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audit, have arrested a former clerk/treasurer of the now-dissolved village of Altmar, Oswego County, and charged her with embezzling \$117,615 in village funds.

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New York state police, based on information developed by a state comptroller's audit, have arrested a former clerk/treasurer of the now-dissolved village of Altmar, Oswego County, and charged her with embezzling \$117,615 in village funds.

Margaret Bailey was arrested Tuesday by state police and charged with felony counts of grand larceny and falsifying business records. The comptroller's audit indicated her alleged thefts occurred between June 1, 2009, and May 31, 2013. The village of about 400 residents dissolved on June 1, 2013, after a referendum to do so was approved in 2010.

The comptroller's report alleges Mrs. Bailey made unauthorized check payments of \$106,676, with \$4,950 made to the U.S. Treasury and the balance to herself, either through voucher payments or payroll. The report alleges she kept \$9,215 in cash, and made unauthorized purchases in the amount of \$1,405. The clerk/treasurer's part-time position had an authorized salary of \$4,800 per year, according to the audit.

"This individual brazenly ripped off more than \$100,000 from her community and nearly got away with it," Comptroller Thomas P. DiNapoli said in a statement. "She had keys to the cash register and went on a spending spree, even going as far as doubling her own salary without detection. This employee took full advantage of a system lacking proper financial controls."

According to the audit, Mrs. Bailey allegedly was able to misappropriate money because the former village Board of Trustees had not established an adequate system of internal controls over the village's cash assets and financial records. Mrs. Bailey

was responsible for receiving the funds and making bank deposits, preparing and

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In all, Mrs. Bailey allegedly wrote 126 checks to herself or to others for her personal expenses, each of which was not supported by documentation indicating proper authorization and does not appear to have been made for valid village purposes, the audit states. Although Mrs. Bailey earned an annual salary of \$4,800 for the years 2009-12, her salary was doubled in 2012-13 to \$9,600, despite a lack of board authorization for the raise. In April 2012, just before her salary doubled, Mrs. Bailey allegedly stopped providing the board with vouchers that needed to be initialed to document its approval of the payments.

In addition, for the fiscal years 2010-11, 2011-12 and 2012-13, Mrs. Bailey's records allegedly indicate that her personal property taxes totaling \$1,565 had been paid, but the comptroller's audit could find no evidence of such payments in the deposit records furnished by the village's bank. Also, the audit allegedly found that Mrs. Bailey purchased \$1,405 in items from an office supply store, including \$150 for a soda-making machine with accessories and \$878 for a computer and software, for which the village could not account. According to the audit, Mrs. Bailey admitted she had purchased the items for personal use and that she had them at her home.

The audit was triggered by a request from town of Albion officials to the comptroller's office for assistance in obtaining village financial information during the dissolution process in March 2013. Under state law, when a village dissolves, its assets transfer to the town in which it is located.

The audit states that the findings were shared with town Supervisor David A. Walter, who declined to respond in writing to the comptroller, but who indicated the town will implement the audit's recommendations, which include taking steps to recover the money allegedly stolen by Mrs. Bailey and consult with the village's former insurance carrier to see if it can submit a claim to recover some or all of the losses.

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