



Seattle City Attorney

Peter S. Holmes

June 13, 2016

Michele Marchand
Seattle Housing and Resource Effort (SHARE)
P.O. Box 2548
Seattle, WA 98111-2548

SHARE Board of Directors
P.O. Box 2548
Seattle, WA 98111-2548

Dear Ms. Marchand and Board members:

On May 18, 2016, the Seattle Human Services Department (HSD) referred to my office information concerning SHARE's use of an unlicensed CPA to prepare and review its financial statements in recent years.

Our office has reviewed the information and documents provided by HSD. The documents we reviewed include the Master Agency Services Agreement between SHARE and the City (the "Agreement"), the financial statements submitted by SHARE to the City, and SHARE's public letter dated May 17, 2016, addressing this matter. The conclusions I have reached, and a description of the steps I believe SHARE needs to take, are set forth below.

As you know, the Agreement requires that SHARE submit to the City financial statements that have been reviewed by an independent Certified Public Accountant. This is a critical requirement that exists to assure the City that the agencies with which it contracts, and to which it provides funding, are being operated in a fiscally responsible manner. Since at least 2009, SHARE has submitted financial statements to the City that have included an "Independent Accountant's Review Report" prepared by Steven A. Isaacson. The reports signed by Mr. Isaacson state that he is a Certified Public Accountant. However, the records of the Washington State Board of Accountancy show that Mr. Isaacson's CPA license lapsed in 1984.

SHARE's May 17 letter states that it was unaware that Mr. Isaacson's CPA license had lapsed many years before he began working for SHARE. The letter also lists a number of remedial steps that SHARE has taken or plans to take, including terminating all agreements for work with Mr. Isaacson; requesting that Mr. Isaacson return all SHARE property; informing Mr. Isaacson that SHARE would be requesting compensation from him for damages he has caused; agreeing to retain an accredited CPA to complete

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SHARE's 2015 financial review and investigate Mr. Isaacson's prior work for SHARE; accepted the offer a SHARE supporter to underwrite the costs of taking these steps; and agreeing to notify the appropriate law enforcement and licensing authorities of Mr. Isaacson's actions.

SHARE's use of an unlicensed CPA, however inadvertent it may have been, is of serious concern to the City and to this office. The remedial measures described in SHARE's May 17 letter are commendable, and represent a good start towards bringing SHARE back into compliance with the Agreement.

However, I do not believe it is sufficient for an accredited to CPA to simply "determine [the] adequacy" of Mr. Isaacson's past work. Even if it is determined that Mr. Isaacson's work was performed competently, in order to come into compliance with the Agreement I believe it is necessary for SHARE to re-submit its prior financial statements, accompanied by a signed review report prepared by a duly licensed CPA. In the event that SHARE does not have the resources to pay an accountant to perform these services (either through the supporter referenced in the May 17 letter or through other sources), I would direct your attention to the Nonprofit Assistance Center (<http://nacseattle.org/>), which may be able to provide assistance.

I believe it is the responsibility of the entire SHARE board to ensure that SHARE is brought into compliance with the Agreement, and to ensure that properly credentialed CPA services have been retained.

I ask that you confirm in writing that SHARE intends to take the steps described above to bring itself into compliance with the Agreement. Please do not hesitate to contact me to discuss this matter.

Very truly yours,



Peter S. Holmes
Seattle City Attorney

cc: Jason Johnson, Seattle Human Services Department