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## 10/10/12 BOT Statement by Dr. Faren Siminoff, Professor History Department and NCCFT Secretary

The Union has a serious matter to present to this Board. We have become aware of what appear to be irregularities in the Foundation's IRS 990 and NYS 550 tax filings for fiscal year September 1, 2009 - August 31, 2010. These irregularities may well expose our member, Dr. Kimberley Reiser, and one other college employee, to potential unwarranted civil and criminal penalties.

We are NOT accusing anyone of actual wrongdoing but bringing forward information that this Board must act on immediately. We are sure that when you consider the information presented you will be as eager as we are to bring resolution to this matter.

We have independently obtained the Foundation's 990 and State 550 tax returns for 2009 - 2010 which were filed (respectively) with the IRS and the State. The 990 was prepared and dated February 14, 2011 and states that, on behalf of the Foundation, the College paid its former Chair, Mr. Michael Freeman, \$145,600. As we all know, such a payment to Mr. Freeman would be a violation of this Board's rules, the Foundation's by-laws, as well as NYS Education law.

Please note that the 990 lists Dr. Astrab as the Foundation's principal officer and he also signed the State 550 tax form, which appends to it that same 990 return.

Equally disturbing, Dr. Reiser and one other college employee, both Foundation directors, are listed on that 990 as receiving compensation. In fact, Dr. Reiser is listed as receiving the exact same amount as Mr. Freeman, \$145,600 and the other employee \$74,100.

Let me stress that neither Dr. Reiser nor the other college employee received any money whatsoever for service to the Foundation. Sometime in the future they will have serious tax and legal problems when the IRS realizes they did not declare what we, but not the IRS, know to be phantom compensation.

Pursuant to a request I made to the Foundation, I received what they purported was the Foundation's filed 990 and 550 returns for 2009 - 2010. The 990 the Foundation sent to us contains information which conflicts with the 990 actually filed with the IRS. Unlike the genuine document, the 990 the Foundation proffered indicates that neither Mr. Freeman, Dr. Reiser, nor the other college employee received any money from the College or the Foundation.

The final concern resulting from this cascading series of events goes back to October 6, 2011 when Mr. Freeman was indicted on Federal charges of racketeering conspiracy, bribery, extortion, wire fraud, and money laundering. Within a week of this indictment Chairman Prime, on behalf of this

Board, correctly offered the prosecutor the college's full cooperation. He reportedly signed a letter to the federal prosecutor stating, "... there's no evidence that Freeman did anything at the college like what's alleged in the indictment." We want to be clear - we believe this Board and its Chair knew nothing of what we are bringing forward and sent that letter to the federal prosecutor in good faith. Now, however, with this new information, it is incumbent on this Board to share this with the federal prosecutor, especially since college employees are at risk.

So, what should this Board do?

1. Immediately ask the federal prosecutor for a full investigation; and
2. This Board must take all steps necessary to hold harmless our colleague Dr. Reiser and any other compromised employee.

Many questions must also be asked and answered, such as:

1. What due diligence was conducted that formed the basis for this Board's assurance to the federal prosecutor that Mr. Freeman did not compromise this College? Who conducted that investigation and/or directed this Board to send that letter?
2. Who directed the Executive Director of the Foundation, Ms. DiStefano, to give me an unfiled version of the 990?
3. Since Dr. Astrab, as principal officer of the Foundation as well as the College, signed the 550 tax return and had access to both College and Foundation funds, what was his, if any, involvement? If an investigation discloses any involvement, does this impact the Separation Agreement this Board recently signed?
4. Did Mr. Freeman or anyone else wrongfully receive money from the College or, in the alternative, wrongly use the information contained in this filing?

We don't know the answers to any of these questions but it is clear we need a complete and, yes, **independent** investigation.

Let me stress that our primary concern is for our compromised member as well as for this institution's integrity and well-being. We hope you feel the same and will act accordingly.

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