

May 29, 2009

Dear Members and Fee-Payers:



On May 12, 2009, we as MEA's elected Officers placed MEA's General Manager Judie Italiano on an involuntary leave of absence in order to conduct an unfettered investigation of possible misfeasance in the handling of MEA's monies. In order to protect MEA during the course of this investigation, Ms. Italiano was denied access to MEA's offices, computers, and staff.

The results of this investigation have been reported to the full MEA Board of Directors in a special meeting on May 29, 2009. We have concluded that Ms. Italiano breached her duty of trust as MEA's General Manager by using the MEA credit cards which were entrusted to her in her capacity as General Manager for personal purposes and, in so doing, she incurred a substantial indebtedness to MEA.

MEA's outside CPA and auditors did calculate and add interest charges to Ms. Italiano's account receivable on a quarterly basis, and Ms. Italiano did make regular payments on this indebtedness both by direct payments and by automatic deductions from her bi-weekly paychecks. However, it was clearly and unequivocally against MEA's policies and procedures for this personal use to continue after the issue of prior use of MEA credit cards by Ms. Italiano had been challenged and aired among the membership and MEA's leadership in 2006.

Ms. Italiano cooperated with MEA's investigation of the matter and submitted her resignation during the investigation. Ms. Italiano tendered a \$13,903.31 check to MEA to cover the full amount (with interest) of the remaining indebtedness on her personal credit card charges totaling \$6,915.78, as well as \$6,987.53 in advances on annual leave yet-to-be-accrued which resulted in a negative leave balance.

While we acknowledge the substantial and enduring contribution Ms. Italiano has made over the past 24 years to MEA's growth and development as an effective Union and a strong advocate for City employees, her breach of every member's trust in this matter is unacceptable. We have referred this matter to the District Attorney's Office for its determination as to whether any crime was committed in the course of Ms. Italiano's breach of trust.

Finally, we give you our personal assurances that additional, stringent internal controls have already been implemented to prevent any recurrence of this type of activity, and that the important business of your Union is continuing without interruption. As always, please feel free to contact us directly regarding this or any other issue.

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