

THE OKLAHOMAN

Donations to OETA Foundation misspent?

by NOLAN CLAY
Sat, August 10, 2019

In its final days of operation, the charitable organization that raised money for public TV in Oklahoma awarded its terminated employees \$240,000 in sick pay, renewed computer software subscriptions for a year and filled up gas tanks.

Daphne Dowdy, president of the OETA Foundation, left with more than \$700,000 in severance pay and other compensation, records show.

Now, OETA — the state agency that once partnered with the foundation — is questioning whether those final expenses and others were a misuse of funds. On Tuesday, the state auditor will commence an investigative audit of the OETA Foundation because of those concerns.

"It's a real shame. ... It's very disheartening," said former OETA board chairman Garrett King, who asked for the investigative audit.

OETA had been in a bitter dispute with the OETA Foundation that seemingly was resolved by agreement in April after ending up in court.

Under the agreement, the OETA Foundation was to transfer all its assets by May 15 to the state agency's new charitable partner before dissolving.

The settlement allowed the foundation to issue "ordinary" payroll checks to its departing employees and to honor Dowdy's contract. Any other expense over \$5,000 was supposed to be approved by OETA management, including severance payments, according to the OETA.

"OETA was dismayed at the way that any number of things were done by the foundation as they left, in flagrant violation of the settlement agreement, letter and spirit," King said. "I really wish it hadn't been that way."

King asked Oklahoma's attorney general in May to request the investigative audit. Attorney General Mike Hunter's first assistant made the formal request of State Auditor Cindy Byrd on June 7. Investigative audits typically take months to complete and can lead to criminal charges.

King left the OETA board at the end of June after completing his service. He called the compensation to the departing foundation employees excessive and "an unconscionable use of donor dollars and an insult both to ... donors and to the taxpayers who partner with the donors in this relationship."

King also complained the foundation failed to turn over all necessary records to the OETA and may have destroyed information.

The OETA Foundation and its trustees deny wrongdoing.

"Any audit of the Foundation is a waste of time and taxpayer funds," said their attorney, Don Lepp.

"The Foundation was run by volunteer citizens who had the right under its bylaws to manage the affairs of the Foundation, which they did honorably," he said. "All severance payments to Foundation employees were paid in accordance with the policies of the Foundation. The Foundation is a private nonprofit corporation, not a state agency, and it alone determines compensation for its longtime and valued employees."

The attorney also said the final compensation payments to the employees were hardly excessive.

"In fact, it's downright modest compared to years of tireless work by these dedicated employees to contribute almost \$100 million dollars to support public television in Oklahoma," he said.

Lepp also said the allegation that information was destroyed "is false and, frankly, malicious."

OETA is officially known as the Oklahoma Educational Television Authority. It describes itself as America's most-watched Public Broadcasting Service network. It is supported by both state funding and private donations.

It airs locally produced programming and PBS shows such as the popular "Sesame Street" and "Antiques Roadshow" and was the broadcast home of "Downton Abbey." More than 2 million viewers tune in on a weekly basis, according to its website. Its board of directors are the state's educational leaders.

The foundation was founded in 1982 to support OETA. Earlier this year, it put how much it had raised over the last 30 years at \$67.5 million.

The dispute played out much like a failing marriage, with increasingly acrimonious arguments over money, name-calling and sharp disagreements over relationship roles before finally splitting.

State auditors are expected to focus on the payments to terminated foundation employees for their unused sick time, particularly since OETA discovered foundation records showing that wasn't the normal policy.

"Sick leave is accrued and there is no cap," Dowdy wrote a job candidate in an email in 2017. "Not payable upon separation."

The records — released to The Oklahoman under the Open Records Act — show Dowdy and 13 other employees were awarded sick pay. Dowdy was awarded \$37,350. Others were awarded between \$555 and \$54,645.

The foundation gave four terminated employees 90 days severance pay and 10 terminated employees 60 days severance pay. Eleven of those severance payments exceeded \$5,000.

The foundation paid Dowdy and 13 other former employees \$137,000 for accrued vacation time, even though that was not spelled out as allowable in the settlement. The foundation also paid \$75,360 for employees to have continued health insurance into September.

Auditors also are expected to focus on the final payments to Dowdy, who became the foundation president in January 2014. She signed a three-year contract in August 2017, paying her \$150,000 the first year. She was terminated May 15.

Foundation trustees claimed her 2017 contract had been extended twice, to the end of August 2022. They paid her accordingly, more than \$710,000 in gross income, records show. The compensation calculation included \$174,998 for Sept. 1, 2021, to Aug. 30, 2022, and a \$20,000 bonus.

Her foundation credit card included seven purchases at gas stations in her last month and a \$2,550 payment on May 13 to Microsoft for online services into 2020. OETA officials question whether the gas station purchases were for other individuals' personal vehicles.

The foundation's attorney, Lepp, said trustees are shocked that OETA takes issue with the foundation providing health insurance and sick pay to its terminated employees, including one battling cancer.

"In accordance with the powers granted to the trustees in their bylaws, the trustees voted at a regularly scheduled board meeting to pay unused sick leave to these dedicated employees who were forced by OETA to leave the jobs they loved so much they would often come to work sick," the attorney said.

He said Dowdy was paid in accordance with the terms of her contract, which included all benefits afforded to the other employees of the foundation. He said she was allowed to use a foundation vehicle at her discretion and to pay for gasoline for it.

He said the payment to Microsoft was an automatic renewal and that the foundation has taken steps to get a refund.

"This is much ado about nothing," Lepp said.

AG Hunger Request Letter – OETA Foundation – June 7, 2019



MIKE HUNTER
ATTORNEY GENERAL

June 7, 2019

Dawn Elizabeth Cash
First Assistant Attorney General

The Honorable Cindy Byrd
State Auditor and Inspector
123 State Capitol Building
2300 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105

Re: OETA Foundation, Inc., Audit

Dear Ms. Byrd:

Pursuant to Title 74 O.S. 2011, §18f, this letter is a formal request of your office to conduct, in accordance with discussions previously had with this office, an investigative audit of the OETA Foundation, Inc.

Thank you for your cooperation in this matter. Should you have any questions please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dawn Cash".

Dawn Cash
First Assistant Attorney General

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JUN 07 2019
State Auditor
and Inspector