

STATEMENT FROM THE MAMARONECK PUBLIC LIBRARY BOARD OF TRUSTEES

For many years, Mary Soto functioned as the Mamaroneck Public Library's Business Manager. She was in charge of ensuring that the financial books and statements were properly maintained and reported. Instead, she presented false records to the Boards of Trustees, the Treasurers, Library Directors, and the public representing that the Library had a multi-million dollar fund balance that did not actually exist. The data provided to the Boards of Trustees by the Business Manager, the Library Directors and the Board Treasurer was trusted but not verified. In February, 2023, the current Board of Trustees and Library Director finally learned of the deception and that the fund balance did not exist; The Board immediately placed Ms. Soto on leave.

There were years when the Library did not raise taxes believing these funds existed. Because the library's budget for the past two years was balanced utilizing the misreported fund balance, the Library found itself without \$1.4 million in anticipated operating funds (577K for 2022 and \$866K for 2023) that were believed to exist.

A forensic accounting firm was hired and the situation was reported to the Village Board of Trustees and the Village Police Department. The forensic accounting firm, while working with the Library Director and her team, determined that in addition to misrepresenting fund balances that never existed, Mary Soto had also been siphoning Library funds for personal use. The case was subsequently turned over to the Westchester County DA's Public and Law Enforcement Integrity Bureau. The results of the forensic audit were provided to the District Attorney.

On December 14, 2023 the District Attorney arrested Mary Soto. She was arraigned on a felony charge of Grand Larceny in the Third Degree before Judge Christie L. Derrico in Mamaroneck Village Court for the theft of \$44,769.

It was as a result of Ms. Soto's misreporting of cash reserves, not the theft for personal use, that the Library needed the \$1.4 million TAN. Once the Board realized the severity of the situation, they asked Mayor Tom Murphy and the Village Board to issue a TAN for the Library. The Village of Mamaroneck required strict controls and detailed information before issuing the TAN and disbursing any funds, which the Library provided. The TAN allowed the Library to continue serving the community and the Library will pay the TAN back in full, including interest and fees.

Two things happened in March:

1. Mary Soto resigned.
2. The Board's Treasurer resigned.

What are we doing to ensure this doesn't happen again?

- A professional bookkeeper was hired.
- A new Board Treasurer is in place.
- The Board of Trustees now reviews the bank balances and reconciliations monthly. This information is also posted on the Library's website for transparency.
- Two board members now review the monthly invoices prior to the audit of bills to ensure accuracy and expenditures are closely monitored.
- The operating budget for fiscal year June 1, 2024 – May 31, 2025 reflects a decrease in operating expenses of over 6%.
- The Board Treasurer and co-Treasurer (volunteer from Larchmont) meet with the Library Director regularly.
- The Library has hired Nawrocki Smith to perform the annual audits going forward.

- The Library Board attended a full day workshop led by Jerry Nichols, Director of the Palmer School of Library and Information Science; LIU Post, which was provided by Westchester Library Services in August 2023. Additionally, the Board received the latest edition of the Handbook for Library Trustees of New York State.
- Trustees will continue to take two hours of continuing education annually required by the state.
- The Board has added 1 new member since February 2023 and 2 new members will be joining the Board in June 2024 (Please note: 2 current board members decided not to run for re-election to allow new members to be elected)
- Securing adequate, sustainable funding is primarily the job of the Board; they continue to fundraise in an effort to payback the TAN and ensure a strong, viable institution for the community. To date, over \$250,000 has been raised.

We sincerely apologize for the failure of many Library Boards to institute effective financial controls which resulted in both financial shortfalls and, more importantly, a lack of confidence and trust from our community in the Library's ability to manage its own financial responsibilities. On behalf of our current Board, we assure the public that these shortcomings have been corrected.