

# **UNION COUNTY NEWS REPORTS**

TMV Publication # 0001 ~ October 2013

## **Splost IV Vote**

November 5, 2013, with advance voting beginning on October 15, 2013

**This is going to be one of the most Important Votes in the History of Union County, and that is why it is important that everyone shows up. There is a reason this vote is being put on the ballot 2 years early, in a year there are no major election issues. The Powers That Be are counting on the fact that there will be light voter turnout. We offer up some interesting facts you probably won't hear about in the North Georgia News. Read our "8 SPLOST Facts You Need To Know" (Pages 4 – 12)**

## **Union County Audit Problems**

2012 Audit Filed July 2013 : Auditor was Maulkin & Jenkins

**The 2012 Union County Audit arrived recently. Our review shows Huge Financial Problems that are being potentially covered up by the County – including More Theft!! We offer up some facts and insight you aren't getting in the North Georgia News, and which strongly suggest the need for a detailed Forensic Audit of the County Finances. (Pages 14 - 19)**

## **Property Taxes: Manipulations & Tax Cheats**

Putting things in perspective

**The Commissioner is fond of quoting Low Property Taxes – almost the lowest in the State he claims. See his manipulations revealed. Also, we Expose how the Commissioner Cheats on his own Personal & Family Property Taxes, while raising yours. (Page 21)**

## **Editorial Summary**

A sincere Letter to Union County Citizens

**The 3 stories above are actually all linked. Lies, Manipulations, Illegal Activities and a lack of proper News Coverage has led to a rapidly deteriorating Financial Situation in the County. Citizens need to "Hit the Pause Button" and demand a Forensic Accounting. (Page 22, 23)**

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**Special Thanks To:**

Advocates for Clean and Open Government (ACOG), without whose efforts, diligence, time and great financial expense, none of the facts contained in this publication may ever have seen the light. Over the years I have witnessed this organization, led by Linda Pittman, be publicly abused by Commissioner Lamar Paris (*with the shameful and biased assistance of the North Georgia News.*) I have seen them publicly labeled Misfits, CAVE

People, and too stupid to know what they were doing. But ACOG has never ceased, quietly and with no reward, gathering information that paints a very clear picture of things. Many Thanks to Linda Pittman and the rest of ACOG – true Americans that still believe that Government works for the people, and are willing to do the thankless job of making sure that those employed by the people to do the work of the people – do so honestly and openly. Many more reports compiled by ACOG can be found at their website:

<http://www.theacog.webs.com>

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Look for the Discussion Thread titled: "TMV PUB# 0001~ Splost + Audit + Property Tax"*

# **Eight SPLOST Facts You Need To Know**

- 1. Money isn't being used in the way Citizens are Voting for it to be used.**
- 2. Lies are being told, and false reports published about how much projects cost.**
- 3. Money is being Wasted, and the Citizens are getting less than what they are paying for, and far less than they deserve.**
- 4. The SPLOST Projects are creating permanent long term government cost increases that are threatening the financial health of the County.**
- 5. Much of the SPLOST goes to pay HUGE land prices to a select lucky few.**
- 6. Huge Loans are being taken out that are locking the County into Long Term Debt, and which are backed by Property Taxes. Yes, the County is essentially signing away the right to raise your property taxes to the Banks!**
- 7. County Commissioner Lamar Paris is violating several Laws in his SPLOST abuses, and this is putting the County in danger of expensive lawsuits.**
- 8. The Current SPLOST doesn't end until 2015. There is no rush to pass this 2 years early – although that is the way this is being treated. Why?**

## **SPLOST FACT #1 ~ Money isn't being used in the way Citizens are Voting for it to be used.**

The LAW states that the Splost Funds shall be used “**exclusively** for the ... purposes specified “. Other sections of Law allow shifting funds between their approved projects, **as long as all projects are completed. Projects cannot be abandoned** unless a new referendum is voted on and approved allowing the specific projects to be deemed unfeasible. We have created a web section that contains a variety of Public Legal References for SPLOST. <http://www.TheMountainsVoice.com/splost/>

### **Things NOT Being Done - In Violation Of Law**

- A. **The “Jail Expansion” was abandoned.** The SPLOST 3 Referendum called for “Jail Renovation & Expansion”. The Voter Notice was for \$2,000,000. As of 2012 that estimate has been reduced to \$87,490. “Renovation” was done that consisted of some new air conditioners. Furthermore, a “Jail” by LAW is designated as a “Level One” Project and has higher priority than other projects.
- B. **The “Solid Waste Transfer Station / Recycling Center Renovation and Expansion” has been abandoned. Yet, you are voting for part of it again in SPLOST 4.** The Voter Notice was for \$800,000. As of 2012 legal publications in the Newspaper, that estimate has been reduced to \$0 (Zero). Solid Waste is a “Level One” project also.
- C. **The “Livestock Arena” has been abandoned, and a “Cannery” that was not a purpose specified, has been added.** The SPLOST 3 Referendum called for “New Farmers Market / Livestock Arena”. The published Cost Estimate Given was \$784,000. As of 2012 that estimate has been raised to \$1,199,860 – after abandoning the Livestock Arena, and after illegally adding the Cannery.
- D. **The County Annex Building Expansion Project seems to have been abandoned / moved.** The Voter Notice was for \$490,000. Nothing has been done to date, except for the \$200,000 purchase (*out of a separate budget*) for the 0.29 acre parking lot the Commissioner indicated was mandatory to the planned expansion – but now that sits mostly empty, the money seemingly wasted. Now it seems that many of the Annex Building tenants are moving over to the Veterans Building (*old Chamber Building*), and there is a sign that says it is being funded by SPLOST. Problem is that this wasn't Voted on, and according to Splost Law – is illegal.

**NOTE:** The fact that the Veterans Building has been created is marvelous, and I think it is a great thing for the Veteran groups. But either the money was spent there illegally, or the Commissioner is shamelessly exploiting Veterans to win Votes by using a Lie, and no Splost money was actually used. A lot of time and effort was supposedly put into planning the Annex Renovations. \$200,000 was spent to buy a parking lot for the expansion / renovated building. To turn around and use the money to win Votes isn't wise leadership. It's what we usually expect from Washington politicians – not locally.

**PS...** Big fan of the Cannery also, but it was illegal, and money was wasted.

**SPLOST FACT #2 ~ Some people will say Anything to get your Vote. Below are some big examples of lies told to Voters when they were "SELLING THE SPLOST".**

- A. In a legally mandated pre-Splost public meeting Lamar talked about the proposed projects. Excerpt: ***"Number 1 is Roads and Bridges. Our projection is we're going to spend 12 Million Dollars in the next six years on roads and bridges. This is 2 Million Dollars a year. Now this is the most important thing to people that don't want higher property taxes. Because this is money we have to spend. We've got two places to get it. We can get it from property tax, or we can get it from sales tax. Now this 2 Million Dollars a year equates to 35% tax rates, tax increase, so if we did not have this sales tax program, for some wild reason were not to pass, then your property taxes will automatically go up 35% to cover the roads and bridge cost. This is an expense we have to have and we can't do without. Not only that, the 12 Million Dollars that we put in, the Department of Transportation matches it with another 12 Million Dollars. Because they want to encourage counties to put money into road work. And so they are going to.. they're going to match that money."*** ~ transcript from Video Recorded Public Meeting on Nov 15 2007

**FACTS:** The Voter Notice was for \$12,000,000. As of 2012 legal publications in the Newspaper, that estimate has been reduced to \$4,469,848. They CUT 67% out of a Major Project most people think Taxes are actually for, and that they said they "HAVE TO SPEND". They also gave up almost \$8 Million Dollars in Matching Funds they claimed they were going to get. And yet your Property Taxes DID NOT GET RAISED 35%. They didn't get raised at all. **TACTICS USED: LIES, FEAR, THREATS**

- B. Starting the last Splost 3 Campaign season, and speaking of the **Solid Waste Transfer Station**, Lamar Paris stated ***"This project which has to be done, either through Sales Tax or Property Tax"*** ~ North Georgia News (1/21/2007)

**FACT:** 6 years later nothing has been done on the Transfer Station and the Project has been illegally abandoned. Property taxes were NOT raised. **TACTICS USED: LIES, FEAR, THREATS**

- C. Just before the Splost 3 Vote Lamar Paris said ***"Why would someone vote against SPLOST knowing that the Jail must be built with or without SPLOST sales tax money and knowing that if the SPLOST failed, the County Property Tax Payers would have to foot the bill with increased property taxes. Would you want that?"*** ~ North Georgia News (1/16/2008)

**FACT:** 5 Years later and Lamar has decided that the Jail, which is even more overcrowded than it was then, isn't needed at all. Property taxes were NOT raised. **TACTICS USED: LIES, FEAR, THREATS**

**It seems that ALL of these Top Priority, Infrastructure, and Level One Projects that were desperately needed – weren't really needed at all it seems. They just NEEDED YOUR VOTE, YOUR MONEY. No different than Washington DC. End result is the same also because - you now have Huge Debt you were Not Told was part of the deal. See Fact #6.**

**QUESTION: Can you Trust that you are hearing the Truth this time?**

**SPLOST FACT #3 ~ Money is being Wasted, and the Citizens are getting less than what they are paying for, and far less than they deserve.**

- A. Farmers Market is Awesome! BUT, it's about 60% over budget of what was Voted on – because of incompetent management decisions, overpaying on iffy bids, expensive mistakes, poor design, etc.
- B. Horse Arena is another Great addition to the county, but it was originally planned to cost \$150,000 and ballooned to over \$575,000 through cost over runs, stupid mistakes, improper bid procedures.
- C. Hooray For Suches! Wonderful Community, and they totally deserved a nice Community Center – BUT again, \$150,000 turned into over \$400,000. NO BIDS to an out of state contractor will do that to you.

**These 3 Projects alone accounted for about \$1 Million EXTRA Dollars being spent above and beyond what Voters were told. And there are plenty of questions about bidding processes used (or Not used). Interestingly also – some of the same contractors keep putting in low bids, and discovering “mistakes” in the process and their math later, resulting in final payments that are astronomically higher than their original bids. Some people might look at this and say bid rigging was involved. At a minimum you’ve got to wonder about incompetence.**

## **SPLOST FACT #4 ~ The SPLOST Projects are creating permanent long term government cost increases that are threatening the financial health of the County.**

The concept is simple. The added permanent and continuing **COST to Operate** (*light, heat/cool etc*), **Maintain** (*repairs, cleaning, landscaping*) and **Staff** County Facilities increases when you add facilities, and increase building size. Below are just a few examples:

- A. Horse Arena, Cannery, Library, Multi-Purpose Building (*aka Community Center / Golf Clubhouse*), Meeks Park, Civic Center Expansion, Suches Community Center, All the School buildings & Gyms (*built with the separate ESPLOST*) – these are ALL adding up to HUGE New & Permanent Monthly bills. In one case we were able to get numbers on – the costs of utilities alone almost doubled after expansion & improvements.
- B. Open Records Requests have been made to the Commissioner’s Office to get specific cost increases, but working with the Commissioner to get facts is like pulling teeth. He has a long history of violating and ignoring Open Records Laws, and is already well past the legal time limit to provide information – but his violation of Open Records Laws knows no bounds and already threats of lawsuits, including by me, have been publicly warned of. (*See Section 7 for more on the lawsuits.*) We can only assume that the reason the Commissioner is stonewalling these Open Records Requests is that he really doesn’t want the truth of how fast the increased bills are racking up to come out.
- C. **The Commissioner covers all this up by blatantly LYING to the public in his weekly Q&A’s.** Just recently in his October 9, 2013 Q&A he stated that “*maintenance of Meeks Park and other county facilities*” was “*all predominately done with the 1-cent SPLOST sales tax*” – but SPLOST LAW DOES NOT ALLOW for this. The 2<sup>nd</sup> paragraph of the 136 Page **Special Purpose Local Option Sales Tax: A Guide for County Officials (5th Edition) 2013** states it in plain English:

“County and municipal governments **may not use SPLOST proceeds for operating expenses or maintenance of a SPLOST project or any other county or municipal facility or service.**”

**While it is clear that the Commissioner is lying** about how this is impacting the County Operational Budget, this is not an argument against the existence of these new additions to the county, nor a discussion of whether they are a wise use of money. We are simply pointing out a fact: All these things add to the permanent budget of the county, and at some point the Voters have to decide how much more they need, and can safely afford.

**Is it time to PAUSE?** To reflect on how much the new additions are already raising the long term county operating budget, and ask how much is enough? Maybe just slow down.

**Because Property Taxes Will Ultimately Pay For the New, Permanent Increases.**



**SPLOST FACT #5 ~ Much of the SPLOST goes to pay HUGE land prices to a select lucky few. Some people could benefit greatly from this use of Taxpayer dollars to drive up Land Price and Appraisal Values.**

Below is a **partial** overview of land bought by the County using SPLOST dollars:

- A. Meeks Park Land:** Purchased the 30.61 Acre Parcel 72-201 on March 31, 2009 for \$1,000,000. \$1,000,000 divided by 30.61 acres = **\$32,669.06 acre**. Seller was Jack Colwell. Lamar Paris and his family also owns land that borders the property. Other repeat names (*often hidden under a multitude of LLCs*) also own property in the area.
- B. Farmers Market Land (Part 1):** Purchased the 8.308 Acre Parcel 085-066A on April 1, 2009 for \$207,700. \$207,700 divided by 8.308 acres = **\$25,000 acre**. Seller was Jane Wimpey Rogers that Lamar went to school with. There is also a ton of land in the area owned by the same men owning around Meeks Park. Most importantly, I think it is important to note that the entire property is in a flood plain. A huge additional cost involved was the fact that over 1,300 Dump Truck loads of fill dirt had to be hauled in to make the land buildable.
- C. Farmers Market Land (Cannery Part 2):** Purchased a 5.44 Acre addition to Parcel 085-066 on June 17, 2013 for \$163,200. \$163,200 divided by 5.44 acres = **\$30,000 acre**. Same notes apply as above regarding seller and surrounding lands. Important to note that the land was landlocked also – so in addition they had to build an expensive bridge to get over over the creek.
- D. .29 Acre Parking Lot by the Annex Building:** Purchased a 0.29 acre Parcel B01-86B on May 19, 2009 for \$200,000. \$200,000 divided by 0.29 acres = **\$690,000 / acre**. Same people that own around the Farmers Market and Meeks Park, also own property across the street from this parcel. It should be noted that this purchase was another “must be done” because of all the new activity expected in the newly renovated Annex Building – which was Never Done, and seems to be an abandoned project.
- E. Byron Herbert Reece Addition:** Purchased Parcel 101-014C on 7/12/2013 for **\$165,000**.

Below are other recent land purchases of note which could potentially be another County land buy:

- **Old Haralson Properties LLC Land:** On August 8, 2012 the **Downtown Development Authority of Blairsville** purchased the combined 8.27 Acre Parcels B02-065 & B02-065A for **\$2,000,000**. \$2,000,000 divided by 8.27 acres = **\$241,838 / acre**. The sale granted Union County “First Right of Refusal” on a portion of the property that includes land already leased by the county until 2014.
- **Union County Dev Authority, Union County Finance Corp, Urban Redevelopment Agency of Union Co** – all big land buyers / loan holders also – fronting for the County. How do they work? Do you know?

**QUESTION: Who Benefits in paying these prices? What Formal Bid / Negotiation process is used (*if any*), and what sort of Appraisal Data supports this?**

**SPLOST FACT #6 ~ Huge Loans have been taken out that locked the County into Long Term Debt, and which are backed by Property Taxes. YES, the County has essentially signed away the right to raise your property taxes to the Banks!**

Other county entities have taken out loans and bonds also – but the most blatant lying foolishness in all of this involves the Multi-Purpose building (*aka Community Center / Golf Clubhouse*). Let's break down some facts:

- A. **SPLOST 3 was supposed to pay for this. Taxpayers already VOTED on it last time** when told the estimated budget of overall project was going to be \$3,430,000.
- B. Instead of using SPLOST 3 to pay for it, Lamar frittered away the money on other projects, and then sold the Building and Land to a newly created "Urban Redevelopment Agency of Union County" (URA). The property was sold for \$10. This was a nice way of getting around SPLOST laws.
- C. The URA then took out a **\$5,105,000.00 Revenue Bond** with **total interest payments** attached to the life of the Bond of over an additional **\$3,202,869.08**. The bank is getting their money up front, with ALL payments through 2015 being Interest Only. The Bond matures in 2030. County is using the SPLOST 3 funds to pay the Interest.
- D. **Now suddenly, Taxpayers are being asked to Vote AGAIN to pay for this AGAIN.** This time under SPLOST 4 the Commissioner is asking **\$5,500,00.00 to rebuy the land** – AND he wants to take out **another LOAN** to do it. Is it of concern to the Taxpayers that the New Loan may involve ALL INTEREST ONLY payments for many many more years to come? It seems that the bank is going to do really well under this situation. It seems like land and appraisal values are going to go up in the immediate area (*probably artificially driving up Property Tax values also*). Who benefits? The taxpayers? Or bankers?

**What happens in the event of an economic downturn, and sales taxes don't cover it??** Here's the exact language in the Bond:

"As security for the payments required to be made and the obligations required to be performed by the County under the Agreement, **the County has pledged to the Issuer its full faith and credit and taxing power for such payment** and performance" ....further....."**an annual ad valorem tax on all taxable property** located within the territorial limits of the County.... at such rate or rates, **without limitation as to rate or amount**, as may be necessary to produce in each year revenues that will be sufficient to fulfill the County's obligations under the Agreement..."

The Taxpayers voted for a Multi-Purpose Building for \$3,430,000. They were NOT TOLD that they were going to be putting the County \$5+ Million in Debt. The New SPLOST IV Referendum includes authorizing another \$10 Million Dollar Debt (*another Interest Only Loan?*).

**QUESTION: Do you feel comfortable voting for a NEW \$10,000,000 Authorization of Debt – to pay off Old Debt - on something you already Voted for, but the money was squandered on other projects and Interest Only Loan Payments?**

## **SPLOST FACT #7 ~ County Commissioner Lamar Paris is violating several Laws in his SPLOST abuses, and this is putting the County in danger of expensive lawsuits.**

Below is a **partial** list of violations and potential violations we have so far identified:

- A. Georgia Law requires Projects over \$100,000 to go out to bid.** Just in the case of the Suches Community Center the Commissioner did not put any bids out on a \$230,000+ portion of the project. When called on it he lied and claimed it was because he wanted the people in the community to get the work, when in fact the no-bid contract went to an out of state contractor in North Carolina.
- B. Georgia Law says you cannot use SPLOST Funds to pay off Revenue Bonds.** Lamar plans to use the SPLOST IV proceeds to essentially pay off the \$5+ Million URA Revenue Bond. He's created a convoluted financing scheme to supposedly do it legally, by selling it to the URA for \$10, then repurchasing it at \$5+ Million, but he's publicly stated the intention is to pay them off with SPLOST IV (*he's already passed the Vote in his own head for you*) – so if anything goes wrong, lawsuits could fly.
- C. Georgia Law requires Annual Newspaper & Audit Publication of SPLOST finances.** Lamar's annual newspaper report is full of errors, inconsistencies, and often does not match up with other legally required reports, such as the County Audit. Numbers often look "pulled out of a hat" and are continually changing. Impossibly changing sometimes, as in "we spent this" and then later "we didn't."
- D. Georgia SPLOST Law specifically says you cannot abandon a Project once it has been voted on and passed by the Voters, especially not a Level One Project.** Projects have been abandoned, including one or more Level One Projects. The 2012 County Auditor even made note of this.
- E. Georgia SPLOST Law does not allow for anything to be added to the Project List.** Projects have been substantially changed in scope and cost to include new additions.
- F. Georgia Open Records Law requires for information (*including SPLOST records*) to be provided in a timely fashion when requested.** The Commissioner's Office has violated this law so badly, and so often, that lawsuits have already been threatened on this one issue alone.
- G. Georgia SPLOST Law does not allow for money to be borrowed from and then repaid from the General Fund.** Plenty of money has been borrowed from SPLOST Funds, including SPLOST 2, and then repaid. One example is all of the planning monies that went into preparing for SPLOST 3, which used SPLOST 2 monies, and then was later paid back. Illegal, and rushed – resulting in poor planning.
- H. You can't mix SPLOST Funds with other Funds.** I don't know where to start.... Except to suggest everyone try reading the Annual County Audits. Millions of dollars flow between accounts to such a degree that even the Auditors haven't been able to keep up with it.

**Any single one of the issues listed above would be a serious violation of law.**

**SPLOST FACT #8 ~ The Current SPLOST doesn't end until 2015. There is no rush to pass this 2 years early – although that is the way this is being treated. Why?**

- A. SPLOST 3 doesn't end until March of 2015.
- B. The Vote for SPLOST IV isn't required until November 2014

**Given all the issues regarding SPLOST 3 we have covered so far, and once you see the Annual Audit Accounting Issues we go over in the next section, you may feel it simply makes sense to "Hit the Pause Button".**

**QUESTION: What does it hurt to wait a year and review things? Why the Rush?**

Pause for reflection.

**Hit the “Pause Button” on SPLOST IV.** This will not happen automatically. Supporters of this Vote have been quietly rallied. They will show up to Vote. Hitting the “Pause Button” requires showing up and voting No. You can Vote Yes next year if you choose, once you have a Clearer Picture. To get a clearer picture – demand a forensic accounting to find out the truth. **See next section.**

# **Union County Audit Problems**

2012 Audit Filed July 2013 : Auditor was Maulkin & Jenkins

The 2012 Union County Audit arrived recently. Our review shows Huge Financial Problems that are being potentially covered up by the County – including More Theft!! We offer up some facts and insight you aren't getting in the North Georgia News, and which strongly suggest the need for a detailed Forensic Audit of the County Finances. Below is a quick outline of some things we will cover in this brief section:

1. A quick review of some of the various Adjustments and Restatements from the 2012 Union County Audit that should give even an 8 year old child an idea that something is seriously wrong.
2. More theft has been covered up. It is common knowledge to most insiders, but it is deliberately being kept from the public.
3. The Only Way to find out exactly what is going on is do have a Forensic Audit of the County Finances. What is a Forensic Audit, and why should the Taxpayers of Union County demand one?

## **COUNTY AUDIT SECTION #1 ~ A quick review of some of the various Adjustments and Restatements from the 2012 Union County Audit that should give even an 8 year old child an idea that something is seriously wrong.**

We have reviewed and compared all the audits going back to 2008, and the discrepancies are so enormous it would take much more time and space than we have to give. However, we feel that focusing on the 2012 Audit, which is the most recent, should be sufficient to help the public understand the incredible accounting problems and manipulations that are rampant in Union County Government. Below is a **partial** list of Adjustments and Restatements and Problem Areas noted in the 2012 County Audit.

- A. We start with one 2012 Audit Entry related to an old SPLOST, SPLOST 1 also known as the 1998 SPLOST, which actually sums up the situation and gives a perfectly clear example of the accounting confusion that exists.** At the bottom of Page 63 in the 2012 Audit it lists the following:

*“Transfers to Debt Service funds, funded with remaining 1998 SPLOST funds... \$411,259”*

The 1998 SPLOST (SPLOST 1) ended in 2004. This seemed very strange that \$411,259 had just been sitting around unused for the past 9 years. We reviewed all of the previous annual Audits, and all the previously required SPLOST publications, and we couldn't find any reference to leftover SPLOST monies. An Open Records Request was put in requesting to see the records regarding this newly discovered money. The following is the response provided by the Commissioner on October 7, 2013:

*“We do not have any records indicating left over monies or remaining balance from the 1998 SPLOST. Again, any information in an audit may not necessarily match or coincide with our records. In this case, the 1998 SPLOST was 15 years ago, way past our records retention requirements.”*

**QUESTION:** Where did the Auditor “find” \$411,259 of old money if there are no records? It appears to be a conveniently “made up” audit entry in order to balance funny money accounting practices - perhaps maybe balance out “missing money”?

**COMMENTARY:** Audits are based on mathematical science, not creative writing such as one might expect in a Science Fiction Novel. Auditors are not expected to make up creative stories for where monies come from and go to. Audits are based on factual records. If you have a record that says \$10 came in, then it is reflected as \$10 of income. If you then write a check for \$6.50, then you have an entry that shows \$6.50 going out. And if there is no record, then there is no entry. In this case, there are no records, but there is an entry for \$411,259, which is interestingly a very specific dollar amount. That is a lot of money, but Mr Paris seems rather lackadaisical and unconcerned that the Records and the Audit don't match. “No big deal” seems to be his attitude. Trust me... it's a big deal, and it is a LOT of money, and it is reflective of the entire County Finance situation, which is closer in substance to a Science Fiction Novel, than it is a scientific accounting.

- B. Commissioner Paris often speaks of doing “extraordinary things while balancing the budget every year.”** Look at the Long Term Debt Section on Pages 46 – 50. In 2012, **the Long Term Debt Beginning Balance was restated (corrected) by over \$5 Million dollars.** Although hidden in previous Annual Audits, **the County started the year with \$9,505,508 in long term debt.**

C. **“Material Weaknesses”** in an Audit are a very serious matter. There were a lot of “Material Weaknesses”:

- Previous Sherriff had over \$36,000 in combined questionable accounting / missing money.
- The Urban Redevelopment Agency (URA) hadn't been reporting \$5,216,000, almost all of which was County Debt. That is a lot of unreported Debt. In addition there was \$326,000 worth of adjustments needed in order to reconcile the beginning balance. There isn't an explanation for this – but often this can mean it was missing money. We don't know because no explanation has been given.
- \$1,089,000 of the County's Pension Fund was being improperly reported in the County Fund.

**TOTAL ADJUSTMENTS REQUIRED FOR THESE 3 ISSUES ALONE WAS \$6,341,000.00**

D. An **“Adjustment”** in an Audit is defined as *“a correction of a financial information misstatement identified by the auditor.”* A **“Misstatement”** in an Audit is defined as *“an error, omitted disclosure or inappropriate accounting policy”* and can sometimes be a strong indicator of fraud. There were LOTS of these adjustments and misstatements - to be exact, a **TOTAL of \$9,462,000, including \$7,617,000 to beginning equities, were needed to correctly report revenues and related balance sheet accounts.**

Below is the list:

- A \$383,000 Adjustment was need to fix the beginning balance of the General Fund.
- A \$1,175,000 Adjustment was needed to fix the Property Tax Records, including \$398,000 to correct the beginning balance of that fund.
- A \$385,000 Adjustment was needed to correct misstatements in regards to Sales Taxes collected and accrued.
- A \$50,000 Adjustment was needed to correct the beginning balance in the Multiple Grant Fund, plus another \$73,000 was needed to adjust for amounts *“not considered available.”* ??
- A \$14,000 Adjustment was required to fix the beginning balance of the Capitol Projects Fund.
- A \$481,000 Adjustment had to be made to the Splost III Fund in order to properly report sales tax revenues and receivables.
- Another \$466,000 in Adjustments also had to be made regarding the Splost III Fund in regards to properly reporting Intergovernmental revenues.
- A \$6,290,000 Adjustment and Restatement was required to correct the beginning net position for governmental activities
- A \$145,000 reclassification was needed for improperly reported Meeks Park Funds.

**TOTAL ADJUSTMENTS REQUIRED FOR THESE 9 ISSUES ALONE WAS \$9,462,000.**

E. Other Material Misstatements were in County's Expenditures and Liabilities were:

- A \$454,000 Adjustment, including \$153,000 to beginning fund balance, were required to properly accrue health claims expenditures and related liabilities
- A \$17,000 Adjustment to beginning balances of Splost III Fund intergovernmental expenditures

F. \$353,000 in Adjustments were required to correct County expenditures of Federal Funds (SEFA)



- G. For the Umpteenth time, going back as far as our review of Annual Audits took us – the County was again warned of “deficiencies in internal controls” in a multitude of county offices that would allow “misappropriation of assets”. The Tax Commissioner (*AGAIN!!*), Clerk of Courts, and Probate Court (*ALREADY WARNED ABOUT BY FORMER EMPLOYEE!!*) all had “unidentified funds” they could not account for. **“Significant Deficiencies” were reported for these agencies.**
- H. Lastly, \$336,000 in Adjustments were needed to correct Development Authority account balances.

**Let’s Pause and summarize all this. So far we’re looking at almost \$17,000,000 in identified Material Weaknesses, Adjustments, Misstatements and Significant Deficiencies. **Seventeen Million Dollars!****

### **How could County Finances Possibly Be That Far Off???**

**Well, here are a few more things pointed out by the Auditor, as the List Goes On:**

- I. TWENTY SPLOST III Fund expenditures did not include approval from a department head or project manager – and contained no supporting documentation at all. There is no mention of how much money was involved. This could be 20 checks for \$20 each, or it could be payments in the \$100’s of Thousands of Dollars. Since “Adjustments” have been in the \$100’s of Thousands of Dollars – this raises a pretty big red flag, and it is probably appropriate that these expenditures be very specifically investigated.
- J. \$31,000 in questionable Payroll Problems
- K. Another \$24,139 in excessive “Compensated Absences” that were Above the Allowed Limit. In layman’s term, that is governmental employees taking excessive absences, above what is allowed by law, and still getting paid for not showing up.
- L. There was a “lack of oversight of the finances by the County’s finance” I believe that would be Robin Gazaway, who reports to the Commissioner.
- M. The Auditor also pointed out that the County appeared to be possibly illegally abandoning Splost Projects to the degree that it was suggested the Commissioner should consult the County Attorney.
- N. The County was behind on several Lease Payments.

**Believe it or not, the List still goes on, but I am going to leave you with my favorite, and I want everyone to think about this.....**

- O. During their testing of Cash Balances, the Auditors received confirmation from United Community Bank which listed the authorized signors of County Bank Accounts. **Seven (7) of the twenty-eight (28) listed accounts included authorized signors who were no longer employed by the County.**

These are the County Bank Accounts – accounts that move Millions of Dollars – and SEVEN Accounts had authorized signors no longer employed by the County. I don’t know if Joy Griggs was one of those, but my guess is that Judy Spiva, fired for THEFT, might be one of those. Never heard of this? Read on.

## **COUNTY AUDIT SECTION #2 ~ More theft has been covered up. It is common knowledge to most insiders, but is deliberately being kept from the public.**

Most people in Union County have heard about the theft by Joy Griggs. Joy Griggs stole tax payer money, got caught, paid back the money, was prosecuted, and served time. **But few people have heard of Judy Spiva. Judy Spiva also stole money from the Golf Course. She was never prosecuted, it was covered up, and there is no proof the money was ever paid back.** This was also back around the time of Joy Griggs – in Spring 2009. Judy worked “under her boss” - Larry Garrett (*Union County Rec. Dept*). For years there were rumors of gambling trips to Cherokee Casinos, sometimes with her boss. In Spring of 2009, she was quietly let go from her position at the golf course. No formal investigation was done to even determine how much she took, although rumors have suggested it could be as much as \$250,000. It was all just quietly swept under the rug.

Stan Gunter was D.A. at the time. Jeff Langley was just Assistant D.A. at the time, but was voted in as D.A. later that year – and would have had prosecutorial jurisdiction, even as he did over Joy Griggs.

Advocates for Clean and Open Government (ACOG) started investigating this via Open Records in 2012, after hearing some substantiation on the theft rumors. Open Records Requests were met with stonewalling by the Commissioner’s Office. When directly asked about repayments by Judy Spiva of stolen monies, ACOG was told in legal ORR responses that there were NO DOCUMENTS. Later, more information drifted in about the theft, and two ACOG members (*Linda Pittman & Sonny Boyer*) called for a meeting with District Attorney Jeff Langley. In the meeting, Jeff Langley admitted to the fact that the theft occurred, and admitted that it was covered up to the extent that Spiva was allowed to pay back the money, and then was fired. (*Again, no one seems to know how much was stolen, nor is there a record of the repayment*). Mr Langley then went on to start telling LIES – strongly suggesting that his predecessor, Stan Gunter, was the one who covered it up – but that he, Jeff Langley, had no responsibility nor intention to investigate or enforce the law, even going so far as to suggest the statute of limitations had run out. But the theft was discovered less than a year before he came into office – and to this date an interpretation of the law suggests that there is NO statute of limitation on this crime.

Linda Pittman filed a Police Report on this crime once it was confirmed by Jeff Langley. The District Attorney continues to do nothing. I started filing Open Records Requests on this matter, and the Commissioner and his Secretary, Peggy Deyton, both of whom are named as Records Custodians for the County, have In Violation of Law, refused to provide me requested information, at one point charging over \$200 – which I paid, and was subsequently provided with worthless information I had not requested. The Commissioner acts as if this a game. **I am planning a lawsuit against Mr Paris & Ms Deyton to enforce compliance with the Open Records Act – and have already notified them of said fact. Mr Paris has in effect made it clear that he will protect the information requested, even to the point of risking an expensive lawsuit at the taxpayer’s expense.**

**Every Citizen in Union County should demand an explanation from Commissioner Paris, Larry Garrett, Stan Gunter & Jeff Langley. Langley admits it was covered up, and that Spiva was allowed to pay back the money - but NO RECORD EXISTS showing she paid back the money. What are the Facts? Why won’t Commissioner Paris provide records?**

## **COUNTY AUDIT SECTION #3 ~ The Only Way to find out exactly what is going on is do have a Forensic Audit of the County Finances. What is a Forensic Audit, and why should the Taxpayers of Union County demand one?**

Every year Union County is required by law to submit an Annual Financial Statement Audit, which is a far different thing than a Forensic Audit. In a Financial Statement Audit the Auditor relies upon the financial documents given it by the County Officials, and then the Auditor simply reviews the material in order to provide assurance that the County Financial Statements (1) conform generally with Generally Accepted Accounting Principles (GAAP), and (2) represent fairly, in all material aspects, the County's Financial Position. Normally, if this is accomplished, then the Audit is given a "Clean Opinion."

However, a "Clean Opinion" can be a very misleading statement to an ordinary citizen not familiar with the process, and simply says that the Auditor has basically included adjustments, notes etc that paint a fairly decent picture of finances. It doesn't describe how pretty, or Ugly in this case, that picture may be. It is indeed highly unlikely that a basic financial statement audit will uncover asset-theft fraud. It can be used as a Warning Flag that can lead to a more complete "Forensic Accounting."

**Forensic accountants are also known as fraud investigators, or fraud auditors. A forensic audit, which is designed to uncover asset-theft fraud, is a separate engagement from a financial statement audit and requires auditing professionals with specific anti-fraud training and experience.**

**In the case of the recent 2012 Audit, there is more than enough Smoke to suggest a Fire.** The County has already experienced multiple thefts and allegations of thefts and coverup. Millions of Dollars in hidden Debt has been uncovered. Internal Control Warnings have appeared year after year in Annual Audits – and the Commissioner and Accounting Staff still has not fixed the problems. Tens of Thousands of Dollars, Hundreds of Thousands of Dollars, even Millions of Dollars in discrepancies and accounting "Errors" have been made, and in general there is no oversight whatsoever over the County Finances.

**I can guess in advance the Commissioner's response to all of this....** He'll say it's all made up by paranoid individuals out to get him, and the Forensic Audit will cost too much and will simply be wasted money. That's pretty much what you'd expect someone to say who had something to hide. And talk he will, because that is one thing the Commissioner does well... Talk, Smooze, Buy Votes with Special Favors, Scare you with threats of Property Taxes, blame other people and call names (*Misfits, Cave People, too stupid to understand, etc.*)

**But these things I've reported are FACTS that are easily verifiable by a simple review of the Audit, Annual Splost Reports etc.**

The only question is what will Union County do? Will they demand a town hall meeting and force Commissioner Paris to answer tough questions in open format? Not the made up Q&A he does in the paper – without evidence – but really answer Questions From The People – and show Proof? And with all these questions, and this newly discovered \$9,000,000+ Debt, most importantly....

**WILL UNION COUNTY TAX PAYERS DEMAND A FORENSIC ACCOUNTING?  
FORENSIC ACCOUNTING = FIND OUT THE TRUTH.**

# Property Taxes: Manipulations & Tax Cheats

Putting things in perspective

**The Commissioner is fond of quoting Low Property Taxes – almost the lowest in the State he claims. See his manipulations revealed. Also, we Expose how the Commissioner Cheats on his own Personal & Family Property Taxes, while raising yours.**

While reviewing the \$5,105,000 Bond that was taken out to pay for the Multi-Purpose Building, we noticed that they included substantial historical Property Tax Information (*most likely because the Bonds are secured by your property taxes*). These charts, which included data from 2005, 2006, 2007 & 2008 illustrated perfectly the real truth behind the County Property Tax Levels. Look at the following data from the historical charts:

Year	Mill Rate (MR)	MR % Change	Assessed Values (AV): Real/Personal Property	AV % Change
2005	6.65	-	\$838,231,078.00	-
2006	5.10	- 23.3%	\$1,330,404,796.00	+58.7%
2007	5.05	-1.0%	\$1,410,197,155.00	+6.0%
2008	4.95	-2.0%	\$1,463,964,716.00	+3.8%

Notice that when the Commissioner talks about low rates, he specifically refers to the “Millage Rate” – NOT Overall Tax Rates. There is a formula used to determine what you actually pay. That Formula = MR x AV

**While reducing your Millage Rate by “a little”, he has been raising your Assessed Values by “a LOT”! Don’t be fooled – the only people not paying more in Property Taxes, are those getting Special Favors.**

## HERE’S A REAL Q & A FOR UNION COUNTY:

**Q?: WHO IS GETTING SPECIAL FAVORS? WHO IS A PROPERTY TAX CHEAT?**

**A: COMMISSIONER LAMAR PARIS AND HIS WIFE DINAH**

We did a very detailed review and report over a year ago regarding properties owned by Lamar Paris and his wife Dinah in the County. The results were turned over to Susie Phillips in the Tax Assessors Office, and to District Attorney Jeff Langley – even given to the North Georgia News. Nothing was done to correct the situation. No reports to the public. There were multiple offenses, but I will go into detail on two here:

- 1) Parcel 082-010** is a 56.3 Acre Parcel of Land. The Deed & the Plat Map associated with Lamar acquiring it back in 1988 clearly identify it as such – a 56.3 Acre piece of land. But Lamar declared it to the County Tax Assessor, as a 31 Acre tract of land. For 22 years he paid taxes on it based on assessed value as if it were 31 acres, NOT the correct 56.3 acres. Lamar and the Tax Assessors Office “fixed” the problem in 2011 – immediately before Lamar Paris sold the property, for the full 56.3 acre valuation.
- 2) Parcel 087A 003C** is the Homestead of Lamar & Dinah Paris. Until 2010 it was listed in the Tax Records as an 8.15 acre parcel. The deed, the plat, everything showed it as 8.15 acres. 8.15 Acres alone is NOT enough to be granted status as Tax Credited “Conservation Land”. 11.65 Acres however IS. Low and behold, in 2010 the Lot lines were illegally redrawn by the Tax Assessor’s Office, and falsified documentation prepared and submitted to the Tax Assessor by Lamar Paris and his wife Dinah – and now they have an 11.65 Acre Parcel, and are receiving a big Tax Credit based on it’s new classification as “Conservation Land”.

**Commissioner Paris: He raises your taxes, tell you they are lower – then cheats on his own.**

When the County overpays for land, it artificially drives up land values and property tax valuations.  
Then to make matters worse, that Property is then Governmentally Exempt from Property Tax.  
Tax Payers make up the difference.

# Editorial Summary

A sincere Letter to Union County Citizens

**The 3 stories prior are actually all linked. Lies, Manipulations, Illegal Activities and a lack of proper News Coverage has led to a rapidly deteriorating Financial Situation in the County. Citizens need to “Hit the Pause Button” and demand a Forensic Accounting.**

October 16, 2013

For many years people have suggested I start a regional newspaper. This started in 2009, when as the result of being personally defrauded, I began investigating illegal activity by certain officers in Appalachian Bank. I eventually turned over to the FBI & FDIC Investigators the primary information that led to the prosecution of the 3 top officers in the bank, and it's eventual shut down. I played with the idea of starting the paper then – but ultimately walked away – but too late, because I already had the news bug.

In late 2010 I turned my eye towards Blairsville and United Community Bank (UCBI). I began investigating possible illegal activity by CEO Jimmy Tallent, and Board Members WC Nelson & Bob Head. I subsequently shared that information with several federal agencies, and in a breakfast table meeting with the Inspector General's Office of the FDIC, I was told an investigation was being started. Unfortunately it took 3+ years for the Appalachian Bank Investigation to bear fruit, and these agencies do not share anything once they start – so I can only hope that the United Community Bank Investigation is winding its way towards prosecution.

I mention the above in introduction, and as evidence that I am not new to these sorts of investigations, and that my efforts have been used successfully to identify serious criminal activities. **This brings us to the subject matter at hand....**

It was during my beginning investigations into UCBI, that I began to observe the disgraceful behavior of Commissioner Lamar Paris, in the way he was allowed to use the Newspaper to launch personal attacks on Linda Pittman, and her fellow members of Advocates For Clean and Open Government (ACOG). I reached out to ACOG and a relationship was established. Subsequently ACOG has shared years of research and Open Records Responses they have collected.

Slowly and tediously over the past couple of years I have pieced the facts together, filled in gaps, and put together what I consider enough evidence to possibly prosecute the Commissioner for criminal activity regarding SPLOST Abuses, Accounting Abuses, and Property Tax evasion.

The problem is that I have no one to turn the information over to. The District Attorney, who would normally act as the front line of law enforcement – seems to be a big part of the problem (*either too incompetent, too busy, or too involved*) to investigate or prosecute. He will be one of the first people delivered this news report though, so maybe you can ask him why these things aren't being looked into. I am told that the GBI can't be called in unless asked by the Commissioner or D.A. – so they seem to be out. I had a discussion with the FBI, and they made it clear that they are swamped, and that prosecuting a SPLOST case is not something that they would most likely get involved in.

And that is why I have prepared these News Reports, to put this information solidly where it belongs – in the hands of the Citizens and tax Payers of Union County, so that you can decide what to do.

**I am also going to make a few recommendations. Simple, common sense recommendations:**

**1) “Hit the Pause Button” on passing this new SPLOST IV.**

You don't have to pass it now. You should wait until some of these facts have been publicly vetted and discussed out in the open. Hopefully, the North Georgia News will find time to actually cover some of this in a fair and unbiased manner. Perhaps Town Hall Meetings can be held in which Commissioner Paris, the County Attorney or others can provide answers to some of the Legal & Oversight questions revolving around SPLOST. Perhaps they can explain why projects have been abandoned, projects done without bids, why they are paying so much for land, and perhaps most importantly, why the County has acquired almost \$10,000,000 in DEBT that wasn't part of the original plan!

IF you eventually decide SPLOST is good to proceed with, but want it a little more controlled, with more accountability, perhaps you can simply give the Commissioner time to redraft the wording for the ballot next year, and mandate that the SPLOST monies actually be collected BEFORE they are spent – putting the axe to any more new “Advance Interest Only Loans”. It is never a good thing to simply dump huge funds into government hands. Too much temptation to overspend – to not think hard enough, or wisely enough, about how the money is being spent.

Don't allow your County to be bankrupted by uncontrolled spending and debt. It is a beautiful place, and you have so much. There is a fine line between wise spending – and being stupid, greedy and overspending. Think before you Vote on More Spending and More Debt!

**2) Demand a Forensic Accounting of the County Funds.** It isn't complicated. Given the review of the Annual Audit – it's a no brainer.

**3) Demand an accounting for what occurred in the Judy Spiva theft case.** How much money was stolen? How much was paid back? Why was it covered up? This may lead to more understanding than you expect.

**4) Property Taxes are at the center of all of this.** They are the stick you are threatened to be beaten with if you don't pass SPLOST. They are the primary financial engine of the County. And they are definitely not created equally for all citizens. I would start with a thorough investigation into who is, and who isn't, paying their fair share.

**Good luck Union County Citizens. The truth is in your hands. What you do with it is your Choice.**

Peace,  
- david  
*aka The Mountains Voice*

*Righteousness carries the sword of truth...*



## **"Help this Grow as a Mustard Seed"**

*"It is like a grain of mustard seed, which, when it is sown in the earth, is less than all the seeds that be in the earth: But when it is sown, it groweth up, and becometh greater than all herbs, and shooteth out great branches; so that the fowls of the air may lodge under the shadow of it."*

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