

American Federation of State, County and Municipal Employees Local 2620
Emergency Meeting
Executive Board Minutes
Friday August 15, 2014
Burbank, California

I. Call to Order/Roll Call/Quorum

- A. EB meeting called to order by President Sean Carey at 10:00 AM.**

II. Roll Call/Quorum-Secretary Webb

A. Executive Committee

Sean Carey, President
Cynthia McCabe, Northern Vice-President
Henry Carreon, Southern Vice-President
Sonia Solis, Treasurer
Debby Webb, Secretary

B. Occupational Committee Chairs

Lon Moskowitz, Chaplains
Rita Magana, Licensing Program Analysts
Judi Herman, Psychologists
Blake Kerr, Social Workers

C. Facility Chief Stewards

Adriel Reyes, Coalinga State Hospital
Stephenie Horta-Doub, Fairview Developmental Center
Mary Sorial, Lanterman Developmental Center
Yok Chi, Patton State Hospital
John Chapman, Porterville Developmental Center

D. Regional Chief Stewards

David Tepperman, Central Valley
Amy Kim, Los Angeles County
Michael Bogdanoff, Orange/Inland Empire
Deborah Leong, Sacramento/Stockton
Elaina Jannell, Vacaville Area Facilities
Susan Neeson, Bay Area

Absent: Annalisa Sherman, Dieticians and Nutritionists

Absent: Mark Gannon, Pharmacists
Absent: Arlene McRoberts, Rehabilitation Therapists
Absent: Linda Echols, Vocational Rehabilitation
Absent, excused: Chuck Heyer, Atascadero State Hospital
Absent, excused: Brian Kaufman, Metropolitan State Hospital
Absent, excused: Zach Hatton, Napa State Hospital
Absent: Rickann Clapp, Central Coast
Absent: Mal Holland, San Diego/Imperial
Absent: Lance Ferris, Shasta County

Vacant Positions

Individual Program Coordinators Occupational Chair
Sonoma Developmental Center Chief Facility Steward
Redwood Empire Chief Regional Steward

Guest members

Wanda Wullschleger, MSH for Brian Kaufman

Guests:

Kami Ben Cohen, CPA, Partner, Miller Kaplan Arase LLP

Alexandra Chernyak, CPA, Manager, Miller Kaplan Arase LLP

E. Staff

Cliff Leo Tillman Jr., Senior Business Agent, Council 57

Christopher Miller-Cole, Business Agent, Northern Region, Council 57

Gail Penny, Business Agent, Central Region, Council 57

Al Austin, Business Agent, Southern Region, Council 57

George Popyack, Director, Council 57

Shirl Martinez, Administrative Services Supervisor

Teresa Munoz, Administrative Assistant

Marc Victoria, Political Director

F. Quorum met.

III. Presentation of 2012 Forensic Audit by Jennifer Ziegler, CPA, Berkeley Research Group

1. Overview

a) Decrease in revenues, voluntary contributions decreased by about half

(1) Membership decreased, but the administrator's actions might make them responsible

b) 214 items were flagged (questionable invoice, payee, or expense; missing supporting documentation-invoice, receipt, or records; missing authorization/approval; incomplete authorization; discrepancy between authorized and actual amounts; questionable support; employee wages; other), for approximately \$940,000.

c) There are also other expenses that may have documentation, but may be inappropriate.

d) As the EB looked at the list, some items were moved between flagged and appropriate expenditures

e) Increases from 2010 to 2012

(1) Office and administrative expenses increased from \$78,825 in 2010 to \$316,250 in 2012.

(2) Other expenses increased from \$171,014 in 2010 to \$208,890 in 2012. These include dramatic increased for contributions and donations, public relations and promotional items.

(3) Contract, membership and representational expenses increased from \$166,577 in 2010 to \$346,237 in 2012.

(4) It was noted that if there are issues with someone setting up a company to hide behind the corporate veil, follow the money.

(5) \$73,272.66 was paid to AMAC.

(6) Steward expenses increased from 42 to 272 thousand.

(7) AFSCME Local 2620 needs to investigate and look at invoices, to make a determination regarding whether the charges are legitimate. Other contributing factors are preserving our statute of limitations and timelines for reporting, both of which will require legal representation.

f) The Forensic Audit could not find HR support for employees. Any withholding not sent to the required agency could be a liability for AFSCME Local 2620. The forensic audit did not address this issue. Further research is needed.

g) Large expenditures: \$60,000 for mailing, including AMAC/Barbara Maynard, Wasserman and Wasserman \$18,500 and over \$20,000 to Peace and Justice. Peace and Justice Strategies LLC is own by Barbara Maynard

2. We discussed a conference call the EC had 08/14/14 with Andy Baker, Attorney for Council 57 and George Popyack, Director Council 57 regarding the forensic audit.

a) There was a discussion regarding how to proceed with this information. We can concurrently investigate invoices (form a committee to assist the Treasurer) and documentation of the suspicious flagged items and present to AFSCME International for explanation or reimbursement and give them a deadline. We should act immediately. We can tell International we have had a Forensic Audit, it was determined that some expenditures are inappropriate and demand AFSCME International reimburse the money. If International does not respond, we could report to local law enforcement and/or AFL-CIO. AFSCME Local 2620 also discussed hiring an attorney specifically to advise us on this issue. We will write a demand letter including a statement asking if the International intends to report the discrepancies to Department of Labor.

B. Jennifer Ziegler said that if there is any criminal activity, local 2620 can contact our insurance company and make a claim, however, in 2012, the International did not make payment, causing the policy to lapse.

C. Jennifer Ziegler will submit a pdf copy of the invoices they flagged to the EC.

D. The finance committee will review the flagged items.

E. Motion: For the Berkley Research Group to provide the information from the Forensic Audit to Miller Kaplan Arase LLP. M/S/C David Tepperman, Susan Neeson

F. Motion: For Local 2620 to hire an attorney with an initial \$5000 retainer to represent and advise us regarding how to proceed with the findings of the Forensic Audit for the year 2012. Motion to amend the retainer to up to \$10,000 for the retainer. M/S/C: Yok Chi, Judi Herman. Amended Motion: Motion: For Local 2620 to hire an attorney with an initial retainer up to \$10,000 to represent and advise us regarding the findings of the Forensic Audit for the year 2012. M/S/C: Yok Chi, Judi Herman. The vote was unanimous.

IV. Review of Minutes

A. Motion: To table approval of minutes from 07/10 & 11/14 Executive Board meeting until the regularly scheduled meeting in September. M/S/C Lon Moskowitz, John Chapman

V. Unfinished Business

1. A member had an adverse action where there was a miscommunication of the time of a Pre-Settlement Conference and the hearing was missed. The member and BA were meeting at the time of the hearing. This item was carried over as we had lost quorum by the time it was addressed at the last meeting. Motion: To consider a without prejudice payment of half of one months salary to the member for the non-appearance of union representation. M/S/R Yok Chi, John Chapman Amended Motion: To table the motion. M/S/R Judi Herman, David Tepperman
2. To consider a without prejudice payment of half of one months salary to the member for the non-appearance of union representation, if possible. M/S/R Yok Chi, John Chapman

VI. New Business

- A. Sister Magana reported that AB 2687 regarding protection of personal information with DMV for LPA's is with the governor's office. She requested that members e-mail the governor's office to support this bill.
- B. Marc Victoria, Political Director, came in at the end of meeting and stated that our bills are moving forward.
- C. There is an issue per IRS rules regarding per diem for members who do their travel and business in 1 day. Treasurer Solis will research if there is a way that we can reimburse members.

VII. Adjournment

- A. Meeting was adjourned at 4:05 PM.

Debra Webb, Secretary AFSCME 2620

Treasurer's EC Meeting Report
August 14, 2014

Bank of America General fund:

-1/2014: \$1,619,569.70
-2/2014: \$1,594,003.85
-3/2014: \$1,556,287.56
-4/2014: \$1,552,742.68
-5/2014: \$1,342,100.02
-6/2014: \$1,200,986.15
-7/2014: \$1,141,861.22
-8/2014: \$1,034,583.76

Bank of America Political fund:

-1/2014: \$90,354.32
-2/2014: \$92,439.12
-3/2014: \$94,545.12
-4/2014: \$96,977.92
-5/2014: \$99,294.72 (this is the balance prior to the political contribution checks totaling \$34,300.00, approved by the EB March 2014)
-6/2014: \$76,877.52
-7/2014: \$76,377.52
-8/2014: \$60,652.52

Amalgamated Bank General fund:

-7/2014: \$139,412.35
-8/2014: \$55,999.55

Amalgamated Bank Political Action fund:

-7/2014: \$2,274.80
-8/2014: \$4,397.74

Income:

-1/2014: \$313,114.63
-2/2014: \$307,517.49
-3/2014: \$309,451.01
-4/2014: \$311,563.36
-5/2014: \$313,280.91
-6/2014: \$323,781.60

MKA was changing their accounting software program and last month submitted monthly financial January through April.

Monthly Expenses:

1/2014: \$286,172.07
2/2014: \$329,834.72
3/2014: \$496,538.98
4/2014: \$411,447.01
5/2014: \$402,818.21
6/2014: \$361,389.45

Total General Fund: \$1,090,583.31

Total PAC Fund: \$65,050.26

Total Income: \$1,878,708.60

Total Expenses 1/2014-6/2014, not including PAC: \$2,288,200.44

MKA submitted this week the May and June 2014 monthly report which includes the budget information. These will need to be reviewed.

Motion to reimburse members for reimbursements submitted 90 days after the event:

1) Elaina Jannell, a) 1/11/2014 through 1/29/2014, Know Your Rights, EB, PAC meeting, and meeting with Assembly Member Calderon; totaling \$236.86. b) 2/7/2014 through 2/15/2014, Communications Committee, Steward's Council meeting, meeting with Director Allenby, GAC, and Candidate Forum; totaling \$471.42.

c) 3/15/2014, Regional/Facility Chief Stewards; totaling \$31.92. Grand total \$740.02

2) Cindy Jane, 4/14-15/2014, RT M&C; totaling \$77.13

3) Wiyatta Fahnbulleh, 4/25-26/2014, Advanced Steward's Training; totaling \$285.40

AFSCME Local 2620 rental agreement needs to be signed to complete the agreement of renting 3 offices from Council 57 office space.

Jennifer Ziegler, who completed the forensic audit, will be attending the EB meeting to provide a full verbal and written report to the EB during the emergency EB meeting scheduled for 8/15/2014. Her colleague will be attending the EC meeting to provide only highlights on the results of the audit.

The Trustees have started an audit by reviewing member reimbursements, creditor invoices, American Express statements, employee payroll information, EC minutes, EB minutes, etc. between 1/2014 through 6/2014.

Meeting Authorization process to minimize miscommunications

The research on the President's excel spreadsheet has been completed. The information still needs to be analyzed for the final outcome. This information will be provided before the end of August 2014.

Reimbursements for 2013 submitted by President Carey and approved by the EB for being submitted 90 days after the date of the event are still pending since TA's have not been submitted for reimbursements to be processed. President Carey is being asked to submit his TA's so that the Treasurer can process the reimbursements for payment prior to the end August 2014.

Since the Local's election will be taking place in the near future and we are currently doing member organizing any information obtained through the organizing process can't be used to assist any candidate in their election campaign.

**American Federation of State County and Municipal Employees
Local 2620, Health & Social Services Professional Employees
Pre-Meeting Report for Submission to the Executive Committee**

Date: August 13, 2014

Secretary

1. Meetings attended

- B. 07/28/14 CIM Labor Management**
- C. 07/09/14 SPOC**
- D. 07/11-12/14 Managed Access Meet and Confer**
- E. 08/14/14 EC**
- F. Member Representation**

2. Project(s): Government affairs committee, member representation.

3. Budget: Unknown

Prepared and submitted by:

Debby Webb, Ph.D.
Secretary