

DOWD BENNETT LLP

Interim Report of Investigation to the Audit Committee of the Board of Trustees of the Missouri History Museum

Background

- An anonymous letter was sent to Charles Valier, member of the Zoo-Museum District Board, claiming that documents related to Dr. Archibald's accrued vacation time were being shredded.
- Gloria Wessels, the chair of the Zoo-Museum District Audit Committee reported that informants from the Museum claimed that another employee had seen documents being shredded.
- The informant(s) also claimed that Karen Goering (the Museum's Managing Director of Operations) left the Museum with boxes of papers without a package permit and that the security policy was revised to allow high ranking executives to depart the Museum without inspection.

Audit Committee Response to Allegations

- On December 3, 2012, Dowd Bennett LLP was retained by the Audit Committee of the Missouri History Museum to determine whether any employees at the Missouri History Museum concealed, destroyed or removed documents in an attempt to obstruct work performed by Kerber, Eck & Braeckel (“KEB”) on behalf of the Audit Committee of the Zoo-Museum District.

Audit Committee Response to Allegations

- Martin Galt III, the Chair of the Audit Committee of the Missouri History Museum Board of Trustees, sent a letter to all employees requesting that they provide all information regarding these issues to the Dowd Bennett LLP attorneys.
- Galt's letter assured all employees that there would be no retaliation against employees who cooperated with the investigation.

Investigative Steps Undertaken by Dowd Bennett LLP

- Issued advisory and witness memoranda to all Museum employees, including requests for all information, and assured employees that there would be no retaliation for truthful cooperation.

Investigative Steps Undertaken by Dowd Bennett LLP (cont'd)

Conducted over 40 interviews with current and former MHM personnel and other witnesses, including:

- Rick Gratza, CPA at Kerber, Eck & Braeckel
- Members of the Zoo-Museum District Board
- Museum Executives
- Administrative Staff
- All Resource Protection Officers
- Gallery Attendants
- Housekeeping Staff
- General Services Staff
- Exhibits Personnel
- Volunteers
- Assistants
- Human Resources Personnel

Investigative Steps Undertaken by Dowd Bennett LLP (cont'd)

- Copied and reviewed pertinent daily log books, sign-in sheets and other scheduling data from the Resource Protection Security Office.
- Preserved all video surveillance recordings secured by Beishir Lock & Security.
- Reviewed video recordings from security cameras to determine whether any executive level employees removed boxes from the Museum.
- Logged activities viewed on video surveillance.
- Preserved emails and other electronic information.

Investigative Steps Undertaken by Dowd Bennett LLP (cont'd)

- Collected, stored and secured all shredding devices and shredding collection bins from both MHM and LRC facilities.
- Obtained electronic log records for key cards assigned to Museum personnel to track movement of employees.
- Collected records within MHM regarding dates and hours worked by various employees.
- Worked with Human Resources Department to understand organizational hierarchy.

Kerber, Eck & Braeckel Report

- KEB was formally engaged by the Audit Committee of the Zoo-Museum District on August 22, 2012, to perform certain agreed-upon procedures. KEB began its planning for those agreed-upon procedures in July 2012.
- Among the procedures to be performed by KEB were ones directed at the calculation of and financial liability for vacation days accumulated by the president of the Museum.
- KEB prepared a written report on these agreed-upon procedures dated October 18, 2012.

Kerber, Eck & Braeckel Report (cont'd)

- The KEB report concluded that the Museum's financial liability for accumulated vacation of the Museum president is accrued and is included in "other" non-current liabilities on the statements of financial position.

Kerber, Eck & Braeckel Report (cont'd)

- The KEB report confirmed that the annual vacation allotment was provided for in the President's contract. According to Museum management, the President's assistant tracked any vacation time taken and that time was reported annually to the Executive Compensation Committee prior to 2008. The President's vacation time is now recorded on a standard leave form and accumulated in the payroll records consistent with other Museum employees.

Kerber, Eck & Braeckel Report (cont'd)

When interviewed by Dowd Bennett, Richard Gratza, C.P.A. and the partner with Kerber, Eck & Braeckel who was responsible for performance of the agreed-upon procedures, concluded that all available information that was requested by his firm from the Museum was provided to it in an open and cooperative manner.

Kerber, Eck & Braeckel Report (cont'd)

During his interview, Mr. Gratza stated he was given all of the necessary information to perform the agreed-upon procedures requested by the ZMD Audit Committee, with the exception of an electronic calendar system that was removed from the Museum's system in 2011 as part of an upgrade.

Kerber, Eck & Braeckel Report (cont'd)

Mr. Gratz concluded that the available information supported the Museum's calculation of Dr. Archibald's accrued vacation.

Allegations that Documents were Improperly Removed from the Museum

- One resource protection officer claimed to have witnessed Karen Goering removing eight to twelve boxes of materials from the Museum on a cart on Monday, November 26, 2012.
- The officer claimed to be certain that this occurred on the Monday after Thanksgiving, November 26, 2012, in the afternoon.

Allegations that Documents were Improperly Removed from the Museum (cont'd)

- The officer maintained that Ms. Goering refused to show a package permit authorizing her to remove the boxes from the Museum.
- The officer alleged that Ms. Goering refused to allow the boxes to be inspected by the officer.
- The officer stated there was a threat that the officer would be terminated if the officer continued to question Ms. Goering.

Allegations that Documents were Improperly Removed from the Museum (cont'd)

- The officer also claimed that Ms. Goering put the boxes in her car while her husband sat in the driver's seat.
- The complaining officer admitted that the officer did not enter this alleged unauthorized removal of Museum property in either the daily or the “pass along” written security logs.

No Evidence Supports the Allegations

- The video recording of the loading dock area where this event supposedly occurred was reviewed for the entire day of Monday, November 26, 2012.
- The video recordings confirmed that no employee took multiple boxes from the Museum on Monday, November 26, 2012.

No Evidence Supports the Allegations

- Video footage of all Mondays in November was reviewed and did not support the allegations that a cart loaded with eight to twelve boxes was removed from the Museum or that boxes were loaded into a vehicle.

No Evidence Supports the Allegations

- The officer claimed that several other employees would corroborate the officer's allegations.
- Those employees contradicted the officer's claims.
- The officer claimed that another employee claimed to have seen the same executive taking boxes out of the Museum all day Saturday and Sunday of Thanksgiving weekend.
- When interviewed, that employee denied having seen any employee taking boxes out of the Museum on Saturday or Sunday.

No Evidence Supports the Allegations

- That employee said he not only never witnessed that activity, but he never told anyone he had witnessed such activity and does not work on Saturday.
- That employee referred the Dowd Bennett attorneys to the video recordings and said that they would see for themselves that Ms. Goering did not take a cart loaded with boxes out of the Museum on that Sunday or Monday.
- The video recordings confirmed that no employee removed a cart loaded with boxes from the Museum on the Sunday or Monday after Thanksgiving.

No Evidence Supports the Allegations

- The complaining officer claimed to have asked another resource protection officer to watch the control room while the complaining officer pursued Ms. Goering as she removed a cart loaded with boxes.

No Evidence Supports the Allegations

- That resource protection officer, who was a former employee at the time he was interviewed, was assigned to work in the galleries. He said that he never witnessed an executive employee coming or going with documents and that there was never a time that he was asked by the complaining officer or anyone else to watch the control room.

No Evidence Supports the Allegations

- The complaining officer never mentioned to him that someone purportedly took something from the building and he never heard such an allegation from anyone else, either.

No Evidence Supports the Allegations

- Employees interviewed about Ms. Goering consistently stated that Ms. Goering was a “stickler” for the rules who helped to create Museum policies, implemented them, and followed them.

Allegations of Shredding

- ZMD Board Members Gloria Wessels and Charles Valier reported receiving allegations that Ms. Goering was shredding documents.
- One allegation reported that such shredding took place “right now and last week” and on a Friday. Wessels and Valier declined to provide the identity of the individual(s) who made those allegations.

Allegations of Shredding (cont'd)

- Ms. Goering and her former assistant (who had retired from the Museum before the investigation commenced) confirmed that they were present in the Museum on a Sunday in early November and were cleaning out old color brochures from the Lewis & Clark exhibit and shredded those materials using the large shredder in the accounting area of the Museum.

Allegations of Shredding (cont'd)

- Access card records confirm Ms. Goering was present in the accounting area during the early afternoon of Sunday, November 4, 2012 and that her former assistant was present on that day as well.
- One resource protection officer who witnessed Ms. Goering's former assistant in the accounting area that day stated that he only observed color glossy brochures in the box of documents that was next to Ms. Goering's former assistant.

Allegations of Shredding (cont'd)

- A member of the housekeeping staff reported receiving a radio call from security to remove a bag of shredded matter from the accounting area, where upon arrival, the housekeeper observed Ms. Goering and her former assistant to be present.

Allegations by Certain ZMD Members

- In their January 11, 2013 open letter to employees of the Museum, Ms. Wessels and Mr. Valier stated that “the principal facts are that all records that would document Mr. [*sic*] Archibald’s unused vacation time have been destroyed.”

Allegations by Certain ZMD Members (cont'd)

- The only information that was confirmed to be unavailable was that found in the Museum's previous calendar and group scheduling software application, which was shutdown in early 2011. The computer server that hosted that software was scrapped as part of the institution's on-going recycling process in 2011.

Allegations by Certain ZMD Members (cont'd)

- The transition to new scheduling software and hardware from which to run the same was undertaken in the ordinary course of business, long before any allegations relating to the computation of the president's leave balance were directed at the Missouri History Museum.
- No evidence supported Ms. Wessels and Mr. Valier's allegation that "all records that would document Mr. [*sic*] Archibald's unused vacation time have been destroyed."

Allegations by Certain ZMD Members (cont'd)

- ZMD Board Member Ms. Wessels communicated claims she said she received from Museum employee(s) that Museum policy was subsequently changed to exempt Dr. Archibald and Ms. Goering from the requirement that packages being removed from the Museum are subject to inspection.
- Supervisory resource protection personnel informed Dowd Bennett that no changes were made to the policy that packages being taken out of the Museum be inspected and that without exception, any items removed from Museum property by any employee remain subject to inspection.

Findings

- No person made any allegation against Dr. Robert Archibald, the President of the Missouri History Museum.
- No one claimed that he concealed, destroyed or improperly removed any document of any kind from the Museum or attempted to hinder KEB in its performance of the agreed-upon procedures.

Findings

- The investigation uncovered no evidence of any kind that Dr. Archibald concealed, destroyed or improperly removed any document of any kind from the Museum or that he instructed anyone else to do so.

Findings

- The allegation made by a single resource protection officer that Ms. Goering removed boxes of documents from the Museum in violation of the package permit policy was not supported by any credible evidence and was refuted by all other employees and evidence reviewed.

Findings

- No credible evidence suggested that any Museum employee knowingly destroyed, concealed or removed from the Museum any documents in an attempt to obstruct the work of Kerber, Eck & Braeckel.

Conclusion

The investigation revealed no credible evidence that any documents were destroyed, concealed or removed from the Missouri History Museum premises for the purpose of impeding the Kerber, Eck & Braeckel's performance of the Agreed-Upon Procedures requested by the Audit Committee of the Zoo-Museum District or that KEB was not provided any information it required in order to complete its work.