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LOCAL

Pensacola Humane Society interim leader raises questions over missing donor funds



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The Pensacola Humane Society may have millions of dollars squirreled away somewhere, as the president of its board of directors asserts, but it is struggling mightily at this time to generate enough money to pay staff and for the upkeep of animals in its care.

The financial crisis had grown bad enough in recent weeks that the board of directors was forced to open an emergency line of credit to obtain \$20,000 needed to cover basic expenses including, according to Humane Society staff, an \$11,000 overdraft.

Members of the board shared some of the details of the struggles the Humane Society is having at a recent meeting with staff, volunteers and fosters. The meeting was called after a news release was published critical of the board and calling for, among other things, the resignation of board president Gerald Adcox.

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The allegations: Pensacola Humane Society board accused of mismanagement, misappropriation of funds

The meeting was recorded with the knowledge of board members and the recordings were provided to the News Journal. Adcox did not return a phone call seeking comment about the meeting.

"I am in contact with our finances almost daily, and yes I know some things weren't going as well as they should," Board Treasurer Barbara Sawyer told the group. "Our cash has been depleted. I have been reporting that in my monthly report."

And while in the same meeting fellow board member Hank Gonzales swatted aside claims that funds had been misappropriated, he could not provide answers as to why thousands of dollars had gone missing from restricted agency accounts and weren't available when staff attempted to access them for things like feral cat programs or emergency vaccines.

"Why is there not money in Fielding Dreams?" asked Janet Beall, coordinator of the Humane Society's (feral cat) Return to Field program. "I paid out of my own pocket so I could continue to run my program. There's a grant and that money's not there."

Taking money from nonprofit accounts set aside for specific spending is illegal, according to Manda Moore-Joseph, who stepped down Friday as the interim executive director of the Pensacola Humane Society. She said she intends to retain her title as director of development unless she is terminated, as she fully expects to be.

"We were in a financial crisis, if you will, and they (the board) were spending restricted funds like they didn't understand it's illegal, especially if you can't replace it," Moore-Joseph said. "That was their fiduciary duty and they failed miserably because they weren't paying attention. It's ridiculous."

Several websites sourced by the Pensacola News Journal seem to back up Moore-Joseph's interpretation on the spending of restricted funds.

"Restricted funds are monies set aside for a particular purpose as a result of designated giving. They are permanently restricted to that purpose and cannot be used for other expenses of the nonprofit," according to the website of the Foundation Group, a Nashville-based business management consultant that provides nonprofit formation, tax and compliance, and bookkeeping services.

The Florida Attorney General's Office, however, declined to answer the question of whether it is illegal under state statute for nonprofits to spend money set aside for a specific purpose in a restricted fund.

"We are not authorized to provide legal opinions or advice to private individuals," spokesperson Kylie Mason said in an email.

What did Humane Society board know about the concerns?

Longtime Humane Society board member Eloise Lautier sent a statement saying the board was "committed" to investigating the allegations.

"I have been involved with the Pensacola Humane Society for 11 years, first as a volunteer, then as a board member," Lautier wrote in a statement. "As a volunteer, I have cleaned kennels and litter boxes, walked dogs, bathed animals, fostered kittens, adopted cats, and wept when we couldn't save a sick or injured animal ... my love for animals has always been a driving force in my life, and my goal has been to raise as much money and awareness for the cats and dogs as I possibly can. I have appreciated and admired the very difficult and emotionally taxing work of volunteers, fosters and staff.

"Since I became a board member 10 years ago, my work has become more fundraising and administrative, but I can assure you that we have never missed a payroll, and we have always provided for the needs of our animals. As a board, we are committed to investigating and getting to the bottom of these allegations. We are all dedicated to saving lives, 4 paws at a time."

Seven members of the Humane Society's governing board were in attendance at the hurriedly called Dec. 12 meeting with an estimated 90 employees. They came, they said, to address issues raised in the lengthy press release.

"You got the board's attention," Gonzales said to open the approximately two-hour long meeting.

Adcox was not in attendance. Gonzales explained that the board president did not feel it proper that he attend given that the press release directed specific allegations against him and called for his ouster.

More: Pensacola Hotel for Dogs and Cats finds pets forever homes. Now it needs a new home.

It was also clear from the sometimes heated tone of the meeting conversation that board members were not just present to air grievances. They also wanted to find out who had distributed the press release and convey to the senders, who called themselves We The Organization, how damaging its dissemination had been to the reputations of board members and the mindset of potential donors.

One board member said the "blanket statement against such a wonderful group of people" would cause people to question whether they want to donate.

Asked specifically for the names of those who had sent out the press release, the group of staff, volunteers and fosters answered as one "we did."

When board members stated that they had not heard about the concerns of the employee group prior to the press release being sent out, Moore-Joseph sounded incredulous. She said she'd brought her concerns about potential misappropriation of funds to the board no fewer than five times.

"I reported when there was a misappropriation of restricted funds. I reported it the way I'm supposed to because my name is on the state grant, not yours," she told Gonzales. "I had to put it (program funds) on my credit card because there was no money in it and I let you guys know that."

Gonzales, a bank president, rebuked Moore-Joseph when she used the word "misappropriation."

"There was not a misappropriation of funds," he told the group. "Let me make that clear."

Moore-Joseph would say later the funds she attempted unsuccessfully to access were from Louie's Love Fund, a program set up using a donation provided courtesy of the Chadbourne Foundation.

"It's a program set up to help community members and their pets during emergency needs" she told the News Journal on Friday. "I did that twice (used her own credit card) and saved (a) dog from death. The dog is living with her family, they have two young boys and one on the way. Without my stepping up and using my personal credit card, the dog would not have had medical treatment. The executive board (comprised of board officers) were fully aware I did this. I told them multiple times."

She said Chadbourne Foundation donated \$30,000 this year for the first time to establish the Louie's Love Fund, and at the time she sought to access it there should have been close to \$3,700 still left for the program.

"There was zero, due to misappropriation," she said.

Pensacola Humane Society supporters raising funds for financial audit

Yet another restricted fund account discussed at the meeting was one created from a \$5,000 donation from local real estate broker Travis Talley. On the same day the meeting was held, Talley sent an email to the board of directors seeking "a full accounting of all restricted monies I donated starting in the 2021 fiscal year to present."

More: 'Any help is good help:' A HOPE submits plans to build spay and neuter facility in Milton

"On Nov. 21, 2022 I gave an emergency donation of \$5,000 to Manda Moore-Joseph for the purchase of vaccinations and medicines for the animals in Pensacola Humane Society's care," Talley's email said. "I would like the Board of Directors to explain why that funding was not immediately used to purchase those life-saving items. I would like to be sent receipts and invoices to verify my donation was used according to my restrictions and in a timely manner."

The meeting between board members and staff got underway with Gonzales notifying the staff in attendance that the Humane Society Board of Directors had encountered some challenges in recent months, including its own "bad decision" of hiring its recently departed executive director Jan Castillo.

Gonzales and other board members spoke of Castillo's poor handling of the duties of the Humane Society's chief administrative officer. But the staff defended Castillo, especially when it was insinuated that the money removed from restricted funds might be somehow attributable to her.

"You let it all go right out because you're not paying attention," Moore-Joseph said.

Gonzales said the board had also been "aware for awhile that this organization has been struggling financially."

"The COVID shut down interfered with a lot of fundraising activities and we haven't been able to hire a veterinarian qualified to do neutering and spay, which used to be a regular monthly source of income for us," he said.

He said in early December a meeting of the board's executive committee was held to address "an immediate need" for money. Gonzales said he personally made a phone call to secure a \$20,000 line of credit.

Asked whether the Humane Society's operating budget was overdrawn at the time the call was made, Gonzales echoed a comment Adcox had made following the press release being made public when he told the staff the Humane Society in its 80-year history had never failed to make payroll.

Moore-Joseph countered him by stating the board of directors had been warned long ahead of the \$20,000 emergency infusion being made that operating capital funds were getting

dangerously low.

Moore-Joseph, who has only recently obtained access to board financial statements, told the News Journal the board seems to have begun using all available funds to cover the cost of running the Humane Society after the agency "started bleeding" in the August time frame. One "big gift" of over \$200,000 had been depleted, she said.

She said she'd been sounding the alarm about the financial state of affairs almost from the time she took over as interim executive director.

"The executive committee was made aware we weren't going to make payroll multiple times, starting back to the week prior to the emergency meeting when we ended up going into the negative on our bank account," she said.

Sawyer, the treasurer, stayed with the Humane Society staff after other board members had left. She said donation funding has not been as robust as it had been in the past.

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She told the staff members, "If we need to pull cash for restricted purposes, we can do that" and requested a "specific list" of funding sources that have gone dry.

"We have an excellent base of investments," she said. "We will fix everything that needs to be fixed."

Friends and family of the Humane Society staff are in the process of establishing a GoFundMe page to pay for a forensic audit of Humane Society spending practices.

After the original press release was sent out, a law firm hired by the Humane Society Board of Directors issued a cease and desist order against Moore-Joseph and others in an effort to halt them from further discussing much of what had been alleged in the release. Moore-Joseph, who Adcox labeled as "rogue" in his original denials of the allegations made, said she decided to speak out when her integrity was questioned.

"We love our animals and we love our donors. It's hard when we can't care for them. I have donors who have come to me with lots of their hard earned money, and I can't account for it," she said. "I refuse to give in. The only thing I have is my reputation, my morals and my integrity, and they're not getting that."