

March 7, 2008

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TESTIMONY FROM LINDA DEROSA, FORMER MEMBER OF THE BOARD OF DIRECTORS,
COMMUNITY ACTION AGENCY OF NEW HAVEN, INC.

My name is Linda Derosa. I was a member of the Board of Directors from September 2006 through May 2007 when I resigned. I am including my original resignation letter, and the resignation letters from former members Penny Rogers, and Robert Pellegrino as well.

I extended myself in terms of valuable time and commitment to a troubled organization in hopes that my participation with others would bring the agency out of the ashes to viability and success. My sincere sense of dedication to those in need encourage me along the way, and I truly believed that my participation on the Board would make a difference. I adhered to all agency By-Laws and the directives of the DSS Commissioner. I was available to serve as a member at any time as required. Although I had the best interests of the agency in mind at all times, and although I spent an enormous amount of time trying to ensure that the agency was managed properly, the Chair of the Board, Easter Howard colluded with the CEO, Amos Smith, which was extremely self serving on both of their parts, and which affected the integrity of the agency, and its programs.

At the time of my resignation May 2007, I described the actions of both the Chair and the CEO as unprofessional, unethical, and without any semblance of integrity. Easter Howard's relationship with the CEO, Amos Smith, who I considered unfit to lead as an Executive Director, compromised the integrity of the agency. Together, they schemed to hide the truth about the activities and fiscal status of the agency, and they manipulated the composition of the board to include close personal friends of the CEO. The Chair condoned the CEO's intimidation of employees the fact that he instilled fear and intimidation upon them. It came at no surprise the agency was raided by the Office of the Inspector General, Health and Human Services, and the Office of the Connecticut Attorney General on December 13, 2008.

Board meetings were never posted, and minutes were either manipulated by the CEO and the Chair or never even taken. Grievances and CHRO complaints were never addressed. The Chair failed to follow the advise of the agency attorney and discipline the CEO for making discriminatory comments to an employee, and she failed to discipline him in a timely manner for serious Finance related improprieties. The fact that the Chair manipulated the composition of the BOD, and enabled a CEO who lacks integrity to mismanage the agency is unconscionable. The fact that the Chair manipulated the composition of the BOD, and enabled a CEO who lacks integrity to mismanage the agency is unconscionable.

Most importantly, these activities continued because there was an incredible lack of oversight from the Department of Social Services. On several occasions, I attempted to contact Michael Starkowski, Commissioner of DSS without success, and I wrote him twice. I tried to report all of the above mismanagement and unethical conduct on the parts of the CEO and the Chair, however he never returned any of my communications. His failure to listen to my concerns were extremely irresponsible on his part. His role is to oversee the integrity of programs, and to competently administer state and federal dollars. He can never claim that he "didn't know", or that he was "unaware" of serious issues at CAANH. He chose to ignore them. Hence, he is culpable as well as complicit in a pattern of mismanagement. As a public employee, his actions are disgraceful.

The activities of the BOD of a non-profit social service agency must be carefully monitored and must be above reproach at all times. The BOD is a fiduciary body who must be knowledgeable of all specifics of funding and contracts, and all finance related issues. Important issues as well include employee requests for social services, i.e., FEMA, energy assistance requests, which may present appearances of impropriety, employee grievances and other complaints subject the agency to liability and legal fees, all of which must come out of funding and ultimately tax dollars. The BOD should have an oversight committee to review employee complaints and a quality assurance committee to oversee client issues. Board members should include representatives of all funded parties, and all towns. Members should be chosen based on qualifications and expertise, and not because they will bolster and support the CEO and his/her agenda.

Further:

- A CEO may not participate in any part of the selection process of the BOD;
- CAAFCA, or any other consultant body should have absolutely nothing to do with the process of composing a BOD, including drafting By-Laws, coordinating nominating committees, etc.
- The agency must contract with an unaffiliated law firm to draft BOD By-Laws;
- DSS should not participate, or participate in any manipulation of the composition of a board of directors;
- The Chair may not chair the nominating committee;
- DSS must take an active role in the administration of state and federal funding. They must oversee the distribution of taxpayer dollars, and oversee regular audits;
- They must oversee any and all issues, which may subject the agency, and the taxpayers of the State of CT, to liability;

The state and federal funding implications are enormous. Further, misdeeds and mismanagement only serve to expose the agency to liability, and expose the State of Connecticut to liability. The State of Connecticut could be fined, and the possibility that the funding sources may request repayment of funds looms heavily.

Please do everything possible to enact this proposal.

Thank you.

4 CAA members resign citing board problems, abuse of power

By Mary E. O'Leary
Register Topics Editor

NEW HAVEN — Four members of the Community Action Agency resigned Monday, with three citing a history of disparaging remarks, violations of bylaws and alleged abuses of power as their reasons.

Linda DeKosa, Robert Pellegrino, Penny Rogers and Evelyn Vargas resigned after joining the troubled board in fall 2006. This leaves only two members who came on at that time and five new members who were seated last month.

The agency has had a long history of internal board problems and corruption, from which it is working to extricate itself.

"I find a pattern of deception, inaccuracies, abuse of people and power that does not support my vision of what a poverty agency should look like," Rogers wrote in her resignation letter. She said grievances are delayed and fundraising meetings are not noticed and fiscal problems go unaddressed.

Pellegrino said he was greatly concerned

with the board's failure to follow its bylaws and a corrective plan put in place by the state.

One of the major concerns of the four was the nominating process for putting on new members, which board Chairwoman Easter Howard was involved in, contrary to the bylaws.

Pellegrino, in his letter to Howard, also said, in light of the most recent debacle concerning a grievance decision, "I now suspect that there is a different agenda from which we operate that is not in the agency's best interests." He would not elaborate.

DeKosa had the sharpest remarks, describing Howard's actions as "unprofessional, unethicial and without any semblance of integrity" and she did not feel Executive Director Amos Smith should continue to lead the agency.

Smith said the members who resigned didn't go through the same vetting process as the new members. "We are going to keep working to identify competent board members who understand the mission and who

can commit to actually working to help raise the profile of this agency," Smith said.

He said the agency has gotten the state to forgive \$900,000 of the \$2.4 million debt run up by previous administrations, and reduced the rest by \$400,000, without laying off people, while at the same time expanding services.

A representative of the auditing firm of Blum Shapiro said there has been "significant improvement" in terms of financial controls over last year.

Board member Jeff Klaus, one of the six who still remains from last October, has been at odds with his fellow members and continued that stance Monday.

"I think the organization has never been better positioned to have a very successful future than it has right now after tonight's meeting," Klaus said, referring to the resignations and continued work of the five new members.

DeKosa said the problem was the six who came on in October "did not have any mentors, we did not have any guidance."

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Tuesday, March 4, 2008

Posted on Tue, Mar 4, 2008

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Image mixup hurting anti-poverty agency

By Maria Garriga, Register Staff

NEW HAVEN — Christian Community Action has an identity crisis. The problem: too many people keep confusing the nonprofit agency with the Community Action Agency of New Haven, an agency hit by allegations of mismanagement through the years.

Most recently, the CAA has been the target of federal and state investigations in which federal agents seized boxes of files and computers from its Whalley Avenue office.

"All the bad publicity that the Community Action Agency has been receiving in the last few months has created a lot (of) problems for us among people who think we are them. We are trying to educate people on the fact that we are separate organizations, but the confusion continues," said Al May, CCA's development director, from his agency's main office on Davenport Avenue.

"Today, for example, someone sent us back an article we ran on this subject in our most recent newsletter, with the written notation 'Stop Your Corruption.' Clearly, this person did not get the message of the article, if he or she even read it."

Amos Smith, CAA executive director, said the mix up is "unfortunate."

"That question is something that has (preceded) my tenure," he said.

Although confusion over the agency names has occurred for decades, the recent mixup has been more serious.

CCA Executive Director Bonita Grubbs worries the confusion may scare away donors.

"I'm not trying to say anything negative about them, but I want to make it clear that these are two very different organizations," Grubbs said.

Community Action Agency of New Haven is a quasi-public agency that depends largely on state and federal funds. Christian Community Action, a private, faith-based, nonprofit agency, relies on donors and private foundations to carry out its mission of providing emergency shelter and transitional housing, job training, and

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advocacy for people in need.

"That's the subtle part. We don't know how many people haven't given because of this," May said. "Even board members get asked the same question."

He and Grubbs often try to preempt the question when they give speeches at local organizations by clarifying that Christian Community Action is not Community Action Agency.

"People usually say 'Oh, you're not them,'" May said.

The timing for CCA could not be worse. Its food pantry serves an average 750 families, seniors and other low-income individuals monthly. This number represents a 50 percent increase from a year ago.

Many clients have been homeless. That means the agency needs more donations than it has in the past.

For anyone who wants to help CCA, the agency is now participating in national anti-hunger challenge sponsored by the Alan Shawn Feinstein Foundation. As part of the challenge, cans or other nonperishable food items donated to the food pantry during March and April, will be valued at \$1 in terms of a financial match from the Cranston, R.I.-based foundation. Cash donations also will be eligible for a match. Donations may be brought or sent to CCA, 168 Davenport Ave., New Haven 06519.

The percentage of the \$1 million CCA receives will reflect its percentage of the total raised by all organizations participating in the challenge between March 1 and April 30.

In 2007, CCA raised slightly less than \$49,000 in cash and food donations as part of the challenge.

Organizations holding food drives and needing pick up can call the CCA Development Department at 777-7848, ex. 112.

Maria Garriga can be reached at mgarriga@nhregister.com or 789-5726.

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May 21, 2007

Easter Howard, Chairwoman
Community Action Agency of New Haven, Inc.
781 Whalley Avenue
New Haven, CT

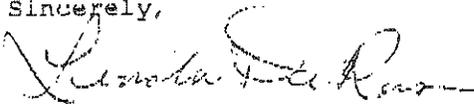
Dear Ms. Howard,

I have been a member of the Board of Directors of Community Action Agency of New Haven, Inc. since October 2006. I extended myself in terms of valuable time and commitment to a troubled organization in hopes that my participation with others would bring the agency out of the ashes to viability and success. My sincere sense of dedication to those in need encouraged me along the way, and I truly believed that my participation on the Board would make a difference. I adhered to agency By-Laws and the directives of the Commissioner of the Department of Social Services. I was available to serve as a member at any time as required. Although I had the best interests of the agency in mind at all times, and although I have spent an enormous amount of time trying to ensure that the agency is managed properly, my efforts have been thwarted by you, the Chair in collusion with Amos Smith, CEO. You have both compromised the integrity of the agency, the processes under which State funding is procured, and you have ignored State Statutes.

May I state for the record that I find your behavior and activities as the Chair, and even to the extent as a member of the Board of Directors, to be nothing short of unprofessional, unethical, and without any semblance of integrity. Your relationship with Amos Smith, CEO who I consider unfit to lead as an Executive Director, has compromised the integrity of the agency and you are aiding and abetting his efforts. Together you have schemed to hide the truth about the activities and fiscal status of the agency, you have manipulated the composition of the newly constituted Board, some of whom are close personal friends of the CEO, and you have instilled fear upon employees in an effort to intimidate them. Your failure to publicly notice Board and Committee meetings, and your manipulation of Board minutes, when minutes were even taken, has not gone unnoticed. The fact that employee grievances and Commission on Human Rights and Opportunities complaints are unaddressed for over two months, or ignored completely is egregious. You are well aware that Amos Smith was recently admonished formally and in writing by the Board for making extremely inappropriate racially biased comments within the agency on numerous occasions. There is testimony to support this fact and it has been documented by the Board's attorney, Robert Hinton. However, to date and although the agency attorney has instructed you to do so, the document illustrating these infractions has not been included in Amos Smith's personnel record. Your failure to manage and discipline Amos Smith, CEO and Bob Podeswa, CFO effectively, appropriately, and in a timely manner especially after serious recent Finance related improprieties is extremely suspect. It seems that you have a different agenda beside that of the Chair.

The activities of a member of a Board of Directors of an anti-poverty, State funded non-profit organization must be carefully monitored and must be above reproach at all times. I am incensed that you have been allowed to continue in the capacity of the Chair, and I can no longer accept your poor attempts at leadership on this Board. My reputation as an ethical professional is extremely important to me, and I will not engage in activities, efforts, or initiatives with unethical individuals. With regret to the community, the clients served, and to the employees of the agency, I tender my resignation immediately. However, although my presence will not be recognized at the Board table, I will continue to do my utmost to ensure that integrity and ethics are the motivation for success at the Community Action Agency of New Haven, Inc.

Sincerely,



Linda DeRosa

cc: Governor Jodi Rell
Attorney Richard Blumenthal
Commissioner Michael Starkowsky

May 21, 2007

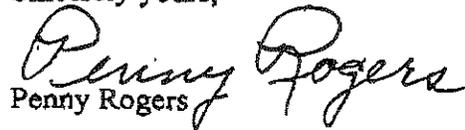
Dear CAANH Board Members:

I respectfully submit my resignation from the Board of Directors of the Community Action Agency effective immediately. I have tried for seven months to work for the benefit of the agency and the Board and find myself blocked and excluded at every turn. Sometimes the best intentions don't work and sometimes they are intentionally short-circuited. The latter occurred here. I find a pattern of deception, inaccuracies, abuse of people and power that does not support my vision of what a poverty agency should look like. Before I came on the Board I was not aware of the culture of disrespect that rules at CAANH but I have both seen it and been a target of it. I cannot imagine how an agency can thrive or successfully provide services with this approach. But that is just the human side of my concern.

There are fiscal problems that go unaddressed ~ no matter how often we ask for answers. The by-laws are not followed unless it serves someone's purpose to run to them. Grievance issues are delayed ad infinitum. Lawyers are engaged and unengaged as the spirit moves. Minutes are seldom kept and always inaccurate. The meetings, public meetings, are never noticed. Often Board members aren't notified until the last minute or not at all. I could go on.

Just consider that this Board is not a fit for me, that I have given it my best and most sincere effort and that I am sorry to have to resign. I have many other ways to support the less privileged in New Haven. I wish the agency and the Board well and I hope you find fair and just ways to work together.

Sincerely yours,


Penny Rogers

May 21, 2007

Easter Howard
Chair- Board of Directors
CAANH
55 Walnut Street, Unit 1
New Haven, CT 06511

Hand Delivered

Re: Board of Directors- CAANH

Dear Easter,

It is with deep regret that I must submit my letter of resignation to the Board of Directors at Community Action. My resignation is effective immediately. I had high hopes of helping transition the Agency from probationary status to financial health under the new Board's guidance.

Unfortunately, it has become clear to me that this will not be possible given the past six months of Board actions. Aside from the disrespect and the disparaging remarks directed at me since I was seated, the Board's failure to follow our By-laws and the State's corrective action plan in the most basic ways greatly concerns me.

There is a growing body of information which has not been shared in a timely manner with the Board. In my opinion, this is at the heart of why this Agency is under probation in the first place. Furthermore, in light of the most recent debacle concerning a grievance decision, I now suspect that there is a different agenda from which you operate that is not in the Agency's best interest.

While I would like to continue fighting for the continued existence of this Agency, I am well aware that I cannot effectuate that goal on limited and volunteered time- time that already reaches scores of hours at this point.

I do wish the agency well and hope that the recently-seated Board members will successfully navigate the agency to a more stable status. But as a local attorney in a small firm and a New Haven resident, I must protect my reputation in the community- a professional reputation that has been twenty-five years in the making.

Very Truly Yours,

Robert L. Pellegrino

cc- BODs & Amos Smith, CEO