

## **Section B**

### **Beer Sales**

Based on the prosecutor's report \$15,195 worth of alcohol was purchased by UCLHS from High Grade Beverage for sale at Musicfest 2010. Receipts that would show the breakdown and costs of what was purchased were not available per this response to an OPRA request:

*As to your OPRA request today for "bills, receipts and vouchers from High Grade Beverage and any other bills, receipts and vouchers for the purchase of alcohol for the 2010 Musicfest", the County has conducted a search of the County's government records and it is not in possession of any responsive documents. The Prosecutor's Office was notified of your request; however, disclosure of responsive documents is denied pursuant to an exemption from public access for confidentiality and secrecy pursuant to the following Rules of Court: R. 1:38-3, R. 3:6-6, R. 3:6-7 and R. 3:6-8.*

We are left to approximate what \$15,195 would have bought based on the following assumptions:

Beer keg (15.5 gallons) costing \$60

Average cost of 16 ounce cup of beer: \$6

Sale price of one keg: \$744 = 1,984 ounces / 16 x \$6

\$15,195 would buy 253 kegs at \$60 per keg.

253 kegs x \$744 comes to \$188,232

\$37,507 was found in the safe in the Union County Finance Department as relating to the sale of beer at musicfest 2010 for the benefit of UCLHSF.

\$188,232 - \$37,507 =

**Missing Money: \$150,725**

**Section B**  
**Beer Sales (continued)**

The Prosecutor's report mentions that the county manager handled the cash collected from the " Beer Garden ". The report does not mention that George Devanney did not have official access to the safe.

*"The LHS Beer Garden generated a significant amount of cash through the sale of alcoholic beverages. This money was collected by County employees. The money was then ultimately transported to the Union County Administration Building where it was placed in a safe at the Union County Finance Department. The total amount placed in the safe was \$37,507. This money was then deposited in the Union County Chapter of LHS's bank account. These deposits were made incrementally by George Devanney. When questioned as to the reason behind this method of deposit, Devanney informed our investigator that he did this as a safety precaution because he was not comfortable carrying large amounts of cash at one time."*

Exhibits Attached:

B3-B4 Excerpt from UC Prosecutor's Report

B5 Email relating to prices to be charged

B6 Investigative memo listing employees authorized to access safe

Mr. Alfred Faella, Union County Manager

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engage in fundraising activities at the site of the 2010 MusicFest (Exhibit 7). LHS is a national charity based in Denver, Colorado with a local chapter in Union County. The charity *Love, Hope, Strength Foundation* has undertaken a global initiative to raise funds and awareness through music related events and promotions. The Valerie Fund is a non-profit organization dedicated to providing support for the comprehensive healthcare of children with cancer and blood disorders. The President, Treasurer, Secretary, and several Board members of LHS's Union County Chapter are employed in various positions by Union County.

During the 2010 MusicFest, LHS engaged in fundraising activities, such as: a raffle and a walk-a-thon for the benefit of the Valerie Fund, and the sale of alcoholic beverages in a "Beer Garden" tent for LHS. The appropriate permit was obtained from the New Jersey Alcoholic Beverage Control Board by LHS to sell alcoholic beverages, which it purchased from High Grade Beverage Company at a cost of \$15,194.94. The sale of alcoholic beverages generated proceeds of \$37,507.00. In addition, LHS conducted a 50/50 raffle which produced a profit of \$4,618.50, and a Walk-a-Thon, which generated income; however there are no records to verify the amount.

The LHS "Beer Garden" generated a significant amount of cash through the sale of alcoholic beverages. This money was collected by County employees. The money was then ultimately transported to the Union County Administration Building where it was placed in a safe at the Union County Finance Department. The total amount placed in the safe was \$37,507.00. This money was then deposited in the Union County Chapter of LHS's bank account. These deposits were made incrementally by George Devanney. When questioned as to the reason behind this method of

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deposit, Devanney informed our investigators that he did this as a safety precaution because he was not comfortable carrying large amounts of cash at one time.

This Office recommends that:

- (1) County employees should not personally handle the funds raised by a charitable organization;
- (2) Proceeds collected by a charity should not be placed in a County safe;
- (3) A charity should be responsible for collecting the funds, transporting the funds, accounting for the funds, and depositing the funds into its own account;
- (4) All County officials with authority to select contractors, vendors, concessionaires, or any other party with a commercial interest in the event should be required to disclose their commercial or personal interest with that party to the Board of Freeholders; and
- (5) Other charities should be afforded the opportunity to engage in fundraising in connection with the event, or the alternative, the County should reconsider the policy of contributing to a charity to the exclusion of others.

**KIDS KINGDOM AND MERCHANDISE SALES:**

Additionally, Union County operated independent, income-generating events at the MusicFest, including the sale of artist merchandise, county merchandise, and a children's play area called *Kids Kingdom*. These events produced profits of \$17,345.10.

County Merchandise Sales	\$ 13,327.00
Artist Merchandise Sales	\$ 2,144.10
<i>Kids Kingdom</i>	\$ 1,874.00
<b>Total</b>	<b>\$ 17,345.10</b>

The *Kids Kingdom* profits were deposited in the County's account promptly after the conclusion of MusicFest. The \$15,471.10 generated from the sale of County merchandise and artist's merchandise was placed in a safe at the Finance Department of Union County. The \$15,471.10

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**Melinda Zito**

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**From:** Victoria Durbin  
**Sent:** Friday, August 27, 2010 10:44 AM  
**To:** Melinda Zito  
**Subject:** FW: Beer Garden Signage

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**From:** Carolyn Sullivan  
**Sent:** Tuesday, August 24, 2010 11:53 AM  
**To:** Victoria Durbin  
**Subject:** RE: Beer Garden Signage

Mug price is \$10 to start... That item went missing. Sorry and glad to help always!

**From:** Victoria Durbin  
**Sent:** Tuesday, August 24, 2010 11:51 AM  
**To:** Carolyn Sullivan  
**Subject:** Re: Beer Garden Signage

Thank you!!! So very helpful!!

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**From:** Carolyn Sullivan  
**Sent:** Tuesday, August 24, 2010 11:43 AM  
**To:** Victoria Durbin  
**Subject:** RE: Beer Garden Signage

2009 Prices were:

Domestic = \$6 Bud & Bud Light  
Imported = \$7 Bass & Stella  
Wine = \$7 red or white provided by Berkeley Wine  
Mugs = with 1 free beer, \$1 off all additional beer purchases (so a Bud/Bud Light will now be \$5 with a mug; a Bass/Stella would be \$6 with a mug)

Keep in mind, we have the Jack Daniels sponsor now. I am working on the contract to send to Scott for signature. This is an opportunity Lee at Crossroads got and let George/Cherron know. Knowing how information is slow to pass, I'm not sure if you and Scott are aware. If so, sorry!

Kelly has done ALL the beer signage and ticket printing for the past several years. She has designed and then has sent to Vinny for printing.

Have fun in Cooperstown!!!

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**From:** Victoria Durbin  
**Sent:** Tuesday, August 24, 2010 11:04 AM  
**To:** Carolyn Sullivan  
**Subject:** Fw: Beer Garden Signage

Hi carolyn. I don't have any of the 2009 files to verify the beer prices. George told me to keep the same as 2009. (I do have something but believe it reflects different pricing) I am in cooperstown with the kids til tonight--any chance you

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**Cassie Kim**

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**From:** Bibi Taylor  
**Sent:** Tuesday, June 07, 2011 9:52 AM  
**To:** Cassie Kim  
**Subject:** Musicfest Info  
**Attachments:** SKMBT\_75111060709350.pdf

Detective Kim,

Pursuant to your request, attached please find the financial records delineating the Kids Kingdom receipts deposited in the amount of \$1,874.

Below is a list of employees who are authorized to access the safe:

Lawrence Caroselli, Director of Finance/County Treasurer (retired May 1, 2011)  
Bibi Taylor, Director of Finance/County Treasurer (hired March 19, 2011)  
Joseph Bowe, Deputy Treasurer  
Antonette Muscaritolo, Fiscal Analyst  
Jason Shanley, Fiscal Analyst

Should you need additional information, please let me know. Thanks.

Bibi Taylor  
Director/County Treasurer  
Department of Finance  
County of Union  
10 Elizabethtown Plaza  
Elizabeth, NJ 07207

Office: (908) 527-4055  
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