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April 28, 2008 (By Email)

Andrew L. Stern, President  
 Service Employees International Union  
 1800 Massachusetts Ave, NW  
 Washington, DC 20036

Re: Response to Sunday, April 27<sup>th</sup> Email

Dear Brother Stern:

By letter dated April 21, 2008, you requested additional information from the United Healthcare Members and Patients Education Fund ("Fund") without specifying a deadline for its production. As before, your request was forwarded to the Fund for its consideration. Yesterday, you sent me an email suddenly insisting that your request be honored, and all requested information furnished, by the close of business today. While precipitous, given that I had already begun gathering responsive information from the Fund and its agents, I can pass along what I have acquired; the remainder will have to be forthcoming.

However, before responding to your specific requests, I call your attention to the two attached Resolutions adopted last week, one by the UHW-W Executive Board, and the other by the Fund's Board of Directors. While self-explanatory, as you will discover, given that the healthcare initiative that was to have appeared on the California ballot this autumn never materialized, and that a primary objective of the Fund was to have educated California healthcare workers and members of the public concerning that initiative and similar issues, and very little of the Fund's assets had been spent to date, the UHW-W decided to request the Fund to return to it all unspent funds and assets contributed by it. Subsequently, the Fund considered and voted to accede to the UHW-W's request and it will, as a consequence, be winding up its affairs in the immediate future. However, I am informed that for such an organization to dissolve entirely, it must first pay off all outstanding debts and undertake various legal filings which will have to be accomplished in due course. In the meantime, the process of auditing its books and records is already underway.

As for your specific requests, the Fund has confirmed that most of the information you claim to have been improperly withheld was in fact furnished to you on April 16, 2008. Thus, you should already have copies of the formal rulings issued by the Internal Revenue Service and the California Franchise Tax Board. Similarly, you were previously furnished with the Minutes of the meetings of the Fund's Board of Directors; the only other documents distributed to Directors were informal meeting agendas that, I understand, have not yet been located; if and when they are, I will pass them along as well. And, while you have already been given a wealth

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Sal Rosselli, *President*

Jorge Rodriguez, *Executive Vice President*

Joan Emslie, *Secretary-Treasurer*



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of the Fund's financial data, because you apparently believe otherwise, I am forwarding herewith copies of every check ever written on the Fund's accounts that has cleared to date and I am confident that the Fund will have no objection to furnishing you with copies of additional checks in payment of debts incurred winding up its affairs as they become available. And, I suspect that when the auditors have completed their work and prepared Form 990's, they too will be made available.

Similarly, you requested information concerning the work performed on behalf of the Fund by Arthur Fox, Bob Muehlenkamp, Edward Garvey and Tricom Associates. In fact, however, the Fund never retained the services of either Mr. Muehlenkamp or Tricom Associates, and you have already been furnished with a copy of Mr. Garvey's consulting agreement. Moreover, the Fund's payments to Messrs Fox and Garvey are reflected in the documents furnished to you. However, since Mr. Fox was retained in his capacity as an attorney, all communications between him and the Fund are covered by the attorney-client privilege.

In a similar vein, you requested documents furnished to the UHW-W concerning the legality of the Fund; in fact, the UHW-W was furnished with a written legal opinion, the only document responsive to your request, which is also covered by the attorney-client privilege.

Although you have already "cleared" the UHW of alleged wrongdoing for having conducted a referendum among its long-term care employees, I call your attention to the check for \$50,804 which covered the postage for the letter mailed to these employees *after* the referendum had been conducted which informed them of its results.

As for your even more detailed questions about the Fund, I am advised that --

Its Bylaws, which you already have, identify every member of its Board of Directors; its President is Sal Rosselli, its Vice-President is Jorge Rodriguez, and its Secretary & Treasurer is Joan Emslie; no staff were ever hired.

In accordance with these Bylaws, decision-making authority, including the authority to expend funds for specific purposes, is vested collectively in its Board of Directors.

Checks drawn on Fund accounts are required to be co-signed by two of the following three individuals: Sal Rosselli, Joan Emslie, Jorge Rodriguez. Given that the laws applicable to non-profit organizations like the Fund do not require officers to be bonded, none are.

Given in part that the Fund never proceeded beyond a nascent, start-up phase, its only "members" were and are its Board of Directors.

As already indicated, the Fund's books and records are in the process of being audited, and you have already been furnished with copies of all Minutes and Resolutions adopted by the Fund's Board of Directors during its brief tenure.

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In accordance with the Board's April 24<sup>th</sup> Resolution, the Fund's assets, namely computers, printers, and telephones that were to have been distributed to volunteer/organizers around the State to coordinate and aid them in the conduct of educational seminars, meetings and various other related activities, have all been turned over to the UHW-W – specifically its Oakland office – and all service contracts with carriers have been terminated.

The foregoing information is, I believe, fully responsive to every one of your outstanding requests. I hope you appreciate the effort that went into its collection and transmittal in the space of just a few short hours. At this point in time, and given that you have complete financial information that establishes that no Fund expenditures were made that could not just as easily have been lawfully made by UHW-W, and that all remaining funds and assets are being returned to the UHW-W, I submit that the time has come to abandon this last “alleged concern” raised in your March 24, 2008 “inquiry,” and put this matter to rest.

In Unity,

  
Sal Rossetti

Enclosures