



Members of CMA,

The 2016 Board of Directors regrets to inform you of a serious breach of ethics and fiduciary responsibility by Alicia Wilson, the Director of Finance (DoF) elected at Samhain 2015.

On April 29th, Gary Park, CMA's Corporate Officer (CO), notified Carly McNamara, the Executive Director (ED), that there were unidentified charges in the CMA checking account. Because only the CO and the DoF had access to the account at that time, the ED requested access to the account so she could investigate the transactions. She also asked the CO to provide her a spreadsheet containing all of the suspicious charges. The ED reviewed both the bank account and the spreadsheet and contacted DoF Wilson via email to inquire if she was aware of the charges and if she had made them. DoF Wilson explained that she had accidentally used CMA's card instead of her own and would reimburse CMA for all of the mischarges on May 1, 2016. The ED also requested that DoF Wilson provide a spreadsheet confirming all of the personal charges made using CMA's account.

On May 3rd, reimbursement had not been received. The ED asked DoF Wilson for status on the reimbursement to CMA for the personal charges. DoF Wilson advised that the money would be deposited the following day. DoF Wilson provided a spreadsheet confirming the personal charges that she made using CMA's account, and offered to step down as the Director of Finance. The following day, reimbursement still had not been received. DoF Wilson advised that her daughter had stolen her card number and made some of the purchases.

On May 5th, reimbursement still had not been received. DoF Wilson admitted that she would be unable to reimburse CMA for her personal charges immediately, and told the ED that she had cancelled the card. The ED counseled DoF Wilson on her breach of trust, and on her fiduciary duty to CMA.

On May 6th, Alicia Wilson sent an email to the Board of Directors, announcing that she was stepping down for personal reasons. The ED suggested to the Board that D. Blaze Johnson be contacted and asked to return to the CMA Board of Directors as the Interim DoF. The Board agreed that this was a good interim solution. The Director of Property & Assets offered to reach out to Ms. Johnson directly. The ED spoke with the CO about Ms. Wilson stepping down, the likelihood of recovering any of the misappropriated funds, and Ms. Johnson stepping in as

the Interim DoF. The CO advised that this situation has occurred in the organization before, and gave the ED information concerning how the situation was handled in the past.

On May 10th, there was a regularly scheduled Board meeting and D. Blaze Johnson was appointed by the Board of Directors as the Interim Director of Finance, by vote of the quorum of Board members in attendance. Ms. Wilson was in attendance at the Board meeting.

On May 13th, Ms. Johnson began her duties as the Interim Director of Finance, and an emergency Board meeting was called to advise the full Board of the issue. Alicia Wilson embezzled \$4160.22 from CMA between January 25, 2016, and April 29, 2016. The Board and the Transparency Advocate met by phone at 7:30 PM to discuss the situation and establish a path forward. Ms. Watson was removed from all accounts, from Quickbooks, from the Board emails, and from the Board Dropbox. The Board authorized DoF Johnson to contact an attorney for advice in how to proceed. The Board agreed that the membership must be notified as soon as possible. The already-planned Town Hall meeting on May 29th was agreed as the best date to proceed with that notification.

Immediately following the meeting, Mary Dove, the Director of Records (DoR), drove to Ms. Wilson's home to retrieve the CMA checkbook, the printer, and the CMA files in Ms. Wilson's possession. Ms. Wilson was not at home. The DoR retrieved the corporate property from Ms. Wilson's roommate and returned it to the corporate office and to the CO's possession the following day.

On May 14th, DoF Johnson sent the Board instructions for logging into Quickbooks for read-only access to re-establish the system of oversight that she previously had in place during her prior Board tenure.

On May 16th, Ms. Wilson's card was closed by the bank.

On May 17th, DoF Johnson updated the Board concerning her meeting with the attorney. The attorney would draft a restitution agreement that, if violated, will allow CMA to press charges. The verbal agreement from Ms. Wilson was that she would pay \$300 per month in restitution, beginning June 3rd.

DoF Johnson instructed the corporate CPA to report the loss on the return as "Excess Benefit Transaction," the IRS term for embezzlement of funds by Board members. The IRS will then pursue Ms. Wilson for a 25% excise tax.

On May 18th, Ms. Wilson's destroyed card arrived at the corporate office. Ms. Wilson was officially removed from access to the bank account and DoF Johnson was granted access.

On May 20th, DoF Johnson received the restitution agreement from the attorney.

On May 25th, the DoR met with Ms. Wilson, and the restitution agreement was signed and notarized. Per the agreement, repayment is set to begin on June 3rd with a payment of \$300, with payment to continue each month until the balance is paid.

The Board of Directors is fully cognizant of the egregious nature of this breach of trust. We have acted quickly and with great care to expedite the resolution and restore the security of corporate assets. The situation should never have been allowed to occur in the first place and the Board has taken immediate steps to ensure that it cannot happen again. Institutional knowledge from past Boards concerning checks and balances on the Director of Finance was lost, and the current Board is grateful to have DoF Johnson assisting in the aftermath of this situation. Her procedures are being collected and the information preserved in a way that ensures accurate transfer from one Board to the next.

We are also aware that our responsibility as a Board is to both the corporation and the membership. The ED wanted to make sure that the charges were indeed from Ms. Wilson and not from a third party who had spoofed or stolen Ms. Wilson's card number. The ED also wanted to give Ms. Wilson the opportunity to repay the money in the event that it was truly a mistake. The ED attempted to move forward carefully and with full information in order to avoid a panic that would have caused additional disruption to the corporation. Ms. Wilson has been apologetic. Her actions were clearly intentional, but apparently not malicious. She showed an egregious lack of judgement and her fraud was a stunning misuse of her fiduciary responsibility.

The contents of this announcement were released to the CMA membership at the Great Works meeting on May 29, 2016. Members in attendance and those connected via remote access had the opportunity to ask question of the Board and express their concerns regarding the situation. This discussion will be outlined in the Great Works meeting minutes, which will be released within the next two weeks, once they are compiled and finalized by the DoR.

In service,
Carly McNamara – Executive Director
Amanda Boehm – Assistant Executive Director
Mary “Willow” Dove – Director of Records
D. Blaze Johnson – Interim Director of Finance
Megan Dobson – Interim Director of Communications
Jason Wicker – Director of Property & Assets
Carlas Smith – Director of Member Services