



STATE OF ARKANSAS
Office of the Prosecuting Attorney
Second Judicial District

Scott Ellington
Prosecuting Attorney
P.O. Box 1736
Jonesboro, AR 72403
(870) 932-1513
Fax: (870) 336-4011

November 1, 2013

Lt. Brant Tosh
Criminal Investigation Division Commander
Arkansas State Police
2216 Access Road
Jonesboro, AR 72401

RE: ARKANSAS STATE POLICE CASE NO. CID-F-05751-12
CITY OF BLYTHEVILLE – UNPAID WITHHOLDING TAXES

Dear Lt. Tosh:

My office has reviewed the above referenced case file submitted by special agents of the Arkansas State Police, who investigated this matter with the assistance of the Federal Bureau of Investigation. As you are aware, I requested this investigation in 2012 after meeting with state auditors regarding the City of Blytheville's failure to pay its employee withholding taxes, which resulted in more than \$1 million in interest and penalties assessed by the IRS, in addition to the unpaid withholding taxes in excess of \$2 million.

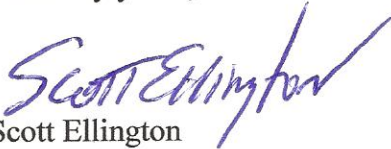
The joint investigation revealed no conduct that could lead my office to file criminal charges. While looking into the circumstances surrounding the tax issues, investigators also inquired into city purchases of chemicals for the water department. However, there was no evidence the city was being overcharged or that any inappropriate payments were made by the vendor to any city official. The personal finances of the city's financial director were examined by investigators, and there was no proof that public funds were deposited into any personal accounts.

On Thursday, October 24, 2013, Deputy Prosecuting Attorney Curtis Walker and I interviewed former mayor Barrett Harrison pursuant to a prosecutor's subpoena because of statements made by him that were printed in the Blytheville Courier newspaper. Harrison offered little more than opinion and revealed nothing more than was provided by the ASP/FBI joint investigation.

Page 2
Lt. Brant Tosh
CID-F-05751-12
November 1, 2013

In short, this matter was a case of poor management by city officials with control of city expenditures, rather than criminal wrongdoing. As such, this file is considered closed, and it will be returned to the Arkansas State Police for permanent record. If you have any questions, please let me know. Thank you for your service.

Sincerely yours,



Scott Ellington
District Prosecuting Attorney

SE/zwm

CC: Col. Stan Witt, ASP
Major Henry La Mar, ASP
Sgt. Scott Pillow, ASP CID
Special Agent Ron Hitt, ASP CID
The Hon. James Sanders, Blytheville Mayor
The Hon. Mike Bearden, Blytheville City Attorney
Deputy Prosecuting Attorney Curtis Walker