

BEFORE THE DELAWARE STATE FIRE PREVENTION COMMISSION

In re: Aetna Hose, Hook and Ladder Fire Company Audit

ORDER

At its meeting on July 17, 2018, the Delaware State Fire Prevention Commission received a report from its Audit Report Compliance Committee, indicating Aetna's annual audit had not been received. By letter, the Commission notified Aetna that its audit report submission was not timely received and the Company would have to report to the Commission's meeting on August 21, 2018 and give cause as to why it should not be penalized for failing to timely comply with the Commission's statute and regulations regarding audit reporting. Pursuant to its statutory power found at 16 *Del. C.* § 6608(a), the Commission has established regulations pertaining to its review of company audits. Pursuant to that regulation, number 708, the Commission scheduled this matter for a hearing to give Aetna an opportunity to present an established written corrective action plan and determine whether further action or sanctions for non-compliance are warranted. Pursuant to due notice, Aetna appeared for its hearing at the Commission's meeting on August 21, 2018 *pro se*. Rae Mims, Deputy Attorney General, advised the Commission.

Summary of the Evidence

President Dan Seador spoke on behalf of the company. President Seador explained that some of the financial information was incomplete and the CPA requested that he file for an extension. He did not file the extension, but was lead to believe that the fire company had an extension. He later found out that they did not. In the middle of the year the company changes Treasurers. There were some stocks that the company could not

determine if they had been cashed out. Once it was determined that the stocks were in place, the CPA firm could continue with the audit report. The CPA firm informed President Seador that the company would have to submit the extension request. President Seador submitted an extension request on July 18, 2018 by email. Aetna Hose, Hook and Ladder Fire Company audit was due on July 15, 2018.

Findings of Fact and Conclusions of Law

Each fire company is required to submit an annual audit for review to the Commission, pursuant to 16 *Del. C.* § 6608(a). Pursuant to this same Section, the Commission is empowered to promulgate regulations governing the audit process, including “specifying the required types of audits, the reporting periods, procedures for reviewing the audits and the processes to be followed in the event a company fails to submit or submits an inadequate audits.” Moreover, the statute provides that the Commission “shall have the authority, after a hearing, to impose a civil penalty not to exceed \$100 against any volunteer fire and ambulance companies . . . that fails to comply with any regulation promulgated.” 16 *Del. C.* § 6608(b).

Here, Aetna submitted its report past the deadline set by the Commission. The Commission may, pursuant to its regulations, impose a fine of 100 dollars per day. After due consideration, the Commission determined that a \$200 fine is appropriate and hereby orders this fine to be imposed.

IT IS SO ORDERED THIS 18th day of September, 2018 BY THE

COMMISSION:

Alan Robinson
Alan Robinson, Chairman

Ron Marvel
Ron Marvel, Vice Chairman

Lynn Truitt
Lynn Truitt

Absent
Marvin Sharp

Tom DiCristofaro
Tom DiCristofaro

David J. Roberts
David J. Roberts

Absent
Ted Walius