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William F. Martin
Township Manager

Lamb McErlane PC
Township Solicitor

February 10, 2014

FOR IMMEDIATE RELEASE

RE: Termination of Employment of Public Works Director

The purpose of tonight's Special Meeting of the Board of Supervisors was to consider the Township Manager's recommendation to terminate the employment of Scott Cannon, the Township's Director of Public Works. The Manager's recommendation to terminate Mr. Cannon's employment results from findings of an investigation that established, to the Manager's satisfaction and this Board's, several acts of misperformance by Mr. Cannon which include, but are not limited to, the following events.

In his capacity as Director of Public Works, Mr. Cannon engaged in conduct, himself, and directed vendors and subordinates to engage in such conduct, involving two instances of the improper disposal of materials on Township property in a manner prohibited by Pennsylvania's environmental laws. Since the areas affected are not easily accessible to the public and, as addressed in more detail below, since no immediate danger was identified by DEP, we cannot disclose the locations until that agency's investigation is complete.

Moreover, during the fourth quarter of 2013, Mr. Cannon engaged certain contractors to provide goods and services to the Township in violation of the procurement procedures required by both Pennsylvania law and the Township Charter. In every incident identified to date of improperly assigned work, the work was properly performed at a cost which was appropriate.

Discovery of the Alleged Violations and the Township's Response

The Township's existing internal controls and procedures revealed the procurement irregularities, causing the Manager to commence an informal investigation. In the course of that investigation, late in the afternoon on Friday, January 24, Mr. Martin learned about the environmental violations. He immediately notified the Chairman of the Board of Supervisors. Following discussions among the Personnel Committee, the Township Solicitor and the Township's labor counsel over the ensuing weekend, Mr. Martin placed Mr. Cannon on paid administrative leave at 7:00 AM on Monday, January 27 pending an internal investigation. The Personnel Committee met at 7:30AM that same morning and instructed the Township Police Department to conduct a personnel investigation into the matters and instructed Township Solicitor, Vincent Donohue, to contact DEP immediately to report the environmental incidents.

Mr. Donohue immediately reported the incidents to the DEP's Southeast Regional Director, Cosmo Servidio. At Mr. Servidio's request, Mr. Donohue arranged a meeting among Township officials and DEP that was held on Thursday, January 30. Thomas Buterbaugh of DEP's Bureau of Investigations attended and was advised of the facts known as of that time. The Township has committed to complete and timely cooperation with DEP's impending investigation of the alleged incidents.

The Township's internal investigation, which is being conducted by the Township Police Department, is ongoing but sufficient information has been collected to support Mr. Martin's recommendation. As part of the investigation, numerous Township employees, including Mr. Cannon, were interviewed. As the investigation developed, on February 3, 2014, Township Manager William Martin suspended Mr. Cannon without pay and notified him that Mr. Martin intended to seek Board approval to terminate his employment at tonight's Special Meeting. Mr. Cannon was advised of the reasons for his suspension and was afforded the opportunity to respond in writing to the allegations. Mr. Cannon responded in writing on Friday, February 7. Based upon the information uncovered in the investigation thus far, and after consideration of Mr. Cannon's response thereto, the Board of Supervisors approved the Manager's recommendation this evening.

The Township has retained the services of Sovereign Consulting to conduct testing of the areas affected by the environmental incidents, and that testing is being performed under the oversight of DEP. As soon as results have been revealed to the Township, we will share them with our residents.

Further investigation of the environmental incidents is being conducted by DEP, and the Township Police are working with the Chester County Detectives on this investigation. The Township has been and remains committed to full and timely cooperation with both agencies reviewing these matters.

The Board is grateful that the Township's existing internal controls caused these procurement irregularities to be brought to light in a timely manner. In furtherance of its continuing commitment to oversight, transparency and operational improvement, the Township has implemented enhanced controls through heightened scrutiny of purchase order approvals and check signing authority. The Township Solicitor has provided additional training to all Department heads on the requirements imposed by Pennsylvania law and our own Township Charter and Code. The Township will be commissioning an audit and will be conducting additional reviews of its policies in its efforts to improve overall financial controls, which will include thoughtful consideration of any recommendations made by the agencies continuing their investigations at this time.