



# Village of Addison

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## Payroll

2024M-12 | July 2025

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# Report Highlights

## Village of Addison

### Audit Objective

Determine whether the Village of Addison (Village) Board of Trustees (Board) ensured that the Clerk-Treasurer accurately paid officials and employees' wages and leave benefits.

### Key Findings

The Board did not fulfill its oversight and fiscal duties and responsibilities (see *Village of Addison – Board Oversight (2024M-8)*). The Board did not ensure the former Clerk-Treasurer<sup>1</sup> accurately paid wages and leave benefits for the nine full-time individuals employed as of March 19, 2023, and two that left employment during the audit period. The former Clerk-Treasurer overpaid employees and made inappropriate and unauthorized payments to herself and other employees totaling \$341,992 and tried to pay herself an additional \$26,613. The former Clerk-Treasurer failed to adhere to the established policy and collective bargaining agreement (CBA) regarding employees' leave benefits.

As a result of the Comptroller's audit and subsequent investigation, the former Clerk-Treasurer was arrested in 2023 and charged with misappropriating funds and making unauthorized payments totaling more than \$1.1 million in Village funds over a 19-year period. In May 2024, she pleaded guilty to one count of first degree Corrupting the Government (B Felony) and was sentenced to three to nine years in State prison in August 2024. As part of her sentence, the former Clerk-Treasurer was required to forfeit her monthly public pension. This sentence represents the first time a public official in New York State surrendered their pension as a penalty for corruption while in office.

### Key Recommendations

The report includes three recommendations that, if implemented, will improve the Village's payroll function. Village officials generally agreed with our recommendations and indicated they have initiated corrective action.

### Audit Period

May 31, 2018 – October 31, 2023.

We extended our audit period back to May 17, 1994 to review leave accrual records for full-time employees and May 9, 2003 to review health insurance buyout payments. This report was held in abeyance due to a pending investigation by our Office (Appendix A).

### Background

The Village is located in the Town of Addison in Steuben County. The Village provides various services including street maintenance and repair, general government support, fire and police protection, community center rental, and water and sewer services.

The Village is governed by the elected Board, which is composed of four Trustees and a Mayor, who is the chief executive officer. The Board is responsible for the general oversight of the Village's financial operations. The Clerk-Treasurer is the chief financial officer.

The former Clerk-Treasurer performed all payroll duties, including preparing, processing and disbursing payroll payments and maintaining employee leave accrual records.

Quick Facts	
Full-Time Employees as of March 1, 2023	9
2021-22 Fiscal Year Payroll	\$621,717
2021-22 Fiscal Year Budgeted Appropriations	\$1,719,218

<sup>1</sup> The former Clerk-Treasurer resigned on March 1, 2023.

# Payroll

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## **How Can Village Officials Help Ensure Wages Are Paid Accurately?**

The Board is responsible for establishing adequate policies and procedures to ensure payroll and employee benefits are authorized, accurate and documented properly. For Village employees not covered by a CBA, the Board approved an Employment and Amendments policy (policy). The Village also entered into a CBA, which covers Department of Public Works employees and the Deputy Clerk-Treasurer. The policy and CBA establish the terms of employment including employment benefits and payment for unused leave upon separation from service. This written documentation communicates the Board's intent to the employees and to those who are responsible for administering and processing payroll.

Payroll should be supported by time records and board-approved salaries and pay rates. Before payroll is finalized, payroll registers or similar records, which list employee payroll information, should be reviewed and independently certified to ensure payments are accurately calculated, based on actual work performed and at the appropriate salaries and rates.

The Board adopted resolutions that authorized full-time employees, covered by the policy, the option of receiving a health insurance buyout for the 2003-04 and 2004-05 fiscal years. If the full-time employee chose the buyout, the employee would receive \$3,000 for opting out of family health insurance coverage or \$1,200 if opting out of individual health insurance coverage. To be eligible, employees were required to complete and sign a waiver and provide proof of alternative health insurance coverage prior to receiving the payment. However, the Board did not authorize a health insurance buyout since the 2004-05 fiscal year for employees covered by the policy.

The policy and CBA allow for the payment of unused vacation and personal leave at the time of separation from employment. In addition, employees that retire are eligible for the payment of accrued sick leave. For retiring employees covered by the policy, they may receive payment, up to 120 days, if they have 10 or more years of service. While retiring employees covered by the CBA may receive payment for up to 90 days of accrued sick leave. Separation payment calculations should have adequate supporting documentation attached, such as documentation to support eligibility for the separation payment (e.g., Village's policy or CBA), as well as a leave accrual record, for review and approval prior to payment.

Officials should ensure that one individual is not solely responsible for the entire payroll processing function without any oversight, as payroll makes up a significant portion of a village's operating costs. When segregating duties is not feasible because of limited staffing, at a minimum, village officials should implement compensating controls and routinely monitor and review the work of the person processing the payroll.

## **Village Officials Did Not Ensure Wages Were Paid Accurately**

The Board did not ensure there was an adequate segregation of payroll duties or provide sufficient oversight of the payroll process. Although each department supervisor reviewed and approved timecards/sheets for their employees, no one independent of the payroll function, such as the Mayor, reviewed and certified payroll. The Mayor indicated that he did not review or certify the payroll because

he was not at Village Hall every day. Because the Board did not provide oversight, segregate duties or establish compensating controls, the former Clerk-Treasurer overpaid employees and herself, and made inappropriate and unauthorized payments.

**Overpayments** – Although the Mayor, former Clerk-Treasurer and all Trustees stated that pay rates were discussed and are part of the budget, the budget does not include a salary schedule supporting the Board-approved pay rates for the non-CBA employees. However, the Mayor, former Clerk-Treasurer and two Trustees stated that the non-CBA employees should receive the same increase as CBA employees to avoid any departmental conflicts.

We recalculated payroll for the period of May 31, 2018 through March 1, 2023 using the CBA increase and determined that the former Clerk-Treasurer did not properly pay employees, including herself. Because there was no clear Board resolution authorizing salaries and wages, at least six employees were overpaid \$27,199 (Figure 1).<sup>2</sup>

**Inappropriate Leave Payouts** – We reviewed full-time employees' leave accrual records back to their start of employment date and determined that the former Clerk-Treasurer inappropriately periodically paid employees for unused leave accruals outside of the terms of their employment separation totaling \$89,352 (Figure 2).

#### Unauthorized Health Insurance

**Buyouts** – The Board had not authorized health insurance buyouts (\$3,000/year) since the 2004-05 fiscal year for employees covered by the policy. The

former Clerk-Treasurer inappropriately paid unauthorized health insurance buyouts annually to herself and former Village Maintenance Supervisor A. The annual payments increased over the audit period, totaling \$116,500 and \$39,500, respectively (Figure 3).

**Figure 1: Payroll Overpayments**

Employee	Amount Overpaid
<b>Officer-in-Charge</b>	\$9,298
<b>Former Officer-in-Charge<sup>a</sup></b>	7,681
<b>Former Clerk-Treasurer</b>	5,222
<b>Former Village Maintenance Supervisor B</b>	3,442
<b>Deputy Clerk-Treasurer</b>	1,250
<b>Chief Water System Operator</b>	306
<b>Total</b>	<b>\$27,199</b>
a) Retired in May 2023	

**Figure 2: Inappropriate Leave Payouts**

Employee	Number of Days	Total Amount Paid
<b>Former Officer-in-Charge</b>	243.00	\$59,452
<b>Former Village Maintenance Supervisor B</b>	64.50	15,927
<b>Former Village Maintenance Supervisor C</b>	44.00	7,073
<b>Former Clerk-Treasurer</b>	25.50	3,537
<b>Chief Water System Operator</b>	11.75	2,060
<b>Police Officer</b>	6.00	1,303
<b>Total</b>	<b>394.75</b>	<b>\$89,352</b>

<sup>2</sup> There were three Village Maintenance Supervisors which retired or resigned during the audit period: Maintenance Supervisor A – retired in May 2012; B – retired in May 2022; and C – resigned in April 2023.

**Figure 3: Unauthorized Health Insurance Buyout Payments**

Fiscal Year(s)	Annual Amount Received	Former Clerk-Treasurer	Former Village Maintenance Supervisor A
<b>2005-2006</b>	\$4,000	\$4,000	\$4,000
<b>2006-2007</b>	\$5,500	5,500	5,500
<b>2007-2015</b>	\$6,000	48,000	30,000
<b>2015-2020</b>	\$7,000	35,000	
<b>2020-2023</b>	\$8,000	24,000	
<b>Total</b>		<b>\$116,500</b>	<b>\$39,500</b>

Unauthorized Separation Payments – The former Clerk-Treasurer made unauthorized separation payments to former Village Maintenance Supervisor B and herself totaling \$65,882. Specifically, the former Clerk-Treasurer paid former Maintenance Supervisor B for unused leave accruals totaling \$39,269. This payment included 33.85 vacation days for which there was no basis or support. As a result, former Village Maintenance Supervisor B was overpaid \$8,477. While our audit and investigation was ongoing and outside of normal business hours, the former Clerk-Treasurer processed an unauthorized separation payment for herself for unused vacation, sick and personal days, as well as five months' salary for her duties as the tax collector and budget officer totaling \$26,613. However, the Mayor successfully initiated a stop payment on the check the next day.

### **How Can Village Officials Ensure Leave Accruals Are Earned and Used Appropriately?**

Leave accruals represent paid time off earned by employees. Village officials should ensure that leave accruals are correctly earned and used in accordance with the policy or CBA, which states full-time employees earn a fixed number of days or weeks each year for vacation, sick and personal leave. According to the policy or CBA, vacation and personal leave are earned on the employee's anniversary date and must be used within one year. Sick leave is earned monthly and does not expire annually.

Although the CBA states that after the audit by the Board in June of each year an accounting of all accumulated sick leave balances will be given to employees in writing by January 31, all types of leave should be reviewed and balances provided to employees each year.

### **Village Officials Did Not Ensure Leave Was Accrued and Used Appropriately**

The former Clerk-Treasurer maintained manual leave accrual records for employees, but failed to adhere to the established policy and CBA regarding employees' leave benefits. Specifically, the former Clerk-Treasurer inappropriately accrued leave; carried over unused leave on the employee's anniversary date, instead of forfeiting it, allowing employees to use leave they did not have available; and made footing<sup>3</sup> and recording errors. These discrepancies and irregularities were not identified

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<sup>3</sup> Footing refers to the process of summing all the numbers in a single column and recording the total at the bottom of that column.

because the Board did not review the leave accrual records or annually provide leave balances to employees. As a result, eight employees used 173.23 days of leave they were not entitled to totaling \$30,172 (Figure 4).

In addition, the former Clerk-Treasurer failed to record leave usage on her timesheets and accrual record. As a result, the former Clerk-Treasurer did not record 265 instances of leave usage for 64.71 days totaling \$11,699 for the period of May 31, 2018 through March 1, 2023.

Because the Board did not fulfill its oversight and fiscal responsibilities, ensure there was an adequate segregation of payroll duties or provide sufficient oversight of the payroll process, the former Clerk-Treasurer was able to make inappropriate and unauthorized payments.<sup>4</sup>

**Figure 4: Excess Leave Usage**

Employee	Number of Days	OSC Calculated Cost
<b>Former Village</b>		
<b>Maintenance Supervisor B</b>	54.50	\$9,762
<b>Former Clerk-Treasurer</b>	51.17	8,367
<b>Officer-in-Charge</b>	23.00	4,971
<b>Police Officer</b>	12.00	2,109
<b>Village Maintenance</b>		
<b>Supervisor C</b>	17.06	2,089
<b>Chief Water System</b>		
<b>Operator</b>	7.50	1,430
<b>Former Officer-in-Charge</b>	4.00	988
<b>Deputy Clerk-Treasurer</b>	4.00	456
<b>Total</b>	<b>173.23</b>	<b>\$30,172</b>

## What Do We Recommend?

The Board should:

1. Annually approve a salary schedule for all officers and employees not covered by the CBA.
2. Ensure the Mayor or someone independent of the payroll function certifies the payrolls, ensuring that all payments comply with Board-adopted policies, resolutions, salary schedule and the CBA by comparing payroll checks to payroll registers and time sheets/cards and leave requests to ensure payroll is accurate.
3. Annually review the leave accrual records to ensure leave earned and used is properly recorded and communicate leave balances to employees.

<sup>4</sup> See *Village of Addison – Board Oversight (2024M-8)* and *Village of Addison – Former Clerk Treasurer's Misappropriation of Funds (2024M-19)*

# Appendix A: Letter from OSC Division of Investigations

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**THOMAS P. DiNAPOLI**  
STATE COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
**OFFICE OF THE STATE COMPTROLLER**

May 27, 2025

Mayor Ed Soporowski  
Village of Addison  
35 Tuscarora Street  
Addison, New York 14801

Dear Mayor Soporowski,

I write to provide the results of the supplemental investigation by the Office of the State Comptroller's Division of Investigations.

During the audit and investigation of [REDACTED] crimes in office, the Village brought various additional allegations of potential fraud to our attention. Among other things, it was alleged that the Clerk-Treasurer who succeeded [REDACTED] had granted herself and used unauthorized vacation accruals and had increased her salary without Board approval.

A separate investigation of all allegations commenced, which included a thorough review of employee accruals, payroll records and time and attendance records. Interviews of relevant Village officials and Board members were also conducted. Although not warranting criminal prosecution, the investigation revealed that the replacement Clerk-Treasurer used leave time that she had not legitimately accrued.

The successor Clerk-Treasurer was hired in May 2023. Pursuant to the Village employment policy, she was not eligible for leave time until May 2024. However, during a Board meeting on May 8, 2023, the Board made an exception to this policy and granted her 126 hours of leave time that had to be used by December 31, 2023. There is no evidence in Board minutes that this leave time deadline was extended into 2024 or that she was granted additional leave time in 2024 to accrue prior to May. In fact, several Board members confirmed that the 2023 leave expiration date was not extended and that she was not granted additional time in 2024. Analysis of time records revealed that as of December 31, 2023, she had used 91.5 hours out of the 126 hours. Despite the expiration of the time period to utilize this leave, the investigation revealed that the successor Clerk-Treasurer not only used the remaining 34.5 hours but granted herself an additional 49.5 hours without Board approval. In total, the successor Clerk-Treasurer granted herself and used \$1,176 in leave to which she was not entitled. Notably, although the Board had not approved these additional 49.5 hours, the then-Mayor signed leave slips submitted by the successor Clerk-



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Treasurer for these unauthorized hours. Several Board members informed investigators that they were unaware of the Mayor's actions.

In regard to the allegation of excess salary payments, a forensic examination of payroll records revealed an inexplicable nominal increase in the successor Clerk-Treasurer's hourly rate for one month toward the end of her tenure. Although the basis of this increase is not clear and seemingly irregular, this payroll discrepancy was remedied in the subsequent pay period resulting in a loss of less than \$25.00.

Further allegations presented to the Division of Investigations proved unfounded. Our findings were referred to law enforcement for review and the replacement Clerk-Treasurer resigned from the Village in April 2024. Although criminal prosecution was deemed unwarranted, the results of this supplemental investigation bolster the findings in our audit report of the need for enhanced oversight and guidance over the Clerk-Treasurer and Village expenditures. We further recommend that the Village Attorney review the matter and determine whether further recoupment is necessary and appropriate.

Very Truly Yours,

Stacy Marano  
Assistant Comptroller  
Division of Investigations

## Appendix B: Response From Village Officials

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June 26, 2025

Office of the State Comptroller  
Division of Local Government & School Accountability  
110 State Street, 12th Floor  
Albany, NY 12236

RE: Village of Addison – Audit Response Letter

Audit Report Numbers:

2024M-8 (Board Oversight)

2024M-12 (Payroll)

2024M-19 (Former Clerk-Treasurer's Misappropriation of Funds)

To Whom It May Concern:

On behalf of the Village of Addison Board of Trustees, I wish to thank the Office of the State Comptroller for conducting a thorough and constructive audit of our municipality. The Village has carefully reviewed the findings outlined in the above-referenced audit reports and formally acknowledges the deficiencies identified in each.

We recognize the seriousness of the issues raised and are committed to implementing meaningful reforms to restore public trust and improve fiscal oversight, internal controls, and policy governance. This audit process has provided a critical opportunity to strengthen our internal operations and reinforce our commitment to transparency and responsible leadership.

We also note that several corrective measures had already been initiated prior to the final issuance of the audit reports. These early actions demonstrate the Village's proactive stance and willingness to make substantive changes. A formal Corrective Action Plan (CAP) is currently being finalized and will be submitted within the required 90-day period. The CAP will outline specific remedial steps, implementation timelines, and designated personnel responsible for follow-through.

We sincerely appreciate the professionalism and guidance of your audit team throughout this process. Please consider this the Village of Addison's formal response to Audit Report Numbers 2024M-8, 2024M-12, and 2024M-19.

Respectfully,

Edward Soporowski  
Mayor, Village of Addison  
*On behalf of the Village of Addison Board of Trustees*

## Appendix C: Audit Methodology and Standards

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We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed Village officials and employees and reviewed employment policies, CBA budgets and Board meeting minutes to gain an understanding of the Village's payroll process and obtain information about salaries and employee benefits.
- Because there were no Board-approved salary schedules for non-CBA employees and seven Village officials stated the increases followed the CBA, we used the 2017-18 CBA pay rates and increases to recalculate the salaries and pay rates for all full-time employees as of March 1, 2023, and for former Village Maintenance Supervisor B for the period May 31, 2018 through March 1, 2023.
- We reviewed employees' leave accrual records and earning histories to determine whether the amount paid for leave payouts was appropriate.
- We reviewed Board meeting minutes back to at least May 9, 2003 to determine whether the Board authorized a health insurance buyout. We reviewed payroll records for the period of June 1, 2003 through March 1, 2023 to determine whether employees were paid unauthorized health insurance buyouts. We also reviewed employees' personnel files to determine whether health insurance buyout required documentation was available.
- We reviewed the former Clerk-Treasurer's and former Village Maintenance Supervisor B's separation payment documentation to determine whether they were authorized and accurate, as well as their payroll records to verify payment. We reviewed the bank statement to verify the stop payment was made for a check to the former Clerk-Treasurer.
- We reviewed leave accrual records for all full-time employees employed as of March 1, 2023, and for former Village Maintenance Supervisor B back to their individual start dates, with May 17, 1994, being the earliest date, to determine whether the former Clerk-Treasurer properly accrued and recorded leave usage. We calculated the cost for excess leave usage based on the employees' rate of pay from the employees' earning records at the time the excess leave was used.
- We reviewed and traced the former Clerk-Treasurer's leave usage from available leave requests and weekly calendars to her time sheets and accrual records for the period of May 31, 2018 through March 1, 2023 to determine whether leave usage was accurately recorded.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk-Treasurer's office.

## Appendix D: Resources and Services

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### **Regional Office Directory**

[www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf](http://www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf)

### **Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

[www.osc.ny.gov/local-government/publications](http://www.osc.ny.gov/local-government/publications)

### **Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.ny.gov/local-government/fiscal-monitoring](http://www.osc.ny.gov/local-government/fiscal-monitoring)

### **Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

[www.osc.ny.gov/local-government/publications](http://www.osc.ny.gov/local-government/publications)

### **Planning and Budgeting Guides** – Resources for developing multiyear financial, capital, strategic and other plans

[www.osc.ny.gov/local-government/resources/planning-resources](http://www.osc.ny.gov/local-government/resources/planning-resources)

### **Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

[www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf](http://www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf)

### **Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.ny.gov/local-government/required-reporting](http://www.osc.ny.gov/local-government/required-reporting)

### **Research Reports/Publications** – Reports on major policy issues facing local governments and State policy-makers

[www.osc.ny.gov/local-government/publications](http://www.osc.ny.gov/local-government/publications)

### **Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

[www.osc.ny.gov/local-government/academy](http://www.osc.ny.gov/local-government/academy)

## Contact

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<https://www.osc.ny.gov/local-government>  
Local Government and School Accountability Help Line: (866) 321-8503

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