October 31, 2012

To the Charity Navigator Donor Advisory Issuance Committee:

I am reaching out to you today to provide information with the hope that you will remove the Donor Advisory that is currently posted on the profile of Kids Wish Network. In addition per your online instructions as to standard practice, I would request that you post this communication to our profile so the public can understand the facts behind the material that has been presented.

Like Charity Navigator, we at Kids Wish Network believe that it is critical for the public to know the truth behind the work of charitable organizations. Donors and potential donors should be told how their money is being spent. And although we understand from your website that “the Donor Advisory Issuance Committee does not have the capability to independently assess the veracity or accuracy of information, nor does it attempt to do so,” I am confident that you will find from the information below that a decision to remove the advisory is warranted.

Kids Wish Network has been making dreams come true for hundreds of thousands of children all over the world for more than 15 years. We are dedicated to infusing hope, creating happy memories, and improving the quality of life for children who are experiencing life-altering situations. Each and every day we are moved by the incredible stories of children worldwide who are dealing with life-threatening illnesses, the effects of poverty, abuse or homelessness. Although they come from diverse backgrounds and circumstances, all of these children share one thing: they have faced remarkable challenges in their young lives and are in desperate need of hope.

With the help of our generous donors and partners, we made a difference in the lives of more than 100,000 children worldwide last year. This year, we are on track to do even more.

Late last year, we became aware that an employee, Meanda Dubay, had illegally downloaded confidential company data files and records from Kids Wish Network, which included donor lists, vendor information, gift recipients, and confidential information about Kids Wish Network’s proprietary fundraising programs. Based on signed statements from eyewitnesses, it appears that Ms. Dubay had been planning for months to bring about the systematic demise of Kids Wish Network, including orchestrating a news story with false and misleading information that was inaccurate and incomplete, with the intention of launching her own competing charity with the confidential information that was illegally obtained.
We immediately took action and terminated Ms. Dubay after an internal company investigation confirmed the allegations, and we are currently pursuing a civil lawsuit to ensure that her theft and assorted violations do not go unpunished.

From Charity Navigator Advisory: In February 2012, WFLA (Tampa’s NBC affiliate) reported that an employee of Kids Wish Network (KWN) questioned the charity’s "fundraising methods, its contracting practices and reports it sent to the IRS" (Form 990). Although the charity reports that it has a Whistleblower Policy, it subsequently fired the employee alleging that she "was stealing proprietary information via computer to set up her own charity for granting the wishes of sick and dying children." For more details, please see WFLA’s report.

As you can see from the advisory’s entry above, Ms. Dubay went on a local television station to try to get ahead of her behavior, and made grossly inaccurate assertions about our business practices. Ms. Dubay used innuendos and suppositions on air that were aimed at maligning the charity with the intention of harming future fundraising efforts, allowing her to carry out a plan to launch her own competing charity with the confidential information that was illegally obtained.

Ms. Dubay had initially alleged to the television station that she was a “whistleblower” who was fired for retaliatory purposes after sending information to the Board of Directors, which identified a clerical error in Kids Wish Network’s tax filings and made false allegations against members of the Board and staff. This claim is without merit, as her termination was set in motion several weeks prior to her letter, which was delivered after she was fired. Her claims of retaliation have been refuted, and the termination deemed proper, legal and based on good cause. This has been reflected in the attached decision by Unemployment Compensation Referee issued by the Florida Department of Economic Opportunity, Unemployment Compensation Appeals, which upheld her termination for misconduct.

The facts, as outlined above, were provided to the local television station before the airing of Ms. Dubay’s interview. Unfortunately, they chose to ignore it.

From Charity Navigator Advisory: According to WFLA’s reporting, one of the points raised by the employee was that the charity failed to disclose on its Forms 990 business transactions involving interested persons. Kids Wish Network has since filed amended Forms 990 which show that it has engaged in business transactions involving interested persons (a current or former officer, director, trustee, or key employee; a family member of a current or former officer, director, trustee, or key employee). Specifically, Mark Breiner, former Director of Kids Wish Network, is an employee and shareholder of United Charities International, Inc. and Amerasource. These companies provide licensing and consulting services to Kids Wish Network and were paid a total of $692,771 in FYE 2011 and $993,000 in FYE 2010. For more details, please see WFLA’s report, the charity’s amended Forms 990, a copy of the contract between Amerasource and KWN and a copy of Amerasource’s Florida registration.
As the advisory entry above notes, an amended Form 990 has been filed. However, this amendment was not based on any claims by Ms. Dubay. In fact, Kids Wish Network was already in the midst of a previously scheduled third-party audit of our records, which identified a non-material reporting error that did not change the amounts requires to be reported to the IRS. As you know, amendments to Form 990s are not extraordinary, and we in fact did a thorough review with our auditors to ensure that any additional changes were made immediately.

The advisory also describes work done by “interested persons.” As you know, this is a term of art, and not something improper. While it is true that we currently pay vendors who have personnel who had previous roles within the organization, contract decisions were in fact made by a disinterested majority of our Board of Directors. We will always make business decisions based on getting the best services and resources for the children we serve at the lowest cost to the charity – so we can ensure that our costs stay low and focused on our programs. The payments noted in our Form 990s reflect industry standards, and are consistent with similar expenses paid by other charities for similar services. Our work with these and other vendors has helped us raise millions of dollars for the hundreds of thousands of children we serve.

From Charity Navigator Advisory: According to the IRS Forms 990 filed by KWN, a the number of family members were or are in leadership positions at the charity. Shelley Breiner was the charity’s treasurer and co-founder with Mark Breiner. Mark Breiner was the co-founder and the Director. As of FYE 2011, Barbara Askin, Shelley’s mother and Mark Breiner’s mother-in-law, remains a paid officer of the charity (secretary).

The Breiner family has helped change the lives of children across the country with the creation of Kids Wish Network. I am grateful to them for their previous contributions. However, both Mark and Shelley retired from their management positions at Kids Wish Network in 2010. I have been responsible for overseeing all finances and contracts for the charity since 2009. Barbara Askin retired in May of this year. And while she remains a dedicated member of our Board of Directors, I fail to see how this merits an advisory, and would welcome the opportunity to speak with someone further.

It has been nearly a year since Ms. Dubay was caught for her violations. Since then, we have worked hard to ensure that there has been no disruption to the many programs and services we provide to the children that we all fight for every day. But the donor advisory has remained, and we take that very seriously. In many ways, this advisory allows her to continue harming our charity – the very mission she set out to accomplish.

Our top priority has and will continue to be ensuring that the tens of thousands of children in whose lives we are making an impact every day are not impacted by the selfishness of one former employee. We ask that you do the same. We value your contribution to the charitable community, and respect the role you have. However in light of this information, we ask that you remove the advisory.
I am available to speak to you in great detail regarding this matter. Please contact me at 727-937-3600 with any questions.

Sincerely,

[Signature]

Anna R. Lanzatella
Executive Director