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URA DIRECT FRAUD/ABUSE (not INDIRECT, as thru NAHN/PHOENIX & SLETTEN FAMILY/BSB GARAGE)

III-URA (apparent) INTERNAL FRAUD

- a) I have done at least 8 formal "FOIA" (sunshine records requests) on URA & BSB about items suggesting or revealing fraud (and abuse) at the URA. Only one (checks by BSB to Barbara Miller's NAHN) was fully complied with.
- b) In May (or June) of 2018, I FOIA'd the audiotape of the May or June URA meeting just prior wherein Karen claimed she was "working with everyone at the County Attorney's Office" on a report that would (supposedly) "vindicate" her regarding my March 2018 detailed charges of misconduct (including criminal and/or quasi criminal misconduct) by her as to the URA.
- c) BY SHEEREST ACCIDENT, I got ONE income and expense report of the URA in response to my audiotape request. It is the June 2018/2019 year-to date (i.e. almost full year report ending June 30 for 2018) INCOME & EXPENSE for one URA fund (#2120).
- d) THESE (and ALL of the URA's income and expense reports) are REQUIRED by sec. 4237 to be in the annual report.
[To date, there are NO records available to the public of the annual income or expenses of the URA...be it 2005-2018/19, or since.]
- e) This report shows [for ONE FUND ONLY] an income (i.e. ALL property taxes "diverted" to URA) of \$1.24M & \$1.396M for fiscal years ending June 30 of 2018 & 2019.
- f) It also purports to show \$428K (or about 31% of gross income) for SUPPOSED actual "ADMINISTRATION EXPENSES" for fiscal year 2018.
- g) This includes:
 - i) \$205K in "salaries" (there are none for URA; BSB pays Karen);
 - ii) \$198K in "professional services" (there are none for URA; BSB provides County Atty as lawyer & its outside CPA; and architect fees go in garage & similar construction budgets); and \$25K for "construction in progress" (NOT an administrative expense).
- h) At the Dec. 2018 URA meeting, I was present. At the very end, I presented a copy of the report and I outlined e-g hereinabove to the URA board IN DETAIL.
- i) They said it must be a mistake, and they would get the correct figures back to me. [It's now 3.5 years....I'm STILL waiting.]
- j) In the fraud discovery consulting world, there are "markers" for fraud. Also, fraud can be "indirect" or "3rd party" fraud (like HUGE sums from URA to NAHN for housing & other work NEVER DONE at Phoenix Bldg.)

- k) Fraud can also be "direct" or "employee" fraud, such as the company bookkeeper juggling books and embezzling, or an officer faking HUGE expenses in expense reports & pocketing the money.
- l) Here, statewide "admin" expenses for ALL the URAs in MT is 5.5% (not 31%-for just ONE fund).
- m) Further, with ALL THREE ITEMS CLEARLY NON-EXISTENT, any fraud discovery consultant would RED FLAG this as near certain and obvious "DIRECT" or "EMPLOYEE" fraud....and INSIST on conducting a DEEP "fraud-it". [Any sane "employer" would agree to same.]

IV-(APPARENT) DIRECT FRAUD--IN ONE URA FUND ONLY-- EXCEEDS ALL GRANTS BY URA

- a) Also attached is the URA's page in this years Butte Chamber of Commerce report published in the MT Standard in late March.
- b) On the 8th line, Karen/URA actually BRAG about giving out \$1.8M in grants OVER THE PRIOR 5 YEARS.
- c) The (apparent) "direct" fraud of \$428.3K FROM ONE FUND ONLY (1 yr only) equals \$2,141,500 in (apparent) direct fraud.... if multiplied by 5 (i.e. 5 years)
- d) With \$2.14M in (apparent/extrapolated) direct fraud over 5 years...and \$1.8M in ALL grants by URA over 5 years, ANY fraud discovery consultant would say it appears there is almost 20% more in DIRECT FRAUD (in one fund only) than ALL grants made over 5 years.
- e) It is difficult to calculate ALL actual URA income, and all actual (apparent) fraud at URA over last 5 years without the mandatory sec.4237 annual report.
- f) However, records of millions in over payments on BSB Garage and on Phoenix Bldg. over the last decade and more allow me to "guesstimate" a bit.
- g) My best guess is there is a minimum of several million per year (* possibly twice that or more*) of income to URA in excess of BOTH the bond payments for the garage AND the \$360K/yr in grants being given.
- h) In fact, I believe that Karen Byrnes and Dan Fisher in 2014-16 somehow illegally "hijacked" the value/taxation power over the URA (a power held SOLELY by MT DOR), and falsely "jacked up" the (new) URA values (and therefor taxes in new URA) by 50-60% to create a HUGE multi-million dollar/yr "income" to the (new) URA.
- i) In other words, Karen falsely and illegally created a multi-million dollar "income" to the new URA...so that KAREN (and others) could use it as their PERSONAL "piggy bank" undisclosed ANYWHERE do to NO SEC. 4237 MANDATORY ANNUAL REPORT
- j) In fact, I believe that the \$360K/yr in actual URA grants is what WOULD be available for grants (with or without garage bond) had the values not been falsely jacked up 2014-16.
- k) ALL values (incl. URA's) have gone up again lately on "market", further helping to "juice up" a HUGE (unreported) "income" to URA---for MORE fraud, waste, and abuse by Karen/the URA
- l) Again, without the annual report, God knows how many MILLIONS PER YEARS ARE GOING GOD KNOWS WHERE.

Community and Business Development

The Butte-Silver Bow Community and Business Development Department works in conjunction with the Butte Chamber of Commerce, Butte Local Development Corporation, Port of Montana, Headwaters RC&D and the Bert Mooney Airport in our efforts to improve the economic opportunities for our citizens and improve the community in which we all live.

One of the main tools used by the Community Development Department is Tax Increment Financing. Tax Increment Financing allows a district to capture increased incremental taxes and use the increment to address blight and infrastructure issues within the district, Butte-Silver Bow has five tax increment districts.

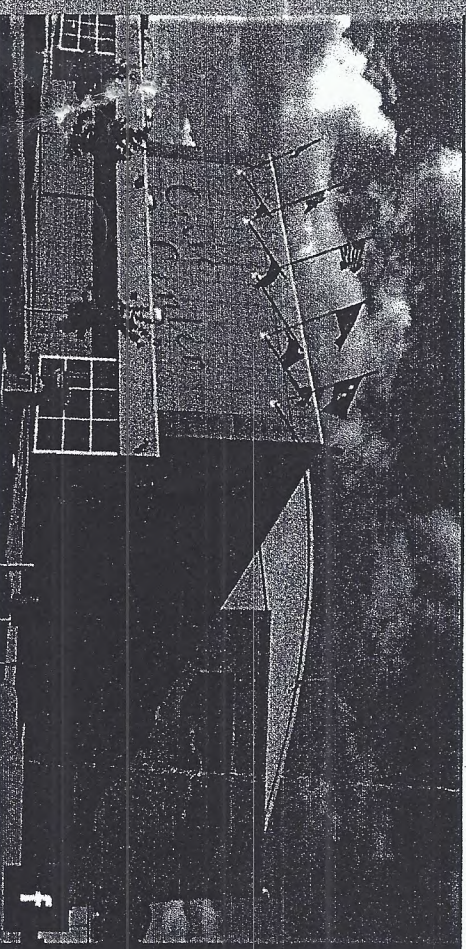
Urban Renewal Agency (URA) – consisting of the Uptown Business District – the URAs goal is to work with developers through loan and grant funding to reduce blight in the district. Through this process, five years, the URA has granted over \$1.8M, which encouraged a minimum of \$7.2M private investment. The projects range from new roofs to complete building rehab.

Harrison Avenue South Urban Renewal District (HAS) - consisting of the retail corridor along Harrison Avenue south of Interstate 90/I5 to Sunset Road and the adjacent neighborhoods. This newly created district, base year of 2019, is focused on investing in public infrastructure, fostering economic growth and leveraging resources to achieve neighborhood revitalization and rehabilitation. The HAS has partnered with property owners in new construction and renovation of existing buildings.

Tax Increment Financing Industrial District #2 (TIID #2) also known as Montana Connections Park located west of Butte. Montana Connections focuses on constructing industrial infrastructure including a 140-acre rail park and new roads and utilities for subdivision. These projects create additional parcels available for development. In 2021, the construction of 20,000 feet of track was completed, the construction of a new access road, Sugarloaf Loop was started and construction of the new Murdoch's Warehouse and Distribution center began.

South Butte Industrial Park (TEDD) – consisting of the Industrial Park around Technology Way and South Parkmont was created with a base year of 2017. The infrastructure analysis of the TEDD is almost complete. It is anticipated that additional broadband infrastructure will be required along with street and sidewalk improvements. These infrastructure upgrades will ensure the existing businesses in the district can continue to grow.

Other duties of the Community Development office include the management of the Greenway Service District. The Greenway Service District is responsible for the planning construction and management of the trail. The trail is a 26-mile corridor that will provide passive recreation opportunities between Butte and Opportunity including walking, running and bike riding. To date three trail heads and 16 miles of trail have been constructed. Through their efforts, the Greenway Service District has secured 100s of acres in Deer Lodge and Silver Bow Counties for public access and to protect the remediated and restored Silver Bow Creek corridor.



**SOUTHWEST
MONTANA'S
PREMIER
MULTI-PURPOSE
FACILITY**



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Urban Revitalization Agency PRELIMINARY BUDGET URA-2 DEVELOPMENT FUND #2320 For Fiscal Year Ending June 30, 2019					
(Note: Property tax receipts per the 2016 Bond Resolution are required to run through the Debt Service Fund 3120. Adjustment pending.)					
Account #	Description	FYE 2018 Adj. Budget	FYE 2019 Request	Change from Previous Year	Notes
Revenues					
3110-10	Real Property Taxes	\$1,244,169	\$1,296,000	\$152,641	Estimated tax incremental revenues based (taxable valuations of real property of \$1,800,000 and estimated mill levies @ .776.
3110-16	Real Property - Delinquent Taxes Payable 2016-18	\$89,250	\$103,500	\$14,250	Estimated; \$18K-2015, \$45K-2016, \$75K-2017 @75%
3111-18	Personal Property Taxes	\$49,417	\$48,655	(\$762)	PB Tax incremental revenues - estimated @95% collection
3120-01	Penalties and Interest	\$1,000	\$1,000	\$0	
3695-10	Miscellaneous Revenues	\$250	\$250	\$0	Estimate - unidentified \$250
3710-10	Investment Earnings	\$2,500	\$2,500	\$0	Based on avg. balance of \$500,000 @ 0.05%.
	Total Revenue	\$1,386,577	\$1,552,705	\$166,129	
Interfund Operating Transfers In					
3930-xx	Transfer from 4100 ?		\$35,000		To transfer estimated cash from balance remaining after parking garage construction completion.
	Total Interfund Operating Transfers In	\$0	\$35,000	\$35,000	
	Total Revenues and Operating Transfers	\$1,386,577	\$1,587,705	\$201,129	
Expenditures					
Administration					
291-4702-41-110	Salaries and Wages	\$138,886	\$138,886	\$0	Per Budget Office. Director@40%, Admin Asst@100%, HP Officer@34%, New Accountant Position @100%
291-4702-41-110	Salaries and Wages - Longevity	\$3,362	\$3,362	\$0	Per Budget Office.
291-4702-41-180	Employee Provided Benefits	\$62,852	\$62,852	\$0	Per Budget Office. Director@40%, Admin Asst@100%, HP Officer@34%, New Accountant Position @100%
291-4702-41-190	PERS on behalf	\$139	\$139	\$0	Per Budget Office.
291-4702-41-210	Office Supplies	\$1,400	\$1,400	\$0	
291-4702-41-220	Operating Supplies	\$1,250	\$1,250	\$0	
291-4702-41-230	Repair & Maintenance Supplies	\$0	\$0	\$0	
291-4702-41-260	Non-Capital Fixed Assets	\$1,000	\$2,000	\$1,000	Reset at original budget request amount.
291-4702-41-310	Postage	\$1,000	\$1,000	\$0	
291-4702-41-320	Printing, Duplicating Etc.	\$2,250	\$1,250	(\$1,000)	Reset at original budget request amount.
291-4702-41-330	Public, Subsc., and Dues	\$1,500	\$1,500	\$0	
291-4702-41-340	Utilities	\$2,050	\$1,300	(\$750)	Reset at original budget request amount.
291-4702-41-350	Professional Services (Fund 2310)	\$0	\$0	\$0	
291-4702-41-350	Professional Services	\$197,850	\$104,286	(\$93,564)	Parking garage - Other soft costs outstanding not covered by bond proceeds - \$100,000; K Kemble - \$4,286
291-4702-41-360	Repairs & Maint.	\$500	\$500	\$0	
291-4702-41-370	Travel	\$1,868	\$2,268	\$400	Reset at original budget request amount.
291-4702-41-380	Training	\$1,212	\$1,212	\$0	
291-4702-41-390	Other Purchased Services	\$1,000	\$600	(\$400)	Reset at original budget request amount.
291-4702-41-851	Long Distance Charges	\$0	\$0	\$0	
291-4702-41-852	Payroll Charges	\$970	\$970	\$0	
291-4702-41-853	Computer Services	\$7,198	\$7,198	\$0	
291-4702-41-854	Personnel Charges	\$1,912	\$1,912	\$0	
291-4702-41-855	PBX Charges	\$2,730	\$2,730	\$0	
291-4702-41-856	GIS Charges	\$1,500	\$1,500	\$0	
291-4702-41-940	Machinery & Equipment	\$0	\$0	\$0	
291-4702-41-950	Construction in Progress	\$25,000	\$0	(\$25,000)	
	Total Administration	\$457,829	\$338,115	(\$119,714)	
Projects and Donations					
291-4702-45-730	Grants and Donations	\$732,076	\$700,000	\$32,076	Estimated Projects Carryover Balance \$296,000 @ 6/30/18 + \$500,000 Add'l
Interfund Operating Transfers Out					
291-5210-77-820	Transfer to Debt Service Fund 3120	\$711,404	\$553,098	(\$158,366)	Debt service fund payment reserve - \$553,097.50; \$235,000 principal - 7/1/19, \$318,097.50 interest - 1/1/19 and 7/1/19.
291-5210-44-820	Transfer to Loan Fund # 2313	\$130,000	\$0	(\$130,000)	Remaining balance \$130K repaid in FY18.
291-5210-xx-820	Transfer to Loan Fund # 2321	\$0	\$250,000		Cash for new loan fund for TID2.
291-5210-xx-820	Transfer to General Fund	\$25,000	\$25,000	\$0	Parking SID contribution for enforcement. Matched by General Fund.
291-5210-10-820	Transfer to General Fund	\$10,552	\$13,863		Estimated Intergovernmental Service Charge - 1.5% of Administration & Grants and Donations from actual in FY18 from funds 2310 and 2320.
	Total Interfund Transfers Out	\$877,035	\$841,960	(\$35,075)	
	Total Expenditures, Draws and Transfers	\$2,066,941	\$1,880,075	(\$186,866)	

\$205K

\$198K

\$25,310

319% OF GROSS REVENUE

URA - 12/18