

Texas Association of the Deaf

The Board addressing to the 2024 Final Audit Report

Statement: The board acknowledges the hard work and dedication of the Audit Team, consisting of Dana Stoddard, Stephen Baldwin, Ira Hendon III, Joanne Brininstool, Mary Lacy, and Paul Rutowski. The board held their Executive Session Board Meeting on September 20, 2024 in response to this Audit Report. Please refer to the **bold blue text** in the attached document to view the board's response to this matter.

Number #1: Dana Stoddard's Role.

Auditors Request made in June 2024: We request the TAD Board to provide comprehensive documentation on TAD letterhead detailing Dan Stoddard's roles (treasurer, investment manager, etc.) during the unaudited period from 2018 to 2023. This documentation is necessary to ensure neutrality and transparency. This request does not reflect Dan's abilities, as we recognize his qualifications and expertise. It is solely for record-keeping purposes to assist in our review.

Auditors Final Report: To date, TAD has not provided any official information regarding the matter.

The Board's response: Vice President Tar Burt previously sent an email to the Audit Team on August 19, 2024, a link to history website which included an outline of past board members, clarifying that Dana Stoddard did not serve on the board from 2018 to 2023. However, the Audit Team has requested an official letter on TAD letterhead. Therefore, we sent an official version statement to the Audit Team on September 18.

Number #2: Missing Meeting Minutes

Auditors Request made in June 2024: All meeting minutes from 2018 through 2023.

Incomplete. We have some, but not all.

The Board's response: The board acknowledges that some Board Meeting minutes are missing due to the prolonged vacancy of the Secretary position during former President Norma Callistio's administration. We do have video recordings of certain board meetings without written minutes, and we are currently seeking volunteers willing to transcribe these meetings. The board believes that once all the recorded board meetings are transcribed, more information will be made available. It is important to note that some meeting minutes in the Secretary's Google Docs folders are disorganized and it will take longer time to organize them. We do need some time to organize them.

Number #3: Missing Financial Report

Auditors Request made in June 2024: All TAD financial reports from 2018 through 2023.

Audit team: Incomplete. TAD is unable to provide any comprehensive and transparent financial reports for the period of 2018 through 2023. We have observed that several financial reports from 2018 through 2023 are either missing or were never completed. We concur with former Treasurer Randal Pituk's assessment that the available financial reports are flawed and inaccurate.

The Board's response: The board acknowledges that some TAD Financial Reports are missing and others were not completed. During former Treasurer Randy Pituk's review, we discovered that a 2021 financial report chart was stored in former Vice President Scot Pott's personal Google Sheets account, which is now unrecoverable. The board will have to investigate this and to summon former Treasurer Mike Swoboda to attend the next board meeting to explain why the financial reports were not completed.

Number #4: Another three months

“One of the reasons we are hesitant to extend the audit for another three months is that it would only create more turmoil for the current board, something they certainly do not deserve.”

The Board's response: The board fully agrees with this statement. However, all board members have sworn an oath to “uphold the bylaws of TAD, promote its welfare, and protect it from those who would willfully harm it.” which cannot be overlooked. This current board is held with burden and tasked to address the issues left by previous administrations, with the hope of creating a better future on a clean slate. The board recommends an additional three (3) months, but ultimately, the members will have the final say.

Number #5: Overhaul of the current financial management system

“Despite efforts to retrieve these records, TAD has been unable to provide a complete set of financial reports from this period. This situation raises serious concerns about the organization's financial record-keeping and reporting processes. The inability to locate or produce these critical documents not only hampers the auditing process but also reflects a broader issue of insufficient financial oversight. It is imperative that immediate steps be taken to identify the root causes of these gaps and to establish more rigorous procedures for documenting and preserving financial records moving forward. We recommend a thorough review and overhaul of the current financial management system

to ensure that all necessary reports are completed accurately and are readily accessible for future audits and assessments.

Auditor's Final Recommendation: We will cease further pursuit of these reports and are compelled to assume that there may have been instances of abuse, misuse, broken protocols, and even potential embezzlement. The responsibility to provide evidence to the contrary now rests with TAD.”

The Board's response: The board emphasizes that we currently do not have a financial management system beyond our bank, making an overhaul impossible at this time. We do not have anyone to fill the Treasurer position at this time. The board is committed to releasing the bank statements monthly to all members to enhance transparency.

Number #6: TAD and Kramer with Meeting Minutes

Auditors Request made in June 2024: All correspondence between TAD and Kramer, including fund withdrawals and rationales, supported by matching meeting minutes.

Audit Team: We have received all correspondence between TAD and Kramer, including fund withdrawals and the accompanying rationales. However, we have not yet received the corresponding meeting minutes which will show membership approval(s), which remain outstanding.

The Board's response: The board recognizes these flaws, which are not in compliance with TAD's bylaws under Section 9.1 on Financial Stewardship. Additionally, TAD does not have any documentation showing membership approval since those times.

Number #7: List of all officers and administrators

Auditors Request made in June 2024: List of all officers and administrators from 2018 to present, including positions such as President, Vice President, Treasurer, Secretary, and Regional Board Members.

Audit Team: We have received the list of all officers and administrators from 2018 to the present, including positions such as President, Vice President, Treasurer, Secretary, and Regional Board Members. While we are uncertain if this list is entirely accurate, we appreciate the effort made in compiling it.

The Board's response: The list is still in progress as Tar Burt, serving as Archives Chairperson, works on compiling the names of past officers before taking over as Vice President last June. These names are sourced from our Deaf Texas newsletter history.

Number #8: List of all chairs to TAD's symposiums and conferences from 2018-2023

Auditors Request made in June 2024: List of all chairs and significant contributors to TAD's symposiums and conferences from 2018-2023, including detailed expenses and revenues.

The Audit Team: Incomplete, as TAD has provided limited documentation.

The Board's response: TAD does have those records in the archives. However, due to the limited timeline and the vacancy in the Archives Chairperson position, TAD has not had the opportunity to develop the outline list, as it requires significant volunteer time to sift through the historical materials. This task has been added to the Archives committee's future agenda.

Number #9: Regarding the 2019 Conference – Grapevine Financial report. (Refer to Preliminary Audit report for details)

Note: We have received a 2019 unsigned 1 September Conference Committee letter suggesting that a comprehensive financial report may no longer be feasible. We have since asked the TAD Board to confirm whether this is the case. Due to Randy's untimely resignation, the auditing team has concluded that the current TAD Board and members may never have access to a complete, transparent, and thorough financial report for the 2019 Conference in Grapevine.

In addition, former Treasurer Randy Pituk has provided a comprehensive timeline of the events from the 2019 conference, and we believe this information is sufficient to include in the final report. Currently, we have no plans to pursue the matter further.

Auditor's final report: The auditing team has lost confidence that such a report will ever come to light. This issue is now handed off to the TAD Board and Members for further action.

The Board's response: Unfortunately, the previous administration did not leave any documentation, which is beyond our control. It is important to note that former Treasurer Randy Pituk discovered that the unaudited 2019 Conference Report was created under past Vice President Scot Pott's personal email through Google Sheets, which is now inaccessible and gone. Our only option is to review all recorded Zoom videos in the hope of finding relevant information. The board recommends that this investigation continue.

Number #10: Mike Swoboda claimed that a "lawsuit might occur if the hotel expenses were not paid."

The Board's response: Thanks to former Treasurer Randy Pituk's findings, we acknowledge that this statement is incorrect and untrue.

Number #11: In the 15 June meeting minutes, Mike Swoboda claimed that there was a financial loss caused by the 2019 TAD Conference Chairperson's misuse of funds for personal purposes.

Auditor's findings: If this statement is accurate, was any action taken in response? The auditors have no information regarding this matter. We will pass this on to TAD Board and members for further action.

The Board's response: According to former Treasurer Randy's findings, the statement is inaccurate. The board has already sent an email to former Treasurer Michael Swoboda, inviting him to attend the next board meeting to clarify this statement. As of today, Michael has not responded to our request.

Number #12: a violation of bylaws 9.1 by taking funds from Kramer without membership approval.

The Board's response: The board is very sorry to say that this board acknowledged a violation of our bylaws under Section 9.1 on Financial Stewardship which shouldn't ever have happened in the first place. This has broken the trust of our members because of the previous administration. Some board members from the previous administration weren't fully trained and were misled. We recommend adding more structure to this section to prevent any resolutions for abuse without the membership's approval. We ask our Bylaws Committee to make changes for the next proposal.

Number #13: Auditors Final Report: There appears to be no evidence that the TAD Board approved the expense of over \$3,000 for engaging Sweeten CPA services. We will leave it to the TAD Board and its members to determine how to address this matter and identify who is responsible for authorizing this expense.

The Board's response: The board confirmed that former President Norma Castillo and former Treasurer Michael Swoboda were the ones who made the decision to pay over \$3,000 for CPA services without approval from the entire board.

Number #14: Auditor's Final Report for 3 Resolutions:

There is clear evidence of intent to deceive, as demonstrated by the fraudulent and misleading use of the "Resolution" process, which ultimately misled and evidently disillusioned the members of TAD. What is most distressing to the audit team is that the TAD Boards responsible for these actions failed to plan appropriately by not seeking a member vote beforehand. We find this rationale totally incomprehensible. There is absolutely no excuse for bypassing this crucial step in the decision-making process.

The Board's response: The board acknowledged that the previous board members misused 3 resolutions without involving the members in the process. We are deeply disappointed by these actions, which have left the current administration with a heavy mess and burden to address. It's important to note that some members of the previous administration were not properly trained and acted under incorrect assumptions, leading to extremely poor decisions.

This administration is committed to make sure that such issues do not happen again. Let us be clear: resolutions cannot be made without members' approval. The board recommends adding stricter guidelines for using resolutions in the bylaws. On behalf of the TAD Board, we sincerely apologize for these issues, even though they occurred before our time.

Number #14: Mysterious cash withdrawals: We have identified involves cash withdraw. In October 2023, after the \$15,000 illegal deposit from Kramer on 17th, cash withdraw of \$706.52 on 13th, \$700 on 26th, and \$300 on 19th. In Nov, withdraw of \$700 on 1st and \$300 on 6th. There was withdraw of \$700 on day after Christmas and withdraw of \$890 on April 20, 2022. Can TAD provide clear justification, explanation, and rationale for these cash withdrawals?

Auditors Final Report: If TAD cannot provide such documentation, we will have to consider these funds as potentially embezzled.

The Board's response: The board has discovered unexplained cash withdrawals through the audit team's findings, which has surprised and upset us, just as it did the audit team. The board has already sent an email summoning former Treasurer Michael Swoboda to attend the next board meeting to address this issue. As far as the board is aware, there have been no financial reports for a long period, including recent reports. We cannot explain why there is no documentation regarding these cash withdrawals.

According to former Treasurer Randy Pituk's last report, he had a brief interview with former President Norma Castillo about the unexplained cash withdrawals. Norma stated that she did not authorize these withdrawals and has no knowledge of why they occurred.

Number #15: "This led to the members' request for the establishment of STN as an "ad hoc watchdog group," resulting in various actions, including the initiation of this audit process. Once this process is complete, we hope that the STN will no longer be necessary and can be dissolved."

The Board's response: The board would like to clarify that there is no recording showing the establishment of SaveTADNow (STN) as an 'ad hoc watchdog group.' In fact, there are currently 4

ad hoc committees, none of which include STN. The board wants to ensure that this report does not create any misleading narrative. STN was created independently by third-party TAD members, and TAD has no official documentation authorizing the formation of this group as a committee or ad hoc committee. TAD acknowledges that STN is an independent group with concerns and care for the future of TAD. The board hopes that all members from STN will get involved within TAD, rather than contributing to division or separation.

Number #16: 3 recommendations from Audit team

Recommendation 1: File a claim with TAD's insurance for fraudulent losses resulting from multiple instances of fund misuse and abuse.

The Board's response: The board is deeply disappointed to announce that TAD's bond insurance expired on April 2, 2024. Former TAD President Norma Castillo and former Treasurer Michael Swoboda are the only 2 people on the board who have acknowledged that it has expired. Secretary Lana Coker contacted the insurance company and learned that they had sent an email to the TAD President on March 8, 2024, notifying them of the upcoming expiration. The TAD President did not respond. On March 22, 2024, the insurance company sent a follow-up email, but there was still no response from the TAD President. On April 4, 2024, the insurance company informed TAD that the policy had officially closed. Secretary Lana asked if previous policies could still be applied for a claim, but the company confirmed that this is not possible due to the expired status. However, Secretary Lana has discovered some new information and plans to follow up with the insurance company.

Recommendation 2: Open and honest discussion about the future of the TAD. (TAD Connect Zoom Monthly)

The Board's response: The board agrees with this recommendation and will take action by launching a video conference platform called "**TAD Connect Zoom**". This platform will provide an open dialogue for all members and non-members each month. TAD Connect Zoom will be live-streamed and posted on Facebook and TAD website. The sessions will occur once a month, starting in October 2024. The board also recommends creating a task force committee to maintain this event, gather community input, and develop recommendations for the future of TAD.

Recommendation 3: Develop recovery plan includes:

- 1.) To make the people accountable for their past wrongdoings.
- 2.) Conduct a thorough organizational reset.
- 3.) Organize and streamline internal affairs.
- 4.) Overhaul bylaws to make sure they align with current needs.
- 5.) Assign key stakeholders to lead critical areas.
- 6.) Establish clear measures for tracking progress & transparency.
- 7.) Increase member dues.

The Board's response: The board recommends to address this outline-

- 1.) **For accountable of former board member's past wrongdoing:** Add all former board members who served from 2019 to 2023 to a **blacklist**, preventing them from serving on the board again in the future and potentially revoking their membership status. Past board members who have not committed any wrongdoing will have the opportunity to appeal and seek approval from the members through a vote to be removed from the blacklist.
- 2.) **Conduct a thorough organizational reset:** Revisit all current policies and focus on restructuring TAD to enhance transparency. This includes improving the system for meeting minutes, financial reports, and a tracking system that is accessible to all members.
- 3.) **Organize and streamline internal affairs:** The key focus will be on improving the TAD website and social media to clearly display all the information that members need to know.
- 4.) **Overhaul bylaws to make sure they align with current needs:** The current bylaws committee members are Tar Burt, Ricky Harris, Angela Trahan, Char Parsley, and Parliamentarian Mark Apocada. They are working on revamping the bylaws to provide clearer definitions and prevent situations like this from occurring again.
- 5.) **Assign key stakeholders to lead critical areas:** TAD Board is open to any members interested in taking on a leadership role in critical areas. Currently, we need task force members to focus on TAD Connect Zoom.
- 6.) **Establish clear measures for tracking progress & transparency:** TAD Board has been working on clear measures for tracking progress and transparency through the TAD website, the new Facebook group—TAD Connect, meeting minutes, financial report trackers, board emotion trackers, and other tools that are still under development.
- 7.) **Increase member dues:** TAD Board agrees that membership dues need to be increased; however, the final decision will ultimately be made by the members.

Closing Statement: The board wants to express our sincere appreciation for all the findings in the reports. We have been working very hard to comply with the audit team and to make sure that we provide them with everything we can. We, the board, have sworn an oath to make sure that everything is submitted with full transparency during this term.

It is unfortunate to see that some documents are missing or have not been created. This board wants to convey how exhausting it has been to serve as volunteers for this organization, especially given the many challenges that are not aligned with our current mission.

We hope that our responses will address what the members are looking for, and we trust that this audit report will now be in the hands of TAD members to determine the future of TAD. This board is committed to resolving many issues and hopes to address all concerns before the next election.

It is important to note that all current board members are not seeking another term. We hope that the next administration will not have to deal with any of these challenges and will create new opportunities for TAD to grow in alignment with TAD's current mission.

Best regards,

President Vacant

Vice President Tar Burt (*Acting President*)

Secretary Lana Coker

Treasurer Vacant

Region Representative I Vacant

Region Representative II Cody Littlepage

Region Representative III Dirk Hillard

Region Representative IV Thumas Lee

Region Representative V Michael Oyeyemi