

**FROM: Randy Casey-Rutland, Florida
Conference Treasurer**
**CONCERNING: Misappropriation of
Conference Funds and
Ensuing Investigation**
DATE: April 20, 2005



Dear clergy and laity of the Florida Conference:

Early during the week of March 14, staff in the Florida Conference financial services office began investigating a possible misappropriation of conference funds. Questionable expenses related to the conference risk management program were discovered while other staff and I were gathering data for the conference's annual financial audit.

As soon as we suspected there was a possibility conference funds had been misappropriated, we immediately launched an investigation. We secured outside legal assistance, notified conference leaders and contacted local law enforcement officials. We are cooperating fully with the criminal investigation of this matter.

The suspected misuse appears to have begun more than five years ago and involves in excess of \$500,000. The date the misuse began and the total sum of money misappropriated will not be known until the investigation is complete.

The conference filed a civil lawsuit March 24 naming Mrs. Virginia "Jenny" L. Albritton as the individual alleged to be responsible for the misappropriation of the funds. To our knowledge currently, no other individuals were involved in the misuse of funds. Jenny was an employee in the conference risk management office, but resigned from her position last December.

The suit was filed for two reasons: 1) In order to conduct a thorough investigation, and 2) To protect conference assets that may have been diverted into personal accounts. Filing of the suit alerted local media to the case. An article about the misuse of funds appeared in the Lakeland Ledger April 7. The cable news channel Bay News 9 aired a report the same day.

While the sum of money involved is significant, the financial integrity and viability of the risk management program is not at risk. If the investigation confirms funds were stolen, it is likely that much of the financial loss will be covered by insurance. The ability of the conference to pay claims, such as those related to recent hurricane damage, has not been impacted or impaired at any time as a result of any misuse of funds.

Additionally:

- The conference finances, including the risk management program, are fully audited every year by an outside, independent auditor.
- The conference follows standard accounting policies and practices.
- The conference already has made some changes to help ensure future misuse does not occur and is investigating other possible changes.
- No money received from churches through apportionments appears to have been misappropriated.
- The risk management program is financially strong, despite the misappropriation and the large number of hurricane claims made in 2004.

We are committed to being good stewards of the funds entrusted to the Florida Conference and ensuring they are used for their intended purpose. A full, independent audit of all conference financial activity is conducted annually. We take this situation very seriously and are reviewing our financial policies and procedures to

ensure they're as effective as possible. We will make any necessary revisions to those policies to ensure the highest level of financial integrity. To that end, the Florida Conference Committee on Finance & Administration (CF&A) and the Risk Management Committee met March 23 and empowered the CF&A executive committee to study the standards and accounting processes currently in place that should have prevented this misuse and make the necessary changes to ensure no future misuse of conference funds occurs.

The risk management program is part of the conference's financial services department and makes decisions for and oversees all of the property, liability and Workers' Compensation matters related to Florida Conference churches. The risk manager reports to me.

The program is run by a committee of laity and clergy who are familiar with large commercial insurance programs and is funded by premiums received from insured groups within the Florida Conference, which includes the conference offices in Lakeland, district offices, local churches and their affiliates, the conference camps, and the United Methodist Children's Home.

As the criminal investigation continues, it is likely this issue will receive further attention from media representatives across the state. If you receive an inquiry regarding this issue, please do not attempt to answer questions. Instead, offer this response: "Our conference treasurer or news service editor can best help you. They'll have the most accurate and up-to-date information. If you give me your contact information and your deadline, I'll have someone return your call as soon as possible."

If you receive inquiries from media representatives please contact Tita Parham in our conference communications office. Inquiries from other individuals should be directed to me. Please provide contact (and deadline information if the caller is a reporter) for individuals requesting more information. Tita Parham's and my contact information are included below.

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Please be assured that we will provide you with updated information as it becomes available and as we are able. This is an update to a statement that was released March 28, 2005.

Yours in Christ,

Randy Casey-Rutland
Treasurer

Updated information will also be provided through e-Review Florida United Methodist News Service at <http://www.flumc.info> and the Risk Management section of the Florida Conference Web at site <http://www.flumc.org/riskmanage/>.

