

# STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA



## HERTFORD COUNTY

WINTON, NORTH CAROLINA

INVESTIGATIVE REPORT  
FEBRUARY 2023



**NCOSA**  
The Taxpayers' Watchdog

# EXECUTIVE SUMMARY

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## **PURPOSE**

The North Carolina Office of the State Auditor received two allegations through its Hotline concerning Hertford County (County) and initiated an investigation.

## **BACKGROUND**

Hertford County was established in 1759 and is located in northeastern North Carolina with administrative offices in Winton.<sup>1</sup> The Board of Commissioners (Board) is the chief legislative and policy making body of Hertford County government and consists of five members. The Commissioners serve four-year staggered terms and appoint the Chair and Vice-Chair from among Board membership during the annual organizational meeting in December.<sup>2</sup>

The Hertford County Board of Elections is composed of five members who are registered voters in Hertford County (County). Every two years, the State Board of Elections appoints four members, two Democrats and two Republicans, and the Governor appoints the Chair.<sup>3</sup> The Board is responsible for conducting all elections held in the County, as well as maintaining voter registration and voting records. The County Board of Elections is state governed and receives its funding from the State Board of Elections and the County.<sup>4</sup>

The Director of Elections (Director) for Hertford County reports to the County Board of Elections and oversees one permanent part-time employee.<sup>5</sup> The Director is hired, terminated, and managed by the Hertford County Board of Elections, which has chosen to follow the Hertford County *Personnel Policy* and *Fiscal Procedures Manual*.

## **KEY FINDING**

The Director of Elections for Hertford County purchased services from a company owned by the former Chairman<sup>6</sup> of the Hertford County Board of Commissioners in violation of County policy. The former Chairman's company was paid a total of \$19,995 by Hertford County.

## **KEY RECOMMENDATIONS**

- The Hertford County Board of Elections should consider disciplinary action for the Director of Elections for her violation of the County *Fiscal Procedures Manual*.
- The Hertford County Board of Commissioners should develop a method to ensure that all companies in which Commissioners have an ownership interest are disclosed. The disclosures should be updated annually.
- The Hertford County Finance Director should ensure that all procurements are in compliance with the County *Fiscal Procedures Manual*.

*Key findings and recommendations are not inclusive of all findings and recommendations in the report.*

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<sup>1</sup> [https://www.hertfordcountync.gov/community/history\\_and\\_location.php](https://www.hertfordcountync.gov/community/history_and_location.php)

<sup>2</sup> [https://www.hertfordcountync.gov/government/county\\_commissioners/index.php](https://www.hertfordcountync.gov/government/county_commissioners/index.php)

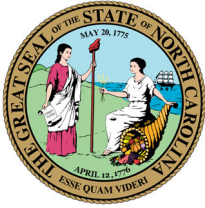
<sup>3</sup> <https://www.ncsbe.gov/about-elections/county-boards-elections>

<sup>4</sup> The County receives funding from the State Board of Elections during presidential election years.

<sup>5</sup> The Director oversees one permanent part-time employee and 60 part time, temporary poll workers during elections.

<sup>6</sup> The former Chairman was replaced as Chairman on December 5, 2022 and currently serves as a Commissioner.

STATE OF NORTH CAROLINA  
**Office of the State Auditor**



**Beth A. Wood, CPA**  
State Auditor

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## **AUDITOR'S TRANSMITTAL**

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The Honorable Roy Cooper, Governor  
Members of the North Carolina General Assembly  
Hertford County Board of Commissioners

Ladies and Gentlemen:

Pursuant to North Carolina General Statutes § 147-64.6(c)(16) and § 147-64.6B, we have completed an investigation of allegations concerning Hertford County. The results of our investigation, along with recommendations for corrective action, are contained in this report.

Copies of this report have been provided to the Governor, the Attorney General, and other appropriate officials in accordance with N.C.G.S. § 147-64.6(c)(12). We appreciate the cooperation received from the management and employees of Hertford County during our investigation.

Respectfully submitted,

A handwritten signature in black ink, reading "Beth A. Wood".

Beth A. Wood, CPA  
State Auditor

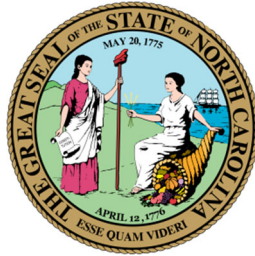


**Beth A. Wood, CPA**  
**State Auditor**

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# BACKGROUND

The North Carolina Office of the State Auditor received two allegations through its Hotline concerning Hertford County (County) and initiated an investigation.

Our investigation of these allegations included the following procedures:

- Review of the County *Fiscal Procedures Manual*.
- Examination and analysis of available documentation related to the allegations.
- Interviews with the County officials and County personnel.

This report presents the results of the investigation. The investigation was conducted pursuant to North Carolina General Statutes § 147-64.6(c)(16) and § 147-64.6B.

### *Hertford County Government*

Hertford County (County) was established in 1759 and is located in northeastern North Carolina with administrative offices in Winton.<sup>7</sup> The Board of Commissioners is the chief legislative and policy making body of the County government and consists of five members. The Commissioners serve four-year staggered terms and appoint the Chair and Vice-Chair from among Board membership during the annual organizational meeting in December.<sup>8</sup>

The County operates under a county-manager form of government, in which the Board of Commissioners appoint the County Manager. The County Manager serves as the chief administrator of the County. The County Manager is responsible for the day-to-day operations of the county and supervises all departments under the Board's control.<sup>9</sup>

The County Manager is responsible for overseeing the Finance Department. The Finance Director, who is the head of the Finance Department, is responsible for ensuring that the Finance Department is carrying out its responsibilities in accordance with the Local Government Budget and Fiscal Control Act.<sup>10</sup>

The former Finance Director mentioned in this report was employed from August 10, 2020, through October 6, 2021.

### *Hertford County Board of Elections*

The Hertford County Board of Elections is composed of five members who are registered voters in the County. Every two years, the **State** Board of Elections appoints four members, two Democrats and two Republicans, and the Governor appoints the Chair.<sup>11</sup> The County Board of Elections is responsible for conducting all elections held in the County, as well as maintaining voter registration and voting records. The County Board of Elections is **state-governed** and receives its funding from the State Board of Elections and the County.<sup>12</sup>

<sup>7</sup> [https://www.hertfordcountync.gov/community/history\\_and\\_location.php](https://www.hertfordcountync.gov/community/history_and_location.php)

<sup>8</sup> [https://www.hertfordcountync.gov/government/county\\_commissioners/index.php](https://www.hertfordcountync.gov/government/county_commissioners/index.php)

<sup>9</sup> [https://www.hertfordcountync.gov/government/county\\_manager.php](https://www.hertfordcountync.gov/government/county_manager.php)

<sup>10</sup> Chapter 159 of the North Carolina General Statutes.

<sup>11</sup> <https://www.ncsbe.gov/about-elections/county-boards-elections>

<sup>12</sup> The County receives funding from the State Board of Elections during presidential election years.

The Director of Elections for Hertford County reports to the County Board of Elections and oversees one permanent part-time employee.<sup>13</sup> The County Board of Elections has chosen to follow the County *Personnel Policy* and *Fiscal Procedures Manual*.

During the 2020 General Election, Hertford County (County) hosted two one-stop early voting locations. These early voting locations were open from October 15 through October 31, 2020. The early voting locations were at the Hertford County Board of Elections Office in Ahoskie, NC and the Murfree Community Center in Murfreesboro, NC.

On Election Day, November 3, 2020, Hertford County hosted 13 polling places. Residents were required to vote at the polling place assigned on their voter registration card on Election Day.

### **Timeline of Events for the Director's Purchase of Services from the Former Chairman**

Investigators reviewed board minutes, emails, invoices received, payments made, and other documentation related to the purchase of services from the former Chairman.<sup>14</sup> The following time line is based on the review of those items.

- July 9, 2020 – Hertford County Board of Elections stated that they wanted the Director of Elections to obtain a quote from ServPro, a national cleaning and restoration company, due to the COVID-19 pandemic.
- July 10, 2020 – Creation date for RA Enterprises, LLC. The Articles of Incorporation are filed with the North Carolina Secretary of State. The former Chairman of the Board of Commissioners is listed as the President of RA Enterprises, LLC.
- July 28, 2020 – RA Enterprises, LLC was set up as a new vendor in Hertford County's financial system at the request of the Director of Elections. This occurred before any quotes from RA Enterprises, LLC or ServPro were received.

**Investigator Note:** The Director told investigators, "I needed to go ahead and make sure that we had a vendor in place because where we live in the northeastern part of the state, vendors were slim. So, I needed to go ahead and it was only two [vendors]." However, ServPro was **never** set up as a vendor.

- July 30, 2020 – The Director of Elections received the first RA Enterprises, LLC quote for \$1,311. This quote was limited to sanitizing and disinfecting **only** the County Board of Elections office.
- August 24, 2020 – The Director of Elections received ServPro's quote for \$6,900 for sanitizing 13 polling places and the Board of Elections office.

**Investigator Note:** Bids should have been solicited for the services since the cost exceeded \$5,000. However, the Director of Elections ignored the quote received from ServPro and proceeded to conduct business solely with RA Enterprises, LLC.

- August 28, 2020 – The Director of Elections received the second RA Enterprises, LLC quote for \$1,241. This quote was limited to sanitizing and disinfecting the two one-stop early voting locations on October 14, 2020.

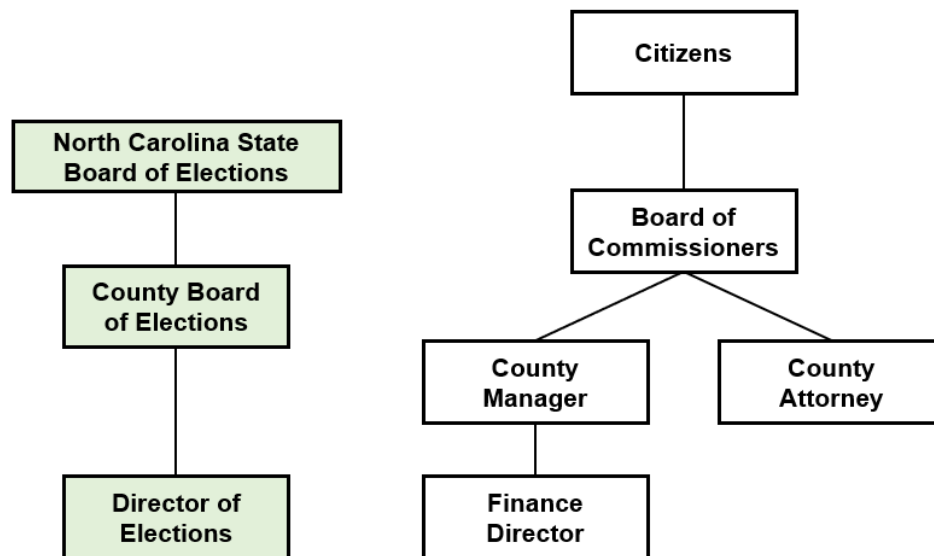
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<sup>13</sup> The Director oversees one permanent part-time employee and 60 part-time, temporary poll workers during elections.

<sup>14</sup> The former Chairman was replaced as Chairman on December 5, 2022 and currently serves as a Commissioner.

- October 27, 2020 – The Director of Elections received the third and fourth RA Enterprises, LLC quotes. The third quote was for \$7,011 and included 182 hours of sanitizing and disinfecting services for each of the two one-stop early voting locations. The fourth quote for \$10,342 was for sanitizing and disinfecting 13 polling places before and after the General Election on November 3, 2020 (Election Day).

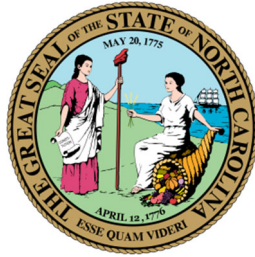
See below for the organizational structure of positions mentioned in this report as of June 30, 2021.



**Legend:**

The Hertford County Board of Elections is State governed and receives its funding from the State Board of Elections and the County. There is no reporting relationship to the County Manager, but the County Board of Elections has chosen to follow the County *Personnel Policy* and *Fiscal Procedures Manual*.





# **FINDINGS AND RECOMMENDATIONS**

## **HERTFORD COUNTY DIRECTOR OF ELECTIONS PURCHASED SERVICES IN VIOLATION OF COUNTY POLICY**

The Director of Elections (Director) for Hertford County (County) purchased services from a company owned by the former Chairman<sup>15</sup> of the County Board of Commissioners (former Chairman) in violation of County policy. The former Chairman's company was paid a total of \$19,995 by the County.

As a result, the County cannot ensure that favoritism, corruption, and fraud was not present in the purchasing process.

The County *Fiscal Procedures Manual* requires **multiple quotes**<sup>16</sup> be obtained for services **under \$5,000** or that **bids are solicited** for services **over \$5,000**. The *Fiscal Procedures Manual* also **prohibits** the County from purchasing items or services from its employees.<sup>17</sup>

### **Purchased Services in Violation of County Policy**

The Director procured cleaning services by approving four purchase orders from a company<sup>18</sup> owned by the former Chairman,<sup>19</sup> RA Enterprises, LLC. From August 2020 through November 2020, the County made four payments totaling \$19,995 to RA Enterprises, LLC for cleaning and sanitizing services.

The Director failed to follow the County *Fiscal Procedures Manual* while purchasing services from the former Chairman's company. Specifically, the Director:

- Approved purchase orders for services from the former Chairman's company despite the County's prohibition against purchasing from a company in which a county employee has a financial interest.
- Failed to obtain quotes from other vendors for services under \$5,000.<sup>20</sup>
- Failed to solicit competitive bids for services over \$5,000.<sup>21</sup>

<sup>15</sup> The former Chairman was replaced as Chairman on December 5, 2022 and currently serves as a Commissioner.

<sup>16</sup> Article I Section 3 of the County *Fiscal Procedures Manual* requires that 3 quotes must be obtained for purchases over \$1,000 but less than \$5,000. In cases where available or appropriate vendors are limited, every effort will be made to obtain price quotes from at least two (2) vendors. In cases where the item or service is only available from a single source, this information must be stated on the purchase requisition.

<sup>17</sup> The former Chairman of the County Board of Commissioners was a County employee.

<sup>18</sup> RA Enterprises, LLC filed their Articles of Organization with the North Carolina Secretary of State on July 10, 2020. The former Chairman was listed as the President of the company.

<sup>19</sup> The former Chairman was first elected as a County Commissioner in 2010 and has served on the Board of Commissioners since that time.

<sup>20</sup> The quote obtained from ServPro on August 24, 2020 was for sanitizing 13 polling places and therefore was not comparable to the first or second RA Enterprises, LLC invoices which were only for sanitizing the County Elections office and the two early voting sites, respectively.

<sup>21</sup> The Director did obtain a quote from ServPro that was comparable to the fourth RA Enterprises, LLC quote. However, bids should have been solicited as the purchase was over \$5,000. Therefore, the ServPro quote did not meet the County *Fiscal Procedures Manual* competition requirements.

## FINDINGS AND RECOMMENDATIONS

The Director approved invoices for payment from RA Enterprises, LLC for cleaning services on four separate occasions as detailed in **Table 1** below.

**Table 1 – RA Enterprises, LLC Purchases  
Hertford County Board of Elections  
August 2020 through November 2020**

Invoice Date	Amount	Services Performed	Fiscal Procedures Manual Reference
August 11, 2020	\$1,311	Cleaning and sanitization of the County Board of Elections office.	Article I Section 3 – Purchases of \$1,000 to \$5,000
October 20, 2020	\$1,241	Cleaning and sanitization of two one-stop early voting locations on October 14, 2020, the day before early voting started.	Article I Section 3 – Purchases of \$1,000 to \$5,000
November 9, 2020	\$7,011	Cleaning and sanitization of two one-stop early voting locations daily from October 15 through October 31, 2020.	Article I Section 4 – Purchases of \$5,000+
November 11, 2020	\$10,432	Cleaning and sanitation of 13 polling places before and after the General Election on November 3, 2020.	Article I Section 4 – Purchases of \$5,000+
<b>Total</b>	<b>\$19,995</b>		

The Director failed to follow the County *Fiscal Procedures Manual* in three ways.

**1. Purchased services from a County employee**

The Director violated the County *Fiscal Procedures Manual*, which states that purchases from companies in which County employees have a financial interest are not permitted. The Director's approval of four purchase orders allowed the former Chairman's company to receive \$19,995 of County funds. The former Chairman was an employee as he received a salary from the Town.

**2. Approved purchase orders under \$5,000 without quotes from competitors**

The Director could not provide any evidence that she obtained competing quotes for the two "under \$5,000" procurements before approving the first two purchase orders for RA Enterprises, LLC. The Director also failed to document the reason why competing quotes were not obtained for the two "under \$5,000" procurements.

The Director's failure to solicit additional quotes before approving the two purchase orders for RA Enterprises, LLC was in violation of the County *Fiscal Procedures Manual's* requirements for competition.

### 3. Approved purchase orders over \$5,000 without soliciting competitive bids<sup>22</sup>

The Director did not solicit competitive bids before approving the second two purchase orders for RA Enterprises, LLC. Instead, she simply requested quotes from RA Enterprises, LLC and ServPro even though competitive bidding was required.

The Director was unable to provide any evidence that she obtained competing bids. Additionally, there was no documented reason for the approval of the purchase orders for RA Enterprises, LLC without competition.

The Director's failure to solicit competitive bids before approving the two purchase orders for RA Enterprises, LLC was in violation of the County *Fiscal Procedures Manual's* requirements for competition.

#### **Resulted in the Loss of Integrity in the Purchasing Process**

The Director's approval of four purchase orders without competition increased the risk of favoritism, corruption, and fraud in the purchasing process.

Seeking competition in local government purchasing is important to maintain the integrity of the purchasing process. According to the North Carolina Supreme Court, the purpose of competition in local government purchasing is:

[T]o prevent favoritism, corruption, fraud, and imposition in the awarding of public contracts by giving notice to prospective bidders and thus assuring competition which in turn guarantees fair play and reasonable prices in contracts involving the expenditure of a substantial amount of public money.<sup>23</sup>

#### **Also Resulted in Missed Opportunity to Obtain the Services at a Potentially Lower Cost**

The County may have been able to obtain the cleaning services at a lower cost if the Director had followed the County *Fiscal Procedures Manual*, which required price quotes from three vendors<sup>24</sup> for services under \$5,000 and competitive bidding<sup>25</sup> for services over \$5,000.

#### **The Director Could Not Provide a Cause**

The Director could not explain her reasoning for selecting RA Enterprises, LLC for cleaning services. She stated "I don't have an answer for that. I don't."

The Director acknowledged that she and the former Chairman were personal friends.

The Director told investigators that she was unaware that the former Chairman was one of the owners of RA Enterprises, LLC. However, the Director exchanged three emails with RA Enterprises, LLC that **included the former Chairman's name as the sender on the emails.**

<sup>22</sup> The Director did obtain a quote from ServPro that was comparable to the fourth RA Enterprises, LLC quote. However, bids should have been solicited as the purchase was over \$5,000. Therefore, the ServPro quote did not meet the County *Fiscal Procedures Manual* competition requirements.

<sup>23</sup> Mullen v. Town of Louisburg, 225 N.C. 53, 58–59, 33 S.E.2d 484, 487 (1945).

<sup>24</sup> Article I Section 3 of the County *Fiscal Procedures Manual*.

<sup>25</sup> Article I Section 4 of the County *Fiscal Procedures Manual*.

### **Also Due to the Former Finance Director's Failure to Ensure Compliance**

In Hertford County, the Finance Director is responsible for ensuring that all purchases are made in accordance with the *Fiscal Procedures Manual*. However, the former Finance Director failed to ensure that all four purchase orders submitted by the Director were in compliance with the County *Fiscal Procedures Manual* before giving approval. Specifically, the former Finance Director failed to confirm that the Director:

- Did not approve purchases from a company owned by a County employee.
- Obtained quotes from other vendors for purchases under \$5,000.<sup>26</sup>
- Solicited competitive bids for purchases over \$5,000.

### **Hertford County Fiscal Procedures Manual**

The County *Fiscal Procedures Manual* required all department heads to read and understand the *Fiscal Procedures Manual*. The Director of Elections for Hertford County is a department head.

The County *Fiscal Procedures Manual* contained the following requirements:

- 1) Article XII Section 7 states:

**Purchases from or through employees of the County or purchases from or through companies in which county employees have financial interest, either directly or indirectly is not permitted.** The purchasing power of the County shall not be used for private advantage or gain. (emphasis added)

- 2) Article I Section 3 states:

All purchases of \$1,000 and less than \$5,000 (individually or in total) must be made with the use of a purchase order issued by the Finance Director from a purchase requisition that must be approved and released by the County Manager [sic] Purchases and [sic] **must have price quotes from three (3) vendors.** (emphasis added)

- 3) Article I Section 4 states:

**Expenditure of funds of \$5,000.00** or more will be handled in accordance with the North Carolina General Statutes on informal and formal bidding. If the item can be obtained through state contracts, the three (3) required quotes would be waived (N.C.G.S. 143-129(c) (9). [sic] (emphasis added)

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<sup>26</sup> The Director did obtain a quote from ServPro that was comparable to the fourth RA Enterprises, LLC quote. However, bids should have been solicited as the purchase was over \$5,000. Therefore, the ServPro quote did not meet the County *Fiscal Procedures Manual* competition requirements.

While the County *Fiscal Procedures Manual* states that North Carolina General Statutes § 143-129 is used, the County Manager told investigators that the County actually followed North Carolina General Statutes § 143-131 for purchases over \$5,000,<sup>27</sup> which states:

All contracts ... for the purchase of apparatus, supplies, materials, or equipment, involving the expenditure of public money ... shall be made after informal bids have been secured .... It shall be the duty of any officer, department, board, local school administrative unit, or commission entering into such contract to keep a record of all bids submitted, and such record shall not be subject to public inspection until the contract has been awarded.

**The Director failed to follow either statute.**

### **Recommendations**

The Hertford County Board of Elections should consider disciplinary action for the Director of Elections for her violation of the County *Fiscal Procedures Manual*.

The Hertford County Board of Commissioners should develop a method to ensure that all companies in which Commissioners have an ownership interest are disclosed. The disclosures should be updated annually.

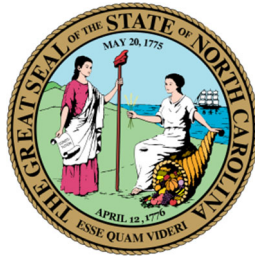
The Hertford County Board of Commissioners should be required to read, understand, and adhere to the Hertford County *Fiscal Procedures Manual*.

The Hertford County Finance Director should ensure that all procurements are in compliance with the County *Fiscal Procedures Manual*.

The Hertford County Board of Commissioners should ensure that its *Fiscal Procedures Manual* is revised to accurately reflect the procedures the County will follow related to procurement.

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<sup>27</sup> North Carolina General Statute § 143-131 sets the requirements for expenditures over \$30,000. The County followed this Statute for purchases over \$5,000.



# **RESPONSE FROM HERTFORD COUNTY**





**BOARD OF COMMISSIONERS**

Mr. André Lassiter, Chairman  
Mr. William F. Mitchell, Jr., Vice-Chairman  
Mr. Leroy Douglas

Mr. Ronald J. Gatling  
Mr. John D. Horton

January 18<sup>th</sup>, 2023

The Honorable Beth Wood, CPA  
State of North Carolina  
Office of the State Auditor  
20601 Mail Service Center  
Raleigh, North Carolina 27699-0600

Reference: Response to Draft of Investigative Report December 2022

Dear Ms. Wood:

This letter is in response to the draft of an investigative report and cover letter, which were provided to the County of Hertford Board of Commissioners on January 3<sup>rd</sup>, 2023. In closed session, representatives from the Office of the State Auditor presented and explained the findings to the County of Hertford Board of Commissioners.

The County of Hertford Board of Commissioners have reviewed and acknowledged the findings enumerated in the draft investigative report. Further, the County of Hertford Board of Commissioners have immediately and proactively implemented internal fiscal control measures to address the findings detailed in the draft investigative report. Based on the implemented policy revisions, the County of Hertford Board of Commissioners state, with a high degree of confidence, that there is a minimal risk of similar findings occurring in the future.

The *Hertford County Fiscal Procedures Manual* has been reviewed and updated (as of January 18<sup>th</sup>, 2023 / by the Finance Director) to include verbiage, which states: "Once quotes have been received and the department director has selected a vendor for the stated purchase, the department director will submit the Vendor Request Form (revised as of January 18<sup>th</sup>, 2023 / by the Finance Director) to the finance office. The revision to the Vendor Request Form includes an acknowledgement statement (completed by the submitting department director) as to the vendor's relationship to any Hertford County employee within the decision hierarchy. All quotes obtained from the respective vendors shall be attached to the requisition form for review by the finance office." The substantive edits are contained in Article 1, Section 3 of the *Hertford County Fiscal Procedures Manual*. These policy changes will ensure and reinforce the separation of duties and that the *Hertford County Fiscal Procedures Manual* is being followed organization-wide.



The County of Hertford Finance Director shall ensure that annual training on the *Hertford County Fiscal Procedures Manual* occurs for existing department directors and future department directors. The first training workshop will be scheduled and conducted no later than February 15<sup>th</sup>, 2023. This will ensure that department directors are trained and kept abreast of relevant Hertford County policies.

Annually, the County of Hertford County Manager will review and revise (as necessary) the financial policies of Hertford County to ensure the relevance and compliance with governing North Carolina General Statutes and generally accepted accounting practices. The County of Hertford County Manager will report, advise and recommend revisions to the *Hertford County Fiscal Procedures Manual*, as appropriate.

The County of Hertford Board of Commissioners will receive annual training on the *Hertford County Fiscal Procedures Manual* as well as sign an acknowledgement of understanding and receipt of training statement. The acknowledgment shall contain a statement that the signee has read, understood, and will adhere to the provisions of the Manual. The initial training seminar will be scheduled and conducted no later than February 28<sup>th</sup>, 2023 by the County of Hertford Finance Director.

The County of Hertford Board of Commissioners Chairman, County Manager and County Attorney will schedule and convene a meeting with the Hertford County Board of Elections Chairman and Elections Director to review the investigative report findings and *Hertford County Fiscal Procedures Manual*, and to convey the seriousness with which the Board of Commissioners takes the findings of the report. This meeting shall take place no later than February 15<sup>th</sup>, 2023. As the Hertford County Board of Elections is an independent body, any disciplinary action involving the Elections Director is at their sole discretion.

The County of Hertford Board of Commissioners shall create and institute an employment disclosure, business interest disclosure and other personal interest disclosure form to be reviewed, completed, updated and signed annually by each Commissioner. This form shall disclose any company or entity or personal relationship in which the Commissioner may, either directly or indirectly, have a financial interest. In the event of a qualifying disclosure event occurring between annual affirmations, the Commissioner(s) with a qualifying disclosure event will update the disclosure form and notify the full Board at the next available regularly scheduled Commissioners' meeting. The employment disclosure, business interest disclosure and other personal interest disclosure form shall be approved at the February 7<sup>th</sup>, 2023 regularly scheduled Board meeting. All Commissioners shall complete and sign the initial disclosure form by February 28<sup>th</sup>, 2023 and annually thereafter.

The Hertford County Board of Commissioners, meeting in Closed Session on January 17<sup>th</sup>, 2023, adopted the Resolution attached as Exhibit A, such Resolution to be released and placed in the Open Session minutes of the Board, at the next meeting following the public release of the Office of State Auditor Investigative Report, and such Resolution to be attached and made part of the Response from Hertford County.

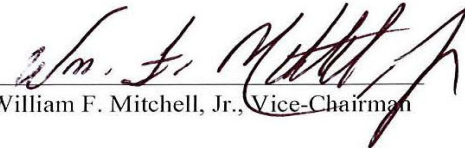
**BUILD YOUR FUTURE ON OUR FOUNDATION**

115 Justice Drive ■ Suite 1 ■ Winton, North Carolina 27986  
Office 252.358.7805 ■ Facsimile 252.358.0198 ■ [www.HertfordCountyNC.gov](http://www.HertfordCountyNC.gov)

The County of Hertford Board of Commissioners appreciates the efforts made by the Office of the State Auditor. In closing and on behalf of our community, Hertford County remains resolute to maintaining open and transparent means of communication as well as a positive professional relationship with the Office of the State Auditor.

Respectfully,  
COUNTY OF HERTFORD

  
André M. Lassiter, Chairman

  
William F. Mitchell, Jr., Vice-Chairman

  
Leroy Douglas, Commissioner

  
Ronald J. Gatling, Commissioner

  
John D. Horton, Commissioner

BUILD YOUR FUTURE ON OUR FOUNDATION

115 Justice Drive ■ Suite 1 ■ Winton, North Carolina 27986  
Office 252.358.7805 ■ Facsimile 252.358.0198 ■ [www.HertfordCountyNC.gov](http://www.HertfordCountyNC.gov)

Exhibit A  
Hertford County Response

to

Office of State Auditor Investigative Report



**RESOLUTION OF THE HERTFORD COUNTY BOARD OF COMMISSIONERS**

**WHEREAS**, the Office of the State Auditor ("OSA") contacted Hertford County in February 2022 to initiate an investigation involving allegations regarding a personal business owned or controlled by former Chairman of the Board, Commissioner Ronald J. Gatling, and services rendered to the Hertford County Board of Elections Office (an independent board);

**WHEREAS**, the OSA has completed its investigation and provided an Investigative Report ("Report") to the Hertford County Board of Commissioners ("HCBOC");

**WHEREAS**, the Hertford County Board of Commissioners desires to enact the Resolution hereinbelow as part of its Response to the OSA Investigative Report;

**NOW THEREFORE, BE IT RESOLVED:**

- (1) Other than Commissioner Gatling, the other members of the Hertford County Board of Commissioners and the Hertford County Manager were not aware of any of the actions or activities referred to in the Report, until being contacted by the OSA.
- (2) In addition to the current Hertford County Director of Elections, the Report is critical of the former Hertford County Finance Officer and former Chairman Gatling of the Board of Commissioners, related to violations of County policy.
- (3) Despite their lack of awareness of the prior actions referenced in the Report, the HCBOC and the County Manager have accepted a responsibility to strengthen policies and procedures to prevent such a situation from occurring in the future, and steps to do so have already been put in place, as outlined in the County's Response to the Report.
- (4) The HCBOC hereby expresses its displeasure in the circumstances outlined in the Report, and does not condone the actions of Commissioner Gatling in this matter.
- (5) This Resolution is hereby enacted, in Closed Session, on January 17, 2023, upon motion of Commissioner Leroy Douglas, Jr. second by Vice-Chairman William F. Mitchell, Jr., and approved with the following votes:

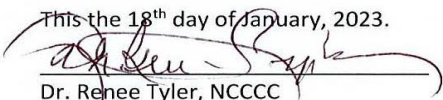
Ayes: Chairman Andre` M. Lassiter, Sr., Vice-Chairman William F. Mitchell, Jr., Commissioner Leroy Douglas, Jr., Commissioner Ronald J. Gatling, and Commissioner John D. Horton

Nays: \_\_\_\_\_;

and it is directed that this Resolution be released to the public as part of Hertford County's Response to the Report, and that the Resolution be placed in the Open Session minutes of the HCBOC meeting immediately following the public release of the Report.

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I, Dr. Renee Tyler, Clerk to the Hertford County Board of Commissioners, certify that the above Exhibit A is a true and correct copy of a Resolution passed at a Regular Meeting of the Hertford County Board of Commissioners held on the 17<sup>th</sup> day of January, 2023

This the 18<sup>th</sup> day of January, 2023.  
  
\_\_\_\_\_  
Dr. Renee Tyler, NCCCC  
Clerk to the Board

# ORDERING INFORMATION

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## COPIES OF THIS REPORT MAY BE OBTAINED BY CONTACTING:

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State of North Carolina  
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This investigation required 581.5 hours at an approximate cost of \$68,198.