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Gloria King Response - Proposed Release of Expense Records/Sanders Previous Retirement

Gloria King, has decided to make a response to some of the absurd criticism she has received at the hands of the Charlotte Observer and spineless United Way employees and members of the Board of Directors.

As a simple matter of fact, Ms. King was one of the premier United Way Presidents in the country. In her fourteen years in Charlotte, she turned the Agency around, making it a significant force in the community and providing in 2007, her last year, over \$40 million in benefits to the charitable agencies under the United Way. She was a President reporting to a Board, an Executive Committee, and a number of other smaller committees, all peopled by members of the Board. She received regular pay increases commensurate with her performance and to ensure that she remained in Charlotte. All of this was authorized by responsible people, prominent members of the community, with vast experience in business and professional work. They were and are familiar with compensation retirement packages for CEOs in all sorts of industries. There was no secret or hidden aspect of any part of what she did, how she did it and/or how she was compensated. Everything was approved. Ten years ago, as she approached retirement age, it was apparent that the existing retirement account, was insufficient. She asked the Executive Committee to fix that deficiency. Despite her request, nothing was done until 2006. At that point, knowing she would be retired in three years, a fair supplemental retirement plan, in order for her to receive retirement at approximately 60% of her then income, had to be funded. This isn't an unusual event in private, public or charitable business operations.

A couple of weeks ago, Don Sanders, former President of the United Way, was interviewed by the Observer. His proclamations about his work, his salary and his retirement, consistent with patting himself on the back, failed to reveal that Mr. Sanders was paid, just prior to his stepping down, a \$1.2 million payment, in December 1994. Growing that amount at 4% and in consideration of the Consumer Price Index, means that payment, in December 2008, would have been \$3,271,000. Somehow the payment itself and its present worth, were left out of the Observer article about Mr. Sanders, who painted himself as a public servant retiring on a pittance. Mr. Sanders got these payments after two consecutive years of the United Way campaign failing to meet its fundraising goal. His career ended with his largest campaign achievement being a little over \$18 million. His salary back in 1994, was \$120,000 a year. In today's money, it would be greater than what Ms. King was being paid. Ms. King, in fact, almost tripled the contributions, which Mr. Sanders had helped raise. His retirement tripled that of Ms. King.

In the Observer quest to vilify Ms. King, as sparked by the current heads of the United Way (some of whom approved the very things now complained about), the latest negative assault is focused on expense accounts.

There were two types of expense accounts. The form 990 tax document submitted to the IRS annually, contained information on taxable expenses for the President, Ms. King. (The \$35,000 account.) Expenses were reported, for the most part, as taxable income on the W-2 of Ms. King. The Executive Committee would permit a gross-up calculation to defray some of the tax consequences Ms. King had in receiving these expense reimbursements. These expenses included a leased car and the maintenance associated with it; monthly expenses for the Point Country Club and the Piedmont Club. (Being a member of the Piedmont Club would permit Ms. King to visit in other associated Clubs in connection with her United Way travel and fundraising from large donors.) Benefits given to the President of the United Way, such as financial and tax planning and various insurance policies, were included. Ms. King, as President, was not given an annual expense account to use as she saw fit. The expenses were included in the President's Employment Agreement. When the actual expense was to be paid, it required the signature of the current Board Chair, past Board Chair, Vice-Chair or Treasurer. The account was audited annually by the outside accounting firm for the United Way. The policies regarding operation of this account were regularly reviewed, approved and the accountant for the United Way often publicly commented that the United Way of Central Carolinas was one of the best run not-for-profit businesses in this community.

Separate from this account, senior officers of the United Way were issued American Express Corporate Credit Cards. This had nothing to do with the \$35,000 expense account. Use of the cards was tested by the United Way outside accountants. From time to time, increased information was required in connection with using the card. There was never a question of legitimacy of any charges by these senior officers. They were reviewed by the United Way CFO. They were reviewed by the audit committee, one of whom was a member of the Federal Reserve Bank, another of whom was a retired executive of a public accounting firm. Policies were specifically designed for expenses incurred in travel of the United Way President. The policy was approved by all committees, including the Executive Committee acting on behalf of the Board of Directors. The American Express bill for Ms. King had to be signed and approved by either the Board Chair, past Board Chair, Vice Chair or Treasurer before it was submitted for payment. During her fourteen years at United Way, 100% of these charges were approved. The bill itself was opened by an assistant to Ms. King before she ever saw it. If there was a personal expense on her card, she wrote a personal check and paid it. There was never a question of this process in any audit conducted annually of the United Way books.

There will be a forum for Ms. King to reclaim her reputation and to recover her damages caused by members of the United Way who, instead of facing head on the public criticism generated in the spring of 2008 and backing Ms. King, as they should, have done everything in their power to make Ms. King their whipping boy. They have humiliated a proven leader, a black woman, a tireless public servant, two years from retirement. Most importantly, they have cost the beneficiaries of the United Way in one year, \$20 million, while paying a white, country-clubber, wealthy ex-Wachovia banker,

\$20,000 a month to serve as an inexperienced interim face for an agency, that may never recover, as the result of its own stupidity and failing to properly handle a perceived crisis that didn't have to be.