

State returns levied funds to senior center

Contributed by Elizabeth Larson
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LUCERNE — The Lucerne Alpine Senior Center's rough week has taken a dramatic turn for the better. Last Thursday, the center's bank accounts were drained by a \$7,000 levy from the State Franchise Tax Board's Industrial Health and Safety Collections department for back wages to former employees, as Lake County News reported Tuesday.

However, as of midnight Wednesday morning, the funds were returned, said center Executive Director Lee Tyree. It's a big relief for the center, which found itself unable to cover Meals on Wheels expenses or payroll after the levy hit, Tyree said.

So, what caused the State Franchise Tax Board to change its mind?

For one, the center was getting a lot of help from its friends.

The situation had rallied community members as well as local, state and federal officials — including Supervisor Denise Rushing, Congressman Mike Thompson's district representative Brad Onorato and Assembly member Patty Berg's office — who were doing what they could to intervene on the center's behalf.

Then, on Tuesday morning, Tyree said she received an anonymous phone call from an individual who told her they had seen the article on the center's situation published that day on Lake County News.

She was then instructed about who to call at the State Franchise Tax Board in order to get help in getting the money back. The caller told her that the board can't take funds used for payroll in a case such as this.

Following the caller's instructions, she made a connection with an individual at the tax board who said the money would be returned at midnight Wednesday.

In addition, the board agreed to give the center 30 days to prove it doesn't owe the back wages to the former employees, Tyree said. If it can't prove the wages aren't owed, the center can arrange a payment plan rather than having to pay out a large lump sum.

Tyree on Wednesday was relieved and overjoyed that the funds had been returned. She called the anonymous caller "an angel";

John Barrett, spokesman for the State Franchise Tax Board, said he couldn't disclose details about the collection action against the center or the levy refund.

Dean Fryer, deputy director of communications for the California Department of Industrial Relations — which also encompasses the state's labor commission — said when employers have judgments against them for delinquent debt such as unpaid wages, the State Franchise Tax Board becomes the collection agency. That's in addition to the board's regular state tax collection duties.

"We have several items in for collections against the senior center," said Fryer, but those items don't include delinquent taxes.

Altogether, he said the state believes the center owes more than \$13,000 for unpaid wages, unreimbursed business expenses, interest and penalties.

The individuals making the claims are four former senior center employees, according to copies of judgment documents Fryer released to Lake County News.

The documents show the labor commissioner held a Feb. 2, 2006 hearing on the claims, which Tyree said were awarded in June of that year.

However, Tyree — who came on as the center's executive director in January — said he only recently had found out about them, and had no warning that the state had intended to collect in the manner it initially did.

Those making claims include Rowland Mosser, the center's former executive director, who was forced out by the center board in August 2005, and three employees who he hired and left the center shortly after he did.

Mosser also is being prosecuted on several charges, including embezzlement and grand theft, in connection with a large sum — as much as \$200,000, in one former center official's estimation — that is alleged to have disappeared during his tenure as executive director.

The claims, which total \$13,618.29, include:

— Rowland Mosser, \$5,193.92 (\$2,420, wages; \$133.92, interest; \$2,640, additional wages accrued as a penalty);

— Sarah E. Weber, \$5,360.28 (\$1,190.31, wages; \$857.60, reimbursable business expenses; \$72.37, interest; \$1,620, additional wages accrued as a penalty; \$1,620, additional wages accrued as a penalty for issuance of nonsufficient funds payroll checks);

— Marie Craig, \$2,437.32 (\$482.40, wages; \$126.72, reimbursable business expenses; \$28.20, interest; \$1,800, additional wages accrued as a penalty);

— Omega D. Patterson Fox, \$626.77 (\$599.04, reimbursable business expenses; \$27.72, interest).

Last year, the center sold its thrift shop building to the county for \$150,000, which allowed it to pay off \$33,000 in unpaid taxes to the Internal Revenue Service which Mosser — who served with the center from January of 2002 to August of 2005 — hadn't paid, center officials reported.

Barrett said the center is current on all of its taxes to the state. However, he discovered in going through the center's files this week that Mosser had failed to file the center's 2004 statement of officers for its board of directors, which every corporation — nonprofit or for profit — is required to file with the state, he said. That resulted in the center having its corporation status suspended with the California Secretary of State, according to state records.

Barrett said there will be a small fine for that – the nonprofit fine is \$50 – but it's easy to resolve.

Tyree said she's been overwhelmed by the outpouring of support for the center.

“This community has really rallied together here,” she said.

Since last Friday, the center has received \$1,900 in donations. That kept in motion the center's Meals on Wheels program, which serves thousands of meals to seniors all the way from the Northshore to Blue Lakes and Elk Mountain, Tyree said.

She added that the center was grateful to Thompson, Berg and Rushing, who had stepped up and offered help during the center's crisis.

The center is still facing numerous challenges as it tries to get on an even footing. For information on how to help – whether making a donation of money or time – call the Lucerne Alpine Senior Center at 274-8779.

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