

**BOARD OF EDUCATION OF THE CITY OF NEW YORK****HAROLD O. LEVY, Chancellor**

OFFICE OF THE CHANCELLOR

110 Livingston Street - Brooklyn NY 11201

THERESA EUROPE
DIRECTORTHOMAS W. HYLAND
DEPUTY DIRECTOR

October 29, 2001

Betsy Combier
315 East 65th Street # 4C
New York, NY 10021

OSI # 01-1193

Dear Ms. Combier:

This is in response to your letters of October 12 and 16, 2001 to me regarding MS 54 in District 3.

I called you on August 23, 2001 to inform you that I would be conducting an investigation into the financial issues you identified in the grievance you filed with the District Office. In addition, you expressed concern that PTA records and procedures needed to be addressed. I stated that I would be reviewing those as well.

With regard to the financial issues relating to Mr. Lynch, the principal of MS 54, the investigation found no impropriety on the part of Mr. Lynch. The 21st Century grant which was funded through the District Office allocated proper funds to MS 54. The funds for MS 54 did not amount to \$246,000 as your letter indicated but approximately \$106,000 for school year 2000/01. In addition, no exceptions were noted for the school's after school programs.

The PTA fundraiser from Barnes and Noble which raised approximately \$13,000 was deposited into a Board of Education account but the funds were available to the PTA for disbursement. To date, the balance of this funding has approximately \$3,000 remaining and will be returned to the PTA shortly.

With regard to PTA issues, first let me address what you stated was your primary concern. You stated that the PTA treasurer did not complete the year end report which constituted negligence of duty. In addition, you questioned whether he should remain on the PTA board considering that allegedly he did not have his signature on the bank records for the PTA account.

Upon investigation, I disclosed to you that the treasurer was willing to complete the annual financial report, which he did before the October 2001 PTA meeting. I obtained a copy of the signatory card for the PTA account which the treasurer stated he filed at a different branch of the bank that you went to. Regardless, the treasurer's signature was accepted by bank officials for checks that were presented for debits to the account. This fact made him a bona fide signatory on

the account.

During our August 23, 2001 telephone conversation, I expressed to you my goal to have the treasurer maintain the PTA records until he finalized the annual financial report. I also stated that I would attempt to have all PTA records returned to one secured location in the school instead of the District location and at the treasurer's place of business. To accomplish this I requested that the principal have the custodian prepare one file cabinet in the PTA room and only give the key to the treasurer until the completion of the annual financial report. The room was readied and the report was prepared. Two weeks ago I informed the district PTA liaison that when the PTA executive board next meets, they should discuss who on the executive board should have access to the locked file cabinet containing all PTA financial records.

With regard to my letter of October 1, 2001 to the principal, I did not request nor did I know that 200 copies were distributed to parents at the PTA meeting. I wrote to the principal and copied the PTA Board. If someone on the board decided to make this available to the membership it was not my doing.

With regard to the need to alert the principal about the financial status of the PTA account, this is a function I do during the normal course of my review of any PTA account. The review disclosed that over 30% of the 2000/01 PTA funds were not spent on the students of MS 54. When I spoke to you several weeks ago, you stated that the PTA "now has over \$21,000". You further stated to me that you did not have a definitive plan to spend the \$21,000. In my letter to the principal, I stressed that a clearer plan be in place before more funds were allowed to be accumulated in the account. I did not prohibit new fundraising activities but recommended that only ones with a more defined purpose be permitted.

In closing, the response stated above addresses only the facts and events that were investigated by this office. I did not rebut several of your misstatements since no good purpose would be served. If you have any questions in this matter, please contact me at your earliest convenience.

Sincerely,



Richard Switach
Chief Financial Investigator

c: Patricia Romandetto
Theresa Europe
PTA Executive Board