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From: "Nextdoor Admiral's Cove Beach Club" <reply@nextdoor.com>
Date: Thursday, November 01, 2012 1:13 AM
To: <bbwilbur@frontier.com>
Subject: Gwyn Staton said "Libelous posts"

Gwyn Staton from [Admiral's Cove Beach Club](#) said:

I too want an apology for Dan's and Jean's lies:

October 27, 2012

From: Carol Peterson
 To: ACBC Neighbors
 RE: Various Findings Report by Daniel Jones dated 12/2011

Hi Neighbors...

I am writing because I came upon this site for the first time in a very long time only to see my name connected to some very derogatory comments by new board members that came on between October 2011 and October 2012: Maria Chamberlain, Daniel Jones, Robert Peetz, Karen Shaak, and Jean Salls. This is just not acceptable to me. In response I will provide:

1. A big picture, overview
2. Address some of the remarks
3. Define the action I will take against the ACBC and board [all references to the Board means those serving during the time period of 10/11-10/12 unless otherwise noted]

Overview:

I came to Whidbey Island when I retired from 18+ years of non-profit work. My last position was as a finance manager responsible for a 4.6 million dollar non-profit budget. I took over for the previous ACBA bookkeeper in Sept. reporting to Lee, then after the October elections, reporting to Sam, then Sam left and for 3-4 months the ACBC board was without a Treasurer.

- I am a leader; open, honest, friendly, approachable, and light-hearted. I put 100% [or more] into what I do. I have high integrity and care about people.
- No matter where I worked I always required that there be someone I was accountable to, a person who would give me feedback and input on all I did. It was unsettling to go from Lee, to Sam to nobody. I asked the board for someone who would review all my work even if they were not financial people. Not the best-case scenario so I made sure I pointed out all the concerns I had each month when we reviewed the financial reports, trying to be as transparent as possible.
- I am used to working with non-profit boards and the variety of people and personalities that come and go on a board. I can get along with most anyone.
- The non-profits that I ran and worked for were service oriented. My experience taught me that in a service environment it is important to have the "business" end of the organization solid to allow everyone the time to focus on the people-aspect of the organization. In other words, you can put all your time and effort into tasks, dotting i's and crossing t's, or you can set up procedures that are efficient, don't sweat the small stuff and focus on serving people.

Dustin asked me to fill the vacated Treasurer position [2011]. I declined...3-5 times. I was not comfortable handling the books and being the treasurer. Dustin asked again, explaining that the board without a treasurer was hindered in carrying out ACBC business. He assured me that I would only be the interim

treasurer for the several months until the October elections. I accepted at that point and hesitantly came on board.

I knew the board was dealing with a 3-4 of controversial issues...the lawsuit, the fence, the lake, the pool, the run off from the hillside and the facilities in disrepair. I really didn't want to be in the thick of things, but once I said yes, I honored that commitment. What I found were some very different personalities but each, in their own way, serving on the board because they cared about their community. I found I enjoyed working with them even if/when they did not do things as well planned out as I would have.

Derogatory Remarks:

When you read the auditor's report it comes across as neutral and objective. When you read Dan's assimilation of facts that is not the tone of his extensive report [Various Findings 12/11]. Not only did Dan pick and choose what he would emphasize in his report Dan tended to be extremely literal; he wants every "l" dotted and "t" crossed. That is a good trait when interpreting laws and statutes to but not when it becomes picking apart people and assigning or inferring motives to their actions.

Taken even further, Dan at times, presented his observation from an alarmist perspective, emphasizing the worst case scenarios to bolster his points.

That, as I have mentioned, is not how I interact. I spent my time on the 2011 board working as a team player during a year of situations that called for decisive action and quick response. Let me discuss a few of the more major points Dan made so that you can see our different perspectives.

Independent Contracts Work vs Paid Employees: Remember my \$4.6 million dollar non-profit. We paid many people as independent contractor workers. When I came on the ACBC board one of the first thing I focused on was to stop paying independent contract workers who did not turn in properly documented hours and have a W9 on file for tax purposes. It was an imperfect transition because the board was responding to several crises by getting people in to do work as quickly as possible. But within a short period, everyone knew the new "rules" by which they would and would not get paid. Independent contract workers began to submit proper paperwork.

At the end of my term, when I brought the books to the auditor she point out the "contractor labor vs employee" statutes to me. The fairly new statute totally changed the definition of independent contract workers. I was shocked when I realized I had been doing it incorrectly. I [jokingly] asked her if I was going to jail. She said it was not likely that this would ever come up [official state audit], that many non-profits make the same mistake and that if this did come up due to a state audit, the intent to defraud would have to be evident. She advised me not to worry but to implement this new knowledge into what the ACBC did. When you read Dan's report that is not what comes across. The words Dan chooses and the emphasis he belabors paints a very unsettling picture. Sorry Dan...this was not done to save tax dollars nor was there ANY intent to defraud. Once I learned of this statute I reported it to the board and initiated changes.

Form 941 Not Filed: Once the name-change lawsuit was officially done we had to process a name change from ACHOA to ACBC. When I began that process what I found was a hornets' nest of paperwork that had been processed by many different individuals over many years beginning with the original paperwork.

When I got it all straightened out I found a real problem:

Of the two names Admiral's Cove had had [ACBC & ACHOA]...the State and Federal ID numbers were wrongly-used. If I remember correctly, ACHOA had been using the correct Federal ID# and incorrect State ID#. Some filings under ACBC had also used incorrect numbers. This meant:

1. I could not set up new bank accounts for ACBC
2. Filing the 941 would have made the situation worse and could have created other problems for the employee tax returns due out in 2012
3. And, changing the only contract worker left [me] over to being a paid employee would have been a mess come tax time because I would have been paid under multiple and incorrect ID#s. We decided to finish out the year "as is" and being the next year with me on the books as an employee.

I presented this ID# problem to the board and we determined to seek the assistance of a tax attorney to get all the documentation corrected before moving ahead with the 3 items above. The IRS was informed.

We knew there may be a penalty but we also knew it would be minor since ACBC is a non-profit. Dan presented this as ineptitude in the handling of a Federal form while he neglected to provide the complete picture. Proper steps were taken in handling this problem; it was researched, presented to the entire board with the various options, a consensus decision was made and I put the ball in motion to resolve the issue.

I don't think there's any need to belabor the differences between Dan and me nor to point out how biased and alarmist his Various Finding's report comes across. It does make you wonder what's up with Dan. To answer that, let's look at an area NOT included in Dan's report.

An area NOT include in Dan's report: The pool daily cash reconciliation – as noted in the Auditor's Report – page 5 brings up some legitimate concerns, again in an objective manner.

I volunteered to assist in setting up the pool office run by Kathleen Jones [yes Dan's wife] who handled signing in people and collecting payment. I immediately saw that a "double check" system for handling the money was lacking. I tried to work with Kathleen and was frustrated at every attempt. At one point Kathleen told me that she just was not any good with money [hence my frustration]. She was a friendly, outgoing person who loved to welcome people and chat with neighbors at the pool.

I tried to guide her in preparing the daily reports and the processing of payments with little success.

Kathleen tried but she just was not adept at the money end of the job. After 40-hours of volunteered time with no improvement, I stepped back from running back and forth to the pool every day.

Another board member gave Kathleen a very clear evaluation of what was expected of her and areas where she was overstepping her authority. This helped somewhat but not with the daily reconciliation of payments received. Some days the paperwork was right on, other days it wasn't. Whenever there was a discrepancy between checks, cash, names, and sign-in sheet, I reconciled as best I could and noted what I did on the documents.

This is NOT the way the pool office ought to run...but Kathleen had been there for many years and the board [at that time] chose to honor Kathleen's long-term service and allowed her to return with a changed job description due to her personal limitations. Too late it became evident the job was not a good fit for her.

Do I think that Kathleen or someone else was stealing...absolutely not! Putting people before business, the board tried to work with Kathleen, assist her, re-train her, but she was not the right person to accurately and consistently reconcile pool use payments. As an auditor this was not a good situation at all and deserved to be noted in the Auditors Report.

But I brought up this pool situation up different reasons....What's up with Dan?

I believe that Dan did not like me trying to work with Kathleen and making changes in my attempt to put in place checks and balances for how money was handled. He didn't get that we were trying to help Kathleen.

Dan also reacted negatively after Kathleen was reviewed and given clear direction as to what her job was and wasn't. At the same time it was requested that Dan, himself, stop interrupting the operation of the pool. I believe that Dan has had a burr under his saddle since then and has chosen to pick and choose from the auditor's report to denigrate me and others.

My Action:

When the new board came on [Oct 2011] I stepped down as Treasurer and Dan was elected as Treasurer. Initially I thought I would work with Dan and institute the changes necessary to be in compliance with the by-laws. I actually thought it would be great to have a detailed person like Dan to get everything set up properly. Instead I was relieved of my duties.

When I turned over the ACBA files I offered my assistance to make the transition smoother and said I was available if there were any questions. Dan said...no thanks...and never communicated with me at all regarding any questions or concerns. Yet, without even seeking my input Dan was quick to publically denigrate me to the point of defaming my character. After a few weeks of that I had had enough and on

Nov. 16th 2011 I wrote to the board demanding that his remarks about me cease and an apology be given to me by Dan. I was pleasantly surprised that Dan did just that.

Now I find that Dan's very biased, subjective report [Various Findings 12/11] that blatantly hints at wrong doing is a public document. This is no longer just Dan, the rest of the new Board members are complicit by the fact that they just followed along. Not one new board member has ever spoken to me, interacted with me, or sought to understand what the complete picture was....yet they went right along with Dan's lead and mimicked, repeated, and posted his Various Findings.

I can fully accept that Dan is a stickler for details and I am less so. But I will not allow his pension for details to be written or spoken publicly in a manner that is a deformation of my character. Even now I imagine that he is biting at the bit to correct and rebut every sentence I have written herein. Dan – this is not the time or place...please refrain.

ACBC BOARD

To the current ACBC Board and especially to Dan, I will ask once more. The tone of Dan's statements in his report [VARIOUS FINDINGS - Daniel Jones, Treasurer - December, 2011 AD] and the choice of what he put in his findings are bias, subjective and lead the reader to suspect myself [and other individuals] of gross negligence. Speaking for myself, I find this totally unacceptable and slanderous to my name.

I formally request that the Various Findings report by Daniel Jones be removed from any and all public venues immediately. You have the Auditors report, which was done with professionalism and objectively, let that stand as the official document of record.

As with my first letter on 11/16/11, I have consulted with an attorney and if this document or any similar such documents remain public [including in the ACBC Board Records] my next action will be legal toward:

- the ACBC,
- the new board members who came on between Oct 2011-Oct 2012; Maria Chamberlain, Daniel Jones, Robert Peetz, Karen Shaak, and Jean Salls.
- and specifically Daniel Jones.

Lastly, I again want an apology, from Dan as well as the board to be made part of the public records.

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