

POA Response to my Report

Wed, January 12, 2011 7:50:55 PM

From: "danhutcherson@aol.com"
<danhutcherson@aol.com>

To: smccluen@comcast.net

The below link details the POA Board's response to my Report on Contracting and [Procurement](#).

<http://www.tvpoa.net/wm09/wm011211specEd.pdf>

It is amazing to me that the Board still refused to admit that I identified any problems, even while stating:

"As a result of the Audit Committee's investigation, they have made a recommendation to POA management to review the bidding and contracting process to see where it may be improved. That review is already underway. We expect that improvements to our bidding and contracting process should be implemented sometime around the end of the first quarter of this year."

Let me know if you feel a need to discuss this.

Dan Hutcherson

-----Original Message-----

From: danhutcherson <danhutcherson@aol.com>

To: dballien <dballien@bellsouth.net>; chrisgarnertv <chrisgarnertv@yahoo.com>

Sent: Sun, Jan 9, 2011 4:03 pm

Subject: Re: Hutcherson letter

Thank you for replying to my report. While I am encouraged by our conversations regarding a future change in the CPA firm used for Year End Audits starting with 2011 and the apparent willingness of the Board to review and implement a new bidding process for contracts, I am disappointed in your characterization of the information in my report.

In particular, in your Item 1 paragraph, you stated there was nothing out of the ordinary in the Waterline Repair mentioned in my report. This is equivalent to saying that if you have a plumber you have done business with in the past and were happy with his work, you would call a carpenter to be the general contractor the next time you experienced a water leak in your house so that the carpenter could sub-contract with your plumber. This borders on the ridiculous.

Further, in your Item 2 paragraph, you stated that nothing unusual was found in your review of the Public Works Building Project bidding. Since you did not question the facts submitted in my report, I must assume that you do not find it unusual that an individual you have used as a general contractor in the past (see the above paragraph) would be allowed to not only bid on a future contract but would also be responsible for soliciting and collecting his competitors bids. Again, I find this to border on the ridiculous.

I challenge you to identify any other independent business establishment that would agree with your conclusions in the above two paragraphs.

Dan Hutcherson

-----Original Message-----

From: Ken/Dean Ballien <dballien@bellsouth.net>

To: DanHutcherson <DanHutcherson@aol.com>

Cc: Chris Garner <chrisgarnertv@yahoo.com>; Len Willis <lentrishwillis@tds.net>

Sent: Fri, Jan 7, 2011 10:52 pm

Subject: Hutcherson letter

Mr. Hutcherson,

Attached is a copy of the letter that was mailed to you concerning your "Report on Purchasing and Contracting Procedures" dated October 14, 2010. You should receive the original letter by Monday, January 10th, or sooner.

Kenneth Ballien

TELLICO VILLAGE POA Tel I – E - Gram

Special Edition Jan. 12, 2011

Board Responds to Resident's Contention

This special communication is intended to inform Tellico Village property owners of information submitted to the TVPOA Board of Directors.

On October 14, 2010, Tellico Village resident Dan Hutcherson submitted documents to the Board contending that he had "concerns" over "weaknesses and/or mismanagement in the TVPOA purchasing and contracting process." The Board takes all information of this nature very seriously. The Board assigned the members of the Audit Committee to conduct the investigation into these matters. Members of that committee in 2010 were: Ken Ballien, Chris Garner, Len Willis.

The Audit Committee of the Board investigated Mr. Hutcherson's assertions and concluded that nothing illegal or out of the ordinary was occurring in the purchasing or contracting process within the POA. POA employees work very hard to care for Village amenities and infrastructure, and they earnestly try to control expenses while providing the first-class service to which Villagers have grown accustomed.

Mr. Hutcherson made assertions about the manner in which the POA manages various capital and maintenance projects, suggesting that the POA was wasting money and providing the opportunity for vendor abuse in the letting of contracts. The Audit Committee investigation did not find any evidence of mismanagement or duplicated, excessive payments to vendors. To the contrary, the committee found that the POA employees work very hard to manage costs tightly and to utilize the correct balance of contractors and sub-contractors to get the job done efficiently and properly.

Mr. Hutcherson also suggested that the POA purchases too many things at Wal-Mart and did not have a good control system on credit card purchases by employees. Mr. Willis and the Audit Committee found the opposite. POA employees make purchases at Wal-Mart to take advantage of low pricing on commodity items for the POA and Mr. Willis concluded, "the process has ample review and approval steps." He added that he "found no evidence of malfeasance during my audit."

As a result of the Audit Committee's investigation, they have made a recommendation to POA Management to review the bidding and contracting process to see where it may be improved. That review is already underway. We expect that improvements to our bidding and contracting process should be implemented sometime around the end of the first quarter of this year.

The members of the TVPOA Board are honored to serve the property owners of Tellico Village. Thank you for your time and attention.



December 1, 2010

Mr. Dannie Hutcherson
202 Oohleeno Lane
Loudon, Tennessee 37774

Dear Mr. Hutcherson,

Thank you for meeting with board members Chris Garner and Ken Ballien regarding your observations and investigation into the POA purchasing and contract management processes. The board decided that your observations and conclusions required additional examination and has assigned this work to the Board Audit Committee.

On more than one occasion you have offered your services to the POA as a retired Certified Fraud Examiner and most recently in your letter dated October 24, 2010 regarding the matters currently before the board. The board respectfully declines your recent offer of assistance and believes you deserve an explanation.

The board thought it would be unwise and improper to use your services in reviewing POA internal controls because your ability to provide an objective and unbiased point of view on these matters is questionable. First, you are an adverse party in pending litigation filed against the POA by you and Mr. Anklin. Second, on several prior occasions you made or furthered accusations of board and staff misconduct to the District Attorney General, which all proved to be untrue. You did this even though you admitted to more than one board member that you had no real evidence of any wrongdoing by such individuals. Moreover, you recently made incomplete and biased statements to the HOA Board of Directors regarding the lawsuit you and Mr. Anklin currently have pending against the POA. These are in our opinion, not actions taken by an objective investigator and raise serious questions about your professionalism and integrity.

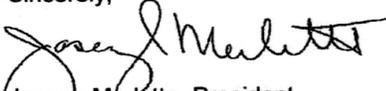
The POA Board Audit Committee will finish the work assigned to it by the board on the matters currently under review. Once the committee reports back to the board and it concludes its work on the same, our conclusions will be communicated in an appropriate manner. In the meantime, the General Manager is working with the Director of Public Services to define and implement improvements to the POA's bidding and contract management processes as a result of your inquiry and the comments from the advisory committee and other property owners.

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Mr. Dannie Hutcherson
December 1, 2010
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The Board of Directors remains concerned about the statements you made in your observations regarding the POA's contracting process and will continue to take appropriate action as necessary to address these matters.

Sincerely,


Joseph Marlette, President
TVPOA Board of Directors

cc: TVPOA Board of Directors
C. Coulter Gilbert, Esquire
Winston Blazer