

September 22, 2025

Via Electronic Mail

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Daniel Terry, Chair
Town of Hopkinton Parks and Recreation Commission
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Re: Town of Hopkinton Parks and Recreation Department – Circumvention of State Procurement and Cash Handling Laws

Dear Ms. Lazarus, Chair Clark, and Chair Terry:

The Office of the Inspector General (OIG) received hotline complaints in March, July, and September 2023 concerning cash handling practices within the town of Hopkinton's (town) Parks and Recreation Department (department). The OIG's investigation found that:

1. Jay Guelfi, the director of the department from January 2015 until May 2023, and a local food truck vendor intentionally circumvented state procurement laws;
2. The department did not have internal controls in place to prevent fraud, waste, and abuse of revenues from concession stand operations; and
3. Guelfi violated the Massachusetts General Laws and town policies regarding cash handling.

The OIG offers several recommendations herein for the town and the department to implement.

Background

1. Public Procurement (Chapter 30B) Requirements

Chapter 30B of the Massachusetts General Laws (Chapter 30B) establishes certain requirements that municipalities must follow when purchasing supplies or services. For supplies or services valued at less than \$10,000, cities or towns may purchase the items through "sound business

practices.”¹ For supplies or services valued between \$10,000 and \$50,000, municipalities must seek written quotations from at least three companies.² For contracts valued at more than \$50,000, cities or towns must procure the services through competitive sealed bids.³ All contracts valued at \$10,000 or more must be in writing, and municipalities may not make payment for a supply or service prior to the execution of a contract.⁴

Section 16 of Chapter 30B (Section 16) governs the disposition and acquisition of real property by municipalities. If a town wishes to sell or lease real property, it must first declare the property available and determine the value of the property through customarily accepted appraising methods.⁵ If the value of the property is more than \$35,000, municipalities must solicit proposals prior to selling or leasing the property.⁶

2. Town of Hopkinton Parks and Recreation Department

The department operates various programs and activities, such as recreational sports leagues and youth field trips. The department also operates town-owned fields and parks, such as the Fruit Street Athletic Fields and a town beach.⁷ Guelfi served as the director of the department from January 2015 until May 2023.

The town’s Parks and Recreation Commission (commission) is in charge of overseeing the department. The commission consists of five members elected to three-year terms. Per its website, the commission “directs and oversees policies and operations regarding parks and open spaces under their custody as well as recreation programs in town. They also oversee the Parks and Recreation office, consisting of three paid staff members: one director and two program coordinators.”⁸ It is notable that the department and its director, while part of the town, report to an elected board as opposed to the town manager or Select Board as other municipal departments do.

3. Vendor’s Operation of Fruit Street Concession Stand

In approximately 2019, a local food truck vendor approached Guelfi with the idea of opening the concession stand at the town’s Fruit Street Athletic Fields. The vendor stated he did not enter into

¹ M.G.L. c. 30B, § 4(c). Sound business practices are defined as the periodic solicitation of price lists or quotes to ensure the receipt of favorable prices. *Id.* at § 2.

² *Id.* at § 4(a).

³ *Id.* at § 5(a).

⁴ *Id.* at § 17(a).

⁵ *Id.* at § 16(a), (b).

⁶ *Id.* at § 16(c)(2).

⁷ The Fruit Street Athletic Fields consist of three grass fields and two turf fields. The complex hosts soccer and lacrosse tournaments during the spring and fall months, as well as school and in-town recreation sports leagues. A large two-window concession stand is located at the complex.

⁸ Town of Hopkinton, *Hopkinton Parks and Recreation*, available at <https://hopkintonma.myrec.com/info/dept/staff.aspx?ContactGroupID=783> (last visited September 8, 2025).

a formal contract with the department to operate the concession stand and described the arrangement as a handshake deal.⁹ The vendor told OIG investigators that he verbally offered the town 15 percent of his sales, with a minimum payment of \$250 per season to operate out of the concession stand; however, another witness told OIG investigators that they believed the department and the vendor agreed to split the sales “fifty-fifty.” A November 2019 email sent by the vendor to the department stated, “. . . it’s 20% and yes I will square up the minute I’m done . . .” The department apparently did not memorialize its agreement with the vendor in writing and did not maintain any records of payments.¹⁰

Based on a review of information provided by the vendor, the OIG estimates that between 2019 and 2021 the vendor paid the department amounts falling between 18% and 32% of sales.¹¹

The vendor stopped operating the concession stand after the fall 2022 season. Since that time, the department has not selected another vendor to operate the concession stand.

Findings

Finding 1: Guelfi and the vendor intentionally did not comply with public procurement requirements to avoid making the concession contract public and competitive.

The department’s selection of a vendor to use and occupy the Fruit Street Athletic Fields concession stand is subject to Chapter 30B, either as a procurement of services to operate the concession stand or as a disposition of real property.¹² The OIG found no evidence that the department followed the requirements of Chapter 30B in either regard.

Despite the value of the multi-year agreement being over \$10,000 given the amount of sales, the department failed to solicit quotes from other vendors. Likewise, if the procurement was considered a disposition of property, the department did not follow the procedures outlined in Section 16. Specifically, the department failed to publicly declare the property available for disposition or attempt to determine the value of the concession stand as required by Section 16(a) and (b), respectively.

Significantly, the OIG discovered evidence indicating that this failure to comply with Chapter 30B was intentional. The OIG’s investigation confirmed that Guelfi was conscious of the Chapter 30B thresholds, and it was common practice for him to discuss avoiding them. According to witness

⁹ It is without question in 2025 that handshake deals have no place in state or municipal procurements.

¹⁰ It is unclear whether this agreement was based on the vendor’s profits or revenue.

¹¹ The OIG estimated the amount of vendor payments based on email correspondence between the vendor and the town, as well as on information the vendor provided to the OIG. The vendor did not operate the concession stand in 2020 due to COVID-19. Due to a lack of records, the OIG was unable to estimate the amount that the vendor paid the department during the spring 2022 season. Neither the town nor the vendor provided the OIG with records concerning sales and payments for the fall 2022 season.

¹² Whether a procurement is for services or for the disposition of real property depends on the specific circumstances of the agreement. For example, if the vendor is given exclusive access to the subject property and the rights of a tenant, the procurement would be considered a disposition of real property by lease that is subject to M.G.L. c. 30B, § 16.

interviews, Guelfi purposefully did not solicit any bids or issue any RFPs to operate the concession stand because he did not want to involve the town accountant and finance department. One witness recalled Guelfi stating that he did not want to involve the town accountant, who had given Guelfi pushback on previous purchases. The agreement with the vendor restricted the town's oversight of concession revenues and the cash handled by Guelfi.

The vendor was also aware of the Chapter 30B thresholds and sought to avoid them. In an interview, the vendor acknowledged to OIG investigators that falling under a certain amount of money would allow him to continue to provide services to the town without having to open the concession stand to competitive bids. On November 21, 2019, the vendor emailed a department staff member and advised that “[w]e will fall under our figure mandated to avoid the bid process and if not I can always square away and then make a personal donation.”^{13, 14}

On July 11, 2023, in response to the OIG's records request, the town informed the OIG that it does not have written procurement policies.

Finding 2: The department failed to implement basic internal controls related to concession stand operations.

The department failed to implement any internal controls related to the operation of the concession stand. The department failed to enter a formal written contract with the vendor and did not document its verbal agreement, despite the term lasting multiple years and being worth thousands of dollars to both the vendor and the town. Witness interviews, along with a review of email correspondence and information provided to the OIG by the vendor, recount varying payment arrangements between the department and the vendor. The lack of certainty is reflected in the town's receipts, which show inconsistent percentages of sales every year of the agreement.

Furthermore, the department failed to request that the vendor provide financial records disclosing the concession stand sales, thereby making it impossible for the town to determine the amount that the vendor owed the department. Rather, the department relied on the vendor's word with no further verification. The vendor rarely provided the department with a breakdown of his sales. When he did, he failed to provide the department with any source documents, such as bank statements, accounting records, or tax returns.

The department's lack of a written formal agreement between the department and the vendor, combined with shoddy recordkeeping, made it impossible for OIG investigators to determine whether the department received accurate payments from the vendor per his agreement with the department. It is also not possible to determine if all funds that the vendor paid to Guelfi were passed on to the town.

¹³ The vendor explained that the “personal donation” referenced in the email was a separate payment he would make to the department so they could purchase items to benefit the department directly. The vendor told OIG investigators that he never made any such payment or donation. The OIG was unable to find evidence of such a donation.

¹⁴ Guelfi told the town that he did not ask the vendor to ensure that his sales “fall under a mandated bid process” and he could not explain why the vendor mentioned that in an email.

Finding 3: Guelfi violated state law and the town's policy on cash handling.

Based on witness interviews and the OIG's analysis of the town's general ledger, Guelfi acted inconsistently with state law and the town's policies regarding cash handling.

State law requires that all money received by a town department be turned over to the town's treasurer.¹⁵ Furthermore, Section 35 of Chapter 41 of the Massachusetts General Laws states that no person other than the treasurer shall pay any bill received by a town department. The town's policies and procedures concerning cash handling further require all department managers to turn over funds immediately should the department collect "a total of \$250 in currency or \$1,000 in total cash."¹⁶ The town's policies prohibit any expenses from being paid directly from cash receipts by any department.¹⁷

Witnesses told the OIG that instead of turning cash over to the town's treasurer as required by law, Guelfi kept the cash in the top drawer of his desk. The drawer sometimes held hundreds of dollars in cash. Witnesses also stated that Guelfi often referred to the money as "petty cash" and sometimes used it to reimburse employees who made purchases for the department, a practice that violated the town's cash handling policies.

The OIG estimates that the concession stand vendor paid the department at least \$2,590 between the spring 2019 season and the fall 2021 season.¹⁸ The OIG's review of the department's general ledger found that Guelfi only remitted \$750 to the town's treasurer. Thus, the OIG is unable to account for at least \$1,840 that Guelfi should have transferred to the town treasurer. This does not include amounts received during the final two seasons of operation for which no records exist.

In January 2023, the town requested information from Guelfi regarding the vendor's payments for the 2019 spring season, 2019 fall season, and the 2022 spring season. Guelfi told the town that for the spring 2019 season, he only collected \$100 from the vendor "after reviewing the concession revenues and expenses." Guelfi stated that those receipts were commingled with the cash receipts from the town beach.¹⁹ For payments related to the fall 2019 and spring 2022 seasons, Guelfi told the town, "I determined after meeting with [the vendor] that no money would be collected due [to] the fact that his expenses were even with his revenues." In an April 30, 2024 interview, the vendor told OIG investigators that Guelfi never told the vendor that he did not have to pay the department its share of concession stand sales because profits were too low.

The statements attributed to Guelfi by the town do not align with the vendor's information, raising the question of whether the town received all funds the vendor paid to Guelfi.

¹⁵ M.G.L. c. 41, § 53.

¹⁶ Hopkinton Cash Handling and Turnover Policies and Procedures.

¹⁷ *Id.*

¹⁸ The OIG was unable to estimate the amount that the vendor paid the town in 2022.

¹⁹ An analysis of cash receipts from the town beach was beyond the scope of the OIG's investigation.

Guelfi declined the OIG's request for an interview regarding this matter or any matter related to the Fruit Street Athletic Fields concession stand.

Recommendations

Based on its investigative findings, the OIG recommends that the town take the following actions:

In the near term (within 30 days):

1. Evaluate the town's cash handling policies to determine whether changes are necessary to ensure compliance with applicable law. Ensure that all cash handling policies and procedures contain appropriate segregation of duties and multiple layers of review. Identify the town services and operations still collecting cash payments and verify that proper controls are in place.
2. Ensure that all existing contracts and agreements with vendors are memorialized in writing.
3. Execute a memorandum of understanding (MOU) with the Parks and Recreation Department recognizing that state procurement law, as well as townwide policies on procurements, written contracts, and cash handling, apply to employees of the department.

In the medium term (within 60 days):

4. Adopt policies on procurements and written contracts, including policies concerning compliance with state public procurement law (Chapter 30B) by town employees, including individuals employed by separate departments, boards, or commissions.
5. Adopt written policies concerning outside vendors' use of the Fruit Street Athletic Fields concession stand and any other town facilities that currently exist or that may be created in the future.
6. Conduct an assessment to identify the town's other elected or appointed independent boards or commissions. As with the Parks and Recreation Department, execute an MOU with these entities recognizing that all townwide policies, including those on procurements, written contracts, and cash handling, apply to employees of their respective departments.

In the long term:

7. Ensure that all future contracts in which the town's compensation is based on a vendor's profits or revenue contain clauses that allow the town to audit the vendor's finances at the vendor's expense.

8. Task the town manager or their designee with ensuring that all concession stands or other revenue-generating operations within the community have written contracts and internal controls in place to further the town's fiduciary responsibility to properly manage public funds, including cash.
9. Enroll town employees in OIG Academy courses and designate at least one employee to obtain the OIG's Massachusetts Certified Public Purchasing Official (MCPPO) Designation. Ensure that the town maintains at least one MCPPO at all times.

Next Steps

The Commonwealth's governmental bodies must act as good stewards of public assets in conducting procurements and accounting for cash revenues. The town and commission should work together to ensure that state law and town policies on procurements, written contracts, and cash handling are effectively discharged.

Within 30 days of receiving this letter, please notify this office in writing of your plans to implement the recommendations herein or of actions already taken in furtherance of these goals.

If you have any questions, please contact George Xenakis, director of the OIG's Audit, Oversight and Investigations Division, at 617-722-8853 or George.Xenakis@mass.gov.

Thank you for your attention to this matter.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG
Inspector General

cc (by email):

Shahidul Mannan, Vice Chair, Hopkinton Select Board
Brian Herr, Member, Hopkinton Select Board
Matt Kizner, Member, Hopkinton Select Board
Amy Ritterbusch, Member, Hopkinton Select Board
Ravi Dasari, Member, Hopkinton Parks and Recreation Commission
Laura Hanson, Member, Hopkinton Parks and Recreation Commission
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