

## **BEFORE THE DELAWARE STATE FIRE COMMISSION**

In re: Roxana Fire Company

### **ORDER**

At its meeting on August 20, 2024, the Delaware State Fire Prevention Commission held a hearing upon a notice to show cause regarding an overdue annual financial audit and extension request from Roxana Fire Company (“Roxana”). Testimony was received from Roxana that, although diligently working on the audit, it was sent past the deadline without requesting an extension timely. The report was due extension July 15, 2024, pursuant to 16 *Del. C.* § 6608 and 1 DE ADMIN. CODE 708.4.1. At the meeting the Commission voted to institute a fine of \$100 for each day that had elapsed between the time the report was due and when it was submitted.

### **Summary of the Evidence**

As noted above, the Roxana submitted its report prior to the time of the hearing on the rule to show cause. Russell Hooper, Roxana’s treasurer, explained the details to the Commission. Mr. Hooper said Roxana received the audit from the accountant timely. However, upon review, Mr. Hooper found large discrepancies, including another fire company’s documents attached to Roxana’s audit. Mr. Hooper worked closely with the accountant’s office to rectify the discrepancies. In the meantime, Roxana was the victim of a hacking scheme, resulting in a \$3600 loss.

Mr. Hooper agreed that he should have requested an extension before the due date, as required. However, his focus was on finding and fixing the errors rather than the reporting. Mr. Hooper reported Roxana was eventually able to recover their lost amounts and provide the Commission an accurate audit report.

Seth Thomas Sombar, Roxana's accountant, spoke to the Commission. He said there is generally enough time to complete the audits timely. However, this year his accounting firm struggled with staffing. Mr. Sombar offered to reimburse Roxana for any fines the company may incur.

### **Findings of Fact and Conclusions of Law**

Each Delaware fire company is required to submit an annual financial audit for review to the Commission pursuant to 16 *Del. C.* §6608. 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 audit." 16 *Del. C.* §6608(a). Commission regulations specify that extensions may be granted only where there is a showing of "hardship," which is defined as something "beyond the company's control." 1 DE ADMIN. CODE 708.4.2. "The Commission's decision on the extension request shall be final." *Id.* The Commission has the authority, after a hearing, to impose a civil

penalty of up to \$100 for each day a fire company fails to comply with any regulation promulgated under Section 6608.

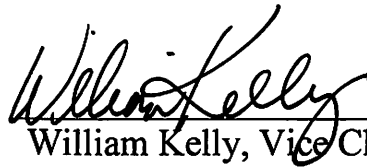
Here, Roxana requested an extension but did so after the audit's due date. While Roxana's predicament was arduous, the Commission did not find it rose to the level of an undue hardship beyond the company's control. The Commission therefore voted at the conclusion of the August 20, 2024 hearing that it should be issued a civil penalty of \$100 for each day the audit was past due, for a total of \$700.

After due consideration, the Commission determined that a \$700 fine is appropriate and hereby orders this fine to be imposed.

**IT IS SO ORDERED, this 20th day of August, 2024 by the Commission:**



Ron Marvel, Chairman



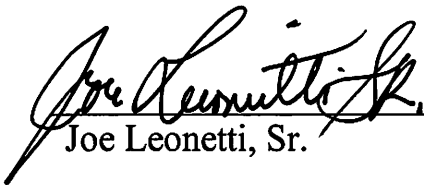
William Kelly, Vice Chairman



Lynn Truitt



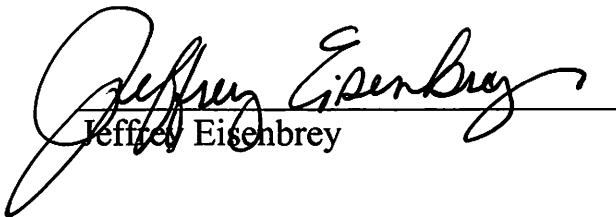
Richard Perillo



Joe Leonetti, Sr.



Ken Ryder



Jeffrey Eisenbrey