



SHERIFF OF CHEMUNG COUNTY

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CHRISTOPHER J. MOSS
Sheriff

WILLIAM A. SCHROM
Undersheriff

April, 24, 2017

Hon. Weeden A. Wetmore
Chemung County District Attorney
226 Lake Street
Elmira, NY 14901

Dear D.A. Wetmore :

I am forwarding the attached case file and preliminary investigation to your attention for additional follow-up as it appears criminal in nature. The case involves the improper use of a WEX fuel card for personal business. I feel that there is a clear conflict of interest for myself and the Sheriff's Office to proceed with the investigation and therefore I am turning it over to your attention.

On or about April 17, 2017 I reviewed several fueling invoices from WEX, the company from which the Sheriff's Office has a fuel card services agreement. The review was completed for inter-departmental comparison to previous years in preparation for upcoming 2018 budget meetings. Upon reviewing the WEX invoices it was discovered that fueling card "Exec. 002" last known to be possessed by Michael S. Krusen the Deputy County Executive was still active and being used on a regular basis. Mr. Krusen filed for New York State retirement on or about 12/31/2015 (\$79,503), confirmed, see attachment. On or about January 1, 2016 Mr. Krusen was then placed in a part time capacity as the Deputy Executive (\$30,000) as he had taken on a new role as President of the non-for-profit agency called Southern Tier Economic Growth.

According to the WEX fueling records Mr. Krusen has utilized the aforementioned fuel card a total of 63 times (*Sunday 7 times, Monday 12 times, Tuesday 7 times, Wednesday 6 times, Thursday 9 times, Friday 6 times and *Saturday 16 times*) since retiring from full-time county

** Vehicle fueled on a weekend outside of Chemung County: 06/05/16 (Sunday) Canaan, N.Y., 12/10/16 (Saturday) Victor, N.Y. 12/17/16 (Saturday) Cayuta, N.Y.*

employment to fuel his personal vehicle for personal usage. The vehicle is identified as a 2014 Jeep Grand Cherokee bearing New York passenger plate . The plate is registered to "Michael S. Krusen Elmira, N.Y. . " The total amount of fueling cost charged is \$2487.39. I am unaware of any policy within Chemung County or otherwise that allows for the utilization of a county fuel card for personal use. Furthermore, Chemung County has a travel policy that clearly outlines the utilization of personal vehicles and the process for reimbursement involving same (*See section 4-B*). A copy of the policy can be located on the Chemung County employee intra-net site, I have attached a copy for your review. Utilization of the fuel card in this manner is against the well-established policy of Chemung County as well as the best practice guidelines by NYS state's comptroller's office. In addition, I am also unable to locate any travel authorizations that would coincide with this amount of fuel consumption and being that the position held by Mr. Krusen is part time; it is inconceivable that the majority of fuel purchases were business related. As I am sure you're are aware, previous decisions rendered by the New York State Comptroller's Office state that meetings that are normally conducted may not be reimbursed as actual or necessary expenses.

It should be further noted that the New York State Department of Taxation and Finance form FT-505.1 allowing a refund for taxes paid on motor fuel was completed and endorsed by the Sheriff. The agreement clearly states that the fuel purchased by a government entity must be for its own use and consumption (*see attachment*). Therefore, no taxes were paid on the fuel pumped for personal usage. Furthermore, the paperwork was signed under certification that all information provided was true and correct, which is not the case.

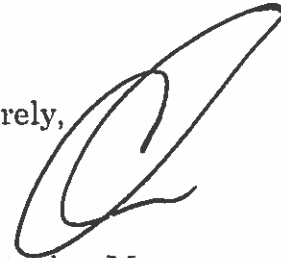
After conducting the preliminary investigation I would also recommend that you review the budget of Southern Tier Economic Growth. There appears to be two separate line items in the Southern Tier Economic Growth 2016 operating budget that should be reviewed at length, as they may be directly or indirectly related to this investigation. Line item 5400 titled "Auto Expenses" was budgeted at \$9530.00 for 2016. The copy of the 2016 budget that was furnished does not indicate how that funding is utilized, car rental, vehicle stipend, fuel expenditures or etc. Line item 5550 titled "Conf/Edu/Travel/Mtgs" is budgeted at \$4660.00, the exact expenditures are not outlined. A cross reference of these two (STEG) budget line items with the purchases from the County WEX card should be conducted to reveal any possible connections or irregularities. You will note that the WEX records contain through date, time and location information for comparison. Also be advised that the New York State Comptroller's Office who has partial regulatory authority over non-profit organizations indicated

that a forensic audit, which may be helpful, could be conducted by their agency to assist with the investigation.

Prior to forwarding you this case file I have discussed this matter with the New York State Deputy Comptroller of Investigations as well as the New York State Attorney General's Office. Due to the fact that there are multiple facets to this investigation that fall under various authorities a complete copy of the case file has been forwarded to New York State Tax Department Fraud Bureau and the NYS Deputy Comptroller and Counsel for Investigations. A copy of this letter is being forwarded to the Chemung County Board of Ethics.

If you have any questions or require assistance please feel free to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to be 'Christopher Moss', written in a cursive style.

Christopher Moss
Sheriff

cc: NYS Tax Department Fraud Bureau
NYS Office of Deputy Comptroller of Investigations
Chemung County Board of Ethics