EXHIBIT K
October 5, 2012

NYC Administration for Children’s Services
150 Williams Street, 10th Floor
New York, NY 10038

Attn: Mr. Jose Mercado, Assistant Commissioner

Dear Mr. Mercado:

On September 26, 2012, NYC Administration for Children’s Services (hereinafter “ACS”) presented the West Harlem community Organization, Inc.’s (hereinafter “WHCO”) with its Memorandum of Concerns dated September 25, 2012. That date, you demanded that we answer these concerns with haste, within 48 hours. On September 26, 2012, I discussed with you that we would answer these concerns, but that I needed to hire an accountant for the purposes of presenting our position accurately and quickly. You responded with an allowance for “more time.” On Tuesday, October 2, 2012, we agreed that our answer would be presented on either October 3 or 4, 2012. On October 4, 2012, I spoke with you and asked for a further delay due to my unexpected trial occurring that day. WHCO, appreciate your allowance of time. Thank you.

I Answer ACS’ concerns in capacity of Chairman of the Board of Directors of WHCO (hereinafter the “Board”). The Board has authorized me to Answer on WHCO’s behalf at our last meeting of October 2, 2012.

-Introduction-

WHCO’s Board is mostly entirely new to WHCO. As such, we are discovering WHCO’s internal issues together. I admire that WHCO has not seen a massive exodus from this Board, as WHCO’s troubling issues only bring each of them stresses that they did not anticipate. However, these capable and dedicated Board members are:

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Our former Chairperson, Leatrice Streeter, resigned her office on 9/4/2012, and resigned from the Board of Directors on 10/2/2012. Moreover, the majority of the former Board members took an en masse exodus from WHCO in 2011.

On April 20, 2011, my then law firm, Soleil, Onua & Associates, LLP, was retained as General Counsel for WHCO. **EXHIBIT A: Retainer Agreement.** As is my norm, I asked for all corporate foundational documents (i.e. Certificate of Incorporation, Bylaws, Resolutions Index, major contracts, etc.) and 2 years of Board of Director’s minutes. It took more than 3 months to secure these documents. In February 2012, after reviewing these documents and concluding a major litigated matter, I made recommendations for a corporate restructuring, and asked the board for authority to perform a general audit. It was granted; however, I found WHCO’s staff generally uncooperative. It appeared that neither the Board of Directors nor the Executive Director exercised the authority necessary to compel staff compliance.

In April 2012, prior to my being notified that I was accepted onto the Board, WHCO hired me to handle another landlord-tenant matter. This was outside the scope of the retainer which had expired. Ms. Copeland and I agreed that payment would be an additional $2,500.00.

I joined the Board in April 2012. However, due to missed communication, I did not receive notice and attend my first Board meeting until May 1, 2012. There, I found (as I expected) an entirely bifurcated and dysfunctional corporation. The Board of Directors was divided into two independent parts: Head Start and Housing, with two independently operating Executive Directors (Ms. Spencer and Ms. Copeland), and with two separate bylaws! A major corporate function was contracted out and was run at a severe loss.

In June 2012, the Board resolved to audit WHCO entirely, and I was elected Vice-Chair. At that time, the Board sent several letters to the staff settling the dispute as to whom WHCO’s Chief Executive was, we adopted a set of bylaws, and we passed several resolutions establishing (apparently for the first time) certain fiscal policies. **EXHIBIT-B: Resolutions.** Our attempts to “rein in” WHCO was meant with fierce resistance.

Unfortunately, these policies were ignored, and the staff refused to submit the requested documentation for the Board of Director’s audit until late July 2012. On July 17, 2012, the Internal Revenue Service (hereinafter “IRS”) seized all WHCO accounts halting payroll and continued operations. After entering a temporary agreement with the IRS (**EXHIBIT C: Offer in Compromise**) and paying $2,490.00 (**infra**), the accounts were released. **EXHIBIT D:**
Acknowledgment Letter & Release of Lien. Unfortunately, upon that release, I discovered that a Suntrust Bank out-of-state accounts attributed to WHCO. EXHIBIT D.

I demanded that the internal audit commence immediately. All WHCO books (that were kept) were kept at our W128th Street facility. On August 17, 2012, I informed Ms. Copeland and Ms. Spencer that I was coming and that I required access to all records. When Ms. Copeland and I arrived, the W128th Street facility was locked. Ms. Spencer did not answer our telephone calls. In capacity as acting Chairman (Ms. Streeter was vacationing), ordered Ms. Copeland to call a locksmith to open all doors and files. We discovered that the books, registers and actual checks were removed from the site.

The following day, Ms. Spencer changed the locks again. The following week, Ms. Copeland terminated Ms. Spencer, but also received notice that Ms. Spencer quit. Ms. Copeland then appointed Andrea Hayes as acting Director of Education and Children’s Services. Ms. Copeland also took control of all WHCO accounts, placing some of the proscribed signatories on the various signature cards. These signatory offices were: Chairman (Leatrice Streeter), Vice-Chair (Andre Soleil), Treasurer (Carmen Thomilson), Secretary (Lawrence King), Executive Director (JoEdnee Copeland) and Controller (vacant).

This is where your inquiries begin. My hired auditor and I have ferreted out answers to your questions. Unfortunately, my discoveries leave more questions and demands corrective, putative and immediate action.

-Presented Issues-

In this section, I will restate your questions or statements of concern from your September 25, 2012 memo, and address them.

The former Administrative Director, Jeanette Spencer is no longer employed by the agency. Andrea Hayes is presently working in the capacity of Acting Head Start Director.

This allegation is partially true. Jeanette Spencer submitted her letter of resignation which was accepted by the Board 9/4/2012. EXHIBIT E: Resignation of Ms. Spencer. Ms. Copeland immediately appointed Ms. Hayes Acting Director of Education and Children’s Services. On 9/4/2012, the Board appointed Ms. Hayes as Director of Education and Children’s Services.

This request was forwarded to Ms. Joednee Copeland, the Executive Director of West Harlem Community Organization, who was not available, but was given to Mr. Alfred Worley, who is the Chief Financial Officer and Special Assistant to Ms. Copeland.

1 At that time, the Board was not aware that DAPC involvement should have been incorporated into this decision. However, in light of the impending (within a week) commencement of the school year, and preparations for the Early Learn contract, the Board of Directors concluded that an immediate appointment was necessary for the smooth continuation of services to WHCO’s constituent families.
This allegation is not true. Mr. Alfred Worley was never the Chief Financial Officer/Controller/Fiscal Director of WHCO. The top executives of WHCO, including its Controller, must be appointed by act of the Board. Ms. Copeland hired Mr. Worley to review the agencies various contracts and programs in capacity as her “Special Assistance,” this position did not need Board approval. The position of Controller remains vacant. Mr. Worley operated as “fiscal director” only under the delegated executive authority of Ms. Copeland. As these things have only recently occurred, the Board was unaware of Ms. Copeland’s indulgences with Mr. Worley; and we are discovering these detriments together.

... the Head Start Program received advances adequate to... pay the payroll for September 14, 2012... [N]umerous checks were written by the Sponsoring Board of Directors which resulted in [WHCO’s] inability to pay employees... The Payroll Taxes and employee benefits remain unpaid.

This allegation is partially true. “[T]he Sponsoring Board of Directors” did not write nor authorize these “numerous checks.” The specifics of these checks will be discussed below. “Payroll taxes and employee benefits” payments have been made. The taxes were paid by wire transfer on 9/28/2012. EXHIBIT F: Tax Transfer Record. The employee benefits payment was made by check on 10/1/2012. EXHIBIT G: Benefit Payment Check.

Rent for... 240 W. 116th St. remain unpaid for two (2) months, which total $38,332.

This allegation is true. This site has been closed as a result of WHCO Early Learn 2012-17 proposal. As of 9/30/2012, WHCO has entirely vacated said premises. We are negotiating a payment plan with the landlord to settle this liability.

The Sponsoring Board of Directors was informed [that]... ACS... Internal Audit will be conducting a site visit on September 19, 2012, however, representation from the Sponsoring Board... or the Executive Director was not on site.

This allegation is true. The Board of Directors authorized representative is the Executive Director. Ms. Copeland was instructed by the Chairman of the Board to attend ACS auditors, and to report to the Board via telephone and email of their concerns or needs. On information and belief, Ms. Copeland waited in her office at 240 W. 116th Street, Harlem for ACS officials. Apparently, when ACS auditors called Ms. Copeland (but reached Mr. Worley), Ms. Copeland had left for the day.

... internal controls were not implemented by the Board of Directors to safeguard funds.

This allegation is true. Although the Board has passed several resolutions and adopted new Bylaws since May 2012, many of which seek to safeguard funds (EXHIBIT B), the Board was not vigilant to see that its directives were followed. Additionally, I’ve discovered that the entire Head Start program operates payroll, expenses and fundraising – everything - from just one general account.
The Sponsoring Board of Directors obtained temporary checks from the Bank using the Head Start account number, even though the Head Start agency has unused checks.

This allegation is true. The blank check stock was missing from WHCO W.128th Street office on 8/17/2012. As such, the Executive Director imprudently obtained several counter checks and money orders to continue the operations of WHCO.

Checks were improperly prepared and made payable to Cash by the Sponsoring Board of Directors.

This allegation is partially true. “Checks” were not made payable to cash; a check was made payable to “cash.” This check, obtained 8/10/2012 was executed by Joednee Copeland and Leatrice Streeter. Ms. Copeland was the Executive Director. Ms. Streeter was the Chairperson. On information and belief, Ms. Streeter was told by Mr. Worley that this was a check from the “expense account,” and was unaware that it withdrew from designated payroll funds. This check’s uses are found at Table 3. Infra.

Checks were removed from the Head Start site by the Sponsoring Board of Directors and written to pay unauthorized expenditures without documentation.

This allegation is partially true. On August 17, 2012, I discovered that someone had removed the checks, ledgers and current year’s financial records from the W.128th Street office. We are unaware of exactly whom accomplished this, but eventually, the check stock was returned.

Thereafter, Mr. Worley took the check stock from W.128th Street site on grounds that these weren’t secure. After reviewing his horrific conduct with these instruments, I have directed (among other directives) that all blank checks kept under “lock-n-key” at the W.128th Street fiscal office and never removed.

Checks were written out of sequence.

This allegation is true. Under Mr. Worley, checks were written non-sequentially, without proper recording and registry protocols, and without proper purposes.

The following checks were written by the Sponsoring Board of Directors without documentation and cashed by the bank . . .

<table>
<thead>
<tr>
<th>Check No.</th>
<th>Payee</th>
<th>Amount</th>
<th>Expense</th>
<th>EXHIBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1136</td>
<td>WHCO</td>
<td>$15,100.00</td>
<td>Chase # 113970300</td>
<td>H: Check w/Statement</td>
</tr>
<tr>
<td>1127</td>
<td>Alfred Worley</td>
<td>$1,500.00</td>
<td>Payroll</td>
<td>I: Check</td>
</tr>
<tr>
<td>1126</td>
<td>Alfred Worley</td>
<td>$2,000.00</td>
<td>Payroll</td>
<td>J: Check</td>
</tr>
<tr>
<td>1125</td>
<td>Joednee Copeland</td>
<td>$3,500.00</td>
<td>Payroll</td>
<td>K: Check</td>
</tr>
<tr>
<td>1044</td>
<td>A.R. Soleil &amp; Co.</td>
<td>$10,000.00</td>
<td>Legal Fees</td>
<td>L: Check &amp; Receipt</td>
</tr>
<tr>
<td>eCheck</td>
<td>NYC Dept. of Finance</td>
<td>$33,622.57</td>
<td>Property Taxes</td>
<td>M: Receipt</td>
</tr>
<tr>
<td>1006</td>
<td>Cash</td>
<td>$17,095.00</td>
<td>See Table 3</td>
<td>N: Check</td>
</tr>
</tbody>
</table>
This allegation is not true. Documentation for these checks is attached.

The following checks were written by the Sponsoring Board of Directors and issued to [their] members and employees, which represents a conflict of interest.

<table>
<thead>
<tr>
<th>Check No.</th>
<th>Payee</th>
<th>Amount</th>
<th>Expense</th>
<th>EXHIBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1069</td>
<td>Alfred Worley</td>
<td>$3,500.00</td>
<td>Payroll</td>
<td>Q: Check</td>
</tr>
<tr>
<td>1070</td>
<td>Joednee Copeland</td>
<td>$3,500.00</td>
<td>Payroll</td>
<td>P: Check</td>
</tr>
<tr>
<td>1071</td>
<td>WHCO</td>
<td>$1,700.00</td>
<td>Chase</td>
<td>Q: Check w/Statement</td>
</tr>
<tr>
<td>1072</td>
<td>Alfred Worley</td>
<td>$1,000.00</td>
<td>Payroll</td>
<td>R: Check</td>
</tr>
<tr>
<td>1074</td>
<td>Alfred Worley</td>
<td>$2,000.00</td>
<td>Payroll</td>
<td>S: Check</td>
</tr>
<tr>
<td>1086</td>
<td>A.R. Soleil</td>
<td>$5,000.00</td>
<td>Legal fees</td>
<td>T: Check</td>
</tr>
</tbody>
</table>

This allegation is not true. It is a conflict of interest for a Board member to hire and pay themselves in a manner outside of bylaws and regulatory protocols. However, in this instance, checks numbered 1044 and 1086 were made payable to "A.R. Soleil and Company, P.C." and "A.R. Soleil" respectively, both indicating payment to Soleil's law firm for past due amounts.

A.R. Soleil & Company, P.C. is successor to Soleil, Onua & Associates, LLP. WHCO's retainer expired March 2012, with WHCO owing A.R. Soleil & Company, P.C. $12,500.00 on that retainer, and another $2,500.00 for an additional housing matter handled post-retainer and before my resignation as General Counsel. WHCO paid this retainer with instruments 1044 and 1086. It is not a conflict of interest for a Board Member to receive payment for money owed for work performed and prior to being a member of the Board. Insofar as the issuance of paychecks; the Board is not conflicted by payments to employees.

The amount of $17,095.00 was improperly prepared and made payable to cash.

This allegation is true. Account signatories Joednee Copeland and Leatrice Streeter signed this countercheck and negotiated the funds. These funds were used in the following manners . . .

<table>
<thead>
<tr>
<th>Payee</th>
<th>Amount</th>
<th>Expense</th>
<th>EXHIBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRS</td>
<td>$2,490.00</td>
<td>Back Taxes</td>
<td>U: Money Order</td>
</tr>
<tr>
<td>NYS Attorney General</td>
<td>$25.00</td>
<td>Registration</td>
<td>V: Money Order</td>
</tr>
<tr>
<td>Joednee Copeland</td>
<td>$11,500.00</td>
<td>Payroll</td>
<td>W: Money Order</td>
</tr>
<tr>
<td>Alfred Worley</td>
<td>$3,060.00</td>
<td>Payroll</td>
<td>X: Time Sheets</td>
</tr>
</tbody>
</table>

2 Mr. Worley recollects receiving $4,000.00 in money orders. He could not produce proofs, but the difference between all available proofs and the amount cashed with the counter check is $3,060; less than the $4,000.00 amount Mr. Worley claims to have received.
The manner in which these funds were obtained and distributed is entirely improper. Further, the Board and I were told by Alfred Worley, while at ACS on Wednesday 9/26/2012, that these funds were entirely used for the IRS debt; his statement was not true.

This [$17,095] was ... cashed with the assistance of a member of the ... Board ... and ... employee of the bank, i.e., Carmen Tomlinson.

This allegation is not true. Ms. Tomlinson is the Branch Manager of Banco Popular’s W.125th Str. branch. She did not “assist” Ms. Streeter and Ms. Copeland in obtaining the $17,095.00. On information and believe, Ms. Tomlinson warned Ms. Copeland of the impropriety. As Branch Manager, she cannot disallow a client from making a transaction that within the boundaries of bank regulations. As a WHCO Board member, she cannot allow an executive to make transactions contrary to WHCO best interests and authority. Here was a conflict. Ms. Tomlinson immediately brought this transaction to the Board of Directors’ attention on 8/7/2012. However, it was explained by Ms. Copeland as necessary to pay the IRS and release payroll.

West Harlem Community Organization, Inc. has not submitted the corporation’s A-133 audit report for Fiscal Years 2008-2010.

This allegation is true. We are in discussion with several CPA firms who are on the NYC Comptroller’s approved list.

The Sponsoring Board of Directors have not established and implemented systems to ensure accurate communication is provided to the staff and Delegate Agency Policy Committee.

This allegation is true. This lack of communication is exacerbated by the resignation/termination of Ms. Spencer, who while employed was the only conduit between the Board, the staff and parents of Head Start. This method of communication was inadequate.

Staff and the DAPC were not properly informed of the status of their employment subsequent to September 2012.

This allegation is true. It also highlights the flaw of depending on one employee to be the conduit regarding head start. On information and believe, Ms. Spencer did not informed the union in accord with the effective Collective Bargaining Agreement, and neither consulted with the DAPC in accord with head start protocols and regulations, nor obtained WHCO Board approval before submitting WHCO’s proposal to ACS that would shut our W116th Street facility. Apparently, Ms. Spencer only received approval from the Head Start Committee of the Board of Directors.

Incorrect information was given by the Sponsoring Board of Directors to staff in reference to the unavailability of funds to pay staff.

This allegation is not true. Mr. Worley informed staff that funds were not available because he purchased a computer program – he told the truth. However, Mr. Worley’s
expenditure was *ultra vires*, imprudent, illegal, and in breach on so many levels. Mr. Worley’s actions were not approved of, or known by, the Board. *Supra.*

The Sponsoring Board of Directors informed certain Head Start staff members they would have salary increases without ACS/Head Start request, approval or the adherence to Head Start guidelines.

This allegation is not true. Ms. Copeland informed Mr. Alcime and the Record Clerk of their raises by email. **EXHIBIT Y: Email Regarding Raises.** However, Ms. Copeland did not have Board approval to grant any raise, nor did the Board of Directors approve any modified budget. As such, the “Board of Directors” did not “inform certain Head Start staff members they would have salary increases.”

*Staff was informed by the Sponsoring Board of Directors to cash their pay checks prior to reversal of payroll funds in the bank.* . . .

This allegation is not true. Alfred Worley, in the presence of Joednee Copeland, informed the staff that Alfred Worley was the Fiscal Director and to cash their checks (as alleged and amongst other grossly improper statements). As stated, the Board of Directors did not appoint Mr. Worley as Controller. The Board was entirely unaware that Mr. Worley and Ms. Copeland held Mr. Worley out as Fiscal Director. Mr. Worley was never, in any capacity, an authorized representative of the Board of Directors’ executive authority.

**-WHCO Board of Director’s Findings-**

I have interviewed Ms. Copeland, Mr. Worley, Mr. Alcime and Ms. Tomlinson regarding these matters. The Board and I met with the DAPC and concerned parents on Tuesday, October 2, 2012. I met with the Head Start staff on Wednesday, October 3, 2012. These meetings and interviews, along with my two-year experience as WHCO General Counsel and member of the Board of Directors, inform and help me determine the following facts.

**WHCO is a dysfunctional corporation.** Albeit that the present Directors is mostly new, the Board cannot presume that the way “stuff” has been happening is wise. The Board must resolve to take affirmative and aggressive steps to assure that its appointed executives, and their staff, adhere to corporate purposes and directives, and operate WHCO’s programs within the bounds of its contracts and regulations.

Unfortunately, the Board was largely dependant on WHCO’s senior staff to advise it of the corporation’s status and activities, despite repeated obvious irregularities; this was negligent. A prudent board member would know that the corporation is dysfunctional. WHCO operated as if it were two separate entities, that the corporation had two sets of bylaws and no minutes that might establish the controlling document, and that there was no record of Board Resolutions as passed throughout the years. There were two individuals, Joednee Copeland and Jeanette Spencer, both with the title of Executive Director, and both completely uncooperative with the other. There was no significant monthly financial reporting. Among other things, these conditions prompted the Board to demand an overall corporate audit. As presented, a prudent
Board of Directors would not have trusted WHCO staff’s representations that were inter-contradictory, inconsistent, evasive, and loyal only to WHCO’s divided operational interests (everything was the “other sides” fault).

The Board discovered dysfunction going back as far as 2002. Apparently, and historically until now, the Board did not properly supervise the executive staff of WHCO. This dysfunction has had various serious deleterious effects.

To amend this dysfunction, the Board must include persons with business, nonprofit and community experience. These members should have attained significant success in various aspects of their outside-of-WHCO lives. These members should demonstrate a connection to the Harlem Community and the purposes and goals of WHCO. Particularly, Board members should also have significant management experience. The present members of the Board appear to have the background necessary to successfully WHCO’s systemic administrative dysfunction.

The Board was isolated from the constituent staff, parents, children, DAPC, and governmental sponsors. The Board were never introduced to the constituents until the myriad problems occurred starting July 2012. If regulations were followed, and the spirit of those regulations guiding, the magnitude of the various emergencies would be avoided. As we met over the last couple months, the common question from WHCO constituents to the Board is “who are you, how can we reach you, do you know what’s going on?”

To amend this dysfunction, strong ties must be forged with constituent governmental sponsors. The Board must be tutored as to the various regulations and contract expectations. The Board must have a regular tie to the constituent DAPC, and must promote parent involvement with the DAPC.

The Board has established the president of the DAPC as an ex office full member of the Board commencing November 6, 2012. The Board must also have a regular tie to the constituent employee union representatives, and have regular quarterly staff meetings.

WHCO’s senior executives were dysfunctional, uncooperative between themselves, uncooperative and independent of Board supervision, and under-qualified. Ms. Spencer was an excellent pedagogue, and well organized from the administrative perspective of administering a head start program. However, Ms. Spencer was entirely uncooperative with the whole of the Board, and within the executive structure of WHCO. Needless clashes occurred between her and Ms. Copeland. Ms. Spencer needlessly resisted integration of Head Start affairs with the overall corporation. This bifurcation of WHCO injured WHCO as a whole. WHCO is one corporate entity, not two. Its books must balance, its debts must be paid, its liabilities affect all operations.

Ms. Spencer resisted reintegration to the extent of insubordination to the Board of Directors. Eventually, she resigned.

Ms. Joednee Copeland is not a qualified Chief Executive Officer. She lacks the experience necessary to administrate corporate affairs prudently. She lacks the instinct to detect unwise counsel. She lacks the assertiveness to direct corporate affairs and resist bullying.
Largely, we find that the bifurcation of WHCO is a direct result of Ms. Copeland’s inability to “grab the reins” of WHCO. Ms. Spencer virtually took Head Start away from WHCO and ran it as her fiefdom. Ms. Copeland could not keep the corporation whole.

Ms. Copeland admits that her expertise is housing programs. The previous Board should have kept her within her field of expertise under the direction of an overall corporate leader; this did not occur. Ms. Copeland’s lack of experience allowed for too many mistakes. Ms. Copeland’s lack of surety allowed for excessive influence from person’s giving bad advice.

This is demonstrated by her “following” the advice of her assistant, Alfred Worley. Ms. Copeland, under the daily influence of Mr. Worley, directly disobeyed Board’s resolutions and violated procedures and protocols, contract provisions and various regulations.

Despite this, her 30 year record with WHCO does not demonstrate her as incompetent, selfish, disloyal or criminal. Ms. Copeland has missed pay for years as she desperately tried to lead WHCO’s housing efforts by herself. Ms. Copeland demonstrates that her family supported her financially against WHCO’s sporadic compensation and benefits. It is truly sad that, after 30 years of service and sacrifice, she is led afoot.

After two years of knowing Ms. Copeland, I believe she is is loyal and capable, she never meant to go afoot, but she was in “over her head.” Apparently the tax seizure, the impending Early Learn program (that she did not understand), the sudden closure of the W.116th site, the various building woes, caused her to panic and cling to wrong advice.

The Board is responsible for not catching this wrong direction early enough. Indeed, when this pressure built, even Ms. Streeter, Ms. Copeland’s friend for years, resigned as Chairperson of the Board.

Ms. Copeland has submitted her resignation as of October 2, 2012. However, the Board has asked her to continue temporarily, under the active and daily supervision of our Chairman, Andre Soleil, until November 2012. She has been stripped of all independent fiscal and contracting authority.

WHCO is administratively understaffed. The corporation desperately needs a Controller to manage its fiscal affairs. WHCO needs a dedicated Executive Director with strong overall management experience. WHCO needs a General Counsel (I resigned as General Counsel when I assumed Chairmanship). WHCO needs a development-fundraising department. WHCO needs a revamped housing department.

This lack of professional and executive staff, bifurcation of corporate affairs, and Board dysfunction threatened the continued existence of WHCO. However, the present Board has firmly taken the helm of WHCO. It is capable and determined to amend the systemic problems of WHCO, revitalize the corporation, and continue to produce the excellent Head Start/Early Learn product of its past.
Leatrice Streeter and Andre Soleil wrongly entrusted pre-signed checks to the care and control of Joednee Copeland. Other than the counter checks signed by Ms. Streeter, the numbered checks signed and negotiated were executed as a convenience by the former Chairperson and Vice-Chairperson. Mr. Worley told Ms. Streeter and I, in Ms. Copeland’s presence, that these checks were made from a WHCO expense account. He did not mention anything regarding the Head Start payroll account.

I trusted the competence and integrity of Ms. Copeland and her staff. I expressly conditioned my signature on notice of these checks’ intended uses and my oral approval before use. I instructed Ms. Copeland to keep these checks with Mr. Alcime in WHCO’s fiscal office. My instructions were not followed, and I was misled as to the origin and purposes of the funds of this account. I was wrong to trust WHCO staff.

In this audit, I have discovered numerous checks from WHCO Head Start payroll accounts that I signed but did not pre-approve before use. I did not know that these were from a Head Start payroll account. These include each and every “payroll check” issued to Joednee Copeland and Alfred Worley.

In June 2012, Ms. Copeland asked the Board about paying herself and Mr. Worley. The Board of Directors instructed her to submit an action plan for revitalizing the housing division by September 4, 2012. The Board instructed her that this plan should also include a “kickstart,” and asked Ms. Spencer if the Head Start budget’s “10% administrative overhead” could be modified to include funding for Ms. Copeland and an assistant from October 2012 to December 2012 (with the expectation that the revised housing plan would be implemented and operational by that time). We further advised Ms. Copeland that she, and her staff, would be put on the existing payroll system, with deposits from the housing accounts being put into the payroll accounts to cover corporate-wide payroll.

Despite these plans and instructions, Ms. Copeland and Mr. Worley used Ms. Streeter and my pre-signed check stock, unwittingly from a Head Start payroll account, to pay themselves in a manner contrary to policy.

This error has been corrected. The Board resolved on October 2, 2012, to disallow any pre-signed checks, counter checks, or electronic transfers of any sort. Despite the inconvenience, fiscal prudence must be paramount. I have further directed Ms. Copeland and Mr. Worley to return all blank checks to Mr. Alcime, for Mr. Alcime to void these out of the system and to destroy them. I witnessed the accounting for, voidance and destruction of these checks myself.

WHCO must have multiple accounts so as to separate money according to source and purpose of funding. expenses from Head Start Operations, Head Start Payroll, The accounts

Joednee Copeland, in capacity of Executive Director, misused Head Start funds, allowed the misuse of Head Start funds, and acted in a manner contrary to established fiscal and administrative protocols.
By paying herself *via* a counter check made to cash, money orders, and checks made outside of established payroll protocols, Ms. Copeland grossly violated the law, regulations and corporate policies. However, was this criminal?

As a practicing lawyer, my assessment is “no.” It was clearly wrong, but not criminal. She was in capacity as executive director and she was an authorized signer. The “checks” were cosigned by another authorized signer. Not only did she obviously work during these “pay periods,” but she is owed salary since 2006. She was not sufficiently aware of Head Start regulations to know that her use of these funds was contrary to the law. In light of these irrefutable defensive facts, it cannot likely be proved that she criminally embezzled.

However, WHCO breached its Head Start contract and illegally took dedicated funds to pay corporate back-taxes, bills and extra salaries. The manner in which Ms. Copeland seized funds to pay herself, Mr. Worley and WHCO’s various bills presents a serious breach, and were *ultra vires* and illegal acts.

Ms. Copeland obviously did not adequately supervise Alfred Worley. Nor did she follow WHCO protocol in promoting him as Fiscal Director without Board approval. She knowingly allowed him to exercise executive personnel authority without Board approval. She incurred major expenses with ACS money, but without ACS or the Boards knowledge or approval.

As such, I have asked Joednee Copeland for her resignation; and she submitted her oral resignation on the record of the Board of Directors’ meeting of October 2, 2012.

Alfred Worley, in capacity of Special Assistant to Joednee Copeland, misused Head Start funds and acted in a manner contrary to WHCO’s established fiscal and administrative protocols.

Ms. Copeland paid Mr. Worley by counter check made to cash, money orders, and checks made outside of established payroll protocols. Mr. Worley, without authority, removed blank checks from WHCO premises, entered checks out of sequence in WHCO’s fiscal records, and used Head Start payroll funds for major unauthorized expenditures. Most importantly, Mr. Worley lied to the Board of Directors and ACS officials by stating that the entire $17,095.00 counter-check expenditure was made to pay the IRS. Mr. Worley also lied in telling me that the check stock pre-signed was from a WHCO expense account (while knowing that these checks were from the payroll account). Further, Mr. Worley’s total payment of $8,500.00 since July 17, 2010 is excessive and unauthorized. **Mr. Worley has been terminated.**

**WHCO must return misused Head Start funding.** We estimate that WHCO owes approximately $70,000.00 to its dedicated Head Start funding. The above records will show that, the majority of these negligent expenditures occurred in payment of past due bills, taxes and liens. WHCO has resources. The Board will consider fundraising, the propriety and possibility of taking a loan against its owned properties, and general lending sources.

-Conclusion-
The current Board will revitalize WHCO. We will find its liabilities and flaws and remediate them. We will reform WHCO's housing and development program to a internally self-sufficient corporate division that contributes positive revenues. We will (eventually) add needed anti-crime, anti-recidivism and rehabilitation programming.

In closing, although these corporate systemic difficulties have threatened the administration of the WHCO Head Start / Early Learn program, it has not affected the product of the Head Start / Early Learn program. We will not let these issues affect the services our children and families receive. We will support our Children's Services and Educational programs, maintaining the high quality product. We are confident in the decade of WHCO experience and the general training, experience and instincts of our Director of Education and Children's Services, Andrea Hayes. Ms. Hayes shares the Board's vision for an excellent Early Learn program, with an expanded child care, after-school tutoring, vocational/cultural training, and social work and family services programming.

How do we get "there" from "here"? WHCO must first audit and then reform our fiscal procedures, operations and management. WHCO must immediately hire a qualified controller, conduct a full internal audit going back to 2008, and repay the unauthorized negligently misappropriated funds from the Head Start contract accounts.

WHCO's Board will only get "there" through dedication, innovation, humility, intelligence and cooperation. These qualities must first start with the Board, who will then select full time executive staff who are capable and who follow in these passions. WHCO's Board will work closely with Ms. Hayes, the Early Learn staff, parents and families, and ACS regulators to continue to provide Harlem's community with the needed services.

WHCO asks ACS to continue its Early Learn contract, and to help us reform and revitalize administratively so as to continue to meet the future needs of Harlem's community.

Sincerely,

Andre Ramon Seilele, Esq.
Chairman of the Board of Directors

cc: WHCO Board of Directors