

May 4, 2026, Special Finance Report

Good evening, I'm Mike, an alcoholic and your Treasurer, giving a Special Financial Report on behalf of the Area Officers and Finance Committee.

The IRS recently completed an audit of SENY. As part of the Area's response, in 2025 Interim Treasurer Tom B. conducted a snap audit of the 2024 books.

Tom found that in November 2024 the Panel 73 Treasurer had purchased a \$1,200 Apple laptop using SENY funds without telling anyone and still had the laptop; he established that no one had been informed of this. When asked, the Panel 73 Treasurer said that her old laptop had broken, that the new laptop had been bought to perform service, and that she did not understand that doing so was improper under the SENY Financial Guidelines.

She kept the laptop, which is SENY equipment. The Panel 73 Treasurer asked to retain the laptop and make restitution from outstanding reimbursements for her Panel 75 commitment. This was accepted, and partial restitution of around \$500 has been made from her 2025 SENY expenses.

However, Tom also informed the Officers that during Panel 73 the Treasurer had made multiple reimbursements to herself, all for exactly \$750 and zero cents, all without receipts or support. Tom recommended that the newly-elected Panel 75 Treasurer conduct an audit of the 2024 books. For reasons that will be apparent the review expanded to cover the entirety of Panel 73. I am now reporting on that audit, which I began just after finishing the 2026 budget.

In early January I informed the Officers that it appeared that there may have been other irregularities during Panel 73. We immediately met. We decided that I would examine the entirety of Panel 73, supported by Raj, who as Chair is the SENY Business Manager, and Jeanne as Alt-Delegate.

Further investigation revealed 25 ATM withdrawals, all from non-TD ATMs in the same neighborhood, totaling a little over \$5,000 dollars. None of these withdrawals were assigned to the Treasurer line in QuickBooks for accounting purposes; all were assigned to lines such as Printing, Office Supplies, or Equipment, which are not seen by anyone other than the Treasurer. In addition, I identified self-payments via Zelle, again assigned to a line other than Treasurer, made without any discernable service reason.

I reported back to the Officers, and we decided that we would have to ask the Treasurer about these expenses, but only after further investigation of all payments, including checks. We also agreed that if misappropriation was substantiated, we would be transparent and make a report to the Fellowship as soon as possible. We talked, but did not then decide, about what such a report would look like taking into consideration the Traditions and Concepts.

With permission I informed Tom in his capacity as Interim Panel 75 Treasurer. I then reviewed all electronic payments, including those that could have been done via Stripe and Venmo, and there are no issues there. Due to difficulty getting checks from the two closed TD bank accounts, I have not finished my review of all the checks, but I have read and reviewed most of them. However, prior to the March Assembly I sent the Officers my interim findings and my estimate of the total amount of money misappropriated, at least \$8,000.

This is an estimate because I have assumed that all reimbursements assigned to the Treasurer budget line are valid, even though there are no receipts. So, \$8,000 means money reimbursed to the Treasurer and put on lines like Printing and Supplies. This might increase but based on my review to date I hope not, or not significantly, but I cannot know for sure until I get the remaining checks.

The Officers further discussed my findings and the form of the report. And Raj informed the ad hoc Finance Committee.

Raj, Jeanne, and I then met in person with 3 of the 4 members of the Finance Committee at the March Day of Sharing, who agreed that it appeared that money may have been misused. They asked me to contact the Panel 75 Treasurer in writing.

I did so, copying the Officers and Finance Committee. I attached screenshots of all transactions in question. The Treasurer was able to show that one e-payment was SENY business. She then stated her intent not to respond further.

As for the ATM withdrawals, her position was that the Area had been "hacked." The reference to "hacking" refers to a Panel 73 incident where a check had been stolen, washed of ink, and fraudulently rewritten. This is check-washing, not hacking, and does not explain how the debit card, with its unique number and PIN, was used. And used only in locations near to where the Treasurer lives.

Bank information is not used to log into QuickBooks, which has not been “hacked.” There has been no explanation of why the Panel 73 Treasurer did not flag the 25 withdrawals but instead entered them as legitimate expenses under a variety of budget lines, and in such a way that the lines did not exceed 100% of budget.

The Treasurer explained the second Zelle payment of \$1,500 as follows: after the check washing incident the Area's accounts had been frozen and that without informing anyone, she supported the Area with her own money. Unlike the payment I mentioned earlier, the Treasurer did not adduce anything in support.

I then examined all 484 deposits registered in QuickBooks as made during Panel 73 and could see nothing to substantiate her claim. And last week I met with Raj, Jeanne, Tom, and Jo Ann. We talked about what I was going to report and how tonight at length.

The Officers and ad hoc Committee have been talking and thinking about how this could have happened and what steps we need to take to prevent a reoccurrence. One thing we all agree on is that the Financial Guidelines are very much out of date for the modern era and that we need to put oversight back into the Guidelines. To put it another way, our financial oversight controls worked in an era of paper but do not work in an e-banking world, especially for the Treasurer position.

I cannot speak for the Finance Committee, but we have taken some interim steps, which may become permanent in some form:

- 1) Because the Treasurer made reimbursements to herself without providing receipts, I send all my requests for reimbursements to the Chair from a personal email, cc'd to Treasurer.
- 2) The Chair of the Finance Committee now has access to QuickBooks for the purpose of audit and oversight at any time.
- 3) Creating alerts in the Chase account so that another Officer gets a notification when the card is used for any amount over 1 dollar. We will be talking further about what alerts should be sent and to whom, though this seems to be more within the purview of the Finance Committee.

4) Regarding Stripe, the Treasurer should never have super-admin or ownership privileges on Stripe because that would permit the Treasurer to get to and change the bank information. Fortunately, the Panel 73 Treasurer did not have such privileges.

5) I've been slow-walking using Venmo for payments, in part because putting oversight in is harder, but we're making progress. For the time being I am sending Venmo monthly statements to the Officers.

In addition to transparency, one of the reasons for reporting now is to begin to get the Area Committee involved in the solution. And not simply on the Guidelines themselves.

For me personally this really goes to trust: the Groups and individual alcoholics trust the Area and its trusted servants with their contributions to help alcoholics, and SENY has not lived up to that trust. And when I say "SENY" I am not referring to Panel 73 or any individual person; over the years a series of Panels did not pay attention to the Financial Guidelines and did not take stock as the financial world changed.

So, in Panel 75 we need to own that failure, that amends, which permitted this to happen, to move forward. And I hope this report, made on behalf of your Officers and the ad hoc Finance Committee, is a beginning.

With that, I'll take any questions and suggestions.