

MEMORANDUM

To: All LEA Members

From: David C. Hockaday, LEA President

Date: August 25, 2017

RE: Board of Reference Decision

As your President over the last year I have kept your building representatives, or those who have attended the monthly meetings, apprised of the status of the charges brought against me by Deb Rasmussen and Terry Hudson.

Given the recent letter sent to LEA members by the MEA Executive Director, I am compelled to inform all of you of the Board of Reference decision and order I received on July 31, 2017.

Of the four charges, three were dismissed outright by the Board of Reference. The findings of the Board of Reference are as follows:

1. That I, David Hockaday, your President, **Did Not** willfully interfere with Ms. Rasmussen in the discharge of her duties as your former Secretary.
2. That I, David Hockaday, your President, **Did Not** misappropriate, illegally or inappropriately use association funds.
3. That I, David Hockaday, your President, **Did Not** engage in conduct unbecoming a member or officer of the Association.

In addition, the Board finding also included a clear statement that the problems identified “do not reflect on his responsibilities in representing the local’s members with the Lansing School District.” Consequently, I retain all of my elected positions and appointed positions through the Local, State and National levels of the organization; allowing me the ability to continue the work I was

elected to do, which is to represent educators that truly do make a difference... such as you.

The Decision does not contain all good news. The Board of Reference has also ruled that parts of our Constitution and Bylaws were not properly followed. They also believe that as your President **I must bear primary responsibility, but it also clearly stated that for some time, there were myriad causes that led us to our current situation, including medical issues and the acceptance of our practices by local governance as a whole.**

In addition, our local has undergone both an internal and external audit. Neither audit revealed any financial wrongdoing, but both audits concluded that our local is at “high risk for misappropriation of financial assets,” due to a lack of consistent internal controls. Since receiving the results of both audits in September of 2016, your LEA Executive Committee has worked diligently to reconcile our internal controls, and implement the recommendations of the auditors. It is your Executive Committee’s belief that we have successfully reinstated excellent internal controls over our financial transactions. The Board of reference has ordered independent oversight to insure all steps have been taken to protect our local. This order directed MEA to place LEA into temporary receivership.

In a nutshell, this means that MEA has temporary oversight and final authority over all LEA financial transactions. They have hired Tom Ferris as the temporary receiver. His role will be to assist your LEA officers in updating our constitution and Bylaws, and standardizing our financial records. As your President this feels uncomfortable to say the least. However, I recognize it’s important for our local that we stay the course, and we stick together with a common goal of strengthening our local.

In an effort to put this all behind us and begin to move forward, I have appointed Deb Rasmussen as a new member to our existing membership committee. Ms. Rasmussen has recently received NEA training which will assist her in coordinating our efforts to recruit members and stabilize our dues collection.