

# ALEXANDER & CLEAVER

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**VIA EMAIL:**

Jason Cabbage, President  
[REDACTED]

Kriston Gibbons, Treasurer  
[REDACTED]

Re: Response to Bucs Audit

Dear Bucs Organization:

The undersigned is the Town Attorney for the Town of Chesapeake Beach. It has come to my attention that various comments have been made with regard to the audit going on for the Bucs organization. Unfortunately, the individuals who are making said allegations are substantially misinformed as to the status of this audit.

Based on a third-party audit conducted by the town, there exists a significant number of cash transactions for which there is no accounting as to the use of the funds. The town has requested that, moving forward, the organization follow basic best practices in managing funds, such as documenting the purpose of payments and saving receipts to make them transparently available to the public. The organization has simply refused to take these basic steps.

As a background, the Town provides substantial facilities for the use of the Bucs organization. The Town also provides substantial sums to the organization to offset various costs in the operation and the providing of recreation services.

As part of the agreement for the Town to provide said facilities, the Bucs organization has agreed to provide audits regarding their income and expenditure of funds. While this is important pursuant to the agreement with the Town, it should be a given that appropriate accounting and auditing measures must be provided for the best interest of this organization, especially when the organization is receiving funding from the Town. It goes without saying that any organization that is receiving public funding is responsible for maintaining said funding accounts to be assured that the public and taxpayer sums are being used appropriately.

When the Town first requested the audit of the Bucs accounts, the Town was stonewalled and there was an absolute refusal to provide any information with regard the accounts. Not only is this in direct violation of the agreement with the Town, this is certainly not appropriate for such an organization especially when the organization is receiving public funding. Thereafter some time later, other individuals with the Bucs agreed to provide an accounting and auditing of the funds. The Town was surprised at the degree in which the funds were disorganized. Fortunately, a number of the individuals with the Bucs organization did indeed update the

accounting and auditing to track many revenue sources and expenditures with regard to the organization. It is unfortunate that it took so long for those accounting and auditing measures to be accomplished. Also, those individuals within the organization agreed to change various accounting practice to avoid those issues which were occurring.

Unfortunately, and as a result of these audits, there presently exists a number of cash transactions involving the organization in which there is absolutely no accounting for the use of such sums. Not only is there not any record of receipts with regard to the expenditures, there is not any record whatsoever as to what the cash transactions were used for or any type of reasonableness of the amounts. There are simply multiple notations that cash transactions were used without any indication as for the use of such funds. The indiscriminate use of such funds is absolutely inappropriate and there must be adequate accounting and an indication as to the use of all sums. While the failure to provide certain receipts can be understood in certain instances, the fact there are numerous indications of cash disbursements in which there is not any indication as to the use of such sums is surprising and concerning.

As a result, the various rumors and allegations against the Town are without merit and directly against the facts which have been occurring. The Town would appreciate any assistance whatsoever in providing answers as to what happened with regard to those cash transactions. The Town greatly appreciates the corrections and updating to the accounting methods of the Bucs organization to support and verify the revenue and expenses which were occurring, as well as updating those past unsatisfactory practices. However, the last issue with regard to these unaccounted for cash transactions needs to be resolved. As you know, there has not been any interruption of field activities to the kids even with these deficiencies.

Very truly yours,

Todd K. Pounds