



OFFICE OF THE ATTORNEY GENERAL
STATE OF ALABAMA
CONSUMER INTEREST DIVISION

MAR 30 2026
By: [Signature] 3:26 p.m.
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CITY OF MARION, 36756
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DECEPTIVE TRADE PRACTICES ACT INVESTIGATION
SUBPOENA DUCES TECUM #26-0002

IN THE MATTER OF: Alabama Attorney General's Deceptive Trade Practices Act Investigation

TO: City of Marion
Attn: City Clerk
P.O. Box 959
123 E. Jefferson St.
Marion, Alabama 36756

FROM: Brad A. Chynoweth
Assistant Chief Deputy, Civil Division
Office of the Alabama Attorney General
501 Washington Avenue
Montgomery, Alabama 36104

YOU ARE ORDERED TO APPEAR before the Alabama Attorney General on the below-listed date and time pursuant to the authority vested in the Attorney General by Section 8-19-9 of the Code of Alabama, with the below listed documents, records, or responses to be produced:

DEFINITIONS

1. **"You," "Your," or "The City"** means the City of Marion, Alabama, including the Water Works and Sewer Department. This also includes the Mayor, City Council members, the City Clerk, all city employees, independent contractors, outside accountants, attorneys, and anyone else acting on the City's behalf.
2. **"Record"** means any document or information, whether physical or electronic, that is in the City's possession or control. This includes, but is not limited to: printed documents, handwritten notes, emails, text messages, accounting ledgers, bank statements, financial databases, calendars, meeting minutes, checks, and contracts. It includes original documents, exact copies, and drafts.

INSTRUCTIONS

1. **Timeframe:** Unless a specific request says otherwise, you must provide records created, dated, or modified from October 1, 2021, to the present day.

2. **Where to Look:** You must provide all requested records that the City has access to. If a city employee, outside accountant, auditor, or contractor has the record, it is your responsibility to obtain it from them and include it in your response to this subpoena.
3. **Questions or Unclear Requests:** If you do not understand a request or find it confusing, you must explain in your written response exactly what part was unclear and how you chose to interpret it when searching for the records.
4. **How to Organize and Format the Records:** Provide the physical records either exactly as they are kept in your normal files, or organize and label them to match the numbered requests below.
 - a. *Financial and Data Files:* Accounting ledgers, spreadsheets, and databases must be provided as electronic files in their original working format (like Microsoft Excel or CSV files) so that all formulas and numbers are intact.
 - b. *Emails:* Emails and internal messages must be provided in a standard electronic format (such as a PST file).
5. **Withheld Records (Privilege Log):** If you refuse to provide a record because you claim it is legally privileged (such as confidential communications with the City's attorney), you must still disclose that the document exists. For every withheld record, you must provide a written list stating:
 - a. the type of document (*e.g.*, e-mail, memo, letter);
 - b. the date it was created or sent;
 - c. the name and job title of the person who created or sent it;
 - d. the name and job title of everyone who received or saw it; and
 - e. a brief, general description of what the document is about (without revealing the privileged information) so the Attorney General's Office can evaluate your claim.
6. **Missing or Destroyed Records:** If a requested record existed but the City no longer has it, you must describe the document and explain where it is now. If the record was deleted, lost, or destroyed, you must explain when, how, and why it was destroyed, and who authorized its destruction.

DOCUMENT REQUESTS¹

A. GENERAL RECORDS

1. All City ordinances.
2. All records related to the creation and governance of the City of Marion Water Works.
3. All policies and procedures of the City of Marion Water Works.
4. All records related to the financial governance, accounting procedures, and budget authorization structures for all other departments within the City.
5. All City organizational charts or other records identifying personnel in charge of the City of Marion Water Works and other departments within the City.
6. All minutes and agendas of City Council meetings.
7. Copies of all correspondence you have had with any state or federal regulatory, environmental, or auditing agency (including but not limited to ADEM, the EPA, and the Alabama Department of Examiners of Public Accounts) regarding the City's finances or the water system.
8. Copies of any complaints/lawsuits filed against you by any federal, state, or local government agency.

B. GENERAL BUDGET, FINANCIAL, AND ACCOUNTING RECORDS

1. All proposed, draft, amended, and officially adopted budgets for the Water Utility Fund and the General Fund for Fiscal Years 2022 through 2026.
2. All city council resolutions, meeting minutes, ordinances, and internal accounting directives authorizing or executing the transfer of funds from the Water Utility Fund to the General Fund or any other municipal department for the Fiscal Years 2022-2025 and YTD 2026.
3. All annual audits required by Alabama Code § 11-43-85 for the Fiscal Years 2022-2025 and YTD 2026.
4. All communications, draft reports, uncertified ledgers, and auditor workpapers exchanged between the City and the independent outside auditors (Banks, Finley, White & Co.) regarding the Fiscal Year 2022 and Fiscal Year 2023 municipal audits.

¹ As stated in the Instructions above, the timeframe for all requests is from October 1, 2021, to the present.

5. The complete, unadjusted general ledgers for the City's Water Utility Fund and the City's General Fund for the Timeframe, showing all daily transactional data prior to any end-of-year adjustments or auditor corrections for the Fiscal Years 2022-2025 and YTD 2026.
6. All bank statements, deposit slips, canceled checks, reconciliations, check registers, credit card receipts and statements, payroll checks, and wire transfer logs for *all* municipal bank accounts held by the City, including but not limited to the Water Utility Fund, the General Fund, and any payroll or specialized reserve accounts for the Fiscal Years 2022-2025 and YTD 2026.

C. WATER SYSTEM

1. All service maps.
2. All depreciation schedules for water system assets.
3. All documents related to water system maintenance needs. This includes, but is not limited to, all work order logs, maintenance ticketing databases, and internal reports detailing unresolved, backlogged, or deferred maintenance requests for the water system, specifically including citizen complaints regarding mud in the water lines or raw sewage overflows.
4. All documents on the number of water meters and the dates they are read for the Fiscal Years 2022-2025 and YTD 2026.
5. All documents relating to the number of water meters in need of repair and the status of repair efforts for the Fiscal Years 2022-2025 and YTD 2026.
6. All documents relating to water utility rates and how those rates were calculated for the Fiscal Years 2022-2025 and YTD 2026.
7. All records of water utility customer accounts receivable and all records of payments received for those accounts for the Fiscal Years 2022-2025 and YTD 2026. This includes a complete, unredacted electronic export of all customer transaction data from the City's utility billing software (*e.g.*, nexbillpay, or similar platforms) for the Timeframe.
8. All records related to policies on the collection of past due accounts and the number and amount of past due accounts for the Fiscal Years 2022-2025 and YTD 2026.
9. All records documenting the number of City employees who work for the water system, including their annual salary/hourly rate, benefits earned, and job responsibilities for the Fiscal Years 2022-2025 and YTD 2026.
10. Water usage records for each billing cycle for the Fiscal Years 2022-2025 and YTD 2026.

11. For each billing cycle for Fiscal Years 2022-2025 and YTD 2026, provide the number of meters billed, water usage billed, dollar amount billed, rate billed on the usage, amounts collected, amounts written off, number of meters disconnected, number of meters reconnected and new meters placed in service.
12. For each billing cycle for Fiscal Years 2022-2025 and YTD 2026, provide a list of customers by name and address with billing information as detailed in item 11
13. All records of complaints from the City's water utility customers.
14. All responses you made to these complaints.
15. List of wells and location of each well used by the Marion Water System.
16. Water quality inspection reports for each well in the Water System for Fiscal years 2022-2025 and YTD 2026.
17. Monthly reports submitted to ADEM related to water quality for Fiscal years 2022-2025 and YTD 2026.

D. SPECIFIC TRANSACTIONS, GRANTS, AND LIABILITIES

1. All ledgers, deposit slips, bank statements, disbursement records, and internal communications regarding the approximately \$170,000 grant allocated or released by ADEM to the City on or about March 17, 2025. This specifically includes the letter sent from ADEM to Mayor Dexter Hinton on or about November 19, 2025, regarding these funds. Provide a full accounting of the \$170,000 including a schedule of who was paid funds, the purpose for which the funds were paid, and the dates of the payments
2. All applications, city council resolutions, and bank documents related to any emergency lines of credit or loans requested by the Mayor or City in November or December 2025 (including, but not limited to, a \$50,000 request for audit funding and a \$100,000 request for payroll). Provide loan documents, proof of disbursement of loan proceeds, and details of the use of those funds including who was paid, for what purpose the payment(s) was/were made, dates of the payments, and cancelled checks.
3. All records regarding the receipt and subsequent disbursement of a check for approximately \$179,000 received from Alabama Power. Provide details of the use of those funds including who was paid, for what purpose the payment(s) was/were made, dates of the payments, and cancelled checks.
4. All IRS Form 941 filings, notices of penalty, notices of levy, payment receipts, and correspondence with the Internal Revenue Service regarding past-due payroll taxes for 2025 and YTD 2026.

5. All invoices, payment receipts, and communications regarding past-due balances or credit holds with local vendors and utility suppliers. This includes, but is not limited to, records regarding an approximate \$15,000 unpaid balance to Pruitt Oil Company and demands for upfront payments from water chemical suppliers.
6. All financial disclosures or affidavits of insolvency provided to any court by the Mayor or City asserting an inability to pay a \$12,000 civil penalty related to illegal dumping.

In lieu of personal appearance, your responses to the Information Requests along with the requested documents may be furnished on or before the date listed below either by mail or personal delivery. Records produced in response to this subpoena must be accompanied by an affidavit of a custodian of records or other person qualified to certify that the record: a) was made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters; b) was kept in the course of the regularly conducted activity; and c) was made by the regularly conducted activity as a regular practice.

YOU ARE HEREBY COMMANDED to produce all responses to the information requests, as well as all documentary material and other tangible evidence, as described above, which is in your possession, custody, or control, or in the possession, custody, or control of your agents or employees to Assistant Chief Deputy Brad A. Chynoweth by: 10:00 AM on Thursday, April 30, 2026, at the following location:

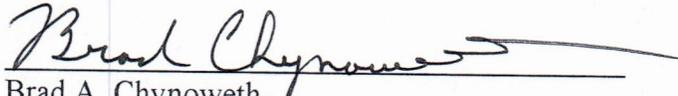
**OFFICE OF THE ALABAMA ATTORNEY GENERAL
CONSUMER INTEREST DIVISION**

501 Washington Avenue
Post Office Box 300152
Montgomery, Alabama 36130-0152
(334) 242-7300
Brad.Chynoweth@AlabamaAG.gov

Done this 25th day of March, 2026.

STEVE MARSHALL
Attorney General

By:



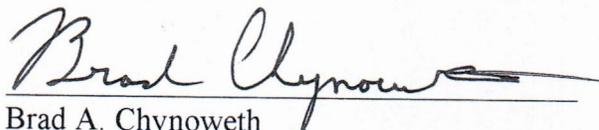
Brad A. Chynoweth
Assistant Chief Deputy, Civil Division

NOTICE OF SERVICE

I certify that I served the foregoing on the City of Marion via certified U.S. mail at the following address:

City of Marion
Attn: City Clerk
P.O. Box 959
123 E. Jefferson St.
Marion, AL 36756

Date: March 25, 2026

A handwritten signature in black ink, reading "Brad Chynoweth", with a horizontal line underneath it.

Brad A. Chynoweth
Assistant Chief Deputy, Civil Division

ADDENDUM A: SUBJECT OF INVESTIGATION AND STATUTORY JURISDICTION

I. PURPOSE OF INQUIRY

Pursuant to the investigative authority vested in the Attorney General under the Deceptive Trade Practices Act (DTPA), Ala. Code § 8-19-9, this subpoena and request for production of documents is issued in aid of an active investigation into possible violations of the DTPA by the City of Marion, Alabama, operating by and through its municipal water and sewer system.

Specifically, the Attorney General is investigating whether the City of Marion assessed, collected, and subsequently failed to account for approximately \$1.7 million in utility payments during Fiscal Years 2022 and 2023. The Attorney General possesses a good-faith basis to investigate whether the systemic failure to account for these consumer payments, or the unauthorized diversion thereof, constitutes “unconscionable, false, misleading, or deceptive acts or practices in the conduct of any trade or commerce” in violation of Ala. Code § 8-19-5(27). The scope of this inquiry is not limited to the aforementioned discrepancies, but expressly encompasses any additional violations of the DTPA arising out of, relating to, or uncovered during the course of this investigation into the City’s operation of its municipal enterprise funds.

II. STATUTORY JURISDICTION

For the purposes of this investigation, jurisdiction under the DTPA is established as follows:

1. **Consumer Transactions:** Ratepayers utilizing the City of Marion water system are “consumers” who purchase goods and services (potable water and sewer treatment) for personal, family, or household use, as defined by Ala. Code § 8-19-3(4).
2. **Entity Classification:** In its capacity operating a municipal enterprise fund and billing for utility services, the City of Marion acts as a municipal corporation and a legal entity, thereby constituting a “person” engaged in trade or commerce under Ala. Code § 8-19-3(10).
3. **Inapplicability of Exemptions:** The DTPA provides a narrow statutory exemption for the regulated activities of utilities *only* if such utility “is regulated by the Alabama Public Service Commission.” Ala. Code § 8-19-7(3). Because the City of Marion’s municipal water system operates independently and is not subject to the jurisdiction or rate-making authority of the Alabama Public Service Commission, it is expressly excluded from this safe harbor and remains fully subject to the consumer protection and investigatory enforcement provisions of the DTPA.

III. SCOPE OF DEMAND

Because the independent financial audits for the City of Marion for FY2022 and FY2023 could not be certified due to the inadequacy of accounting records and unrecorded general ledgers, the Attorney General requires the production of the primary financial documents, bank statements, inter-fund transfer authorizations, and unredacted ledgers set out in the Document Requests above to ascertain the lawful disposition of consumer payments and to rule out deceptive billing practices.