

LOANN KING'S CORRESPONDENCE TO AKA MEMBERSHIP

The text and attachment of King's correspondence are in black and FOTWI made some factual comments in red. FOTWI is just assisting with the circulation as requested by the author.

From: LaVerne <lv6357@aol.com>
Date: July 12, 2012 2:38:06 PM EDT
Subject: Fwd: Concerned Sorors

Hello Sorors
This was sent to me and I am just sharing the information.
Respectfully
LaVerne

Nothing is impossible, the word itself says "I'm possible"!

Date: Wed, 11 Jul 2012 16:13:10 -0500
From: lkinggoldensoror@aol.com
Subject: Concerned Sorors
To: cdcy@aol.com

Dear Soror:

It's time that sorors who care about moving Alpha Kappa Alpha Sorority forward and not staying stuck in a destructive posture take action. Please ensure that the crucial information and issues in the attached document are raised at the San Francisco Boule.

If you are personally unable to raise these issues or not attending the Boule please give the information to someone you trust who is attending the Boule and willing to make sure that the issues are raised. The silent majority can no longer remain silent!

Sisterly,
Soror Loann

ATTACHMENT TO EMAIL

Dear Sorors:

As many of you may know or have heard a 2010 audit report was put out and given to the press which carried allegations against the ESP administration in particular the 27th Supreme Basileus. The allegations included statements about unauthorized expenditures of the 27th Supreme Basileus.

In her greetings at the 2012 Central Regional Conference during a plenary session at which the current Supreme Basileus was present the 27th Supreme Basileus shared the following:

- That she was excluded from the process.
- That she never authorized any 2nd set of books.
- That the current Supreme Basileus has not allowed her to close out her administration even though several requests were made.

The 27th Supreme Basileus purports to be a certified public accountant and should know that an audit has been defined as "a formal, often periodic examination and checking of accounts or financial records to verify their correctness" and "a thorough examination and evaluation of a problem." Article VII, section 16 of the AKA Bylaws provides that the financial accounts of the Executive Director and the Supreme Tamiouchos shall be audited annually by a certified public accountant.

The 2010 Boule delegates closed the issue of the 27th Supreme Basileus' stipend cost. So why is this still an issue? Following for your information and to share with other sorors who care about this organization moving forward are questions that must be asked and answered at Boule. And a timeline of what you need to know.

BOULE QUESTIONS

- 1.) How can the Directorate accept the complete 2010 annual audit when the only person responsible for corporate records according to our Bylaws (The Executive Director); the 27th Supreme Basileus whose administration was responsible for 6 ½ months of 2010; and the Financial Director who was employed for eleven of the twelve months of the audit period were excluded from the process.
Have the Executive Director, the 27th Supreme Basileus, the 28th Supreme Basileus, and the Director of Finance fully cooperated with the auditor?
- 2.) How many investigative or regulatory agencies have had access or examined the last administration's books and records since July 2010? And have they issued any findings? Further was the 27th Supreme Basileus every notified of any independent accountant investigation?
Are any former or incumbent members of the Directorate the subject of any investigative or regulatory agencies? How many times has the 28th Supreme Basileus been questioned by the FBI about the financial affairs of AKA?
- 3.) How much money has the sorority spent since July 2010 examining the books and records of the 27th Supreme Basileus and in what budget line item is this cost shown since it was not in the Boule approved 2010 Budget?
Are the costs being paid in full or in part from the contingency line item?
- 4.) During her administration the 27th Supreme Basileus established and fully funded a one million dollar legal fund to cover the cost of ongoing and future litigations related to the administration. Has any of this fund been used to date and for what purposes?
Is the sorority taking responsive action upon the auditor's opinion that, "This legal fund appears to be a conflict of interest because the Board's interest is placed above the interest of the Organization."?
- 5.) The ESP administration under the leadership of the 27th Supreme Basileus increased the sorority's net assets from 16.7 million in 2006 to 27 million in 2009 representing a growth of over 10 million dollars. What are the current net assets of the sorority?
Are the amounts of the increase in assets as stated by the 27th Supreme Basileus the total actual increases or merely the increases that the 27th Supreme Basileus is reporting? Was the increase in assets the result of overcharging sorors for the Centennial Boule registration?
- 6.) Is it true that this San Francisco Boule will incur a loss? If so, what resources of the sorority will be used to finance this loss? When will the resources be repaid?
When and how will the Directorate address the loss allegedly sustained by the sorority as a result of the unauthorized expenditures of the 27th Supreme Basileus as referenced in the 2010 Ragland audit report?

WHAT YOU NEED TO KNOW

AUTHORIZING DOCUMENT/ENTITY	GOVERNANCE LAW & ACTIONS	VIOLATION/ACTION
<p>Bylaws – Article VII (Finances), Section 9, page 48</p> <p>Directorate Minutes – July, 2007</p>	<p>The Supreme Basileus shall be provided a stipend when funds are available in the budget.</p> <p>Directorate votes to award stipend to 27th Supreme Basileus: (1) Compensation for savings (2) Pension Trust</p>	<p>Lead soror of eight sorors circularizes inaccurate information about what she thinks occurred at the Directorate meeting on unauthorized sorority letterhead and refuses to submit overdue officer expense reports outstanding from 2002-2006.</p> <p>Lead soror of eight sorors was falsely accused of circulating inaccurate information and the sorority withdrew that NY court claim against her. The NY court later found that the sorority “failed to show that [the lead soror of eight sorors] did not comply with the sorority’s requirements regarding quarterly expense reports” and dismissed the sorority’s case .</p>
<p>September 2007 – Directorate letter to membership.</p>	<p>Supreme Basileus thru attorneys invites members to inquire about approved stipend votes.</p>	<p>Eight sorors do not communicate or request information from Directorate based on the fact that no Directorate member shared any inquiry at Directorate meeting.</p> <p>The 2010 auditor has opined that the sorority’s procedures present problems for AKA’s operations and one of the problems is “The allotment of funds called ‘stipends’, and they are not.” Sorors now await details about any corrective plan of action that will be pursued by the sorority.</p>
<p>November 2007 – Directorate Minutes</p>	<p>Directorate once again approves July, 2007 stipend votes.</p>	<p>Eight sorors still do not communicate or request information from Directorate.</p> <p>The 2010 auditor has opined that the sorority’s procedures present problems for AKA’s operations and one of the problems is “The allotment of funds called ‘stipends’, and they are not.” Sorors now await details about any corrective plan of action that will be pursued by the sorority.</p>
<p>December 2007 – July 2009</p>	<p>Supreme Basileus, Executive Director, legal counsel, pension and tax consultants implement pension trust stipend.</p>	<p>Eight sorors file lawsuit instead of requesting information from Directorate.</p> <p>Two of the eight sorors had written letters to Evelyn Sample Oates during her term as North Atlantic Regional Director regarding issues raised in the lawsuit prior to the commencement of the lawsuit but never received a response.</p>
<p>Fall 2009 – Spring 2010</p>	<p>Supreme Basileus makes herself accessible to respond to members’ inquiries of stipend at 2009 Leadership Seminar and Fall Clusters and 2010 Regional Conferences.</p>	<p>Eight sorors pursue lawsuit instead of requesting information from Directorate.</p> <p>Letters written to various members of the Directorate were ignored. No response to the authors. The 27th Supreme Basileus joined one Cluster Conference in 2009 by telephone and told the audience that her behavior toward the lead plaintiff was “personal.”</p>

February 2010 – District Court of Washington D.C.

LAW SUIT DISMISSED WITH PREJUDICE

Eight sorors pursue an appeal instead of attempting to resolve issues internally or requesting information from the Directorate.

As of February 2010, the Directorate had not responded to the eight sorors’ letters of appeal dated December 14, 2009 regarding their suspension.

July , 2010 – Boule Minutes (Summary: Attendees concluded that a fair and accurate account of funds and issues regarding stipend had been addressed. Under new business a motion was approved to move on from these issues and action for the future).

Audit Summary, pages 51-55 Appendix V, New Business, pages 83-84

Current Directorate initiated a forensic investigation of stipend and other financial transactions of 27th Supreme Basileus without due process. Eight sorors continue to pursue an appeal and sixteenth Supreme Basileus pursues suit for a forensic audit.

16th Supreme Basileus requested to inspect the books and records after learning about the mismanagement of AKA funds and was denied. She had no choice but to ask the court to intervene.

As of July 2012, the eight sorors are still awaiting a hearing as mandated by Article VI, section 15(b) of the Bylaws.

WHAT YOU NEED TO KNOW CONTINUED

AUTHORIZING DOCUMENT/ENTITY	GOVERNANCE LAW & ACTIONS	VIOLATION/ACTION
Bylaws – Article I (Boule Officers), Section 14, page 12	. . . It shall be the duty of each officer to deliver to her successor all files, supplies, and other materials in her possession within 30 days after the closing of the Boule	To date the Supreme Basileus has not responded to documented requests to close out the administration of the 27 th Supreme Basileus. As of July 13, 2012, the administration of the 27 th Supreme Basileus remains the subject of IRS investigation, the FBI and pending litigation in the Superior Court of the District of Columbia. To date, the 28 th Supreme Basileus has been questioned several times by the FBI.
March 4, 2011 – Circuit Court of Cook County Illinois- Sixteenth Supreme Basileus vs. Alpha Kappa Alpha Sorority	Circuit Court of Cook County Dismisses litigation. Note: Forensic Audit was conducted by two independent forensic auditors. (27 th Supreme Basileus had opposed the application by the 16 th Supreme Basileus to review the books and records of the sorority. The court granted permission to the 16 th Supreme Basileus to review the books and records. After the suspicions of the 16 th Supreme Basileus were confirmed about the 27 th Supreme Basileus, the 28 th Supreme Basileus filed an	

appeal to stop the review. The 16th Supreme Basileus voluntarily consented to dismissal of the case. She asked the 28th Supreme Basileus to take corrective action.

August 18, 2011 – District of Columbia Court of Appeals

Superior Court of District of Columbia affirms in part, reversed in part and remanded ruling of lower court. “Dismissal with prejudice at the very outset of the litigation came too soon and blocked any consideration on the merits of any of the claims. Accordingly, we affirm the dismissal with respect to the Foundation and with respect to the claim for corporate waste. In all other respects, the dismissal is reversed and the case remanded for further proceedings”.

Eight sorors pursue appeal which was argued in November, 2010 instead of attempting to resolve issues internally. Information once again given to press.

CURRENTLY IN LITIGATION.

Lawsuits are public documents, obtainable by anyone in the public. The 27th Supreme Basileus introduced the filing of lawsuits against AKA by current and prior leaders in 2006 and 2007. The administration of the 28th Supreme Basileus has not kept the eight sorors informed, in writing, regarding the stages of their appeals pursuant to Article VI, section 15e of the Bylaws.