

Youth Educated in Safety, Inc.  
PO Box 773  
Appleton, WI 54912

Merry Wagner, Board Treasurer  
June 4, 2008

Dear Fellow Board of Directors:

Re: Financial Steps Needed to Secure the Financial Integrity of the Organization

I am writing a formal letter to alert you as to the financial practices that I have observed that has raised red flags for me as an accountant. I have worked for five years as an accountant, two as a senior accountant.

It took one month for Jay Breyer to turn over the checkbook(s), post office box key(s), and other information. I consistently requested all of the bills and accounts payable but never received them directly from Jay Breyer.

I received an IRS "Offer and Compromise" based on a past debt owed the IRS for the years 1997, 1999, 2000. It was brought to my attention through an attorney who was requested to assist in a change of by laws in 2008 that the annual reports required by the WI Department of Financial Institutions for 2004, 2005, 2006, and 2007 are delinquent.

A certified letter was mailed regarding unpaid rent with a notice to pay up or be locked out. The Board of Directors was told by Mr. Breyer at meetings I attended that the rent was two months behind. I later found through the PO Box that the organization was six months (\$3,978.00) behind.

After examining the check books I found a significant conflict of interest that Mr. Breyer was the Board Treasurer, fundraiser and signer of checks. Jay Breyer described himself as a volunteer, and his associate Susan VanderHeiden as a volunteer as well during Board Meetings that I attended. -- When the Keller Grant was awarded in 2008 stipulating that the executive director position be paid \$10,000 over the course of the year it was disclosed that Mr. Breyer has been taking funds from the organization without the Board's knowledge.

Jay was also adamant that Ms. Susan VanderHeiden was a volunteer until such time it was brought to his attention during a board meeting that he had written out two checks to Ms. VanderHeiden in the amounts of \$200 every 2 weeks during the month of February -- prior to my gaining possession of the check book.

As was evidenced throughout further financial disclosures, the Board of Director's repeated attempts to request financial documents was not honored and instead sidestepped by Mr. Breyer. Patty Ulrich has commented that "repeated attempts to obtain