purchase order. Two of the three transactions did not have informal quote documentation.

Further, while two of the three purchases totaling \$8,400 contained an itemized receipt to support the purchase, one purchase totaling \$4,200 did not contain an itemized invoice or any other documentation to support the purchase. The check provided to the vendor was a handwritten check signed by the former Mayor and a former Commissioner, which was entered into the Town’s accounting system as a state sales tax expense.

Purchases between \$5,000 to \$29,999

For these purchases, the Town’s Purchasing Policy requires a requisition and purchase order and mandates the formal quote process which requires three written quotes submitted by vendors. The quotes are to be submitted with the requisition prior to purchase. After the purchase order is issued and approved, a purchase may be made.

All three purchases in this range, which were paid to a local tree removal and trimming services company, a local paving company, and a local home services company, totaling \$34,425, did not include a requisition, purchase order, or formal quotes. All three purchases included an itemized invoice to support the purchase; however, without receiving quotes, the Town lacks assurance that it is receiving maximum value and getting the best deal.

\$13,650 paid to local tree removal and trimming services company:

Customer			
Name	Town of Elm City	Date	3-26-25
Address			10-4910-1000
City			V# 11889
Phone		State	NC
		Zip Code	
Qty	Description	Unit Price	TOTAL
1	Big Red Oak Tree Remove Tree Grind Stump and Remove All Debris Can Start on April 8th Elm City Town Park		\$5000.00

Customer			
Name	The Train Depot	Date	3-27-25
Address			10-5000-1700
City	Elm City		V# 11888
Phone		State	NC
		Zip Code	
Qty	Description	Unit Price	TOTAL
	Trimming Oak Tree Limbs From Over AC Unit		\$1850.00

Customer			
Name	Town of Elm City	Date	3-17-25
Address	1065 Branch St.		45-2000-0000
City			V# 11887
Phone		State	NC
		Zip Code	
Qty	Description	Unit Price	TOTAL
3	Oak Trees Cut and Removed		\$600.00
	All Debris Hauled Away		
4	Stumps Grinded		

Payments to Board Members, Town Employees, and Selected Vendors

\$10,000 paid to a local paving company:

DESCRIPTION	RATE	QTY	AMOUNT
2" Patch: The following areas listed below will have existing gravel removed and hauled to a location provided by the Town of Elm City.	\$8,500.00	1	\$8,500.00
After the existing rock has been removed, Williams Paving Inc. will install and compact 2" of hot surface mix asphalt.			
Main & Emma 10'x10'			
Main & Barnes 8'x12'			
Main & American Legion 7'x8'			
710 Daniel St. 7'x8'			
Railroad at Town Hall 8'x20', 7'x4', 9'x18'			
Traffic Control will be provided by others if necessary.			

DESCRIPTION	RATE	QTY	AMOUNT
Change Order: Additional Patches	\$1,500.00	1	\$1,500.00
5 additional areas were saw cut, excavated and paved with 2" of hot mix surface asphalt.			
SUBTOTAL			\$10,000.00
TAX (0%)			\$0.00
TOTAL			\$10,000.00
BALANCE DUE			USD \$10,000.00

\$10,075 paid to a local home services company:

9-7-2023		Estimate #08102023-1
Town of Elm City		
Library Project		
Repair front of Library		
• Repair rotten wood using PVC Trim boards	\$5,875.00	
• Replace broken window	\$ 850.00	
• Calk and paint 2 coats	\$1,450.00	
• Repair entry door	\$ 250.00	
• Debris removal and disposal	\$ 300.00	
1. Other installs		
• Install sign on window	\$ 500.00	
○ Information on sign		
▪ Elm City Library		
▪ Monday – Friday 10am – 6pm		
• Assemble and install (2) benches (provided by town)	\$ 400.00	
• Install flag (provided by town)	\$ 150.00	
• Install (2) lights (provided by town)	\$ 300.00	
Total	\$10,075.00	

Purchases between \$30,000 to \$89,999

These purchases require a requisition and purchase order and must follow the informal bid process which requires a request for quote (RFQ). The policy states that RFQs are not required to be advertised to the public; however, a minimum of three vendors, depending on availability, should receive the RFQ. The three written informal bids are to be submitted with the requisition prior to purchase. After the purchase order is issued and approved, a purchase may be made.

DESCRIPTION	RATE	QTY	AMOUNT
Resurface the following streets: Daniel to Parker (1990'x20') Cobb to David (200'x20') Cobb to Parker to David (660'x20')	\$83,868.35	1	\$83,868.35
Repair Concrete at Town Hall (14'x16')	40-750-1200		
Equipment Mobilization:	\$500.00	1 Each	\$500.00
Payment Info			
	SUBTOTAL		\$84,368.35
	TAX (0%)		\$0.00
	TOTAL		\$84,368.35
Payment due in full upon receipt.	BALANCE DUE		USD \$84,368.35

The only purchase in this range, which was paid in July 2023 to a local paving company totaling \$84,368, included an itemized receipt; however, it did not include a requisition or purchase order, nor did it follow the informal bid process. While Town officials provided copies of two estimates, they did not provide evidence that a third vendor was contacted to provide a quote for the project or that other vendors were unavailable to provide the services.

As stated in the Town’s Purchasing Policy, adherence to the policy enables the Town to obtain needed goods and services efficiently and economically. The Purchasing Policy’s aim to foster compliance with the legal and ethical requirements of public purchasing and procurement and receive maximum value by awarding purchase orders to the lowest responsible bidder cannot be met if Town employees do not follow the policies.

Because Town officials, including the former Mayor and former Finance Officer, were unaware of the Purchasing Policy, the policies that the Board had implemented were not followed, leading to an **increased risk of fraud, waste, or abuse.**

We Recommend the Following:

1. The Town’s Board should ensure that all Town personnel, including the Mayor and members of the Board, are aware of and adhere to the Town’s policies, including, but not limited to, the Purchasing Policy, the Conflict of Interest Policy, and the Travel Policy.
2. The Town’s Finance Officer should ensure that no payments are made to “insiders,” such as the Mayor, Commissioners, Town Administrator, Finance Officer, and other key employees, unless there is clear documentation that the Board has approved the transaction.
3. The Town’s Finance Officer should provide training to all staff, including the Mayor and Board, on proper purchasing practices which adhere to the Town’s Purchasing Policy.
4. The Town’s Finance Officer should ensure that no employee reimbursements are processed unless the employee has adhered to the Town’s policies, including, but not limited to, the Purchasing Policy and the Travel Policy.
5. The Town’s Board should seek reimbursement of \$140.99 from the former Mayor for a mileage reimbursement overpayment.
6. The Town’s Board should revise the Travel Policy to explicitly require supporting documentation, such as the mileage reimbursement form, for mileage reimbursements. The policy should include review and approval of the supporting documentation by the employee’s supervisor. The policy

should also indicate who is responsible for reviewing and approving mileage reimbursements for Board members.

7. The Town's Finance Officer should ensure that no mileage reimbursements are made unless there is supporting documentation which has been reviewed and approved by the employee's supervisor or the individual responsible for reviewing the Board members mileage reimbursement request.

Procurement Card Purchases

Background

Based on allegations received, OSA reviewed procurement card (P-Card) purchases made by Town employees.

The Town's P-Card Policy, effective January 2022, states that P-Card use "is a cost-effective method of obtaining low-cost supply and service items for the Town, as well as being an efficient means to pay for travel and training costs."

Between June 1, 2023, and June 30, 2025, Town P-Cards were used for 859 purchases totaling \$74,718. Purchases were made on three unique card numbers, with one P-Card switching from a former employee's name to "Public Works" and another card in the name of an employee who hadn't worked for the Town since at least prior to June 1, 2023, now referred to as the Town Card. By not assigning cards to individual employees, there was no way for the Town to hold an employee accountable for the purchases made with the card.

OSA reviewed 187 purchases totaling \$28,265 (38% of the total dollar amount) from retailers such as Amazon, fuel stations, dollar stores, auto service centers, and other vendors.

Based on our review, we found that Town employees did not adhere to the Town's P-Card and Purchasing policies.

Not Adhering to P-Card Policy

The Town's P-Card Policy requires itemized receipts. Our review of selected P-Card transactions found that 133 transactions totaling \$22,540 contained an itemized receipt to support the purchase; however, 54 transactions totaling \$5,725 did not contain an itemized receipt to support the purchase. For example:

- \$1,997 for 31 purchases at fuel shops. All of these purchases were made using the Public Works P-Card.¹⁰ Due to the lack of itemized receipts, it is unclear if fuel was purchased or if the card was used to purchase other convenience items that fuel shops sell. Additionally, because the purchases were made using the Public Works P-Card, Town officials do not know, based on the documentation, who made each purchase.

¹⁰ This was the card that changed from an assigned individual on the card to "Public Works". Two of the purchases in June 2013 were made using the card with that individual's name and the remaining 29 purchases were made with the card bearing "Public Works".

Procurement Card Purchases

- \$487 at a tire store made in January 2024 with the Public Works P-Card. While a receipt was provided, it was not itemized to indicate what was purchased. Additionally, because the purchase was made using the Public Works P-Card, Town officials do not know, based on the documentation, who made the purchase.
- \$440 at an auto service center made in January 2024 with the Public Works P-Card. While a receipt was provided,¹¹ it was not itemized to indicate details like what vehicle was serviced, what services were performed, or how much the parts and labor costs were. Without this information, both the Town and OSA are unable to determine whether this was an expense for a Town vehicle or a personal vehicle. Additionally, because the purchase was made using the Public Works P-Card, Town officials do not know, based on the documentation, who made the purchase.
- \$384 at a building materials store in October 2023 made with the former Mayor's P-Card. According to an internal accounting document, the purchase was for steps for the Elm Festival stage; however, without an itemized receipt it is unclear what was purchased and whether the purchase was for the benefit of the Town.
- \$288 at Sam's Club in September 2023. The purchase was made using a former employee's P-Card, who hadn't worked for the Town since prior to June 2023. Due to the lack of an itemized receipt, it is unclear what was purchased and whether the purchase was made for the benefit of the Town. Additionally, because the purchase was made using a former employee's P-Card, Town officials do not know, based on the documentation, who made the purchase.
- \$265 at Sam's Club in December 2023. The purchase was made using the former Mayor's P-Card. Due to the lack of an itemized receipt, it is unclear what was purchased and whether the item(s) were purchased for the benefit of the Town.
- \$259 for four Amazon purchases made using a former employee's P-Card who hadn't worked for the Town since prior to June 2023. Due to the lack of itemized receipts, it is unclear what was purchased and whether the items were purchased for the benefit of the Town. Additionally, because the purchases were made using a former employee's P-Card, Town officials do not know, based on the documentation, who made the purchase.



¹¹ While the receipt indicates a tip was provided, this is a 3% charge on the total, including tax, for using a credit card.

- \$180 at a local party and equipment rental business made using the Public Works P-Card.¹² Due to the lack of an itemized receipt, it is unclear what was purchased and whether the item(s) were purchased for the benefit of the Town. Additionally, because the purchase was made using the Public Works P-Card, Town officials do not know, based on the documentation, who made the purchase.
- \$71 for an Amazon purchase made in January 2024 using the Public Works P-Card. Due to the lack of an itemized receipt, it is unclear what was purchased and whether the item(s) were purchased for the benefit of the Town. Additionally, because the purchase was made using the Public Works P-Card, Town officials do not know, based on the documentation, who made the purchase.
- \$69 for two purchases at dollar stores in December 2023 made using the former Mayor's P-Card. Due to the lack of itemized receipts, it is unclear what was purchased and whether the items were purchased for the benefit of the Town.
- \$47 for two purchases at dollar stores in December 2023 made using a former employee's P-Card who hadn't worked for the Town since prior to June 2023. Due to the lack of itemized receipts, it is unclear what was purchased and whether the items were purchased for the benefit of the Town. Additionally, because purchases were made using a former employee's P-Card, Town officials do not know, based on the documentation, who made the purchases.

Without itemized receipts, not only is the purchase violating the Town's P-Card policy, but there is also no way for Town officials to ensure that the purchase was for official Town purposes. For a list of all 54 transactions that did not contain an itemized receipt to support the purchase, see Appendix B.

This is not a new issue for the Town. Their most recent financial statement audit for the fiscal year ending on June 30, 2022, identified that the Town did not maintain support for \$17,659 in P-Card purchases. Management's response indicated that they would monitor the use of P-Cards and ensure that all disbursements, including those made by P-Card, were supported by proper documentation. Our investigation found this problem persisted; **the Town continued to have purchases that lacked supporting documentation, including P-Card purchases.**

The P-Card Policy states that "the Finance Department has the right to seek reimbursement from the employee for undocumented and/or unauthorized purchases." Further, the cardholder enrollment form states that the user "may be held personally responsible for failing to submit receipts for P-Card" purchases. The Town's Board

¹² This was the card that changed from an assigned individual on the card to "Public Works". This purchase, made in June 2023, was made using the assigned individual's card.

should review the purchases where an itemized receipt was not provided and seek reimbursement from those individuals if an itemized receipt cannot be obtained.

Not Adhering to Purchasing Policy

The Town's Purchasing Policy states that "fuel cards will be assigned to Town owned vehicles and are required to be used to purchase fuel for Town vehicles...or...other job-related equipment such as: weed-eaters, lawn mowers, leaf-blowers, etc." It adds that P-Cards **cannot** (emphasis added) be used to purchase fuel for Town vehicles.

OSA reviewed 187 P-Card purchases totaling \$28,265 and found that 83 purchases totaling \$4,738 were made at fuel shops with a Town P-Card, which is a violation of the Town's Purchasing Policy. Of the 83 purchases, 31 purchases totaling \$1,997 did not have an itemized receipt to support the purchase (as discussed in the section above), and therefore it is unknown if fuel was actually purchased. If fuel was in fact purchased, it was a violation of the Town's Purchasing Policy.

According to the former Mayor, the Town does not have fuel cards. Further, she was unaware the Town had a Purchasing Policy and was therefore unaware of the requirement that fuel purchases were to be made with a fuel card assigned to the vehicle.

We Recommend the Following:

- 8. The Town's Finance Officer should ensure that all P-Cards are assigned to individual employees and not departments.**
- 9. The Town's Finance Officer should ensure that all P-Card purchases adhere to the Town's P-Card Policy, including, but not limited to, obtaining itemized receipts to support the transaction.**
- 10. The Town's Board should review the P-Card purchases that do not have an itemized receipt to support the purchase and seek reimbursement from cardholder if a receipt cannot be obtained. The Town's Board should use all available resources to determine who made the purchase for any transaction made using a department or a former employee's P-Card.**
- 11. The Town's Board should ensure that all Town employees, including themselves and the mayor, are aware of the Town's policies. This includes, but is not limited to, the P-Card Policy and the Purchasing Policy.**
- 12. The Finance Officer should establish an account with a fuel card provider and assign a fuel card to each Town vehicle, as required by the Town's Purchasing Policy.**
- 13. Once fuel cards are assigned to Town vehicles, the Board should actively enforce Town policies, including taking disciplinary action on P-Card users who continue to use their P-Card for fuel or other inappropriate purchases.**

Finance Department Issues

Background

During our review of allegations received, including check disbursements and P-Card purchases, we found several issues related to the Town's finance department. These issues include bonus payments not processed through the Town's payroll system and not approved by the Town's Board, unclaimed funds not being remitted to the Department of State Treasurer (State Treasurer), and financial statement audits not being completed and submitted to the LGC in a timely manner.

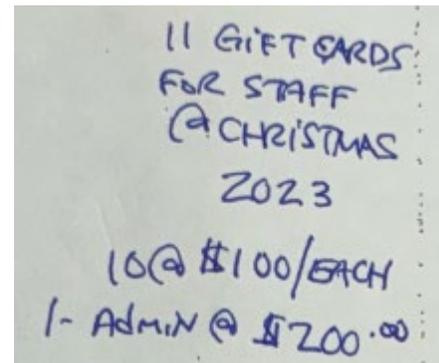
Bonus Payments

Bonus payments were provided to employees which were not processed through the Town's payroll system. Additionally, it is unclear whether the Board approved all bonus payments as Board approval was not always documented.

During the period covering June 1, 2023, through June 30, 2025, \$9,400 in bonuses were provided to Town employees. Two types of bonuses were provided – Christmas bonuses and year-end bonuses (fiscal year-end each June). For full list of bonuses provided, see Appendix C.

Christmas Bonuses

In December 2023, \$1,200 in Christmas bonus payments were issued to employees in the form of gift cards, which were purchased using the former Mayor's P-Card. According to documentation maintained by the Town, 10 gift cards were for \$100 and one gift card was for \$200, which was provided to the former Mayor in her role as the Town Administrator.



Investigators confirmed with three current employees and one former employee that they did in fact receive a gift card; however, it is unclear which employees received the remaining six gift cards as no documentation was maintained to indicate who received them. Therefore, it is unknown if employees actually received the gift cards or if they were provided to non-Town employees.

In December 2024, \$1,300 in Christmas bonus payments were issued to 13 employees as checks using the Town's accounts payable system as opposed to the payroll system.

Because the bonuses were not paid via the payroll system, employment taxes were not withheld.

There was no documented Board approval for the combined \$2,500 in Christmas bonuses provided in 2023 and 2024. In November 2025, investigators spoke with Board members to determine if they had discussed Christmas bonuses and how the bonus amounts were determined. The Board members generally indicated they could not recall specifics and deferred to what was included in the Board minutes. One Board member indicated that the Town has historically provided Christmas bonuses.

Year-End Bonuses

In June 2024, year-end bonuses were provided to employees in the form of checks using the Town's accounts payable system as opposed to the payroll system. Because the bonuses were not paid via the payroll system, employment taxes were not withheld. In total, ten checks were issued totaling \$3,900.

According to the Board meeting minutes from June 25, 2024, the Board approved the year-end bonuses; however, there is no indication that there was a discussion regarding how much was to be distributed to each employee nor the total bonus amount to be distributed. The bonus amounts ranged from \$150 up to \$1,000 issued to the former Mayor/Town Administrator (issued as two separate checks, one for \$750 and another for \$250 the following day).

According to Board meeting minutes from May 13, 2025, the Board approved a \$1,000 bonus at the request of the former Mayor for the former Finance Officer, which had been allotted for the year-end bonus for that position. Then, on June 10, 2025, the Board meeting minutes indicate that the Board approved \$1,500 in bonuses for three employees; however, it is not clear from the meeting minutes how the \$1,500 was to be allocated. The former Mayor/Town Administrator was issued \$1,000 and the two billing clerks were issued \$300 and \$200 respectively. An additional bonus of \$500 was provided to the train depot maintenance employee; however, there is no indication that the Board approved this bonus. All of these bonuses were paid via check using the Town's accounts payable system as opposed to the payroll system. Because the bonuses were not paid via the payroll system, employment taxes were not withheld.

In November 2025, investigators spoke with Board members to determine if they had discussed bonuses and how each bonus amount was determined. The Board members generally indicated they could not recall specifics and deferred to what was included in the Board minutes. Most Board members recalled the former Mayor providing suggested bonus amounts for each employee and that she would leave the room when they discussed her bonus amount, though one Board member stated she stayed in the room.

According to IRS Publication 15, wages subject to federal employment taxes typically encompass all compensation provided to an employee for services rendered, which includes bonuses. Because the bonuses were paid outside of the payroll system, employment taxes were not withheld. Failure to process bonuses through the payroll system results in potential noncompliance with tax withholding and reporting requirements. Additionally, the Town may be exposed to IRS penalties and employee tax liability issues.

Overall, these conditions indicate inadequate oversight of bonus payments and raise the Town’s risk of noncompliance with applicable tax, budgetary, and financial control requirements.

Unclaimed Funds

Local governments in North Carolina are required to surrender unclaimed funds, such as uncashed checks, to the State Treasurer after one year. OSA found that the Town has outstanding checks in their accounting system going back to January 2012.

OSA reviewed an outstanding check report from the Town’s accounting system which covered the period January 1, 2000, through August 31, 2024, and compared it to bank statements covering the period June 1, 2023, through June 30, 2025, to ensure any outstanding checks weren’t cashed during that period.

As of June 30, 2025, the Town had 65 outstanding checks totaling \$63,957 which should be considered unclaimed and remitted to the State Treasurer. The outstanding checks range from January 11, 2012, through June 18, 2024. The table below summarizes the amount and number of checks by time period.

Time Period	Amount	Number of Checks
2012-2014	\$6,241	8
2015-2017	\$936	12
2018-2020	\$36,966	14
2021-2023	\$17,650	21
2024	\$2,164	10
Totals:	\$63,957	65

This is not a new issue for the Town. Their most recent financial statement audit for the fiscal year ending June 30, 2022, identified that the Town did not properly void checks or remit funds to the State Treasurer. Management’s response stated that the Town will receive aid from an outside accounting firm to determine the proper handling of each outstanding check; however, as of June 30, 2025, the issue had yet to be resolved.

Financial Statement Audits

Each year, local governments in North Carolina are required to submit a financial statement audit to the LGC for the fiscal year ending June 30. Prior to the current fiscal year ending June 30, 2025, the financial statement audits were due by October 31 (i.e. within four months after fiscal year end). As of December 2024, the LGC changed the due date to December 31 (i.e. within six months after fiscal year end). Local governments that do not submit their financial statement audits timely are placed on the LGC's Unit Assistance List, which the Town has been on since 2015.

The most recent financial statement audit submitted by the Town is for the fiscal year ending June 30, 2022, which was submitted to the LGC in September 2024 – almost two years late. The fiscal years ending in 2023 and 2024 are overdue, and the 2025 audit is due in December 2025.

The table below presents the status of the Town's past five fiscal year financial statement audits, as of November 2025.

Audit Year	Due Date	Submission Date	Months Overdue
2020-21	October 2021	March 2022	5
2021-22	October 2022	September 2024	23
2022-23	October 2023	Not submitted as of November 2025	24 (and counting)
2023-24	October 2024	Not submitted as of November 2025	12 (and counting)
2024-25	December 2025	Not submitted as of November 2025	Not Applicable

In June 2023, the North Carolina General Assembly passed a law revising North Carolina General Statute §159-34. The revision allows for the Department of Revenue to withhold a portion of a local government's sales tax distributions if annual financial statement audits are not submitted timely. The new law applied to audits for fiscal years ending on or after June 30, 2023.

In September 2025, the Department of Revenue informed the Town that \$26,250 in sales tax was going to be withheld starting in November 2025 due to the 2023-24 financial statement audit not being submitted by June 30, 2025.¹³ Withheld funds will be released to the Town after the submission of the 2023-24 audit; however, the monthly withholding of \$4,100 for six months, and \$1,653 in month seven, may lead to cash flow issues for the Town.

Due to the lack of completed financial statement audits, the Town's management, Board, and citizens do not have assurance that the Town's financial statements are accurate.

¹³ The Town provided sufficient evidence to the NC Local Government Commission as to why their 2022-23 financial statement audit was not submitted timely and therefore no sales tax distributions were withheld.

The Town's Board should prioritize hiring an experienced Finance Officer to lead the Town in getting their financial statement audits up to date.

We Recommend the Following:

- 14. The Town's Board should establish policies requiring Board approval for all employee bonus payments.**
- 15. The Town's Finance Officer should ensure that all compensation, including bonuses, is processed through the payroll system to ensure proper tax withholding and reporting.**
- 16. The Town's Finance Officer should review outstanding checks covering the period January 1, 2012, through June 30, 2024, and determine whether any of those checks should be voided or remitted as unclaimed funds to the State Treasurer.**
- 17. The Town's Board should establish policies and procedures for the Finance Department related to the handling of unclaimed funds, including ensuring that unclaimed funds are properly remitted to the State Treasurer each year.**
- 18. The Town's Board should prioritize hiring an experienced Finance Officer to lead the Town in getting their financial statement audits up to date.**
- 19. The Town's Board should ensure that future financial statement audits are submitted to the LGC timely.**

Unsubstantiated Allegations

OSA received additional allegations which were reviewed and found to be unsubstantiated.

Trailer Purchase

OSA received an allegation that the former Mayor was reimbursed for a utility trailer that was purchased at her cousin's auction in November 2022. Our investigation found that there was no relation between the former Mayor and the auctioneer, nor the previous owner of the trailer; however, we found the trailer has not been registered in the Town's name.

According to the former Mayor's personal credit card statement, she made a purchase at Tugwell Auction on October 29, 2022, totaling \$3,536, which coincides with an auction that was held on the same date.¹⁴ According to the Town's accounting records, the former Mayor was reimbursed \$3,536 in November 2022 for a 12-foot trailer for Public Works. The former Mayor explained that she purchased the utility trailer because the Public Works department needed it. In September 2025, investigators observed the utility trailer being used by the Town's Public Works department.



Investigators did not identify a familial relationship between the former Mayor and the executives of the auctioneering company where the utility trailer was purchased. OSA also researched the owner of the trailer prior to auction and found no familial relationship between the owner and the former Mayor. Therefore, OSA determined the allegation to be unsubstantiated.

¹⁴ <https://www.tugwellauction.com/construction-equipment-10-29-2022>

However, while reviewing whether there was a familial relationship, investigators found that according to North Carolina Department of Motor Vehicles records, the trailer is not registered in the Town's name and the last titled owner was the entity who owned the trailer prior to the auction. Therefore, even though the former Mayor was reimbursed by the Town for the purchase of the trailer, **the Town is not the registered owner of the trailer.**

Because Town funds were used to reimburse the former Mayor for the trailer, we recommend that the Town's Board work with the former Mayor to ensure the trailer is properly registered to the Town.

Payments to former Mayor's Non-Profits

OSA received an allegation that the former Mayor entered the Town into contracts with non-profit organizations that she owned, which would be a potential conflict of interest.

Investigators examined the Town's check disbursements for the period covering July 1, 2022, through June 30, 2025, and determined that no payments were made to three non-profit organizations connected with the Mayor.

Based on the information reviewed, OSA determined the allegation to be unsubstantiated.

Utility Payments via Cash App

OSA received an allegation that the Town was accepting payments via Cash App¹⁵ for a customer's utility payments and that the funds were being deposited into the billing clerk's personal Cash App account.

The complainant provided six receipts¹⁶ showing payments to the Town of Elm City with the payment method listed as Cash App Card, followed by the last four digits of the card number. OSA's investigation found the customer's payments were made using a Cash App debit card¹⁷ and all six payments were credited to the customer's account.

¹⁵ According to nerdwallet.com, Cash App is a peer-to-peer money transfer service and nonbank financial platform that allows users to send and receive money, use an optional debit card, invest in stocks and Bitcoin, and file taxes for free, among other perks. For more information, see: <https://www.nerdwallet.com/banking/learn/what-is-cash-app>.

¹⁶ The receipts covered the period September 2024 through June 2025. Only six receipts were provided, not all receipts for payments during the period.

¹⁷ A Cash App debit card is a prepaid debit card. For more information, see: <https://cash.app/card>.

Further, investigators reviewed the Town's cash collection reports¹⁸ for the days of payments and bank statements to ensure that the payments credited to the customer's account were deposited in the Town's bank account. For all six receipts provided, OSA confirmed the payments made were deposited into the Town's bank account.

Based on the information reviewed, OSA determined the allegation to be unsubstantiated.

We Recommend the Following:

- 20. The Town's Board should work with the former Mayor to take the necessary steps to register the Town as the lawful owner of the utility trailer that was purchased by the former Mayor in October 2022.**

¹⁸ The cash collection reports include payments made via cash, check, credit card, and EFT.

Response from the Town of Elm City



Town of Elm City

117 S RAILROAD ST · ELM CITY, NORTH CAROLINA 27822 · PHONE: 252-236-4917 · FAX: 252-236-3970

MAYOR
Gil Wheeler

MAYOR PRO TEM
Linda O'Boyle

**BOARD OF
COMMISSIONERS**
Julie Branstetter
Lin Jones
Gabe Merando
Bud Pittman

FINANCE OFFICER
Amy Stack

TOWN ATTORNEY
Slade Rand

March 5, 2026

North Carolina Office of the State Auditor
20601 Mail Service Center
Raleigh, NC 27699

Dear Mr. David Boliek,

The Town of Elm City has begun taking corrective action to remedy and prevent the issues addressed in the State Auditor's Investigative Report. With this Response, the Town seeks to highlight the efforts it has made to ensure that these issues do not occur again. Below is the Town's response to each of the State Auditor's Findings, including the corrective action taken by the Town, the parties responsible for ensuring successful implementation and enforcement of these corrective actions, and the timeframe for achieving full compliance with these corrective actions.

**Finding 1: Payments to former Commissioner, former Mayor, and Town Employees-
unapproved payments and/or violation of conflict of interest**

Corrective Action:

The present Board will review and revise current Conflict of Interest and Purchasing and Procurement Policies to assure they align with NCGS 159 and address how Town expenditures will be pre-audited, approved, and processed. All updates to the policies will be communicated to current and future employees by the Finance Officer. Employees and Board members will acknowledge by signature receipt of the policies and procedures. The Board will sign a conflict-of-interest statement annually.

Responsible Parties: Finance Officer and Town Board

Timeframe for Completion: **May 2026**

Finding 2: Expense Reimbursements Lacking Documentation

Corrective Action:

- The present Board will review and revise current Conflict of Interest and Purchasing and Procurement Policies to assure they align with NCGS 159 and address how Town expenditures will be pre-audited, approved and processed. All updates to the policies will be communicated to current and future employees and Board members by the Finance Officer. Employees and Board members will acknowledge by signature receipt of the policies and procedures.

- All expenditures will be submitted via an expenditure form that requires employee signature, department head signature, and will detail the business purpose of the expenditure. Detailed receipts will be required for all reimbursed expenditures. The Finance Officer will review the expenditure form and attachments before approving for payment.
- The Town will request reimbursement from the former Mayor for the \$140.99 overpayment.
- P-Cards and any Town fuel cards will be kept in the finance office. Cards will be signed out by an employee or Board member when a purchase needs to be made and will be returned immediately after purchase with the proper documentation. The business purpose of the purchase will be documented on the receipt. The Finance Officer will review all P-Card receipts for proper documentation prior to payment of P-Card statements. Purchases without the required documentation will be reimbursed by the employee that signed out the card.

Responsible Parties: Town Finance Officer and Town Board

Timeframe for Completion: May 2026

Finding 3: Undocumented Mileage Reimbursement

Corrective Action:

- The present Board will review and revise current Conflict of Interest and Purchasing and Procurement Policies to assure they align with NCGS 159 and address how Town expenditures will be pre-audited, approved, and processed. All updates to the policies will be communicated to current and future employees and Board members by the Finance Officer. Employees and Board members will acknowledge by signature receipt of the policies and procedures.
- Mileage reimbursements will only be made for legitimate business travel approved by the department head and finance officer on Town mileage reimbursement form. Such expenditures will document the employee traveling, the business purpose, date(s) of travel, location of travel, and total mileage. The Finance Officer will review the mileage reimbursement form for all required documentation and reasonableness before approving the expenditure for payment.
- Town Board travel reimbursements will be reviewed and approved by the Mayor and Finance Officer and will require supporting documentation as outlined above.

Responsible Parties: Town Finance Officer and Town Board

Timeframe for Completion: May 2026

Finding 4: Payments to vendors without adequate support

Corrective Action:

- The present Board will review and revise current Conflict of Interest and Purchasing and Procurement Policies to assure they align with NCGS 159 and address how Town expenditures will be pre-audited, approved, and processed. All updates to the policies will be communicated to current and future employees and Board members by the

Finance Officer. Employees and Board members will acknowledge by signature receipt of the policies and procedures.

- The Finance Officer will ensure that Department Heads follow the Town policies regarding purchase requisitions, purchase orders, and the quote process for all Town purchases that fall in the threshold requiring quotes and RFQs. All written quotes will be submitted and reviewed by the Finance Officer before a purchase order is created and approved.

Responsible Parties: Town Finance Officer and Town Board

Timeframe for Completion: **May 2026**

Finding 5: Unauthorized Bonus payments paid through Accounts Payable

Corrective Action:

- The Finance Officer will ensure that IRS guidelines are followed for payments to employees regarding tax withholding.
- Bonus payments will be approved by the Town Board and will be included in the Town budget as required under NCGS 159.

Responsible Parties: Town Finance Officer and Town Board

Timeframe for Completion: **Completed**

Other Recommendation: Escheats

Corrective Action:

The town will review outstanding checks and work with the North Carolina Department of Revenue through the Voluntary Disclosure Program to remit any unclaimed funds to the State Treasurer.

Responsible Parties: Town Finance Officer

Timeframe for Completion: **July 2026**

Other Recommendation: Finance Officer Vacancy

Corrective Action:

The Town has hired a Finance Officer to assist the Town in getting their financial records and policies up to date.

Responsible Parties: Town Board

Timeframe for Completion: **Complete**

Other Recommendation: Past Due Financial Statements

Corrective Action:

The Town has engaged a third-party CPA to assist with the close out process for the past due unaudited fiscal years and is in the process of obtaining bids from audit firms to complete those audits.

Responsible Parties: Town Board, Finance Officer, third-party CPA

Timeframe for Completion: June 2027

Other Recommendations: Registration of utility trailer

The current Mayor will contact the former Mayor to ensure the necessary steps are taken to obtain title and complete the registration process for the utility trailer.

Responsible Parties: Mayor and Finance Officer

Timeframe for Completion: April 2026

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Wheeler", with a long, sweeping underline.

Mayor Gil Wheeler
Town of Elm City

Revised Response from the Town of Elm City



Town of Elm City

117 S RAILROAD ST · ELM CITY, NORTH CAROLINA 27822 · PHONE: 252-236-4917 · FAX: 252-236-3970

MAYOR
Gil Wheeler

MAYOR PRO TEM
Linda O'Boyle

BOARD OF
COMMISSIONERS
Julie Branstetter
Lin Jones
Gabe Merando
Bud Pittman

FINANCE OFFICER
Amy Stack

TOWN ATTORNEY
Slade Rand

March 19, 2026

North Carolina Office of the State Auditor
20601 Mail Service Center
Raleigh, NC 27699

Dear Mr. David Boliek,

Thank you for the opportunity to revise The Town's response to the Office of the State Auditor's recommendations. Below is a list of the recommendations which needed clarification and the Town's responses to each:

#2 - Recommendation

The Town's Finance Officer should ensure that no payments are made to "insiders," such as the Mayor, Commissioners, Town Administrator, Finance Officer, and other key employees, unless there is clear documentation that the Board has approved the transaction.

Corrective action:

The Town of Elm City acknowledges and agrees with this recommendation, no payments will be made to "insiders," such as the Mayor, Commissioners, Town Administrator, Finance Officer, and other key employees, unless there is clear documentation that the Board has approved the transaction. Review of the purchase policy will be conducted by the Mayor, Board, and Finance Officer within 60 days, and if needed the policy will be updated to reflect this decision.

#3 - Recommendation

The Town's Finance Officer should provide training to all staff, including the Mayor and Board, on proper purchasing practices which adhere to the Town's Purchasing Policy.

Corrective action:

The Town of Elm City acknowledges and agrees with this recommendation, The Town's Finance Officer will provide training to all staff, including the Mayor and Board, on proper purchasing practices which adhere to the Town's Purchasing Policy. Review of the Purchase Policy will be conducted by the Mayor, Board, and Finance Officer within 60 days, prior to any training by the Finance Officer to utilize the most recent approved version.

#6 - Recommendation

The Town's Board should revise the Travel Policy to explicitly require supporting documentation, such as the mileage reimbursement form, for mileage reimbursements. The policy should include review and approval of the supporting documentation by the employee's supervisor. The policy should also indicate who is responsible for reviewing and approving mileage reimbursements for Board members.

Corrective Action:

The Town of Elm City acknowledges and agrees with this recommendation, The Town's Board will revise the Travel Policy to explicitly require supporting documentation, such as the mileage reimbursement form, for mileage reimbursements. The policy will also include, review and approval of the supporting documentation by the Mayor and Finance Officer. The policy will indicate that the Finance Officer will be responsible for reviewing and approving mileage reimbursements for the Mayor and Board members.

#10 - Recommendation

The Town's Board should review the P-Card purchases that do not have an itemized receipt to support the purchase and seek reimbursement from cardholder if a receipt cannot be obtained. The Town's Board should use all available resources to determine who made the purchase for any transaction made using a department or a former employee's P-Card.

Corrective Action:

The Town of Elm City acknowledges and agrees to this recommendation. The Town Board is currently reviewing the P-Card purchases that do not have an itemized receipt to support the purchase and will seek reimbursement from cardholders if a receipt cannot be obtained once this review has concluded. The Town's Board is using all available resources to determine who made the purchases for any transaction made using a department or a former employee's P-Card.

#12 - Recommendation

The Finance Officer should establish an account with a fuel card provider and assign a fuel card to each Town vehicle, as required by the Town’s Purchasing Policy.

Corrective Action:

The Town of Elm City acknowledges and agrees with this recommendation. The Town Finance Officer and Mayor will research viable options to obtain a fuel card and make recommendations to the Board. Review of the Purchase Policy will be conducted by the Mayor, Board, and Finance Officer within 60 days, and if needed the policy will be updated to reflect any changes regarding fuel cards.

#13 - Recommendation

Once fuel cards are assigned to Town vehicles, the Board should actively enforce Town policies, including taking disciplinary action on P-Card users who continue to use their P-Card for fuel or other inappropriate purchases.

Corrective action:

The Town of Elm City acknowledges and agrees with this recommendation, the Board will actively enforce Town policies, including taking disciplinary action on P-Card users who continue to use their P-Card for fuel or other inappropriate purchases. A review of the Purchase Policy will be conducted by the Mayor, Board, and Finance Officer within 60 days, and if needed the policy will be updated to reflect this decision.

#14 - Recommendation

The Town’s Board should establish policies requiring Board approval for all employee bonus payments.

Corrective action:

The Town of Elm City acknowledges and agrees with this recommendation, The Town’s Board will establish policies within 60 days, requiring Board approval for all employee bonus payments

#17 - Recommendation

The Town’s Board should establish policies and procedures for the Finance Department related to the handling of unclaimed funds, including ensuring that unclaimed funds are properly remitted to the State Treasurer each year.

Corrective action:

The Town of Elm City acknowledges and agrees with this recommendation, Within 60 days, the Town’s Board will establish policies and procedures for the Finance Department related to the

handling of unclaimed funds, including ensuring that unclaimed funds are properly remitted to the State Treasurer each year.

#19 - Recommendation

The Town's Board should ensure that future financial statement audits are submitted to the LGC timely.

Corrective action:

The Town of Elm City acknowledges and agrees with this recommendation, The town is currently working with Beverley Stroud (CPA) and is in the process of obtaining an Auditor to complete the previous and current yearly audits. The Town has received two quotes for service from Auditors and is expecting a third within 30 days. This is a priority of this administration and will be completed in a timely manner.

Again, we appreciate the opportunity to revise our original response to your concerns. Please let me know if there is any other information you need to complete your report.

Thank you,



Mayor Gil Wheeler

Appendix A: Mileage Reimbursements

Check Date	Employee	Amount	Mileage Reimbursement Form?
6/8/2023	Former Mayor/Town Administrator	\$ 98.07	No
7/11/2023	Billing Clerk	\$ 45.85	Yes
8/10/2023	Billing Clerk	\$ 121.18	Yes
8/24/2023	Former Mayor/Town Administrator	\$ 90.39	No
8/24/2023	Billing Clerk	\$ 85.15	Yes
9/21/2023	Billing Clerk	\$ 90.39	Yes
11/1/2023	Former Mayor/Town Administrator	\$ 94.32	No
11/29/2023	Former Mayor/Town Administrator	\$ 155.41	No
12/14/2023	Former Mayor/Town Administrator	\$ 57.38	No
12/14/2023	Billing Clerk	\$ 16.37	Yes
1/8/2024	Billing Clerk	\$ 20.30	Yes
6/18/2024	Former Mayor/Town Administrator	\$ 242.56	Yes
7/18/2024	Former Mayor/Town Administrator	\$ 91.39	Yes
7/31/2024	Former Mayor/Town Administrator	\$ 201.62	Yes
9/12/2024	Former Mayor/Town Administrator	\$ 48.16	Yes
9/25/2024	Former Mayor/Town Administrator	\$ 43.59	Yes
11/13/2024	Former Mayor/Town Administrator	\$ 66.61	Yes
12/4/2024	Former Mayor/Town Administrator	\$ 268.25	Yes
12/18/2024	Former Finance Officer	\$ 29.54	Yes
3/26/2025	Former Mayor/Town Administrator	\$ 198.21	Yes
3/26/2025	Former Finance Officer	\$ 155.12	Yes
3/26/2025	Former Commissioner	\$ 18.20	Yes
4/9/2025	Billing Clerk	\$ 21.00	Yes
5/14/2025	Former Mayor/Town Administrator	\$ 146.10	Yes
5/21/2025	Former Finance Officer	\$ 141.40	Yes
5/27/2025	Former Mayor/Town Administrator	\$ 94.01	Yes
5/27/2025	Billing Clerk	\$ 137.20	Yes
Totals	27 Mileage Reimbursements	\$ 2,777.77	

Appendix B: P-Card Transactions that did not contain an itemized receipt to support the purchase

#	Date	Description	Amount
1	6/1/2023	ADVANTAGE RENTAL 252-291-9600 NC	\$ 180.31
2	6/13/2023	SHORT STOP 6162020268 ELM CITY NC	\$ 69.00
3	6/13/2023	SHORT STOP 6162020268 ELM CITY NC	\$ 12.90
4	6/18/2023	AMZN Mktp US*FF3FV07F3 Amzn.com/bill WA	\$ 110.80
5	6/24/2023	AMZN Mktp US*GF3BN44C3 Amzn.com/bill WA	\$ 67.23
6	7/13/2023	SHORT STOP 61 2522364747 NC	\$ 93.27
7	7/13/2023	SHORT STOP 61 2522364747 NC	\$ 56.17
8	7/27/2023	SHORT STOP 61 2522364747 NC	\$ 94.08
9	8/3/2023	SHORT STOP 61 2522364747 NC	\$ 93.00
10	8/3/2023	SHORT STOP 61 2522364747 NC	\$ 15.46
11	8/15/2023	HARRAHS HOTELS ADV DEP 8284977777 NC	\$ 121.54
12	8/16/2023	SHORT STOP 61 2522364747 NC	\$ 100.00
13	8/23/2023	SHORT STOP 61 2522364747 NC	\$ 96.65
14	9/1/2023	SHORT STOP 61 2522364747 NC	\$ 43.45
15	9/1/2023	SHORT STOP 61 2522364747 NC	\$ 81.10
16	9/1/2023	SHORT STOP 61 2522364747 NC	\$ 58.20
17	9/1/2023	SHORT STOP 61 2522364747 NC	\$ 80.55
18	9/5/2023	ELM CITY FRIENDLY MART ELM CITY NC	\$ 23.05
19	9/14/2023	SAMSClub #4946 ROCKY MOUNT NC	\$ 288.16
20	9/15/2023	SHORT STOP 61 2522364747 NC	\$ 100.00
21	9/19/2023	ELM CITY FRIENDLY MART ELM CITY NC	\$ 136.88
22	9/22/2023	SHORT STOP 61 2522364747 NC	\$ 55.90
23	10/14/2023	AMAZON.COM*TE2NH8RE1 SEATTLE WA	\$ 66.11
24	10/18/2023	BUILDERS DISCNT ROCKYMNT 242-442-2674 NC	\$ 96.08
25	10/18/2023	BUILDERS DISCNT ROCKYMNT ROCKY MOUNT NC	\$ 384.29
26	11/7/2023	EXXON ROSE MART #365 ELM CITY NC	\$ 116.07
27	11/29/2023	SHORT STOP 61 2522364747 NC	\$ 23.55
28	12/7/2023	SAMS CLUB #4946 ROCKY MOUNT NC	\$ 264.57
29	12/10/2023	DOLLARTREE ELM CITY NC	\$ 50.71
30	12/10/2023	DOLLAR GENERAL #22045 ELM CITY NC	\$ 18.68
31	12/12/2023	DOLLARTREE ELM CITY NC	\$ 32.03
32	12/12/2023	DOLLAR GENERAL #22045 ELM CITY NC	\$ 15.37
33	1/2/2024	AMZN MKTP US*GK4658NM3 SEATTLE WA	\$ 32.00
34	1/18/2024	ROLLING TIRE WILSON NC	\$ 487.88
35	1/30/2024	AMZN Mktp US*R24786OW2 Amzn.com/bill WA	\$ 71.10

36	1/30/2024	BYNUMS AUTO AND SERVICE WILSON NC	\$ 439.81
37	3/18/2024	ELM CITY FRIENDLY MART ELM CITY NC	\$ 137.00
38	3/18/2024	ELM CITY FRIENDLY MART ELM CITY NC	\$ 21.35
39	8/28/2024	SHORT STOP 61 ELM CITY NC	\$ 57.95
40	9/6/2024	SHORT STOP 61 ELM CITY NC	\$ 19.10
41	9/11/2024	SHORT STOP 61 ELM CITY NC	\$ 3.73
42	9/13/2024	PERFORMANCE SMALL ENGINE 252-4431740 NC	\$ 263.65
43	10/10/2024	SHORT STOP 61 ELM CITY NC	\$ 98.45
44	11/1/2024	Google GSUITE_elmcitync.c650-2530000 CA	\$ 57.60
45	3/22/2025	STATE FARM INSURANCE 800-956-6310 IL	\$ 560.00
46	4/5/2025	SHORT STOP 61 2522364747 NC	\$ 85.00
47	4/5/2025	SHORT STOP 61 2522364747 NC	\$ 60.00
48	4/5/2025	SHORT STOP 61 2522364747 NC	\$ 49.77
49	4/5/2025	SHORT STOP 61 2522364747 NC	\$ 76.32
50	4/21/2025	SPEEDWAY 47082 SHARPSBURG NC	\$ 14.39
51	5/9/2025	AMAZON MKTPL*NI4JF2LF1 Amzn.com/bill WA	\$ 14.93
52	5/9/2025	SPEEDWAY 47082 SHARPSBURG NC	\$ 24.62
53	5/22/2025	BYNUMS AUTO AND SERVICE WILSON NC	\$ 54.98
54	6/3/2025	DON'S BICYCLE SALES & WILSON NC	\$ 50.00
Total:			\$ 5,724.79

Appendix C: Bonus Payments

Date	Employee Position	Amount	Payment Type	Documented Board Approval?
12/18/2023	Six Unknown Employees	\$ 600.00	Gift Cards	No
12/18/2023	Former Mayor/Town Administrator	\$ 200.00	Gift Card	No
12/18/2023	Former Finance Officer	\$ 100.00	Gift Card	No
12/18/2023	Former Town Clerk	\$ 100.00	Gift Card	No
12/18/2023	Billing Clerk 1	\$ 100.00	Gift Card	No
12/18/2023	Billing Clerk 2	\$ 100.00	Gift Card	No
06/27/2024	Former Mayor/Town Administrator	\$ 750.00	Check	Yes
06/27/2024	Former Public Works Superintendent	\$ 750.00	Check	Yes
06/27/2024	Former Finance Officer	\$ 500.00	Check	Yes
06/27/2024	Former Town Clerk	\$ 400.00	Check	Yes
06/28/2024	Billing Clerk 1	\$ 400.00	Check	Yes
06/28/2024	Former Mayor/Town Administrator	\$ 250.00	Check	Yes
06/28/2024	Former Public Works/Maintenance 1	\$ 150.00	Check	Yes
06/28/2024	Train Depot Maintenance	\$ 150.00	Check	Yes
06/28/2024	Billing Clerk 2	\$ 150.00	Check	Yes
06/30/2024	Zoning Officer	\$ 400.00	Check	Yes
12/23/2024	Former Mayor/Town Administrator	\$ 100.00	Check	No
12/23/2024	Former Town Clerk	\$ 100.00	Check	No
12/23/2024	Former Finance Officer	\$ 100.00	Check	No
12/23/2024	Billing Clerk 1	\$ 100.00	Check	No
12/23/2024	Billing Clerk 2	\$ 100.00	Check	No
12/23/2024	Train Depot Maintenance	\$ 100.00	Check	No
12/23/2024	Zoning Officer	\$ 100.00	Check	No
12/23/2024	Former Public Works Superintendent	\$ 100.00	Check	No
12/23/2024	Public Works/Maintenance 2	\$ 100.00	Check	No
12/23/2024	Former Public Works/Maintenance 3	\$ 100.00	Check	No
12/23/2024	Public Works/Maintenance 4	\$ 100.00	Check	No
12/23/2024	Public Works/Maintenance 5	\$ 100.00	Check	No
12/23/2024	Former Public Works/Maintenance 6	\$ 100.00	Check	No
05/14/2025	Former Finance Officer	\$ 1,000.00	Check	Yes
06/18/2025	Former Mayor/Town Administrator	\$ 1,000.00	Check	Yes
06/18/2025	Billing Clerk 1	\$ 300.00	Check	Yes
06/18/2025	Billing Clerk 2	\$ 200.00	Check	Yes
06/18/2025	Train Depot Maintenance	\$ 500.00	Check	No
Totals	39 Bonus Payments	\$ 9,400.00		
	25 Bonus Payments without Board Approval	\$ 3,000.00		

Ordering Information

Copies of this report may be obtained by contacting:



Office of the State Auditor
State of North Carolina
20601 Mail Service Center
Raleigh, North Carolina 27699

Telephone: 919-807-7500
Fax: 919-807-7647
Internet: www.auditor.nc.gov

**To report alleged incidents of fraud, waste or abuse in state government
contact the Office of the State Auditor's Tipline:**

Telephone: 1-800-730-8477

Internet: www.auditor.nc.gov/about-us/state-auditors-tipline

OSA maintains strict confidentiality when handling personally identifiable and other sensitive information in accordance with State and federal law. OSA takes all necessary precautions to ensure that sensitive information is not compromised or improperly shared.

This Investigative Report is based on the limited information available to OSA at this time and is not exhaustive. Additionally, this investigation does not preclude the potential for future allegations, whether similar or different in nature, from being subject to investigation or audit by OSA. This report does not constitute an audit or attestation engagement conducted in accordance with generally accepted government auditing standards.

A copy of this Investigative Report has been provided to the Town of Elm City's leadership and published online for review by the residents of the Town of Elm City and all citizens of North Carolina.